Financial Statements of

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

And Independent Auditor's Report thereon

Year ended March 31, 2023

KPMG LLP
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INDEPENDENT AUDITOR'S 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, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and the notes and schedule 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, 2023, 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 **"*Auditor's Responsibilities for the Audit of the Financial Statements*"** section of our auditor's 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 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 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 16, 2023

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

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Year ended March 31, 2023

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Statement of Financial Position

March 31, 2023, with comparative information for 2022

		2023		2022
Assets				
Current assets:				
Cash	$	2,311,658	$	53,439
Accounts receivable (note 2)		1,025,802		2,238,922
Prepaid expenses and deposits		319,830		308,188
		3,657,290		2,600,549
Capital assets (note 3)		1,549,654		1,806,450
	$	5,206,944	$	4,406,999
Liabilities and Net Assets (Debt)				
Current liabilities:				
Accounts payable and accrued liabilities (note 4)	$	1,585,111	$	1,371,697
Due to Ministry of Children, Community and Social Services (note 5)		799,700		882,604
Vacation entitlement payable		30,113		76,078
Deferred contributions (note 6)		1,117,376		205,178
		3,532,300		2,535,557
Deferred capital contributions (note 7)		50,619		144,836
		3,582,919		2,680,393
Net assets (debt):				
Unrestricted - Alternative Care		155,103		141,070
Unrestricted - Employment related		(30,113)		(76,078)
Capital		1,499,035		1,661,614
		1,624,025		1,726,606
Commitments (note 12)				
	$	5,206,944	$	4,406,999

See accompanying notes to financial statements.

On behalf of the Board:

Marie Anderson Director

Candace Hendley Director

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

		Unrestricted	Capital	2023		2022
Revenue:						
Ministry of Children, Community and Social Services (note 8)	$	13,979,628	-	13,979,628	$	13,243,440
Indigenous Services Canada (note 9)		2,713,044	-	2,713,044		2,149,723
Interest		65,805	-	65,805		10,024
Other		645,948	10,544	656,492		503,732
Unamortized deferred capital contributions (note 7)		-	74,129	74,129		-
Amortization of deferred capital contributions (note 7)		-	20,088	20,088		51,367
		17,404,425	104,761	17,509,186		15,958,286
Expenses:						
Salaries and wages		8,679,013	-	8,679,013		7,970,944
Benefits		1,698,424	-	1,698,424		1,484,851
Travel		1,169,993	-	1,169,993		703,455
Training and recruitment		97,379	-	97,379		80,476
Building occupancy		807,458	-	807,458		1,190,699
Professional services - non-client		624,182	-	624,182		301,967
Program expenses		237,716	-	237,716		275,899
Boarding rate payments		1,977,204	-	1,977,204		1,189,221
Professional services - client		403,744	-	403,744		255,006
Client personal needs		374,398	-	374,398		244,382
Health and related services		62,666	-	62,666		51,798
Financial assistance		78,011	-	78,011		22,290
Promotion and publicity		115,477	-	115,477		129,330
Office administration		243,115	-	243,115		426,368
Miscellaneous		408,357	-	408,357		340,461
Technology		214,014	-	214,014		226,328
Amortization of capital assets		-	420,616	420,616		317,293
		17,191,151	420,616	17,611,767		15,210,768
Excess (deficiency) of revenue over expenses	$	213,274	(315,855)	(102,581)	$	747,518

See accompanying notes to financial statements.

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Statement of Changes in Net Assets (Debt)

Year ended March 31, 2023, with comparative information for 2022

	2023							
	Unrestricted							
		Operating	Alternative Care	Employment related	Total Unrestricted	Capital		Total
Net assets (debt), beginning of year	$	-	141,070	(76,078)	64,992	1,661,614	$	1,726,606
Excess (deficiency) of revenue over expenses		199,241	14,033	-	213,274	(315,855)		(102,581)
Transfers		(199,241)	-	45,965	(153,276)	153,276		-
Net assets (debt), end of year	$	-	155,103	(30,113)	124,990	1,499,035	$	1,624,025

	2022							
	Unrestricted							
		Operating	Alternative Care	Employment related	Total Unrestricted	Capital		Total
Net assets, 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

NIIJAANSINAANIK CHILD AND FAMILY SERVICES

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	$ (102,581)	$ 747,518
Adjustment for:		
Gain on sale of capital assets	(10,544)	-
Amortization of capital assets	420,616	317,293
Amortization of deferred capital contributions	(20,088)	(51,367)
	287,403	1,013,444
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	1,213,120	(2,131,937)
Decrease (increase) in prepaid expenses and deposits	(11,642)	18,563
Increase in accounts payable and accrued liabilities	213,414	903,559
Increase in due to Ministry of Children, Community and Social Services	(82,904)	-
Decrease in vacation entitlement	(45,965)	(79,306)
Increase (decrease) in deferred contributions	912,198	(732,976)
	2,485,624	(1,008,653)
Cash flows from capital activities:		
Capital asset additions	(272,776)	(932,184)
Proceeds from disposal of capital assets	119,500	-
Decrease in deferred capital contributions	(74,129)	-
	(227,405)	(932,184)
Increase (decrease) in cash	2,258,219	(1,940,837)
Cash, beginning of year	53,439	1,994,276
Cash, end of year	$ 2,311,658	$ 53,439

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.

(i) Asset retirement obligations:

The Entity recognizes the fair value of an Asset Retirement Obligation (“ARO”) when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for asset retirement obligations has not been recorded in these financial statements.

2. Accounts receivable:

	2023	2022
Ministry of Children, Community and Social Services	$ 746,019	$ 1,980,252
HST recoverable	240,790	191,270
Other	38,993	67,400
	$ 1,025,802	$ 2,238,922

3. Capital assets:

2023	Cost	Accumulated amortization	Net book value
Modular buildings	$ 1,172,096	284,357	$ 887,739
Vehicles	192,066	86,796	105,270
Furniture and fixtures	482,451	106,710	375,741
Computer equipment	560,965	380,061	180,904
	$ 2,407,578	857,924	$ 1,549,654

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

4. Accounts payable and accrued liabilities:

	2023	2022
Trade payables	$ 751,001	$ 778,514
Payroll accruals	395,369	359,608
Government funding repayable	87,882	87,882
Government remittances	130,184	78,715
Funds held in Trust – RESP Payable (note 11)	48,000	26,640
Funds held in Trust – OCBE Payable	172,675	40,338
	$ 1,585,111	$ 1,371,697

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

	2023	2022
Surplus repayable – fiscal year 2020/21	$ 799,700	$ 799,700
Surplus repayable – fiscal year 2019/20	–	82,904
	$ 799,700	$ 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:

	2023	2022
Indigenous Services Canada	$ 931,758	$ 143,560
Association of Native Child and Family Services Agencies of Ontario (ANCFSAO)	61,618	61,618
Shkagamik-Kwe Health Centre	124,000	–
	$ 1,117,376	$ 205,178

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.

	2023	2022
Balance, beginning of year	$ 144,836	$ 196,203
Less: unamortized amounts to revenue	(74,129)	–
Less: amounts amortized to revenue	(20,088)	(51,367)
Balance, end of year	$ 50,619	$ 144,836

8. Ministry of Children, Community and Social Services:

	2023	2022
Revenue per funding confirmation:		
Approved budget allocation	$ 13,141,827	$ 11,194,500
Allocation holdback	691,425	1,975,500
	13,833,252	13,170,000
Add: one-time funding	54,594	4,752
Add: Education Liaison	91,782	68,688
Revenue per financial statements	$ 13,979,628	$ 13,243,440

9. Indigenous Services Canada:

	2023	2022
Revenue per funding confirmation	$ 3,501,242	$ 1,418,559
Add: deferred contributions, beginning of year	143,560	874,724
Less: deferred contributions, end of year	(931,758)	(143,560)
Revenue per financial statements	$ 2,713,044	$ 2,149,723

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, 2022. The results of this valuation disclosed total going concern actuarial liabilities of $130,306 million (2021 - $120,796 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of $123,628 million (2021 - $117,665 million) indicating a going concern actuarial deficit of $6,678 million (2021 - $3,131 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 Entity 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, 2023 is $1,434,732 (2022 - $1,326,871) 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.

As at December 31, 2022, the balance of the individual RESPs amounts to $43,135 (2021 - $Nil). The Entity made additional contributions of $25,640 (2022 - $Nil) in March 2023. As of March 31, 2023, the Entity has an amount of $48,000 (2022 - $35,600) 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:

2024	$ 555,968
2025	454,721
2026	420,695
2027	320,467
2028	139,694
Thereafter	426,155
	$ 2,317,700

13. Change in accounting policies:

On April 1, 2022, the Entity adopted the Public Accounting Standard PS 3280 – *Asset Retirement Obligations.* The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in facilities. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the assumptions used on initial recognition are those as of the date of adoption of the standard.

In accordance with the provisions of this new standard, the Entity completed an analysis of all facilities, capital assets and lease agreements and determined there was no asset retirement obligations that existed as of April 1, 2022.

14. 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.

15. 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, 2023

	Child Welfare	Federal Funding	Federal Funding Orange Standard	Education Liaison	ANCFSAO	Shkagamik-Kwe Health Centre	Alternative Care	Total 2023
Revenue:								
Ministry of Children, Community and Social Services	$ 13,887,846	-	-	91,782	-	-	-	$ 13,979,628
Indigenous Services Canada	-	1,967,625	745,419	-	-	-	-	2,713,044
Interest	10,974	-	-	6,753	-	-	48,078	65,805
Other	645,948	-	-	-	-	-	-	645,948
	14,544,768	1,967,625	745,419	98,535	-	-	48,078	17,404,425
Expenses:								
Salaries and wages	6,939,483	1,615,858	52,492	71,180	-	-	-	8,679,013
Benefits	1,538,706	138,846	5,202	15,670	-	-	-	1,698,424
Travel	930,959	109,455	118,583	10,996	-	-	-	1,169,993
Training and recruitment	96,372	818	-	189	-	-	-	97,379
Building occupancy	807,458	-	-	-	-	-	-	807,458
Professional services - non-client	165,052	1,313	457,817	-	-	-	-	624,182
Program expenses	186,023	51,693	-	-	-	-	-	237,716
Boarding rate payments	1,977,204	-	-	-	-	-	-	1,977,204
Professional services - client	397,777	3,767	2,200	-	-	-	-	403,744
Client personal needs	374,398	-	-	-	-	-	-	374,398
Health and related services	62,666	-	-	-	-	-	-	62,666
Financial assistance	78,011	-	-	-	-	-	-	78,011
Promotion and publicity	65,515	2,853	47,109	-	-	-	-	115,477
Office administration	241,764	-	1,351	-	-	-	-	243,115
Miscellaneous	222,440	137,063	48,354	500	-	-	-	408,357
Technology	176,174	31,504	6,336	-	-	-	-	214,014
	14,260,002	2,093,170	739,444	98,535	-	-	-	17,191,151
Excess (deficiency) of revenue over expenses	284,766	(125,545)	5,975	-	-	-	48,078	213,274
Transfers:								
Transfer for capital purchases	(266,801)	-	(5,975)	-	-	-	-	(272,776)
Transfer from capital	28,000	91,500	-	-	-	-	-	119,500
Transfer (to) from program	-	34,045	-	-	-	-	(34,045)	-
Change in vacation entitlement	(45,965)	-	-	-	-	-	-	(45,965)
	(284,766)	125,545	(5,975)	-	-	-	(34,045)	(199,241)
Change in net assets	$ -	-	-	-	-	-	14,033	$ 14,033