

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

FINANCIAL STATEMENTS

For the year ended March 31, 2020

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

For the year ended March 31, 2020

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Children's Aid Society of Brant (the 'Society'), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

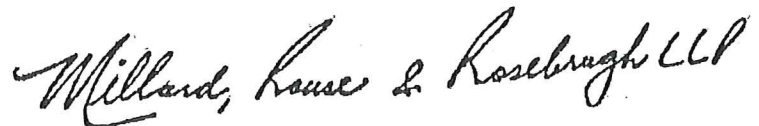
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial

statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



July 27, 2020
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

CHILDREN'S AID SOCIETY OF BRANT

STATEMENT OF FINANCIAL POSITION

As at March 31	2020	2019
ASSETS		
Current Assets		
Accounts receivable		
Other Children's Aid Societies	61,014	90,900
Province	44,087	68,727
Federal - HST	117,102	121,211
Prepaid expenses	201,976	274,548
	424,179	555,386
Capital Assets (Note 3)	982,136	1,018,562
Equipment Under Capital Lease (Note 4)	57,152	80,069
Funds Held in Trust (Note 5)	65,603	84,762
	1,529,070	1,738,779
LIABILITIES		
Current Liabilities		
Bank overdraft	377,870	924,318
Accounts payable and accrued liabilities	2,135,956	2,340,541
Deferred revenue (Note 6)	929,027	1,086,762
Due to Brant Family and Children's Foundation	-	500,000
	3,442,853	4,851,621
Employee Sick Leave Plan - Retirement Gratuity (Note 10)	75,712	110,415
Funds Held in Trust (Note 5)	65,603	84,762
Deferred Grants Related to Capital Assets (Note 8)	67,362	79,577
Obligation under Capital Lease (Note 9)	44,647	84,498
	3,696,177	5,210,873
NET ASSETS		
Net assets invested in capital assets	927,279	934,556
Unrestricted net assets	(3,094,386)	(4,406,650)
	(2,167,107)	(3,472,094)
	1,529,070	1,738,779

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 2020	Total 2019
Balance - Beginning of Year	934,556	(4,406,650)	(3,472,094)	(1,668,637)
Excess of revenues over expenses	-	1,304,987	1,304,987	(1,803,457)
Purchase of capital assets	81,745	(81,745)	-	-
Equipment under capital lease (net)	39,851	(39,851)	-	-
Amortization of capital assets	(141,089)	141,089	-	-
Amortization of deferred grants and contributions	12,216	(12,216)	-	-
Balance - End of Year	927,279	(3,094,386)	(2,167,107)	(3,472,094)

See accompanying notes

CHILDREN'S AID SOCIETY OF BRANT

STATEMENT OF OPERATIONS

For the year ended March 31	2020	2019
Revenues		
Province of Ontario - Regular	25,503,891	24,741,204
Municipal	1,022,561	1,027,511
Investment income	10,767	5,114
Child Tax Benefit	962,046	1,081,820
Administration fees	53,908	70,047
Donations and other recoveries	363,005	419,772
	27,916,178	27,345,468
Expenses		
Salaries and employee benefits	17,406,873	19,288,383
Travel	310,225	387,380
Education and training	41,246	79,375
Building occupancy	443,784	558,729
Purchased services - professional and financial	234,777	193,905
Program expenses	151,377	187,650
Boarding	4,499,235	4,895,316
Purchased services - client related	229,494	394,658
Clients' personal needs	769,271	839,980
Health and related	376,691	289,236
Liability Insurance	346,916	278,123
Promotion and publicity	33,346	48,901
Office expenses	221,645	293,040
Memberships	105,586	119,873
Targeted subsidies	1,133,325	904,590
Technology expense	123,483	177,667
Miscellaneous	55,044	76,795
	26,482,318	29,013,601
Excess of Revenues over Expenses Before Undernoted Items	1,433,860	(1,668,133)
Amortization of:		
Capital assets	141,089	147,540
Deferred grants related to capital assets	(12,216)	(12,216)
Excess of Revenues over Expenses	1,304,987	(1,803,457)

See accompanying notes

CHILDREN'S AID SOCIETY OF BRANT

STATEMENT OF CASH FLOWS

For the year ended March 31	2020	2019
Cash Flows From Operating Activities		
Excess of revenues over expenses	1,304,987	(1,803,457)
Amortization of capital assets	141,089	147,540
Amortization of deferred grants related to capital assets	(12,216)	(12,216)
Employee Sick Leave Plan - Retirement Gratuity	(34,703)	(48,536)
Net change in non-cash working capital balances related to operations		
Accounts receivable: Other Children's Aids	29,886	(46,837)
Province	24,640	37,907
HST	4,109	29,005
Other	-	978
Prepaid expenses	72,572	69,290
Accounts payable and accrued expenses	(204,585)	597,208
Deferred revenue	(157,735)	361,920
Capital lease	-	58,003
	1,168,044	(609,195)
Cash Flows From Financing Activities		
Current loan with Brant Family and Children's Foundation	(500,000)	500,000
Capital lease obligation	(39,851)	(30,089)
	(539,851)	469,911
Cash Flows From Capital Activities		
Purchase of equipment	(81,745)	-
Net Increase in Cash and Bank	546,448	(139,284)
Opening Cash and Bank (Bank Overdraft)	(924,318)	(785,034)
Closing Cash and Bank (Bank Overdraft)	(377,870)	(924,318)

See accompanying notes

CHILDREN'S AID SOCIETY OF BRANT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2020

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 and the Mississaugas of the Credit First Nations. 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. 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, 2020

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	2020	2019
Land	300,962	-	300,962	300,962
Buildings	1,685,659	1,131,381	554,278	583,072
Automotive equipment	56,218	42,164	14,054	22,487
Leasehold improvements	755,578	733,249	22,329	43,792
Computer equipment	1,182,432	1,104,301	78,131	45,358
Office furniture and equipment	1,133,093	1,120,711	12,382	22,891
Computer software	198,855	198,855	-	-
	5,312,797	4,330,661	982,136	1,018,562

4. EQUIPMENT UNDER CAPITAL LEASE	Cost	Accumulated Amortization	2020	2019
Equipment under capital lease	114,587	57,435	57,152	80,069

5. FUNDS HELD IN TRUST

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

CHILDREN'S AID SOCIETY OF BRANT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2020

6. DEFERRED REVENUE (CHARGES)

Deferred revenue represents the surplus (deficit) for the year ended March 31, 2020 of special programs administered by the Society undertaken during the year. The funds ending balance in Ontario Child Benefit funds will need to be spent on children in care, the ending Canada Child Benefit will need to be spent in accordance with Note 7. The programs are as follows:

	Ontario Child Benefit	Canada Child Benefit	Other Programs	Total
Balance April 1, 2018	131,713	593,466	(337)	724,842
Receipts	301,123	269,196	337	570,656
Disbursements/Transfers	(204,136)	(4,600)	-	(208,736)
Balance March 31, 2019	228,700	858,062	-	1,086,762
Receipts	265,966	210,720	-	476,686
Disbursements/Transfers	(218,021)	(416,400)	-	(634,421)
Balance March 31, 2020	276,645	652,382	-	929,027

7. REGISTERED EDUCATION SAVINGS PLAN

The Society receives Canada Child Benefits (CCB) 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.

8. 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 capital assets. 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:

	2020	2019
Grant Balance - Beginning of Year	2,106,368	2,106,368
Less: Accumulated amortization	2,039,006	2,026,791
Balance, Net of Accumulated Amortization - End of Year	67,362	79,577

CHILDREN'S AID SOCIETY OF BRANT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2020

9. CAPITAL LEASE OBLIGATION

The following is a schedule of minimum lease payments, including interest of 5% per annum under a capital lease expiring April 13, 2021 together with the balance of the obligation:

Year ending March 31, 2021	44,902
Total minimum lease payments	44,902
Less: amount representing interest	255
	44,647

10. EMPLOYEE SICK LEAVE PLAN - RETIREMENT GRATUITY

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 2020 amounted to \$72,878 (2019 - \$59,692) and are charged to current expenses. As at March 31, 2020, there is a possible unvested liability of approximately \$1,190,983 (2019 - \$1,262,543). 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 \$75,712 (2019 - \$110,415).

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.

During the year the Society rented property from the Foundation in the amount of \$130,718 (2019 - \$130,718)

The Foundation provided to support to the Society in the amount of \$79,835 during the year (2019 - \$86,077)

CHILDREN'S AID SOCIETY OF BRANT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2020

13. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Society in future periods.

In response to the emergency declaration in Ontario related to COVID-19, additional costs were incurred by the Society. These costs are included in the Child Welfare Fund in the Statement of operations and changes in fund balances.

	2020
Professional services - Client	23,660
Building occupancy	1,165
Technology	3,318
	<hr/> 28,143 <hr/>

14. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for purposes of comparison, have been reclassified to conform to the presentation adopted in the current period.

15. 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	2020	2019
Alternate Care		
Revenue		
Province of Ontario	168,337	200,149
Other recoveries	5,269	19,520
	173,606	219,669
Expenditures		
Salaries and employee benefits	117,817	100,730
Travel	2,212	2,496
Education and training	-	25
Program expense	2,172	15,944
Board	35,547	76,492
Clients' personal needs	495	3,343
Administration	15,363	20,484
Recruitment expenses	-	155
	173,606	219,669
Excess of Revenue over Expenditures	-	-
Preparation for Independence		
Revenue		
Province of Ontario	66,453	66,453
Expenditures		
Salaries and employee benefits	59,761	58,437
Travel	-	188
Program expense	-	1,183
Administration	6,692	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	2020	2019
Ontario Child Benefit Equivalent (OCBe)		
Revenue		
Province of Ontario	181,122	171,650
Expenditures		
Higher degree of resiliency	63,123	109,630
Higher education achievement	110,835	53,000
Smoother transition to adulthood	7,164	9,020
	181,122	171,650
Excess of Revenue over Expenditures	-	-

CHILDREN'S AID SOCIETY OF BRANT

SUPPLEMENTARY INFORMATION

For the year ended March 31	2020	2019
Alternative Dispute Resolution		
Revenue		
Province of Ontario	86,750	86,750
Expenditures		
Salaries and employee benefits	78,413	16,358
Program Expense	8,337	70,392
	86,750	86,750
Excess of Revenue over Expenditures	-	-
Educational Liaison		
Revenue		
Province of Ontario	66,914	28,345
Expenditures		
Salaries and employee benefits	28,157	-
Purchased Services - Professional	32,065	21,529
Administration	6,692	6,816
	66,914	28,345
Excess of Revenue over Expenditures	-	-