

**First Nations Technical Institute**  
**Financial Statements**  
*March 31, 2024*

# First Nations Technical Institute Contents

For the year ended March 31, 2024

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## Independent Auditor's Report

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To the Members of First Nations Technical Institute:

### Opinion

We have audited the financial statements of First Nations Technical Institute (the "Institute"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2024, 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 Institute 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.

### 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute'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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

MNP LLP

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- 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 Institute'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 Institute 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.

Kingston, Ontario

July 9, 2024

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

# First Nations Technical Institute Statement of Financial Position

*As at March 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	1,917,665	4,154,896
Temporary investments (Note 3)	11,063,949	4,681,687
Accounts receivable (Note 4)	2,846,378	13,674,206
Prepaid expenses and deposits	271,937	257,088
Inventory	41,617	28,836
	<b>16,141,546</b>	<b>22,796,713</b>
<b>Long-term GPOG receivable</b>	<b>1,918,046</b>	<b>1,674,794</b>
<b>Property, plant and equipment (Note 5)</b>	<b>17,119,461</b>	<b>6,827,834</b>
	<b>35,179,053</b>	<b>31,299,341</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 6)	2,651,654	2,422,274
Deferred revenue	787,028	2,288,882
Deferred insurance proceeds	7,361,091	11,779,475
Current portion of deferred contributions (Note 7)	352,752	200,180
	<b>11,152,525</b>	<b>16,690,811</b>
<b>Deferred contributions (Note 7)</b>	<b>12,564,182</b>	<b>4,588,515</b>
	<b>23,716,707</b>	<b>21,279,326</b>
<b>Net Assets</b>		
Unrestricted	9,962,346	8,520,015
Internally restricted - Capital reserve	1,500,000	1,500,000
	<b>11,462,346</b>	<b>10,020,015</b>
	<b>35,179,053</b>	<b>31,299,341</b>

**Signature:** *R. C. Brant*

**Email:** rcbrant@videotron.ca  
**Director**

**Signature:** *W. Brant*

**Email:** winstonbrant1@gmail.com  
**Director**

*The accompanying notes are an integral part of these financial statements*

**First Nations Technical Institute**  
**Statement of Operations**  
For the year ended March 31, 2024

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Ministry of Colleges and Universities	5,680,042	5,646,932
Aviation	1,465,700	1,093,773
Justice programming	408,522	872,491
Tuition fees	828,995	738,876
General purpose operating grant	1,049,333	879,033
Other income (Schedule 1)	2,775,594	1,517,018
Amortization of deferred contributions	392,870	89,536
Indigenous Services Canada (Schedule 2)	525,000	2,097,808
	<b>13,126,056</b>	<b>12,935,467</b>
<b>Expenses</b>		
Salaries and employee benefits	7,861,495	8,006,683
Program delivery	1,036,039	1,485,856
Advertising and promotion	100,403	121,554
Office expenses	381,702	247,030
Rent and utilities	141,442	153,042
Insurance	402,860	238,030
Repairs and maintenance	174,038	174,132
Student support	153,020	133,781
Consulting/Contract	239,171	269,033
Certification and tuition	197,241	119,715
Telephone	27,668	66,467
Aircraft fuel	96,338	80,717
Audit and accounting	35,963	32,025
Staff training	106,620	84,054
Bank charges and interest	14,618	13,653
Travel and automotive	143,385	63,908
	<b>11,112,003</b>	<b>11,289,680</b>
<b>Excess of revenue over expenses before other items</b>	<b>2,014,053</b>	<b>1,645,787</b>
<b>Other items</b>		
Amortization	(640,704)	(318,127)
Hangar contents insurance claim - net of recovery	68,982	58,862
<b>Excess of revenue over expenses</b>	<b>1,442,331</b>	<b>1,386,522</b>

The accompanying notes are an integral part of these financial statements

**First Nations Technical Institute**  
**Statement of Changes in Net Assets**

*For the year ended March 31, 2024*

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	<i>Unrestricted</i>	<i>Capital Reserve</i>	<b>2024</b>	<i>2023</i>
<b>Fund balances, beginning of year</b>	<b>8,520,015</b>	<b>1,500,000</b>	<b>10,020,015</b>	8,633,493
<b>Excess of revenue over expenses</b>	<b>1,442,331</b>	-	<b>1,442,331</b>	1,386,522
<b>Fund balances, end of year</b>	<b>9,962,346</b>	<b>1,500,000</b>	<b>11,462,346</b>	10,020,015

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*The accompanying notes are an integral part of these financial statements*

**First Nations Technical Institute**  
**Statement of Cash Flows**  
*For the year ended March 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	1,442,331	1,386,522
Amortization	637,387	318,127
Amortization of deferred contributions	<b>(392,870)</b>	(89,536)
	<b>1,686,848</b>	1,615,113
Changes in working capital accounts		
Accounts receivable	10,827,828	(7,667,292)
Prepaid expenses and deposits	(14,849)	(42,662)
Inventory	(12,781)	(11,029)
Long-term GPOG receivable	(243,252)	(161,452)
Accounts payable and accruals	229,380	1,099,765
Deferred revenue	<b>(5,920,239)</b>	13,061,543
	<b>6,552,935</b>	7,893,986
<b>Investing</b>		
Purchase of capital assets	<b>(2,407,904)</b>	(2,283,565)
<b>Increase in cash resources</b>	<b>4,145,031</b>	5,610,421
<b>Cash resources, beginning of year</b>	<b>8,836,583</b>	3,226,162
<b>Cash resources, end of year</b>	<b>12,981,614</b>	8,836,583
<b>Cash resources are composed of:</b>		
Cash	1,917,665	4,154,896
Temporary investments	11,063,949	4,681,687
	<b>12,981,614</b>	8,836,583

*The accompanying notes are an integral part of these financial statements*



**1. Significant Accounting Policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

***Nature of Business***

The First Nations Technical Institute (the "Institute") is incorporated under the Canada Corporations Act and operates as a First Nations Technical Institute. The Institute is exempt from income tax under Section 149(1)(f) of the Income Tax Act.

***Basis of Accounting***

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

***Temporary Investments***

Temporary investments are recorded at fair value.

***Inventory***

Inventory is valued at the lower of cost and market value with cost being determined substantially on a first-in, first-out basis. Market value is defined as the current replacement cost. Inventory is comprised of aircraft fuel and spare parts.

***Property, Plant and Equipment***

Property, plant and equipment are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Aircraft	straight-line	25 years
Audio visual equipment	declining balance	20 %
Automotive	declining balance	30 %
Aviation equipment	declining balance	10 %
Computer equipment and software	declining balance	30 %
Flight simulator	declining balance	20 %
Fuel tank	declining balance	20 %
Instructional equipment	declining balance	20 %
Leasehold improvements	declining balance	20 %
Media equipment	declining balance	20 %
Non-directional beacon	declining balance	10 %
Office equipment and furniture	declining balance	20 %
Runway	declining balance	10 %
Sign	declining balance	20 %
Student residence	declining balance	4 %

***Use of Estimates***

The preparation of financial statements in accordance 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Estimates are used when accounting for a number of items including, but not limited to, property plant and equipment, accounts receivable, long-term GPOG receivable, inventory, and accounts payable and accruals.

These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in the periods in which they become known.

**1. Significant Accounting Policies (continued)**

***Revenue Recognition***

The Institute follows the deferral method for recognizing contributions. Tuition fees are recognized as revenue at the time instructional services are provided to the students. Provision is made for collection losses based on the Institute's past experience and on a specific account basis.

Income from contracts and contribution agreements is based on the funding period of the contract or agreement. Funds received from contracts and contribution agreements that are still in the process of completion are recorded as deferred revenue. Investment income is recognized at the time that it is earned.

Rental income, fuel, parts and service sales and other miscellaneous income is recognized when the price is fixed or determinable, collectibility is reasonably assured and upon delivery to and acceptance by the customer.

***Pension Plans***

The Institute is a participant in a defined contribution pension plan. The Institute contributes, on behalf of each eligible employee, 9.6% of the employees annual salary for pension and employee benefits.

Pension plan costs are expensed in the year to which they relate.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, cash on deposit, bank indebtedness and temporary investments consisting of cashable guaranteed investment certificates.

***Fund Accounting***

The Institute follows the deferral method of accounting for contributions. The restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred revenue.

Internally restricted net assets represent funds that the board has set aside in reserves in the event of a significant reduction of external funding. The internally restricted funds consist of:

Capital reserve - these funds have been established for future investments in capital expenditures.

**2. Cash**

The Institute's bank accounts are held at one chartered bank and earns nominal interest.

**3. Temporary Investments**

	<b>2024</b>	2023
Cashable Guaranteed Investment Certificates, with interest rates at 2.25% and 5.24% with maturity dates from May 2024 to February 2025	<b>11,063,949</b>	4,681,687

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# First Nations Technical Institute

## Notes to the Financial Statements

*For the year ended March 31, 2024*

#### 4. Accounts receivable

	2024	2023
Trade receivables	1,612,636	839,530
General purpose operating grant (GPOG) receivable	806,082	736,769
HST recoverable	485,074	376,373
Insurance proceeds receivable	-	11,779,475
	2,903,792	13,732,147
Allowance for doubtful accounts	(57,414)	(57,941)
	2,846,378	13,674,206

#### 5. Property, Plant and Equipment

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Aircraft	4,978,095	206,454	4,771,641	1,633,123
Assets under construction	9,725,733	-	9,725,733	3,308,464
Audio visual equipment	326,659	250,140	76,519	95,649
Automotive	63,017	59,229	3,788	5,411
Aviation equipment	639,546	241,444	398,102	9,277
Computer equipment and software	759,530	603,234	156,296	192,461
Flight simulator	263,981	157,518	106,463	34,714
Fuel tank	125,831	74,290	51,541	64,426
Instructional equipment	261,091	167,852	93,239	99,160
Leasehold improvements	2,278,259	1,637,306	640,953	226,009
Media equipment	106,414	78,518	27,896	34,870
Non-directional beacon	15,000	13,572	1,428	1,587
Office equipment and furniture	1,376,147	1,219,857	156,290	172,450
Runway	140,392	100,613	39,779	44,199
Student residence	1,156,448	286,655	869,793	906,034
	22,216,143	5,096,682	17,119,461	6,827,834

During the year, the Institute acquired property plant and equipment at an aggregate cost of \$10,932,329 (2023 - \$3,710,233) of which \$8,521,109 (2023 - \$1,426,668) was financed by a deferred contribution, and the remaining \$2,411,220 (2023 - \$2,283,565) paid in cash.

**First Nations Technical Institute**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**6. Accounts Payable and Accruals**

	<b>2024</b>	<b>2023</b>
Trade accounts payable	<b>2,230,405</b>	2,003,606
Repayable to government agencies	<b>388,618</b>	388,618
Source deductions payable	<b>30,284</b>	29,598
WSIB payable	<b>2,347</b>	452
	<b>2,651,654</b>	2,422,274

The Institute also has a \$250,000 (2023 - \$250,000) aggregate limit on corporate Visa credit cards, of which \$207,651 (2023 - \$194,000) remains unused at year-end.

**7. Deferred Contributions**

In fiscal 2010, 2017, 2018 and 2019, the Institute received one-time capital asset purchase grants from the Ministry of Colleges and Universities Ontario (the "MCU") to acquire new computer equipment, software and furniture and equipment. This grant is being amortized at the same rates as the related assets.

In fiscal 2020, the Institute received a capital asset purchase grant for the aviation program from Community Economic Development and Diversification for the purchase of aircraft. This grant is being amortized at the same rates as the related assets.

The changes in the deferred contributions balance for the year are as follows:

	<i>Unrestricted</i>	<i>Capital Reserve</i>	<b>2024</b>	<b>2023</b>
Balance, beginning of year	<b>4,788,695</b>	-	<b>4,788,695</b>	3,451,563
Amount received during the year	<b>8,521,109</b>	-	<b>8,521,109</b>	1,426,668
Amounts recognized as revenue during the year	<b>(392,870)</b>	-	<b>(392,870)</b>	(89,536)
	<b>12,916,934</b>	-	<b>12,916,934</b>	4,788,695
Less: current portion	<b>352,752</b>	-	<b>352,752</b>	200,180
Balance, end of year	<b>12,564,182</b>	-	<b>12,564,182</b>	4,588,515

**8. Interfund transfers**

During the year, the board of directors approved no transfers (2023 - \$Nil) from the Unrestricted fund to the Capital Reserve fund.

# First Nations Technical Institute

## Notes to the Financial Statements

For the year ended March 31, 2024

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### 9. Commitments

#### Advances from Canadore College of Applied Arts and Technology

The Institute continues to offer programs in accordance with its existing partnership agreement with Canadore College of Applied Arts and Technology. The Institute has an agreement with Canadore College of Applied Arts and Technology to offer the First Peoples' Aviation Technology- Flight Ontario College Advanced Diploma program. In addition, the Institute also entered into an agreement for four years for other educational and training services.

The financial terms of the partnership agreement states that the Ministry of College's and Universities operating grants and the tuition fees generated from the accredited programs delivered pursuant to the agreement will be shared in the ratio of 80% to the institute and 20% to the college.

### 10. Economic Dependence

The Institute relies on the Governments of Ontario and Canada for the major portion of its income and accordingly, is economically dependent for the continuation of its operations on funding from these sources.

For the 2024 fiscal year, the MCU has committed funding of \$5,646,932 (2023 - \$5,090,128), which is subject to change at the discretion of the MCU.

For the 2024 fiscal year, the MCU has committed funding, which will flow through the Institute, in the amount of \$2,153,161 (2023 - \$1,073,333).

### 11. Pension Plans

During the year, the Institute expensed \$858,674 (2023 - \$830,671) for pension and employee benefits.

### 12. Financial Instruments

Financial instruments are financial assets or liabilities of the Institute where, in general, the Institute has the right to receive cash or another financial asset from another party or the Institute has the obligation to pay another party cash or other financial assets.

Financial instruments consist of cash, temporary investments, accounts receivable, long-term GPOG receivable, accounts payable and accruals and long-term debt.

The Institute initially recognized its financial instruments at fair value and subsequently measures them at amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year and the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

### 13. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

**First Nations Technical Institute**  
**Schedule 1 - Other income**  
*For the year ended March 31, 2024*

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	<b>2024</b>	<b>2023</b>
Interest income	<b>646,554</b>	82,927
Miscellaneous income	<b>222,436</b>	226,554
Rental revenue	<b>64,876</b>	43,325
Other grants	<b>1,841,728</b>	1,164,212
	<b>2,775,594</b>	1,517,018

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**The First Nations Technical Institute**  
**Schedule 2 - Reconciliation of Indigenous Services Canada Funding**

*For the year ended March 31, 2024*

<i>I. ISSP</i>	<i>PSPP - Design &amp; Delivery: Dept 40</i>	<i>PSPP - Design &amp; Delivery: Dept 62</i>	<i>Total</i>
<b>Revenue</b>	221,325	303,675	<b>525,000</b>
<b>Expenditures</b>	221,325	303,675	<b>525,000</b>
<b>Deficiency of revenues over expenditures</b>	-	-	-

Per chapter 5.17 of the I.N.A.C. Financial Policies and Procedures manual, a schedule of revenues and expenditures for each program and/or service funded under the funding agreement is disclosed.

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*The accompanying notes are an integral part of these financial statements*

# FNTI 2023-24 Financial Statements

Final Audit Report

2024-07-25

Created:	2024-07-24 (Eastern Daylight Time)
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