Docket: T1340/7008

CANADIAN HUMAN RIGHTS TRIBUNAL

BETWEEN:

FIRST NATIONS CHILD AND FAMILY CARING SOCIETY OF CANADA and ASSEMBLY OF FIRST NATIONS

Complainants

-and-

CANADIAN HUMAN RIGHTS COMMISSION

Commission

-and-

ATTORNEY GENERAL OF CANADA (representing the Minister of Indigenous and Northern Affairs Canada)

Respondent

-and-

CHIEFS OF ONTARIO and AMNESTY INTERNATIONAL CANADA

Interested Parties

AFFIDAVIT OF MICHEAL MILLER

I, MICHEAL MILLER, of the City of **TIMMINS** in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the Executive Director of Kunuwanimano Child and Family Services (hereinafter referred to as "Kunuwanimano") and as such, have knowledge of the facts herein deposed by me.

2. I have held the position of Executive Director of Kunuwanimano since January 9, 2012. Prior to my role as Executive Director of Kunuwanimano, I was a regional coordinator, working on labour market development agreements for three Tribal Councils. I hold a Masters in Business Administration, from Athabasca University granted on December of 2011.

3. As Executive Director of Kunuwanimano, I have direct, subject-matter expertise concerning the unique challenges of delivering child and family services to First Nation communities in Northeastern Ontario. My role as Executive Director of Kunuwanimano involves extensive communications with Nishnawbe Aski Nation ("NAN") First Nation communities and government stakeholders on a variety of issues concerning child and family services. I am seeking to bring this expertise before the Canadian Human Rights Tribunal (the "Tribunal") to ensure that any remedies ordered by the Tribunal are designed with the unique considerations of agencies engaged in child welfare service delivery to First Nation communities in Northeastern Ontario.

4. My affidavit will provide: (1) an overview of the NAN-mandated child welfare agencies, providing background information on Kunuwanimano in particular; (2) an overview of the unique challenges of service delivery to northern and remote communities in Northeastern Ontario; and, (3) a review of two *immediate relief* measures which would greatly assist Kunuwanimano in particular and NAN-mandated child welfare agencies in general with addressing *some* of the challenges with service delivery to northern and remote communities, specifically (i) agency debt relief and, (ii) a capital infrastructure needs assessment study.

I. ABOUT KUNUWANIMANO & NAN MANDATED CHILD WELFARE AGENCIES

5. There are three NAN mandated child welfare agencies: (1) Kunuwanimano; (2) Payukotayno James and Hudson Bay Family Services ("Payukotayno"); and, (3) Tikinagan Child and Family Services ("Tikinagan"). Kunuwanimano, Payukotayno and Tikinagan are three of nine Indigenous child welfare societies providing services in Ontario under the Child and Family Services Act ("CFSA").[1] Kunuwanimano, Payukotayno and Tikinagan are designated under the CFSA and have all of the responsibilities of any Children's Aid Society ("CAS") in Ontario.

6. Kunuwanimano received designation as a fully mandated child welfare protection agency in May 2015; however, Kunuwanimano began operations in 1989, as a child and family services prevention agency.

7. Located in Timmins, the Kunuwanimano catchment area encompasses a broad region in Northeastern Ontario that ranges from Hornepayne to Matachewan First Nation, amounting to approximately 150,000 square kilometers. This catchment area includes eleven road-accessible but geographically distant First Nation communities, all located within NAN territory. Additionally, Kunuwanimano provides services to members from other First Nations communities who happen to reside within Kunuwanimano's catchment area.

8. As of November 30, 2016, we have 98 children in care, 323 ongoing protection cases, and 226 prevention cases.

[1] *Child and Family Services Act*, R.S.O. 1990, c. C.11

II. CHALLENGES OF SERVICE DELIVERY TO NORTHERN, REMOTE COMMUNITIES

9. It is challenging to deliver much needed child and family services to remote and northern communities, for a number of reasons; however, a significant factor is the large geographic area and the isolation of the communities served by remote, northern agencies such as, Kunuwanimano.

10. In a previous affidavit filed in these proceedings, NAN's Director of Social Services, Bobby Narcisse[2] outlined a non-exhaustive list of the types of factors which exacerbate the challenges of service delivery to remote and northern communities. I adopt and reproduce paragraph 35 from Mr. Narcisse's March 18, 2016 affidavit[3], outlining these factors, as follows:

    - **Transportation** is a major challenge in the North. Accessing remote and isolated communities is a time consuming and expensive exercise. Many NAN communities do not have year round road access. Ice roads provide access in the winter months, requiring lengthy travel times. During the rest of the year, air travel is the only option;

    - **Staff recruitment and retention** is also challenging in the North, particularly with developing and keeping qualified staff in communities. Communities are isolated and the population is dispersed amongst a large land mass. There is a stigma against child and family service workers which is a by-product of the legacy of the "Sixties Scoop" and the association of child and family services with the removal of children

[2] The March 18, 2016 affidavit of Bobby Narcisse was filed in support of NAN's motion to intervene as an 'interested party'.
[3] The reproduced paragraph is paragraph 35 of Bobby Narcisse's March 18, 2016 Affidavit.

from the community. Additionally, there are challenges obtaining accreditation for local community workers who wish to work in the field. These factors, amongst many, lead to a high turnover of staff and community professionals;

- **Access to suitable housing** is also a serious challenge in the North. The shortage of available housing makes it difficult for agencies to hire staff from outside the community. Shortage of housing also creates difficulties in finding suitable foster homes. Housing shortages create living environments where many people are forced to share one home;

- **The lack of other social services** for both children's services and other social programs is a common factor in small and remote First Nations communities. This creates an environment where child and family services are being offered without the associated necessary supports. This impacts the performance and quality of child and family services and increases the burden on agencies operating within such an environment;

- **Geographic and socio-demographic characteristics** differ greatly between First Nations communities serviced by designated Aboriginal CASs versus non-Aboriginal CASs. There are several distinct differences between these two groups – specifically, Aboriginal CASs:

    i. serve significantly larger and less inhabited geographic areas;

    ii. have significantly larger case volumes per population;

iii. serve more children and youth in-care as opposed to within family homes; and,

iv. have smaller operating budgets but with significantly higher expenditures per child/youth;

- **High cost of food** represents a significant challenge faced by families in NAN communities who are trying to feed their children healthy nutritious foods. The high cost of food is directly related to the geographic and socio-demographic characteristics of NAN communities. As a result of the high cost of food, many families are forced to rely on more affordable but calorie-rich & nutrient poor foods;

- **Health problems** afflict NAN communities to a higher degree when compared to other regions. NAN territory has one of the highest diabetes rates in the country, as well as increasing incidences of child obesity, heart disease and other chronic diseases which have been directly linked to access and consumption of non-nutritious food. Financial hardship makes coping with health problems more difficult and exacerbates existing medical conditions;

- The **high cost of heat and hydro** adds to the burdens faced by NAN communities. Many NAN communities rely on diesel fuel power generation and have been experiencing high energy bills which increases stressors on families to make ends meet;

- **Economic poverty** is particularly pronounced in Northern, remote communities as a result of the factors described above;

- A **growing suicide epidemic** has thrown several NAN First Nations into crisis. There have been more than 500 suicides across NAN First Nations from 1986 to 2016, involving more than 70 children aged 10-14 and nearly 200 youth aged 15-20; and,

- **Funding disparities** between Indigenous and non-Indigenous child and family agencies aggravates the challenges described above.

11. In addition to the above identified factors, Kunuwanimano faces significant information technology deficits which is problematic for an agency that must connect with clients and staff in remote locations. As the most recently designated Aboriginal child welfare agency (designated in May 2015), Kunuwanimano also has significant *capacity development* needs, yet Kunuwanimano has not received the necessary funding to develop to its full capacity. Additionally, Kunuwanimano faces a lack of facilities to place children in residential services that are culturally appropriate. Finally, like many agencies servicing remote and northern locations, at times Kunuwanimano has been forced to send high-needs children to more urban locations for services that are not readily available, such as mental health services.

12. Each of the above identified factors adds to the *expense* of child and family service delivery in the remote north. These factors and expenses are a necessary part of effective service delivery to remote and northern communities.

13. Further, these remoteness factors are chronically underfunded or not funded at all. This forces agencies like Kunuwanimano to deliver services to remote and northern communities, as best as we can, within the resources and funding envelopes provided to us. Over time, this has resulted in at least two (of many) chronic conditions affecting northern and remote child welfare agencies: (1) routine budget shortfalls and accumulated debt; and, (2) neglected capital infrastructure needs. I discuss both issues in further detail in the subsequent sections.

III. Chronic Underfunding and Unsustainable Debt

14. As stated, Kunuwanimano was recently designated in May 2015. In the fiscal year 2015/2016, Kunuwanimano experienced a debt repayment of $371,945, arising from accumulated deficits going back to 2009. This debt repayment and a 10% holdback for 2016-17 is forecasting Kunuwanimano to be in a cash negative position in the beginning of the 2017-18 fiscal year where we will likely need a line of credit in order to maintain operations. Attached to my affidavit as **Exhibit A** is Kunuwanimano's financial statements for fiscal year 2015/16.

15. For this current fiscal year 2016/2017, Kunuwanimano was allocated $9,204,800 with a 10% holdback of $920,480. The Province of Ontario are currently flowing payments based on $8,284,320. We are forecasting to spend $9,204,800 for the 2016-17 fiscal year ending March 31, 2017, due to an increase of an additional twenty-five children in care and ninety-five ongoing protection files from last year. If the funds in the 10% holdback are not released, Kunuwanimano will face a <u>second budget deficit</u> of approximately $920,480, by the end of fiscal year 2016/17.

16. This budgetary deficiency arises from two general factors. Firstly, prior to its designation in May 2015, Kunuwanimano was operating as a pre-mandated provincial agency. During this

time, some expenditures for services submitted by Kunuwanimano were disallowed after the fact by the Province of Ontario. This meant that Kunuwanimano had to repay the Province of Ontario for these disallowed expenses, thereby putting Kunuwanimano in cash poor position. Secondly, as stated, Kunuwanimano is a recently designated agency and as such, we face somewhat different needs from Tikinagan and Payukotayno as Kunuwanimano is still in the capacity building phase. Notwithstanding, Kunuwanimano's budgetary allocation has not reflected both Kunuwanimano's capacity building needs and the actual cost of service delivery to northern and remote communities. As a result of the above identified factors, Kunuwanimano is expecting to once again be cash negative by the beginning of the next fiscal year in April 2017.

17. The recovery of our debts has negatively affected and placed undue hardship on Kunuwanimo's service delivery. In particular, we are at risk of having to lay off prevention workers, at a point in time when we need to add prevention workers, specifically in the Kapuskasing area. Additionally, Kunuwanimano is at a critical juncture in that we are implementing an integrated service model, which will have prevention and protection workers collaborating in service teams. Prevention plays a critical role in our service model and any disruption to this service will negatively impact the quality of client services.

18. It is concerning that Kunuwanimano is consistently experiencing budgetary shortfalls so early in our history of being a mandated children's aid society. We expect that this financial situation will likely continue for the foreseeable future, without proper operations and capacity building funding. If left unaddressed, Kunuwanimano will likely continue to face chronic underfunding, over several years. This is the same sort of underfunding that has plagued other remote and northern agencies such as Payukotayno and Tikinagan.

19. Chronic underfunding and recurring deficits negatively affect Kunuwanimano's ability to provide effective child and family services to our children and families residing in northern and remote communities. In particular, budgetary shortfalls affects Kunuwanimano's ability to provide culturally appropriate services and expand much needed capacity.

20. A significant form of immediate relief would be for the Tribunal to issue a one-time order that Canada immediately fund the currently outstanding deficit of Kunuwanimano, at cost. Of course, such an order would not address the long-term chronic underfunding faced by northern and remote agencies in general; however, such an order would provide significant and *immediate relief* to budgetary pressures experienced by Kunuwanimano *at this very moment in time*. This form of immediate relief would give Kunuwanimano more room and flexibility to address the many pressing and complex needs of children and families using child welfare services in remote and northern communities.

IV. Capital Infrastructure Needs

21. When compared to child welfare agencies delivering services in more urban regions, Kunuwanimano operates out of substandard, run-down, cramped buildings and has limited access to proper facilities for both children and families as well as community staff.

22. Some of these challenges were described in a report (which is before the Tribunal as evidence) by David Barnes and Vijay Shankar, titled, *Northern Remoteness: Study and Analysis of Child Welfare Funding Model Implications on Two First Nations Agencies Tikinagan Child and Family Services and Payukotayno: James Bay and Hudson Bay Family Services* (the "Barnes

Report").[4] Although the Barnes Report was specific to our fellow northern agencies, Tikinagan and Payukotayno, many of the same observations by the report's authors are relevant to Kunuwanimano, as summarized below:

> Nothing could have prepared the consultants for the impact of what was experienced in visiting the first community. In twenty-five years of Child Welfare service, this consultant had never witnessed such appalling conditions. The physical state of the office would not have met any standards that exist in the south. Windows were broken and in some cases boarded up, offices were cramped and overcrowded. This experience was to be repeated in other communities as well. … In many communities there are not [sp] adequate facilities to support staff who may have to spend several days before the weather clears before they can return to their home base.… it is imperative that the agencies that were studied in this review, continue to be seen as unique in dealing with the challenges they face in carrying out the child welfare mandate.[5]

23. Kunuwanimano does not own any buildings. Instead, Kunuwanimano leases available space. These spaces include a combination of retail space, building basements, old schools, residences, rented trailers, and space within NAN community band offices.

24. In the communities, Kunuwanimano must operate with whatever services and facilities are available. At times, Kunuwanimano staff and clients utilize spaces that are missing key infrastructure needs. For example, the summer of 2016 was the *first summer* that Kunuwanimano received funding from the Province of Ontario for air conditioning units.

25. On the capacity building side, our most pressing need is for high speed internet in all locations. In many of our remote locations, critical information technology infrastructure is inadequate

[4] Please refer to the *Northern Remoteness Study and Analysis of Child Welfare Funding Model Implications on Two First Nations Agencies: Tikinagan Child and Family Services and Payukotayno: James Bay and Hudson Bay Family Services*, found at Tab 219 of the Commission's materials. The report was entered into evidence on September 4, 2013 and assigned Exhibit # HR-011-219-094 and production number CHRC640. [the "Barnes Report"]

[5] Please refer to the Barnes Report, CHRC BOD, Ex. HR-011-219-094, Tab 219, at Part 1, 'Overview', pages 3-4.

or unavailable. This makes it challenging for Kunuwanimano staff to connect remotely and maintain communications with our central offices.

26. On the service side, our most pressing needs are for culturally appropriate residential facilities to place children. As is the case with all remote and northern agencies, high-needs children are often sent to more urban locations in order to access critical services that are not available within communities or small urban centres, such as mental health services.

27. Kunuwanimano has recently begun working on a capital plan, specifically for the purpose of applying for provincial funding in 2017. As this funding is only provided upon *application*, Kunuwanimano has no guarantees that funding for our identified needs will be granted.

28. Kunuwanimano has never undergone a comprehensive capital needs assessment study. Kunuwanimano has conducted ad hoc capital planning, to identify our most pressing needs for the purposes of provincial funding applications. As Kunuwanimano is in the early stages of being a mandated child welfare agency, a capital needs assessment study would be significantly helpful, not only to identify needs and gaps, but also as a tool to build agency capacity.

29. Addressing the many capital infrastructure needs faced by Kunuwanimano, and other northern and remote agencies, will require comprehensive, long-term reform; however, in the interim, we are requesting that a comprehensive capital needs assessment study be conducted as a form of *immediate relief*.

30. The primary objective of a capital needs assessment study would be to: (1) itemize current infrastructure; (2) identify needed infrastructure required to fulfill child welfare mandate and

the needs of remote and northern communities; and, (3) identify funding gaps related to capital infrastructure needs.

31. Completed within a reasonable timeframe, the undertaking of a comprehensive study on the capital infrastructure needs of Kunuwanimano is a necessary *precondition* of addressing and properly funding the capital infrastructure needs of northern and remote agencies.

32. I am aware that Canada has sent Agencies a letter of engagement, requesting agency specific information by a June 30, 2017. This letter of engagement is not a substitute for a proper, comprehensive capital needs assessment study which would be designed for the specific purpose of assessing capital infrastructure needs.

33. I make this affidavit for the purposes of NAN's submissions in anticipation of a hearing on immediate relief, currently scheduled for March 22, 23, 24, 2017 in the *First Nations Child and Family Caring Society v. Canada*[6] proceedings before the Tribunal and for no other or improper purpose.

AFFIRMED BEFORE ME this 20th day of December, 2016 in the City of Timmins in the Province of Ontario.	))))	
[signature] A Commissioner etc.	)))	[signature] **MICHEAL MILLER**

Catherine Carmen Boivin-Girard,
a Commissioner etc.,
Province of Ontario,
for the Children's Aid Society.
Expires November 23, 2019.

[6] *First Nations Child and Family Caring Society v. Canada*, 2016 CHRT 2. File No.: T1340/7008. Decision rendered January 26, 2016.

This is Exhibit "A" referred

to in the affidavit of

Micheal Miller

sworn to before me this 20

day of Dec 2016

Catherine Carmen Boivin-Girard,
a Commissioner etc.,
Province of Ontario,
for the Children's Aid Society.
Expires November 23, 2019.

Financial Statements of

KUNUWANIMANO CHILD AND FAMILY SERVICES

Year ended March 31, 2016

KPMG

KPMG LLP
Claridge Executive Centre
144 Pine Street
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Canada
Telephone (705) 675-8500
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Kunuwanimano Child and Family Services

We have audited the accompanying financial statements of **Kunuwanimano Child and Family Services**, which comprise the statement of financial position as at March 31, 2016, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

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 our 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, we consider 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.

KPMG

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Kunuwanimano Child and Family Services as at March 31, 2016, and its results of operations and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards

Other Matters

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

July 21, 2016
Sudbury, Canada

KUNUWANIMANO CHILD AND FAMILY SERVICES

Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash	$ 1,261,023	$ 433,824
Accounts receivable	131,560	268,862
Prepaid expenses and deposits	36,735	33,913
	1,429,318	736,599
Capital assets (note 3)	800,224	818,490
	$ 2,229,542	$ 1,555,089
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 739,549	$ 438,749
Vacation and banked overtime	211,553	154,160
Due to Ministry of Children and Youth Services (note 2)	512,853	159,163
Deferred revenue	65,616	-
Current portion of long-term debt	-	2,538
	1,529,571	754,610
Net assets	699,971	800,479
Commitments (note 5)		
Contingent liabilities (note 9)		
	$ 2,229,542	$ 1,555,089

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Director

______________________________ Director

KUNUWANIMANO CHILD AND FAMILY SERVICES

Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	2016			2015
	Operation	Capital	Total	Total
Revenue:				
Ministry of Children and Youth Services:				
- operating	$ 8,183,139	-	8,183,139	$ 4,036,468
Child and Family Services Agencies	148,527	-	148,527	1,018,276
Special allowance	193,097	-	193,097	-
Other income	2,920	-	2,920	2,000
	8,527,683	-	8,527,683	5,056,744
Expenses:				
Salaries and benefits	5,255,392	-	5,255,392	2,447,789
Boarding rate payment	1,238,470	-	1,238,470	458,916
Travel	467,118	-	467,118	169,277
Building occupancy	303,014	-	303,014	174,520
Office and general	221,501	-	221,501	185,997
Technology	183,089	-	183,089	68,589
Professional fees - Client	140,645	-	140,645	-
Client Personal Need	143,156	-	143,156	-
Promotion and publicity	133,461	-	133,461	63,145
Program costs	113,935	-	113,935	106,024
Training and recruitment	96,783	-	96,783	207,421
Professional fees - Non-client	86,801	-	86,801	253,018
Health and related	37,779	-	37,779	-
Insurance	29,867	-	29,867	35,012
Membership and miscellaneous	12,603	-	12,603	-
Capital office equipment	8,217	-	8,217	7,317
Financial assistance	2,907	-	2,907	-
Amortization of capital assets	-	153,453	153,453	105,431
Bad debts	-	-	-	422,453
Administrative (recovery)	-	-	-	(13,200)
	8,474,738	153,453	8,628,191	4,691,709
Excess (deficiency) of revenue over expenses	$ 52,945	(153,453)	(100,508)	$ 365,035

See accompanying notes to financial statements.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Statement of Changes in Net Assets

Year ended March 31, 2016, with comparative information for 2015

		March 31, 2016				
		Unrestricted				
		Operating	Employment related	Total Unrestricted	Capital	Total
Net assets (deficit), beginning of year	$	136,149	(154,160)	(18,011)	818,490	800,479
Excess (deficiency) of revenue over expenses		110,338	(57,393)	52,945	(153,453)	(100,508)
Net change in investment in capital assets		(135,187)	-	(135,187)	135,187	-
Net assets (deficit), end of year	$	111,300	(211,553)	(100,253)	800,224	699,971

		March 31, 2015				
		Unrestricted				
		Operating	Employment related	Total Unrestricted	Capital	Total
Net assets (deficit), beginning of year	$	108,626	(78,987)	29,639	405,805	435,444
Excess (deficiency) of revenue over expenses		545,638	(75,173)	470,465	(105,430)	365,035
Net change in investment in capital assets		(518,115)	-	(518,115)	518,115	-
Net assets (deficit), end of year	$	136,149	(154,160)	(18,011)	818,490	800,479

See accompanying notes to financial statements.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

		2016		2015
Cash flows from operating activities:				
Excess (deficiency) of revenue over expenses	$	(100,508)	$	365,035
Adjustment for:				
Amortization of capital assets		153,453		105,430
		52,945		470,465
Change in non-cash working capital:				
Decrease in accounts receivable		137,302		83,894
Decrease (increase) in prepaid expenses and deposits		(2,822)		5,230
Increase (decrease) in accounts payable and accrued liabilities		300,800		(10,986)
Increase in vacation and banked overtime		57,393		75,173
Increase in deferred revenue		65,616		-
Increase in due to/from Ministry of Children and Youth Services		353,690		11,042
		964,924		634,818
Cash flows from capital activities:				
Capital asset additions		(135,187)		(518,115)
Cash flows from financing:				
Repayment of long-term debt		(2,538)		(5,677)
Increase in cash		827,199		111,026
Cash position, beginning of year		433,824		322,798
Cash position, end of year	$	1,261,023	$	433,824

See accompanying notes to financial statements.

Kunuwanimano Child and Family Services (the "Organization") is incorporated as a non-profit entity without share capital. The Organization administers funds and performs services as contracted with various funding bodies pursuant to the terms and conditions of the applicable contribution agreements.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

(b) Revenue recognition:

The Organization accounts for contributions, which include donations and government grants, under the deferral method of accounting as follows:

- Operating grants are recorded as revenue in the period to which they relate.
- Grants and donations relating to future periods are deferred and recognized in the subsequent period when the related activity occurs.
- Grants approved but not received are accrued.
- Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.
- Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized.
- Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at rates corresponding to those of the related capital assets.

(c) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis to amortize the assets over their estimated useful lives as follows:

Asset	Useful Life - Years
Furniture and equipment	5 to 10 years
Computers	5 years
Leasehold improvements	5 years
Vehicles	5 years

1. Significant accounting policies (continued):

(d) Vacation and banked overtime:

Vacation and banked overtime are accrued for as entitlements are earned.

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(f) Funding settlements:

The Organization receives the majority of its funding from the Ministry. The operations of the Organization are therefore subject to audit by the Ministry with possible audit adjustments repayable to the Ministry.

Any adjustments required as a result of these audits will be made in the current year by adjusting revenue.

(g) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market would be recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value would be recognized in the statement of remeasurement gains and losses until they are realized, when they would be transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

1. Significant accounting policies (continued):

(g) Financial instruments (continued):

Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

Level 1	Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Fair value measurements are those derived market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly
Level 3	Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

The Organization has selected to account for transactions at the trade date.

(h) Deferred capital contributions:

Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital asset. Unexpended and unamortized capital asset contributions are recorded as deferred capital contributions on the statement of financial position.

2. Due from (to) Ministry of Children and Youth Services:

The amounts due from (to) the Ministry of Children and Youth Services are comprised of:

	2016	2015
Current year funding	$ –	195,958
Current year recoveries	(140,908)	–
Prior year recoveries	(371,945)	(355,121)
	$ (512,853)	(159,163)

3. Capital assets:

2016	Cost	Accumulated Amortization	Net book value
Vehicles	$ 96,512	48,256	48,256
Furniture and equipment	559,905	101,670	458,235
Computers	258,678	106,902	151,776
Leasehold improvements	225,106	83,149	141,957
	$ 1,140,201	339,977	800,224

2015	Cost	Accumulated Amortization	Net book value
Vehicles	$ 96,512	28,954	67,558
Furniture and equipment	458,173	51,155	407,018
Computers	240,157	65,808	174,349
Leasehold improvements	210,172	40,607	169,565
	$ 1,005,014	186,524	818,490

4. Demand line of credit:

The Organization has an approved credit facility of up to $225,000 (2015 - $225,000) bearing interest at the bank prime lending rate plus 1.25%, secured by a general security agreement.

5. Commitments:

Lease and service agreements:

The Organization has entered into various lease and service agreements. Minimum payments (including taxes excluding tax rebates) for the remainder period of the lease agreements is as follows:

2017	$ 148,419

6. Accounts payable and accrued liabilities:

The Organization receives Universal Child Care Benefit (UCCB) payments from the Canadian Revenue Agency on behalf of children in their care. Per direction from the Ministry of Children and Youth Services, the UCCB funds are used to establish Registered Education Savings Plans (RESPs) on behalf of these children. During the current year, the Organization received payments in the amount of $94,680 from the Canada Revenue Agency. As at March 31, 2016, the Organization has an amount of $94,680 to be deposited to the individuals RESPs which is included as accounts payable and accrued liabilities.

7. Pension plan contributions:

Employees are members of the Great West Life Pension Plan. Contributions made to the plan during the year amounted to $139,568 (2015 - $68,017)

8. Financial risks:

(a) Credit:

The Organization has no significant exposure to credit or market risks.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2015.

9. Contingent liabilities:

The Organization is involved in certain legal matters and litigation, the outcome of which is not presently determinable. The loss, if any, from these contingencies will be accounted for in the period in which the matter is resolved.

10. Comparative information:

Certain of the prior year figures have been reclassified to conform with the financial statement presentation adopted for the current year.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Schedule 1 - Schedule of Program Activities
Child Welfare

Year ended March 31, 2016

		Non-Residential Services	Residential Services	Permanency Services	Legal Services	Travel	Boarding Rates	Infrastructure & Admin Support Services	Technology	2016
Revenue:										
Ministry of Children and Youth Services	$	1,706,468	1,427,431	6,574	224,848	201,775	1,464,818	1,456,589	65,081	6,553,584
Children's special allowances		-	193,097	-	-	-	-	-	-	193,097
Children's aid societies		-	84,957	-	-	-	-	-	-	84,957
Other		-	373	-	-	-	-	47	-	420
		1,706,468	1,705,858	6,574	224,848	201,775	1,464,818	1,456,636	65,081	6,832,058
Expenses:										
Salaries and wages		1,478,014	1,017,453	6,300	129,225	-	-	763,042	-	3,394,034
Benefits		280,379	234,470	-	24,021	-	-	109,505	-	728,375
Travel		-	-	-	-	258,925	-	143,817	-	402,742
Training and recruitment		5,984	10,836		1,000	-	-	51,558	-	69,378
External legal service costs		-	-		121,429	-	-	-	-	121,429
Program expense		-	13,761	-	-	-	-	-	-	13,761
Professional services - client		-	3,465	-	-	-	-	-	-	3,465
Client personal needs		16,723	119,314	-	-	-	-	-	-	136,037
Financial assistance		2,235	-	-	-	-	-	-	-	2,235
Health and related		-	35,844	-	-	-	-	-	-	35,844
Building occupancy		-	-	-	-	-	-	216,485		216,485
Professional services - non client		-	-	-	-	-	-	55,308	-	55,308
Promotion and publicity		-	-	-	-	-	-	101,052	-	101,052
Office administration		-	-	-	-	-	-	23,089	-	23,089
Membership and other fees		-	-	-	-	-	-	11,560	-	11,560
Society Foster, kinship and other care		-	-	-	-	-	681,067	-	-	681,067
Purchased foster and group care		-	-	-	-	-	469,590	-	-	469,590
Technology		-	-	-	-	-	-	-	140,035	140,035
		1,783,335	1,435,143	6,300	275,675	258,925	1,150,657	1,555,416	140,035	6,605,486
Excess (deficiency) of revenue over expenses before undernoted items		(76,867)	270,715	274	(50,827)	(57,150)	314,161	(98,780)	(74,954)	226,572
Transfer for capital purchases		-	-	-	-	-	-	(124,603)	(7,796)	(132,399)
Change in vacation entitlement and banked overtime		18,700	13,328	-	1,083	-	-	13,624	-	46,735
Current year repayable to ministry			-	-	-	-	-	(140,908)	-	(140,908)
Excess (deficiency) of revenue over expenses		(58,167)	284,043	274	(49,744)	(57,150)	314,161	(350,667)	(82,750)	-
Funding (recovery)		58,167	(284,043)	(274)	49,744	57,150	(314,161)	350,667	82,750	-
Change in program balance	$	-	-	-	-	-	-	-	-	-

KUNUWANIMANO CHILD AND FAMILY SERVICES

Schedule 2 - Schedule of Program Activities

Core and Family Support Worker (Prevention)

Year ended March 31, 2016, with comparative information for 2015

		2016		2015
Revenue:				
Ministry of Children and Youth Services - operating	$	1,321,464	$	1,301,468
Other		2,500		-
		1,323,964		1,301,468
Expenses:				
Salaries and benefits		795,905		784,982
Administration fees		138,755		136,654
Program costs		100,031		94,014
Rent		78,319		71,175
Travel		45,158		41,855
Office and general		39,200		62,578
Advertising and promotion		29,362		11,435
Technology		28,415		16,046
Training and resource materials		26,689		10,071
Professional fees - Non-client service		21,488		7,707
Professional fees - Client service		9,388		-
Client personal needs		6,305		-
Equipment purchases		5,082		12,893
Insurance		4,630		35,012
Health and Related		1,930		-
Financial assistance		602		-
Equipment leasing		-		7,476
		1,331,259		1,291,898
Excess (deficiency) of revenue over expenses before undernoted items		(7,295)		9,570
Transfer for capital purposes		(2,788)		(29,788)
Change in vacation entitlement and banked overtime		10,083		20,218
Prior year's funding adjustment		(8,668)		-
Excess (deficiency) of revenue over expenses	$	(8,668)	$	-

KUNUWANIMANO CHILD AND FAMILY SERVICES

Schedule 3 - Schedule of Program Activities

Customary / Foster Care

Year ended March 31, 2016, with comparative information for 2015

		2016		2015
Revenue:				
North Eastern Ontario Family and Children's Services	$	79,789	$	707,759
Payukotayno James and Hudson Bay Child & Family Services		-		40,191
Sudbury and Manitoulin Children's Aid Societies		-		257,203
Native Child and Family Services of Toronto		-		13,123
Other agencies		-		2,000
		79,789		1,020,276
Expenses:				
Boarding rate payment		87,813		458,916
Bad debts		-		422,453
Salaries and benefits		-		92,588
Travel		-		10,681
Rent		-		3,875
Program costs		-		3,390
Office and general		-		2,024
		87,813		993,927
Excess (deficiency) of revenue over expenses before undernoted items		(8,024)		26,349
Change in vacation entitlement and banked overtime		-		1,173
Excess (deficiency) of revenue over expenses	$	(8,024)	$	27,522

KUNUWANIMANO CHILD AND FAMILY SERVICES

Schedule 4 - Schedule of Program Activities

Capacity Development

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Ministry of Children and Youth Services - operating	$ 379,000	$ 2,665,000
Expenses:		
Salaries and benefits	289,869	1,449,814
Office and general	29,758	123,296
Technology	14,639	34,800
Travel	13,813	114,821
Rent	10,890	60,245
Professional fees - Non-client	10,005	234,465
Professional fees - Client	6,363	-
Advertising and promotion	3,047	22,129
Training and resource materials	546	192,979
Financial assistance	70	-
Equipment leasing	-	11,106
Administration (recovery)	-	(13,200)
	379,000	2,230,455
Excess of revenue over expenses before undernoted items	-	434,545
Transfer for capital purposes	-	(488,327)
Change in vacation entitlement and banked overtime	-	53,782
Prior year's funding adjustment	(8,157)	-
Excess of revenue over expenses	$ (8,157)	$ -

KUNUWANIMANO CHILD AND FAMILY SERVICES

Schedule 5 - Schedule of Program Activities

Re-Integration Workers

Year ended March 31, 2016, with comparative information for 2015

		2016		2015
Revenue:				
Ministry of Children and Youth Services	$	70,000	$	70,000
Expenses:				
Salaries and wages		35,854		36,203
Benefits		11,355		7,577
Rent		9,948		11,226
Administration fee		7,350		7,350
Travel		5,405		5,987
Client personal needs		214		-
Training and recruitment		170		1,475
Program costs		143		182
Office and general		136		-
		70,575		70,000
Excess (deficiency) of revenue over expenses before undernoted item		(575)		-
Change in vacation entitlement and banked overtime		575		-
Excess of revenue over expenses	$	-	$	-