

Financial Statements of

**CHILDREN'S AID SOCIETY
OF TORONTO**

Year ended March 31, 2016



KPMG LLP
Yonge Corporate Centre
4100 Yonge Street, Suite 200
Toronto ON M2P 2H3
Canada
Tel 416-228-7000
Fax 416-228-7123

INDEPENDENT AUDITORS' REPORT

To the Members of the Children's Aid Society of Toronto

We have audited the accompanying financial statements of the Children's Aid Society of Toronto, which comprise the statement of financial position as at March 31, 2016, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising 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 our 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, we consider 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.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Children's Aid Society of Toronto as at March 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP



Chartered Professional Accountants, Licensed Public Accountants

June 8, 2016
Toronto, Canada

CHILDREN'S AID SOCIETY OF TORONTO

Statement of Financial Position
(In thousands of dollars)

March 31, 2016, with comparative information for 2015

	2016	2015 (Recast - note 18)
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,739	\$ 20,544
Funding receivable (note 16)	1,027	–
Accounts receivable and prepaid expenses	4,059	5,368
Receivable from Children's Aid Foundation (note 9)	12,537	10,193
Other current assets (note 2)	7,000	7,000
	<u>43,362</u>	<u>43,105</u>
Capital assets (note 3)	31,780	32,261
	<u>\$ 75,142</u>	<u>\$ 75,366</u>
Liabilities, Deferred Contributions and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 20,229	\$ 20,140
Funding payable	–	570
Current portion of mortgages payable (note 6)	5,359	8,902
	<u>25,588</u>	<u>29,612</u>
Deferred contributions (note 7):		
Expenses of future years	4,009	3,687
Capital assets	13,729	14,205
	<u>17,738</u>	<u>17,892</u>
Mortgages payable (note 6)	2,974	–
Employee future benefits (note 8)	3,154	3,390
Fund balances:		
Operating	1,829	809
Internally restricted (note 18)	7,000	7,000
Special Purposes	16,859	16,663
	<u>25,688</u>	<u>24,472</u>
Commitments (note 11)		
Contingencies (note 12)		
	<u>\$ 75,142</u>	<u>\$ 75,366</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

CHILDREN'S AID SOCIETY OF TORONTO

Statement of Operations
(In thousands of dollars)

Year ended March 31, 2016, with comparative information for 2015

	Operating		Special Purposes	
	2016	2015	2016	2015
Revenue:				
Government:				
Ontario (note 16)	\$ 160,937	\$ 159,332	\$ 868	\$ 1,044
Child Welfare Program funding deficiency (surplus) (balanced budget fund) (note 16)	238	(3,487)	—	—
Canada	3,775	3,667	—	—
City of Toronto	57	50	—	—
Grants from Children's Aid Foundation (note 9)	811	713	2,617	2,949
Investment	187	190	16	13
Program service and building fees	230	175	—	—
Amortization of deferred contributions relating to capital assets (note 7(b))	53	53	423	423
Other	514	508	252	458
	<u>166,802</u>	<u>161,201</u>	<u>4,176</u>	<u>4,887</u>
Expenses:				
Board rate payments	49,709	46,971	—	—
Salaries and benefits	84,881	84,841	905	1,137
Client-related	12,277	11,449	1,530	1,800
Occupancy and office	9,394	9,503	392	453
Travel	2,641	3,179	38	39
Purchased services	2,699	1,758	114	123
Amortization of capital assets	2,687	2,226	807	804
Training and recruitment	251	217	71	5
Other (note 10)	1,243	1,049	123	350
	<u>165,782</u>	<u>161,193</u>	<u>3,980</u>	<u>4,711</u>
Excess of revenue over expenses	\$ 1,020	\$ 8	\$ 196	\$ 176

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF TORONTO

Statement of Changes in Fund Balances
(In thousands of dollars)

Year ended March 31, 2016, with comparative information for 2015

2016	Operating	Internally restricted	Special purposes	Total
Fund balances, beginning of year	\$ 809	\$ 7,000	\$ 16,663	\$ 24,472
Excess of revenue over expenses	1,020	–	196	1,216
Fund balances, end of year	\$ 1,829	\$ 7,000	\$ 16,859	\$ 25,688

2015	Operating	Internally restricted (Recast - note 18)	Special purposes	Total
Fund balances, beginning of year	\$ 801	\$ 7,000	\$ 16,487	\$ 24,288
Excess of revenue over expenses	8	–	176	184
Fund balances, end of year	\$ 809	\$ 7,000	\$ 16,663	\$ 24,472

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF TORONTO

Statement of Cash Flows
(In thousands of dollars)

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses:		
Operating Fund and Special Purposes Fund	\$ 1,216	\$ 184
Items not involving cash:		
Amortization of capital assets	3,494	3,030
Amortization of deferred contributions relating to capital assets	(476)	(476)
Net change in deferred contributions received for future years	322	(770)
Change in non-cash operating working capital	(2,779)	274
	<u>1,777</u>	<u>2,242</u>
Financing activities:		
Repayment of mortgages	(569)	(549)
Investing activities:		
Purchase of capital assets	(3,013)	(2,186)
Decrease in cash and cash equivalents	(1,805)	(493)
Cash and cash equivalents, beginning of year	20,544	21,037
Cash and cash equivalents, end of year	<u>\$ 18,739</u>	<u>\$ 20,544</u>

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements
(In thousands of dollars)

Year ended March 31, 2016

The Children's Aid Society of Toronto (the "Society") was originally established in 1891 and is incorporated, without share capital, under the Corporations Act (Ontario). The Society is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

The Society provides a range of protection and prevention services, as mandated by the Ontario Child and Family Services Act (RSO 1990 Chapter c.11), to children in the Toronto area. Funding for these services is principally provided by the Province of Ontario. The Society is dependent upon this funding for continued operations.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with public sector accounting standards including the 4200 standards for government not-for-profit organizations.

(a) Funds:

The Society operates the following funds:

(i) Operating Fund:

The Operating Fund records the general operations of the Society and is primarily funded from government sources.

(ii) Special Purposes Fund:

The Special Purposes Fund reflects grants received from the Children's Aid Foundation ("CAF" or the "Foundation"), donations from other private sources and funding from government for specified preventive child abuse programs and research-oriented child welfare projects.

The Society's Board of Directors restricted the use of the funds from the sales of the land on the Charles Street site to future real estate-related uses of the Society. The uncommitted amount in this Real Estate Fund, which is included in the Special Purposes Fund at March 31, 2016, was \$5,523 (2015 - \$4,943).

(iii) Internally Restricted Fund:

The Board of Directors has internally restricted \$7,000 (2015 - \$7,000) for operating purposes.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(b) Revenue recognition:

The Society follows the deferral method of accounting for contributions.

The Society is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Children and Youth Services. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Revenue related to user fees, income from services rendered and investment income is recorded as it is earned.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

1. Significant accounting policies (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long-term debt is recorded at cost.

There are no items to be reported on the statement of remeasurement gains and losses, and as a result, the statement has not been prepared.

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized annually on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Leasehold improvements (term of lease)	15 years
Furniture and equipment	5 years
Vehicles	3 years
Computer hardware and software	3 years

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(f) Employee future benefits:

The Society provides sick leave benefits to its employees that accumulate but do not vest. The Society accrues this obligation based on future expectation of utilization of the benefit.

The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

The Society provides its employees with a benefits plan (including health, dental and other benefits) through an Administrative Services Only ("ASO") plan. The plan is funded by the Society based on experience and contribution factors, as determined with the plan provider. Premiums paid into the plan are expensed when paid. Amounts in excess of current requirements are considered surpluses and are refundable by the plan provider to the Society.

(g) Donated goods and services:

The Society benefits substantially from donated goods and services in the form of volunteer time. Since these invaluable donated goods and services are not purchased, they are not recorded in these financial statements.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the useful lives of capital assets and obligations related to employee future benefits. Actual results could differ from those estimates.

2. Other current asset:

The Society has a surplus in its ASO plan in excess of the minimum required reserves, of \$7,000 (2015 - \$7,000). The Society will apply to the plan provider to refund this balance in the coming year.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

3. Capital assets:

2016	Cost	Accumulated amortization	Net book value
Land	\$ 217	\$ -	\$ 217
Buildings	35,478	9,218	26,260
Leasehold improvements	1,184	219	965
Furniture and equipment	7,030	5,926	1,104
Vehicles	596	583	13
Computer hardware and software	12,473	9,252	3,221
	<u>\$ 56,978</u>	<u>\$ 25,198</u>	<u>\$ 31,780</u>

2015	Cost	Accumulated amortization	Net book value
Land	\$ 217	\$ -	\$ 217
Buildings	35,428	8,332	27,096
Leasehold improvements	891	150	741
Furniture and equipment	6,316	5,452	864
Vehicles	596	556	40
Computer hardware and software	10,517	7,214	3,303
	<u>\$ 53,965</u>	<u>\$ 21,704</u>	<u>\$ 32,261</u>

4. Credit facilities:

The Society has a \$14,000 line of credit available which is due on demand. This credit facility is secured by a general security agreement, which allocates the Society's properties on a pro-rata basis between both lenders. No amount was outstanding under this facility at March 31, 2016 (2015 - nil).

In addition, in 2013, the Society renewed an additional credit facility, with a different lender, that provides for a \$1,000 revolving lease line of credit. The \$1,000 revolving lease line of credit is due on demand. This credit facility is secured by a general security agreement, which allocates the Society's properties on a pro-rata basis between both lenders, and a collateral mortgage in the amount of \$15,000 on land and improvements owned by the Society. At March 31, 2016, no amounts were outstanding under the revolving lease line of credit (2015 - nil).

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

4. Credit facilities (continued):

The Society is required to comply with certain non-financial covenants in accordance with the terms of the credit facilities. As at March 31, 2016, the Society was in compliance with these covenants.

5. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities comprise:

	2016	2015
Accounts payable and other accruals	\$ 11,345	\$ 10,835
Salaries and benefits	8,884	9,305
	\$ 20,229	\$ 20,140

6. Mortgages payable:

	Interest rate	Maturity date	2016	2015
RBC loan, monthly principal payments plus interest	Bankers' acceptance + 0.40%	August 31, 2016	\$ 2,570	\$ 2,726
RBC loan, monthly principal payments plus interest	Bankers' acceptance + 0.40%	Due on demand	2,549	2,733
RBC loan, monthly principal payments plus interest	Bankers' acceptance + 0.40%	February 28, 2021	3,214	3,443
			8,333	8,902
Less current portion			5,359	8,902
			\$ 2,974	\$ -

Interest expense on the mortgages amounted to \$370 (2015 - \$402) and is included in occupancy and office expense.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

6. Mortgages payable (continued):

Minimum principal repayments due within each of the next five years are as follows:

2017	\$ 5,359
2018	253
2019	266
2020	279
2021	2,176
	\$ 8,333

7. Deferred contributions:

(a) Expenses of future years:

Deferred contributions related to expenses of future years represent unspent amounts received for specific purposes.

	2016	2015
Balance, beginning of year	\$ 3,687	\$ 4,457
Funding received plus interest	4,219	4,259
Amount recognized as revenue	(3,504)	(4,501)
Ontario Child Benefit Equivalency savings accrued	(393)	(528)
Balance, end of year	\$ 4,009	\$ 3,687

(b) Capital assets:

Deferred contributions related to capital assets represent the unamortized amount of restricted contributions received for the purchase of capital assets. The amortization of these capital contributions is recorded as revenue in the statement of operations.

	2016	2015
Balance, beginning of year	\$ 14,205	\$ 14,681
Amount recognized as revenue	(476)	(476)
Balance, end of year	\$ 13,729	\$ 14,205

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

8. Employee future benefits:

(a) Sick leave liability:

The employee benefit liability includes \$3,002 for accumulated sick leave benefits (2015 - \$3,208). Under the accumulated sick leave benefit plan, employees earn 18 days per year of service and are allowed to accumulate unused sick day credits up to a maximum of 100 days. Employees are not entitled to a cash payment on retirement. The accrual is calculated based on historic usage of this benefit.

(b) Multi-employer defined benefit plan:

All regular full-time and part-time employees of the Society are eligible to be members of OMERS, which is a multi-employer defined benefit plan. Employer contributions made to the plan during 2016 by the Society for current and past service amounted to \$7,075 (2015 - \$6,860) and nil (2015 - \$49), respectively.

9. Children's Aid Foundation:

(a) Grants from CAF - Special Purposes Fund:

The Foundation raises money from the public and corporate sectors and provides grants to the Society for preventive child abuse programs, as well as research-oriented child welfare projects for which regular government funding is not available.

CAF donated \$2,945 (2015 - \$3,059) for these special purpose projects, of which \$2,831 (2015 - \$2,503) is unspent at year end and is included in deferred contributions (note 7(a)).

	2016	2015
Balance, beginning of year	\$ 2,503	\$ 2,393
Funding received	2,945	3,059
Amount recognized as revenue	(2,617)	(2,949)
Balance, end of year	\$ 2,831	\$ 2,503

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

9. Children's Aid Foundation (continued):

(b) Grants from CAF - Operating Fund:

Properties are leased from CAF for rent of \$434 (2015 - \$448). The Foundation donated \$434 (2015 - \$448) to the Society in connection with this rent. The leases are for a one-year term, renewable annually. In addition, \$377 (2015 - \$265) was donated for other programs. Total donations to the Operating Fund are \$811 (2015 - \$713).

Certain administration functions are performed by the Society for CAF for \$10 (2015 - \$10) per year.

Included in receivable from the Foundation is \$10,000 (2015 - \$10,000) held by the Foundation for a Real Estate Fund for the Society under an agreement between the two parties.

10. Other expenses:

Included in other expenses are expenditures of \$665 (2015 - \$685) for insurance premiums and \$200 (2015 - \$200) for membership in the Ontario Association of Children's Aid Societies.

11. Commitments:

(a) The Society has entered into operating leases up to 2027 for vehicles, office equipment and premises other than those leased from the Foundation (note 9(b)).

Future minimum lease payments under operating leases are as follows:

2017	\$	1,830
2018		1,854
2019		1,885
2020		1,922
2021		1,961
Thereafter		12,617
		<hr/>
	\$	22,069

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

11. Commitments (continued):

(b) The Society has entered into agreements with certain adoptive parents to provide financial assistance for the care of adopted children. The approximate annual commitment for each of the next five years is \$3,289 (2015 - \$3,127).

12. Contingencies:

The Society is party to legal actions arising in the ordinary course of operations. While it is not feasible to predict the outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the operations of the Society. The Society maintains a level of insurance coverage.

13. Custodial assets:

The Society maintains cash and investments on behalf of children in the amount of \$262 (2015 - \$290). These amounts are not included in these financial statements.

14. Indemnification of officers and directors:

The Society's by-law states that the Society will indemnify its directors, officers and other persons undertaking any liability on behalf of the Society from any costs, charges and expenses whatsoever which such person sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him or her or in respect of any act, deed, matter, or thing whatsoever made, done or permitted by him or her in or about the execution of duties of his or her office, except such costs, charges or expenses as are occasioned by his or her own wilful neglect or default.

The Society's basic errors and omissions insurance policy covers directors, officers and other persons for up to \$15,000 annually in the aggregate, with respect to liability for damages imposed by a court of law in connection with the execution of their duties on behalf of the Society. In addition, the Society's insurance provides up to \$10,000 annual aggregate coverage for directors and officers with respect to claims made against them in the discharge of their duties for the Society where no protection exists under the Society's basic errors and omissions policy.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

14. Indemnification of officers and directors (continued):

In the unlikely event that a director or officer, in the execution of his or her duties, becomes liable for costs in excess of the Society's insurance coverage, the Society by-law described above obligates the Society to indemnify the individual for such costs. The nature of this indemnity prevents the Society from reasonably estimating the maximum exposure. Historically, the Society has not made significant payments nor does it expect to make any significant payments under such indemnity. While this may be a potential liability, in management's view, it is highly unlikely to occur.

15. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

16. Additional information:

The Society has Service Contracts/Child Family Services Act ("CFSA") Approvals with the Ministry of Children and Youth Services ("MCYS"). The following is a reconciliation report which summarizes by service (project code), all revenue and expenses and identifies any resulting surplus or deficit that relates to the Service Contracts/CFSA Approvals.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

16. Additional information (continued):

A review of this report shows the following services to be in a deficit position as at March 31, 2016.

MCYS Child Welfare Program:

	Core Funding Block I
Detail code	A760
Revenue:	
MCYS 2015-16 funding	\$ 158,860
Additional targeted subsidies funding	388
Funding from Balanced budget Fund	238
	159,486
Non-MCYS funding	4,992
	164,478
Expenses:	
Board rate payments	49,863
Salaries and benefits	83,561
Client-related	12,045
Occupancy and office	12,387
Travel	2,602
Purchased services	2,515
Training and recruitment	241
Other	1,264
	164,478
Excess of revenue over expenses	\$ -

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

16. Additional information (continued):

During 2014, MCYS announced the creation of the "Balanced budget Fund" to support Children's Aid Societies in meeting the newly announced balanced budget requirements that were outlined in the Child and Family Services Act Regulation 70. The Balanced budget Fund process has been developed individually for each Children's Aid Society and will reflect the accumulated surplus that was returned to MCYS each year. To be eligible to access these funds, the Society must meet two conditions:

- (a) the Society must have generated a prior year surplus recovered in or after 2013/14; and
- (b) the Society must require additional funding in a future year for child welfare operations in order that they will not incur a deficit. The required amount cannot exceed the total accumulated balanced budget fund surplus.

During 2016, the Society generated a deficiency of \$238 that will be recovered (2015 - surplus of \$3,487 was added to) from the Society's Balanced budget Fund. The deficiency of \$238 to be recovered is included in funding receivable at March 31, 2016.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

16. Additional information (continued):

MCSS and MCYS Generic Program:

Detail code	MCSS				MCYS						Grand total
	D.H. Foster Homes	Family Support Worker Program	MCSS total	Reception Centre (Moberly)	Pape Adolescent Resource Centre (PARC)	FASD Training/Respite	Broader Public Sector (BPS)	French Language Services (FLS)	MCYS total		
9250	281	64	345	1,074	842	281	11	9	2,217	2,562	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Funding	281	64	345	601	442	281	11	9	1,344	1,689	
Boarding rate charged to Child Welfare Program	-	-	-	292	-	-	-	-	292	292	
Recovery of expenditures from the Foundation	-	-	-	-	342	-	-	-	342	342	
Non-MCYS revenue	-	-	-	181	58	-	-	-	239	239	
	281	64	345	1,074	842	281	11	9	2,217	2,562	
				A350/A352/A353	A348/A352/A356	A771	A440	A337			
Expenses											
Board rate payments	180	-	180	-	-	-	-	-	-	180	
Salaries and benefits	98	63	161	1,037	732	-	11	-	1,780	1,941	
Client-related	-	1	1	34	1	154	-	-	189	190	
Occupancy and office	-	-	-	1	51	-	-	-	52	52	
Travel	3	-	3	2	20	11	-	-	33	36	
Purchased services	-	-	-	-	37	106	-	9	152	152	
Training and recruitment	-	-	-	-	-	10	-	-	10	10	
Other	-	-	-	-	1	-	-	-	1	1	
	281	64	345	1,074	842	281	11	9	2,217	2,562	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Excess of revenue over expenses	-	-	-	-	-	-	-	-	-	-	

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

16. Additional information (continued):

Reconciliation of statements of operations to Ministry Report:

Total Operating Fund revenue	\$ 166,802
Funding from Balanced budget Fund	(238)
Amortization of deferred contributions relating to capital assets	(53)
Changes in property tax rebate and other receivable	(1)
Ministry funding for generic programs	(1,689)
Non-Ministry revenue for Child Welfare Program	(4,992)
Non-Ministry revenue for generic program	(581)
Total Child Welfare Program funding	\$ 159,248
Total Operating Fund expenses	\$ 165,782
Add:	
Purchase of capital assets	3,013
Change in prepaid insurance and rent	20
Changes in employee future benefits, vacation and sick leave benefits	620
	<u>3,653</u>
	169,435
Less:	
Ministry generic program expenses	(2,270)
Amortization of capital assets	(2,687)
	<u>(4,957)</u>
Total Child Welfare Program expenses	\$ 164,478

17. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

CHILDREN'S AID SOCIETY OF TORONTO

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2016

17. Financial risks (continued):

The contractual maturities of mortgages payable are disclosed in note 6.

There have been no significant changes to the liquidity risk exposure from 2015.

(b) Interest rate risk:

The Society's mortgages payable have a variable interest rate based on bankers' acceptance rates plus a margin. As a result, the Society is exposed to interest rate risk due to fluctuations in the bankers' acceptance rate. There has been no change to the interest rate risk exposure from 2015.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the funding receivable, accounts receivable and receivable from Children's Aid Foundation.

The Society assesses, on a continuous basis, amounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Society at March 31, 2016 is the carrying value of these assets. Currently there is no allowance for doubtful accounts.

There have been no significant changes to the credit risk exposure from 2015.

18. Recast:

As noted in note 2, in previous years, the Society had not recorded the surplus in its ASO plan. Accordingly, the Society made adjustments which resulted in an increase in opening fund balances as at April 1, 2014 and an increase in other current assets as at March 31, 2015 for \$7,000. There is no material impact on the statement of operations for fiscal 2015. The Society's Board of Directors has internally restricted the use of this fund for operating purposes.