Financial Statements of

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

And Independent Auditors' Report thereon

Year ended March 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Niijaansinaanik Child and Family Services

Opinion

We have audited the financial statements of Niijaansinaanik Child and Family Services (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and the notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations, its net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the **"*Auditors' Responsibilities for the Audit of the Financial Statements*"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity'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 the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity's 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
August 2, 2022

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

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NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Statement of Financial Position

March 31, 2022, with comparative information for 2021

		2022		2021
Assets				
Current assets:				
Cash	$	53,439	$	1,994,276
Accounts receivable (note 2)		2,238,922		106,985
Prepaid expenses and deposits		308,188		326,751
		2,600,549		2,428,012
Capital assets (note 3)		1,806,450		1,191,560
	$	4,406,999	$	3,619,572
Liabilities and Net Assets (Debt)				
Current liabilities:				
Accounts payable and accrued liabilities (note 4)	$	1,371,697	$	468,139
Due to Ministry of Children, Community and Social Services (note 5)		882,604		882,604
Vacation entitlement payable		76,078		155,384
Deferred contributions (note 6)		205,178		938,154
		2,535,557		2,444,281
Deferred capital contributions (note 7)		144,836		196,203
		2,680,393		2,640,484
Net assets (debt):				
Unrestricted - Alternative Care		141,070		139,116
Unrestricted - Employment related		(76,078)		(155,384)
Capital		1,661,614		995,356
		1,726,606		979,088
Commitments (note 12)				
	$	4,406,999	$	3,619,572

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	Unrestricted	Capital	2022	2021
Revenue:				
Ministry of Children, Community and Social Services (note 8)	$ 13,243,440	-	13,243,440	$ 6,508,018
Indigenous Services Canada (note 9)	2,149,723	-	2,149,723	1,107,062
Interest	10,024	-	10,024	12,246
Other	503,732	-	503,732	588,750
Amortization of deferred capital contributions (note 7)	-	51,367	51,367	37,088
	15,906,919	51,367	15,958,286	8,253,164
Expenses:				
Salaries and wages	7,970,944	-	7,970,944	4,286,154
Benefits	1,484,851	-	1,484,851	577,538
Travel	703,455	-	703,455	157,796
Training and recruitment	80,476	-	80,476	118,442
Building occupancy	1,190,699	-	1,190,699	513,406
Professional services - non-client	301,967	-	301,967	183,038
Program expenses	275,899	-	275,899	71,942
Boarding rate payments	1,189,221	-	1,189,221	-
Professional services - client	255,006	-	255,006	34,500
Client personal needs	244,382	-	244,382	21,697
Health and related services	51,798	-	51,798	-
Financial assistance	22,290	-	22,290	-
Promotion and publicity	129,330	-	129,330	57,480
Office administration	426,368	-	426,368	216,118
Miscellaneous	340,461	-	340,461	207,692
Technology	226,328	-	226,328	90,018
Per diems	-	-	-	305,143
Transfer payments	-	-	-	480,035
Amortization of capital assets	-	317,293	317,293	136,364
	14,893,475	317,293	15,210,768	7,457,363
Excess (deficiency) of revenue over expenses	$ 1,013,444	(265,926)	747,518	$ 795,801

See accompanying notes to financial statements.

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021

	2022							
	Unrestricted							
		Operating	Alternative Care	Employment related	Total Unrestricted	Capital		Total
Net assets (debt), beginning of year	$	-	139,116	(155,384)	(16,268)	995,356	$	979,088
Excess (deficiency) of revenue over expenses		1,011,490	1,954	-	1,013,444	(265,926)		747,518
Transfers		(1,011,490)	-	79,306	(932,184)	932,184		-
Net assets (debt), end of year	$	-	141,070	(76,078)	64,992	1,661,614	$	1,726,606

	2021							
	Unrestricted							
		Operating	Alternative Care	Employment related	Total Unrestricted	Capital		Total
Net assets, beginning of year	$	(349)	44,631	(52,485)	(8,203)	191,490	$	183,287
Excess (deficiency) of revenue over expenses		903,142	94,834	(102,899)	895,077	(99,276)		795,801
Transfers		(902,793)	(349)	-	(903,142)	903,142		-
Net assets (debt), end of year	$	-	139,116	(155,384)	(16,268)	995,356	$	979,088

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

		2022		2021
Cash flows from operating activities:				
Excess of revenue over expenses	$	747,518	$	795,801
Items not involving cash:				
Adjustment for:				
Amortization of capital assets		317,293		136,364
Amortization of deferred capital contributions		(51,367)		(37,088)
		1,013,444		895,077
Change in non-cash working capital:				
Increase (decrease) in accounts receivable		(2,131,937)		29,033
Decrease (increase) in prepaid expenses and deposits		18,563		(264,115)
Increase in accounts payable and accrued liabilities		903,559		108,960
Increase in due to Ministry of Children, Community and Social Services		-		882,604
Increase (decrease) in vacation entitlement		(79,306)		102,898
Decrease in deferred contributions		(732,976)		(972,753)
		(1,008,653)		781,704
Cash flows from capital activities:				
Capital asset additions		(932,184)		(903,142)
Decrease in deferred capital contributions		-		(31,713)
		(932,184)		(934,855)
Decrease in cash		(1,940,837)		(153,151)
Cash, beginning of year		1,994,276		2,147,427
Cash, end of year	$	53,439	$	1,994,276

See accompanying notes to financial statements.

Nature of operations:

Niijaansinaanik Child and Family Services (the “Entity”) is a non-profit organization incorporated without share capital under the laws of Ontario. The Entity’s principal activities are to provide child protection and prevention services along with planning, implementing and delivering culturally appropriate child and family services within its designated geography.

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 Entity accounts for contributions, which include government grants and donations, 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	Estimated Useful Life
Modular buildings	20 years
Vehicles	5 years
Furniture and fixtures	10 years
Computer equipment	3 years

In the year of acquisition or disposal of a capital asset, amortization is provided at one-half of the rates otherwise charged.

1. Significant accounting policies (continued):

(d) Vacation entitlements:

Vacation entitlements are accrued for as entitlements are earned by an employee under the terms of their employment contract.

(e) Use of estimates:

The preparation of financial statements 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) Financial instruments:

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

All investments, if any, held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

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

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

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the statement of operations.

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 price (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 Entity has selected to account for transactions at the trade date.

1. Significant accounting policies (continued):

(g) Pension plan:

The Entity provides a pension plan for all its full-time employees through the Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (the Fund), and provides pension for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Entity to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contributions pension plans are recognized as an employee benefits expense in net income when they are due.

(h) Funding settlements:

The Entity receives the majority of its funding from government sources. The operations of the Entity are therefore subject to audit by the funders with possible audit adjustments repayable to the various government agencies.

Any adjustments required as a result of these audits will be made directly to revenue in the year amounts are determined to be repayable.

2. Accounts receivable:

	2022	2021
Ministry of Children, Community and Social Services	$ 1,980,252	$ –
HST recoverable	191,270	63,592
Other	67,400	43,393
	$ 2,238,922	$ 106,985

3. Capital assets:

2022	Cost	Accumulated amortization	Net book value
Modular buildings	$ 926,695	95,982	$ 830,713
Vehicles	356,114	109,952	246,162
Furniture and fixtures	482,451	58,465	423,986
Computer equipment	542,521	236,932	305,589
	$ 2,307,781	501,331	$ 1,806,450

2021	Cost	Accumulated amortization	Net book value
Modular buildings	$ 580,568	18,835	$ 561,733
Vehicles	269,352	47,406	221,946
Furniture and fixtures	242,423	22,221	220,202
Computer equipment	311,417	123,738	187,679
	$ 1,403,760	212,200	$ 1,191,560

4. Accounts payable and accrued liabilities:

	2022	2021
Trade payables	$ 778,514	$ 190,593
Payroll accruals	359,608	62,918
Government funding repayable	87,882	87,882
Government remittances	78,715	126,746
Funds held in Trust	66,978	–
	$ 1,371,697	$ 468,139

5. Due to Ministry of Children, Community and Social Services:

	2022	2021
Surplus repayable – fiscal year 2020/21	$ 799,700	$ 799,700
Surplus repayable – fiscal year 2019/20	82,904	82,904
	$ 882,604	$ 882,604

6. Deferred contributions:

Deferred contributions represent external contributions restricted for specific projects to be incurred in subsequent fiscal years. The breakdown of deferred revenue by funding source is as follows:

	2022	2021
Indigenous Services Canada	$ 143,560	$ 874,724
Association of Native Child and Family Services Agencies of Ontario (ANCFSAO)	61,618	63,430
	$ 205,178	$ 938,154

7. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount of grants and donations received for capital asset acquisitions. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2022	2021
Balance, beginning of year	$ 196,203	$ 265,004
Less: transfers to deferred contributions	–	(31,713)
Less: amounts amortized to revenue	(51,367)	(37,088)
Balance, end of year	$ 144,836	$ 196,203

8. Ministry of Children, Community and Social Services:

	2022	2021
Revenue per funding confirmation:		
Approved budget allocation	$ 11,194,500	$ 6,856,250
Allocation holdback	1,975,500	–
	13,170,000	6,856,250
Add: one-time funding	4,752	–
Add: Education Liaison	68,688	–
Add: deferred contributions, beginning of year	–	534,372
Less: surplus repayable	–	(882,604)
Revenue per financial statements	$ 13,243,440	$ 6,508,018

9. Indigenous Services Canada:

	2022	2021
Revenue per funding confirmation	$ 1,418,559	$ 668,003
Add: deferred contributions, beginning of year	874,724	1,282,070
Add: transfers from deferred capital contributions	–	31,713
Less: deferred contributions, end of year	(143,560)	(874,724)
Revenue per financial statements	$ 2,149,723	$ 1,107,062

10. Pension plan contributions:

OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total going concern actuarial liabilities of $120,796 million (2020 - $113,055 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of $117,665 million (2020 - $109,844 million) indicating a going concern actuarial deficit of $3,131 million (2020 - $3,211 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario organizations and their employees and the Entity's share is not determinable. As a result, the Organization does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS by the Entity in the year ended March 31, 2022 is $1,326,871 (2021 - $Nil) and is included as an expense in the statement of operations.

11. Trust accounts:

The Entity receives Universal Child Care Benefit ("UCCB") payments from the Canada Revenue Agency on behalf of children in their care. Per direction from the Ministry of Children, Community and Social Services, the UCCB funds are used to establish Registered Education Savings Plans (RESPs) on behalf of these children. During the current year, the Entity received payments in the amount of $193,704 (2021 - $Nil) from the Canada Revenue Agency.

As at March 31, 2022, the balance of the individual RESPs amounts to $Nil (2021 - $Nil) and the Entity has an amount of $35,600 (2021 - $Nil) to be deposited to the individuals RESPs, which is included within accounts payable and accrued liabilities.

12. Commitments:

The committed obligations for operating leases of properties, equipment, and service plans, are as follows:

2023	$ 1,171,760
2024	755,049
2025	304,293
2026	276,972
2027	182,051
	$ 2,690,125

13. Financial risks and concentration of risk:

(a) Credit risk:

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

(b) Liquidity risk:

Liquidity risk is the risk that the Entity will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Entity manages its liquidity risk by monitoring its operating requirements. The Entity prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Other risk:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus.

The Entity's main sources of revenue are grants received from Ministry of Children, Community and Social Services, Indigenous Services Canada, and other government agencies. As a result, COVID-19 is not expected to negatively impact operations; however, a change in circumstances may arise that cannot be reasonably predicted.

Management is actively monitoring the effect of the pandemic on its financial condition, liquidity and operations. Given the daily evolution of the pandemic and the global responses to curb its spread, the Entity is not able to fully estimate the effects of the pandemic on its results of operations, financial condition, or liquidity at this time.

14. Comparative information:

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

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Schedule of Operations by Unrestricted Programs

Year ended March 31, 2022

	Child Welfare	Federal Funding	Education Liaison	ANCFSAO	Shkagamik-Kwe Health Centre	Alternative Care	Total 2022
Revenue:							
Ministry of Children, Community and Social Services	$ 13,174,752	-	68,688	-	-	-	$ 13,243,440
Indigenous Services Canada	-	2,149,723	-	-	-	-	2,149,723
Interest	6,088	1,119	25	838	-	1,954	10,024
Other	387,921	-	-	1,811	114,000	-	503,732
	13,568,761	2,150,842	68,713	2,649	114,000	1,954	15,906,919
Expenses:							
Salaries and wages	6,399,461	1,516,820	33,488	2,574	18,601	-	7,970,944
Benefits	1,339,207	139,766	5,262	75	541	-	1,484,851
Travel	620,048	81,261	2,027	-	119	-	703,455
Training and recruitment	76,523	3,953	-	-	-	-	80,476
Building occupancy	1,050,478	140,221	-	-	-	-	1,190,699
Professional services - non-client	299,967	2,000	-	-	-	-	301,967
Program expenses	194,055	9,891	4,949	-	67,004	-	275,899
Boarding rate payments	1,189,221	-	-	-	-	-	1,189,221
Professional services - client	232,317	-	22,689	-	-	-	255,006
Client personal needs	235,665	37	-	-	8,680	-	244,382
Health and related services	51,798	-	-	-	-	-	51,798
Financial assistance	22,290	-	-	-	-	-	22,290
Promotion and publicity	129,330	-	-	-	-	-	129,330
Office administration	406,642	19,726	-	-	-	-	426,368
Miscellaneous	214,426	125,487	298	-	250	-	340,461
Technology	191,683	31,680	-	-	2,965	-	226,328
	12,653,111	2,070,842	68,713	2,649	98,160	-	14,893,475
Excess of revenue over expenses	915,650	80,000	-	-	15,840	1,954	1,013,444
Transfers:							
Transfer for capital purchases	(836,344)	(80,000)	-	-	(15,840)	-	(932,184)
Change in vacation entitlement	(79,306)	-	-	-	-	-	(79,306)
	(915,650)	(80,000)	-	-	(15,840)	-	(1,011,490)
Change in net assets	$ -	-	-	-	-	1,954	$ 1,954