

**CHILDREN'S AID SOCIETY OF BRANT  
o/a Brant Family and Children's Services**

**FINANCIAL STATEMENTS**

**For the year ended March 31, 2017**

**CHILDREN'S AID SOCIETY OF BRANT  
o/a Brant Family and Children's Services**

**For the year ended March 31, 2017**

**INDEX**

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10
Supplementary Information	11 - 13

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
and to the Members of  
**Children's Aid Society of Brant**

We have audited the accompanying financial statements of Children's Aid Society of Brant, which comprise the statement of financial position as at March 31, 2017, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Children's Aid Society of Brant as at March 31, 2017, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Other Matter**

In accordance with the Corporations Act (Ontario), we report that in our opinion generally accepted accounting principles adopted by Children's Aid Society of Brant have been applied on a basis consistent with that of the preceding year.

*Millard, Rouse & Rosebragh LLP*

June 1, 2017  
Brantford, Ontario

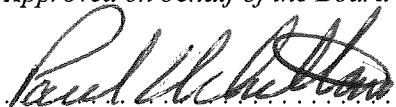
CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

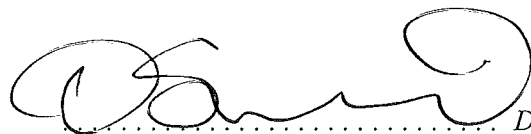
# CHILDREN'S AID SOCIETY OF BRANT

## STATEMENT OF FINANCIAL POSITION

As at March 31	2017	2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and bank	-	416,915
Accounts receivable		
Other Children's Aid Societies	9,835	12,149
Province	161,248	179,140
Federal - HST	136,640	147,439
Other	2,840	1,716
Due from the Ministry - Balanced budget fund (Note 10)	731,961	249,646
Prepaid expenses	300,129	154,422
	1,342,653	1,161,427
<b>Capital Assets (Note 3)</b>	1,259,875	1,402,626
<b>Funds Held in Trust (Note 4)</b>	104,454	107,560
	2,706,982	2,671,613
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank overdraft	156,716	-
Accounts payable and accrued liabilities	1,517,064	1,578,329
Deferred revenue (Note 5)	521,083	347,691
	2,194,863	1,926,020
<b>Employee Sick Leave Plan - Retirement Gratuity (Note 9)</b>	161,133	186,766
<b>Funds Held in Trust (Note 4)</b>	104,454	107,560
<b>Deferred Grants Related to Capital Assets (Note 7)</b>	107,503	123,911
	2,567,953	2,344,257
<b>NET ASSETS</b>		
Net assets invested in capital assets	1,152,372	1,278,715
Unrestricted net assets	(1,013,343)	(951,359)
	139,029	327,356
	2,706,982	2,671,613

Approved on behalf of the Board of Directors

 ..... Director

 ..... Director

See accompanying notes

# CHILDREN'S AID SOCIETY OF BRANT

## STATEMENT OF CHANGES IN NET ASSETS

<b>For the year ended March 31</b>	<b>Invested in Capital Assets</b>	<b>Unrestricted</b>	<b>Total 2017</b>	<b>Total 2016</b>
<b>Balance - Beginning of Year</b>	1,278,715	(951,359)	327,356	326,549
Excess of Expenses over Revenues	-	(188,327)	(188,327)	807
Purchase of capital assets	27,225	(27,225)	-	-
Amortization of capital assets	(169,976)	169,976	-	-
Amortization of deferred grants and contributions	16,408	(16,408)	-	-
<b>Balance - End of Year</b>	<b>1,152,372</b>	<b>(1,013,343)</b>	<b>139,029</b>	<b>327,356</b>

*See accompanying notes*

# CHILDREN'S AID SOCIETY OF BRANT

## STATEMENT OF OPERATIONS

For the year ended March 31	2017	2016
<b>Revenues</b>		
Province of Ontario - Regular	25,830,631	25,185,025
Investment income	2,108	4,627
Child Tax Benefit	1,023,695	901,480
Administration fees	45,735	45,735
Donations and other recoveries	248,535	185,916
	27,150,704	26,322,783
<b>Expenses</b>		
Salaries and employee benefits	17,309,708	16,692,063
Travel	550,847	524,521
Education and training	100,782	110,016
Building occupancy	1,014,272	979,085
Purchased services - professional	131,501	119,779
Program expenses	253,737	293,895
Boarding	4,524,611	4,511,555
Purchased services - client related	181,397	208,264
Clients' personal needs	1,860,300	1,532,124
Health and related	381,788	327,423
Promotion and publicity	69,069	60,678
Office expenses	299,098	385,028
Memberships	96,377	95,691
Technology expense	355,118	280,181
Miscellaneous	56,858	50,354
	27,185,463	26,170,657
<b>Excess of Expenses over Revenues</b>	(34,759)	152,126
Gain on disposal of capital assets	-	3,138
Amortization of:		
Capital assets	169,976	183,628
Deferred grants related to capital assets	(16,408)	(29,171)
<b>Excess of Expenses over Revenues</b>	(188,327)	807

See accompanying notes

# CHILDREN'S AID SOCIETY OF BRANT

## STATEMENT OF CASH FLOWS

For the year ended March 31	2017	2016
<b>Cash Flows From Operating Activities</b>		
Excess of expenses over revenues	(188,327)	807
Amortization of capital assets	169,976	183,628
Amortization of deferred grants related to capital assets	(16,408)	(29,171)
Loss on disposal of capital assets	-	(3,138)
Employee Sick Leave Plan - Retirement Gratuity	(25,633)	27,168
Net change in non-cash working capital balances related to operations		
Accounts receivable	2,314	8,439
Other Children's Aids		
Province	17,892	(98,742)
HST	10,799	(7,045)
Other	(1,124)	817
Due from/to Ministry - Balanced budget	(482,315)	(772,254)
Prepaid expenses	(145,707)	(4,156)
Accounts payable and accrued expenses	(61,265)	10,784
Deferred revenue	173,392	(79,771)
	(546,406)	(762,634)
<b>Cash Flows From Financing Activities</b>		
Grants for equipment purchase	-	16,557
<b>Cash Flows From Capital Activities</b>		
Purchase of capital assets	(27,225)	(208,429)
Proceeds on disposal of capital assets	-	12,000
	(27,225)	(196,429)
<b>Net Decrease in Cash and Bank</b>	(573,631)	(942,506)
<b>Opening Cash and Bank</b>	416,915	1,359,421
<b>Closing Cash and Bank and Bank Overdraft</b>	(156,716)	416,915



# CHILDREN'S AID SOCIETY OF BRANT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

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### 1. PURPOSE OF THE ORGANIZATION

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The Children's Aid Society of Brant ("The Society") operates programs to safeguard a permanent, nurturing family for all children at risk of abuse, neglect or abandonment throughout Brant County, Six Nations of the Grand and the Mississaugas of the New Credit Reserves. The Society is incorporated under the Corporations Act of the Province of Ontario as a not-for-profit organization without share capital and is a registered charity under the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards inclusive of PS 4200 through 4270, which apply to government not-for-profit organizations.

#### (a) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

#### (b) Revenue Recognition

The Society follows the deferral method of accounting for contributions. Contributions are recognized as revenue in the year in which the related expenses are incurred. All other revenue is recorded when earned and collection is likely.

#### (c) Capital Assets and Amortization

Capital assets are stated at cost. Amortization is provided for in the accounts on a straight line basis at the following rates:

Buildings	2 - 2.5 %
Automotive equipment	15 %
Leasehold improvements	2 - 10 years
Computer equipment	20 %
Office furniture and equipment	10 %
Computer software	33 %

#### (d) Allocation of Expenses

The Society operates various programs. The costs of each program includes the costs of personnel, premises and other expenses that are directly related to providing the program. The Society also incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

The Society allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year.

# CHILDREN'S AID SOCIETY OF BRANT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Financial Instruments

The Society utilizes various financial instruments which include cash, accounts receivable and accounts payable and accrued liabilities.

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

3. CAPITAL ASSETS	Cost	Accumulated Amortization	2017	2016
Land	300,962	-	300,962	300,962
Buildings	1,685,659	1,044,998	640,661	669,455
Automotive equipment	56,218	16,865	39,353	47,785
Leasehold improvements	755,578	662,009	93,569	120,334
Computer equipment	1,077,472	941,942	135,530	190,411
Office furniture and equipment	1,133,093	1,083,293	49,800	73,679
Computer software	198,855	198,855	-	-
	5,207,837	3,947,962	1,259,875	1,402,626

### 4. FUNDS HELD IN TRUST

The Society holds funds in trust and administers funds on behalf of specific wards of the Society.

### 5. DEFERRED REVENUE (CHARGES)

Deferred revenue represents the surplus (deficit) for the year ended March 31, 2017 of special programs administered by the Society undertaken during the year. The programs are as follows:

	Ontario Child Benefit	Universal Child Care Benefit	Other Programs	Total
Balance April 1, 2015	239,436	187,700	326	427,462
Receipts	277,108	279,370	-	556,478
Disbursements/Transfers	(359,476)	(276,500)	(273)	(636,249)
Balance March 31, 2016	157,068	190,570	53	347,691
Receipts	280,990	260,380	114,332	655,702
Disbursements/Transfers	(343,870)	(138,440)	-	(482,310)
Balance March 31, 2017	94,188	312,510	114,385	521,083

# CHILDREN'S AID SOCIETY OF BRANT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

### 6. REGISTERED EDUCATION SAVINGS PLAN

The Society receives Universal Child Care Benefits (UCCB) of \$60 to \$160 per month for certain children in care. The Ministry requires that all funds be invested into Registered Education Savings Plans (RESPs) for the benefit of qualifying children. The RESPs are invested with RBC. The Society is responsible for the management and distribution of the RESPs and does not have access to the funds. If a child cannot be found upon collapsing of the fund, earned funds are to be distributed to the remaining active RESP accounts. During the year, the Federal government replaced the UCCB with the new Canada Child Benefit program. The Society is required to continue to contribute the equivalent to the former UCCB program into RESP's for children in care.

### 7. DEFERRED GRANTS RELATED TO CAPITAL ASSETS

Deferred grants related to capital assets represent grants received from the Province and other non-related parties to fund purchases of property, plant and equipment. The grants are amortized on a basis consistent with the related assets purchased by the Society. The changes in the deferred grants balance for the year are as follows:

	2017	2016
<b>Grant Balance - Beginning of Year</b>	2,106,368	2,089,811
Grants for equipment purchases	-	16,557
	2,106,368	2,106,368
Less: Accumulated amortization	1,998,865	1,982,457
<b>Balance, Net of Accumulated Amortization - End of Year</b>	107,503	123,911

### 8. DEFERRED CONTRIBUTIONS

Deferred contributions represent funds received from the Brant Family and Children's Services Foundation for purchases of depreciable capital assets. The contributions are amortized on a basis consistent with the related assets purchased by the Society. The changes in the deferred contributions balance for the year are as follows:

	2017	2016
<b>Grant Balance - Beginning of Year</b>	960,599	960,599
Less: Accumulated amortization	960,599	960,599
<b>Balance, Net of Accumulated Amortization - End of Year</b>	-	-

# CHILDREN'S AID SOCIETY OF BRANT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

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### 9. EMPLOYEE SICK LEAVE PLAN - RETIREMENT GRATUITY

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The Society allows employees to accumulate sick leave days. The maximum sick leave credit is 80 days per employee. The plan allows for employees with over 20 years of employment to receive up to 50% of the unused days upon resignation or retirement. The actual retirement gratuities paid in 2017 amounted to \$60,432 (2016 - \$18,007) and are charged to current expenses. As at March 31, 2017, there is a possible unvested liability of approximately \$1,288,153 (2016 - \$1,290,691). Due to the restrictions associated with the plan, it is not practicable to estimate the full future liability. An accrual has been estimated for employees that have 30 years of service and/or are over 60 years of age. The estimate for these employees is \$161,133 (2016 - \$186,766).

### 10. BALANCED BUDGET FUND AND FUTURE ACCESS TO SURPLUSES

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In 2014, the Ministry of Children and Youth Services (MCYS) created the "Balanced Budget Fund" to support Children's Aid Societies in meeting their balanced budget requirement as set out in Regulation 70 and to proactively manage the risks associated with a multi-year budget planning process. The Balanced Budget Fund is based on an individual CAS basis, in an amount up to each CAS's accumulated surplus that has been returned to the Ministry. In order to be eligible to access these funds in a future year, the Society must meet two conditions: (1) the Society must have generated a prior year surplus recovered after 2013-14; and (2) in a subsequent year, the Society requires additional funding in an amount up to its total accumulated prior year surplus to balance its budget. During the year, the Society generated a deficit of \$732,077 (2016, deficit of \$249,646) that is expected to be paid by MCYS and will reduce the Society's Balanced Budget Fund held by MCYS.

### 11. FINANCIAL INSTRUMENTS

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#### Credit Risk

The Society's exposure to credit risk relates to its accounts receivable. The risk of significant loss is considered remote.

### 12. RELATED PARTY TRANSACTIONS

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The Society holds an economic interest in Brant Family and Children's Services Foundation. All resources of the Foundation are to be used for capital acquisitions and specific programs of the Society not funded by the province and for educational programs for the benefit of previous wards of the Society.

# CHILDREN'S AID SOCIETY OF BRANT

## SUPPLEMENTARY INFORMATION

For the year ended March 31	2017	2016
<b>Alternate Care</b>		
<b>Revenue</b>		
Province of Ontario	215,420	215,947
Other recoveries	24,240	29,280
	239,660	245,227
<b>Expenditures</b>		
Salaries and employee benefits	97,903	97,133
Travel	3,817	5,470
Education and training	333	202
Program expense	12,439	6,086
Board	97,375	113,855
Clients' personal needs	5,299	1,868
Administration	20,484	20,484
Recruitment expenses	2,010	147
	239,660	245,245
<b>Excess of Revenue over Expenditures</b>	-	(18)
<b>Preparation for Independence</b>		
<b>Revenue</b>		
Province of Ontario	66,453	66,453
<b>Expenditures</b>		
Salaries and employee benefits	56,787	57,474
Travel	542	985
Program expense	2,479	1,349
Administration	6,645	6,645
	66,453	66,453
<b>Excess of Revenue over Expenditures</b>	-	-

# CHILDREN'S AID SOCIETY OF BRANT

## SUPPLEMENTARY INFORMATION

For the year ended March 31	2017	2016
<b>Child Welfare Native Services on Reserve</b>		
<b>Revenue</b>		
Province of Ontario	186,060	186,060
<b>Expenditures</b>		
Salaries and employee benefits	102,454	102,454
Board	65,000	65,000
Administration	18,606	18,606
	186,060	186,060
<b>Excess of Revenue over Expenditures</b>	-	-
<b>Partner Facility Renewal</b>		
<b>Revenue</b>		
Province of Ontario	24,000	28,173
<b>Expenditures</b>		
Repairs and maintenance	24,000	28,728
<b>Excess of Revenue over Expenditures</b>	-	(555)
<b>Ontario Child Benefit Equivalent (OBCE)</b>		
<b>Revenue</b>		
Province of Ontario	343,870	359,475
<b>Expenditures</b>		
Higher degree of resiliency	171,148	168,475
Higher education achievement	81,044	73,706
Smoother transition to adulthood	18,638	25,980
Savings program for youth	73,040	91,314
	343,870	359,475
<b>Excess of Revenue over Expenditures</b>	-	-

# CHILDREN'S AID SOCIETY OF BRANT

## SUPPLEMENTARY INFORMATION

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For the year ended March 31	2017	2016
<b>Alternative Dispute Resolution</b>		
<b>Revenue</b>		
Province of Ontario	86,750	146,750
<b>Expenditures</b>		
Program Expense	86,750	146,754
<b>Excess of Revenue over Expenditures</b>	-	(4)

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