

Mnaasged Child and Family Services
Financial Statements
For the Year Ended March 31, 2021

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Tel: (519) 432 5534
Fax: (519) 432 6544
Toll-free: (888) 275 4933
www.bdo.ca

BDO Canada LLP
633 Colborne Street
Suite 230
London ON N6B 2V3 Canada

Independent Auditor's Report

To the members of Mnaasged Child and Family Services

Opinion

We have audited the financial statements of Mnaasged Child and Family Services the Organization, which comprise the statement of financial position as at March 31, 2021, the statements of revenue and expenses, 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, 2021, and its financial performance and cash flows for the year then ended in accordance with the financial reporting provisions prescribed by the Ministry of Children, Community and Social Services as described in Note 1.

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.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist Mnaasged Child and Family Services to comply with the financial reporting requirements of the Ministry of Children, Community and Social Services. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Amended Financial Statements

We draw attention to Note 14 to the financial statements, which describes that the financial statements that we originally reported on July 27th, 2021 have been amended and describes the matter that gave rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements



Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions prescribed by the Ministry of Children, Community and Social Services, 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 Organization 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.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario

July 27, 2021 except as to Note 14, which is as of October 6, 2021.

**Mnaasged Child and Family Services
Statement of Financial Position**

March 31	2021	2020
Assets		
Current		
Cash	\$ 473,970	\$ 733,606
Accounts receivable	228,413	120,563
Prepaid expenses	15,047	24,201
	\$ 717,430	\$ 878,370
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 153,244	\$ 262,936
Deferred revenue (Note 2)	266,151	341,003
	419,395	603,939
Net Assets		
Net Assets restricted for building	72,818	72,641
Unrestricted	225,217	201,790
	298,035	274,431
	\$ 717,430	\$ 878,370

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

**Mnaaged Child and Family Services
Statement of Changes in Net Assets**

For the year ended March 31	Building (Note 5)	Unrestricted	2021 Total	2020 Total
Balance, beginning of the year	\$ 72,641	\$ 201,790	\$ 274,431	\$ 232,851
Excess of revenues over expenses	177	23,427	23,604	41,580
Balance, end of the year	\$ 72,818	\$ 225,217	\$ 298,035	\$ 274,431

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

Mnaasged Child and Family Services Statement of Revenue and Expenses

For the year ended March 31	2021 Budget (unaudited)	2021 Total	2020 Total
Revenue			
Ministry of Children, Community and Social Services	\$ 948,222	\$ 934,752	\$ 954,595
Miscellaneous and Fundraising (Note 6)	-	4,358	31,674
Childrens Aid Foundation of Canada	10,500	105,822	23,122
Indigenous Services Canada	874,871	1,195,913	1,801,791
The Association of Native Child and Family Services Agencies	-	41,500	27,800
Interest income	-	-	282
	1,833,593	2,282,345	2,839,264
Expenses			
Fundraising (Schedule 1)	-	-	12,668
Capacity development (Schedule 2)	865,700	859,882	892,007
Youth in transition worker (Schedule 3)	75,000	75,000	75,000
Mental health and addictions training (Schedule 4)	7,522	4,052	6,595
Children's Aid Foundation of Canada (Schedule 5)	10,500	105,822	23,122
Canadian Human Rights Tribunal - (Schedule 6)	874,871	1,172,485	1,745,438
ANCFSAO - Elder's conference (Schedule 7)	-	-	42,854
ANCFSAO - COVID Support (Schedule 8)	-	41,500	-
	1,833,593	2,258,741	2,797,684
Excess of revenues over expenses	\$ -	\$ 23,604	\$ 41,580

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

**Mnaasged Child and Family Services
Statement of Cash Flows**

For the year ended March 31	2021	2020
Cash flows from operating activities		
Excess of revenues over expenses	\$ 23,604	\$ 41,580
Changes in non-cash working capital:		
Accounts receivable	(107,850)	(107,051)
Prepaid expenses	9,154	(790)
Accounts payable and accrued liabilities	(109,692)	94,016
Deferred contributions	(74,852)	189,709
	(259,636)	217,464
Net (decrease) increase in cash	(259,636)	217,464
Cash, beginning of the year	733,606	516,142
Cash, end of the year	\$ 473,970	\$ 733,606

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

Mnaasged Child and Family Services Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies

Statutes of Incorporation and Nature of Activities	<p>Mnaasged Child and Family Services (the Organization) is a registered charity, incorporated without share capital under the laws of Ontario and is engaged in the operation of child and family services for Aboriginal communities in Southwestern Ontario.</p> <p>Mnaasged Child and Family Services has been granted tax exempt status as a registered charity and is classified as a charitable organization under Sections 149 and 149.1 of the Income Tax Act, Canada. The Organization is in compliance with its disbursement quota requirement as set by the Canada Revenue Agency.</p>
Basis of Accounting	<p>These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the reporting requirements of the Ministry of Children, Community and Social Services. The Organization's underlying financial reporting framework is Canadian public sector accounting standards for not-for-profit organizations (PSAB for NPOs). The basis of accounting used in these financial statements materially differs from PSAB for NPOs because termination and unused vacation benefits are not recorded as a liability of the Organization but rather expensed as incurred. Capital assets are also expensed as incurred.</p>
Revenue Recognition	<p>The Mnaasged Child and Family Services follows the deferral method of accounting for contributions, which include donations and government funding.</p> <p>Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and when collection is reasonably assured.</p>
Internally restricted	<p>The internally restricted fund reports the designated assets, as established by the board, which require a board motion to release any portion of these funds for expenditure.</p>
Management estimates	<p>The preparation of financial statements in accordance with the reporting requirements of the Ministry of Children, Community and Social Services requires 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 amount of revenue and expense during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported as revenue or expense in the period in which they became known.</p>

**Mnaasged Child and Family Services
Notes to Financial Statements**

March 31, 2021

1. Significant Accounting Policies (continued)

Contributed Services	Volunteers contribute many hours per year to assist the Mnaasged Child and Family Services in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
Budget Numbers	The budget numbers have been prepared by management and are not audited.
Pension Plan	The Organization provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount based on a set percentage of salary.

Mnaasged Child and Family Services Notes to Financial Statements

March 31, 2021

2. Deferred Revenue

	2021	2020
Children's Aid	\$ -	\$ 12,803
Indigenous Services Canada	265,224	328,023
Other	927	177
Ending balance	\$ 266,151	\$ 341,003

Indigenous Services Canada deferred revenue and revenue in Schedule 6 includes funding for Operations, Remoteness, Prevention/Least Disruptive Measures, Prevention Services Training, IT Equipment and Jordan's Principle.

3. Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairments, if applicable. Financial assets are tested for impairment when changed in circumstances indicate the asset may be impaired. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

Carrying amounts are equal to cost or amortized cost for all financial assets and financial liabilities in the year.

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Mnaasged Child and Family Services is exposed to credit risk arising from its accounts receivable. The majority of the Organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they fall due. The Organization has a planning and budgeting process in place to help determine the funds required to support the Organization's normal operating requirements on an ongoing basis. The Organization ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Mnaasged Child and Family Services Notes to Financial Statements

March 31, 2021

4. CONTINGENT LIABILITY

The Organization has been named defendant in a legal action by a former employee. The outcome and the amount of losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in the financial statements.

Subsequent to year-end, the Organization has been named defendant in two legal actions by a former employee. The outcome and the amount of losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in the financial statements.

5. INTERNALLY RESTRICTED FUND

During the year, the Board of Directors internally restricted \$NIL (2020 - NIL) for the future purchase of a building.

6. MISCELLANEOUS REVENUE

	2021	2020
Administration fee	\$ -	\$ 1,033
Bank interest	4,181	17,974
Fundraising	177	12,667
	<u>\$ 4,358</u>	<u>\$ 31,674</u>

7. PENSION PLANS

The Organization contributes to a defined contribution pension plan for the benefit of the Organization's employees. The expense for the year was \$47,734 (2020 - \$37,726).

Mnaasged Child and Family Services Notes to Financial Statements

March 31, 2021

8. COMMITMENTS

The Organization has a rental arrangement for the premises until October 2021. Subsequent to year-end the organization has signed a rental arrangement for an additional location expiring April 2026.

Future minimum payments under these agreements are as follows:

2022	171,600
2023	120,000
2024	120,000
2025	120,000
2026	120,000
Thereafter	10,000
	<u>\$ 661,600</u>

9. ECONOMIC DEPENDENCE

The Organization received 93% of its total revenue for the year ended March 31, 2021 (2020 - 97%) from the Ministry of Children, Community and Social Services and Indigenous Services Canada. Without this support, the organization would not be able to continue as a going concern.

10. ADDITIONAL INFORMATION

The Organization's positions and salary ranges are as follows:

<u>Position (number of employees)</u>	<u>Salary Range</u>
Manager (6)	\$55,514 - \$129,268
Service Workers (7)	\$37,350 - \$70,000
Administration (6)	\$23,595 - \$65,000

During the year, the organization received and paid out some retroactive wage amounts, resulting from Canadian Human Rights Tribunal funding. As a result, some of the staff have received payments above the range. Their current year salaries are within the above range.

**Mnaasged Child and Family Services
Notes to Financial Statements**

March 31, 2021

11. CLASSIFICATION OF EXPENSES BY OBJECT (TYPE OF EXPENSE)

The statement of revenue and expenses presents the expenses by function. The following classifies the same expenses by object.

	<u>2021</u>	<u>2020</u>
Administration	\$ 12,134	\$ 22,580
Advertising and promotion	19,533	22,356
Board, consultation and meetings	4,773	16,911
Communications	37,195	60,783
Community engagement sessions	9,627	18,071
Facilitators	-	6,595
Insurance	46,100	34,964
Maintenance	29,535	2,308
Memberships	91,042	91,042
Office expenses	161,299	215,340
Professional fees	136,349	101,876
Program fees	364,719	153,999
Rental	100,320	123,962
Salaries and benefits	1,208,615	1,848,857
Supplies	1,618	1,562
Training	21,357	33,197
Travel expenses	7,461	35,849
Utilities	7,064	7,432
	<u>\$ 2,258,741</u>	<u>\$ 2,797,684</u>

12. BANK INDEBTEDNESS

The Organization has a line of credit, which bears interest at prime plus 2.125%, has a limit of \$100,000 and is secured by a general security agreement. The outstanding balance is \$NIL as at March 31, 2021 (2020 - \$NIL).

13. Covid-19

The impact of COVID-19 on Canada and on the global economy continues to be significant. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The company anticipates little, if any, impact on funding from their contributors. Management is actively monitoring the effect on its financial condition, liquidity, and operations. At this time, the full potential impact of COVID-19 on the entity is not known.

**Mnaasged Child and Family Services
Notes to Financial Statements**

March 31, 2021

14. AMENDMENT TO THE FINANCIAL STATEMENTS

The financial statement Note 4 has been amended to include two legal actions brought on by a former employee subsequent to year-end.

**Mnaasged Child and Family Services
Fundraising (Schedule 1)**

<u>For the year ended March 31</u>	<u>Budget (unaudited)</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Fundraising	\$ -	\$ 177	\$ 12,667
Interest revenue	-	-	282
EXPENSES			
Fundraising cost	-	-	7,860
Prevention- program needs	-	-	4,808
	-	-	12,668
Excess of revenue over expenses	\$ -	\$ 177	\$ 281

**Mnaasged Child and Family Services
Capacity Development (Schedule 2)**

For the year ended March 31	Budget (unaudited)	2021	2020
REVENUE			
Ministry Children, Community and Social Services	\$ 855,700	\$ 855,700	\$ 873,000
Miscellaneous	10,000	4,182	19,007
	<u>865,700</u>	<u>859,882</u>	<u>892,007</u>
EXPENSES			
Advertising and promotion	3,000	2,091	1,930
Board - training, meetings, annual general assembly	19,500	3,788	21,887
Building occupancy and maintenance	57,900	57,747	43,409
Child advocacy	2,500	-	-
Communications	32,000	23,402	32,831
Community engagement sessions	3,000	-	2,710
Consultants	20,000	40,000	12,526
COVID-19 expenses	-	22,123	-
Financial administration costs	11,000	11,000	8,500
IT professional contract out services - supplies, equipment and computers	20,000	32,571	13,454
Insurance	30,000	30,000	34,964
Legal fees	23,000	29,374	21,847
Miscellaneous	2,036	354	813
OACAS Membership	1,000	1,000	1,000
Office equipment and furniture	5,000	4,770	2,272
Office supplies	13,000	9,872	10,770
Wages, benefits and admin	584,764	574,660	631,639
Team meetings, Elders council	10,000	4,773	13,761
Training - staff	11,000	4,359	11,624
Travel, van expenses	12,500	3,573	20,483
Utilities	4,500	4,425	5,587
	<u>865,700</u>	<u>859,882</u>	<u>892,007</u>
Excess of expenses over revenue	\$ -	\$ -	\$ -

**Mnaasged Child and Family Services
Youth in Transition Worker (Schedule 3)**

For the year ended March 31	Budget (unaudited)	2021	2020
REVENUE			
Ministry Children, Community and Social Services	\$ 75,000	\$ 75,000	\$ 75,000
EXPENSES			
Administration	7,500	7,500	-
I.T. supplies, equipment	850	-	-
Program activities	8,700	13,794	8,671
Training	1,500	239	-
Travel	6,000	2,701	5,282
Wages, benefits and admin	50,450	50,766	61,047
	75,000	75,000	75,000
Excess of expenses over revenue	\$ -	\$ -	\$ -

**Mnaasged Child and Family Services
Mental Health and Addictions Training (Schedule 4)**

<u>For the year ended March 31</u>	<u>Budget (unaudited)</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Ministry of Health	\$ 7,522	\$ 4,052	\$ 6,595
EXPENSES			
Facilitator	7,522	4,052	6,595
	<u>7,522</u>	<u>4,052</u>	<u>6,595</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Mnaasged Child and Family Services
Children's Aid Foundation of Canada (Schedule 5)**

<u>For the year ended March 31</u>	<u>Budget (unaudited)</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Children's Aid Foundation of Canada	\$ 10,500	\$ 105,822	\$ 23,122
EXPENSES			
Back to the land	10,500	10,500	425
Empowering youth	-	2,303	22,697
T&L Rogers comfort kits	-	19,147	-
YIT - mental health	-	25,000	-
YIT - COVID-19	-	48,872	-
Excess of expenses over revenue	\$ -	\$ -	\$ -

**Mnaasged Child and Family Services
Canadian Human Rights Tribunal (Schedule 6)**

For the year ended March 31	Budget (unaudited)	2021	2020
REVENUE			
Indigenous Services Canada	\$ 874,871	\$ 788,273	\$ 1,517,200
Indigenous Services Canada: Jordan's Principle	318,368	381,542	219,145
Admin - Jordan's Principle	-	26,097	50,392
	1,193,239	1,195,912	1,786,737
EXPENSES			
Board expense	-	-	4,933
Communications	14,500	75,014	77,490
Computers & IT equipment	9,150	16,835	-
Elders Council	-	-	3,150
Insurance	11,100	16,100	-
Maintenance	27,300	37,925	19,131
Membership	-	90,042	90,042
Professional fees	-	1,000	22,925
Program Costs	308,844	262,495	219,121
Rent	47,520	47,520	71,050
Training	15,250	12,482	14,121
Travel	34,153	1,187	33,750
Utilities	5,500	4,257	3,407
Wages, benefits and admin	726,745	607,628	1,186,318
	1,200,062	1,172,485	1,745,438
Excess of revenue over expenses	\$ (6,823)	\$ 23,427	\$ 41,299

**Mnaasged Child and Family Services
ANCFSAO- Elder's Conference (Schedule 7)**

For the year ended March 31	Budget (unaudited)	2021	2020
ANCFSAO	\$ -	\$ -	\$ 20,600
Registration fees	-	-	7,200
Indigenous Services Canada	-	-	15,054
	-	-	42,854
Program expense	-	-	-
Facilitators and helpers	-	-	9,415
	-	-	-
Conference services rentals	-	-	33,439
	-	-	42,854
	-	-	-
	\$ -	\$ -	\$ -

**Mnaasged Child and Family Services
ANCFSAO- COVID Support (Schedule 8)**

For the year ended March 31	Budget (unaudited)	2021	2020
ANCFSAO	\$ -	\$ 41,500	\$ -
	-	41,500	-
Program expense	-	-	-
Elders	-	12,194	-
Women escaping violence	-	29,306	-
	-	41,500	-
	-	-	-
	\$ -	\$ -	\$ -