

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

FINANCIAL STATEMENTS

For the year ended March 31, 2016

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

For the year ended March 31, 2016

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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, 2016, 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, 2016, 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, Kousle & Rosebrugh LLP

June 2, 2016
Brantford, Ontario

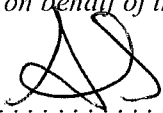
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

CHILDREN'S AID SOCIETY OF BRANT

STATEMENT OF FINANCIAL POSITION

As at March 31	2016	2015
ASSETS		
Current Assets		
Cash and bank	416,915	1,359,421
Accounts receivable		
Other Children's Aid Societies	12,149	20,588
Province	179,140	80,398
Federal - HST	147,439	140,394
Other	1,716	2,533
Due from the Ministry - Balanced budget fund (Note 10)	249,646	-
Prepaid expenses	154,422	150,266
	1,161,427	1,753,600
Capital Assets (Note 3)	1,402,626	1,386,687
Funds Held in Trust (Note 4)	107,560	95,944
	2,671,613	3,236,231
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	1,578,329	1,567,545
Due to the Ministry - Balanced budget fund (Note 10)	-	522,608
Deferred revenue (Note 5)	347,691	427,462
	1,926,020	2,517,615
Employee Sick Leave Plan - Retirement Gratuity (Note 9)	186,766	159,598
Funds Held in Trust (Note 4)	107,560	95,944
Deferred Grants Related to Capital Assets (Note 7)	123,911	136,525
	2,344,257	2,909,682
NET ASSETS		
Net assets invested in capital assets	1,278,715	1,250,162
Unrestricted net assets	(951,359)	(923,613)
	327,356	326,549
	2,671,613	3,236,231

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

For the year ended March 31	Invested in Capital Assets	Unrestricted	Total 2016	Total 2015
Balance - Beginning of Year	1,250,162	(923,613)	326,549	487,772
Excess of revenues over expenses	-	807	807	(161,223)
Purchase of capital assets	208,429	(208,429)	-	-
Proceeds on disposition of capital assets	(12,000)	12,000	-	-
Grant for equipment purchase	(16,557)	16,557	-	-
Gain on disposal of capital assets	3,138	(3,138)	-	-
Amortization of capital assets	(183,628)	183,628	-	-
Amortization of deferred grants and contributions	29,171	(29,171)	-	-
Balance - End of Year	1,278,715	(951,359)	327,356	326,549

CHILDREN'S AID SOCIETY OF BRANT

STATEMENT OF OPERATIONS

For the year ended March 31	2016	2015
Revenues		
Province of Ontario - Regular	25,185,025	24,786,141
Investment income	4,627	11,360
Child Tax Benefit	901,480	795,582
Administration fees	45,735	49,379
Donations and other recoveries	185,916	158,505
	26,322,783	25,800,967
Expenses		
Salaries and employee benefits	16,692,063	16,072,806
Travel	524,521	476,613
Education and training	110,016	93,314
Building occupancy	982,536	1,039,398
Purchased services - professional	119,779	124,742
Program expenses	312,925	194,317
Boarding	4,511,555	4,373,181
Purchased services - client related	189,234	254,705
Clients' personal needs	1,529,870	1,270,474
Health and related	327,423	341,677
Emergency assistance	2,254	3,230
Promotion and publicity	60,678	50,221
Office expenses	381,577	367,966
Memberships	95,691	94,052
Technology expense	280,181	293,166
Miscellaneous	50,354	52,715
	26,170,657	25,102,577
Excess of Revenues over Expenses Before Undernoted Items	152,126	698,390
Gain on disposal of capital assets	3,138	-
Amortization of:		
Capital assets	183,628	242,133
Deferred grants related to capital assets	(29,171)	(27,515)
Excess of Revenues over Expenses Before Settlement	807	483,772
Surplus repayable to MCYS (Note 10)	-	(644,995)
Excess of Revenues over Expenses	807	(161,223)

See accompanying notes

CHILDREN'S AID SOCIETY OF BRANT

STATEMENT OF CASH FLOWS

For the year ended March 31	2016	2015
Cash Flows From Operating Activities		
Excess of revenues over expenses	807	(161,223)
Amortization of capital assets	183,628	242,133
Amortization of deferred grants related to capital assets	(29,171)	(27,515)
Gain on disposal of capital assets	(3,138)	-
Employee Sick Leave Plan - Retirement Gratuity	27,168	(32,073)
Net change in non-cash working capital balances related to operations		
Accounts receivable	8,439	1,597
Other Children's Aids		
Province	(98,742)	(9,561)
HST	(7,045)	9,341
Other	817	943
Due from/to Ministry - Balanced budget	(772,254)	185,995
Prepaid expenses	(4,156)	24,292
Accounts payable and accrued expenses	10,784	5,239
Deferred revenue	(79,771)	(187,772)
	(762,634)	51,396
Cash Flows From Financing Activities		
Grants for equipment purchase	16,557	-
Cash Flows From Capital Activities		
Purchase of capital assets	(208,429)	(77,216)
Proceeds on disposal of capital assets	12,000	-
Net Decrease in Cash and Cash Bank	(942,506)	(25,820)
Opening Cash and Cash Bank	1,359,421	1,385,241
Closing Cash and Cash Bank	416,915	1,359,421

See accompanying notes

CHILDREN'S AID SOCIETY OF BRANT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

1. PURPOSE OF THE ORGANIZATION

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

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.

(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, 2016

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	2016	2015
Land	300,962	-	300,962	300,962
Buildings	1,685,659	1,016,204	669,455	698,250
Automotive equipment	56,218	8,433	47,785	8,862
Leasehold improvements	755,578	635,244	120,334	138,334
Computer equipment	1,060,225	869,814	190,411	158,415
Office furniture and equipment	1,123,117	1,049,438	73,679	81,864
Computer software	198,855	198,855	-	-
	5,180,614	3,777,988	1,402,626	1,386,687

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, 2016 of special programs administered by the Society undertaken during the year. The programs are as follows:

	2016	2015
Programs		
Ontario Child Benefit	157,068	239,436
Child Development	53	326
Universal Child Care Benefit	190,570	187,700
	347,691	427,462

Funding for the programs are specific to each program and any surplus (deficit) deferred relates to that specific program.

CHILDREN'S AID SOCIETY OF BRANT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

6. REGISTERED EDUCATION SAVINGS PLAN

The Society receives Universal Child Care Benefits 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.

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:

	2016	2015
Grant Balance - Beginning of Year	2,089,811	2,089,811
Grants for equipment purchases	16,557	-
	2,106,368	2,089,811
Less: Accumulated amortization	1,982,457	1,953,286
Balance, Net of Accumulated Amortization - End of Year	123,911	136,525

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:

	2016	2015
Grant Balance - Beginning of Year	960,599	960,599
Less: Accumulated amortization	960,599	960,599
Balance, Net of Accumulated Amortization - End of Year	-	-

CHILDREN'S AID SOCIETY OF BRANT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

9. EMPLOYEE SICK LEAVE PLAN - RETIREMENT GRATUITY

The Society provides for gratuities payable to employees on retirement. The maximum sick leave credit is 80 days per employee. On retirement from the Society, 50% of the unused days are payable to the employee. The actual retirement gratuities paid in 2016 amounted to \$18,007 (2015 - \$81,471) and are charged to current expenses. As at March 31, 2016, there is a possible liability of approximately \$1,290,691 (2015 - \$1,233,935). 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 \$186,766 (2015 - \$159,598).

10. BALANCED BUDGET FUND AND FUTURE ACCESS TO SURPLUSES

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 \$249,646 (2015, surplus of \$644,995) that is expected to be paid by MCYS and will reduce the Society's Balanced Budget Fund.

11. FINANCIAL INSTRUMENTS

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

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.

13. CONTINGENCY

The Society has been named in a statement of claim. The Society is currently defending the claim. As of the date of the financial statements a settlement of the claim, if any, has not yet been determined.

CHILDREN'S AID SOCIETY OF BRANT

SUPPLEMENTARY INFORMATION

For the year ended March 31	2016	2015
Alternate Care		
Revenue		
Province of Ontario	215,947	215,947
Other recoveries	29,280	10,250
	245,227	226,197
Expenditures		
Salaries and employee benefits	97,133	91,073
Travel	5,470	3,495
Education and training	202	125
Program expense	6,086	4,400
Board	113,855	101,007
Clients' personal needs	1,868	5,613
Administration	20,484	20,484
Recruitment expenses	147	-
	245,245	226,197
Excess of Expenditures over Revenue	(18)	-
Preparation for Independence		
Revenue		
Province of Ontario	66,453	66,453
Expenditures		
Salaries and employee benefits	57,474	56,762
Travel	985	599
Education and training	-	389
Program expense	1,349	2,058
Administration	6,645	6,645
	66,453	66,453
Excess of Revenue over Expenditures	-	-

CHILDREN'S AID SOCIETY OF BRANT

SUPPLEMENTARY INFORMATION

For the year ended March 31	2016	2015
Child Welfare Native Services on Reserve		
Revenue		
Province of Ontario	186,060	186,060
Expenditures		
Salaries and employee benefits	102,454	102,454
Board	65,000	65,000
Administration	18,606	18,606
	186,060	186,060
Excess of Revenue over Expenditures	-	-
Partner Facility Renewal		
Revenue		
Province of Ontario	28,173	80,307
Expenditures		
Repairs and maintenance	28,728	80,307
Excess of Expenditures over Revenue	(555)	-
Ontario Child Benefit Equivalent (OBCE)		
Revenue		
Province of Ontario	359,475	373,505
Expenditures		
Higher degree of resiliency	168,475	153,240
Higher education achievement	73,706	77,931
Smoother transition to adulthood	25,980	30,696
Savings program for youth	91,314	111,638
	359,475	373,505
Excess of Revenue over Expenditures	-	-

CHILDREN'S AID SOCIETY OF BRANT

SUPPLEMENTARY INFORMATION

For the year ended March 31	2016	2015
Alternative Dispute Resolution		
Revenue		
Province of Ontario	146,750	86,749
Expenditures		
Program Expense	146,754	86,749
	146,754	86,749
Excess of Expenditures over Revenue	(4)	-