
Financial statements of Algonquin Nation Human Resources and Sustainable Development Corporation

March 31, 2020

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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, 2020, 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, 2020, 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 informations are presented in the Schedules 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.

Deloitte LLP

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October 7, 2020

¹ CPA auditor, CA, public accountancy permit No.A112314

Algonquin Nation Human Resources and Sustainable Development Corporation**Statement of revenues and expenses**

Year ended March 31, 2020

	2020	2019
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	138,983	123,773
Administration fees	7,038	7,650
ESDC – Consolidated Revenue Fund	762,677	577,680
ESDC – Employment Insurance Fund	242,342	216,337
Interest revenues	40	377
Other revenues	50,828	15,419
Reimbursement of expenses	1,530	4,306
Deferred revenue from previous year	160,135	479,116
Deferred revenue to following year	(343,238)	(160,135)
	<u>1,020,335</u>	<u>1,264,523</u>
Expenses		
Salaries and fringe benefits	264,178	227,370
Participant allowances	238,419	235,972
Administration fees	7,038	7,650
Advertising, awareness and promotion	8,081	9,282
Doubtful accounts	389	2,650
Bank charges and interests	720	2,078
Child Care expenses	349	100
Cleaning and repairs	37,461	27,827
Contracts	5,400	17,894
Capital cost and renovation	113,965	303,726
Energy	7,456	14,376
Insurance	11,549	8,522
Office expenses and program supplies	49,198	62,696
Professional fees	63,897	44,897
Purchase of equipment	33,557	15,528
Rent	6,066	175
Rental of equipment	5,198	4,021
Telecommunication	19,227	12,752
Training expenses	96,046	207,217
Travel and accommodation	49,730	56,974
Other expenses	-	2,816
Amortization of fixed assets	6,377	5,573
	<u>1,024,301</u>	<u>1,270,096</u>
Net loss	<u>(3,966)</u>	<u>(5,573)</u>

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

Algonquin Nation Human Resources and Sustainable Development Corporation
Statement of cumulative operating surplus

Year ended March 31, 2020

	2020	2019
	\$	\$
Balance, beginning of year	28,234	28,234
Net loss	(3,966)	(5,573)
Transfer of amortization expense to fixed assets surplus	6,377	5,573
Transfer of acquisition to capital fixed assets surplus	(2,410)	-
Balance, end of year	28,235	28,234

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

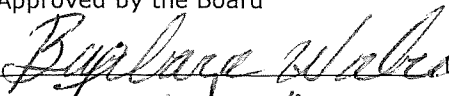
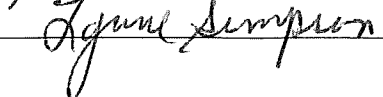
Algonquin Nation Human Resources and Sustainable Development Corporation**Statement of financial position**

As at March 31, 2020

	Notes	2020 \$	2019 \$
Assets			
Current assets			
Cash		428,094	135,886
Accounts receivable	3	74,610	194,502
Prepaid expenses		819	819
		<u>503,523</u>	<u>331,207</u>
Fixed assets	4	<u>1,954</u>	<u>5,921</u>
		<u>505,477</u>	<u>337,128</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		132,050	142,838
Deferred revenue	5	343,238	160,135
		<u>475,288</u>	<u>302,973</u>
Equity			
Fixed assets surplus	6	1,954	5,921
Cumulative operating surplus		<u>28,235</u>	<u>28,234</u>
		<u>30,189</u>	<u>34,155</u>
		<u>505,477</u>	<u>337,128</u>

The accompanying notes and schedules 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, 2020

	2020	2019
	\$	\$
Operating activities		
Net loss	(3,966)	(5,573)
Item not affecting cash		
Amortization of fixed assets	6,377	5,573
	2,411	-
Changes in non-cash operating working capital items	292,207	(168,118)
	294,618	(168,118)
Investing activities		
Purchase of fixed assets	(2,410)	-
Net increase (decrease) in cash and cash equivalents	292,208	(168,118)
Cash and cash equivalents, beginning of year	135,886	304,004
Cash and cash equivalents, end of year	428,094	135,886

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

Algonquin Nation Human Resources and Sustainable Development Corporation

Notes to the financial statements

Year ended March 31, 2020

1. Description of the organization

Algonquin Nation Human Resources and Sustainable Development Corporation (the "Organization"), incorporated under the *Canada Not-for-profit Corporations Act*, serves as an 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 not-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 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 exempted of income taxes since it is a not-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.

2. Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for not-for-profit organizations requires management to make estimates and 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. Key components of the financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful life 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 interest 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 interest method to recognize interest revenues or expenses which include transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

3. Accounts receivable

	2020 \$	2019 \$
General receivables	14,804	24,123
Advances to participants, employees and promoters	55,742	62,371
Employment and Social Development Canada (ESDC) – CRF & EIF	4,064	108,008
	74,610	194,502

4. Fixed assets

	Cost \$	Accumulated amortization \$	2020 Net book value \$	2019 Net book value \$
Equipment	32,749	32,401	348	519
Office furniture	21,853	21,853	-	-
Computer equipment	80,055	78,449	1,606	5,402
	134,657	132,703	1,954	5,921

5. Deferred revenue

	2020	2019
	\$	\$
Admin – Non agreement	5,310	4,692
CRF Administration	9,006	9,215
EIF Administration	4,753	3,933
CRF Partnership	40,132	6,489
CRF Labour market	134,225	107,002
CRF Core	8,787	26,320
CRF Child Care	-	2,484
EIF TFN	6,625	-
CRF IELCC	134,400	-
	343,238	160,135

6. Fixed assets surplus

	2020	2019
	\$	\$
Beginning balance	5,921	11,494
ADD: Purchases of fixed assets	2,410	-
LESS: Amortization	(6,377)	(5,573)
End balance	1,954	5,921

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, 2020, 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 doubtful accounts.

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.

Algonquin Nation Human Resources and Sustainable Development Corporation**Schedules**Year ended March 31, 2020

First Nation and Inuit Labour Market Advisory Committee – Schedule 1

	2020	2019
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	131,766	121,250
Expenses		
Salaries and fringe benefits	70,672	67,381
Administration fees	7,038	6,900
Office expenses and program supplies	390	698
Professional fees	39,106	28,245
Telecommunication	3,971	4,096
Training expenses	454	517
Travel and accommodation	10,135	13,413
	131,766	121,250
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2020

CRF Administration – Schedule 2

	2020	2019
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	71,720	73,765
Interest revenues	36	104
Deferred revenue from previous year	9,215	7,604
Deferred revenue to following year	(9,006)	(9,215)
	71,965	72,258
Expenses		
Salaries and fringe benefits	36,519	20,911
Advertising, awareness and promotion	1,278	3,816
Bank charges and interests	175	-
Cleaning and repairs	1,483	4,720
Contracts	-	4,457
Energy	650	3,029
Insurance	-	8,522
Office expenses and program supplies	2,534	2,585
Professional fees	4,698	1,068
Purchase of equipment	9,146	198
Rent	977	175
Rental of equipment	1,031	1,526
Telecommunication	2,380	3,507
Training expenses	3,678	9,750
Travel and accommodation	5,006	7,994
	69,555	72,258
Surplus for the year	2,410	-
CONCILIATION OF SURPLUS TO SERVICE CANADA REQUIREMENTS		
Surplus under Canadian public sector accounting rules	2,410	-
Less: Acquisition of fixed assets	(2,410)	-
Surplus for Service Canada requirements	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2020

Admin – Non agreement – Schedule 3

	2020	2019
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	7,217	2,523
Administration fees	7,038	7,650
Other revenues	3,150	15,000
Reimbursement of expenses	1,530	4,306
Transfer from (to)	-	(3,962)
Deferred revenue from previous year	4,692	4,942
Deferred revenue to following year	(5,310)	(4,692)
	18,317	25,767
Expenses		
Salaries and fringe benefits	5,404	124
Participant allowances	750	200
Administration fees	-	750
Advertising, awareness and promotion	1,084	966
Doubtful accounts	389	2,650
Bank charges and interests	317	855
Cleaning and repairs	963	118
Contracts	5,200	865
Energy	1,530	3,055
Office expenses and program supplies	1,296	3,012
Professional fees	-	717
Training expenses	60	6,408
Travel and accommodation	1,324	3,231
Other expenses	-	2,816
Amortization of fixed assets	6,377	5,573
	24,694	31,340
Deficit for the year	(6,377)	(5,573)

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

Year ended March 31, 2020

CRF Labour Market – Schedule 4

	2020	2019
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	266,612	283,420
Other revenues	34,238	419
Transfer from (to)	-	3,962
Deferred revenue from previous year	107,002	39,701
Deferred revenue to following year	(134,225)	(107,002)
	273,627	220,500
Expenses		
Salaries and fringe benefits	9,070	16,804
Participant allowances	115,403	91,183
Advertising, awareness and promotion	146	-
Child Care expenses	-	100
Cleaning and repairs	97	5,101
Capital Cost and renovation	109,639	-
Energy	3,412	4,532
Office expenses and program supplies	2,201	3,503
Professional fees	-	315
Purchase of equipment	1,664	6,067
Rental of equipment	1,514	736
Telecommunication	1,733	1,636
Training expenses	24,955	76,096
Travel and accommodation	3,793	14,427
	273,627	220,500
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2020

CRF Child Care – Schedule 5

	2020	2019
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	256,897	85,665
Deferred revenue from previous year	2,483	327,998
Deferred revenue to following year	(134,400)	(2,484)
	124,980	411,179
Expenses		
Salaries and fringe benefits	17,918	20,600
Advertising, awareness and promotion	1,613	2,426
Bank charges and interests	48	-
Child Care expenses	349	-
Cleaning and repairs	27,876	11,835
Contracts	85	-
Capital Cost and renovation	-	303,726
Insurance	4,908	-
Office expenses and program supplies	37,137	50,742
Professional fees	12,585	5,730
Purchase of equipment	6,345	3,405
Rent	134	-
Rental of equipment	344	-
Telecommunication	6,157	-
Training expenses	2,828	12,715
Travel and accommodation	6,653	-
	124,980	411,179
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2020

CRF Partnership – Schedule 6

	2020	2019
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	84,508	49,577
Deferred revenue from previous year	6,489	-
Deferred revenue to following year	(40,132)	(6,489)
	50,865	43,088
Expenses		
Salaries and fringe benefits	40,477	34,426
Advertising, awareness and promotion	680	654
Cleaning and repairs	1,219	1,263
Contracts	20	276
Energy	153	666
Insurance	1,155	-
Office expenses and program supplies	889	422
Professional fees	-	1,397
Purchase of equipment	2,498	100
Rent	262	-
Rental of equipment	323	500
Telecommunication	767	951
Training expenses	259	-
Travel and accommodation	2,163	2,433
	50,865	43,088
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2020

CRF Core – Schedule 7

	2020	2019
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	82,940	85,253
Deferred revenue from previous year	26,320	9,114
Deferred revenue to following year	(8,787)	(26,320)
	100,473	68,047
Expenses		
Salaries and fringe benefits	65,608	48,269
Advertising, awareness and promotion	2,381	913
Cleaning and repairs	4,267	1,579
Contracts	70	8,170
Energy	536	833
Insurance	4,042	-
Office expenses and program supplies	2,913	527
Professional fees	-	1,416
Purchase of equipment	8,743	126
Rent	915	-
Rental of equipment	1,132	625
Telecommunication	2,683	1,189
Training expenses	908	1,320
Travel and accommodation	6,275	3,080
	100,473	68,047
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2020

EIF Administration – Schedule 8

	2020	2019
	\$	\$
Revenues		
ESDC – Employment Insurance Fund	36,173	32,393
Interest revenues	4	273
Transfer from (to)	-	(4,705)
Deferred revenue from previous year	3,933	6,062
Deferred revenue to following year	(4,753)	(3,933)
	35,357	30,090
Expenses		
Salaries and fringe benefits	16,078	13,101
Advertising, awareness and promotion	850	507
Bank charges and interests	179	1,223
Cleaning and repairs	1,525	995
Contracts	25	4,126
Energy	191	516
Insurance	1,444	-
Office expenses and program supplies	1,040	311
Professional fees	6,033	5,323
Purchase of equipment	3,123	78
Rent	327	-
Rental of equipment	404	387
Telecommunication	958	737
Training expenses	1,360	900
Travel and accommodation	1,820	1,886
	35,357	30,090
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2020

EIF Labour Market – Schedule 9

	2020	2019
	\$	\$
Revenues		
ESDC – Employment Insurance Fund	206,169	183,945
Other revenues	13,440	-
Transfer from (to)	-	4,705
Deferred revenue from previous year	-	83,695
Deferred revenue to following year	(6,625)	-
	212,984	272,345
Expenses		
Salaries and fringe benefits	2,433	5,757
Participant allowances	122,266	144,590
Advertising, awareness and promotion	49	-
Cleaning and repairs	32	2,216
Capital Cost and renovation	4,326	-
Energy	984	1,744
Office expenses and program supplies	798	896
Professional fees	1,476	685
Purchase of equipment	2,038	5,556
Rent	3,450	-
Rental of equipment	450	245
Telecommunication	578	634
Training expenses	61,543	99,512
Travel and accommodation	12,561	10,510
	212,984	272,345
Surplus for the year	-	-