Outside Looking In

Financial Statements

June 30, 2025

To the Board of Directors of Outside Looking In:

Opinion

We have audited the financial statements of Outside Looking In (the "Organization"), which comprise the statement of financial position as at June 30, 2025, and the statements of operations, changes in net assets (debt) 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 June 30, 2025, 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.

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.

MNP LLP

Waterloo, Ontario

Chartered Professional Accountants

December 11, 2025

Licensed Public Accountants

Outside Looking In
Statement of Financial Position
As at June 30, 2025

	2025	*2024*
Assets		
Current		
Cash	**435,685**	335,747
Investments *(Note 3)*	**30,000**	30,000
Accounts receivable *(Note 4)*	**613,014**	356,370
Prepaid expenses	**12,000**	10,000
Inventory	**750,785**	750,785
	1,841,484	1,482,902
Capital assets *(Note 5)*	**37,049**	52,880
	1,878,533	1,535,782
Liabilities		
Current		
Accounts payable and accrued liabilities	**141,833**	53,352
Deferred revenue	**1,697,035**	1,570,740
	1,838,868	1,624,092
Deferred contributions related to capital assets *(Note 6)*	**6,651**	9,502
	1,845,519	1,633,594
Net Assets (Debt)	**33,014**	(97,812)
	1,878,533	1,535,782

Approved on behalf of the Board of Directors

Director **Director**

The accompanying notes are an integral part of these financial statements

	2025	2024
Revenue		
Government grants	**170,236**	353,252
Community fees	**710,000**	720,000
Foundation grants	**1,099,788**	1,085,007
Donations	**61,367**	131,567
Other income	**9,550**	28,541
Sponsorship	**358,000**	205,950
Merchandise	**16,971**	6,016
Ticket sales	**18,891**	27,381
Amortization of deferred contributions related to capital assets *(Note 6)*	**2,851**	4,072
	2,447,654	2,561,786
Program expenses		
Advertising and promotion	**17,326**	26,921
Alumni program	**35,510**	268,635
Camps	**173,107**	178,642
Dance program	**694,315**	532,163
Founders scholarship	**10,000**	8,984
Future leaders	**210,269**	170,042
Office and general	**21,249**	17,969
Other events	**51,868**	69,177
Program evaluation	**-**	14,552
Venue and production costs	**349,711**	374,249
	1,563,355	1,661,334
Administrative expenses		
Advertising and promotion	**64,922**	123,223
Amortization	**15,831**	19,707
Bad debts	**7,100**	-
Bank charges and interest	**2,858**	4,186
Insurance	**9,591**	7,913
Meals and entertainment	**2,907**	2,521
Office and general	**134,860**	118,359
Professional development	**304**	2,407
Professional fees	**82,034**	68,832
Rent	**86,121**	67,011
Telephone and internet	**293**	1,685
Travel	**722**	8,126
Wages and benefits	**345,930**	263,084
	753,473	687,054
Excess of revenue over expenses	**130,826**	213,398

Outside Looking In
Statement of Changes in Net Assets (Debt)
For the year ended June 30, 2025

	2025	2024
Net debt, beginning of year	**(97,812)**	(311,210)
Excess of revenue over expenses	**130,826**	213,398
Net assets (debt), end of year	**33,014**	(97,812)

The accompanying notes are an integral part of these financial statements

Outside Looking In
Statement of Cash Flows
For the year ended June 30, 2025

	2025	*2024*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**130,826**	213,398
Amortization of capital assets	**15,831**	19,707
Amortization of deferred contributions related to capital assets	**(2,851)**	(4,072)
	143,806	229,033
Changes in working capital accounts		
Accounts receivable	**(256,644)**	(59,604)
Prepaid expenses	**(2,000)**	110
Inventory	**-**	5,285
Accounts payable and accrued liabilities	**88,481**	(313,428)
Deferred revenue	**126,295**	405,611
	99,938	267,007
Financing		
Repayment of current portion of long-term debt	**-**	(60,000)
Investing		
Purchase of capital assets	**-**	(13,521)
Increase in cash	**99,938**	193,486
Cash, beginning of year	**335,747**	142,261
Cash, end of year	**435,685**	335,747

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Outside Looking In (the “Organization”) is continued under the Canada Not For Profit Corporations Act. The Organization is a registered charity under the Income Tax Act of Canada and accordingly is exempt from income taxes provided certain requirements of the Income Tax Act are met. The purpose of the Organization is to empower Indigenous youth through the arts and to educate Canadians on Indigenous people through their performances.

2. 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:

Investment

Investment consists of a guaranteed investment certificate exceeding three months and is measured at amortized cost.

Inventory

Inventories held for distribution at no charge or for a nominal charge, or for consumption in the production process of goods to be distributed at no charge or for a nominal charge are recognized at the lower of cost and current replacement cost. Cost is determined by the first in, first out method.

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.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Revenue from ticket sales is recognized during the period the performance occurs.

In-kind contributions

The Organization receives sponsorship in-kind from various contributors throughout the year. In-kind contributions are valued by the contributor and market value is agreed to by the Organization, based on the sponsorship provided, and included at the agreed upon rate on the statement of operations.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased. Volunteers contribute time each year to enable the Organization to carry out its programs. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Government assistance

Government assistance is recognized in the statement of operations on a systematic basis over the periods in which the Organization recognizes expenses as related costs for which funded expenses are incurred. Government assistance is recognized when there is reasonable assurance that the Organization will comply with the terms and conditions associated with the assistance and the assistance will be received.

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

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition, if the fair value can reasonably be determined. When fair value cannot be reasonably determined, capital assets are recorded at a nominal value.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives. Amortization is not taken on capital assets until they are ready for their intended use.

Amortization is taken at one half of the below rates in the year of acquisition.

	Method	Rate
Computer equipment	declining balance	30 %
Furniture and fixtures	declining balance	20 %

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Organization’s computer equipment and furniture and fixtures. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization’s ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the group of assets is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset’s fair value.

Use of estimates

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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets. Accrued liabilities are based on management's expectation of amounts payable for goods and services for which invoices were not received prior to the year end. Repayment of funding is estimated at year end based on expected fulfillment of certain conditions stipulated within the relevant funding agreement.

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.

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.

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

Financial instruments *(Continued from previous page)*

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. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

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 excess of revenues 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 available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; 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 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.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, 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.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; 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.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues 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 excess of revenues over expenses in the year the reversal occurs.

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

Organization's accounting for cloud computing arrangement

The Organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Organization recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, the expenditures recognized in respect of cloud computing arrangements are not significant to the financial statements.

3. Investment

The investment is held in the form of a Guaranteed Investment Certificate ("GIC"), bearing interest at 2.45% (2024 - 3.45%) and maturing June 30, 2026 (2024 - June 30, 2025).

4. Accounts receivable

	2025	*2024*
Other receivables	**475,369**	284,936
Harmonized sales tax recoverable	**137,645**	71,434
	613,014	356,370

5. Capital assets

	Cost	***Accumulated amortization***	***2025 Net book value***	*2024 Net book value*
Computer equipment	**133,754**	**96,968**	**36,786**	52,551
Furniture and fixtures	**5,319**	**5,056**	**263**	329
	139,073	**102,024**	**37,049**	52,880

6. Deferred contributions related to capital assets

Deferred capital contributions related to capital assets consist of the unamortized amount of contributions and grants received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred contributions are as follows:

	2025	*2024*
Balance, beginning of year	**9,502**	13,574
Less: amortization of deferred contributions	**(2,851)**	(4,072)
	6,651	9,502

7. Commitments

The Organization has entered into lease agreements for rental of premises expiring on various dates as late as November 2025. The aggregate estimated minimum annual lease payments for the next year will become due as follows:

2026	25,869

8. 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.

Liquidity risk

Liquidity risk is the risk that are the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk also includes the risk of the Organization not being able to liquidate its assets in a timely manner at a reasonable price. The Organizations ability to meet obligations depends on receipt of funds from various sources. The Organization meets its liquidity requirements by monitoring cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.