
Financial statements of
Algonquin Nation Human Resources
and Sustainable Development
Corporation

March 31, 2019

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Independent Auditor's Report

To the board of Directors of
Algonquin Nation Human Resources and Sustainable Development Corporation

Opinion

We have audited the financial statements of Algonquin Nation Human Resources and Sustainable Development Corporation (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statements of revenues and Expenses, of Cumulative Operating Surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for non-for-profit organizations ("PSASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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.

Other Information

We draw attention to the fact that the Organization includes in its financial statements certain financial information that is not required by the PSASNPO. These information are presented in the Annexes to the financial statements. Our opinion is not modified in respect of these matters.

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 PSASNPO, 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 GAAS 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 GAAS, 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.

The signature "Deloitte LLP" is written in a cursive, handwritten style.

26 July 2019

¹ CPA auditor, CMA, public accountancy permit No.A122144

Algonquin Nation Human Resources and Sustainable Development Corporation**Statement of Revenues and Expenses**

Year ended March 31, 2019

	2019	2018
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	123,773	111,920
Administration fees	7,650	6,900
ESDC - Consolidated Revenue Fund	577,680	1,207,534
ESDC - Employment Insurance Fund	216,337	266,558
Interest revenues	377	481
Other revenues	15,419	71,842
Reimbursement of expenses	4,306	10,987
Social assistance transfers	-	46,458
Transfer from to FNHRSDC	-	(84,450)
Deferred revenue from previous year	479,116	46,562
Deferred revenue to following year	(160,135)	(479,116)
	1,264,523	1,205,676
Expenses		
Salaries and fringe benefits	227,370	339,142
Participant allowances	235,972	457,211
Administration fees	7,650	7,473
Advertising, awareness and promotion	9,282	1,718
Bad debts	2,650	374
Bank charges and interests	2,078	1,742
Child Care expenses	100	5,398
Cleaning and repairs	27,827	30,562
Contracts	17,894	3,197
Capital Cost and renovation	303,726	17,299
Energy	14,376	9,970
Honorarium	-	301
Insurance	8,522	8,401
Office expenses and program supplies	62,696	62,254
Professional fees	44,897	36,430
Purchase of equipment	15,528	11,408
Rent	175	775
Rental of equipment	4,021	6,056
Telecommunication	12,752	20,026
Training expenses	207,217	100,137
Travel and accommodation	56,974	63,435
Other expense	2,816	5,301
Amortization of fixed assets	5,573	5,573
	1,270,096	1,194,183
Net (loss) earnings	(5,573)	11,493

Algonquin Nation Human Resources and Sustainable Development Corporation**Statement of Cumulative Operating Surplus**Year ended March 31, 2019

	2019	2018
	\$	\$
Balance, beginning of year	28,234	28,234
Net (loss) earnings	(5,573)	11,493
Transfer of amortization expense to fixed assets surplus	5,573	5,573
Transfer of acquisition to capital fixed assets surplus	-	(17,066)
Balance, end of year	28,234	28,234

The accompanying notes are an integral part of the financial statements.

Algonquin Nation Human Resources and Sustainable Development Corporation**Statement of Financial Position**

as at March 31, 2019

	Notes	2019 \$	2018 \$
Assets			
Current assets			
Cash		135,886	304,004
Accounts receivable	3	194,502	105,546
Prepaid expenses		819	300,817
		331,207	710,367
Fixed assets	4	5,920	11,493
		337,127	721,860
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		142,838	203,017
Deferred revenue	5	160,135	479,116
		302,973	682,133
Equity			
Fixed assets surplus	6	5,920	11,493
Cumulative Operating Surplus		28,234	28,234
		34,154	39,727
		337,127	721,860

The accompanying notes are an integral part of the financial statements.

Approved by the Board

_____, Director

_____, Director

Algonquin Nation Human Resources and Sustainable Development Corporation**Statement of Cash Flows**

Year ended March 31, 2019

	2019	2018
	\$	\$
Operating activities		
Net (loss) earnings	(5,573)	11,493
Items not affecting cash:		
Fixed assets amortization	5,573	5,573
	-	17,066
Changes in non-cash operating working capital items	(168,118)	183,069
	(168,118)	200,135
Investing activities		
Purchases of fixed assets	-	(17,066)
	-	(17,066)
Financial activities		
Net (decrease) increase of cash and cash equivalents	(168,118)	183,069
Cash and cash equivalents, beginning of year	304,004	120,935
Cash and cash equivalents, end of year	135,886	304,004

The accompanying notes are an integral part of the financial statements.

1. Description of the organization

The Organization, incorporated under the Canada Not-for-profit Corporations Act, serves as agency for the delivery of human resources development programs and sustainable development programs pursuant to federal and other local authorities to promote capacity building and sustainable employment development activities for the members of Timiskaming First Nation.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian public sector accounting standards for non-for-profit organizations and reflect the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments with a term to maturity of three months or less at the date of acquisition.

Fixed assets and Fixed assets surplus

Fixed assets are recorded at cost. Amortization is based on their estimated useful life using the straight line method and the following terms:

Equipment	5 years
Office furniture	5 years
Computer equipment	3 years

A "Fixed assets surplus" is presented to reflect the fixed assets in the statement of financial position. Purchases of fixed assets are recorded in the statement of financial position as an increase in the fixed assets surplus. Amortization of the fixed assets are recorded against the fixed assets surplus.

Impairment of long-lived assets

Long-lived assets such as fixed assets and intangible assets (other than indefinite-life intangible assets) are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when a capital asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of operations. A write-down should not be reversed.

Income taxes

The Organization is exempt of income taxes since it is a non-for-profit organization.

Revenue recognition

The Organization recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the amount of the arrangement is fixed or determinable and collection is reasonably assured.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for non-for-profit organizations requires management to make estimates and

2. Summary of significant accounting policies (suite)

Use of estimates (suite)

assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent 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 these estimates. Keys components of the financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful lives of long-lived assets, the deferred revenue and liabilities under legal contingencies. Actual results could differ from those estimates.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable.

Accounts receivable are classified as loans and receivables and are recorded at amortized cost using the effective interests method.

Accounts payable, accrued liabilities and note payable are classified as other liabilities and are recorded at amortized cost and include all financial liabilities, other than derivative instruments.

Effective interest method

The Organization uses the effective interests method to recognize interests revenues or expenses which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

3. Accounts receivable

	2019	2018
	\$	\$
General receivables	24,123	15,377
Advances to participants, employees and promoters	62,371	84,603
Employment and Social Development Canada (ESDC) - CRF & EIF	108,008	5,566
	194,502	105,546

4. Fixed assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
	\$	\$	\$	\$
Equipment	32,747	32,228	519	691
Office furniture	21,853	21,853	-	-
Computer equipment	77,646	72,245	5,401	10,802
	132,246	126,326	5,920	11,493

5. Deferred revenue

Algonquin Nation Human Resources and Sustainable Development Corporation**Notes to the financial statements**

Year ended March 31, 2019

5. Deferred revenue (suite)

	2019	2018
	\$	\$
Admin - Non agreement	4,692	4,942
CRF Administration	9,215	7,604
EIF Administration	3,933	6,062
CRF Partnership	6,489	-
EIF Labour market	-	83,695
CRF Labour market	107,002	39,701
CRF Core	26,320	9,114
CRF Child Care	2,484	327,998
	160,135	479,116

6. Fixed assets surplus

	2019	2018
	\$	\$
Beginning balance	11,493	-
ADD: Purchases of fixed assets	-	17,066
LESS: Amortization	(5,573)	(5,573)
End balance	5,920	11,493

7. Financial instruments*Liquidity risk*

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2019, the most significant financial liability is the accounts payable and accrued liabilities.

Credit risk

The Organization provides credit to its participants in the normal course of its operations and maintains provisions for contingent credit losses.

8. Capital management

The Organization relies on governmental subsidies to finance its operations. The funds available are allocated to the various programs based on the priorities identified by the Board of Directors and applicable policies from the Employment and Social Development Canada department.

First Nation and Inuit Labour Market Advisory Committee - Annex 1

	2019	2018
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	121,250	111,920
Expenses		
Salaries and fringe benefits	67,381	66,238
Administration fees	6,900	6,900
Cleaning and repairs	-	686
Office expenses and program supplies	698	295
Professional fees	28,245	14,612
Purchase of equipment	-	3,484
Telecommunication	4,096	3,831
Training expenses	517	259
Travel and accommodation	13,413	15,615
	121,250	111,920
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation**Annexes**

Year ended March 31, 2019

CRF Administration - Annex 2

	2019	2018
	\$	\$
Revenues		
ESDC - Consolidated Revenue Fund	73,765	101,644
Interest revenues	104	228
Transfer from (to)	-	(6,607)
Deferred revenue from previous year	7,604	-
Deferred revenue to following year	(9,215)	(7,604)
	72,258	87,661
Expenses		
Salaries and fringe benefits	20,911	42,561
Advertising, awareness and promotion	3,816	46
Bank charges and interests	-	659
Cleaning and repairs	4,720	2,257
Contracts	4,457	1,002
Energy	3,029	1,809
Honorarium	-	119
Insurance	8,522	4,999
Office expenses and program supplies	2,585	673
Professional fees	1,068	6,863
Purchase of equipment	198	-
Rent	175	-
Rental of equipment	1,526	1,701
Telecommunication	3,507	2,832
Training expenses	9,750	4,410
Travel and accommodation	7,994	1,529
	72,258	71,460
Surplus for the year	-	16,201
CONCILIATION OF SURPLUS TO SERVICE CANADA REQUIREMENTS		
Surplus under Canadian public sector accounting rules	-	16,201
Plus: Amortization of fixed assets	-	-
Less: Acquisition of fixed assets	-	(16,201)
Surplus for Service Canada requirements	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation**Annexes**

Year ended March 31, 2019

Admin - Non agreement - Annex 3

	2019	2018
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	2,523	-
Administration fees	7,650	6,900
Other revenues	15,000	-
Reimbursement of expenses	4,306	10,330
Transfer from (to)	(3,962)	-
Deferred revenue from previous year	4,942	4,686
Deferred revenue to following year	(4,692)	(4,942)
	25,767	16,974
Expenses		
Salaries and fringe benefits	124	9,961
Participant allowances	200	75
Administration fees	750	573
Advertising, awareness and promotion	966	1,162
Bed debts	2,650	374
Bank charges and interests	855	37
Cleaning and repairs	118	-
Contracts	865	660
Energy	3,055	-
Office expenses and program supplies	3,012	2,317
Professional fees	717	-
Training expenses	6,408	31
Travel and accommodation	3,231	484
Other expense	2,816	1,301
Amortization of fixed assets	5,573	5,573
	31,340	22,548
Deficit for the year	(5,573)	(5,574)

Algonquin Nation Human Resources and Sustainable Development Corporation**Annexes**

Year ended March 31, 2019

CRF Labour Market - Annex 4

	2019	2018
	\$	\$
Revenues		
ESDC - Consolidated Revenue Fund	283,420	373,710
Other revenues	419	33,458
Reimbursement of expenses	-	205
Social assistance transfers	-	19,383
Transfer from (to)	3,962	(16,287)
Deferred revenue from previous year	39,701	14
Deferred revenue to following year	(107,002)	(39,701)
	220,500	370,782
Expenses		
Salaries and fringe benefits	16,804	17,098
Participant allowances	91,183	245,122
Child Care expenses	100	1,750
Cleaning and repairs	5,101	3,781
Energy	4,532	4,000
Office expenses and program supplies	3,503	11,152
Professional fees	315	2,216
Purchase of equipment	6,067	3,857
Rent	-	316
Rental of equipment	736	1,252
Telecommunication	1,636	1,703
Training expenses	76,096	57,701
Travel and accommodation	14,427	20,834
	220,500	370,782
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation**Annexes**

Year ended March 31, 2019

CRF Child Care - Annex 5

	2019	2018
	\$	\$
Revenues		
ESDC - Consolidated Revenue Fund	85,665	529,921
Transfer from (to)	-	(42,439)
Deferred revenue from previous year	327,998	4,013
Deferred revenue to following year	(2,484)	(327,998)
	411,179	163,497
Expenses		
Salaries and fringe benefits	20,600	26,805
Participant allowances	-	37,912
Advertising, awareness and promotion	2,426	440
Bank charges and interests	-	577
Child Care expenses	-	2,688
Cleaning and repairs	11,835	19,408
Capital Cost and renovation	303,726	17,299
Office expenses and program supplies	50,742	44,121
Professional fees	5,730	8,649
Purchase of equipment	3,405	-
Telecommunication	-	4,551
Training expenses	12,715	190
Travel and accommodation	-	857
	411,179	163,497
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation**Annexes**

Year ended March 31, 2019

CRF Partnership - Annex 6

	2019	2018
	\$	\$
Revenues		
ESDC - Consolidated Revenue Fund	49,577	65,922
Transfer from (to)	-	(4,285)
Deferred revenue to following year	(6,489)	-
	43,088	61,637
Expenses		
Salaries and fringe benefits	34,426	55,384
Advertising, awareness and promotion	654	23
Cleaning and repairs	1,263	1,143
Contracts	276	508
Energy	666	916
Honorarium	-	60
Office expenses and program supplies	422	390
Professional fees	1,397	174
Purchase of equipment	100	-
Rental of equipment	500	560
Telecommunication	951	1,434
Travel and accommodation	2,433	1,045
	43,088	61,637
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation

Annexes

Year ended March 31, 2019

CRF Core - Annex 7

	2019 \$	2018 \$
Revenues		
ESDC - Consolidated Revenue Fund	85,253	136,337
Transfer from (to)	-	(11,892)
Deferred revenue from previous year	9,114	-
Deferred revenue to following year	(26,320)	(9,114)
	68,047	115,331
Expenses		
Salaries and fringe benefits	48,269	95,157
Advertising, awareness and promotion	913	29
Cleaning and repairs	1,579	1,547
Contracts	8,170	634
Energy	833	1,145
Honorarium	-	75
Insurance	-	2,100
Office expenses and program supplies	527	792
Professional fees	1,417	216
Purchase of equipment	125	-
Rental of equipment	625	815
Telecommunication	1,189	3,951
Training expenses	1,320	3,443
Travel and accommodation	3,080	4,562
	68,047	114,466
Surplus for the year	-	865
CONCILIATION OF SURPLUS TO SERVICE CANADA REQUIREMENTS		
Surplus under Canadian public sector accounting rules	-	865
Plus: Amortization of fixed assets	-	-
Less: Acquisition of fixed assets	-	(865)
Surplus at end	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation**Annexes**

Year ended March 31, 2019

EIF Administration - Annex 8

	2019	2018
	\$	\$
Revenues		
ESDC - Employment Insurance Fund	32,393	39,983
Interest revenues	273	253
Transfer from (to)	(4,705)	(2,593)
Deferred revenue from previous year	6,062	-
Deferred revenue to following year	(3,933)	(6,062)
	30,090	31,581
Expenses		
Salaries and fringe benefits	13,101	20,831
Advertising, awareness and promotion	507	18
Bank charges and interests	1,223	469
Cleaning and repairs	995	1,021
Contracts	4,126	393
Energy	516	710
Honorarium	-	47
Insurance	-	1,302
Office expenses and program supplies	311	166
Professional fees	5,323	3,346
Purchase of equipment	78	-
Rental of equipment	387	517
Telecommunication	737	1,111
Training expenses	900	1,050
Travel and accommodation	1,886	600
	30,090	31,581
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation**Annexes**

Year ended March 31, 2019

EIF Labour Market - Annex 9

	2019	2018
	\$	\$
Revenues		
ESDC - Employment Insurance Fund	183,945	226,575
Other revenues	-	38,384
Reimbursement of expenses	-	452
Social assistance transfers	-	27,075
Transfer from (to)	4,705	(347)
Deferred revenue from previous year	83,695	37,849
Deferred revenue to following year	-	(83,695)
	272,345	246,293
Expenses		
Salaries and fringe benefits	5,757	5,107
Participant allowances	144,590	174,102
Child Care expenses	-	960
Cleaning and repairs	2,216	719
Energy	1,744	1,390
Office expenses and program supplies	896	2,349
Professional fees	685	354
Purchase of equipment	5,556	4,068
Rent	-	459
Rental of equipment	245	1,211
Telecommunication	634	613
Training expenses	99,512	33,053
Travel and accommodation	10,510	17,908
Other expense	-	4,000
	272,345	246,293
Surplus for the year	-	-