



REPRESENTATIVE FOR
CHILDREN AND YOUTH

Financial Statements 2018/19

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Statement of Management Responsibility

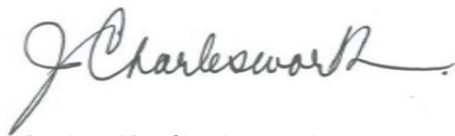
The accompanying financial statements are the responsibility of management at the Office of the Representative for Children and Youth.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it considers most appropriate in the circumstances to ensure that the financial statements are presented fairly in all material respects.

We have developed and maintain systems of internal control that give reasonable assurance that the Office has:

- operated within its authorized limits
- safeguarded assets and
- kept complete and accurate financial records.

The Office of the Auditor General has audited the accounts of the Office for the year ended March 31, 2019.



Dr. Jennifer Charlesworth
Representative



Dianne Buljat
Chief Financial Officer

Victoria, British Columbia
August 26, 2018



INDEPENDENT AUDITOR'S REPORT

To the Representative for Children and Youth, Province of British Columbia

Opinion

I have audited the accompanying financial statements of the Office of the Representative for Children and Youth (“the entity”), which comprise the statement of financial position at March 31, 2019, and the statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2019 and the results of its operations, change in its net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Those charged with governance are responsible for the oversight of the financial reporting process. 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 the 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 when the entity will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

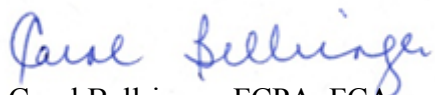
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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.

I 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 I identify during my audit.



I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Carol Bellringer, FCPA, FCA
Auditor General


Victoria, British Columbia, Canada
August 27, 2019

OUR FINANCES

STATEMENT OF FINANCIAL POSITION

As at March 31, 2019	Note	2019	2018
Financial assets			
Petty cash		750	1,150
Accounts receivable		9,416	32,304
Due from Consolidated Revenue Fund	3	651,224	584,707
Total financial assets		661,390	618,161
Liabilities			
Accounts payable and accrued liabilities		713,866	623,548
Total liabilities		713,866	623,548
Net debt		(52,476)	(5,387)
Non-financial assets			
Tangible capital assets	4	127,508	132,333
Prepaid expenses	5	52,476	5,387
Total non-financial assets		179,984	137,720
Net asset balance	6	127,508	132,333

Approved by:



Dr. Jennifer Charlesworth
Representative



Dianne Buljat
Chief Financial Officer

The accompanying notes are an integral part of these financial statements.

OUR FINANCES

STATEMENT OF OPERATIONS

For the fiscal year ended March 31, 2019	Note	2019		2018
	7	Budget	Actual	Actual
Operating				
Revenue				
Operating appropriation		9,418,000	9,406,697	8,914,477
Expenses				
Service delivery	11	9,418,000	9,406,697	8,914,477
Net operating cost		0	0	0
Capital				
Revenue				
Capital appropriation		50,000	49,166	49,784
Expenses				
Purchase of tangible capital assets		50,000	49,166	49,784
Net capital cost		0	0	0

STATEMENT OF CHANGES IN NET DEBT

For the fiscal year ended March 31, 2019	2019	2018
Acquisition of prepaid expenses	(52,476)	(5,387)
Use of prepaid expenses	5,387	3,135
	(47,089)	2,252
Increase in net debt	(47,089)	(2,252)
Net debt at beginning of year	(5,387)	(3,135)
Net debt at end of year	(52,476)	(5,387)

The accompanying notes are an integral part of these financial statements.

OUR FINANCES

STATEMENT OF CASH FLOW

For the fiscal year ended March 31, 2019	Note	2019	2018
Operating transactions			
Paid to employees		(6,959,630)	(6,142,830)
Paid to suppliers		(2,510,222)	(2,591,051)
Miscellaneous receipts	9	154,987	24,028
Cash used in operations		(9,314,865)	(8,709,853)
Capital transactions			
Acquisition of tangible capital assets		(49,166)	(49,784)
Appropriation for tangible capital assets		49,166	49,784
		0	0
Financing transactions			
Current year appropriation		9,381,382	8,850,055
Increase in due from Consolidated Revenue Fund		66,517	140,202
Due from Consolidated Revenue Fund, beginning of year		584,707	444,505
Due from Consolidated Revenue Fund, end of year		651,224	584,707

The accompanying notes are an integral part of these financial statements.

OUR FINANCES

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2019

1. Nature of operations

The Representative for Children and Youth is an independent Officer of the Legislature of British Columbia appointed under the *Representative for Children and Youth Act* upon unanimous recommendation of a special committee. The Representative must be appointed for a term of five years and may be reappointed for one additional five-year term. The Representative meets with the Select Standing Committee on Children and Youth to present an *Annual Report and Service Plan*, and to present reports on the work of the Office in three areas mandated under the Act:

- Advocacy – providing information, advice and assistance to children, youth, young adults and their families who need help dealing with designated or prescribed services or programs provided or funded by government and promoting and facilitating the development of advocacy services within communities.
- Monitoring – undertaking research, review, evaluation and audit of government-funded services and programs to identify and make recommendations for change to improve the effectiveness and responsiveness of these services.
- Critical Injury and Death Reviews and Investigations – conducting reviews and undertaking investigations of critical injuries and deaths of children and youth who have received reviewable services to identify and make recommendations for improvements to services to prevent similar injuries or deaths in the future.

Funding for the operation of the Office of the Representative for Children and Youth (the Office) comes from a voted appropriation (Vote 9) of the Legislative Assembly.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) and the *Budget Transparency and Accountability Act* and reflect the following significant accounting policies:

a. Legislative appropriations

The Office is funded by the Legislative Assembly through a voted appropriation. The vote provides separately for operating expenses and capital acquisitions. Any unused appropriation cannot be carried forward for use in subsequent years.

b. Financial instruments

The Office has designated its financial instruments as follows:

- Accounts payable and accrued liabilities as other financial liabilities are measured at amortized costs
- Due from (to) Consolidated Revenue Fund is classified as either loans and receivables or other financial liabilities and is measured at amortized cost

OUR FINANCES

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2019

It is management's opinion that the Office is not exposed to significant interest, currency or credit risk arising from these instruments

A statement of re-measurement gains and losses has not been prepared as it is not considered to provide useful information.

c. Tangible capital assets

Tangible capital assets are recorded at historical cost less accumulated depreciation. Depreciation begins when the assets are put into use and is recorded in the straight-line method over the estimated useful lives of the assets as follows:

Information systems	5 years
Office furniture and equipment	5 years
PC software	3 years
Tenant improvements	lesser of 5 years or term of lease
Vehicles	7 years

d. Employee future benefits

i) Pension benefits

All eligible employees participate in a multi-employer, defined pension plan. Defined contribution plan accounting has been applied to this plan as the Office has insufficient information to apply defined benefit plan accounting. Accordingly, the Office's contributions are expensed in the year in which the services are rendered and represent its total pension obligation.

ii) Other future benefits

Eligible employees are entitled to post-employment health care and other benefits as provided under the terms of employment or collective agreements. The cost of these benefits is accrued as employees render the services necessary to earn them.

iii) Leave liability

Eligible employees are entitled to accumulated earned, unused vacation and other eligible leave entitlements as provided under terms of employment or collective agreements. The liability for the leave is managed and held by the B.C. Public Service Agency.

e. Measurement uncertainty

These financial statements are prepared in accordance with PSAS and the *Budget Transparency and Accountability Act*, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed annually and, as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

OUR FINANCES

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2019

3. Due from (to) the Consolidated Revenue Fund

The Office does not have its own bank account or hold cash or cash equivalents. All financial transactions of the Office are processed through the Consolidated Revenue Fund of the Province of British Columbia. The "Due from the consolidated revenue fund" balance represents amounts that the Office will receive from or transfer to the fund.

For the fiscal year ended March 31, 2019	2019	2018
Balance, beginning of year	584,707	444,505
Cash provided for operations	9,381,382	8,850,055
Cash provided from miscellaneous receipts	154,987	24,028
Cash provided for the acquisition of tangible capital assets	49,166	49,784
	10,170,242	9,368,372
Expenses during the year		
Paid to employees	(6,959,630)	(6,142,830)
Paid to suppliers	(2,510,222)	(2,591,051)
Paid for the acquisition of tangible capital assets	(49,166)	(49,784)
	(9,519,018)	(8,783,665)
Balance, end of year	651,224	584,707

OUR FINANCES

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2019

4. Tangible capital assets

	Information systems	Office furniture & equipment	Tenant improvements	Vehicles	Total
Year ended March 31, 2019					
Opening net book value	57,288	1,719	73,326	0	132,333
Additions	1,493	3,123	44,550	0	49,166
Disposals	0	0	0	0	0
Amortization expense	(13,129)	(605)	(40,257)	0	(53,991)
	<u>45,652</u>	<u>4,237</u>	<u>77,619</u>	<u>0</u>	<u>127,508</u>
Accumulated amortization					
Cost	76,556	75,796	213,543	65,908	431,803
Accumulated amortization expense	(30,904)	(71,559)	(135,924)	(65,908)	(304,295)
Closing net book value	<u><u>45,652</u></u>	<u><u>4,237</u></u>	<u><u>77,619</u></u>	<u><u>0</u></u>	<u><u>127,508</u></u>
Year ended March 31, 2018					
Opening net book value	42,898	2,219	72,333	0	117,450
Additions	20,792	0	28,993	0	49,785
Disposals	0	0	0	0	0
Amortization expense	(6,402)	(500)	(28,000)	0	(34,902)
	<u>57,288</u>	<u>1,719</u>	<u>73,326</u>	<u>0</u>	<u>132,333</u>
Accumulated amortization					
Opening balance	75,063	72,673	168,993	65,908	382,637
Accumulated amortization expense	(17,775)	(70,954)	(95,667)	(65,908)	(250,304)
Closing net book value	<u><u>57,288</u></u>	<u><u>1,719</u></u>	<u><u>73,326</u></u>	<u><u>0</u></u>	<u><u>132,333</u></u>

OUR FINANCES

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2019

5. Prepaid expenses

	March 31, 2019	March 31, 2018
Rent	47,986	0
Training	1,201	2,295
Travel	3,289	2,792
Other	0	300
Total	<u>52,476</u>	<u>5,387</u>

6. Net asset balance

The net asset balance represents tangible capital assets that have been funded through appropriations.

7. Voted, unused and used appropriation

The Office receives approval from the Legislative Assembly to spend funds through an appropriation that includes two components: operating and capital. Any unused appropriations lapse at fiscal year-end.

The budget shown on the Statement of Operations is based on the budgeted expenses that the Select Standing Committee on Finance and Government Services approved on Dec. 18, 2017. The following table compares the actual expenditures of the Office to the approved budgets:

Year ended March 31	2019		2018	
	Operating	Capital	Operating	Capital
Appropriation (Vote 9)	<u>9,418,000</u>	<u>50,000</u>	8,970,000	50,000
Total appropriation available	<u>9,418,000</u>	<u>50,000</u>	8,970,000	50,000
Total operating expenses	(9,406,697)	0	(8,914,477)	0
Capital acquisitions	0	(49,166)	0	(49,784)
Unused appropriation	<u>11,303</u>	<u>834</u>	<u>55,523</u>	<u>216</u>

8. Employee future benefits

The Office and its eligible employees contribute to the Public Service Pension Plan (the Plan) in accordance with the *Public Sector Pension Plan Act*. The British Columbia Pension Corporation administers the plan, including payments of pension benefits to eligible employees to whom the *Act* applies. A board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of assets and administration of benefits. The Plan is multi-employer, defined benefit and joint trustee plan.

OUR FINANCES

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2019

The Plan is contributory, and its basic benefits are based on length of service, highest five-year average earnings and plan members' age at retirement. Under joint trusteeship, the risks and rewards associated with the Plan's unfunded liability or surplus is shared between the employers and the Plan members and will be reflected in their future contributions.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The latest actuarial valuation as at March 31, 2017 reported the fund was 108 per cent funded. The next valuation will be as at March 31, 2020 with results available late 2020.

9. Miscellaneous receipts

Miscellaneous receipts include the repayment of funds to the Office for expenditures made to employees and suppliers.

The Office also has seconded employees to other organizations and received repayment of their salaries and benefits during the exchange.

10. Commitments

The Office currently has three operating leases for premises in Victoria, Burnaby and Prince George.

- Victoria lease is held and administered directly by the Office and is scheduled to expire March 31, 2027.
- Burnaby lease is held and administered by the Ministry of Citizen Services, Real Property Division on behalf of the Office and is currently in the lease re-negotiation process with an expected lease term date of March 31, 2024. Estimated numbers have been used to represent the Office's operating lease commitment for the period April 1, 2019 to March 31, 2024.
- Prince George lease is also held and administered by the Ministry of Citizen Services, RPD on behalf of the Office and is scheduled to expire Sept. 30, 2023.

As of March 31, 2019, the Office is committed to payments under these leases as follows:

Fiscal Year	Commitment
2019/20	782,364
2020/21	789,419
2021/22	796,635
2022/23	804,010
2023/24	784,971
Payments thereafter	1,912,157
Total	<u><u>5,869,556</u></u>

OUR FINANCES

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2019

11. Service delivery

Classification of service delivery expenses by object:

Year Ended March 31	2019		2018
	Budget	Actual	Actual
Salaries and benefits	6,912,000	6,967,898	6,257,684
Building occupancy	870,000	868,311	857,877
Information technology	518,000	571,107	562,349
Research grants	5,000	283,500	388,190
Travel	315,000	244,241	233,729
Office & business expenses	383,000	218,648	287,740
Professional services	332,000	187,432	285,480
Amortization	43,000	53,991	34,902
Vehicles	8,000	9,893	7,527
Utilities, materials & supplies	7,000	1,023	3,828
Other	20,000	653	30,954
Shared cost arrangements	5,000	0	0
Advertising	0	0	500
Salaries and benefits prior year overaccrual	0	0	(36,283)
Total	<u>9,418,000</u>	<u>9,406,697</u>	<u>8,914,477</u>

12. Related party transactions

The Office is related through common ownership to all B.C. government ministries, agencies, Crown corporations and all other public sector entities. Transactions with entities are recorded on an accrual basis and are considered to be in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.