

Nogdawindamin
Family and Community Services
Financial Statements
For the year ended March 31, 2019

Contents

Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Schedule 1 - Schedule of Operations for Funding Purposes - Province	12
Schedule 2 - Schedule of Operations for Funding Purposes - Other	13



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Independent Auditor's Report

To the Members of Nogdawindamin Family and Community Services

Opinion

We have audited the financial statements of Nogdawindamin (the Organization) which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 auditor's report that includes our 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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.
- 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

We 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 we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
July 31, 2019

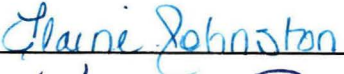
**Nogdawindamin
Family and Community Services
Statement of Financial Position**


March 31	2019	2018
Assets		
Current		
Cash	\$ 663,925	\$ 3,042,265
Accounts receivable	4,537,143	241,460
Prepaid expenses	218,680	138,681
	5,419,748	3,422,406
Capital assets (Note 2)	4,698,166	2,932,483
	\$ 10,117,914	\$ 6,354,889

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 3)	\$ 4,133,866	\$ 2,322,911
Due to funder (Note 5)	772,867	-
Deferred revenue (Note 6)	4,875	485,046
	4,911,608	2,807,957
Net assets		
Reserves (Note 7)	875,220	866,228
Investment in capital assets	4,698,166	2,932,483
Unrestricted net deficit	(367,080)	(251,779)
	5,206,306	3,546,932
	\$ 10,117,914	\$ 6,354,889

On behalf of the Board:





Nogdawindamin
Family and Community Services
Statement of Operations

For the year ended March 31	2019	2018
Revenue		
Ministry of Community and Social Services	\$ 1,948,721	\$ 1,942,721
Ministry of Community and Social Services - Youth justice	60,000	75,000
Ministry of Community and Social Services - Child welfare capacity	21,163,087	17,770,268
Ministry of Community and Social Services - Mental health	7,523	11,568
Ministry of Community and Social Services - Youth in transition	75,000	75,000
Ministry of Child and Youth Services	137,458	-
Department of Indigenous Services Canada (Note 11)	17,593,838	2,126,514
Alternative care	266,389	618,344
Children's special allowance	646,639	394,365
Ontario child benefit	5,531	1,065
Disability tax credit	41,615	36,855
Other	274,679	113,934
	42,220,480	23,165,634
Expenses		
Admission prevention	695,939	394,380
Advertising and promotion	171,132	91,122
Alternative care payments	3,478,991	2,824,123
Alternative care appreciation	67,039	49,717
Automotive	144,305	136,050
Bank charges and interest	5,738	4,104
Board	55,252	47,955
Capacity development	194,412	374,316
Equipment rental	157,796	59,113
Health and related costs	161,364	152,214
Insurance	148,224	121,689
Mental health training	587,377	152,788
Postage, stationary and office supplies	842,711	238,753
Prevention - community support	2,231,210	669,079
- family support	3,212,695	3,387,697
Professional fees	67,940	25,696
Program resources	205,604	154,737
Purchased services	933,455	566,389
Rent	1,407,328	541,547
Repairs and maintenance	252,108	178,659
Salaries - staff	18,587,033	8,013,294
- on call	75,035	79,258
- benefits	2,847,209	1,419,573
Start-up	25,001	45,598
Telephone	199,515	115,061
Training and recruitment	800,563	260,210
Travel	1,302,319	696,679
Youth retreat	6,764	6,755
	38,864,059	20,806,556
	3,356,421	2,359,078
Due to funder (Note 5)	(772,867)	-
Revenue over expenses before amortization	2,583,554	2,359,078
Amortization of capital assets	924,180	517,311
Excess of revenue over expenses (Note 13)	\$ 1,659,374	\$ 1,841,767

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	Net Assets	Total
Balance at March 31, 2017	\$ 635,666	\$ 1,222,169	\$ (152,670)	\$ 1,705,165
2018				
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
2019				
Excess (deficiency) of revenues over expenses	-	(924,180)	2,583,554	1,659,374
Capital assets acquired	-	2,689,863	(2,689,863)	-
Transfer to reserves	8,992	-	(8,992)	-
Balance at March 31, 2019	\$ 875,220	\$ 4,698,166	\$ (367,080)	\$ 5,206,306

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	2019	2018
Cash flows from operating activities		
Excess of revenue over expenses	\$ 1,659,374	\$ 1,841,767
Item not involving cash		
Amortization of capital assets	<u>924,180</u>	<u>517,311</u>
	2,583,554	2,359,078
 Changes in non-cash working capital balances		
Accounts receivable	(4,295,683)	231,562
Due to funder	772,867	-
Prepaid expenses	(79,999)	3,482
Accounts payable and accrued liabilities	1,810,955	1,290,213
Deferred revenue	(480,171)	<u>482,967</u>
	311,523	4,367,302
Capital transactions		
Purchase of capital assets	(2,689,863)	(2,227,625)
 Increase (decrease) in cash and cash equivalents	(2,378,340)	2,139,677
 Cash and cash equivalents, beginning of year	<u>3,042,265</u>	<u>902,588</u>
 Cash and cash equivalents, end of year	\$ 663,925	\$ 3,042,265

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

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

March 31, 2019

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>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, 2019

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. Capital assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	\$ 507,772	\$ 10,916	\$ 300,000	\$ -
Signs	99,630	25,111	37,301	11,417
Furniture and fixtures	2,380,634	636,921	1,501,350	431,602
Computer hardware	1,501,168	1,039,629	1,129,250	730,902
Computer software	558,294	414,887	440,723	332,960
Leasehold improvements	1,207,600	258,533	467,956	80,319
Automotive	1,073,270	244,205	761,924	118,821
	\$ 7,328,368	\$ 2,630,202	\$ 4,638,504	\$ 1,706,021
Net book value		\$ 4,698,166		\$ 2,932,483

3. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are the following:

	2019	2018
Trade accounts payable and accruals	\$ 3,680,150	\$ 1,990,197
Government remittances payable	12	88,609
Accrued vacation pay	453,704	244,105
	\$ 4,133,866	\$ 2,322,911

4. 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 \$170,400 (2018 - \$105,800) from the Canada Revenue Agency. As at March 31, 2019 the balance of the individual RESPs amount to \$323,146 (2018 - \$308,949) and the Agency has an accounts payable in the amount of \$276,200 (2018 - \$105,800) to be deposited to the individuals RESPs.

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

March 31, 2019

5. Due to funder

	2019	2018
Due to Department of Indigenous Services Canada	\$ 772,867	\$ -

Of the above balance, \$620,149 was not received by the organization until April 9, 2019. The Department of Indigenous Services Canada has included this \$620,149 in the organization's 2019/2020 cash flow for use in the March 31, 2020 year end.

6. Deferred revenue

	2019	2018
Staff donations	\$ 4,875	\$ 3,570
Department of Indigenous Services Canada -		
- Admission prevention - Jordan's Principle	-	258,710
- Service Model Evaluation	-	91,999
- Neonatal Services	-	130,767
	\$ 4,875	\$ 485,046

7. Reserves

	2019	2018
Alternative care	\$ 304,302	\$ 304,302
Department of Indigenous Services Canada - CHRT	558,556	549,564
Conference surplus	12,362	12,362
	\$ 875,220	\$ 866,228

8. Commitments

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

2020	\$ 1,568,882
2021	\$ 332,066
2022	\$ 116,939
2023	\$ 8,858

9. 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.

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

March 31, 2019

10. Pension plan

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totaled \$590,803 (2018 - \$251,987) during the current period and were fully expensed.

11. Department of Indigenous Service Canada funding

The Nogdawindamin has a contribution arrangement with the Department of Indigenous Service Canada (ISC). The funds are used by the organization to administer its operations and provide service in accordance with the terms of the funding arrangement.

The following is a reconciliation of funding provided:

ISC revenue per consolidated statement of operations	\$ 17,593,838
Less: Deferred revenue, beginning of year	(481,476)
Accounts receivable not on confirmation - CHRT	(1,428,796)
Other	(23,620)
	\$ 15,659,946
Department of Indigenous Service Canada funding per confirmation	\$ 15,659,946

12. 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.

13. Surplus reconciliation

Excess of revenue over expenses per the financial statements	\$ 1,659,374
Add: Amortization	924,180
Change in vacation pay	209,598
Less: Capital expenditures	(2,689,863)
Transfer to reserves	(8,992)
Funding received to cover prior period deficits	(74,724)
	\$ 19,573
Excess of revenue over expenses for funding purposes (Total of Schedule 1 and 2)	\$ 19,573

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

For the year ended March 31, 2019

	Community Prevention	Child Welfare Capacity	Youth Justice
Revenue			
Ministry of Community and Social Services	\$ 1,948,721	\$ 21,163,087	\$ 60,000
Department of Indigenous Services Canada - CHRT	973,332	7,366,670	3,473
Alternative care	-	266,389	-
Children's special allowance	-	646,639	-
Ontario child benefit	-	5,531	-
Disability tax credit	-	41,615	-
Other	-	274,679	-
	2,922,053	29,764,610	63,473
Expenses			
Administration	-	(438,885)	-
Admission prevention	-	695,939	-
Advertising and promotion	-	161,615	124
Alternative care appreciation	-	67,039	-
Alternative care payments	-	3,478,991	-
Automotive	120	140,354	3,831
Bank charges and interest	-	5,738	-
Board and general meeting	-	55,252	-
Capacity development	-	186,017	-
Capital expenditures	584	1,948,670	-
Equipment rental and replacement	-	68,887	-
Health and related costs	-	161,364	-
Insurance	2,183	135,264	1,410
Postage, stationary and office supplies	65	440,647	65
Prevention - Community support	1,639,569	-	-
Prevention - Family support	1,082,595	2,130,100	-
Professional fees	-	67,940	-
Program resources	12,500	160,505	-
Purchased services	(27)	656,745	-
Relocation	-	1,000	-
Rent	-	973,104	-
Repairs and maintenance	-	252,108	-
Salaries - staff	128,843	14,265,217	57,971
- on call	-	74,485	-
- benefits	19,048	2,266,324	11,422
Start-up costs	-	25,001	-
Telephone	738	162,071	600
Training and recruitment	200	545,412	37
Travel	6,415	1,081,968	7,374
	2,892,833	29,768,872	82,834
	29,220	(4,262)	(19,361)
Less change in vacation pay liability	-	209,598	-
Transfer to (from) reserve	-	(130,590)	-
ISC funding covering prior period deficits	-	(74,724)	-
Surplus (deficit) for the year	\$ 29,220	\$ 22	\$ (19,361)

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

For the year ended March 31, 2019

	Education Liaison	Jordan's Principle Children in Care	Housing Support	Children's Mental Health	Aunties and Grandmothers	Service Evaluation	Youth in Transition	Neonatal	Admission Prevention
Revenue									
Ministry of Child and Youth Services	\$ 70,458	\$ -	\$ 67,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ministry of Community and Social Services	-	-	-	7,523	-	-	75,000	-	-
Department of Indigenous Services Canada	-	2,259,188	-	4,117,576	-	91,999	-	320,073	1,225,602
Department of Indigenous Service Canada - CHRT	19,400	144,069	-	475,854	1,057	5,214	26,863	444,782	118,686
	89,858	2,403,257	67,000	4,600,953	1,057	97,213	101,863	764,855	1,344,288
Expenses									
Administration	-	22,454	-	296,444	-	14,860	-	-	105,127
Advertising	31	-	-	6,126	-	-	124	2,355	757
Capacity development	-	-	-	-	-	8,395	-	-	-
Capital expenditures	-	1,143	-	180,595	-	-	-	362,397	196,474
Equipment rental and maintenance	-	2,546	-	26,154	-	-	-	56,920	3,289
Insurance	-	-	-	5,458	-	-	-	463	3,446
Materials and supplies	40	336,231	22	33,506	197	-	40	25,506	6,392
Mental health training	-	-	-	587,377	-	-	-	-	-
Prevention programming	-	423,870	-	1,651	-	-	1,632	2,321	162,167
Program resources	10	4,454	-	11,778	87	-	176	13,726	2,368
Purchased services	200	228,587	-	37,586	-	824	2,564	6,976	-
Rental	-	705	-	392,209	-	-	-	24,405	16,905
Retreat	-	-	-	-	-	-	6,764	-	-
Salaries - staff	75,711	490,846	49,431	2,459,501	17,912	60,160	72,455	243,245	665,741
- on call	-	-	-	-	-	-	-	550	-
- benefits	7,217	53,250	4,317	333,868	1,291	5,671	15,829	34,464	94,508
Telephone	612	3,144	55	19,657	133	160	1,162	4,293	6,890
Training	378	40,484	52	154,768	40	-	881	20,812	37,499
Travel	5,659	46,176	3,431	94,375	274	9,720	5,617	(3,473)	43,783
	89,858	1,653,890	57,308	4,641,053	19,934	99,790	107,244	794,960	1,345,346
	-	749,367	9,692	(40,100)	(18,877)	(2,577)	(5,381)	(30,105)	(1,058)
Due to funder	-	(772,867)	-	-	-	-	-	-	-
Transfer from (to) reserve	-	23,500	-	40,100	18,877	2,577	5,381	30,105	1,058
Surplus, for the year	\$ -	\$ -	\$ 9,692	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -