

Financial Statements of

**WINDSOR-ESSEX
CHILDREN'S AID SOCIETY**

Year ended March 31, 2011



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Windsor-Essex Children's Aid Society as at March 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

June 15, 2011

Windsor, Canada

	Operating Fund	Capital Fund	Donation Fund	Other Child Welfare	2011 Total	2010 Total
Liabilities and Fund Balances						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 3,787,989	\$ -	\$ 1,500	\$ 1,090,699	\$ 3,789,489	\$ 3,546,137
Ontario child benefit equivalent	-	-	-	535,100	1,090,699	785,148
Universal child care benefit for RESP's	-	-	-	-	535,100	430,500
Current portion of capital lease obligations	-	137,166	-	-	137,166	271,770
Current portion of mortgage payable	-	27,309	-	-	27,309	24,673
Current portion of vehicle financing	-	-	-	-	-	3,898
Current portion of long-term debt	-	393,178	-	-	393,178	374,209
Current portion of employee future benefits	167,453	-	-	-	167,453	36,400
	3,955,442	557,653	1,500	1,625,799	6,140,394	5,472,735
Deferred contributions:						
Operating expenditures of future periods (note 6)	131,044	-	-	-	131,044	49,161
Capital assets (note 7)	131,044	4,465,968	-	-	4,465,968	4,610,032
	131,044	4,465,968	-	-	4,597,012	4,659,193
Long-term liabilities:						
Capital lease obligations (note 8)	-	217,718	-	-	217,718	6,658
Mortgage payable (note 9)	-	20,136	-	-	20,136	49,364
Long-term debt (note 10)	-	6,639,923	-	-	6,639,923	7,064,225
Employee future benefits (note 11)	10,077,783	-	-	-	10,077,783	9,177,771
	10,077,783	6,877,777	-	-	16,955,560	16,298,018
Fund balances:						
Invested in capital assets		212,065			212,065	(200,405)
Internally restricted	(10,398,985)		183,218	(1,578,410)	(11,794,177)	(10,782,866)
	(10,398,985)	212,065	183,218	(1,578,410)	(11,582,112)	(10,983,271)
Contingencies (note 16)						
	\$ 3,765,284	\$ 12,113,463	\$ 184,718	\$ 47,389	\$ 16,110,854	\$ 15,446,675

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Statement of Revenue and Expenditures

Year ended March 31, 2011, with comparative figures for 2010

	Operating Fund	Capital Fund	Donation Fund	Other Child Welfare	2011 Total	2010 Total
Revenue:						
Province of Ontario	\$ 54,716,345	\$ -	\$ -	\$ 531,135	\$ 55,247,480	\$ 54,478,525
Interest and other	-	2,028	359	-	2,387	33
Amortization of deferred capital contributions	-	144,064	-	-	144,064	144,064
Donations	-	31,617	26,722	-	58,339	51,077
Grants (note 13)	113,273	-	-	-	113,273	83,500
	54,829,618	177,709	27,081	531,135	55,565,543	54,757,199
Expenditures:						
Salaries and wages	23,822,650	-	-	49,159	23,871,809	23,287,674
Employee benefits	5,307,676	-	-	-	5,307,676	4,928,236
Travel	1,900,878	-	-	-	1,900,878	2,138,609
Employee future benefits (note 11)	1,247,161	-	-	-	1,247,161	790,239
Training and recruitment	105,479	-	-	-	105,479	89,713
Building occupancy	663,986	-	-	-	663,986	444,526
Purchased services - non-client	441,823	-	-	10,000	451,823	297,220
Program expenses	5,596	-	-	-	5,596	7,707
Boarding rate payments	17,878,420	-	-	471,981	18,350,401	18,623,467
Purchased services - client	1,577,114	-	-	-	1,577,114	1,285,509
Clients' personal needs	1,182,555	-	3,750	-	1,186,305	1,420,740
Health and related	1,134,859	-	-	-	1,134,859	1,162,086
Financial assistance	178,820	-	-	-	178,820	33,819
Promotion and publicity	60,747	-	-	-	60,747	40,774
Office administration	418,408	-	-	-	418,408	470,110
Technology costs	855,276	-	-	-	855,276	1,097,633
Miscellaneous	279,483	-	-	-	279,483	234,051
Amortization of capital assets		493,740	-	-	493,740	817,863
Interest		372,499	-	-	372,499	404,061
Gain on swap contracts		(31,124)	-	-	(31,124)	(682,689)
Gain on sale of capital assets		-	-	-	-	(1,650)
	57,060,931	835,115	3,750	531,140	58,430,936	56,889,698
Less expenditure recoveries (note 12)	241,443	-	-	-	241,443	298,424
Less non-retainable revenue (note 12)	2,025,109	-	-	-	2,025,109	2,068,077
	54,794,379	835,115	3,750	531,140	56,164,384	54,523,197
Revenue over expenditures (expenditures over revenue) for the year	\$ 35,239	\$ (657,406)	\$ 23,331	\$ (5)	\$ (598,841)	\$ 234,002

See accompanying notes to financial statements.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Statement of Changes in Fund Balances

Year ended March 31, 2011, with comparative figures for 2010

	Operating Fund	Capital Fund	Donation Fund	Other Child Welfare	2011 Total	2010 Total
Balance, beginning of year	\$ (10,157,611)	\$ (200,405)	\$ 159,893	\$ (785,148)	\$ (10,983,271)	\$ (11,217,273)
Excess of revenue over expenditures (expenditures over revenue) for the year	35,239	(657,406)	23,331	(5)	(598,841)	234,002
Interfund transfers	(276,613)	1,069,876	(6)	(793,257)	-	-
Balance, end of year	\$ (10,398,985)	\$ 212,065	\$ 183,218	\$ (1,578,410)	\$ (11,582,112)	\$ (10,983,271)

See accompanying notes to financial statements.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Statement of Cash Flows

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Cash provided by (used in):		
Operating activities:		
Revenue over expenditures (expenditures over revenue) for the year	\$ (598,841)	\$ 234,002
Add items not resulting in an outlay of cash:		
Amortization of capital assets	493,740	817,863
Amortization of deferred capital contributions	(144,064)	(144,064)
Amortization of deferred operating contributions	(49,161)	(130,014)
Gain of disposal of capital assets	-	(1,650)
Net change in non-cash balances related to operating activities	812,776	822,603
	<u>514,450</u>	<u>1,598,740</u>
Financing activities:		
Increase in deferred contributions - operating expenditures	131,044	22,545
Decrease in mortgage payable	(26,592)	(26,198)
Decrease in vehicle financing	(3,898)	(6,682)
Decrease in long-term debt, net	(405,333)	(1,037,382)
Increase (decrease) in capital lease obligations	76,456	(445,185)
Increase in employee future benefits	1,031,065	628,699
	<u>802,742</u>	<u>(864,203)</u>
Investing activities:		
Capital asset additions	(631,958)	(76,702)
Proceeds on disposal of capital assets	-	1,650
	<u>(631,958)</u>	<u>(75,052)</u>
Increase in cash	685,234	659,485
Cash, beginning of year	2,755,721	2,096,236
Cash, end of year	<u>\$ 3,440,955</u>	<u>\$ 2,755,721</u>

See accompanying notes to financial statements.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

The Society is incorporated without share capital under the laws of the Province of Ontario. The Society is dedicated to the well-being and safety of every child by advocating for, and partnering with, children, families and communities. The Society is a registered charity under the Income Tax Act and accordingly is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the Society have been prepared in accordance with Canadian generally accepted accounting principles. In accordance with the practice common to similar organizations, the Society follows the fund basis of accounting to recognize in its accounts the responsibility to employ funds only for the purposes for which such funds were raised or contributed.

The Operating Fund reflects the day-to-day child welfare operations of the Society. The Society operates under the regulations and financial policies of the Ministry of Children and Youth of Services ("the Ministry") which provides operational funding on the basis of approved service plans.

The Capital Fund holds the capital assets of the Society.

The Donation Fund receives monies such as bequests, donations and those monies from other non-Ministry sources (exclusive of those specifically directed to another fund). These monies are to be used for programs not funded by the Ministry of Children and Youth Services and not otherwise related to the service plans.

The Other Child Welfare Fund (formally Non-Child Welfare) operates under the regulations and financial policies of the Ministry of Children and Youth Services and the Ministry of Community and Social Services, which provides operational funding for specific programming to enhance Community Programs. Fiscal 2011 funding was specific to Child Abuse Prevention, Repairs and Maintenance and Transitional Aged Youth. In the previous fiscal year funding was specific to Child Abuse Prevention and Transitional Aged Youth. Historically funding in this area has been specific to the Children's Crisis Program which provided immediately short term crisis intervention services to children aged 18 years and under. Effective June 3, 2005, the program and funding were moved to the Regional Children's Centre.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

1. Significant accounting policies (continued):

(a) Basis of presentation (continued):

Ontario Child Benefit Equivalent (OCBe) Pooled Funding is a Provincial directive which was effective November 14, 2008. The pooled fund shall be used in two ways:

- i) To provide opportunities for all children and youth in care and in formal customary care aged 0-17 to participate in recreational, educational, cultural and social activities that are consistent with their plans of care.
- ii) To establish a savings program for youth in care aged 15-17 to assist with a successful transition to independent living. The savings program will provide all eligible youth with financial skills to help prepare them for independent living and savings will assist with the costs of their basic needs upon leaving care.

Registered Education Savings Plans for children are to be established utilizing the Universal Child Care Benefit (UCCB) funding received by the Society, through the Federal Child Tax Benefit. The Registered Education Savings Policy Directive 001-08 is effective April 15, 2008 and requires the Society to hold individual Registered Education Savings Plans for each eligible child.

(b) Revenue recognition:

The Society follows the deferral method of accounting for contributions.

Investment income is recognized as revenue when earned in each of the appropriate funds.

Capital contributions received for the purpose of funding acquisitions of capital assets are deferred and amortized to income on a basis consistent with the amortization of the related capital asset.

(c) Capital assets:

Land, buildings, office equipment, vehicles, computer hardware/software and computer equipment under capital lease are recorded at cost. Amortization is recognized in the financial statements using the straight-line method. Buildings are amortized over a 40 year period. Building and property enhancements are amortized over a 24 year period. Office equipment and vehicles are amortized over a 5 year period. Computer hardware/software and computer equipment under capital lease are amortized over a 3 year period. No amortization is taken on assets in progress until they are placed in use.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

1. Significant accounting policies (continued):

(d) Employee future benefits:

The Society accrues its obligations under employee benefit plans as the employees render the services necessary to earn retirement benefits. Post retirement benefit costs include drug, other medical supplementary hospital, dental, vision and travel. The Society has adopted the following policies:

- The cost of retirement benefits earned by employees is actuarially determined using the projected unit method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.
- The measurement date of the accrued benefit obligation coincides with the Society's fiscal year. The most recent actuarial valuation was as of April 1, 2011, and the next required valuation will be as of April 1, 2014.
- Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gain (loss) over 10 percent of the accrued benefit obligation is amortized over the average remaining service period of active employees, which is 16.7 years.

(e) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in these statements.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

1. Significant accounting policies (continued):

(f) Interest rate swap:

The Society entered into interest rate swap agreements on March 2006, August 2007 and February 2008 to convert variable interest rates on their bankers acceptance term loans to a fixed rate. The Society has assessed its hedging policy and documentation process according to Handbook Section 3855, Financial Instruments – Recognition and Measurement, and determined that it did not meet the standard to apply effective hedge accounting.

Accordingly, the interest rate swap contracts are marked to market with the gain or loss recorded in the statement of revenue and expenditures.

(g) Use of estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates include the valuation of accounts receivable, capital assets and the liability for employee future benefits. Actual results could differ from those estimates.

2. Amounts receivable from/payable to funding provider:

As at March 31, 2011 the Society has recorded an account receivable from the Ministry of \$157,182 (2010 - \$621,501).

3. Interfund balances:

These amounts are non-interest bearing with no specified repayment terms.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

4. Capital assets:

	2011		
	Cost	Accumulated amortization	Net book value
Land	\$ 334,002	\$ —	\$ 334,002
Buildings	13,749,848	3,122,280	10,627,568
Office equipment	2,017,532	1,837,029	180,503
Computer hardware/software	1,811,353	1,811,353	—
Computer equipment under capital lease	3,271,449	2,746,271	525,178
Vehicles	160,146	128,354	31,792
	<u>\$ 21,344,330</u>	<u>\$ 9,645,287</u>	<u>\$ 11,699,043</u>

	2010		
	Cost	Accumulated amortization	Net book value
Land	\$ 334,002	\$ —	\$ 334,002
Buildings	13,705,349	2,936,288	10,769,061
Office equipment	1,918,017	1,821,125	96,892
Computer hardware/software	1,811,353	1,811,353	—
Computer equipment under capital lease	2,783,503	2,468,857	314,646
Vehicles	160,146	113,922	46,224
	<u>\$ 20,712,370</u>	<u>\$ 9,151,545</u>	<u>\$ 11,560,825</u>

Amortization of computer equipment under capital lease of \$277,414 (2010 – \$439,216) is included in amortization of capital assets.

5. Bank indebtedness:

The Society has an available line of credit of \$4,000,000. This indebtedness is unsecured, due on demand and bears interest at prime minus 0.5%.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

6. Deferred contributions:

Deferred contributions related to operating expenditures of future periods are as follows:

	2011	2010
Balance, beginning of year	\$ 49,161	\$ 156,630
Add: Funding received during the year	131,044	22,545
Less: Amount recognized as revenue in the year	(49,161)	(130,014)
Balance, end of year	\$ 131,044	\$ 49,161

7. Deferred capital contributions:

Deferred capital contributions related to capital assets consist of the following:

	2011	2010
Balance, beginning of year	\$ 4,610,032	\$ 4,754,096
Amortized to revenue during the year	(144,064)	(144,064)
Balance, end of year	\$ 4,465,968	\$ 4,610,032

8. Capital lease obligations:

The Society has entered into lease agreements to finance various computer hardware. The future minimum lease payments on the capital leases are as follows:

	2011	2010
2011	\$ -	\$ 301,037
2012	137,166	6,864
2013	130,303	-
2014	110,310	-
	377,779	307,901
Less: amounts representing interest at 6%	22,895	29,473
Present value of capital lease payments	354,884	278,428
Less: current portion	(137,166)	(271,770)
	\$ 217,718	\$ 6,658

Interest expense includes interest on capital lease obligations of approximately \$25,484 (2010 - \$25,994).

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

9. Mortgage payable:

	2011	2010
First mortgage on property in Leamington, Ontario, bearing interest at prime plus 0.3%, due December 2012	\$ 47,445	\$ 74,037
Less: current portion	(27,309)	(24,673)
	<u>\$ 20,136</u>	<u>\$ 49,364</u>

The future principal payments on the mortgage payable are estimated as follows:

2012	\$ 27,309
2013	20,136
	<u>\$ 47,445</u>

Interest expense includes interest on the mortgage payable of approximately \$1,919 (2010 – \$2,958).

10. Long-term debt:

	2011	2010
Bankers Acceptance term loan, with interest at 5.18%, with monthly blended principal and interest payments of \$38,966, due December 2023	\$ 4,478,893	\$ 4,729,367
Bankers Acceptance term loan, with interest at 5.31% with blended monthly principal and interest payments of \$7,588, due June 2021	716,006	759,122
Refinance term loan, with interest at 5.31% with blended monthly principal and interest payments of \$11,068, due February 2023	1,838,202	1,949,945
	<u>7,033,101</u>	<u>7,438,434</u>
Less: current portion	(393,178)	(374,209)
	<u>\$ 6,639,923</u>	<u>\$ 7,064,225</u>

The fair market value of the interest rate swap agreements exceed their carrying values by \$527,803 (2010 - \$558,927) and are included above.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

10. Long-term debt (continued):

The future principal payments on the long-term debt are estimated as follows:

2012	\$ 393,178
2013	414,430
2014	437,232
2015	461,328
2016	475,275
Thereafter	4,851,658
	\$ 7,033,101

All of the Banker's Acceptance term loans are secured by a general security agreement and first collateral mortgage on the Riverside Drive property.

Interest expense includes interest on the long-term debt of \$344,478 (2010 – \$359,059).

11. Employee future benefits:

The Society's actuarially determined obligation of \$13,350,200 as at March 31, 2011 based on the most recent actuarial valuation on March 31, 2011 is currently unfunded and requires contributions from the Society. As noted below, in the current year an amount of \$1,247,161 (2010 – \$790,239) is included in future employee benefits expense on the statement of revenue and expenditures relating to this obligation.

	2011	2010
Benefit obligation, beginning of year	\$ 10,954,100	\$ 8,396,000
Actuarial loss	1,532,488	1,965,800
Service cost	458,000	474,901
Interest cost	621,708	278,939
Benefits paid	(216,096)	(161,540)
Benefit obligation, end of year	\$ 13,350,200	\$ 10,954,100
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ –	\$ –
Employer contributions	216,096	161,540
Benefits paid	(216,096)	(161,540)
Fair value of plan assets, end of year	\$ –	\$ –

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

11. Employee future benefits (continued):

	2011	2010
Funded status:		
Funded status, plan deficit, end of year	\$ (13,350,200)	\$(10,954,100)
Unamortized net actuarial loss	3,104,964	1,739,928
Accrued benefit liability	(10,245,236)	(9,214,171)
Less: current portion	167,453	36,400
Long-term portion	\$ (10,077,783)	\$ (9,177,771)

The significant actuarial assumptions adopted in measuring the Society's accrued benefit obligations are as follows:

Discount rate	6.0%	6.5%
Medical and dental trend rates	Medical	Dental
Initial	8.5%	10%
Ultimate	4.5%	5%
Year of ultimate level	2031	2018

	2011	2010
Components of net periodic benefit cost:		
Service cost	\$ 458,000	\$ 474,901
Interest cost	621,708	278,939
Amortization of actuarial loss	167,453	36,399
Employee future benefit expense	\$ 1,247,161	\$ 790,239

12. Expenditure recoveries and non-retainable revenue:

	2011	2010
Special allowances	\$ 1,741,304	\$ 1,771,007
Other Society wards	150,364	222,114
Interest income	11,274	104
Miscellaneous	68,764	18,680
Parental contributions and pensions	4,768	2,273
Supervision	48,635	53,899
Non-retainable revenue	2,025,109	2,068,077
Expenditure recoveries	241,443	298,424
	\$ 2,266,552	\$ 2,366,501

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

13. Grants:

In fiscal 2009 Greenshield Canada Foundation provided a grant in the amount of \$22,000 to enable the Windsor-Essex Children's Aid Society to assist Kinship Service Families with costs associated with Day Care and Recreational services. Kinship Service is extended family or friends that provide stability for children (not in care) who cannot presently reside with their family of origin but the long term plan is that the children will return home. Expenditures incurred to March 31, 2011 amounted to \$18,516. The remaining fund balance of \$3,484 will be utilized in the next fiscal period to continue to assist Kinship Service families with the costs of Day Care and Recreation.

The Dave Thomas Foundation grant was renewed in fiscal 2011 in the amount of \$83,500. The grant was initially approved in 2007 in the amount of \$61,500 and was renewed in 2008 for \$80,000 and also renewed in 2009 and 2010 for \$83,500. The purpose of the grant is to assist with funding a specialized recruiter for adoption home. The Society created a position titled "Wendy's Wonderful Kids Recruiter", which was filled permanently in June 2007. Expenditures incurred up to March 31, 2011 total \$83,500 for related expenses including a portion of the adoption recruiter wages and travel expenses to attend the Adoption Resource Exchange as well as the Dave Thomas Foundation Conference.

In fiscal 2010 the Society joined the Crown Ward Education Champions initiative and partners with the Boards of Education, Children's Aid Societies and the Province of Ontario in the South West region of Ontario. The larger group was divided into geographical sections and Windsor-Essex, Chatham- Kent and Lambton formed a working group to develop a business plan that will meet the following objectives – Support better education, training and employment opportunities for youth with Crown Ward status; Create, implement and maintain a local community based model; Create, implement and maintain a sustainable and responsive support system for youth with Crown Ward Status. Windsor-Essex Children's Aid Society was approached by our local Ministry office to administer the initial funds received from the Ontario Ministry of Colleges and Universities in the amount of \$10,000 to develop a business plan with respect to this Crown Ward Education Champion initiative. In fiscal 2011 the Ministry of Colleges and Universities approved the business plan to develop a collaborative data collection tool; identify gaps in Education, Knowledge and Social Development for Crown Wards; Nurture Student motivation/resilience/leadership; Transition Opportunities; employment experience programs and develop liaison and protocols among the Championship Partners. Funding for this initiative was continued in the amount of \$140,000, Expenditures related to achieving the business plan objectives as well as travel and meeting expenses to March 31, 2011 total \$30,458, the remaining fund balance will be utilized in the fiscal 2011-2012.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

14. Pension plan:

The employees of the Society are members of the pension plan administered by the Ontario Municipal Employees' Retirement System ("OMERS") which is a multi-employer defined-benefit plan. Contributions during 2011 amounted to \$1,830,870 (2010 – \$1,651,543). The OMERS plan is currently in a funding deficit position.

15. Financial instruments:

Fair value:

The fair value of cash, accounts receivable, amounts receivable from funding provider, accounts payable and accrued liabilities, capital lease obligations, mortgage payable, vehicle financing and long-term debt approximate their carrying amounts due to the relatively short period to maturity of the instruments and/or the instruments bear interest at the rates which are currently available.

Interest rate risk:

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society mitigates interest rate cash flow risk with respect to its fixed rate long-term debt using the interest rate swap agreements discussed in note 1(f).

Credit risk:

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk on its accounts receivable.

16. Contingencies:

Due to the nature of its operations, the Society and/or its directors or employees are periodically subject to lawsuit(s) in which they are defendants. In the opinion of management, the ultimate resolution of any current lawsuit(s) would not have a material effect on the financial position or results of operations of the Society.

WINDSOR-ESSEX CHILDREN'S AID SOCIETY

Notes to Financial Statements (continued)

Year ended March 31, 2011

17. Ministry reporting:

The Society reports its financial results to the Ministry of Children and Youth Services on a basis that is other than Canadian generally accepted accounting principles ("GAAP") as follows:

	2011	2010
Revenue over expenditures per financial statements	\$ 35,239	\$ 584,647
Less: Adjustments for non-GAAP/Grant items	(35,246)	(584,616)
Revenue over expenditures (expenditures over revenue) as reported to the Ministry	\$ (7)	\$ 31