Financial Statements of

# UNION OF ONTARIO INDIANS
## Anishinabek Educational Institute

Year ended March 31, 2023

# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

Index to Financial Statements

Year ended March 31, 2023

KPMG LLP
Times Square
1760 Regent Street, Unit 4
Sudbury, ON P3E 3Z8
Canada
Telephone 705 675 8500
Fax 705 675 7586

# INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 ***"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.

### *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.

KPMG



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.

KPMG



- 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
September 18, 2024

# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

Statement of Financial Position

March 31, 2023, with comparative information for 2022

| | | 2023 | | 2022 |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets: | | | | |
| Accounts and grants receivable | $ | 562,194 | $ | 1,148,510 |
| Prepaid expenses | | 12,150 | | 21,635 |
| Advances from related companies | | 3,826,350 | | 1,997,137 |
| | | 4,400,694 | | 3,167,282 |
| Capital assets (note 2) | | 92,408 | | - |
| | $ | 4,493,102 | $ | 3,167,282 |
| **Liabilities, Deferred Contributions and Net Assets** | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | $ | 1,164,524 | $ | 780,511 |
| Deferred contributions (note 3) | | 3,328,578 | | 2,386,771 |
| | | 4,493,102 | | 3,167,282 |
| Contingency (note 5) | | | | |
| | $ | 4,493,102 | $ | 3,167,282 |

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, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|---|---|
| Revenue: | | |
| Government contributions (note 4) | $ 5,891,335 | $ 4,792,962 |
| Sales and other | 673,103 | 543,795 |
| | 6,564,438 | 5,336,757 |
| Expenses: | | |
| Salaries and benefits | 1,887,984 | 2,407,794 |
| Professional fees | 939,096 | 215,928 |
| Administration fees | 752,933 | 599,631 |
| Office and general | 720,152 | 284,400 |
| Consultation fees | 533,882 | 547,531 |
| Payments to First Nations | 500,195 | 81,589 |
| Rent | 235,099 | 294,959 |
| Travel | 301,312 | 219,796 |
| Scholarships | 151,823 | 13,131 |
| Computer services | 62,156 | 68,947 |
| Communications support | 24,500 | 25,083 |
| Reception | 24,500 | 22,083 |
| Telephone | 22,087 | 21,161 |
| Training | 25,862 | 11,246 |
| Insurance | 9,050 | 4,114 |
| Amortization of capital assets | 7,502 | 905 |
| Bad debts (recovery) | (13) | 232 |
| | 6,198,120 | 4,818,530 |
| Current year surpluses repayable to funder | 162,470 | - |
| | 6,360,590 | 4,818,530 |
| Excess of revenue over expenses before the undernoted | 203,848 | 518,227 |
| Prior year funding adjustments | (759,431) | - |
| Transfer from (to) Union of Ontario Indians | 555,583 | (518,227) |
| Excess of revenue over expenses | - | - |
| Net assets, beginning of year | - | - |
| Net assets, end of year | $ - | $ - |

See accompanying notes to financial statements.

# UNION OF ONTARIO INDIANS

## Anishinabek Educational Institute

Statement of Cash Flows

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

| | 2023 | 2022 |
|---|---|---|
| Cash provided by (used in): | | |
| Operations: | | |
| Excess of revenue over expenses | $ - | $ - |
| Adjustments for: | | |
| Amortization of capital assets | 7,502 | 905 |
| | 7,502 | 905 |
| Changes in non-cash operating working capital: | | |
| Decrease (increase) in accounts and grants receivable | 586,316 | (163,027) |
| Decrease (increase) in prepaid expenses | 9,485 | (13,087) |
| Increase in advances to/from related companies | (1,829,213) | (497,629) |
| Increase (decrease) in accounts payable and accrued liabilities | 384,013 | (34,172) |
| Increase in deferred contributions | 941,807 | 707,010 |
| | 99,910 | - |
| Capital activities: | | |
| Purchase of capital assets | (99,910) | - |
| Cash, beginning of year | - | - |
| Cash, end of year | $ - | $ - |

See accompanying notes to financial statements.

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% |

## 1. Significant accounting policies (continued)

(c) 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.

(d) 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.

(h) Prior year funding adjustments:

The AEI has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments with audit adjustments repayable to the government. Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

## 2. Capital assets:

| | Cost | Accumulated amortization | 2023 Net book value | 2022 Net book value |
|---|---|---|---|---|
| Computers and equipment | $ 105,063 | $ 12,655 | $ 92,408 | – |

### 3. Deferred contributions:

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

| | 2023 | 2022 |
|---|---|---|
| Balance, beginning of year | $ 2,386,771 | $ 1,679,761 |
| Additional contributions received | 8,151,478 | 4,260,737 |
| Amounts recognized as revenue in the year | (7,209,671) | (3,553,727) |
| Balance, end of year | $ 3,328,578 | $ 2,386,771 |

### 4. Funding reconciliation:

| | 2023 | 2022 |
|---|---|---|
| Federal government funding | $ 1,466,857 | $ 2,319,273 |
| Provincial government funding | 5,366,285 | 3,180,699 |
| Contributions deferred | (941,807) | (707,010) |
| Government contributions | $ 5,891,335 | $ 4,792,962 |

### 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 2022.

(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 2023 financial statements.