

Child and Family All Nations Coordinated Response Network Inc.
Financial Statements
March 31, 2013

Management's Responsibility

To the Board of Child and Family All Nations Coordinated Response Network Inc.:


Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP, an independent firm of Chartered Accountant, is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

August 28, 2013



Sandie Stoker, Executive Director



Linda Kerr, Chief Financial Officer

Independent Auditors' Report

To the Board of Child and Family All Nations Coordinated Response Network Inc.:

We have audited the accompanying financial statements of Child and Family All Nations Coordinated Response Network Inc., which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations and changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, 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.

Auditors' 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 in our audit 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 Child and Family All Nations Coordinated Response Network Inc. as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba

August 28, 2013

MNP LLP
Chartered Accountants

Child and Family All Nations Coordinated Response Network Inc.

Statement of Financial Position

As at March 31, 2013

| | 2013 | 2012 | April 1 2011 |
|------------------------------------|-----------|-----------|-----------------|
| Assets | | | |
| Current | | | |
| Cash | 2,344,707 | 711,101 | 2,286,801 |
| Accounts receivable | 2,723,883 | 1,847,283 | 1,185,142 |
| Short-term investments (Note 4) | - | 2,002,961 | 2,002,961 |
| Prepaid expenses and deposits | 63,316 | 68,511 | 66,385 |
| | 5,131,906 | 4,629,856 | 5,541,289 |
| Capital assets (Note 5) | 374,031 | 445,317 | 452,438 |
| | 5,505,937 | 5,075,173 | 5,993,727 |
| Liabilities | | | |
| Current | | | |
| Accounts payable and accruals | 3,072,104 | 2,846,648 | 2,316,512 |
| Deferred contributions | 677,078 | 728,750 | 239,375 |
| Due to Southern Authority (Note 6) | 538,400 | 538,400 | 538,400 |
| | 4,287,582 | 4,113,798 | 3,094,287 |
| Net Assets | | | |
| Internally restricted | 1,218,355 | 961,375 | 2,899,440 |
| | 1,218,355 | 961,375 | 2,899,440 |
| | 5,505,937 | 5,075,173 | 5,993,727 |

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Child and Family All Nations Coordinated Response Network Inc.

Statement of Operations

For the year ended March 31, 2013

| | 2013 | 2012 |
|--|----------------|-------------|
| Central Program Support <i>(Schedule 1)</i> | 224,839 | (1,860,090) |
| Family Support Services <i>(Schedule 2)</i> | 18,600 | (3,662) |
| Child Maintenance <i>(Schedule 3)</i> | 13,541 | 15,151 |
| Differential Response <i>(Schedule 4)</i> | - | (89,464) |
| Excess (deficiency) of revenues over expenses | 256,980 | (1,938,065) |

The accompanying notes are an integral part of these financial statements

Child and Family All Nations Coordinated Response Network Inc.
Statement of Changes in Net Assets

For the year ended March 31, 2013

| | 2013 | 2012 |
|--|------------------|-------------|
| Net assets, beginning of year | 961,375 | 2,899,440 |
| Excess (deficiency) of revenues over expenses | 256,980 | (1,938,065) |
| Net assets, end of year | 1,218,355 | 961,375 |

The accompanying notes are an integral part of these financial statements

Child and Family All Nations Coordinated Response Network Inc.

Statement of Cash Flows

For the year ended March 31, 2013

| | 2013 | 2012 |
|---|------------------|--------------------|
| Cash provided by (used for) the following activities | | |
| Operating | | |
| Excess (deficiency) of revenues over expenses | 256,980 | (1,938,065) |
| Amortization | 78,233 | 95,509 |
| | 335,213 | (1,842,556) |
| Changes in working capital accounts | | |
| Accounts receivable | (876,600) | (662,141) |
| Prepaid expenses and deposits | 5,195 | (2,126) |
| Accounts payable and accruals | 225,457 | 530,135 |
| Deferred contributions | (51,672) | 489,375 |
| | (362,407) | (1,487,313) |
| Investing | | |
| Purchase of investments | - | (2,002,961) |
| Proceeds on disposal of short-term investments | 2,002,961 | 2,002,961 |
| Purchase of capital assets | (6,948) | (88,387) |
| | 1,996,013 | (88,387) |
| Increase (decrease) in cash resources | 1,633,606 | (1,575,700) |
| Cash resources, beginning of year | 711,101 | 2,286,801 |
| Cash resources, end of year | 2,344,707 | 711,101 |

The accompanying notes are an integral part of these financial statements

Child and Family All Nations Coordinated Response Network Inc.

Notes to the Financial Statements

For the year ended March 31, 2013

1. Incorporation and nature of the organization

Child and Family All Nations Coordinated Response Network Inc. (the "Organization") was incorporated by statute pursuant to Sec. 21 of the Child and Family Services Authorities Act, as a separate agency, governed by a Board of Directors and mandated by the First Nations of Southern Manitoba CFS authority ("Southern Authority").

On October 17, 2008 the Organization was granted registration by the Charities Directorate of the Canada Revenue Agency. The Organization is a registered charity under paragraph 149(1)(f) of the Income Tax Act ("the Act") and as such is exempt from income taxes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain criteria requirements within the Act. In the opinion of management, these requirements have been met.

2. Impact of adopting accounting standards for not-for-profit organizations

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended, and the opening ASNPO balance sheet as at April 1, 2011 (the Organization's date of transition to ASNPO).

In preparing these financial statements, the Organization has elected to apply no transitional provisions permitted by CICA 1501 *First-time adoption by not-for-profit organizations* at the date of transition to ASNPO.

The transition to ASNPO has not affected the statement of financial position, statement of operations or statement of cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

| | Rate |
|------------------------|-------------|
| Automotive | 30 % |
| Equipment | 20 % |
| Leasehold improvements | 11 % |

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicates that the carrying value of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in revenues and expenses for the year.

Child and Family All Nations Coordinated Response Network Inc.

Notes to the Financial Statements

For the year ended March 31, 2013

3. Significant accounting policies *(Continued from previous page)*

Revenue recognition

The Organization follows the deferral method of accounting for contributions which are primarily government grants. The Organization is funded primarily by the Province of Manitoba Department of Family Services and Labour. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not yet received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. Internally restricted funds are funding allocated for future employment positions. These positions will only provide support to the central program. In addition, funds have been restricted for future capital projects related to information technology upgrades and updates to building and office furnishings.

Measurement uncertainty

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CICA 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, at fair value. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

4. Short term investments

| | 2013 | 2012 |
|---|-------------|-----------|
| Royal Bank of Canada prime linked cashable GIC (redeemed during the year) | - | 2,002,961 |

Child and Family All Nations Coordinated Response Network Inc.

Notes to the Financial Statements

For the year ended March 31, 2013

5. Capital assets

| | <i>Cost</i> | <i>Accumulated amortization</i> | <i>2013 Net book value</i> |
|------------------------|-------------|-------------------------------------|------------------------------------|
| Automotive | 105,792 | 88,011 | 17,781 |
| Equipment | 544,087 | 333,791 | 210,296 |
| Leasehold improvements | 239,949 | 93,995 | 145,954 |
| | 889,828 | 515,797 | 374,031 |

| | <i>Cost</i> | <i>Accumulated amortization</i> | <i>2012 Net book value</i> |
|------------------------|-------------|-------------------------------------|------------------------------------|
| Automotive | 105,792 | 80,391 | 25,401 |
| Equipment | 540,085 | 281,216 | 258,869 |
| Leasehold improvements | 237,004 | 75,957 | 161,047 |
| | 882,881 | 437,564 | 445,317 |

6. Due to Southern Authority

The Province of Manitoba advanced the Southern Authority a working capital loan in the amount of \$538,400 (March 31, 2012 - \$538,400) which in turn was advanced by the Southern Authority to the Organization. The advance is repayable to the Southern Authority if the Southern Authority's operations cease. The advance is unsecured, non-interest bearing with no fixed terms of repayment.

7. Commitments

The Organization has entered into various lease agreements with estimated minimum annual payments as follows:

| | |
|------|-----------|
| 2014 | 877,216 |
| 2015 | 860,896 |
| 2016 | 860,896 |
| 2017 | 860,896 |
| | 3,459,904 |

8. Economic dependence

The Organization's primary source of revenue is the grant funding from the Province of Manitoba Department of Family Services and Labour allocated to the Organization through the Southern Authority. The Organization's ability to continue viable operations is dependent upon maintaining its funding. As at the date of these financial statements the Organization believes that the grant funding from the Province of Manitoba through the Southern Authority will continue.

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Child and Family All Nations Coordinated Response Network Inc.
Schedule 1 - Schedule of Central Program Support

For the year ended March 31, 2013

| | 2013 | 2012 |
|---|-------------------|--------------------|
| Revenues | | |
| Authority allocation | 12,301,327 | 10,214,944 |
| Interest | 11,029 | 36,760 |
| Miscellaneous | 657,824 | 523,813 |
| | 12,970,180 | 10,775,517 |
| Expenses | | |
| Accounting software and website maintenance | 46,801 | 51,852 |
| Advertising | 30,398 | 9,100 |
| Amortization | 76,963 | 88,251 |
| Bank charges | 6,185 | 6,249 |
| Board remuneration, training and travel | 31,061 | 48,523 |
| Computer maintenance (Province of Manitoba) | 132,500 | 132,500 |
| Courier | 4,994 | 5,979 |
| Equipment rental | 3,123 | 15,527 |
| Insurance | 48,033 | 48,137 |
| Meetings and events | 24,246 | 24,011 |
| Miscellaneous | 9,147 | 10,597 |
| Office supplies | 135,746 | 154,863 |
| Postage | 10,784 | 12,157 |
| Professional fees | 572,243 | 440,353 |
| Property taxes | 13,247 | 15,685 |
| Rental | 787,985 | 792,232 |
| Repairs and maintenance | 41,395 | 52,061 |
| Salaries, wages, and benefits | 10,410,613 | 10,329,466 |
| Staff training | 36,842 | 48,446 |
| Telephone | 196,055 | 196,237 |
| Travel | 118,381 | 143,019 |
| Utilities | 8,599 | 10,362 |
| | 12,745,341 | 12,635,607 |
| Deficiency of revenues over expenses | 224,839 | (1,860,090) |

Child and Family All Nations Coordinated Response Network Inc.
Schedule 2 - Schedule of Family Support Services

For the year ended March 31, 2013

| | 2013 | 2012 |
|--|----------------|-------------|
| Revenues | | |
| Authority allocation | 541,200 | 541,200 |
| Repatriation revenue | 1,549 | 803 |
| | 542,749 | 542,003 |
| Expenses | | |
| Amortization | 1,270 | 7,258 |
| Emergency assistance | 45,667 | 69,436 |
| Professional fees | 10,490 | 11,200 |
| Program expenses | 106,428 | 75,866 |
| Purchased services | 303,063 | 329,354 |
| Repatriation expense | 3,485 | 5,002 |
| Supplies | 17,027 | 9,539 |
| Travel | 36,719 | 38,010 |
| | 524,149 | 545,665 |
| Excess (deficiency) of revenues over expenses | 18,600 | (3,662) |

Child and Family All Nations Coordinated Response Network Inc.
Schedule 3 - Schedule of Child Maintenance

For the year ended March 31, 2013

| | 2013 | 2012 |
|---|----------------|-------------|
| <hr/> | | |
| Revenues | | |
| Province of Manitoba | 220,884 | 256,245 |
| <hr/> | | |
| Expenses | | |
| Basic maintenance | 40,086 | 56,685 |
| Fee for service | 58,500 | 93,585 |
| Special needs | 108,747 | 90,604 |
| Travel | 10 | 220 |
| <hr/> | | |
| | 207,343 | 241,094 |
| <hr/> | | |
| Excess of revenues over expenses | 13,541 | 15,151 |

Child and Family All Nations Coordinated Response Network Inc.
Schedule 4 - Schedule of Differential Response

For the year ended March 31, 2013

| | 2013 | 2012 |
|--|----------------|----------|
| Revenues | | |
| Authority allocation | 581,672 | 489,375 |
| Winnipeg Foundation grant | - | 30,000 |
| | 581,672 | 519,375 |
| Expenses | | |
| Miscellaneous | 6,257 | 45,292 |
| Office | 24,315 | 39,470 |
| Professional fees | 1,560 | 390 |
| Salaries, wages, and benefits | 544,198 | 523,634 |
| Travel | 5,342 | 53 |
| | 581,672 | 608,839 |
| Excess (deficiency) of revenues over expenses | - | (89,464) |