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## **Oxford-Elgin Child & Youth Centre**

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### **FINANCIAL STATEMENTS**

Years ended March 31, 2016 and 2015

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## INDEPENDENT AUDITORS' REPORT

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*To the Members  
Oxford-Elgin Child & Youth Centre*

*Report on the Financial Statements*

We have audited the accompanying financial statement of Oxford-Elgin Child & Youth Centre which comprise the statement of financial position as at March 31, 2016 and the statements of revenues and disbursements, changes in net deficit 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 accounting standards for not-for-profit organizations, 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 auditors consider internal controls 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*

In common with many not-for-profit organizations, Oxford-Elgin Child & Youth Centre derives revenue from its fundraising activities the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Oxford-Elgin Child & Youth Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2016 and net assets as at March 31, 2016.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Oxford-Elgin Child & Youth Centre as at March 31, 2016, and the results of its operations and cash flows for the year ended then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Woodstock, Ontario

June 22, 2016

*Symons, Wearn & Smith LLP*

CPA, CA, Licensed Public Accountants

# OXFORD-ELGIN CHILD & YOUTH CENTRE

## STATEMENT OF FINANCIAL POSITION

<i>As at March 31</i>	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 15,126	\$ 9,709
Accounts receivable	6,455	23,894
HST receivable	33,221	27,257
Prepaid expenses	1,779	11,016
	<u>56,581</u>	<u>71,876</u>
FIXED [Note 4]	<u>475,437</u>	<u>500,563</u>
	<u>\$ 532,018</u>	<u>\$ 572,439</u>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>CURRENT</b>		
Bank overdraft	\$ 85,705	\$ 119,475
Accounts payable and accrued liabilities	120,657	199,845
Government remittances payable	-	1
Current portion of long term debt	16,751	15,231
	<u>223,113</u>	<u>334,552</u>
LONG TERM [Note 6]	53,318	71,096
DEFERRED CONTRIBUTIONS [Note 7]	62,353	28,730
DEFERRED CONTRIBUTIONS - CAPITAL ASSETS [Note 8]	280,204	303,637
	<u>618,988</u>	<u>738,015</u>
NET DEFICIT	<u>(86,970)</u>	<u>(165,576)</u>
	<u>\$ 532,018</u>	<u>\$ 572,439</u>

APPROVED:

  
Marc Robit

**OXFORD-ELGIN CHILD & YOUTH CENTRE**

**STATEMENT OF CHANGES IN NET DEFICIT**

<i>For the year ended March 31</i>	2016	2015
Balance, beginning of year - as previously reported	\$ (153,787)	\$ (189,122)
Prior period adjustment [Note 10]	<u>(11,789)</u>	<u>-</u>
Balance, beginning of year - as restated	(165,576)	(189,122)
Excess of revenues over disbursements for the year	<u>78,606</u>	<u>23,546</u>
Balance, end of year	<u><u>\$ (86,970)</u></u>	<u><u>\$ (165,576)</u></u>

# OXFORD-ELGIN CHILD & YOUTH CENTRE

## STATEMENT OF REVENUES AND DISBURSEMENTS

<i>For the year ended March 31</i>	2016	2015
<b>REVENUES</b>		
MCSS/MCYS	\$ 3,464,081	\$ 3,268,890
MCYS - Youth Justice	78,750	78,750
Oxford Community Child Care - Mother Goose	40,000	33,838
County funding	-	(11,789)
Interest income	1	12
Recoveries	51,512	46,190
Donations and fundraising	9,606	28,280
Miscellaneous	18,167	33,611
A.S.P.I.E.S.	100	113
Amortization of deferred contributions	23,434	21,011
	<u>3,685,651</u>	<u>3,498,906</u>
<b>DISBURSEMENTS</b>		
Salaries and wages	2,037,583	1,983,095
Employee benefits	524,540	513,141
Travel	94,365	97,014
Training, education and conferences	23,209	32,337
Building occupancy	349,954	300,386
Purchased services non-clients	151,982	156,447
Purchased services clients	117,183	116,841
Program supplies	4,449	4,790
Client's personal needs	30	323
Health and related expenses	12,636	12,324
Promotion and publicity	2,975	2,656
Office administration	246,989	215,115
Miscellaneous	13,643	12,917
Depreciation	25,126	23,087
Interest - long term	2,381	4,887
	<u>3,607,045</u>	<u>3,475,360</u>
<b>EXCESS OF REVENUES OVER DISBURSEMENTS</b>		
for the year	<u>\$ 78,606</u>	<u>\$ 23,546</u>

# OXFORD-ELGIN CHILD & YOUTH CENTRE

## STATEMENT OF CASH FLOWS

<i>For the year ended March 31</i>	2016	2015
<b>OPERATING ACTIVITIES</b>		
Cash from operations:		
Excess of revenues over disbursements for the year	\$ 78,606	\$ 23,546
Depreciation	<u>25,126</u>	<u>23,087</u>
	103,732	46,633
Decrease (Increase) in accounts receivable	11,475	(7,785)
Decrease (Increase) in prepaid expenses	9,237	(9,689)
(Decrease) Increase in accounts payable and accrued liabilities	(79,188)	66,446
Decrease in government remittances payable	<u>(1)</u>	<u>(14,412)</u>
	<u>45,255</u>	<u>81,193</u>
<b>FINANCING ACTIVITIES</b>		
Decrease in long term debt	(16,258)	(14,514)
Decrease in deferred contributions related to capital assets	(23,433)	(21,011)
Increase in deferred contributions	33,623	22,359
(Decrease) Increase in bank overdraft	(33,770)	50,173
Decrease in short term debt	<u>-</u>	<u>(120,000)</u>
	<u>(39,838)</u>	<u>(82,993)</u>
<b>INCREASE (DECREASE) IN CASH</b>	5,417	(1,800)
<b>CASH - BEGINNING OF YEAR</b>	<u>9,709</u>	<u>11,509</u>
<b>CASH - END OF YEAR</b>	<u>\$ 15,126</u>	<u>\$ 9,709</u>
<b>Supplementary Cash Flow Information:</b>		
Interest paid	\$ 2,381	\$ 4,886
Income taxes paid	-	-

# OXFORD-ELGIN CHILD & YOUTH CENTRE

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2016

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### 1. PURPOSE OF ORGANIZATION

Oxford-Elgin Child & Youth Centre ("the Organization") is an agency providing a range of high quality, comprehensive mental health services for children and youth and their families who reside in Oxford and Elgin counties. The Organization is incorporated under the Business Corporations Act (Ontario) and is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

The accounting policies of the Organization are in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant.

#### Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on deposit minus cheques issued and outstanding.

#### Fixed Assets:

The Organization provides depreciation on its fixed assets using the straight-line method at rates set out below, designed to amortize cost over the expected useful life of the respective assets.

Building	40 years
Office equipment	20 years
Computers	5-10 years
Leasehold Improvements	5 years

#### Contributed Services:

The work of the Organization is dependent on the voluntary services of its members. Since these services are not normally purchased by the Organization and because of the difficulty in determining their fair market value, donated services are not recognized in these financial statements.

#### Revenue Recognition:

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions, if any, are recognized as direct increases in net assets.



# OXFORD-ELGIN CHILD & YOUTH CENTRE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2016

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### Disclosure of Allocated Expenses:

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

The Organization allocates its expenses according to management's best estimate based upon a reasonable and consistent basis of the time, space, and other resources utilized. The allocation is disclosed in the accompanying schedules.

### 3. CAPITAL MANAGEMENT

In managing capital, the Organization focuses on liquid resources available for operations. The Organization's objective is to have sufficient liquid resources to continue operating despite adverse financial events. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. The Organization has had discussions with the Ministry concerning its current cash position. Subject to the continued availability of bank short term financing and the compliance of the Ministry, at March 31, 2016, the Organization has met its objective of having sufficient liquid resources to meet its current obligations.

### 4. FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2016 Net</u>	<u>2015 Net</u>
Land	\$ 146,303	\$ -	\$ 146,303	\$ 146,303
Building	260,094	71,526	188,568	195,070
Office equipment	243,413	103,955	139,458	151,399
Computers	70,295	69,187	1,108	7,791
Leasehold Improvements	41,589	41,589	-	-
	<u>\$ 761,694</u>	<u>\$ 286,257</u>	<u>\$ 475,437</u>	<u>\$ 500,563</u>

# OXFORD-ELGIN CHILD & YOUTH CENTRE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2016

### 5. SHORT TERM DEBT

The bank loan is due on demand with interest at Royal Bank prime plus 1.0%. As security for the loan, the Organization has provided a registered general security agreement over all personal property.

The Organization has an authorized line of credit of \$75,000, of which \$75,000 (\$125,000 - 2015) remained unused at March 31, 2016. The loan is secured by a second mortgage on the real estate.

### 6. LONG TERM DEBT

	<u>2016</u>	<u>2015</u>
Mortgage payable - London District Roman Catholic School Board, 2.99%, repayable \$1,551 principal and interest monthly, due March 2020, secured by real estate	\$ 70,069	\$ 86,327
Less: Current portion of long term debt	<u>16,751</u>	<u>15,231</u>
	<u>\$ 53,318</u>	<u>\$ 71,096</u>

The aggregate amount of principal payments required in each of the next four years to meet retirement provisions are as follows:

2017	\$ 16,751
2018	17,259
2019	17,782
2020	18,322

### 7. DEFERRED CONTRIBUTIONS

Deferred contributions pertain to restricted operating funding received in the current period that is related to subsequent periods.

### 8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represents contributed capital assets and restricted contributions which were used to purchase the Organization's building. The changes in the deferred contributions balance for the year are as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 303,637	\$ 324,648
Less: Amounts amortized to revenue	<u>23,434</u>	<u>21,011</u>
Balance, end of year	<u>\$ 280,203</u>	<u>\$ 303,637</u>

# OXFORD-ELGIN CHILD & YOUTH CENTRE

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2016

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### 9. FINANCIAL INSTRUMENTS

#### Fair Value

The Organization has various financial instruments including cash, accounts receivable, bank overdraft, short term debt, accounts payable, accrued liabilities and long-term debt. Due to their short-term maturity, or, in the case of long-term debt, their market comparable interest rates, book values approximate fair market value.

Transacting in financial instruments exposes the Organization to certain financial risks and uncertainties. These risks include:

#### Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The Organization is not subject to interest rate risk with respect to its long-term debt as the mortgage has a fixed interest rate.

#### Liquidity Risk

Liquidity risk refers to the risk that the Organization will not be able to meet its financial obligations as they come due. Liquidity risk also includes the risk of the Organization not being able to liquidate assets in a timely manner at a reasonable price. Subject to the comments included in Note 3 the Organization meets its liquidity requirements by maintaining cash balances sufficient to meet cash flow requirements.

### 10. PRIOR PERIOD ADJUSTMENT

The financial statements for the prior year have been corrected to restate the income for the year from the Mother Goose program. Following the preparation of the 2015 financial statements, it was determined that \$11,789 of restricted funding reported in that year should have been deferred and reported in 2016 when the funds were spent. The change resulted in the net income for 2015 decreasing by the amount of the restatement.

# OXFORD-ELGIN CHILD & YOUTH CENTRE

## INCOME RECONCILIATION

*For the year ended March 31, 2016*

	TPAR Presentation					Total
	Deferral Adjustment	MCYS	MCSS	Youth Justice	Other Programs	
REVENUES	\$	\$	\$	\$	\$	\$
MCSS/MCYS	-	3,269,431	194,650	-	-	3,464,081
MCYS - Youth Justice	-	-	-	78,750	-	78,750
A.S.P.I.E.S.	-	-	-	-	100	100
Interest income	-	1	-	-	-	1
Recoveries	-	51,512	-	-	-	51,512
Donations and fundraising	-	7,714	-	-	1,892	9,606
Oxford Community Child Care - Mother Goose	-	-	-	-	40,000	40,000
Miscellaneous	-	18,167	-	-	-	18,167
Amortization of deferred contributions	23,434	-	-	-	-	23,434
	<u>23,434</u>	<u>3,346,825</u>	<u>194,650</u>	<u>78,750</u>	<u>41,992</u>	<u>3,685,651</u>
DISBURSEMENTS						
Salaries and wages	(7,727)	1,832,053	117,065	62,967	33,225	2,037,583
Employee benefits	-	475,319	33,054	13,136	3,031	524,540
Travel	-	71,674	7,496	11,846	3,349	94,365
Training, education and conferences	-	21,533	1,531	145	-	23,209
Building occupancy	-	339,094	8,951	1,909	-	349,954
Purchased services non-clients	-	149,919	1,238	825	-	151,982
Purchased services clients	-	86,798	30,385	-	-	117,183
Program supplies	-	3,442	525	-	482	4,449
Client's personal needs	-	30	-	-	-	30
Health and related expenses	-	12,636	-	-	-	12,636
Promotion and publicity	-	2,875	-	-	100	2,975
Interest - long term	-	2381	-	-	-	2,381
Office administration	-	235,109	6,082	3,993	1,805	246,989
Miscellaneous	-	13,643	-	-	-	13,643
Depreciation	25,126	-	-	-	-	25,126
	<u>17,399</u>	<u>3,246,506</u>	<u>206,327</u>	<u>94,821</u>	<u>41,992</u>	<u>3,607,045</u>
SUB-TOTAL	6,035	100,319	(11,677)	(16,071)	-	78,606
REALLOCATION OF DEFICIT	(6,035)	(21,713)	11,677	16,071	-	-
EXCESS	<u>\$ -</u>	<u>\$ 78,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,606</u>

# OXFORD-ELGIN CHILD & YOUTH CENTRE

## SERVICE CONTRACT RECONCILIATION

*For the year ended March 31, 2016*

The Service Provider/Delivery Agent has a Service Contract/CFSA Approval with the Ministry of Community, Social and Children and Youth Services. One requirement of the Service Contract/CFSA Approval is the production by management of a report, TPAP, which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the Service Contract/CFSA Approval.

A review of these reports shows the following services to be in a surplus/deficit position as at March 31, 2016.

	<u>Project Codes</u>	<u>Total Funding</u>	<u>Total Expenditures</u>	<u>Surplus/ (Deficit)</u>
<b><u>MCYS</u></b>				
CYMH Brief Services	A348	\$ 346,172	\$ 346,352	\$ (180)
CYMH Counselling/Therapy Services	A349	848,149	787,335	60,814
Crisis Services	A350	153,384	153,759	(375)
Family/Caregiver Skills Bldg & Support	A351	116,189	116,692	(503)
Access Intake Service Planning	A352	508,598	509,011	(413)
Intensive Treatment Services	A353	311,824	312,977	(1,153)
Service Coordination Process	A354	520,232	521,161	(929)
Spec. Consult/Aggress. Service	A355	12,298	12,298	-
System Management	A357	150,000	150,000	-
BPS - Other Children's Service	A440	2,099	2,099	-
Tele - Mental Health Services	A561	28,800	29,048	(248)
Other ASD Supports	A596	76,565	89,129	(12,564)
ASD Respite Services	A597	64,566	66,782	(2,216)
Partnership Facility Renewal - Capital	A709	62,900	70,031	(7,131)
Community Capacity Building	A771	<u>67,655</u>	<u>79,832</u>	<u>(12,177)</u>
<b>GROSS MCYS</b>		<u>3,269,431</u>	<u>3,246,506</u>	<u>22,925</u>
<b><u>MCSS</u></b>				
DS Specialized Services - APSW	8888	145,856	152,473	(6,617)
Resp. Supp. Children - In Home Support	9254	<u>48,794</u>	<u>53,854</u>	<u>(5,060)</u>
<b>GROSS MCSS</b>		<u>194,650</u>	<u>206,327</u>	<u>(11,677)</u>
<b><u>MCYS - Youth Justice</u></b>				
Children & Youth Services - Youth Justice	A852	<u>78,750</u>	<u>94,821</u>	<u>(16,071)</u>
<b>TOTAL GROSS</b>		3,542,831	3,547,654	(4,823)
Other Agency Income		69,680	-	69,680
Agency donation income		7,714	-	7,714
Deferral adjustment		<u>6,035</u>	<u>-</u>	<u>6,035</u>
<b>EXCESS</b>		<u>\$ 3,626,260</u>	<u>\$ 3,547,654</u>	<u>\$ 78,606</u>