

Financial Statements of

**UNION OF ONTARIO INDIANS**  
**Anishinabek Educational Institute**

Year ended March 31, 2020



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## INDEPENDENT AUDITORS' REPORT

To the Members of the Union of Ontario Indians

### *Opinion*

We have audited the financial statements of The Union of Ontario Indians, Anishinabek Educational Institute (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and the notes 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, 2020, and its results of operations 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.

### *Responsibility 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.



- 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*

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Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
March 22, 2021



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.

### ***Auditors' 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 auditors' 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.

# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

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Year ended March 31, 2020

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# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

### Statement of Financial Position

March 31, 2020, with comparative information for 2019

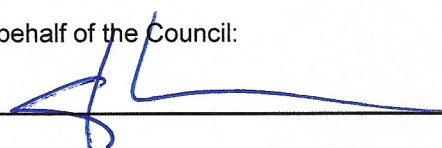
	2020	2019
		(Unaudited)
<b>Assets</b>		
Current assets:		
Accounts and grants receivable	\$ 924,383	\$ 500,707
Prepaid expenses	2,436	1,994
Advances to/from related companies	230,455	375,163
	<u>1,157,274</u>	<u>877,864</u>
Capital assets (note 2)	2,146	3,104
	<u>\$ 1,159,420</u>	<u>\$ 880,968</u>

### Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 799,284	\$ 697,991
Deferred contributions (note 3)	360,136	182,977
	<u>1,159,420</u>	<u>880,968</u>
Contingency (note 5)		
Subsequent event (note 8)		
	<u>\$ 1,159,420</u>	<u>\$ 880,968</u>

See accompanying notes to financial statements.

On behalf of the Council:

  
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

### Statement of Operations and Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
		(Unaudited)
Revenue:		
Government contributions (note 4)	\$ 3,585,018	\$ 3,614,345
Sales and other	662,988	656,221
	<u>4,248,006</u>	<u>4,270,566</u>
Expenses:		
Salaries and benefits	2,395,877	2,078,896
Consultation fees	450,803	468,124
Travel expenses	424,146	490,890
Administration fees	387,104	422,357
Rent	210,159	233,400
Office and general	163,051	155,168
Professional fees	59,739	96,486
Computer services	55,047	52,301
Reception	28,667	28,080
Communications support	22,800	21,623
Telephone	21,559	19,198
Scholarships	14,100	14,000
Training	12,231	5,305
Insurance	5,400	5,500
Amortization of capital assets	959	959
Bad debts	107	-
	<u>4,251,749</u>	<u>4,092,287</u>
Excess (deficiency) of revenue over expenses	(3,743)	178,279
Transfer to Union of Ontario Indians	3,743	(178,279)
Net assets, beginning of year	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

### Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
		(Unaudited)
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (3,743)	\$ 178,279
Adjustments for:		
Amortization of capital assets	959	959
	(2,784)	179,238
Changes in non-cash operating working capital:		
Increase in accounts and grants receivable	(423,676)	(500,707)
Increase in prepaid expenses	(442)	(1,994)
Decrease (increase) in advances to/from related companies	144,708	(454,226)
Increase in accounts payable and accrued liabilities	101,293	697,991
Increase in deferred contributions	177,159	257,977
	(3,742)	178,279
Increase (decrease) in cash	(3,742)	178,279
Cash, beginning of year	-	-
Cash (bank indebtedness), held by UOI	3,742	(178,279)
Cash, end of year	\$ -	\$ -

See accompanying notes to financial statements.



# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

Notes to Financial Statements

Year ended March 31, 2020

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Union of Ontario Indians, Anishinabek Educational Institute ("AEI") operates as a department of the Union of Ontario Indians ("UOI"), The Union of Ontario Indians ("UOI") which is incorporated without share capital under the laws of the Province of Ontario. The membership of the UOI comprises thirty-nine (39) Anishinabek First Nations located in the Province of Ontario. The AEI has, as its principal business activity, the administration of quality education and training programs for those First Nation Anishinabek communities.

### 1. Significant accounting policies:

These 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.

#### (a) Revenue recognition:

The AEI accounts for contributions, which include tuition fees, sales, rental income and government grants, under the deferral method of accounting as follows:

Operating grants are recorded as revenue in the period to which they relate. Grants relating to future periods are deferred and recognized in the subsequent period when the related expense occurs. Grants approved but not received at the end of a period are accrued.

Tuition fees, sales and rental income 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 on a straight-line basis at rates corresponding to those of the related capital assets.

Funding adjustments and the settlement of funding surpluses of prior years are recorded in the statement of operations in the year in which the settlement is made.

#### (b) Capital assets:

Capital assets are recorded at cost. Amortization is provided on the straight-line basis over their estimated useful lives at the following annual rates:

	Rates
Computers and equipment	20%

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# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

Notes to Financial Statements (continued)

Year ended March 31, 2020

### 1. Significant accounting policies (continued)

#### (c) Use of estimates:

The preparation of the 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 year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. 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.

### 2. Capital assets:

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
				(Unaudited)
Computers and equipment	5,154	3,008	2,146	3,104

### 3. Deferred contributions:

Deferred contributions represent externally restricted contributions which are unspent at year-end and which relate to expenses of future periods:

	2020	2019
		(Unaudited)
Balance, beginning of year	\$ 182,977	\$ 197,932
Amounts recognized as revenue in the year	(494,951)	(619,194)
Additional contributions received	672,110	604,239
Balance, end of year	\$ 360,136	\$ 182,977

### 4. Funding reconciliation:

	2020	2019
		(Unaudited)
Federal Government Funding	\$ 1,427,330	\$ 1,425,523
Provincial Government Funding	2,334,847	2,128,777
Deferred contributions recognized	(177,159)	60,045
Government contributions	\$ 3,585,018	\$ 3,614,345

# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

Notes to Financial Statements (continued)

Year ended March 31, 2020

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### 5. Contingency:

Under the terms of its funding agreements with various governmental agencies, contributions received by the AEI could become repayable in certain circumstances if it is determined that funding was applied toward ineligible costs or if other terms of the agreement have not been met. Management is of the opinion that all conditions have been met.

### 6. Financial risks and concentration of risk:

#### (a) Liquidity risk:

Liquidity risk is the risk that the AEI will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The AEI manages its liquidity by monitoring its operating requirements. The AEI prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There is no change in the risk exposures from 2019.

#### (b) Credit and interest rate risk:

The AEI's financial instruments do not expose the AEI to a significant concentration of credit or interest rate risk.

#### (c) Financial risk management objectives:

The AEI manages its capital according to its cash needs, without compromising the maintenance of its capital.

### 7. Comparative information:

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2020 financial statements.

The fiscal 2019 year end has not been audited.

### 8. Subsequent event:

Subsequent to March 31, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our business is not known at this time.