

OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH

FINANCIAL STATEMENTS

For the Year Ended March 31, 2017

OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH
Statement of Financial Position
As at March 31

	<u>2017</u>	<u>2016 (Restated - Note 10)</u>
ASSETS		
Financial assets		
Due from the General Revenue Fund	\$ 153,140	\$ 114,194
Accounts receivable	<u>2,270</u>	<u>2,125</u>
Total financial assets	<u>155,410</u>	<u>116,319</u>
Liabilities		
Accounts payable	114,240	45,872
Accrued employee costs	5,194	9,178
Accrued leave entitlements	<u>35,976</u>	<u>61,269</u>
Total liabilities	<u>155,410</u>	<u>116,319</u>
Net debt (Statement 3)	<u>-</u>	<u>-</u>
Non - financial assets		
Tangible capital assets (Note 3)	129,101	155,451
Prepaid expenses	<u>5,958</u>	<u>8,260</u>
Total non-financial assets	<u>135,059</u>	<u>163,711</u>
Accumulated surplus (Statement 2)	<u>\$ 135,059</u>	<u>\$ 163,711</u>
Contractual obligations (Note 9)		

(See accompanying notes to the financial statements)

OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH
Statement of Operations and Accumulated Surplus
For the Year Ended March 31

	<u>2017</u> Budget (Note 4)	<u>2017</u> Actual	<u>2016</u> (Restated - Note 10) Actual
Revenue			
General Revenue Fund Appropriation	\$ 2,786,000	\$ 2,592,688	\$ 2,434,655
Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>21,844</u>
Total Revenue	<u>2,786,000</u>	<u>2,592,688</u>	<u>2,456,499</u>
Expenses			
Advertising, promotion, and events	38,000	53,251	42,263
Amortization (Note 3)	180,000	91,985	78,020
Bad debt expense	-	2,124	-
Communication	43,780	36,875	42,599
Dues and fees	9,860	11,511	6,167
Miscellaneous services	84,800	180,686	196,526
Office space and equipment rental	223,350	211,798	212,163
Office supplies and expenses	14,710	27,135	20,361
Repairs and maintenance	24,500	30,336	21,312
Salaries and other employment expenses	2,066,560	1,850,374	1,802,546
Travel	<u>100,440</u>	<u>125,265</u>	<u>107,359</u>
Total Expenses	<u>2,786,000</u>	<u>2,621,340</u>	<u>2,529,316</u>
Operating deficit	\$ <u>-</u>	(28,652)	(72,817)
Accumulated surplus, beginning of year		<u>163,711</u>	<u>236,528</u>
Accumulated surplus, end of year (Statement 1)		\$ <u>135,059</u>	\$ <u>163,711</u>

(See accompanying notes to the financial statements)

OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH
Statement of Changes in Net Debt
for the year ended March 31

	<u>2017</u>	<u>2016</u> <u>(Restated</u> <u>Note 10)</u>
Operating deficit	\$ (28,652) \$	(72,817)
Acquisition of tangible capital assets (Note 3)	(65,635)	-
Amortization of tangible capital assets (Note 3)	91,985	78,020
	<u>26,350</u>	<u>78,020</u>
Acquisition of prepaid expenses	(5,958)	(8,260)
Use of prepaid expenses	8,260	3,057
	<u>2,302</u>	<u>(5,203)</u>
Decrease (increase) in net debt	-	-
Net debt, beginning of year	-	-
Net debt, end of year (Statement 1)	\$ <u><u>-</u></u> \$	<u><u>-</u></u>

(See accompanying notes to the financial statements)

OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH
Statement of Cash Flows
For the Year Ended March 31

Cash flows from (used in) operating activities:	2017	2016
	<u> </u>	<u> </u>
General Revenue Fund appropriation received	\$ 2,553,598	\$ 2,610,708
Miscellaneous revenue received	-	21,844
	<u>2,553,598</u>	<u>2,632,552</u>
Salaries paid	(1,879,651)	(1,938,851)
Supplies and other expenses paid	(608,312)	(693,701)
	<u>(2,487,963)</u>	<u>(2,632,552)</u>
Cash provided from operating activities	<u>65,635</u>	<u>-</u>
 Cash flows used in capital activities:		
Acquisition of tangible capital assets (Note 3)	<u>(65,635)</u>	<u>-</u>
Cash used in capital activities	<u>(65,635)</u>	<u>-</u>
 Increase (decrease) in cash and cash equivalents	 -	 -
Cash and cash equivalents, beginning of year	-	-
 Cash and cash equivalents, end of year	 <u>\$ -</u>	 <u>\$ -</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

1. Authority and Description of Operations

The Advocate for Children and Youth Act establishes the Office of the Advocate for Children and Youth (Office). The Advocate is an officer of the Legislative Assembly and is appointed by resolution of the Assembly. The mandate of the Office is to provide advocacy on behalf of children and youth receiving services from a provincial ministry, agency, or publicly-funded health entity; investigate any matter concerning or services provided to children and youth by any provincial ministry, agency, or publicly-funded health entity; undertake public education to raise awareness of the rights, interests and well-being of children and youth; and research and advise any Minister responsible on any matter relating to the rights, interests and well-being of children and youth.

2. Significant Accounting Policies

These financial statements are prepared using Canadian public sector accounting standards. These statements do not include a Statement of Remeasurement Gains and Losses as the Office has no activities that give rise to remeasurement gains or losses. As a result, its accumulated surplus is the same as its accumulated operating surplus. The following accounting policies are considered to be significant.

(a) Revenue

The Office receives an appropriation from the General Revenue Fund to carry out its work. General Revenue Fund appropriations are included in revenue when amounts are spent or committed.

(b) Tangible capital assets

Tangible capital assets are reported at cost less accumulated amortization. Tangible capital assets are capitalized when the purchase amount is at or above the thresholds noted below for each category and amortized on a straight-line basis over the indicated time period:

Computer Hardware	\$2,500 / 5 years
Computer Software	\$2,500 / 5 years
Furniture and Equipment	\$2,500 / 5 years
Leasehold Improvements	\$2,500 / Lesser of remaining useful life or current lease term

(c) Accrued employee costs

Accrued employee costs include the value of salary payable amounts, severance owed to staff, and accrued leave entitlements (including estimated sick leave accrual), which are recorded as a liability owed to staff at year end.

The Office estimates its sick leave obligation based on accumulated sick leave entitlements. A liability for vesting or accumulating sick leave is recorded in the year the employee provides services in return for the sick leave benefits. This liability is only recorded if it is expected to be significant to the organization.

3. Tangible Capital Assets

	2017			Total 2017	(Restated - Note 10)
	Hardware & Software	Furniture & Equipment	Leasehold Improvements		Total 2016
Cost, April 1	\$ 27,150	6,833	387,162	\$ 421,145	\$ 421,145
Additions	56,858	5,982	2,795	65,635	-
Disposals	(9,212)	(3,095)	-	(12,307)	-
Cost, March 31	<u>74,796</u>	<u>9,720</u>	<u>389,957</u>	<u>474,473</u>	<u>421,145</u>
Accumulated amortization, April 1	26,564	6,833	232,297	265,694	187,674
Annual amortization	11,958	1,197	78,830	91,985	78,020
Adjustment for disposals	(9,212)	(3,095)	-	(12,307)	-
Accumulated amortization, March 31	<u>29,310</u>	<u>4,935</u>	<u>311,127</u>	<u>345,372</u>	<u>265,694</u>
Net Book Value, March 31	<u>\$ 45,486</u>	<u>\$ 4,785</u>	<u>\$ 78,830</u>	<u>\$ 129,101</u>	<u>\$ 155,451</u>

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

4. Budget

These amounts reflected on an expense basis represent funds approved by the Legislative Assembly to enable the Advocate to carry out the Office's duties under *The Advocate for Children and Youth Act*.

The amount appropriated for the year was \$2,786,000.

5. Lapsing of appropriation

The Office follows *The Financial Administration Act, 1993* with regards to its spending. If the Office spends less than its appropriation by March 31, the difference is not available to acquire goods and services in the next fiscal year.

6. Costs borne by and services provided to other agencies

The Office has not been charged with certain administrative costs and employee benefit costs. These costs are borne by the Legislative Assembly and the Ministry of Finance. No provision for these costs is reflected in these financial statements.

7. Financial Instruments

The Office's financial instruments include due from the general revenue fund, miscellaneous accounts receivable, accounts payable, accrued employee costs, and accrued leave entitlements. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no significant interest rate and credit risk.

8. Pension Plan

The Office participates in a defined contribution pension plan for the benefit of its employees. The Office's financial obligation of the plan is limited to making payments of 5% of employee's salaries for current service. Pension costs are not included in the Office's financial statements as these costs are borne by other agencies (Note 6).

9. Contractual Obligations

During the year ended March 31, 2014, the Office and its landlord entered into a new lease whereby the Office agreed to rent the premises for five years commencing June 15, 2013. Annual commitments under the signed lease agreement for fiscal 2017-18 are \$231,409 (2016 - \$208,186).

10. Tangible Capital Asset Restatement - Correction of Error in Prior Period

During the year ended March 31, 2017 the Office identified that in prior years' certain tangible capital assets valued at less than the capitalization thresholds as described in Note 2(b) had been capitalized in error. As a result, certain amounts have been adjusted to align with the Office's accounting policy for tangible capital assets. The Office has applied this change retrospectively, which has the following impact on prior period comparative figures:

	Increase (Decrease) Year Ended March 31, 2016
<u>Statement of Financial Position</u>	
Tangible capital assets	\$ (2,544)
Accumulated surplus	(2,544)
<u>Statement of Operations and Accumulated Surplus</u>	
Amortization expense	\$ (6,850)
Operating deficit	(6,850)
Accumulated surplus, beginning of year	(9,394)
Accumulated surplus, end of year	(2,544)
<u>Statement of Changes in Net Debt</u>	
Operating deficit	\$ (6,850)
Amortization of tangible capital assets	(6,850)