

Nogdawindamin
Family and Community Services
Financial Statements
For the year ended March 31, 2018

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Independent Auditor's Report

To the Members of Nogdawindamin Family and Community Services

We have audited the accompanying financial statements of Nogdawindamin Family and Community Services, which comprise the statements of financial position as at March 31, 2018, March 31, 2017 and April 1, 2016, and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2018 and March 31, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nogdawindamin Family and Community Services as at March 31, 2018, March 31, 2017 and April 1, 2016 and the results of its operations and cash flows for the years ended March 31, 2018 and March 31, 2017 in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
August 21, 2018

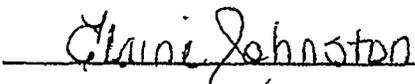
**Nogdawindamin
Family and Community Services
Statement of Financial Position**

March 31	2018	2017	April 1, 2016
Assets			
Current			
Cash	\$ 3,042,265	\$ 902,588	\$ 1,133,275
Accounts receivable	241,460	473,022	241,987
Prepaid expenses	138,681	142,163	78,530
	3,422,406	1,517,773	1,453,792
Capital assets (Note 3)	2,932,483	1,222,169	952,381
	\$ 6,354,889	\$ 2,739,942	\$ 2,406,173

Liabilities and Net Assets

Current			
Accounts payable and accrued liabilities	\$ 2,322,911	\$ 1,032,698	\$ 575,434
Deferred revenue	485,046	2,079	1,605
	2,807,957	1,034,777	577,039
Net assets			
Reserves (Note 6)	866,228	635,666	961,340
Investment in capital assets	2,932,483	1,222,169	952,381
Unrestricted net deficit	(251,779)	(152,670)	(84,587)
	3,546,932	1,705,165	1,829,134
	\$ 6,354,889	\$ 2,739,942	\$ 2,406,173

On behalf of the Board:


 _____ Director


 _____ Director

Nogdawindamin
Family and Community Services
Statement of Operations

For the year ended March 31	2018	2017
Revenue		
Ministry of Community and Social Services	\$ 1,942,721	\$ 1,942,721
Ministry of Community and Social Services - Youth justice	75,000	77,000
Ministry of Community and Social Services - Child welfare capacity	17,770,268	7,184,300
Ministry of Community and Social Services - Mental health	11,568	9,515
Ministry of Community and Social Services - Youth in transition	75,000	70,000
Mental Health Canada	-	60,905
Department of Indigenous Services Canada	1,576,950	-
Department of Indigenous Services Canada - CHRT	549,564	-
Alternative care	618,344	2,850,048
Children's special allowance	394,365	-
Ontario child benefit	1,065	-
Disability tax credit	36,855	-
Other	113,934	75,085
	<u>23,165,634</u>	<u>12,269,574</u>
Expenses		
Admission prevention	394,380	-
Advertising and promotion	91,122	149,938
Alternative care payments	2,824,123	1,305,227
Alternative care appreciation	49,717	47,883
Automotive	136,050	104,101
Bank charges and interest	4,104	2,571
Board	47,955	26,164
Capacity development	374,316	129,355
Equipment rental	59,113	57,037
Health and related costs	152,214	-
Insurance	121,689	59,288
Mental health training	152,788	70,420
Postage, stationary and office supplies	238,753	124,731
Prevention - community support	669,079	669,079
- family support	3,387,697	1,091,198
Professional fees	25,696	58,892
Program resources	154,737	26,253
Purchased services	566,389	153,883
Relocation	3,145	3,258
Rent	541,547	309,547
Repairs and maintenance	178,659	182,736
Salaries - staff	8,013,294	5,782,099
- on call	79,258	40,220
- benefits	1,419,573	1,013,920
Start-up	45,598	38,827
Telephone	115,061	89,999
Training and recruitment	260,210	189,041
Travel	693,534	366,437
Youth retreat	6,755	7,522
	<u>20,806,556</u>	<u>12,099,626</u>
Revenue over expenses before amortization	2,359,078	169,948
Amortization of capital assets	517,311	293,917
Excess (deficiency) of revenue over expenses (Note 12)	\$ 1,841,767	\$ (123,969)

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

**Nogdawindamin
Family and Community Services
Statement of Changes in Net Assets**

	Invested in Reserves	Unrestricted Capital Assets	Unrestricted Net Assets	Total
Balance at March 31, 2016	\$ 961,340	\$ 952,381	\$ (84,587)	\$ 1,829,134
2017				
Excess (deficiency) of revenues over expenses	-	(293,917)	169,948	(123,969)
Capital assets acquired	-	563,705	(563,705)	-
Transfer to reserves	(325,674)	-	325,674	-
Balance at March 31, 2017	635,666	1,222,169	(152,670)	1,705,165
2017				
Excess (deficiency) of revenues over expenses	-	(517,311)	2,359,078	1,841,767
Capital assets acquired	-	2,227,625	(2,227,625)	-
Transfer to reserves	230,562	-	(230,562)	-
Balance at March 31, 2018	\$ 866,228	\$ 2,932,483	\$ (251,779)	\$ 3,546,932

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

**Nogdawindamin
Family and Community Services
Statement of Cash Flows**

For the year ended March 31	2018	2017
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ 1,841,767	\$ (123,969)
Item not involving cash		
Amortization of capital assets	<u>517,311</u>	293,917
	2,359,078	169,948
Changes in non-cash working capital balances		
Accounts receivable	231,562	(231,035)
Prepaid expenses	3,482	(63,633)
Accounts payable and accrued liabilities	1,290,213	457,264
Deferred revenue	<u>482,967</u>	474
	4,367,302	333,018
Capital transactions		
Purchase of capital assets	<u>(2,227,625)</u>	(563,705)
Increase (decrease) in cash and cash equivalents	2,139,677	(230,687)
Cash and cash equivalents, beginning of year	<u>902,588</u>	1,133,275
Cash and cash equivalents, end of year	<u>\$ 3,042,265</u>	<u>\$ 902,588</u>

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

**Nogdawindamin
Family and Community Services
Notes to Financial Statements**

March 31, 2018

1. Summary of significant accounting policies

Description of Operations	The Agency was incorporated without share capital in 1990 under the laws of Ontario and is engaged in providing culturally sensitive services to indigenous children and families including being licensed for Alternative Care services from the Ministry of Community and Social Services. Effective April 1, 2004 the Agency is a registered charity with a tax-exempt status under paragraph 149(1)(f) of the Income Tax Act.														
Basis of Accounting	These financial statements have been prepared in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.														
Revenue Recognition	The Agency follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fund raising revenue is recognized as it is received. Revenue received in the current period for specific purposes is deferred until the related expenditures are incurred.														
Revenue Adjustments	The final amount of excess revenue over expenses made with respect to special programs is not determined until the Ministry of Community and Social Services has reviewed the Agency's financial returns. The Agency accounts for any adjustment in the statement of operation in the year in which it occurs.														
Capital Assets	<p>Capital assets are recorded at cost less accumulated amortization. Amortization, based on the estimated useful life of the asset, is provided by the straight line basis over the following periods:</p> <table><tr><td>Equipment, furniture and fixtures</td><td>- 10 years</td></tr><tr><td>Computer software</td><td>- 3 years</td></tr><tr><td>Computer hardware</td><td>- 3 - 5 years</td></tr><tr><td>Leasehold improvements</td><td>- 5 years</td></tr><tr><td>Signs</td><td>- 5 years</td></tr><tr><td>Buildings</td><td>- 40 years</td></tr><tr><td>Automotive</td><td>- 5 years, \$5,000 residual</td></tr></table>	Equipment, furniture and fixtures	- 10 years	Computer software	- 3 years	Computer hardware	- 3 - 5 years	Leasehold improvements	- 5 years	Signs	- 5 years	Buildings	- 40 years	Automotive	- 5 years, \$5,000 residual
Equipment, furniture and fixtures	- 10 years														
Computer software	- 3 years														
Computer hardware	- 3 - 5 years														
Leasehold improvements	- 5 years														
Signs	- 5 years														
Buildings	- 40 years														
Automotive	- 5 years, \$5,000 residual														
Financial Instruments	<p>Cash is measured at fair value. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.</p> <p>Interest attributable to financial instruments are reported in the statement of operations.</p> <p>Interest attributable to financial instruments are reported in the statement of operations.</p> <p>All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.</p>														

**Nogdawindamin
Family and Community Services
Notes to Financial Statements**

March 31, 2018

1. Summary of significant accounting policies (continued)

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires 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 revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. First time adoption

Effective April 1, 2017, the Agency adopted the requirements of the accounting framework, Canadian Public Sector Accounting Standards (PSAS) including the 4200 standards for government not-for-profit organizations. These are the Agency's first financial statements prepared in accordance with this framework. First-time adoption of this basis of accounting had no impact on the Agency's excess revenues over expenses for the year ended March 31, 2017 or on net assets as at April 1, 2016, the date of transition.

There were no exemptions used at the date of transition to Canadian public sector accounting standards.

3. Capital assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	\$ 300,000	\$ -	\$ -	\$ -
Signs	37,301	11,417	18,551	5,832
Furniture and fixtures	1,501,350	431,602	969,378	315,200
Computer hardware	1,129,250	730,902	780,249	504,727
Computer software	440,723	332,960	327,690	280,072
Leasehold improvements	467,956	80,319	66,647	17,180
Automotive	761,924	118,821	248,363	65,698
	\$ 4,638,504	\$ 1,706,021	\$ 2,410,878	\$ 1,188,709
Net book value		\$ 2,932,483		\$ 1,222,169

**Nogdawindamin
Family and Community Services
Notes to Financial Statements**

March 31, 2018

4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are the following:

	2018	2017
Trade accounts payable and accruals	\$ 1,990,197	\$ 760,200
Government remittances payable	88,609	127,502
Accrued vacation pay	244,105	144,996
	\$ 2,322,911	\$ 1,032,698

5. Trust accounts

The Agency receives Canada Child Benefit (CCB) payments from the Canada Revenue Agency on behalf of children in their care. Per direction from the Ministry of Children and Youth Services, a portion of the CCB funds are used to establish individual Registered Education Savings Plans (RESPs) on behalf of each child. During the current year, the Agency received payments in the amount of \$105,800 (2017 - nil) from the Canada Revenue Agency. As at March 31, 2018 the balance of the individual RESPs amount to \$308,949 (2017 - nil) and the Agency has an accounts payable in the amount of \$105,800 (2017 - nil) to be deposited to the individuals RESPs.

6. Reserves

	2018	2017
Alternative care	\$ 304,302	\$ 623,304
Department of Indigenous Services Canada - CHRT	549,564	-
Conference surplus	12,362	12,362
	\$ 866,228	\$ 635,666

7. Commitments

The Agency has entered into various lease agreements for vehicles and building rentals for the next five years. Total commitments are as follows:

2019	\$	785,354
2020	\$	614,314
2021	\$	182,803
2022	\$	93,069
2023	\$	7,745

**Nogdawindamin
Family and Community Services
Notes to Financial Statements**

March 31, 2018

8. Economic dependence

Nogdawindamin has a service contract agreement with the Ministry of Community and Social Services. The funds are used by the Agency to administer its operations in accordance with the terms of the agreements.

9. Pension plan

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totaled \$251,987 (2017 - \$162,133) during the current period and were fully expensed.

10. Financial instrument risk

The Agency's management monitors, evaluates and manages the principal risks assumed with the financial instruments on a daily basis. The risks that arise from transacting financial instruments include credit risk and liquidity risk.

Credit risk

Credit risk arises principally from the Agency's cash and accounts receivable. The cash consists of a bank account and guaranteed investment certificates. The company has deposited the cash with a reputable financial institution, from which management believes the risk of loss to be remote. The Agency is also exposed to credit risk resulting from the possibility that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Liquidity risk

Liquidity risk arises from the Agency's management of accounts payable and other current liabilities. It is the risk that the Agency will encounter difficulty in meeting its financial obligations as they fall due.

11. Designation

On April 1, 2017 the Agency received full designation by the Ministry to operate as an Indigenous Child and Welfare Authority under the Child and Family Services act.

12. Surplus reconciliation

Excess of revenue over expenses per the financial statements	\$ 1,841,767
Add: Amortization	517,311
Less: Capital expenditures	(2,227,625)
Change in vacation pay	99,109
Transfer to reserves	(230,562)
	<u>\$ -</u>
Excess of revenue over expenses for funding purposes (Total of Schedule 1 and 2)	<u>\$ -</u>

Nogdawindamin
Family and Community Services
Schedule of Operations for Funding Purposes - Province
Schedule 1

For the year ended March 31, 2018

	Prevention	Child Welfare Capacity	Youth Justice
Revenue			
Ministry of Community and Social Services	\$ 1,942,721	\$ 17,770,268	\$ 75,000
Department of Indigenous Services Canada - CHRT	-	549,564	-
Alternative care	-	618,344	-
Children's special allowance	-	394,365	-
Ontario child benefit	-	1,065	-
Disability tax credit	-	36,855	-
Other	-	113,934	-
	<u>1,942,721</u>	<u>19,484,395</u>	<u>75,000</u>
Expenses			
Administration	-	(54,414)	-
Admission prevention	-	394,380	-
Advertising and promotion	-	89,237	866
Alternative care appreciation	-	49,717	-
Alternative care payments	-	2,824,123	-
Automotive	4,075	126,708	3,501
Bank charges and interest	-	4,104	-
Board and general meeting	-	47,955	-
Capacity development	-	353,187	-
Capital expenditures	16,500	1,370,419	-
Equipment rental and replacement	-	51,633	-
Health and related costs	-	152,214	-
Insurance	5,619	109,660	1,410
Postage, stationary and office supplies	64	231,989	29
Prevention - Community support	669,079	-	-
Prevention - Family support	1,082,595	2,305,102	-
Professional fees	-	25,696	-
Program resources	-	139,317	34
Purchased services	-	540,364	-
Relocation	-	3,145	-
Rent	-	524,780	-
Repairs and maintenance	2,345	176,314	-
Salaries - staff	104,868	7,480,103	50,376
- on call	-	79,258	-
- benefits	23,107	1,343,701	12,065
Start-up costs	-	45,598	-
Telephone	960	109,681	600
Training and recruitment	27,377	170,526	535
Travel	6,132	658,445	5,584
	<u>1,942,721</u>	<u>19,352,942</u>	<u>75,000</u>
	-	131,453	-
Less change in vacation pay liability	-	99,109	-
Transfer to reserve - Department of Indigenous Services Canada - CHRT	-	(549,564)	-
Transfer from reserve - Alternative care	-	319,002	-
Surplus, for the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Nogdawindamin
Family and Community Services
Schedule of Operations for Funding Purposes - Other
Schedule 2

For the year ended March 31, 2018

	Mental Health	Jordan's Principle Service Co-ordination	Service Evaluation	Youth in Transition	NeoNatal	Admission Prevention
Revenue						
Department of Indigenous Services Canada	\$ 1,165,420	\$ 82,228	\$ 78,001	\$ -	\$ 209,535	\$ 41,766
Ministry of Community and Social Services	11,568	-	-	75,000	-	-
	1,176,988	82,228	78,001	75,000	209,535	41,766
Expenses						
Administration	49,414	5,000	-	-	-	-
Advertising	-	-	-	866	153	-
Automotive	-	-	650	1,116	-	-
Capacity development	-	-	21,129	-	-	-
Capital expenditures	602,134	74,347	-	-	144,594	19,631
Equipment rental and maintenance	7,480	-	-	-	-	-
Insurance	5,000	-	-	-	-	-
Materials and supplies	4,708	695	650	350	134	134
Mental health training	152,788	-	-	-	-	-
Prevention programming	-	-	-	1,954	-	-
Program resources	2,435	2,186	67	2,126	6,618	-
Purchased services	20,120	-	1,190	540	3,507	668
Rental	13,767	-	-	-	3,000	-
Retreat	-	-	-	6,755	-	-
Salaries - staff	232,932	-	35,769	48,007	44,064	17,175
- benefits	25,303	-	4,821	6,867	2,789	920
Telephone	1,932	-	-	892	549	447
Training	46,233	-	11,283	535	3,659	62
Travel	12,742	-	2,442	4,992	468	2,729
	1,176,988	82,228	78,001	75,000	209,535	41,766
Surplus, for the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -