

Financial statements of

**The Children's Aid
Society of Hamilton**

March 31, 2017

The Children's Aid Society of Hamilton

March 31, 2017

Table of contents

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations and changes in fund balances	4
Statement of cash flows	5
Notes to the financial statements	6-13
Schedule of expenditures - client services - Schedule 1	14
Schedule of expenditures - legal services - Schedule 2	15
Schedule of expenditures - administration - Schedule 3	16
Schedule of revenues and expenditures - special purpose grants - Schedule 4	17

Independent Auditor's Report

To the Governing Board of
The Children's Aid Society of Hamilton

We have audited the accompanying financial statements of The Children's Aid Society of Hamilton, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and changes in fund balances 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 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.

Auditor's 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 auditor's 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 auditor considers 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Children's Aid Society of Hamilton as at March 31, 2017 and the results of its operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in cursive script that reads "Deloitte LLP".

Chartered Professional Accountants
Licensed Public Accountants
May 26, 2017

The Children's Aid Society of Hamilton

Statement of financial position

as at March 31, 2017

					2017	2016
	Child Welfare Fund	Ontario Child Benefit Fund	Society Fund	Capital Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash	1,488,871	615,497	778,637	-	2,883,005	4,141,092
Investments (Note 4)	-	-	2,102,068	-	2,102,068	2,375,807
Receivables						
Due from Province of Ontario (Note 13)	1,416,141	-	-	-	1,416,141	-
Other Children's Aid Societies	121,415	-	-	-	121,415	102,564
Interfund balance	(128,539)	44,048	84,491	-	-	-
Miscellaneous	504,099	1,382	18,267	-	523,748	533,020
Prepays and deposits	512,266	-	-	-	512,266	257,047
	3,914,253	660,927	2,983,463	-	7,558,643	7,409,530
Capital assets (Note 5)	-	-	-	11,507,128	11,507,128	11,543,365
	3,914,253	660,927	2,983,463	11,507,128	19,065,771	18,952,895
Liabilities						
Current liabilities						
Payables and accruals	4,336,879	14,934	11,989	-	4,363,802	3,849,125
Province of Ontario advances	-	-	-	-	-	356,037
RESP funds in trust (Note 6)	98,900	-	-	-	98,900	179,141
OCBE funds in trust (Note 7)	-	306,394	-	-	306,394	303,828
Bank loans (Note 8)	-	-	-	3,428,194	3,428,194	3,824,660
	4,435,779	321,328	11,989	3,428,194	8,197,290	8,512,791
Commitments (Note 10)						
Contingent liabilities (Note 11)						
Fund balance						
Equity in capital assets	-	-	-	8,078,934	8,078,934	7,718,705
Externally restricted funds (Note 9)	(521,526)	339,599	-	-	(181,927)	(10,178)
Unrestricted funds	-	-	2,971,474	-	2,971,474	2,731,577
	(521,526)	339,599	2,971,474	8,078,934	10,868,481	10,440,104
	3,914,253	660,927	2,983,463	11,507,128	19,065,771	18,952,895

Approved by the Board

_____ Director

_____ Director

The accompanying notes to the financial statements are an integral part of this financial statement.

The Children's Aid Society of Hamilton

Statement of operations and changes in fund balances

year ended March 31, 2017

					2017	2016
	Child Welfare Fund	Ontario Child Benefit Fund	Society Fund	Capital Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Province of Ontario						
Current funding	46,335,160	516,342	-	-	46,851,502	46,450,365
Balanced Budget Fund (Note 13)	1,245,776	-	-	-	1,245,776	-
Government of Canada						
Children's special allowance and benefits	2,227,684	-	-	-	2,227,684	1,734,677
Other Children's Aid Societies	327,878	-	-	-	327,878	312,748
Special purpose grants (Schedule 4)	281,250	-	-	-	281,250	441,719
Interest	34,272	5,482	46,630	-	86,384	79,923
Rent	-	-	544,441	-	544,441	529,853
Tax rebates	1,348	-	-	-	1,348	1,341
Donations	-	-	314,895	-	314,895	414,387
Fundraising	-	-	-	-	-	53,621
Miscellaneous	69,806	-	136	-	69,942	46,844
	50,523,174	521,824	906,102	-	51,951,100	50,065,478
Expenditures						
Client service (Schedule 1)	39,496,295	605,075	302,223	-	40,403,593	38,745,268
Legal services (Schedule 2)	2,490,390	-	-	-	2,490,390	2,395,682
Administration (Schedule 3)	7,588,259	-	(32,484)	791,715	8,347,490	7,121,527
Special purpose grants (Schedule 4)	281,250	-	-	-	281,250	441,719
	49,856,194	605,075	269,739	791,715	51,522,723	48,704,196
Excess of revenue over expenditures (expenditures over revenue) before undernoted	666,980	(83,251)	636,363	(791,715)	428,377	1,361,282
Less due to Province of Ontario						
Balanced Budget Fund (Note 13)	-	-	-	-	-	(632,723)
Excess of revenue over expenditures (expenditures over revenue)	666,980	(83,251)	636,363	(791,715)	428,377	728,559
Fund balance, beginning of year	(433,028)	422,850	2,731,577	7,718,705	10,440,104	9,711,545
Interfund transfers (Note 2)	(755,478)	-	(396,466)	1,151,944	-	-
Fund balance, end of year	(521,526)	339,599	2,971,474	8,078,934	10,868,481	10,440,104

The accompanying notes to the financial statements are an integral part of this financial statement.

The Children's Aid Society of Hamilton

Statement of cash flows year ended March 31, 2017

					2017	2016
	Child Welfare Fund	Ontario Child Benefit Fund	Society Fund	Capital Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Operating activities						
Excess of revenue over expenditures (expenditures over revenue)	666,980	(83,251)	636,363	(791,715)	428,377	728,559
Add items not involving cash						
Amortization of capital assets	-	-	-	791,715	791,715	617,047
Interfund transfers	(755,478)	-	(396,466)	1,151,944	-	-
Change in						
Due from Province of Ontario	(1,416,141)	-	-	-	(1,416,141)	-
Other Children's Aid Societies	(18,851)	-	-	-	(18,851)	11,530
Grants	-	-	-	-	-	3,849
Interfund balance	86,786	(4,188)	(82,598)	-	-	-
Miscellaneous	15,942	132	(6,802)	-	9,272	(65,994)
Prepays and deposits	(255,219)	-	-	-	(255,219)	(126,475)
Payables and accruals	517,517	(11,538)	8,698	-	514,677	281,052
Province of Ontario advances	(356,037)	-	-	-	(356,037)	(15,162)
RESP funds in trust	(80,241)	-	-	-	(80,241)	(165,359)
OCBE funds in trust	-	2,566	-	-	2,566	(9,182)
	(1,594,742)	(96,279)	159,195	1,151,944	(379,882)	1,259,865
Investing activities						
(Increase) decrease in investments	-	-	273,739	-	273,739	(566,617)
Purchase of capital assets	-	-	-	(755,478)	(755,478)	(622,048)
	-	-	273,739	(755,478)	(481,739)	(1,188,665)
Financing activity						
Repayment of bank loans	-	-	-	(396,466)	(396,466)	(411,826)
Net (decrease) increase in cash	(1,594,742)	(96,279)	432,934	-	(1,258,087)	(340,626)
Cash, beginning of year	3,083,613	711,776	345,703	-	4,141,092	4,481,718
Cash, end of year	1,488,871	615,497	778,637	-	2,883,005	4,141,092

The accompanying notes to the financial statements are an integral part of this financial statement.

The Children's Aid Society of Hamilton

Notes to the financial statements

March 31, 2017

1. Purpose of the organization

Funded under the Child and Family Services Act, The Children's Aid Society of Hamilton ("the Society") is committed to the protection and well-being of children, while supporting the autonomy and integrity of the family. The Society offers comprehensive child welfare services as well as ancillary programs funded through donations and grants. The Society is incorporated as a not-for-profit organization and is a registered charity under the Income Tax Act.

The Society is exempt from tax under section 149(1) (d) of the Canadian Income Tax Act.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The significant accounting policies of the Society are as follows:

Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The Child Welfare Fund presents the activities carried out under the Child and Family Services Act.

The Society Fund reports the total assets, liabilities, revenues and expenses of individual funds established from time to time by the Board of Directors for specific purposes. Sources of these funds include fundraising activities of the Society as well as endowments and specific testamentary bequests.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets and the accumulated contributions and other amounts restricted for the purchase and maintenance of capital assets.

The Ontario Child Benefit Fund reports transfers to the Society, equivalent to the Ontario Child Benefit from the Province of Ontario, eligible expenses and allocations to a savings program for children in the care of Children's Aid Societies. The intent of this fund is to provide supports, including tutoring, skills building and recreational activities to these children as well as transitional assistance to those leaving care. In recognition of these transitional needs and pursuant to a Policy Directive from the Ministry of Children and Youth Services ("Ministry"), a savings program has been established to provide eligible youth with the financial skills necessary for independent living and funds to assist them with the costs of their basic needs upon leaving care. These funds are shown as held in trust and as restricted cash balances in the statement of financial position of the Society.

The fund transfers are in the normal course of operations. The fund transfer from the Child Welfare Fund to the Capital Fund was in relation to capital assets that were originally purchased by the Child Welfare Fund. The fund transfer from the Society Fund to the Capital Fund was in relation to payments made by the Society Fund towards capital assets; this was either by means of purchasing capital assets, making a down payment on a capital asset, repayment of assets acquired under capital lease or the principal payment on loans for capital assets.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the asset's estimated useful life, as described in Note 5. Amortization expense is reported in the Capital Fund.

Revenue recognition

Restricted contributions related to general operations are deferred and recognized as revenue of the Child Welfare Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions are recognized as revenue of the Society Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Children's Aid Society of Hamilton

Notes to the financial statements

March 31, 2017

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Contributions for endowment are recognized as revenue in the Society Fund as received. Investment income is recognized as revenue of the Society Fund on an accrual basis. Grant revenue is deferred and recognized as revenue of the Child Welfare Fund as eligible expenses are incurred.

Allocation of expenses

The Society records a number of its expenses of the Child Welfare Fund by function: Client Services, Legal Services, Administration, Special Purpose Grants. The expenses recorded within each function relate directly to those functions. Allocation by function is based on usage of expenses to perform mandated services.

Contributed services and materials

The work of the Society is partly dependent on the voluntary services of members of the community. Donated services are not recognized in these financial statements due to the difficulty in determining their fair value.

Donated materials are recognized in the financial statements. A number of members of the community and business contribute non-cash resources to assist the Society in the fulfillment of its mandate. Donated materials which would otherwise be paid for by the Society are recorded at fair value when provided. The value of these donations-in-kind, determined using fair market values of similar type goods, amounted to \$12,751 in 2017 (2016 - \$34,309) and has been included in donations on the statement of operations.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known. Significant areas requiring management estimates include amortization of capital assets and calculation of accrued liabilities.

Financial instruments

Under PS 3450 - Financial Instruments, all financial instruments, including derivatives, are included on the Statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Society's accounting policy choices. Financial instruments reported on the Statement of financial position of the Society are classified as follows:

<u>Financial instrument</u>	<u>Classification</u>
Cash	Amortized cost
Investments	Amortized cost
Receivables	Amortized cost
Payables and accruals	Amortized cost
Province of Ontario advances	Amortized cost
Funds in trust	Amortized cost
Bank loans	Amortized cost

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and liabilities at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

The Children's Aid Society of Hamilton

Notes to the financial statements

March 31, 2017

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect or recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the Statement of operations.

3. Contracts with Ministry of Community and Social Services/Ministry of Children and Youth Services

The Society has service contracts with the Ministry of Community and Social Services/Ministry of Children and Youth Services. One requirement of the contracts is the production by management of a Transfer Payment Annual Reconciliation (TPAR) which shows a summary by service of all revenues and expenses and any resulting surplus or deficit that relates to the contract, prepared in accordance with Ministry guidelines. The surplus (deficit) for Ministry reporting will differ from the Child Welfare Fund surplus (deficit) position due to timing differences. The excess of expenditures over revenue in the Child Welfare Fund, after the transfer to the Capital Fund, is \$88,498 (2016 - \$66,544). The deficit for Ministry reporting is \$Nil (2016 - surplus of \$632,723).

4. Investments

Investments consist of guaranteed investment certificates and term deposits with Canadian chartered banks in the amount of \$2,000,303 (March 31, 2016 - \$Nil) and \$101,765 (March 31, 2016 - \$2,375,807) respectively. Maturity dates range from March 28, 2018 to March 27, 2021 and interest rates are between 1.65% and 2.18%.

5. Capital assets

			2017	
	Rate	Cost	Accumulated amortization	Net book value
		\$	\$	\$
Land		1,806,250	-	1,806,250
Building	40 yrs	12,365,769	3,535,772	8,829,997
Computer equipment	3 yrs	1,859,158	1,396,130	463,028
Computer software	5 yrs	605,597	301,794	303,803
Telephone equipment	5 yrs	257,709	191,459	66,250
Equipment	8 yrs	691,020	661,971	29,049
Vehicles	7 yrs	125,607	125,607	-
Outdoor improvements	10 yrs	554,155	545,404	8,751
		18,265,265	6,758,137	11,507,128

The Children's Aid Society of Hamilton

Notes to the financial statements

March 31, 2017

5. Capital assets (continued)

				2016
	Rate	Cost	Accumulated amortization	Net book value
		\$	\$	\$
Land		1,806,250	-	1,806,250
Building	40 yrs	12,365,769	3,211,795	9,153,974
Computer equipment	3 yrs	1,352,320	1,102,048	250,272
Computer software	5 yrs	356,957	180,674	176,283
Telephone equipment	5 yrs	257,709	174,896	82,813
Equipment	8 yrs	691,020	637,386	53,634
Vehicles	7 yrs	125,607	121,274	4,333
Outdoor improvements	10 yrs	554,155	538,349	15,806
		17,509,787	5,966,422	11,543,365

6. RESP funds in trust

The Society receives specific funds from Canada Revenue Agency for children in care, and establishes individual Registered Education Savings Plans ("RESPs") according to the Policy Directive from the Ministry. Individual RESPs are not included in the financial statements of the Society. During 2017, \$473,364 (2016 - \$651,780) was transferred to the RESP provider for deposit to the individual plans of 472 (2016 - 365) children. The untransferred funds totaling \$98,900 (2016 - \$179,141) are restricted, and are held in trust until an RESP is established for each qualifying child. These amounts are included in cash in the Child Welfare Fund.

7. OCBE funds in trust

Ontario Child Benefit Equivalent ("OCBE") funds in trust represents savings payable to youth in care. During the year \$154,837 (2016 - \$155,349) was transferred to children's savings accounts. Savings are contributed for eligible youth to provide them with funds to assist with costs of basic needs upon leaving care. These funds are included in cash in the Ontario Child Benefit Fund.

The Children's Aid Society of Hamilton

Notes to the financial statements

March 31, 2017

8. Bank loans

	2017	2016
	\$	\$
Demand instalment loan with CIBC, fixed interest rate of 3.85%, repayable in monthly amounts of \$23,931 including interest, maturing in 2025	1,992,105	2,198,257
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$3,677 plus interest, maturing in 2025	356,615	400,733
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,149 plus interest, maturing in 2023	81,748	95,536
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,282 plus interest, maturing in 2020	57,551	72,935
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,163 plus interest, maturing in 2020	51,718	65,674
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,389 plus interest, maturing in 2023	98,599	115,267
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,280 plus interest, maturing in 2024	112,240	127,600
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,445 plus interest, maturing in 2025	144,400	161,740
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,334 plus interest, maturing in 2025	133,280	149,288
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,585 plus interest, maturing in 2027	193,070	212,090
Demand instalment loan with CIBC, interest rate of prime plus .75%, repayable in monthly amounts of \$1,556 plus interest, maturing in 2028	206,868	225,540
	3,428,194	3,824,660

As security for these loans, the Society has provided a collateral mortgage in the amount of \$5 million over the property located at 26 Arrowsmith, Hamilton; \$100,000 over the property located at 58 Kenilworth, Hamilton; \$222,000 over the property located at 7 LeMoyne Pl, Hamilton; \$212,500 over the property located at 45 Loneoak Cr, Hamilton; \$190,000 over the property located at 94 Green Rd, Hamilton; \$250,000 over the real property located at 1580 Highway #56, Hamilton, \$230,000 over the real property located at 7 Barnett Court, Hamilton; \$260,000 over the property located at 20 Hardale Crescent, Hamilton; \$240,000 over the property located at 359 Limeridge Road East, Hamilton; \$285,000 over the property located at 42 Philipo Drive, Hamilton; and \$280,000 over the property located at 35 Capilano Drive, Hamilton.

The Children's Aid Society of Hamilton

Notes to the financial statements

March 31, 2017

8. Bank loans (continued)

Scheduled principal repayments are as follows:

	\$
2018	404,551
2019	412,947
2020	421,671
2021	422,646
2022	410,819
Thereafter	1,355,560
	<u>3,428,194</u>

Interest totaling \$133,781 (2016 - \$149,492) has been recorded in the statement of operations and changes in fund balances in respect of the bank loans.

9. Externally restricted funds

The amounts contributed to, and earned by these funds are restricted by the contributor as to their use.

	2017	2016
	\$	\$
Child Welfare Fund	(521,526)	(433,028)
Ontario Child Benefit Fund	339,599	422,850
	<u>(181,927)</u>	<u>(10,178)</u>

In addition to these restrictions and those described in Note 2, the Ministry of Children and Youth Services imposes capital restrictions on the Society. Among the terms and conditions for financial assistance for building projects is an agreement to obtain written Ministerial approval prior to any sale of the related land and building. Further, as a condition of such approval, the Minister may share a portion of the proceeds. The Ministry of Children and Youth Services has an interest in the Society's property at 26 Arrowsmith Road, Hamilton, Ontario, proportional to its contribution to initial principal and subsequent subsidies for mortgage payments.

10. Commitments

a) Pension agreements

The Children's Aid Society of Hamilton makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 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.

Commencing January 1, 2013, contribution rates ranged from 9.0% to 14.6% depending on the level of earnings. Expenses for 2017 include \$2,015,053 for contributions to March 31, 2017 (2016 - \$1,911,148) which are included in the statement of operations.

The Children's Aid Society of Hamilton

Notes to the financial statements

March 31, 2017

10. Commitments (continued)

b) Lease commitments

The Society has entered into leasing agreements for various items of office equipment with expiry dates ranging from 2018 to 2022. Future lease payments aggregate \$664,541 and include the following scheduled amounts payable:

	\$
2018	290,035
2019	261,013
2020	70,423
2021	41,326
2022	1,744
	<hr/> 664,541

11. Contingent liabilities

- a) In the normal course of business, the Society is involved in various claims. Though the outcome of these various pending claims as at March 31, 2017 cannot be determined with certainty, the Society believes that their outcome will have no significant adverse impact on its financial position, operating results or cash flows.
- b) The Society has provided a demand credit for a standby letter of credit for \$800,000. This letter of credit is a guarantee for ADP, the third party payroll provider.

12. Financial instruments and risk management

Fair value

The carrying value of cash, investments, receivables, payables and accruals, Province of Ontario advances and funds in trust approximates their fair value because of the relatively short period to maturity of the instruments. The fair value of the bank loans is not materially different from their carrying values as it bears interest at variable rates and has financing conditions similar to these currently available to the Society.

Interest rate risk

Interest rate risk is the risk to the Society's excess of revenues over expenses that arises from fluctuations in interest rates and the degree of volatility of these rates. The Society is subject to interest rate risk due to changes to the prime rate since the majority of its borrowings bear variable interest rates. The Society does not use derivative instruments to reduce its exposure to interest rate risk.

Credit risk

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The Society is exposed to credit risk on its receivables. As at March 31, 2017 and March 31, 2016, the Society had no allowance for doubtful accounts.

Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet all cash outflow obligations as they come due. Liquidity risk arises from current liabilities. The Society mitigates liquidity risk by monitoring cash activities through detailed budgeting analysis.

In 2014 the Ministry introduced a new funding formula for Children's Aid Societies in Ontario. The new formula reduced the funding of the Society. The Society has funds in its Balanced Budget Fund which can be accessed in future years to achieve a balanced budget (Note 13).

There have been no significant changes from the previous year in the exposure to any type of risk or policies, procedures and methods used to measure the related risk.

The Children's Aid Society of Hamilton

Notes to the financial statements

March 31, 2017

13. Balanced Budget Fund

During 2014, the Ministry announced the creation of the Balanced Budget Fund to support Children's Aid Societies in meeting their balanced budget obligations as set out in Regulation 70 of the Child and Family Services Act and to assist them in managing the risks associated with a multi-year budget planning process. Any funding received in excess of expenses incurred, is required to be repaid to the Ministry. The Balance Budget Fund is developed on an individual Society basis and consists of surpluses that have been returned to the Ministry subsequent to the implementation of the new funding model. Individual societies may access their balances according to the Balanced Budget Fund guidelines developed by the Ministry. The surpluses returned to the Ministry and put into the Balanced Budget Fund expire after a three year period.

In 2017, the Ministry approved the Society to access \$1,245,776 from the Society's Balanced Budget Fund. This amount is included in the receivable from the Province of Ontario on the statement of financial position.

Fiscal year	Contributions (Withdrawals)	Expiry	Balance as of fiscal year end
	\$		\$
2013/14	1,245,776	March 31, 2017	1,245,776
2014/15	962,637	March 31, 2018	2,208,413
2015/16	632,723	March 31, 2019	2,841,136
2016/17	(1,245,776)		1,595,360

The amount in the Balanced Budget Fund as of March 31, 2017 has not been reported in these financial statements.

The Children's Aid Society of Hamilton

Schedule of expenditures - client services - Schedule 1
year ended March 31, 2017

					2017	2016
	Child Welfare Fund	Ontario Child Benefit Fund	Society Fund	Capital Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Salaries	16,123,627	-	-	-	16,123,627	15,347,449
Benefits	4,446,592	-	-	-	4,446,592	4,255,910
Boarding payments						
Regular foster	1,362,757	-	-	-	1,362,757	1,365,925
Specialized foster	377,899	-	-	-	377,899	468,560
Kinship foster	492,731	-	-	-	492,731	519,266
Treatment foster	577,049	-	-	-	577,049	826,935
Purchased foster	8,145,491	-	-	-	8,145,491	7,607,929
Purchased group	2,995,889	-	-	-	2,995,889	2,734,965
Independent living	124,131	-	-	-	124,131	106,010
Continuing Care and Support	1,033,542	-	-	-	1,033,542	1,089,070
Client personal needs	1,062,413	450,238	179,685	-	1,692,336	1,455,148
Transfer to OCBE Savings Accounts (Note 7)	-	154,837	-	-	154,837	155,349
Financial assistance	81,347	-	-	-	81,347	49,044
Health and related	1,003,039	-	-	-	1,003,039	969,047
Program expenses	25,777	-	122,538	-	148,315	132,384
Professional services - client	131,178	-	-	-	131,178	90,634
Travel	1,441,681	-	-	-	1,441,681	1,491,538
Training	71,152	-	-	-	71,152	80,105
	39,496,295	605,075	302,223	-	40,403,593	38,745,268

The accompanying notes to the financial statements are an integral part of this financial statement.

The Children's Aid Society of Hamilton

Schedule of expenditures - legal services - Schedule 2
year ended March 31, 2017

					2017	2016
	Child Welfare Fund	Ontario Child Benefit Fund	Society Fund	Capital Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Salaries	1,765,196	-	-	-	1,765,196	1,658,939
Benefits	486,869	-	-	-	486,869	465,834
Travel	33,232	-	-	-	33,232	31,862
Training	2,436	-	-	-	2,436	1,948
Professional services - client	202,657	-	-	-	202,657	237,099
	2,490,390	-	-	-	2,490,390	2,395,682

The accompanying notes to the financial statements are an integral part of this financial statement.

The Children's Aid Society of Hamilton

Schedule of expenditures - administration - Schedule 3 year ended March 31, 2017

					2017	2016
	Child Welfare Fund	Ontario Child Benefit Fund	Society Fund	Capital Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Salaries	3,166,263	-	-	-	3,166,263	2,800,244
Benefits	757,690	-	-	-	757,690	696,169
Amortization of capital assets	-	-	-	791,715	791,715	617,047
Building occupancy	833,814	-	67,126	-	900,940	778,196
Interfund rent	-	-	(346,421)	-	(346,421)	(346,226)
Fundraising	-	-	8,050	-	8,050	53,085
Office administration	516,608	-	-	-	516,608	651,588
Professional services - non-client	223,136	-	134,490	-	357,626	329,613
Promotion and publicity	48,505	-	-	-	48,505	41,816
Miscellaneous	599,863	-	-	-	599,863	560,201
Training	79,953	-	-	-	79,953	75,488
Travel	15,523	-	-	-	15,523	14,837
Technology	1,346,904	-	104,271	-	1,451,175	849,469
	7,588,259	-	(32,484)	791,715	8,347,490	7,121,527

The accompanying notes to the financial statements are an integral part of this financial statement.

The Children's Aid Society of Hamilton

Schedule of revenues and expenditures - special purpose grants - Schedule 4 year ended March 31, 2017

						2017	2016
	Preparation for independence	Community capacity	French language services	Partnership facility renewal	Wendy's wonderful kids	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Grants							
Dave Thomas Foundation	-	-	-	-	85,000	85,000	31,755
Province of Ontario	43,492	10,500	13,000	122,600	-	189,592	409,964
Recoveries	-	-	-	-	6,658	6,658	-
	43,492	10,500	13,000	122,600	91,658	281,250	441,719
Expenditures							
Salaries	43,492	-	-	-	68,723	112,215	69,955
Benefits	-	-	-	-	19,371	19,371	5,292
Transportation	-	-	-	-	3,564	3,564	-
Building occupancy	-	-	-	122,600	-	122,600	278,372
Purchased services - non-client	-	-	13,000	-	-	13,000	-
Boarding payments	-	-	-	-	-	-	77,600
Purchased services - client	-	10,500	-	-	-	10,500	10,500
	43,492	10,500	13,000	122,600	91,658	281,250	441,719

The accompanying notes to the financial statements are an integral part of this financial statement.