

Weechi-it-te-win Family Services Inc.
Financial Statements
March 31, 2022

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

For the year ended March 31, 2022

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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.

August 10, 2022


Executive Director



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, 2022, 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, 2022, 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.

Fort Frances, Ontario

August 10, 2022

MNP LLP

Chartered Professional Accountants


Licensed Public Accountants

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

As at March 31, 2022

	2022	2021
Assets		
Current		
Cash	5,336,734	5,319,304
Accounts receivable	936,713	1,186,396
Prepaid expenses and deposits	245,312	243,383
	6,518,759	6,749,083
Restricted cash (Note 3)	3,287,764	3,129,921
Tangible capital assets (Note 4)	1,985,947	1,931,419
	11,792,470	11,810,423
Liabilities		
Current		
Accounts payable and accruals (Note 6)	2,329,292	4,236,169
Deferred contributions (Note 7)	2,976,131	1,845,315
Funds held in trust (Note 8)	3,296,992	3,169,269
	8,602,415	9,250,753
Contingencies (Note 9)		
Commitments (Note 10)		
Net Assets		
Unrestricted (Note 11)	1,204,108	628,251
Investment in Tangible Capital Assets	1,985,947	1,931,419
	3,190,055	2,559,670
	11,792,470	11,810,423

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, 2022

	2022	2021
Revenue		
Ministry of Children Community and Social Services	17,225,988	17,285,298
Indigenous Services Canada	5,143,748	2,635,871
Children's special allowance	728,034	925,300
Ministry of Health	502,031	823,028
Other (Note 13)	472,956	131,230
Interest	13,482	19,167
Administration fees	212,448	247,646
Ontario Child Benefit Equivalent	207,232	270,121
Universal Child Care Benefit	127,580	245,220
Deferred revenue, beginning of year (Note 7)	1,845,315	3,059,243
Deferred revenue, end of year (Note 7)	(2,976,131)	(1,845,315)
	23,502,683	23,796,809
Expenses		
Administrative	212,448	247,646
Bad debts	87,986	-
Amortization	174,872	174,691
Boarding	3,297,802	4,277,463
Building occupancy	425,048	348,967
Clients' personal needs	767,140	680,514
Financial assistance	31,986	21,421
Food and kitchen expenses	12,468	18,329
Healthcare	74,058	52,401
Insurance	89,214	61,260
Legal services	332,418	413,775
Memberships, dues and fees	90,796	109,859
Office expenses	187,503	155,459
Professional services - client (Note 14)	4,445,495	5,458,618
Professional services - non client	108,993	74,210
Program expenses (Note 14)	7,097,155	6,244,990
Promotion and publicity	86,311	42,607
Salaries and benefits	4,427,320	3,962,836
Technological costs	423,304	292,344
Training and recruitment	81,376	51,190
Travel	291,025	146,764
Universal Child Care Benefit expense	127,580	245,220
	22,872,298	23,080,564
Excess of revenue over expenses	630,385	716,245

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, 2022

	<i>Unrestricted</i>	<i>Investment in Tangible Capital Assets</i>	2022	2021
Net assets, beginning of year	628,251	1,931,419	2,559,670	1,843,425
Excess of revenue over expenses	630,385	-	630,385	716,245
Change in invested capital assets <i>(Note 12)</i>	(54,528)	54,528	-	-
Net assets, end of year	1,204,108	1,985,947	3,190,055	2,559,670

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, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	630,385	716,245
Amortization	174,871	174,691
	805,256	890,936
Changes in working capital accounts		
Accounts receivable	249,683	(602,612)
Prepaid expenses and deposits	(1,929)	(46,536)
Change in restricted cash	(157,843)	(223,942)
Accounts payable and accruals	(1,906,876)	1,596,963
Deferred contributions	1,130,816	(1,213,928)
Funds held in trust	127,723	246,842
	246,830	647,723
Investing		
Purchase of tangible capital assets	(229,400)	(311,016)
Increase in cash	17,430	336,707
Cash, beginning of year	5,319,304	4,982,597
Cash, end of year	5,336,734	5,319,304

The accompanying notes are an integral part of these financial statements

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 what further 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 registered education savings program accounts.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible 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
Buildings	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 tangible 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 tangible 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.

Weechi-it-te-win Family Services Inc.

Notes to the Financial Statements

For the year ended March 31, 2022

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. Tangible capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>	<i>2021 Net book value</i>
Buildings	1,436,574	52,396	1,384,178	1,360,335
Automotive	920,502	535,160	385,342	298,305
Computer equipment	572,648	471,183	101,465	169,033
Computer software	12,823	12,823	-	-
Furniture and fixtures	233,385	118,423	114,962	103,746
	3,175,932	1,189,985	1,985,947	1,931,419

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 (March 31, 2022 - 5.7%). At March 31, 2022 \$nil (2021 - \$nil) has been drawn against this facility.

Weechi-it-te-win Family Services Inc.
Notes to the Financial Statements
For the year ended March 31, 2022

6. Accounts payable and accruals

	2022	2021
Payable to First Nations (Note 14)	1,920,025	3,386,298
Wages payable	11,298	15,226
Trade payables	397,969	834,645
	2,329,292	4,236,169

Included in accounts payable and accruals are government remittances payable of \$11,298 (2021- \$15,226)

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	2022	2021
Indigenous Services Canada Remoteness funding 2021-22	-	438,254	-	438,254	-
Indigenous Services Canada - Remoteness funding 2019-20	53,863	-	-	53,863	53,863
Indigenous Services Canada - Developmental Services	91,286	256,978	(211,833)	136,431	91,286
Indigenous Services Canada - CHRT	1,578,095	-	(229,554)	1,348,541	1,578,095
Indigenous Services Canada - Speech and Language	50,790	364,262	(331,656)	83,396	50,790
Indigenous Services Canada - JP Group Care	10,013	-	-	10,013	10,013
Indigenous Services Canada - JP Coordinator	12,108	87,855	(88,502)	11,461	12,108
Indigenous Services Canada - Indigenous Support Fund	6,118	-	-	6,118	6,118
Association of Native Child and Family Services Agencies of Ontario	43,042	-	-	43,042	43,042
Ministry of Children Community and Social Services One Time Mental Health 2021-2022	-	409,694	(265,038)	144,656	-
Indigenous Services Canada AI Capacity Building	-	630,300	(11,390)	618,910	-
Indigenous Services Canada - Aftercare Clinician	-	126,500	(57,054)	69,446	-
Indigenous Services Canada - 1:1 Worker	-	12,000	-	12,000	-
	1,845,315	2,325,843	(1,195,027)	2,976,131	1,845,315

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.

Weechi-it-te-win Family Services Inc.
Notes to the Financial Statements
For the year ended March 31, 2022

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 an operating lease agreement with Nanicost Ltd. expiring in July 2022 for use of office space.

The Organization has entered into an operating lease agreement with 1578289 Ontario Limited expiring in February 2026 for use of office space.

The Organization has entered into an operating lease agreement with 1578289 Ontario Limited expiring in November 2025 for use of office space.

The Organization has entered into an operating lease agreement with 1578289 Ontario Limited expiring in April 2027 for use of office space.

The Organization has entered into an agreement for website hosting services expiring in August 2024.

The Organization has entered into a software license agreement expiring in September 2024.

Total estimated minimal annual lease payments over the next five years are as follows:

2023	322,334
2024	258,862
2025	205,123
2026	128,600
2027	48,000
	962,919

11. Unrestricted net assets

	<i>Opening</i>	<i>Excess (Deficiency) of revenue over expenses</i>	2022	<i>2021</i>
Child Welfare	(629,405)	420,024	(209,381)	(629,405)
Development services	(335)	-	(335)	(335)
Family Well Being	8,615	-	8,615	8,615
Indigenous Services Canada - Wage Equity	178,055	120,792	298,847	178,055
Indigenous Services Canada - Jordan's Principle	6	(16,209)	(16,203)	6
Indigenous Services Canada - Intake and Investigation	130	-	130	130
Teacher Program	97,850	(27,029)	70,821	97,850
CYMH Counselling/Therapy Services	138,852	21,421	160,273	138,852
Ontario Child Benefit Equivalent	834,483	56,858	891,341	834,483
	628,251	575,857	1,204,108	628,251

Weechi-it-te-win Family Services Inc.
Notes to the Financial Statements
For the year ended March 31, 2022

12. Change in invested capital assets

	2022	2021
Amortization	(174,872)	(174,691)
Capital assets acquisitions during the year	229,400	311,016
Change in invested capital assets	54,528	136,325

13. Other revenue

Other revenue consists of the following:

	2022	2021
Ministry of Children, Community and Social Services Special Allotment	405,706	68,000
Ontario Health Insurance Plan	-	49,900
HST Recovery	15,350	11,130
Support for Learners	51,900	2,200
	472,956	131,230

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 consist of the following:

Included in program expenses for the current year are \$3,271,805 (2021 - \$2,916,308) paid to various related First Nations.

Included in professional services - client expenses for the current year are \$4,152,137 (2021 - \$5,146,137) paid to various related First Nations.

Included in accounts payable are \$1,920,025 (2021 - \$3,386,298) 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.

Weechi-it-te-win Family Services Inc.

Notes to the Financial Statements

For the year ended March 31, 2022

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 for the year ended March 31, 2022 was \$241,248 (2021 - \$219,064).

18. Economic dependence

The Organization's primary source of revenue is government grants. It receives 73% (2021 - 73%) from the Ministry of Children Community and Social Services and 22% (2021 - 11%) from Indigenous Services Canada. 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.