



**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO, CHILDREN AUTHORITY FUND FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2017**

**OPINION**

The financial statements of the Children's Authority of Trinidad and Tobago, Children Authority Fund for the year ended 30<sup>th</sup> September 2017 have been audited. The statements as set out on pages 1 to 14 comprise a Statement of Financial Position as at 30<sup>th</sup> September 2017, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year then ended, and Notes to the Financial Statements numbered 1 to 10, including a summary of significant accounting policies.

2. In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 30<sup>th</sup> September 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**BASIS FOR OPINION**

3. The audit was conducted in accordance with generally accepted auditing standards. The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the Authority in accordance with the ethical requirements that are relevant to the audit of the financial statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above audit opinion.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

4. Management of the Authority is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

5. In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance are responsible for overseeing the Authority's financial reporting process.



## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

7. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit and to report thereon in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 48(2) of the Children's Authority Act, Chapter 46:10.

8. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes his opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains 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 Authority's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes 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 Authority's ability to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in his audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify his opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluates 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.



10. The Auditor General communicates 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 were identified during the audit.

### **SUBMISSION OF REPORT**

11. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

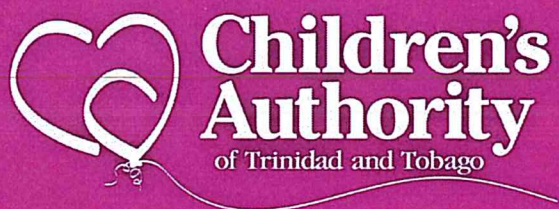
**29<sup>TH</sup> AUGUST 2018**  
**PORT OF SPAIN**



  
**MAJEED ALI**  
**AUDITOR GENERAL**

SS  
2018 0829





# **CHILDREN AUTHORITY FUND FINANCIAL STATEMENTS**

For the Financial Year Ended 30<sup>th</sup> September, 2017



CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2017

---

**C O N T E N T S**

**Page**

**Statement of Financial Position**

**2**

**Statement of Comprehensive Income**

**3**

**Statement of Changes in Equity**

**4**

**Statement of Cash Flows**

**5**

**Notes to the Financial Statements**

**6 - 14**



CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

STATEMENT OF FINANCIAL POSITION AT 30TH SEPTEMBER 2017

	Notes	2017 \$	Restated 2016 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	11,117,789	10,583,274
Intangible assets	8	<u>518,099</u>	<u>616,940</u>
		<u>11,635,888</u>	<u>11,200,214</u>
<b>Current assets</b>			
Accounts receivable and prepayments	4	327,870	6,434,808
Short-term investments	3	274,426	271,266
Cash and bank balances	3	<u>6,709,990</u>	<u>8,716,946</u>
		<u>7,312,286</u>	<u>15,423,020</u>
<b>Total Assets</b>		<u>18,948,174</u>	<u>26,623,234</u>
<b>Shareholders' Equity</b>			
Accumulated fund		<u>2,975,675</u>	<u>14,202,996</u>
		<u>2,975,675</u>	<u>14,202,996</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred government grants	9	<u>9,702,433</u>	<u>9,047,304</u>
		<u>9,702,433</u>	<u>9,047,304</u>
<b>Current liabilities</b>			
Accounts payable and accruals	5	4,336,611	1,220,024
Deferred government grants	9	<u>1,933,455</u>	<u>2,152,910</u>
		<u>6,270,066</u>	<u>3,372,934</u>
<b>Total Liabilities</b>		<u>15,972,499</u>	<u>12,420,238</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u>18,948,174</u>	<u>26,623,234</u>



The accompanying notes on pages 6 to 14 form an integral part of these financial statements.

Chairman:

Member:

CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

	Note	2017	2016
		\$	\$
<b>Income</b>			
Government subventions		35,827,651	33,875,251
Project expenses		<u>(369,843)</u>	<u>(739,457)</u>
		35,457,808	33,135,794
Other income		<u>5,859</u>	<u>2,798</u>
Total income		35,463,667	33,138,592
<b>Expenditure</b>			
Operating and administrative	10	44,750,357	38,616,133
Depreciation and amortization		1,933,455	2,152,910
Bank charges and interest	10	<u>7,176</u>	<u>6,186</u>
		<u>46,690,988</u>	<u>40,775,229</u>
<b>(Deficit)/Surplus for the year</b>		<u>(11,227,321)</u>	<u>(7,636,637)</u>

The accompanying notes on pages 6 to 14 form an integral part of these financial statements.

CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

	<b>Accumulated Fund \$</b>	<b>Total \$</b>
Balance at 1st October 2015	21,839,633	21,839,633
Deficit for the year	<u>(7,636,637)</u>	<u>(7,636,637)</u>
Balance at 30th September 2016	<u>14,202,996</u>	<u>14,202,996</u>
Balance at 1st October 2016	14,202,996	14,202,996
Deficit for the year	<u>(11,227,321)</u>	<u>(11,227,321)</u>
Balance at 30th September 2017	<u>2,975,675</u>	<u>2,975,675</u>

The accompanying notes on pages 6 to 14 form an integral part of these financial statements.



CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

	Note	2017 \$	2016 \$
<b>Operating Activities</b>			
Net deficit for the year		(11,227,321)	(7,636,637)
<b>Adjustment for:</b>			
Depreciation		1,834,614	2,021,869
Amortisation		98,841	131,041
Loss on disposal of property, plant and equipment		<u>-</u>	<u>77,757</u>
		(9,293,866)	(5,405,970)
<b>Movements in working capital</b>			
Decrease/(increase) in accounts receivable and prepayments		6,106,938	(511,398)
Increase/(decrease) in accounts payable and accruals		<u>3,116,586</u>	<u>(620,800)</u>
<b>Net cash utilized in operating activities</b>		(70,342)	(6,538,168)
<b>Investing activities</b>			
Purchase of property, plant and equipment		(2,369,129)	(1,737,288)
<b>Cash used in investing activities</b>		(2,369,129)	(1,737,288)
<b>Financing activities</b>			
Movement in deferred grants		<u>435,675</u>	(493,378)
<b>Cash (used in)/provided by financing activities</b>		<u>435,675</u>	(493,378)
<b>Net decrease in cash and cash equivalents</b>		(2,003,796)	(8,768,834)
<b>Cash and cash equivalents</b>			
- at the beginning of the year		8,988,212	17,757,046
- at the end of the year	3	<u>6,984,416</u>	<u>8,988,212</u>
		(2,003,796)	(8,768,834)

The accompanying notes on pages 6 to 14 form an integral part of these financial statements.

CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

**1. Incorporation and principal activities**

The Children's Authority of Trinidad and Tobago (CATT) was established in the Republic of Trinidad and Tobago under the guidelines stated in the Children's Authority Act 64 of 2000 and its subsequent amendments. CATT was set up to fulfill the objectives of the Act:

- Promote the well-being of all children in Trinidad and Tobago
- Provide care and protection for vulnerable children
- Comply with certain obligations under the United Nations Convention on the Rights of the Child

CATT is managed by a Board of Management, which is appointed by the President. In accordance with the Act, the Board shall include members who possess professional qualifications and skills in child psychology, child psychiatry, social work, paediatrics and education, accounting and family law.

**2. Significant accounting policies**

**(a) Basis of preparation**

These financial statements are expressed in Trinidad and Tobago dollars and have been prepared under the historical cost convention, in accordance with International Financial Reporting Standards.

**(b) Use of estimates**

The preparation of financial statements, in conformity with International Financial Reporting Standards, require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(c) Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Financial Position at cost and comprise cash in hand and bank balances disclosed in Trinidad and Tobago dollars, and other short-term highly liquid investments.

**(d) Foreign currency**

Foreign currency transactions during the year are translated into Trinidad and Tobago dollars at the exchange rates ruling at the dates of the transactions. Current assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the Statement of Financial Position date. Gains or losses thus arising are included in the Statement of Comprehensive Income.



CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

**2. Significant accounting policies (continued)**

**(e) Property, plant and equipment**

Property, plant and equipment are stated at cost and are being depreciated on the reducing balance basis (with the exception of leasehold improvements which is depreciated on the straight-line basis), at varying rates, which are sufficient to write off the cost of the assets over their estimated useful lives as follows:

Furniture and fittings	10%
Medical equipment	20%
Motor vehicles and equipment	20%
Office equipment	20%
Computer equipment	33.3%
Leasehold improvements (straight-line method)	over 12 years

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of Comprehensive Income.

CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

**2. Significant accounting policies (continued)**

**(f) Intangible Assets**

The accounting requirements for intangible assets, relates to assets that are either without physical substance and identifiable (either being separable or arising from contractual or other legal rights). Intangible assets meeting the relevant recognition criteria are initially measured at cost. Subsequent measurement can be either at cost or using the revaluation model and amortized on a systematic basis over their useful lives, unless these assets have an indefinite useful life, in which case they are not amortized. The revaluation model, however can only be determined by reference to an active market.

The intangible assets currently recognised in the Statement of Financial Position relates to software development costs.

Software development costs are capitalised only after technical and commercial feasibility of the asset. This means that the entity must intend and be able to complete the intangible asset and either use it or sell it and then be able to demonstrate how the asset will generate future economic benefits. The amortization rate is presented below:

Software Development Costs	25%
----------------------------	-----

**(g) Revenue**

**(i) Government subventions**

Government subventions are recognised at fair value on an accrual basis

**(ii) Interest income**

Interest income earned on deposits and short-term investments are recognised on the accrual basis.



CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

**2. Significant accounting policies (continued)**

**(h) Investments**

**(i) Held to maturity**

These investments are stated at amortized cost, less provisions for any permanent diminution in value, with the positive intention of being held to maturity.

**(ii) Available for sale**

After initial recognition, the investments, which are classified as "available for sale", are measured at fair value, with unrealised gains or losses recorded to the Investment Reserve on the Statement of Financial Position. For actively traded investments, fair value is determined by reference to Stock Exchange quoted market prices at the Statement of Financial Position date, adjusted for transaction cost necessary to realize the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.

**(i) Accounts receivable**

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. All collections from sales are expected in one year or less and are classified as current assets. Accounts receivable are initially recognized at the transaction price. They are subsequently measured at cost less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the company will not be able to recover all amounts due according to the original terms of the receivables.

**(j) Accounts payable**

Accounts payable are obligations on the basis of normal credit terms and do not bear interest.

**(k) Taxation**

No provision has been made for taxation in these financial statements.

CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

**3. Cash and bank balances**

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the Statement of Cash Flows comprise the following Statement of Financial Position balances:

	2017	2016
	\$	\$
Cash and bank	6,709,990	8,716,946
Short-term investments	<u>274,426</u>	<u>271,266</u>
	<u>6,984,416</u>	<u>8,988,212</u>

**4. Accounts receivable and prepayments**

	2017	2016
	\$	\$
Accounts receivable	13,782	6,281,312
Prepayments and other	<u>314,088</u>	<u>153,496</u>
	<u>327,870</u>	<u>6,434,808</u>

**5. Accounts payable and accruals**

	2017	2016
	\$	\$
Accounts payable	668,687	353,133
Accruals	2,079,552	384,191
Other payables	<u>1,588,372</u>	<u>482,700</u>
	<u>4,336,611</u>	<u>1,220,024</u>

**6. Employees**

	2017	2016
The number of employees at year end	<u>141</u>	<u>126</u>



CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

**7. Property, plant and equipment**

	<b>Leasehold Improvements</b>	<b>Furniture &amp; Fixtures</b>	<b>Medical Equipment</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>Cost</u></b>							
Beginning of year	7,633,389	2,501,059	1,405,790	1,723,735	879,907	2,810,777	16,954,657
Additions	495,719	84,794	-	791,198	177,910	819,508	2,369,129
Disposals	-	-	-	-	-	-	-
End of year	8,129,108	2,585,853	1,405,790	2,514,933	1,057,817	3,630,285	19,323,786
<b><u>Accumulated depreciation</u></b>							
Beginning of year	2,879,336	758,316	313,263	681,713	280,618	1,458,137	6,371,383
Current year charge	636,116	175,061	220,199	230,500	111,565	461,173	1,834,614
Disposals	-	-	-	-	-	-	-
End of year	3,515,452	933,377	533,462	912,213	392,183	1,919,310	8,205,997
<b>Net Book Value 2016</b>	<b>4,754,053</b>	<b>1,742,743</b>	<b>1,092,527</b>	<b>1,042,022</b>	<b>599,289</b>	<b>1,352,640</b>	<b>10,583,274</b>
<b>Net Book Value 2017</b>	<b>4,613,656</b>	<b>1,652,476</b>	<b>872,328</b>	<b>1,602,720</b>	<b>665,634</b>	<b>1,710,975</b>	<b>11,117,789</b>

CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

8. Intangible assets	2017 \$	2016 \$
<b><u>Cost</u></b>		
Beginning of year	789,381	556,600
Additions	-	232,781
Disposals	-	-
End of year	<u>789,381</u>	<u>789,381</u>
<b><u>Accumulated amortization</u></b>		
Beginning of year	172,441	41,400
Current year charge	98,841	131,041
Disposals	-	-
End of year	<u>271,282</u>	<u>172,441</u>
<b>Carrying amount</b>	<u>518,099</u>	<u>616,940</u>

Software development costs capitalized in prior years were removed from property, plant and equipment in 2017 and shown separately as an intangible asset. The 2016 non-current assets were restated accordingly to show separate prior year closing balances for property, plant and equipment and intangible assets.



CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

**9. Deferred government grants**

	2017	2016
	\$	\$
Opening balance	11,200,214	11,693,592
Allocation – capital expenditure additions	2,369,129	1,737,288
Disposal of property, plant and equipment	-	(77,756)
Less depreciation and amortization - SOCI	<u>(1,933,455)</u>	<u>(2,152,910)</u>
	<u>11,635,888</u>	<u>11,200,214</u>

In the current year government subventions received were as follows:

Government funding – PSIP	-	2,342,153
Government funding – Recurrent	34,469,326	30,000,000
Government funding – Foster Care/Adoption	<u>1,794,000</u>	<u>1,039,720</u>
	36,263,325	33,381,873
Capital expenditure per above	<u>(2,369,129)</u>	<u>(1,737,288)</u>
Disposal – net	-	77,756
Depreciation and amortization	<u>1,933,455</u>	<u>2,152,910</u>
Balance to SOCI – Recurrent	<u>35,827,651</u>	<u>33,875,251</u>

The government grants have been presented in the Statement of Financial Position under both Current and Non-current Liabilities.

Portion - Non-current liability	9,702,433	9,047,304
Portion - Current liability	<u>1,933,455</u>	<u>2,152,910</u>
Total Government grant	<u>11,635,888</u>	<u>11,200,214</u>

The accounting approach for the recognition of grants is the income approach under which the grant is recognized in the Statement of Comprehensive Income over one or more period.

CHILDREN'S AUTHORITY OF TRINIDAD AND TOBAGO,  
CHILDREN AUTHORITY FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

10. Expenditure	2017	2016
	\$	\$
<b>Operating and administrative</b>		
Staff Salaries and gratuity	27,322,360	23,489,328
Operating costs	14,196,048	12,193,532
Board fees	498,372	759,000
Other staff costs	<u>2,733,577</u>	<u>2,174,273</u>
	<u>44,750,357</u>	<u>38,616,133</u>
Bank charges and interest	7,176	6,186
Depreciation & amortization	<u>1,933,455</u>	<u>2,152,910</u>
Total operating and administrative expenditure	<u>46,690,988</u>	<u>40,775,229</u>