

**Nogdawindamin**  
**Family and Community Services**  
**Financial Statements**  
For the year ended March 31, 2017

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## Independent Auditor's Report

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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 statement of financial position as at March 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended 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 accounting standards for not-for-profit organizations, 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 audit. We conducted our audit 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, 2017, and the results of its operations, change in its net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
August 29, 2017

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

March 31, 2017

2017

2016

**Assets**

**Current**

Cash	\$ 902,588	\$ 1,133,275
Accounts receivable	473,022	241,987
Prepaid expenses	142,163	78,530
	<u>1,517,773</u>	<u>1,453,792</u>

**Capital assets (Note 2)**

	<u>1,222,169</u>	<u>952,381</u>
	<u>\$ 2,739,942</u>	<u>\$ 2,406,173</u>

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 1,032,698	\$ 575,434
Deferred revenue	2,079	1,605
	<u>1,034,777</u>	<u>577,039</u>

**Net assets**

Reserves (Note 4)	635,666	961,340
Investment in capital assets	1,222,169	952,381
Unrestricted net deficit	(152,670)	(84,587)
	<u>1,705,165</u>	<u>1,829,134</u>
	<u>\$ 2,739,942</u>	<u>\$ 2,406,173</u>

On behalf of the Board:

*Ulman N. ...* Director  
*J. ...* Director

**Nogdawindamin  
Family and Community Services  
Statement of Operations**

For the year ended March 31, 2017

	2017	2016
<b>Revenue</b>		
Ministry of Community and Social Services	\$ 1,942,721	\$ 1,942,721
Ministry of Community and Social Services - Youth justice	77,000	64,000
Ministry of Community and Social Services - Child welfare capacity	7,184,300	3,562,700
Ministry of Community and Social Services - Mental health	9,515	15,485
Ministry of Community and Social Services - Youth in transition	70,000	70,000
Mental Health Canada	60,905	-
Foster care	2,850,048	2,208,343
Other	75,085	84,383
	<b>12,269,574</b>	<b>7,947,632</b>
<b>Expenses</b>		
Advertising and promotion	149,938	54,854
Automotive	104,101	87,771
Bank charges and interest	2,571	1,862
Board	26,164	22,833
Capacity development	129,355	46,258
Equipment rental	57,037	26,994
Foster care payments	1,305,227	937,287
Foster care appreciation	47,883	24,122
Insurance	59,288	64,165
Mental health training	70,420	19,170
Postage, stationary and office supplies	124,731	79,891
Prevention - community support	669,079	669,979
- family support	1,091,198	200,671
Professional fees	58,892	12,943
Program resources	26,253	45,997
Purchased services	153,883	106,815
Relocation	3,258	450
Rent	309,547	259,101
Repairs and maintenance	182,736	72,558
Salaries - staff	5,782,099	3,228,385
- on call	40,220	20,950
- benefits	1,013,920	515,336
Start-up	38,827	2,331
Telephone	89,999	66,335
Training and recruitment	189,041	176,860
Travel	366,437	290,306
Youth retreat	7,522	10,367
	<b>12,099,626</b>	<b>7,044,591</b>
<b>Revenue over expenses before provision</b>	<b>169,948</b>	<b>903,041</b>
<b>Provision for:</b>		
Amortization of capital assets	293,917	168,167
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (123,969)</b>	<b>\$ 734,874</b>

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

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

	Reserves	Invested in Capital Assets	Unrestricted Net Assets	Total
Balance at March 31, 2015	\$ 844,102	\$ 302,868	\$ (52,710)	\$ 1,094,260
<b>2016</b>				
Excess (deficiency) of revenues over expenses	-	(168,167)	903,041	734,874
Capital assets acquired	-	817,680	(817,680)	-
Transfer to reserves	117,238	-	(117,238)	-
Balance at March 31, 2016	961,340	952,381	(84,587)	1,829,134
<b>2017</b>				
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	-
<b>Balance at March 31, 2017</b>	<b>\$ 635,666</b>	<b>\$ 1,222,169</b>	<b>\$ (152,670)</b>	<b>\$ 1,705,165</b>

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

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

<b>For the year ended March 31, 2017</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ (123,969)	\$ 734,874
Item not involving cash		
Amortization of capital assets	293,917	168,167
	<u>169,948</u>	<u>903,041</u>
Changes in non-cash working capital balances		
Accounts receivable	(231,035)	40,685
Prepaid expenses	(63,633)	(43,307)
Accounts payable and accrued liabilities	457,264	163,709
Deferred revenue	474	840
	<u>333,018</u>	<u>1,064,968</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(563,705)	(817,680)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(230,687)</b>	<b>247,288</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,133,275</b>	<b>885,987</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 902,588</b>	<b>\$ 1,133,275</b>

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

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

**March 31, 2017**

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**1. Summary of significant accounting policies**

<b>Description of Operations</b>	The agency was incorporated without share capital in 1990 under the laws of Ontario and is engaged in providing culturally sensitive services to native children and families including being licensed for Foster 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.
<b>Basis of Accounting</b>	These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
<b>Revenue Recognition</b>	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.
<b>Revenue Adjustments</b>	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.
<b>Capital Assets</b>	Capital assets are recorded at cost. Amortization, based on the estimated useful life of the asset, is provided by the straight line basis over the following periods: Equipment, furniture and fixtures - 10 years Computer software - 3 years Computer hardware - 3 - 5 years Leasehold improvements - 5 years Signs - 5 years Automotive - 5 years, \$5,000 residual
<b>Financial Instruments</b>	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, they are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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.

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

**March 31, 2017**

**2. Capital assets**

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Signs	\$ 18,551	\$ 5,832	\$ 17,555	\$ 2,222
Furniture and fixtures	969,378	315,200	657,395	245,194
Computer hardware	780,249	504,727	613,177	356,788
Computer software	327,690	280,072	314,605	251,216
Leasehold improvements	66,647	17,180	25,394	6,669
Automotive	248,363	65,698	219,049	32,705
	<b>\$ 2,410,878</b>	<b>\$ 1,188,709</b>	<b>\$ 1,847,175</b>	<b>\$ 894,794</b>
Net book value		<b>\$ 1,222,169</b>		<b>\$ 952,381</b>

**3. Government remittances**

Included in accounts payable and accrued liabilities are the following government remittances payable:

	2017	2016
Source deductions	\$ 113,793	\$ -
Employer health tax	13,709	5,788
	<b>\$ 127,502</b>	<b>\$ 5,788</b>

**4. Reserves**

	2017	2016
Foster care per diem	\$ 623,304	\$ 948,978
Conference surplus	12,362	12,362
	<b>\$ 635,666</b>	<b>\$ 961,340</b>

**5. Commitments**

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

2018	\$ 394,411
2019	\$ 318,501
2020	\$ 123,303
2021	\$ 7,809



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

**March 31, 2017**

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**6. 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.

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**7. Pension plan**

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totaled \$162,133 (2016 - \$94,790) during the current period and were fully expensed.

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**8. 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.

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

**For the year ended March 31, 2017**

	Regular	Child Welfare Capacity	Youth Justice
<b>Revenue</b>			
Ministry of Community and Social Services	\$ 1,942,721	\$ 7,184,300	\$ 77,000
Other	471	60,617	-
	<u>1,943,192</u>	<u>7,244,917</u>	<u>77,000</u>
<b>Expenses</b>			
Advertising and promotion	50	109,525	-
Automotive	4,263	70,948	4,051
Bank charges and interest	-	2,571	-
Board and general meeting	-	26,164	-
Capacity development	-	129,355	-
Capital expenditures	-	546,152	9,690
Equipment rental and replacement	-	33,774	-
Insurance	1,357	50,955	42
Postage, stationary and office supplies	471	109,025	434
Prevention - Community support	669,079	-	-
Prevention - Family support	1,091,198	-	-
Professional fees	-	58,892	-
Program resources	33	22,706	236
Purchased services	12,246	122,746	-
Relocation	-	3,258	-
Rent	-	266,551	-
Repairs and maintenance	754	180,632	1,350
Salaries - staff	175,030	4,492,739	44,346
- on call	-	18,650	-
- benefits	27,740	818,978	11,980
Telephone	1,464	70,588	613
Training and recruitment	1,520	136,288	-
Travel	13,740	275,756	4,258
	<u>1,998,945</u>	<u>7,546,253</u>	<u>77,000</u>
	(55,753)	(301,336)	-
<b>Less change in vacation pay liability</b>	-	68,082	-
<b>Transfer from reserve</b>	<u>55,753</u>	<u>233,254</u>	<u>-</u>
<b>Surplus, for the year</b>	<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, 2017

	Mental Health Professional Development	Jordan's Principle Service Co-ordination	Foster Care Treatment	Youth in Transition	Foster Care Per-Diem
<b>Revenue</b>					
Foster care	\$ -	\$ -	\$ -	\$ -	\$ 2,827,298
Supervision foster care	-	-	-	-	22,750
Mental Health Canada	-	60,905	-	-	-
Ministry of Community and Social Services	9,515	-	-	70,000	-
Other	-	-	-	-	13,997
Deferred revenue, beginning of year	-	-	-	-	-
	<u>9,515</u>	<u>60,905</u>	<u>-</u>	<u>70,000</u>	<u>2,864,045</u>
<b>Expenses</b>					
Advertising	-	5,000	20	3,491	36,852
Automotive	-	-	325	-	24,514
Capital expenditures	-	-	-	-	7,862
Equipment rental and maintenance	-	-	500	875	21,888
Foster care appreciation	-	-	-	-	47,883
Foster care payments	-	-	-	-	1,303,198
Insurance	-	-	700	-	6,234
Materials and supplies	-	18,335	456	1,388	12,957
Personal needs	-	-	-	-	2,029
Prevention programming	-	-	-	173	-
Program resources	-	1,000	64	3,041	-
Purchased services	-	-	14,411	75	4,405
Rental	1,000	-	150	-	42,846
Retreat	-	-	-	7,522	-
Salaries - staff	-	8,922	169,339	45,055	855,590
- on call	-	-	-	-	21,570
- benefits	-	-	32,774	4,067	118,381
Start up costs	-	-	-	-	38,827
Telephone	-	-	3,360	294	13,680
Training	8,515	12,879	6,952	117	44,164
Travel	-	14,769	13,134	3,902	55,647
	<u>9,515</u>	<u>60,905</u>	<u>242,185</u>	<u>70,000</u>	<u>2,658,527</u>
	-	-	(242,185)	-	205,518
Transfer from (to) reserve	-	-	242,185	-	(205,518)
<b>Surplus, for the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>