



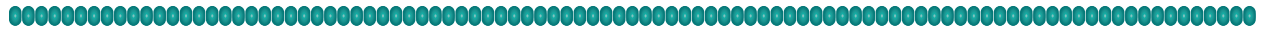
REPRESENTATIVE FOR  
CHILDREN AND YOUTH



**Financial Statements 2019/20**  
[www.rcybc.ca](http://www.rcybc.ca)



# 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
- 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, 2020.

Dr. Jennifer Charlesworth  
Representative

Dianne Buljat  
Chief Financial Officer

Victoria, British Columbia  
August 14, 2020



## **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 as at March 31, 2020, 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, 2020, 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 entity's 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*

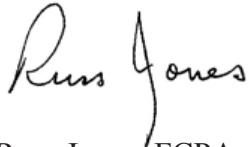
My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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 communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Russ Jones, FCPA, FCA, ICD.D  
Deputy Auditor General

Victoria, British Columbia, Canada  
August 20, 2020

## OUR FINANCES

### STATEMENT OF FINANCIAL POSITION

As at March 31, 2020	Note	2020	2019
<b>Financial assets</b>			
Petty cash		1,050	750
Accounts receivable		7,698	9,416
Due from Consolidated Revenue Fund	3	580,015	651,224
<b>Total financial assets</b>		<b>588,763</b>	661,390
<b>Liabilities</b>			
Accounts payable and accrued liabilities		590,755	713,866
<b>Total liabilities</b>		<b>590,755</b>	713,866
<b>Net debt</b>		<b>(1,992)</b>	(52,476)
<b>Non-financial assets</b>			
Tangible capital assets	4	99,850	127,508
Prepaid expenses	5	1,992	52,476
<b>Total non-financial assets</b>		<b>101,842</b>	179,984
<b>Net asset balance</b>	6	<b>99,850</b>	127,508

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, 2020	Note	2020		2019
	7	Budget	Actual	Actual
<b>Operating</b>				
<b>Revenue</b>				
Operating appropriation		9,750,000	9,681,049	9,406,697
<b>Expenses</b>				
Service delivery	11	9,750,000	9,681,049	9,406,697
<b>Net operating cost</b>		0	0	0
<b>Capital</b>				
<b>Revenue</b>				
Capital appropriation		50,000	29,978	49,166
<b>Expenses</b>				
Purchase of tangible capital assets		50,000	29,978	49,166
<b>Net capital cost</b>		0	0	0

### STATEMENT OF CHANGES IN NET DEBT

For the fiscal year ended March 31, 2020	2020	2019
Acquisition of prepaid expenses	(1,992)	(52,476)
Use of prepaid expenses	52,476	5,387
	50,484	(47,089)
Decrease/(Increase) in net debt	50,484	(47,089)
Net debt at beginning of year	(52,476)	(5,387)
<b>Net debt at end of year</b>	(1,992)	(52,476)

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

## OUR FINANCES

### STATEMENT OF CASH FLOW

For the fiscal year ended March 31, 2020	Note	2020	2019
<b>Operating transactions</b>			
Paid to employees		<b>(7,295,188)</b>	(6,959,630)
Paid to suppliers		<b>(2,459,561)</b>	(2,510,222)
Miscellaneous receipts	9	<b>6,235</b>	154,987
Cash used in operations		<b>(9,748,514)</b>	(9,314,865)
<b>Capital transactions</b>			
Acquisition of tangible capital assets		<b>(29,978)</b>	(49,166)
Appropriation for tangible capital assets		<b>29,978</b>	49,166
		<b>0</b>	0
<b>Financing transactions</b>			
Current year appropriation		<b>9,677,305</b>	9,381,382
(Decrease)/Increase in due from Consolidated Revenue Fund		<b>(71,209)</b>	66,517
Due from Consolidated Revenue Fund, beginning of year		<b>651,224</b>	584,707
Due from Consolidated Revenue Fund, end of year		<b>580,015</b>	651,224

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





# OUR FINANCES

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2020

### 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 10) 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, 2020

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, 2020

#### 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 (CRF) of the Province of British Columbia. The balance is reflective of differences in the timing of events that obligate the Office, and therefore the CRF, to distribute funds and the receipt of the benefit from disbursing those funds.

For the fiscal year ended March 31, 2020	2020	2019
<b>Balance, beginning of year</b>	<b>651,224</b>	584,707
Cash provided for operations	<b>9,677,305</b>	9,381,382
Cash provided from miscellaneous receipts	<b>6,235</b>	154,987
Cash provided for the acquisition of tangible capital assets	<b>29,978</b>	49,166
	<b>10,364,742</b>	10,170,242
<b>Expenses during the year</b>		
Paid to employees	<b>(7,295,188)</b>	(6,959,630)
Paid to suppliers	<b>(2,459,561)</b>	(2,510,222)
Paid for the acquisition of tangible capital assets	<b>(29,978)</b>	(49,166)
	<b>(9,784,727)</b>	(9,519,018)
<b>Balance, end of year</b>	<b>580,015</b>	651,224





## OUR FINANCES

### NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2020

#### 4. Tangible capital assets

	Information systems	Office furniture & equipment	Tenant improvements	Vehicles	Total
<b>Year ended March 31, 2020</b>					
<b>Opening net book value</b>	45,652	4,237	77,619	0	127,508
Additions	25,383	4,595	0	0	29,978
Disposals	0	0	0	0	0
Amortization expense	(25,469)	(1,125)	(31,042)	0	(57,636)
	<u>45,566</u>	<u>7,707</u>	<u>46,577</u>	<u>0</u>	<u>99,850</u>
<b>Accumulated amortization</b>					
Cost	101,939	80,391	213,543	65,908	461,781
Accumulated amortization expense	(56,373)	(72,684)	(166,966)	(65,908)	(361,931)
<b>Closing net book value</b>	<u>45,566</u>	<u>7,707</u>	<u>46,577</u>	<u>0</u>	<u>99,850</u>
<b>Year ended March 31, 2019</b>					
<b>Opening net book value</b>	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>
<b>Accumulated amortization</b>					
Opening balance	76,556	75,796	213,543	65,908	431,803
Accumulated amortization expense	(30,904)	(71,559)	(135,924)	(65,908)	(304,295)
<b>Closing net book value</b>	<u>45,652</u>	<u>4,237</u>	<u>77,619</u>	<u>0</u>	<u>127,508</u>



## OUR FINANCES

### NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2020

#### 5. Prepaid expenses

	March 31, 2020	March 31, 2019
Rent	0	47,986
Training	1,992	1,201
Travel	0	3,289
Total	<u>1,992</u>	<u>52,476</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 December 19, 2018. The following table compares the actual expenditures of the Office to the approved budgets:

Year ended March 31	2020		2019	
	Operating	Capital	Operating	Capital
Appropriation (Vote 10)	<u>9,750,000</u>	<u>50,000</u>	9,418,000	50,000
Total appropriation available	<b>9,750,000</b>	<b>50,000</b>	9,418,000	50,000
Total operating expenses	<b>(9,681,049)</b>	<b>0</b>	(9,406,697)	0
Capital acquisitions	<b>0</b>	<b>(29,978)</b>	0	(49,166)
Unused appropriation	<u><b>68,951</b></u>	<u><b>20,022</b></u>	<u>11,303</u>	<u>834</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, 2020

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.

### 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 and is scheduled to expire March 31, 2024.
- Prince George lease is also held and administered by the Ministry of Citizen Services, Real Property Division on behalf of the Office and is scheduled to expire September 30, 2023.

As of March 31, 2020, the Office is committed to payments under these leases as follows:

Fiscal Year	Commitment
2020/21	810,622
2021/22	817,838
2022/23	825,213
2023/24	806,049
2024/25	628,381
Payments thereafter	1,352,325
Total	<u><u>5,240,428</u></u>





# OUR FINANCES

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2020

### 11. Service delivery

Classification of service delivery expenses by object:

Year Ended March 31	2020		2019
	Budget	Actual	Actual
Salaries and benefits	7,166,000	7,270,604	6,967,898
Building occupancy	961,000	833,768	868,311
Information technology	518,000	583,337	571,107
Research grants	332,000	324,130	187,432
Travel	5,000	235,800	283,500
Office & business expenses	315,000	192,563	244,241
Professional services	383,000	173,802	218,648
Amortization	49,000	57,636	53,991
Vehicles	8,000	7,668	9,893
Utilities, materials & supplies	7,000	957	1,023
Other	1,000	784	653
Shared cost arrangements	5,000	0	0
Total	<u>9,750,000</u>	<u>9,681,049</u>	<u>9,406,697</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.

**13. Subsequent events**

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the world and here in British Columbia. Many businesses are being forced to cease or limit operations for long or indefinite periods of time. The provincial government and its entities have experienced similar disruptions. Measures taken to contain the spread of the virus, including travel bans, quarantine, social distancing and closures of non-essential services, have triggered significant disruptions, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Going forward, the office will still be able to meet its mandate despite these disruptions; however, the ways in which it completes its work to meet that mandate during COVID-19 will be different.

The Office has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations, as of and for the year ended March 31, 2020, have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequents, as well as their impact on the financial position and result of the Office in future periods.