Weechi-it-te-win Family Services Inc.
Financial Statements
March 31, 2021

Contents

For the year ended March 31, 2021

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, an independent firm of Chartered Professional Accountants, 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.

Executive Director

To the Members and to the Board 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, 2021, 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, 2021, 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.

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.

MNP LLP

Fort Frances, Ontario — Chartered Professional Accountants

July 30, 2021 — Licensed Public Accountants

Weechi-it-te-win Family Services Inc.
Statement of Financial Position
As at March 31, 2021

	2021	2020
Assets		
Current		
Cash	**5,319,304**	4,982,597
Accounts receivable	**1,186,396**	583,784
Prepaid expenses and deposits	**243,381**	196,846
	6,749,081	5,763,227
Restricted cash *(Note 3)*	**3,129,921**	2,877,206
Capital assets *(Note 4)*	**1,931,419**	1,795,094
	11,810,421	10,435,527
Liabilities		
Current		
Accounts payable and accruals *(Note 6)*	**4,236,168**	2,639,205
Deferred contributions *(Note 7)*	**1,845,314**	3,059,243
Funds held in trust *(Note 8)*	**3,169,269**	2,893,654
	9,250,751	8,592,102
Contingencies *(Note 9)*		
Commitments *(Note 10)*		
Net Assets		
Unrestricted *(Note 11)*	**628,251**	48,331
Investment in Capital Assets	**1,931,419**	1,795,094
	2,559,670	1,843,425
	11,810,421	10,435,527

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, 2021

	2021	2020
Revenue		
Ministry of Children Community and Social Services	**17,353,298**	15,665,925
Indigenous Services Canada	**2,635,871**	3,589,571
Children's special allowance	**925,300**	979,493
Ministry of Health	**823,028**	607,431
Other *(Note 13)*	**63,230**	120,973
Interest	**19,167**	93,236
Administration fees	**247,646**	179,421
Ontario Child Benefit Equivalent	**270,121**	288,403
Universal Child Care Benefit	**245,220**	207,600
Deferred revenue, beginning of year *(Note 7)*	**3,059,243**	5,927,219
Deferred revenue, end of year *(Note 7)*	**(1,845,315)**	(3,059,243)
	23,796,809	24,600,029
Expenses		
Administrative	**247,646**	179,421
Amortization	**174,691**	121,937
Boarding	**4,277,463**	4,540,886
Building occupancy	**348,967**	323,014
Clients' personal needs	**680,514**	730,015
Financial assistance	**21,421**	21,919
Food and kitchen expenses	**18,329**	22,557
Healthcare	**52,401**	91,342
Insurance	**56,438**	53,904
Legal services	**413,775**	171,948
Memberships, dues and fees	**109,859**	113,886
Office expenses	**165,681**	170,526
Professional services - client *(Note 14)*	**5,458,618**	4,824,220
Professional services - non client	**74,210**	178,861
Program expenses *(Note 14)*	**6,218,590**	7,379,700
Promotion and publicity	**41,607**	38,135
Salaries and benefits	**3,962,836**	3,772,343
Technological costs	**292,344**	280,870
Training and recruitment	**51,190**	64,002
Travel	**168,764**	426,014
Universal Child Care Benefit expense	**245,220**	207,600
	23,080,564	23,713,100
Excess of revenue over expenses	**716,245**	886,929

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, 2021

	Unrestricted	*Investment in Capital Assets*	***2021***	*2020*
Net assets, beginning of year	**48,331**	**1,795,094**	**1,843,425**	956,496
Excess of revenue over expenses	**716,245**	**-**	**716,245**	886,929
Change in invested capital assets *(Note 12)*	**(136,325)**	**136,325**	**-**	-
Net assets, end of year	**628,251**	**1,931,419**	**2,559,670**	1,843,425

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, 2021

	2021	*2020*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**716,245**	886,929
Amortization	**174,691**	121,937
	890,936	1,008,866
Changes in working capital accounts		
Accounts receivable	**(602,612)**	(236,786)
Prepaid expenses and deposits	**(46,535)**	(193,636)
Accounts payable and accruals	**1,596,963**	1,699,510
Deferred contributions	**(1,213,929)**	(2,867,976)
Funds held in trust	**246,842**	584,028
Change in restricted cash	**(223,942)**	(567,842)
	647,723	(573,836)
Investing		
Purchase of capital assets	**(311,016)**	(1,123,355)
Increase (decrease) in cash	**336,707**	(1,697,191)
Cash, beginning of year	**4,982,597**	6,679,788
Cash, end of year	**5,319,304**	4,982,597

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.

COVID-19 Impact on Operations

In early March 2020 the impact of the global outbreak of COVID-19 began to have 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.

The Organization’s operations were impacted by COVID-19 due to closure of operations, change to providing services online, increased need for services, added cleaning and supply costs and cost management strategies, etc. The impact of COVID-19 has been partially offset by additional government funding received to meet client needs.

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.

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 and registerd education savings program 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.

	Rate
Land and building	40 years
Automotive	5 years
Computer equipment	5 years
Computer software	1 year
Furniture and fixtures	5 years

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

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.

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.

Deferred revenue and surplus repayable is estimated based on management's review of revenue received, but unspent 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.

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

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. 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.

4. Capital assets

	Cost	*Accumulated amortization*	*2021 Net book value*	*2020 Net book value*
Buildings	**1,377,554**	**17,219**	**1,360,335**	1,334,600
Automotive	**781,367**	**483,062**	**298,305**	237,904
Computer equipment	**572,648**	**403,615**	**169,033**	162,701
Computer software	**12,823**	**12,823**	**-**	-
Furniture and fixtures	**202,139**	**98,393**	**103,746**	59,889
	2,946,531	**1,015,112**	**1,931,419**	1,795,094

5. 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, 2021 $nil (2020 - $nil) has been drawn against this facility.

6. Accounts payable and accruals

	2021	*2020*
Payable to First Nations (Note 14)	**3,386,298**	1,983,734
Wages payable	**15,226**	18,539
Trade payables	**834,644**	636,932
	4,236,168	2,639,205

Included in accounts payable and accruals are government remittances payable of $15,226 (2020 - $16,444).

7. 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:

	Balance beginning of year	***Amounts received during the year***	***Amounts recognized during the year***	***2021***	*2020*
Indigenous Services Canada - Remoteness funding 2019-20	**156,253**	**-**	**(102,390)**	**53,863**	156,253
Indigenous Services Canada - Developmental Services	**45,280**	**46,006**	**-**	**91,286**	45,280
COVID response funding	**24,300**	**-**	**(24,300)**	**-**	24,300
Indigenous Services Canada - CHRT	**2,833,410**	**-**	**(1,255,315)**	**1,578,095**	2,833,410
Indigenous Services Canada - Speech and Language	**-**	**50,790**	**-**	**50,790**	-
Indigenous Services Canada - Jordan's Principle	**-**	**22,120**	**-**	**22,120**	-
Indigenous Services Canada - Indigenous Support Fund	**-**	**6,118**	**-**	**6,118**	-
Association of Native Child and Family Services Agencies of Ontario	**-**	**43,042**	**-**	**43,042**	-
	3,059,243	**168,076**	**(1,382,005)**	**1,845,314**	3,059,243

8. 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.

9. 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.

10. Commitments

The Organization has entered into a software license agreement with estimated minimum annual payments as follows:

2022	8,534
2023	8,875
2024	9,230
2025	9,646
	36,285

The Organization occupies leased premises subject to minimum monthly rent of $19,737 until July 31, 2021. The Organization has entered into a second lease agreement for premises of $5,000 per month until February 28, 2026.

11. Unrestricted net assets

	Opening	*Excess (Deficiency) of revenue over expenses*	*2021*	*2020*
Child Welfare	**(827,714)**	**198,309**	**(629,405)**	(827,714)
Development services	**(335)**	**-**	**(335)**	(335)
Family Well Being	**8,615**	**-**	**8,615**	8,615
Indigenous Services Canada - Wage Equity	**111,510**	**66,545**	**178,055**	111,510
Indigenous Services Canada - Jordan's Principle	**(11,649)**	**11,655**	**6**	(11,649)
Indigenous Services Canada - Intake and Investigation	**130**	**-**	**130**	130
Teacher Program	**36,742**	**61,108**	**97,850**	36,742
CYMH Counselling/Therapy Services	**10,943**	**127,909**	**138,852**	10,943
Ontario Child Benefit Equivalent	**720,089**	**114,394**	**834,483**	720,089
	48,331	**579,920**	**628,251**	48,331

12. Change in invested capital assets

	2021	*2020*
Amortization	**(174,691)**	(121,937)
Capital assets acquisitions during the year	**311,016**	1,123,355
Change in invested capital assets	**136,325**	1,001,418

13. Other revenue

Other revenue consists of the following:

	2021	2020
Ontario Health Insurance Plan	**49,900**	-
HST Recovery	**11,130**	63,886
Support for Learners	**2,200**	63,886
Grand Council Treaty #3	**-**	51,785
Ontario Health Insurance Plan	**-**	5,302
	63,230	184,859

14. 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 $2,916,308 (2020 - $3,666,945) paid to various related First Nations.

Included in professional services - client expenses for the current year are $5,146,137 (2020 - $4,411,281) paid to various related First Nations.

Included in accounts payable are $3,386,298 (2020 - $1,983,734) payable to various related First Nations. Balances are unsecured and non-interest bearing with no fixed terms of repayment.

15. 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.

16. 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.

17. 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 Canada 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, 2021 was $219,064 (2020 - $210,983).

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. Comparative figures

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