

Financial Statements of

**FAMILY AND CHILDREN'S
SERVICES OF THE
WATERLOO REGION**

And Independent Auditors' Report thereon

Year ended March 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Family and Children's Services of Waterloo Region (incorporated as The Children's Aid Society of the Regional Municipality of Waterloo)

Opinion

We have audited the financial statements of the Family and Children's Services of the Waterloo Region (incorporated as The Children's Aid Society of the Regional Municipality of Waterloo) (the Entity), which comprise:

- the statement of financial position as at March 31, 2019
- the statements of operations and net assets – operating fund for the year then ended
- the statements of operations and net assets – capital fund for the year then ended
- the statements of operations and net assets – special projects fund for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Family and Children's Services of the Waterloo Region as at March 31, 2019, and its results of operations and its cash flows for the year then ended, is 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 the Financial Statements***" section of our auditors' report.



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We are independent of the Entity 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.

Emphasis of Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.



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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 the 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 Entity'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 Entity'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 Entity 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.



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- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

June 13, 2019

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Statements of Financial Position

March 31, 2019, with comparative information for 2018

	Operating Fund	Special Projects Fund	Capital Fund	Ontario Child Benefit Equivalent Fund	March 31, 2019 Total	March 31, 2018 Total
	\$	\$	\$	\$	\$	\$
Assets						
Current assets:						
Cash	2,128,648	-	30,525	-	2,159,173	1,488,430
Accounts receivable	332,532	-	-	-	332,532	647,398
Prepaid expense	8,302	-	-	-	8,302	192,864
Due from the Province of Ontario Child Welfare (note 2)	20,632	-	-	-	20,632	437,457
Interfund receivable (payable)	(734,179)	4,046	(59,619)	789,752	-	-
	1,755,935	4,046	(29,094)	789,752	2,520,639	2,766,149
Capital assets, net (note 4)	-	-	8,454,737	-	8,454,737	9,339,341
	1,755,935	4,046	8,425,643	789,752	10,975,376	12,105,490

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

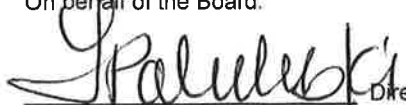
Statements of Financial Position

March 31, 2019, with comparative information for 2018

	Operating Fund	Special Projects Fund	Capital Fund	Ontario Child Benefit Equivalent Fund	March 31, 2019 Total	March 31, 2018 Total
	\$	\$	\$	\$	\$	\$
Liabilities, Deferred Contributions and Net Assets						
Current liabilities:						
Accounts payable and accrued liabilities	4,313,107	-	18,250	-	4,331,357	4,893,676
Accrued vacation liability	3,002,937	-	-	-	3,002,937	3,066,845
Due to The Regional Municipality of Waterloo Special Services Program (note 3)	-	-	-	-	-	3,080
	7,316,044	-	18,250	-	7,334,294	7,963,601
Accrued sick pay benefits (note 6)	9,818	-	-	-	9,818	9,471
Non-vested sick leave benefits (note 7)	1,695,185	-	-	-	1,695,185	1,627,131
Deferred revenue (note 8)	115,967	-	-	-	115,967	76,144
Deferred contributions (note 9)	-	-	5,028,829	789,752	5,818,581	6,198,758
	1,820,970	-	5,028,829	789,752	7,639,551	7,911,504
Net assets:						
Invested in capital assets	-	-	3,378,564	-	3,378,564	3,600,773
Internally restricted	-	4,046	-	-	4,046	4,190
Unrestricted	(7,381,079)	-	-	-	(7,381,079)	(7,374,578)
	(7,381,079)	4,046	3,378,564	-	(3,998,469)	(3,769,615)
Commitments (note 12)	-	-	-	-	-	-
	1,755,935	4,046	8,425,643	789,752	10,975,376	12,105,490

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Statements of Operations and Changes in Net Assets - Operating Fund

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Maintenance of children:		
The Province of Ontario	\$ 52,262,639	\$ 51,650,388
Family benefit and support, supervision, and child tax benefit	1,500,831	1,569,727
Other revenue:		
Grants (note 10)	1,566,504	1,235,328
Miscellaneous, rebates, and administration fees	237,668	588,630
Interest	25,225	24,799
	<u>55,592,867</u>	<u>55,068,872</u>
Expenditures (Schedule 1)	55,531,314	58,419,940
Excess of revenue over expenditures before the undernoted	61,553	(3,351,068)
Other expenditures:		
Surplus receivable from Province of Ontario Child Welfare (note 14)	-	350,000
Non-vested sick leave benefits	(68,054)	(82,856)
Deficiency of revenues over expenditures	(6,501)	(3,083,924)
Net deficit, beginning of year, previously stated	(7,374,578)	(3,125,366)
Adjustment to opening net deficit	-	(1,165,288)
Net deficit, end of year	<u>\$ (7,381,079)</u>	<u>\$ (7,374,578)</u>

See accompanying notes to financial statements.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Statements of Operations and Changes in Net Assets - Special Projects Fund

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Balance, beginning of year	\$ 4,190	\$ 4,150
Grants and donations	50	40
Expenses	(194)	-
Balance, end of year	\$ 4,046	\$ 4,190

See accompanying notes to financial statements.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Statements of Operations and Changes in Net Assets - Capital Fund

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Rental income	\$ 540,289	\$ 532,311
Amortization of deferred contributions	430,311	430,274
Capital expenditures incurred by operating fund	45,730	133,359
Interest	4,111	10,458
Gain on sale of property	423,123	-
	<u>1,443,564</u>	<u>1,106,402</u>
Expenditures:		
Amortization of capital assets	868,356	874,324
Building expenses	543,859	587,112
Salaries and benefits	228,834	127,000
Professional services	24,724	-
	<u>1,665,773</u>	<u>1,588,436</u>
Deficiency of revenues over expenditures	(222,209)	(482,034)
Net assets, beginning of year	3,600,773	4,082,807
Net assets, end of year	<u>\$ 3,378,564</u>	<u>\$ 3,600,773</u>

See accompanying notes to financial statements.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Statements of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenditures:		
Operating Fund	\$ (6,501)	\$ (3,083,924)
Special Projects Fund	(144)	40
Capital Fund	(222,209)	(482,034)
Adjustment to opening net deficit (note 15)	-	(1,165,288)
Items not involving cash:		
Amortization of capital assets	868,356	874,324
Gain on sale of asset	(423,123)	-
Amortization of deferred contributions relating to capital assets	(430,311)	(430,311)
Changes in non-cash operating working capital:		
Accounts receivable	314,866	(138,221)
Due from the Province of Ontario Child Welfare	416,825	-
Prepaid expenses	184,562	(192,864)
Accounts payable and accrued liabilities	(562,319)	(433,421)
Due to the Regional Municipality of Waterloo	(3,080)	-
Other payables	-	26,973
Accrued vacation liability	(63,908)	1,356,445
Accrued sick pay benefits	347	-
Non-vested sick leave	68,054	82,855
Deferred revenue	39,823	-
Deferred contributions relating to:		
Ontario Child Benefit Equivalent Fund	50,134	82,785
	231,372	(3,502,641)
Capital activities:		
Deferred contributions received - Capital Fund	-	19,900
Proceeds on sale of assets	485,101	-
Purchase of capital assets	(45,730)	(133,359)
	439,371	(113,459)
Increase (decrease) in cash	670,743	(3,616,100)
Cash, beginning of year	1,488,430	5,104,530
Cash, end of year	\$ 2,159,173	\$ 1,488,430

See accompanying notes to financial statements.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)
Notes to Financial Statements

Year ended March 31, 2019

Purpose of Organization:

Family and Children's Services of the Waterloo Region (the "Agency") is dedicated to a caring community where children and their families thrive. Building relationships with families and communities for the well-being and safety of children and youth is the mission of the Agency. The Agency is incorporated without share capital under the laws of the province of Ontario as a not-for-profit organization and 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 are met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. The Agency's significant accounting policies are as follows:

(a) Fund accounting:

The Agency follows the deferral method of accounting for contributions. Revenue and expenditures related to Child Welfare Services are reported in the Operating Fund and are primarily funded by the Province of Ontario. Also included in the Operating Fund are the Sexual Abuse Treatment Program, and the Partner Facility Renewal Program. These programs are funded separately by the Province of Ontario. The Special Services Program, included in the operating fund, is funded by the Region of Waterloo.

Revenue and expenditures related to the activities that cannot be funded from government funding are reported in Special Projects Fund.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to the Agency's capital assets.

The Ontario Child Benefit Equivalent Fund was created as a result of Ministry of Children and Youth Services policy directive CW-002-08. This restricted fund is to provide all children and youth in care with access to recreational, educational, cultural, and social opportunities that support their achievement of higher educational outcomes, higher degree of resiliency, social skills and relationship development, and a smoother transition to adulthood.

(b) Revenue recognition:

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

(c) Donated goods and services:

The value of goods and services donated to the Agency is not reflected in these financial statements because of the difficulty in determining fair value.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Notes to Financial Statements, continued

Year ended March 31, 2019

1. Significant accounting policies (continued):

(d) Capital assets:

Purchased capital assets are recorded in the Capital Fund at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Asset	Basis	Rate
Buildings	Straight-line	5%
Furniture and equipment	Straight-line	20%
Computers	Straight-line	30%
Vehicles	Straight-line	30%
Leasehold improvements	Straight-line	20%

(e) Employee future benefits:

Substantially all of the employees of the Agency are eligible to be members of the Ontario Municipal Employees' Retirement Fund ("OMERS"), which is a multi-employer, defined benefit, final average earnings, and contributory pension plan. Defined contribution plan accounting is applied to OMERS as the Agency has insufficient information to apply defined benefit accounting.

The Agency provides sick leave benefits for substantially all employees. The Agency accrues its obligations under the defined benefit plan as employees render the services necessary to earn the compensated absences. The actuarial valuation of the benefit plan was performed as of March 31, 2017 with an extrapolation to March 31, 2019.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. As the Agency has no financial instruments recognized at fair value, the Agency does not have a statement of remeasurement gains and losses.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Notes to Financial Statements, continued

Year ended March 31, 2019

1. Significant accounting policies (continued):

(f) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

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.

(g) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 years. Significant items subject to such estimates and assumptions include the carrying amount of accounts payable and accrued liabilities, accrued vacation liability, accrued sick pay benefits, non-vested sick leave, and valuation allowances for receivables. Actual results could differ from those estimates.

2. Due from The Province of Ontario - Child Welfare:

The amount due from The Province of Ontario resulted from outstanding funding in connection with the Child Welfare Approved Budget.

3. Due to/from The Regional Municipality of Waterloo - Special Services Program:

The amount due to/from The Regional Municipality of Waterloo results from outstanding funding in connection with the Special Services Program. The program is 100% funded by The Regional Municipality of Waterloo (Schedule 2).

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Notes to Financial Statements, continued

Year ended March 31, 2019

4. Capital assets:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,517,089	\$ -	\$ 1,517,089	\$ 1,535,889
Buildings	19,913,214	13,122,976	6,790,238	7,465,204
Furniture and equipment	1,237,034	1,219,475	17,559	54,953
Computers	2,011,850	1,881,999	129,851	283,295
Vehicles	29,534	29,534	-	-
Leasehold improvements	218,496	218,496	-	-
	\$ 24,927,217	\$ 16,472,480	\$ 8,454,737	\$ 9,339,341

5. Bank indebtedness:

The Agency has an available line of credit of \$3,000,000. This bank indebtedness is unsecured due on demand and bears interest at bank prime. At March 31, 2019, \$nil (2018 - \$nil) is outstanding.

6. Accrued sick pay benefits:

Under the sick leave benefit plan, employees with the Agency as at June 1987 may become entitled to a cash payment when they leave the Agency's employment. The liability for these accumulated days is the amount that could be taken in cash by employees on termination and/or retirement.

7. Non-vested sick leave benefits:

Permanent full-time and part-time employees are eligible for sick leave benefits after they have completed one month of service. Employees earn 1.5 days of sick leave credit for each month of service, with part-time employees pro-rated according to hours worked, to a maximum of 120 days. Accumulated credits may be used in future years if the employee's illness or injury exceeds the annual allocation of credits. The credits cannot be used for cash payouts and are forfeited upon termination of employment with the Agency.

The main actuarial assumptions employed for the valuations are as follows:

	2019	2018
Discount rate	2.90%	2.70%
Rate of compensation increase	2.50%	2.50%
Expected average remaining service life to retirement	15 years	15 years

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Notes to Financial Statements, continued

Year ended March 31, 2019

7. Non-vested sick leave benefits (continued):

Information about the Agency's sick leave benefit plan is as follows:

	2019	2018
Balance, beginning of year	\$ 1,627,131	\$ 1,544,276
Current benefit cost	182,401	180,472
Interest	43,296	38,320
Benefits taken	(157,643)	(135,937)
Balance, end of year	1,695,185	1,627,131
Accrued benefit obligation related to accumulated sick leave benefits	\$ 1,695,185	\$ 1,627,131

8. Deferred revenue:

Included in deferred revenue is an incentive funding provided by the Province of Ontario for the Agency to use in future years. Deferred revenue related to operating expenditures of future periods are as follows:

	2019	2018
Balance, beginning of year	\$ 76,144	\$ 76,144
Contributions received in the year	39,823	-
Balance, end of year	\$ 115,967	\$ 76,144

9. Deferred contributions:

Deferred contributions include the unamortized amount of the Ontario Child Benefit Equivalent funding.

Deferred contributions reported in the Capital Fund relate to capital assets and represent the unamortized amount of grants and donations received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Capital Fund statement of operations at the same rate as the related capital assets.

	2019	2018
Balance, beginning of year	\$ 5,459,140	\$ 5,869,551
Contributions received during the year	-	19,900
Less amounts recognized as revenue during the year	(430,311)	(430,311)
Balance, end of year	\$ 5,028,829	\$ 5,459,140

Included in contributions received during the year is \$nil (2018 - \$19,900) transferred from the Family and Children's Services of the Waterloo Region Foundation's Building Fund.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Notes to Financial Statements, continued

Year ended March 31, 2019

10. Grants:

The following grants were made to the Agency from the Family and Children's Services of the Waterloo Region Foundation:

	2019	2018
Grants	\$ 1,477,578	\$ 1,152,584
Scholarships	88,926	82,744
Grants received in operating fund	1,566,504	1,235,328
Grants received in capital fund	-	19,900
	\$ 1,566,504	\$ 1,255,228

11. Employee future benefits:

The Agency makes contributions to OMERS, which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2019 was \$2,698,986 (2018 - \$2,793,865) for current service.

12. Commitments:

The Agency is committed to the following lease payments for computers, photocopiers, printers, premises, and vehicles:

2020	\$ 492,534
2021	186,536
2022	137,487
2023	39,999

13. Financial instruments:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Agency is exposed to credit risk with respect to the accounts receivable. The Agency assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Notes to Financial Statements, continued

Year ended March 31, 2019

13. Financial instruments (continued):

(b) Liquidity risk:

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

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Agency to cash flow interest rate risk.

14. Future access to surpluses:

In fiscal 2014, the Ministry of Children and Youth Services announced the creation of a Balanced Budget Fund to support Children's Aid Societies in meeting the newly announced balanced budget requirement set out in Regulation 70 and to proactively manage the risks associated with a multi-year budget planning process. The Balanced Budget Fund will be developed by the Ministry for an individual Children's Aid Society up to the amount of the accumulated surplus returned to the Ministry following the implementation of this new funding model in 2013-14

In order to be eligible to access these funds in a future year, the Agency must have generated a prior year surplus that was repaid to the Ministry for fiscal years beginning on or after April 1, 2013 and, in a subsequent year, the Agency requires additional funding to balance its budget.

During the prior year, the Agency generated a deficit of \$3,351,078 of which \$350,000 of that was recovered from the Agency's Balanced Budget Fund.

The accounting for the Agency's Balanced Budget Fund is outlined below.

Surplus for Ministry Reporting	Expiry	Initial amount	Amount accessed in prior years	Amount accessed in current year	Ending balance
2013/14	2017	\$ 263,499	\$ (263,499)	\$ -	\$ -
2014/15	2018	418,140	(72,138)	(346,002)	-
2015/16	2019	3,998	-	(3,998)	-
		\$ 685,637	\$ (335,637)	\$ (350,000)	\$ -

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Notes to Financial Statements, continued

Year ended March 31, 2019

15. Registered Education Savings Plan:

The Agency receives Canada Child Benefit (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 in BMO. The Agency 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.

16. Comparative information:

Certain comparative information has been reclassified to conform to the current year's presentation.

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Expenditures - Child Welfare Services

Schedule 1

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Salaries	\$ 25,480,308	\$ 27,382,912
Boarding rate payments	13,753,079	14,656,673
Employee benefits	7,520,153	7,240,217
Client personal needs	3,257,447	3,478,022
Travel	986,087	1,079,884
Program expense	825,983	909,263
Technology	809,045	1,105,106
Miscellaneous	571,591	183,944
Professional services - non-client	513,786	374,755
Professional services - client	508,752	534,398
Health and allied services	410,110	549,577
Building occupancy	417,470	474,016
Office administration	237,592	274,685
Staff training, conference fees and education	111,692	60,966
Admission prevention	99,505	92,163
Promotion, publicity and advertising	28,714	23,359
	\$ 55,531,314	\$ 58,419,940

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Special Services Program - Statement of Revenue and Expenditures

Schedule 2

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
The Regional Municipality of Waterloo	\$ 141,872	\$ 380,458
Expenditures:		
Salaries and benefits	124,601	330,493
Travel	2,156	8,817
Program expense	40	4,968
Office administration	15,075	36,180
	<u>141,872</u>	<u>380,458</u>
Due to The Regional Municipality of Waterloo, end of year	\$ -	\$ -

Three months ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
The Regional Municipality of Waterloo	\$ -	\$ 95,114
Expenditures:		
Salaries and benefits	-	81,118
Travel	-	1,831
Program expense	-	40
Office administration	-	9,045
	<u>-</u>	<u>92,034</u>
Due to (from) The Regional Municipality of Waterloo, end of period	\$ -	\$ 3,080

Sexual Abuse Treatment Program - Statement of Revenue and Expenditures

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
The Province of Ontario	\$ 504,820	\$ 480,781
Expenditures:		
Salaries and benefits	473,039	432,539
Travel	1,965	11,210
Staff training	2,915	451
Program expense	2,862	12,542
Office administration	24,039	24,039
	<u>504,820</u>	<u>480,781</u>
Excess of revenue over expenditures	\$ -	\$ -

FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

(Incorporated as The Children's Aid Society of The Regional Municipality of Waterloo)

Partner Facility Renewal – Statement of Revenue and Expenditures

Schedule 3

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
The Province of Ontario	\$ -	\$ 229,400
Expenditures:		
Minor capital expenses	-	164,712
Due to the Province of Ontario Child Welfare	\$ -	\$ 64,688

Education Liaison Program

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
The Province of Ontario	\$ 77,186	\$ -
Expenditures:		
Salaries and benefits	69,467	-
Office administration	7,719	-
Due to the Province of Ontario Child Welfare	\$ -	\$ -