

Weechi-it-te-win Family Services Inc.
Financial Statements
March 31, 2020

Weechi-it-te-win Family Services Inc. Contents

For the year ended March 31, 2020

	<i>Page</i>
Management's Responsibility	
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5

Management's Responsibility

To the Members and the Board of Directors of Weechi-it-te-win Family Services 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 entirely 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 and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board of Directors 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.

July 29, 2020



Executive Director



Independent Auditor's Report

To the Members and to the Board of Directors of Weechi-it-te-win Family Services Inc.:

Opinion

We have audited the financial statements of Weechi-it-te-win Family Services Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 - Correction of an error

As described in **Note 3** of the financial statements, it was determined that the prior year deferred contributions on the statement of financial position and the related deferred revenue, end of year on the statement of operations were understated by \$5,488,967. The prior year figures have been restated to reflect this.

Previous auditor

The financial statements of the Organization for the year ended March 31, 2019 were audited by Maurice L. Fillion, CPA, CA of Fort Frances, Ontario. Maurice L. Fillion, CPA, CA expressed an unmodified opinion on those statements on July 25, 2019.

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 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.

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.

Fort Frances, Ontario

August 10, 2020

MNP LLP

Chartered Professional Accountants

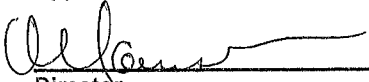
Licensed Public Accountants

Weechi-it-te-win Family Services Inc.
Statement of Financial Position

As at March 31, 2020

	2020	2019 <i>(Restated)</i>
Assets		
Current		
Cash	4,982,597	6,679,788
Accounts receivable	583,784	346,998
Prepaid expenses and deposits	196,846	3,209
	5,763,227	7,029,995
Restricted cash (Note 4)	2,877,206	2,309,363
Capital assets (Note 5)	1,795,094	793,676
	10,435,527	10,133,034
Liabilities		
Current		
Accounts payable and accruals (Note 7)	2,639,205	939,695
Deferred contributions (Note 8) (Note 3)	3,059,243	5,927,219
Funds held in trust (Note 9)	2,893,654	2,309,624
	8,592,102	9,176,538
Contingencies (Note 17)		
Net Assets		
Unrestricted (Note 10) (Note 3)	269,283	383,772
Investment in Capital Assets	1,574,142	572,724
	1,843,425	956,496
	10,435,527	10,133,034

Approved on behalf of the Board


 Director


 Director

The accompanying notes are an integral part of these financial statements

Weechi-it-te-win Family Services Inc.

Statement of Operations

For the year ended March 31, 2020

	2020	2019 (Restated)
Revenue		
Ministry of Children Community and Social Services	15,665,925	15,319,553
Indigenous Services Canada	3,519,571	8,797,171
Special allowance	979,493	959,271
Ministry of Health	607,431	559,744
Other (Note 12)	190,973	149,789
Interest Revenue	93,236	30,094
Administration fees	179,421	88,837
Ontario Child Benefit Equivalent	288,403	281,856
Universal Child Care Benefit	207,600	245,710
Deferred revenue, beginning of year (Note 3), (Note 8)	5,927,219	-
Deferred revenue, end of year (Note 8)	(3,059,243)	(5,927,219)
	24,600,029	20,504,806
Expenses		
Administrative	179,421	88,837
Boarding	4,540,886	3,962,942
Building occupancy	323,014	284,433
Capital expenditures	112,157	136,129
Clients' personal needs	730,015	768,491
Financial assistance	21,919	30,723
Food and kitchen expenses	22,557	5,230
Healthcare	91,342	65,707
Insurance	53,904	46,556
Legal services	171,948	251,207
Memberships, dues and fees	113,886	90,342
Office expenses	185,099	238,882
Professional services - client (Note 13)	4,838,716	4,692,361
Professional services - non client	178,861	285,715
Program expenses (Note 13)	7,360,411	5,825,593
Promotion and publicity	38,135	69,232
Salaries and benefits	3,772,343	2,547,662
Technological costs	280,870	169,845
Training and recruitment	64,002	61,342
Travel	426,014	333,462
Universal Child Care Benefit expense	207,600	245,710
	23,713,100	20,200,401
Excess of revenue over expenses (Note 3)	886,929	304,405

The accompanying notes are an integral part of these financial statements

Weechi-it-te-win Family Services Inc.
Statement of Changes in Net Assets

For the year ended March 31, 2020

	<i>Unrestricted</i>	<i>Investment in Capital Assets</i>	2020	<i>2019</i> <i>(Restated)</i>
Net assets, beginning of year <i>(Note 3)</i>	5,872,738	572,724	6,445,462	659,724
Correction of an error <i>(Note 3)</i>	(5,488,966)	-	(5,488,966)	-
Net assets, beginning of year, as restated	383,772	572,724	956,496	659,724
Excess of revenue over expenses <i>(Note 3)</i>	886,929	-	886,929	304,405
Change in invested capital assets <i>(Note 11)</i>	(1,001,418)	1,001,418	-	-
Repayment of funding <i>(Note 15)</i>	-	-	-	(7,633)
Net assets, end of year	269,283	1,574,142	1,843,425	956,496

The accompanying notes are an integral part of these financial statements

Weechi-it-te-win Family Services Inc.

Statement of Cash Flows

For the year ended March 31, 2020

	2020	2019 <i>(Restated)</i>
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	886,929	304,405
Amortization	121,937	102,527
Prior year repayment	-	(7,633)
	1,008,866	399,299
Changes in working capital accounts		
Accounts receivable	(236,786)	190,218
Prepaid expenses and deposits	(193,636)	(1,715)
Accounts payable and accruals	1,699,510	(977,796)
Deferred contributions	(2,867,976)	5,927,219
Funds held in trust	584,028	1,061,234
Change in restricted cash	(567,842)	(1,059,335)
	(573,836)	5,539,124
Investing		
Purchase of capital assets	(1,123,355)	(122,578)
Increase (decrease) in cash	(1,697,191)	5,416,546
Cash, beginning of year	6,679,788	1,263,242
Cash, end of year	4,982,597	6,679,788

The accompanying notes are an integral part of these financial statements

Weechi-it-te-win Family Services Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

1. Incorporation and nature of the organization

Weechi-it-te-win Family Services Inc. (the "Organization") was incorporated by letters Patent on November 14, 1983 under the laws of the Province of Ontario without share capital as a non-profit organization. The Organization is a registered charity under the Income Tax Act and as such is exempt from income tax and may issue official donation receipts for income tax purposes for donations that legally qualify as gifts.

The Organization's purpose is to develop and administer services for children and their families in Northwestern Ontario for the purpose of strengthening and maintaining First Nation families and communities in accordance with the Child and Family Services Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Cash

Cash consists of balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Restricted Cash

Restricted cash consists of deposits in savings accounts.

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 straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Land and building	straight line	40 years
Automotive	straight-line	5 years
Computer equipment	straight-line	5 years
Computer software	straight-line	1 year
Furniture and fixtures	straight-line	5 years
Construction in progress	not-amortized	

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.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Revenue recognition

The Organization 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.

Interest revenue is recognized as earned and when amounts become payable.

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

Contributed materials

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased.

Measurement uncertainty

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 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 expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenses in the period 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 CPA Canada Handbook 4460 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. Fair value is determined by reference to arm's length transactions.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. 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 cost or amortized cost.

3. Correction of an error

During the year the Organization determined that prior year deferred contributions was understated by \$5,488,966 and related Indigenous Services Canada revenue was overstated. For 2019 the impact of this correction has resulted in an increase in deferred contributions of \$5,488,966, an increase in deferred revenue, end of year of \$5,488,966, a decrease in excess of revenue over expenses of \$5,488,966 and a decrease in unrestricted net assets of \$5,488,966.

Weechi-it-te-win Family Services Inc.
Notes to the Financial Statements
For the year ended March 31, 2020

4. Restricted cash

Restricted cash consists of deposits in savings accounts set up for children in care receiving Universal Child Care Benefits. These funds are invested in chartered banks on behalf of these children until they reach 18 years of age. For RESP, funds are held in accounts up to age 25 or until requirements are fulfilled.

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2020 Net book value</i>	<i>2019 Net book value</i>
Land & building	1,334,600	-	1,334,600	459,959
Automotive	643,427	405,523	237,904	209,170
Computer equipment	505,466	342,765	162,701	124,547
Computer software	12,823	12,823	-	-
Furniture and fixtures	139,200	79,311	59,889	-
	2,635,516	840,422	1,795,094	793,676

Land and building includes property with a carrying value of \$1,334,600 (2019 \$459,959). No amortization of this asset has been recorded during the current year because it is currently under construction.

6. Bank indebtedness

The Organization has available a revolving demand facility in the amount of \$25,000 bearing interest at the Bank's Prime rate plus 3% per year (5.45%). At March 31, 2020 \$nil has been drawn against this facility.

7. Accounts payable and accruals

	<i>2020</i>	<i>2019</i>
Payable to First Nations	1,983,734	660,658
Wages payable	18,539	-
Trade payables	636,932	279,037
	2,639,205	939,695

Included in accounts payable and accruals are government remittances payable of \$16,444 (2019 - \$nil).

Weechi-it-te-win Family Services Inc. Notes to the Financial Statements

For the year ended March 31, 2020

8. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for delivery of youth service programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contributions balance are as follows:

	<i>Balance beginning of year</i>	<i>Amounts received during the year</i>	<i>Amounts recognized during the year</i>	2020	2019
	<i>(Restated)</i>				<i>(Restated)</i>
Indigenous Services Canada Remoteness funding 2018-19	438,253	-	(438,253)	-	438,253
ISC Remoteness funding 2019-20	-	438,253	(282,000)	156,253	-
Indigenous Services Canada Developmental Services	-	247,700	(202,420)	45,280	-
COVID response funding	-	24,300	-	24,300	-
Indigenous Services Canada - CHRT	5,488,966	-	(2,655,556)	2,833,410	5,488,966
	5,927,219	710,253	(3,578,229)	3,059,243	5,927,219

9. Funds held in trust

Funds held in trust consists of Universal Child Care Benefits received on behalf of children in care and held in savings accounts until they reach 18 years of age.

10. Changes in program net assets

	<i>Opening</i>	<i>Excess (Deficiency) of revenue over expenses</i>	2020	2019
	<i>(Restated)</i>			<i>(Restated)</i>
Child Welfare	(119,617)	(487,145)	(606,762)	(119,617)
Child Welfare Training	(21,423)	21,423	-	(21,423)
Development services	(6,350)	6,015	(335)	(6,350)
Youth in transition	(610)	610	-	(610)
Family Well Being	-	8,615	8,615	-
Indigenous Services Canada - Wage Equity	-	111,510	111,510	-
Indigenous Services Canada - Jordan's Principle	-	(11,649)	(11,649)	-
Indigenous Services Canada - Intake and Investigation	-	131	131	-
Teacher Program	27,939	8,803	36,742	27,939
CYMH Counselling/Therapy Services	(2,001)	12,943	10,942	(2,001)
Telemedicine	(15,020)	15,020	-	(15,020)
Ontario Child Benefit Equivalent	520,854	199,235	720,089	520,854
	383,772	(114,489)	269,283	383,772

Weechi-it-te-win Family Services Inc.
Notes to the Financial Statements
For the year ended March 31, 2020

11. Change in invested in capital assets

	2020	2019
Amortization	(121,937)	(102,527)
Capital assets acquisitions during the year	1,123,355	122,578
Change in invested in capital assets	1,001,418	20,051

12. Other revenue

Other revenue consists of the following:

	2020	2019
HST Recovery	63,886	66,279
Teacher Program Funding	70,000	70,000
Grand Council Treaty #3	51,785	13,510
Ontario Health Insurance Plan	5,302	-
	190,973	149,789

13. Related party transactions

Some of the members of the governing Council of the Organization are also members of Chief and Council of the various First Nation communities which are served by the Organization. Transactions occurring during the year between the Organization and the related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration agreed to by the parties.

Related party transactions included in the statement of operations and changes in net assets consist of the following:

Included in program expenses for the current year are \$3,666,945 (2019 - \$3,377,050) paid to various related First Nations.

Included in professional fees - client expenses for the current year are \$4,411,281 (2019 - \$4,484,854) paid to various related First Nations.

Included in accounts payable are \$1,974,744 (2019 - \$660,658) payable to various related First Nations. Balances are non-interest bearing with no fixed terms of repayment.

14. Interfund transactions

During the year, amounts are owing to and from each of the funds due to transactions undertaken in the normal course of operations. The balance owing between the funds is non-interest bearing with no terms of repayment.

15. Adjustment to prior year's funding

In the course of reconciling and settling prior year's surpluses/deficits, the Ministry of Children, Community and Social Services may offset certain surpluses and deficits and issue a single settlement for each governing act. As prescribed by the Ministry, the Organization's policy is to reflect settlement by way of an adjustment to net assets in the year the amount is measurable and the funds are actually recovered by/from the Ministry.

Weechi-it-te-win Family Services Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

16. Pension Plan

The Organization has a defined contribution pension plan for full-time employees. The plan is administered by Life Inc. Benefit Solutions and contributions are held in trust by Great West Life and are not recorded in these financial statements. The Organization matches employees' contributions at a rate of 6% of the employee's salary and provides an additional 1% if the employee has been with the organization for 15 or more years. The expense and payment for the year ended March 31, 2020 was \$210,983 (2019 - \$134,232).

17. Contingencies

A portion of the Organization's net assets includes surpluses or deficits from funds contributed by various funding agencies. Such surpluses or deficits may be subject to recovery or repayment by the contributing agency, depending on the terms and conditions or the relevant contribution agreements. The potential liabilities or recoveries are not recorded until they become payable or recoverable.

18. Economic dependence

The Organization's primary source of revenue is government grants. The grant funding can be cancelled if the Organization does not observe certain established guidelines. The Organization's ability to continue viable operations is dependent upon maintaining its right to follow the criteria within the government guidelines. As at the date of these financial statements, the Organization believes that it is in compliance with the guidelines.

19. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Organization is exposed to interest rate price risk on its short-term debts as they are at variable rates.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

20. Significant event

The global outbreak of COVID-19 (coronavirus), has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

21. Comparative figures

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