Animikii-Ozoson Inc.
Financial Statements
March 31, 2026

Management's Responsibility

To the Members of Animikii-Ozoson Inc.:

Management is responsible for the preparation and fair 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 and ensuring that all information in the annual report is consistent with the financial statements. 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 primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Members 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.

Chief Executive Officer

Chief Financial Officer

Independent Auditor's Report

To the Members of Animikii-Ozoson Inc.:

Opinion

We have audited the financial statements of Animikii-Ozoson Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets (deficit) 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, 2026, 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

Winnipeg, Manitoba

September 15, 2026

MNP LLP

Chartered Professional Accountants

MNP LLP

Animikii-Ozoson Inc.
Statement of Financial Position
As at March 31, 2026

	2026	2025
Assets		
Cash		
Cash *(Note 3)*	**1,244,003**	3,735,140
Accounts receivable *(Note 4)*	**154,996**	210,152
Short term investment *(Note 5)*	**50,000**	50,000
Prepaid expenses and deposits	**63,083**	56,158
	1,512,082	4,051,450
Capital assets *(Note 6)*	**352,181**	413,109
	1,864,263	4,464,559
Liabilities		
Current		
Accounts payable and accruals *(Note 7)*	**2,102,723**	1,633,030
Deferred contributions *(Note 8)*	**2,401,265**	2,664,679
	4,503,988	4,297,709
Net Assets (Deficit)		
Investment in capital assets	**352,181**	413,109
Unrestricted (deficit)	**(2,991,906)**	(246,259)
	(2,639,725)	166,850
	1,864,263	4,464,559

Approved on behalf of the Board of Directors

Director

Marlyn Bennett
Director

The accompanying notes are an integral part of these financial statements

Animikii-Ozoson Inc.
Statement of Operations
For the year ended March 31, 2026

	2026	*2025*
Revenue		
Southern First Nations Network of Care		
Operations Core	**1,265,233**	1,229,565
Operations Protection	**4,468,630**	3,970,317
Operations Prevention	**530,068**	525,801
Operations Other	**80,773**	75,024
Operations Contingency fund	**428,350**	-
	6,773,054	5,800,707
Province of Manitoba		
Province of Manitoba - Maintenance	**13,647,003**	13,235,804
Province of Manitoba - Agency Allowance	**147,170**	310,664
Miscellaneous	**91,666**	235,416
	13,885,839	13,781,884
Childrens' Special Allowance		
CSA Provincial	**2,718,738**	3,500,908
Other		
Investment income	**243,173**	501,903
External Agency Billings	**162,216**	192,111
Education and training	**31,857**	28,819
Jordan's Principle	**-**	62,981
	437,246	785,814
Total revenue	**23,814,877**	23,869,313

Continued on next page

The accompanying notes are an integral part of these financial statements

Animikii-Ozoson Inc.
Statement of Operations
For the year ended March 31, 2026

	2026	2025
Total revenue *(Continued from previous page)*	**23,814,877**	23,869,313
Core Operations		
Salaries	**1,007,746**	950,477
Benefits	**149,893**	148,249
Operating	**1,079,538**	1,101,131
Audit expense	**24,000**	24,000
Board of Directors expense	**45,794**	46,494
Insurance	**116,242**	110,238
Legal	**19,948**	14,382
Training	**11,625**	8,396
Travel	**19,936**	16,027
	2,474,722	2,419,394
Protection		
Salaries	**3,491,549**	2,950,454
Benefits	**531,445**	425,092
Operating	**44,845**	45,731
Training	**9,548**	6,010
Travel	**167,258**	147,273
Purchased services	**262,117**	289,720
Contracted resources	**94,159**	55,537
	4,600,921	3,919,817
Prevention		
Salaries	**219,895**	115,273
Benefits	**29,815**	13,091
Operating	**-**	390
Training	**-**	202
Travel	**-**	1,288
Purchased services	**128,583**	82,366
Contracted resources	**13,745**	8,367
	392,038	220,977
Province of Manitoba		
Agency Allowance	**147,170**	310,664
Child maintenance	**17,001,438**	15,000,064
	17,148,608	15,310,728
Childrens' Special Allowance		
CSA Provincial	**1,920,746**	2,703,996
External Agency Maintenance		
EA maintenance	**84,419**	103,757
Total expenses	**26,621,454**	24,678,669
Deficiency of revenue over expenses	**(2,806,577)**	(809,356)

The accompanying notes are an integral part of these financial statements

Animikii-Ozoson Inc.
Statement of Changes in Net Assets (Deficit)
For the year ended March 31, 2026

	Investment in capital assets	*Unrestricted*	***2026***	*2025*
Net assets (deficit), beginning of year	**413,109**	**(246,259)**	**166,850**	976,206
Deficiency of revenue over expenses	**-**	**(2,806,575)**	**(2,806,577)**	(809,356)
Amortization of capital assets	**(93,088)**	**93,088**	**-**	-
Purchase of capital assets	**32,160**	**(32,160)**	**-**	-
Net assets (deficit), end of year	**352,181**	**(2,991,906)**	**(2,639,727)**	166,850

The accompanying notes are an integral part of these financial statements

Animikii-Ozoson Inc.
Statement of Cash Flows
For the year ended March 31, 2026

	2026	*2025*
Cash provided by (used for) the following activities		
Operating		
Cash received from funders	**23,363,446**	21,467,463
Cash paid for program service expenses	**(20,627,386)**	(19,647,122)
Cash paid to employees	**(5,430,344)**	(4,602,636)
Cash paid for interest	**(7,866)**	(10,464)
Interest received	**243,173**	501,903
	(2,458,977)	(2,290,856)
Investing		
Purchase of short term investments	**-**	(15,000)
Purchase of capital assets	**(32,160)**	(326,924)
	(32,160)	(341,924)
Decrease in cash resources	**(2,491,137)**	(2,632,780)
Cash resources, beginning of year	**3,735,140**	6,367,920
Cash resources, end of year	**1,244,003**	3,735,140

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Animikii-Ozoson Inc. (the "Organization") was incorporated in the Province of Manitoba as a corporation without share capital on February 3, 2005, and began active operations in October 2005.

The Organization operates to provide child and family services under the Southern First Nations Network of Care (the "Southern Authority").

The Organization is registered as a not-for-profit organization under the Income Tax Act (the "Act") and as such is exempt from income taxes. In order to maintain its status as a not-for-profit organization under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and includes the following significant accounting policies:

Cash

Cash includes balances with bank.

Short term investments

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded immediately in operations in the year in which they become known.

Capital assets

Capital assets are recorded at cost. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	45 %
Computer software	declining balance	100 %
Equipment	declining balance	20 %
Leasehold improvements	straight-line	term of lease

Long-lived assets

Long-lived assets consists of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' value. Any impairment is included in operations for the year.

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

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.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Deferred contributions is based on management's analysis of the extent to which eligibility requirements have been met on government funding. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the year in which they become known.

Trust funds

The Organization administers trust funds. Trust funds and their related operations are not included in the financial statements as they are not owned or controlled by the Organization.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

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. All other financial assets and liabilities are subsequently measured at amortized cost.

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

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 deficiency of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenue over expenses in the year the reversal occurs.

3. Cash

	2026	*2025*
Petty cash	**408**	494
Operating bank account	**178,874**	532,374
Maintenance bank account	**99,381**	363,626
Investment bank account	**965,340**	2,838,646
	1,244,003	3,735,140

4. Accounts receivable

	2026	*2025*
Accounts receivable - operations	**157,694**	246,036
Accounts receivable - maintenance	**77**	1,204
Good and Services Tax receivable	**27,450**	13,410
Accounts receivable from employees	**361**	4,491
Accrued interest	**1,834**	7,542
	187,416	272,683
Allowance for doubtful accounts	**(32,420)**	(62,531)
	154,996	210,152

5. Short term investment

	2026	*2025*
Measured at fair value:		
Guaranteed Investment Certificate	**50,000**	50,000

The above redeemable GICs bear interest between 4.00% and 4.50% (2025 - 3.25%) per annum, maturing June 2026.

6. Capital assets

	Cost	***Accumulated amortization***	***2026 Net book value***
Computer equipment	**182,798**	**145,126**	**37,672**
Computer software	**49,611**	**49,611**	**-**
Equipment	**523,274**	**406,103**	**117,171**
Leasehold improvements	**1,367,487**	**1,170,149**	**197,338**
	2,123,170	**1,770,989**	**352,181**

	Cost	*Accumulated amortization*	*2025 Net book value*
Computer equipment	151,695	128,467	23,228
Computer software	49,611	49,611	-
Equipment	522,218	377,036	145,182
Leasehold improvements	1,367,487	1,122,788	244,699
	2,091,011	1,677,902	413,109

Amortization in the year is $93,088 (2025 - $102,693).

7. Accounts payable and accruals

	2026	*2025*
Accounts payable - maintenance	**1,321,428**	944,684
Accounts payable - payroll and other accrued liabilities	**750,137**	659,151
Account payable - Manitoba Health and Post Secondary Education Tax Levy	**31,158**	29,195
	2,102,723	1,633,030

8. Deferred contributions

Deferred contributions consists of the excess of the Agency Allowance received and spent.

9. Commitments

The Organization has entered into various operating lease agreements with estimated minimum annual payments as follows:

2026	534,672
2027	534,672
2028	489,672
2029	462,975
2030	326,513
	2,348,504

10. Economic dependence

The Organization's primary source of funding is from the Province of Manitoba. The secondary source of funding is from the Southern First Nations Network of Care. The Organization's ability to continue viable operations is dependent on this funding.

11. 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.

12. Pension plan

The Organization is subject to a defined contribution pension plan. Employees contribute 3-5% of their annual salary, which is matched by the Organization. Contributions to the Plan made during the year by the Organization on behalf of its employees amounted to $195,293 (2025 - $158,085) included in the statement of operations.