

OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH

FINANCIAL STATEMENTS

For the Year Ended March 31, 2018



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Office of the Advocate for Children and Youth, which comprise the statement of financial position as at March 31, 2018, and the statement of operations and accumulated surplus, changes in net debt, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Advocate for Children and Youth as at March 31, 2018, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
July 25, 2018

Judy Ferguson, FCPA, FCA
Provincial Auditor

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

	2018	2017
ASSETS		
Financial assets		
Due from the General Revenue Fund	\$ 105,009	\$ 153,140
Accounts receivable	745	2,270
Total financial assets	105,754	155,410
Liabilities		
Accounts payable	66,833	114,240
Accrued employee costs	7,397	5,194
Accrued leave entitlements	31,524	35,976
Total liabilities	105,754	155,410
Net debt (Statement 3)	-	-
Non - financial assets		
Tangible capital assets (Note 3)	55,944	129,101
Prepaid expenses	8,171	5,958
Total non-financial assets	64,115	135,059
Accumulated surplus (Statement 2)	\$ 64,115	\$ 135,059
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>2018</u> Budget (Note 4)	<u>2018</u> Actual	<u>2017</u> Actual
Revenue			
General Revenue Fund Appropriation	\$ 2,684,000	\$ 2,684,181	\$ 2,592,688
Miscellaneous Revenue	<u>-</u>	<u>515</u>	<u>-</u>
Total Revenue	<u>2,684,000</u>	<u>2,684,696</u>	<u>2,592,688</u>
Expenses			
Advertising, promotion, and events	38,000	70,004	53,251
Amortization (Note 3)	-	95,958	91,985
Bad debt expense	-	-	2,124
Communication	43,780	28,728	36,875
Dues and fees	9,860	7,629	11,511
Miscellaneous services	84,800	145,759	180,686
Office space and equipment rental	273,350	262,954	211,798
Office supplies and expenses	14,710	17,262	27,135
Repairs and maintenance	24,500	21,907	30,336
Salaries and other employment expenses	2,094,560	1,955,081	1,850,374
Travel	<u>100,440</u>	<u>150,358</u>	<u>125,265</u>
Total Expenses	<u>2,684,000</u>	<u>2,755,640</u>	<u>2,621,340</u>
Operating deficit	<u>\$ -</u>	(70,944)	(28,652)
Accumulated surplus, beginning of year		<u>135,059</u>	<u>163,711</u>
Accumulated surplus, end of year (Statement 1)		<u>\$ 64,115</u>	<u>\$ 135,059</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>2018</u>	<u>2017</u>
Operating deficit	\$ <u>(70,944)</u>	\$ <u>(28,652)</u>
Acquisition of tangible capital assets (Note 3)	(22,801)	(65,635)
Amortization of tangible capital assets (Note 3)	<u>95,958</u>	<u>91,985</u>
	<u>73,157</u>	<u>26,350</u>
Acquisition of prepaid expenses	(8,171)	(5,958)
Use of prepaid expenses	<u>5,958</u>	<u>8,260</u>
	<u>(2,213)</u>	<u>2,302</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:	2018	2017
	<u> </u>	<u> </u>
General Revenue Fund appropriation received	\$ 2,733,836	\$ 2,553,598
Miscellaneous revenue received	515	-
Cash provided by operations	<u>2,734,351</u>	<u>2,553,598</u>
Salaries paid	(1,957,330)	(1,879,651)
Supplies and other expenses paid	(754,221)	(608,312)
Cash (used in) operations	<u>(2,711,551)</u>	<u>(2,487,963)</u>
Cash provided from operating activities	<u>22,801</u>	<u>65,635</u>
 Cash flows used in capital activities:		
Acquisition of tangible capital assets (Note 3)	<u>(22,801)</u>	<u>(65,635)</u>
Cash used in capital activities	<u>(22,801)</u>	<u>(65,635)</u>
 Increase (decrease) in cash	-	-
Cash, beginning of year	-	-
 Cash, 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, 2018**

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.

The Office is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The Office maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

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.

(d) Accounting Standards Adopted

On April 1, 2017, the Office adopted Public Sector Accounting Standards PS 2200 Related Party Disclosures, PS 3210 Assets, PS 3320 Contingent Assets, PS 3380 Contractual Rights, and PS 3420 Inter-Entity Transactions. Adoption of these standards has not resulted in any changes.

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

3. Tangible Capital Assets

	2018			Total 2018	Total 2017
	Hardware & Software	Furniture & Equipment	Leasehold Improvements		
Cost, April 1	\$ 74,796	\$ 9,720	\$ 389,957	\$ 474,473	\$ 421,145
Additions	22,801	-	-	22,801	65,635
Disposals	-	-	-	-	(12,307)
Cost, March 31	<u>97,597</u>	<u>9,720</u>	<u>389,957</u>	<u>497,274</u>	<u>474,473</u>
Accumulated amortization, April 1	29,310	4,935	311,127	345,372	265,694
Annual amortization	15,932	1,196	78,830	95,958	91,985
Adjustment for disposals	-	-	-	-	(12,307)
Accumulated amortization, March 31	<u>45,242</u>	<u>6,131</u>	<u>389,957</u>	<u>441,330</u>	<u>345,372</u>
Net Book Value, March 31	<u>\$ 52,355</u>	<u>\$ 3,589</u>	<u>\$ -</u>	<u>\$ 55,944</u>	<u>\$ 129,101</u>

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 \$2,684,000.

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 by 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, 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

The current lease to rent the Saskatoon premise expires June 15, 2018. The Office has requested a 3-year lease term with no specified options to renew from its landlord.