
Oxford-Elgin Child & Youth Centre

FINANCIAL STATEMENTS

Years ended March 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

*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, 2017 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, 2017 and net assets as at March 31, 2017.

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, 2017, 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 8, 2017

Symons, Wearn & Smith LLP

CPA, CA, Licensed Public Accountants

OXFORD-ELGIN CHILD & YOUTH CENTRE

STATEMENT OF FINANCIAL POSITION

<i>As at March 31</i>	2017	2016
<i>ASSETS</i>		
CURRENT		
Cash	\$ 8,242	\$ 15,126
Accounts receivable	18,187	6,455
HST receivable	33,931	33,221
Prepaid expenses	1,817	1,779
	<u>62,177</u>	<u>56,581</u>
FIXED [Note 4]	<u>455,886</u>	<u>475,437</u>
	<u>\$ 518,063</u>	<u>\$ 532,018</u>
<i>LIABILITIES AND NET DEFICIT</i>		
CURRENT		
Bank overdraft [Note 5]	\$ 75,699	\$ 85,705
Accounts payable and accrued liabilities	118,274	120,659
Current portion of long term debt	17,259	16,751
	<u>211,232</u>	<u>223,115</u>
LONG TERM [Note 6]	36,059	53,318
DEFERRED CONTRIBUTIONS [Note 8]	81,357	62,353
DEFERRED CONTRIBUTIONS - CAPITAL ASSETS [Note 9]	<u>262,729</u>	<u>280,204</u>
	591,377	618,990
NET DEFICIT	<u>(73,314)</u>	<u>(86,972)</u>
	<u>\$ 518,063</u>	<u>\$ 532,018</u>

APPROVED:

OXFORD-ELGIN CHILD & YOUTH CENTRE

STATEMENT OF CHANGES IN NET DEFICIT

<i>For the year ended March 31</i>	2017	2016
Balance, beginning of year - as previously reported	\$ (86,972)	\$ (153,787)
Prior period adjustment [Note 7]	<u>-</u>	<u>(11,789)</u>
Balance, beginning of year - as restated	(86,972)	(165,576)
Excess of revenues over disbursements for the year	<u>13,658</u>	<u>78,604</u>
Balance, end of year	<u>\$ (73,314)</u>	<u>\$ (86,972)</u>

OXFORD-ELGIN CHILD & YOUTH CENTRE

STATEMENT OF REVENUES AND DISBURSEMENTS

<i>For the year ended March 31</i>	2017	2016
REVENUES		
MCSS/MCYS	\$ 3,661,091	\$ 3,464,081
MCYS - Youth Justice	87,750	78,750
Oxford Community Child Care - Mother Goose	41,046	40,000
Toyota funding	42,128	-
Amortization of deferred contributions	17,475	23,434
A.S.P.I.E.S.	-	100
Recoveries	52,877	51,512
Donations and fundraising	11,121	9,606
Miscellaneous	18,234	18,167
Interest	18	1
	<u>3,931,740</u>	<u>3,685,651</u>
DISBURSEMENTS		
Salaries and wages	2,259,777	2,037,584
Employee benefits	574,225	524,541
Travel	97,224	94,365
Training, education and conferences	33,014	23,209
Building occupancy	279,754	349,954
Purchased services non-clients	206,298	151,982
Purchased services clients	112,354	117,183
Program supplies	52,314	4,449
Client's personal needs	85	30
Health and related expenses	7,659	12,636
Promotion and publicity	19,260	2,975
Office administration	240,998	246,989
Miscellaneous	13,701	13,643
Depreciation	19,551	25,126
Interest - long term	1,868	2,381
	<u>3,918,082</u>	<u>3,607,047</u>
EXCESS OF REVENUES OVER DISBURSEMENTS for the year	<u>\$ 13,658</u>	<u>\$ 78,604</u>

OXFORD-ELGIN CHILD & YOUTH CENTRE

STATEMENT OF CASH FLOWS

<i>For the year ended March 31</i>	2017	2016
OPERATING ACTIVITIES		
Cash from operations:		
Excess of revenues over disbursements for the year	\$ 13,658	\$ 78,604
Depreciation	<u>19,551</u>	<u>25,126</u>
	33,209	103,730
(Increase) Decrease in accounts receivable	(12,442)	11,475
(Increase) Decrease in prepaid expenses	(38)	9,237
Decrease in accounts payable and accrued liabilities	(2,385)	(79,188)
Increase in government remittances payable	<u>-</u>	<u>1</u>
	<u>18,344</u>	<u>45,255</u>
FINANCING ACTIVITIES		
Decrease in bank overdraft	(10,006)	(33,770)
Decrease in deferred contributions related to capital assets	(17,475)	(23,433)
Increase in deferred contributions	19,004	33,623
Decrease in long term debt	<u>(16,751)</u>	<u>(16,258)</u>
	<u>(25,228)</u>	<u>(39,838)</u>
(DECREASE) INCREASE IN CASH	(6,884)	5,417
CASH - BEGINNING OF YEAR	<u>15,126</u>	<u>9,709</u>
CASH - END OF YEAR	<u>\$ 8,242</u>	<u>\$ 15,126</u>
Supplementary Cash Flow Information:		
Interest paid	\$ 1,838	\$ 2,381
Income taxes paid	-	-

OXFORD-ELGIN CHILD & YOUTH CENTRE

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

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, 2017

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, 2017, 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>2017 Net</u>	<u>2016 Net</u>
Land	\$ 146,303	\$ -	\$ 146,303	\$ 146,303
Building	260,094	78,028	182,066	188,568
Office equipment	243,413	115,896	127,517	139,458
Computers	70,295	70,295	-	1,108
Leasehold Improvements	41,589	41,589	-	-
	<u>\$ 761,694</u>	<u>\$ 305,808</u>	<u>\$ 455,886</u>	<u>\$ 475,437</u>

OXFORD-ELGIN CHILD & YOUTH CENTRE

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

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 (2016 - \$75,000) remained unused at March 31, 2017. The loan is secured by a second mortgage on the real estate.

6. LONG TERM DEBT

	<u>2017</u>	<u>2016</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	\$ 53,318	\$ 70,069
Less: Current portion of long term debt	<u>17,259</u>	<u>16,751</u>
	<u>\$ 36,059</u>	<u>\$ 53,318</u>

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

2018	\$ 17,259
2019	17,783
2020	18,276

7. 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.

8. DEFERRED CONTRIBUTIONS

Deferred contributions pertain to restricted operating funding received in the current period that were unable to be used in the current year. These contributions are deferred and recognized as revenue in the year in which the related program expenses are incurred.

OXFORD-ELGIN CHILD & YOUTH CENTRE

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

9. 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. Grants and donations are amortized on the same basis as the capital assets to which they relate. The changes in the deferred contributions balance for the year are as follows:

	<u>2017</u>	<u>2016</u>
Deferred revenue, beginning of year	\$ 280,203	\$ 303,637
Less: Funds recognized into revenue in the year	<u>17,475</u>	<u>23,434</u>
Deferred revenue, end of year	<u>\$ 262,728</u>	<u>\$ 280,203</u>

10. 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.

OXFORD-ELGIN CHILD & YOUTH CENTRE

INCOME RECONCILIATION

For the year ended March 31, 2017

	TPAR Presentation					Total
	Deferral Adjustment	MCYS	MCSS	Youth Justice	Other Programs	
REVENUES	\$	\$	\$	\$	\$	\$
MCSS/MCYS	-	3,466,441	194,650	-	-	3,661,091
MCYS - Youth Justice	-	-	-	87,750	-	87,750
Interest	-	18	-	-	-	18
Recoveries	-	52,877	-	-	-	52,877
Donations and fundraising	-	10,179	-	-	942	11,121
Oxford Community Child Care - Mother Goose	-	-	-	-	41,046	41,046
Miscellaneous	-	18,234	-	-	-	18,234
Toyota Funding	-	-	-	-	42,128	42,128
Amortization of deferred contributions	17,475	-	-	-	-	17,475
	<u>17,475</u>	<u>3,547,749</u>	<u>194,650</u>	<u>87,750</u>	<u>84,116</u>	<u>3,931,740</u>
DISBURSEMENTS						
Salaries and wages	(9,464)	2,049,417	121,072	64,438	34,314	2,259,777
Employee benefits	-	530,950	27,900	12,268	3,107	574,225
Travel	-	77,339	8,045	8,515	3,325	97,224
Training, education and conferences	-	30,258	2,099	657	-	33,014
Building occupancy	-	271,938	6,446	1,370	-	279,754
Purchased services non-clients	-	204,085	1,338	875	-	206,298
Purchased services clients	-	83,058	29,296	-	-	112,354
Program supplies	-	8,721	1,063	-	42,530	52,314
Client's personal needs	-	85	-	-	-	85
Health and related expenses	-	7,659	-	-	-	7,659
Promotion and publicity	-	19,260	-	-	-	19,260
Interest - long term	-	1,868	-	-	-	1,868
Office administration	-	229,676	5,367	5,115	840	240,998
Miscellaneous	-	13,701	-	-	-	13,701
Depreciation	19,551	-	-	-	-	19,551
	<u>10,087</u>	<u>3,528,015</u>	<u>202,626</u>	<u>93,238</u>	<u>84,116</u>	<u>3,918,082</u>
SUB-TOTAL	7,388	19,734	(7,976)	(5,488)	-	13,658
REALLOCATION OF DEFICIT	<u>(7,388)</u>	<u>(6,076)</u>	<u>7,976</u>	<u>5,488</u>	-	-
EXCESS	\$ -	\$ 13,658	\$ -	\$ -	\$ -	\$ 13,658

OXFORD-ELGIN CHILD & YOUTH CENTRE

SERVICE CONTRACT RECONCILIATION

For the year ended March 31, 2017

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, TPAR, 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, 2017.

	<u>Project Codes</u>	<u>Total Funding</u>	<u>Total Expenditures</u>	<u>Surplus/ (Deficit)</u>
<u>MCYS</u>				
CYMH Brief Services	A348	\$ 346,172	\$ 365,549	\$ (19,377)
CYMH Counselling/Therapy Services	A349	892,382	901,155	(8,773)
Crisis Services	A350	184,040	184,040	-
Family/Caregiver Skills Bldg & Support	A351	116,189	117,263	(1,074)
Access Intake Service Planning	A352	508,598	523,987	(15,389)
Intensive Treatment Services	A353	311,824	312,265	(441)
Service Coordination Process	A354	520,232	520,232	-
Spec. Consult/Aggress. Service	A355	12,298	7,659	4,639
Targeted Prevention	A356	34,856	34,856	-
System Management	A357	310,715	315,544	(4,829)
Tele - Mental Health Services	A359	18,000	18,008	(8)
BPS - Other Children's Service	A440	2,099	2,099	-
Other ASD Supports	A596	76,815	84,576	(7,761)
ASD Respite Services	A597	64,566	64,635	(69)
Community Capacity Building	A771	<u>67,655</u>	<u>76,147</u>	<u>(8,492)</u>
	GROSS MCYS	<u>3,466,441</u>	<u>3,528,015</u>	<u>(61,574)</u>
<u>MCSS</u>				
DS Specialized Services - APSW	8888	145,856	150,251	(4,395)
Resp. Supp. Children - In Home Support	9254	<u>48,794</u>	<u>52,375</u>	<u>(3,581)</u>
	GROSS MCSS	<u>194,650</u>	<u>202,626</u>	<u>(7,976)</u>
<u>MCYS - Youth Justice</u>				
Children & Youth Services - Youth Justice	A852	<u>87,750</u>	<u>93,238</u>	<u>(5,488)</u>
	TOTAL GROSS	3,748,841	3,823,879	(75,038)
Other Agency Income		71,129	-	71,129
Agency donation income		10,179	-	10,179
Deferral adjustment		<u>7,388</u>	<u>-</u>	<u>7,388</u>
	EXCESS	<u>\$ 3,837,537</u>	<u>\$ 3,823,879</u>	<u>\$ 13,658</u>