

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinoomaage Gamig)
Financial Statements
Year Ended March 31, 2024

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinoomaage Gamig)
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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Shingwauk Teaching Lodge operating as Shingwauk Kinoomaage Gamig

Opinion

I have audited the financial statements of Shingwauk Teaching Lodge, operating as Shingwauk Kinoomaage Gamig, (the organization), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPO, 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.

(continues)

Helping your business is our business.

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Independent Auditor's Report to the To the Members of Shingwauk Teaching Lodge operating as Shingwauk Kinooomaage Gamig (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Sault Ste. Marie, Ontario
April 1, 2025

Diana K. Stoker Professional Corporation

Diana K. Stoker Professional Corporation
Chartered professional accountant
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinoomaage Gamig)
Statement of Financial Position
March 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 2,777,708	\$ 1,325,902
Accounts receivable	700,212	1,918,883
Government grant receivable	60,371	64,700
Harmonized sales tax recoverable	33,146	23,488
Prepaid expenses	251,408	58,046
	<u>3,822,845</u>	3,391,019
Capital assets (Net) (Note 3)	<u>163,387</u>	333,633
	<u>\$ 3,986,232</u>	<u>\$ 3,724,652</u>
Liabilities and Net Assets		
Current		
Accounts payable	\$ 517,296	\$ 928,835
Deferred income (Note 4)	472,140	381,078
	<u>989,436</u>	1,309,913
Deferred capital contributions (Note 5)	<u>119,600</u>	262,834
	<u>1,109,036</u>	1,572,747
Net assets	<u>2,877,196</u>	2,151,905
	<u>\$ 3,986,232</u>	<u>\$ 3,724,652</u>

See notes to financial statements

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinoomaage Gamig)
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	2024	2023
Revenues		
Ministry of Colleges and Universities (Note 7)	\$ 1,465,396	\$ 1,368,231
Tuition Fees	643,244	827,898
Ministry of Solicitor General	155,600	132,468
Indigenous Services Canada	150,000	-
Indigenous Language Consortium	202,603	26,347
Laidlaw Foundation	97,273	21,303
Other services	220,833	85,706
Amortization of deferred capital contributions (Note 5)	143,235	177,350
	3,078,184	2,639,303
Expenses		
Academic services	408,805	433,813
Administrative fees	12,128	13,645
Amortization	170,247	205,263
Audit fees	10,000	7,500
Bursaries and scholarships	12,750	10,500
Communications and marketing	33,502	38,870
Consulting fees	208,193	173,416
Financial services and support costs	35,590	48,658
Infrastructure and equipment	208,170	170,047
Insurance	36,023	32,597
Interest and bank charges	1,456	1,323
Language expenses	38,390	4,135
Legal fees	36,079	47,148
Memberships	5,681	6,611
Mental health expenses	261,574	98,448
Office supplies	70,982	59,782
Events expense	55,993	44,745
Staffing	621,687	590,292
Supplies	30,251	19,817
Telephone	17,966	7,682
Training	3,313	4,108
Travel	74,113	8,968
	2,352,893	2,027,368
Excess of revenues over expenses	\$ 725,291	\$ 611,935

See notes to financial statements

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinoomaage Gamig)
Statement of Changes in Net Assets
Year Ended March 31, 2024

	2024	2023
Net assets - beginning of year	\$ 2,151,905	\$ 1,539,970
Excess of revenues over expenses	<u>725,291</u>	<u>611,935</u>
Net assets - end of year	\$ 2,877,196	\$ 2,151,905

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinoomaage Gamig)
Statement of Cash Flows
Year Ended March 31, 2024

	2024	2023
Operating activities		
Excess of revenues over expenses	\$ 725,291	\$ 611,935
Item not affecting cash:		
Amortization of property, plant and equipment	<u>170,247</u>	205,263
	<u>895,538</u>	<u>817,198</u>
Changes in non-cash working capital:		
Accounts receivable	1,218,671	(736,897)
Government grant receivable	4,329	26,803
Accounts payable	(411,540)	448,455
Deferred income	91,062	(23,719)
Prepaid expenses	(193,362)	(6,156)
Harmonized sales tax payable	<u>(9,658)</u>	<u>(8,037)</u>
	<u>699,502</u>	<u>(299,551)</u>
Cash flow from operating activities	<u>1,595,040</u>	<u>517,647</u>
Investing activity		
Purchase of property, plant and equipment	<u>-</u>	<u>(8,652)</u>
Financing activity		
Amortization of deferred capital contributions	<u>(143,234)</u>	<u>(177,350)</u>
Increase in cash flow	1,451,806	331,645
Cash - beginning of year	<u>1,325,902</u>	<u>994,257</u>
Cash - end of year	\$ 2,777,708	\$ 1,325,902

See notes to financial statements

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinoomaage Gamig)
Notes to Financial Statements
Year Ended March 31, 2024

1. Summary of significant accounting policies

(a) Basis of presentation

The financial statements were prepared in accordance with Canadian ASPNO (ASNFPPO).

(b) Revenue recognition

Shingwauk Teaching Lodge 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. Endowment contributions are recognized as direct increases in net assets.

Seminar fees are recognized as revenue when the seminars are held.

(c) Revenue Adjustments

The final amount of excess revenue over expenditures for the funding purpose is not determined until the funding agency has reviewed the institute's financial statements. The institute accounts for any unexpected funding adjustments in the period in which it occurs.

(d) Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. Financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

(e) Measurement uncertainty

The preparation of financial statements in conformity with Canadian ASPNO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(f) Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates:

Computer equipment	3 years
Equipment and furnishings	5 years

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. In their year of acquisition, a full year of amortization is taken for capital assets.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

2. Purpose of the Institute

Shingwauk Teaching Lodge (the "organization") is a not-for-profit organization of Ontario. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinooomaage Gamig)

Notes to Financial Statements

Year Ended March 31, 2024

3. Property, Plant and Equipment

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 325,847	\$ 325,847	\$ -	\$ 73,599
Equipment and furnishings	483,238	319,851	163,387	260,034
	\$ 809,085	\$ 645,698	\$ 163,387	\$ 333,633

4. Deferred Revenue

The organization receives funding from external parties to administer programs. The excess of funding over expenses is recognized as deferred revenue on the statement of financial position until such time as those funds and related expenses are settled. Deferred revenue is comprised of the following:

	2024	2023
Indigenous Services Canada - Course Development	\$ 50,300	\$ 50,300
Indigenous Services Canada - COVID	29,510	29,510
Ministry of Colleges and Universities - Accessibility	7,661	7,661
Ministry of Colleges and Universities - Campus Safety	30,242	-
Ministry of Colleges and Universities - Facilities Renewal Grant	153,606	-
Ministry of Colleges and Universities - Mental Health	25,121	2,989
Ministry of Colleges and Universities - Microcredentials	28,304	28,304
Ministry of Colleges and Universities - Virtual Learning	21,959	-
Ministry of the Solicitor General	125,437	123,037
Laidlaw Foundation	-	79,174
First Nations Confederacy of Cultural Education Centres - Indigenous Language and Cultures Program	-	60,103
	\$ 472,140	\$ 381,078

5. Deferred Capital Contributions

Deferred capital contributions represent the unamortized and unspent balances of grants utilized for capital asset acquisitions. Details of the continuity of these funds are as follows:

	2024	2023
Balance, beginning of year	\$ 262,834	\$ 440,185
Contributions received	-	-
Amortization of deferred capital contributions	(143,234)	(177,351)
Balance, end of year	\$ 119,600	\$ 262,834

SHINGWAUK TEACHING LODGE
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Notes to Financial Statements

Year Ended March 31, 2024

6. Lease Commitments

The organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at March 31, 2024, are as follows:

2025		\$	96,000
2026			96,000
2027			96,000
2028			96,000
2029			56,000
			\$ 440,000

7. Ministry of College and Universities

	2024	2023
Indigenous Institutes Operating Grants	\$ 1,296,295	\$ 1,294,001
Indigenous Institutes Campus Safety	50,000	-
Indigenous Institutes Facility Renewal Grant	153,606	-
Indigenous Institutes Mental Health Grant I	67,562	43,614
Indigenous Institutes Mental Health Grant II	2,988	6,410
Indigenous Institutes Student Accessibility	82,576	24,355
Indigenous Institutes Virtual Learning Grant	32,796	-
Indigenous Student Bursary	10,500	10,500
Deferred revenue	(230,927)	(10,649)
	\$ 1,465,396	\$ 1,368,231

8. Economic Dependence

The organization is financially dependent on the Ministry of Colleges and Universities to fund of its operations. The current transfer payment agreement expires on March 31, 2025. The institute is required to repay any funds not spent during the annual term of the transfer payment agreement.

9. Pension Plan

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totaled \$23,525 (2023 - \$22,705) during the year and were fully expensed.

SHINGWAUK TEACHING LODGE
(Operating as Shingwauk Kinoomaage Gamig)
Notes to Financial Statements
Year Ended March 31, 2024

10. Financial Instruments

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2024.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

11. Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.
