
Financial statements of Algonquin Nation Human Resources and Sustainable Development Corporation

March 31, 2021

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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, 2021, 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, 2021, 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 Matter – Predecessor Auditor's Report

The financial statements for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 7, 2020.

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 on page 3 of the financial statements under reconciliation of surplus (deficit) to Services Canada requirements and 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.

MNP LLP

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September 28, 2021

¹ CPA auditor, CA, public accountancy permit No.A137585

Algonquin Nation Human Resources and Sustainable Development Corporation
Statement of revenues and expenses
Year ended March 31, 2021

	2021	2020
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	118,827	138,983
Administration fees	5,200	7,038
ESDC – Consolidated Revenue Fund	914,976	762,677
ESDC – Employment Insurance Fund	244,244	242,342
Interest revenues	-	40
Other revenues	6,171	50,828
Reimbursement of expenses	1,168	1,530
Deferred revenue from previous year	343,238	160,135
Deferred revenue to following year	(671,542)	(343,238)
	<u>962,282</u>	<u>1,020,335</u>
Expenses		
Salaries and fringe benefits	293,450	264,178
Participant allowances	335,385	238,419
Administration fees	5,200	7,038
Advertising, awareness and promotion	11,237	8,081
Bank charges and interests	371	720
Capital cost and renovation	-	113,965
Child Care expenses	1,875	349
Cleaning and repairs	46,809	37,461
Contracts	1,250	5,400
Covid assistance	6,100	-
Doubtful accounts	25,270	389
Energy	5,479	7,456
Insurance	12,475	11,549
Office expenses and program supplies	44,697	49,198
Professional fees	47,930	63,897
Purchase of equipment	5,512	33,557
Rent	-	6,066
Rental of equipment	5,198	5,198
Telecommunication	26,198	19,227
Training expenses	78,984	96,046
Travel and accommodation	8,053	49,730
Amortization of fixed assets	6,897	6,377
	<u>968,370</u>	<u>1,024,301</u>
Deficit	<u>(6,088)</u>	<u>(3,966)</u>
RECONCILIATION OF SURPLUS (DEFICIT) TO SERVICE CANADA REQUIREMENTS		
Deficit under Canadian public sector accounting standards	(6,088)	(3,966)
Plus: Amortization of fixed assets	6,897	3,966
Less: Acquisition of fixed assets	(26,079)	-
Surplus (deficit) for Service Canada requirements	<u>(25,270)</u>	<u>-</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, 2021

	2021	2020
	\$	\$
Balance, beginning of year	28,235	28,234
Deficit	(6,088)	(3,966)
Transfer of amortization expense to fixed assets surplus	6,897	6,377
Transfer of acquisition to capital fixed assets surplus	(26,079)	(2,410)
Balance, end of year	2,965	28,235

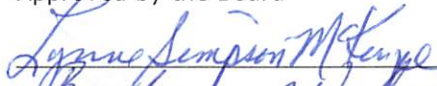
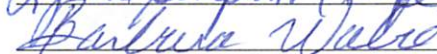
The accompanying notes and schedules are an integral part of the financial statements.

Algonquin Nation Human Resources and Sustainable Development Corporation
Statement of financial position
As at March 31, 2021

	Notes	2021 \$	2020 \$
Assets			
Current assets			
Cash		730,285	428,094
Accounts receivable	3	49,003	74,610
Prepaid expenses		819	819
		780,107	503,523
Fixed assets	4	21,136	1,954
		801,243	505,477
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		105,600	132,050
Deferred revenue	5	671,542	343,238
		777,142	475,288
Equity			
Fixed assets surplus	6	21,136	1,954
Cumulative operating surplus		2,965	28,235
		24,101	30,189
		801,243	505,477

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, 2021

	2021	2020
	\$	\$
Operating activities		
Deficit	(6,088)	(3,966)
Item not affecting cash		
Amortization of fixed assets	6,897	6,377
	809	2,411
Changes in non-cash operating working capital items	327,461	292,207
	328,270	294,618
Investing activity		
Purchase of fixed assets	(26,079)	(2,410)
Net increase in cash and cash equivalents	302,191	292,208
Cash and cash equivalents, beginning of year	428,094	135,886
Cash and cash equivalents, end of year	730,285	428,094

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

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 follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

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 and the deferred revenue. 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.

3. Accounts receivable

	2021	2020
	\$	\$
General receivables	15,793	14,804
Advances to participants, employees and promoters	29,146	55,742
Employment and Social Development Canada (ESDC) – CRF & EIF	4,064	4,064
	<u>49,003</u>	<u>74,610</u>

4. Fixed assets

	2021	2020
	Net book value	Net book value
	\$	\$
Equipment	52,373	347
Office furniture	23,023	-
Computer equipment	85,339	1,607
	<u>160,735</u>	<u>1,954</u>

Algonquin Nation Human Resources and Sustainable Development Corporation
Notes to the financial statements
Year ended March 31, 2021

5. Deferred revenue

	2021	2020
	\$	\$
CRF Administration (schedule 2)	-	9,006
Admin – Non agreement (schedule 3)	3,137	5,310
CRF Labour market (schedule 4)	233,641	134,225
CRF Child Care (schedules 5, 6 and 7)	325,516	134,400
CRF Partnership (schedule 8)	25,418	40,132
CRF Core (schedule 9)	22,239	8,787
EIF Administration (schedule 10)	9,518	4,753
EIF Labour market (schedule 11)	52,073	6,625
	<u>671,542</u>	<u>343,238</u>

6. Fixed assets surplus

	2021	2020
	\$	\$
Beginning balance	1,954	5,921
ADD: Purchases of fixed assets	26,079	2,410
LESS: Amortization	(6,897)	(6,377)
End balance	<u>21,136</u>	<u>1,954</u>

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, 2021, 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, 2021

First Nation and Inuit Labour Market Advisory Committee – Schedule 1

	2021	2020
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	109,140	131,766
Expenses		
Salaries and fringe benefits	70,949	70,672
Administration fees	5,200	7,038
Office expenses and program supplies	1,894	390
Professional fees	20,677	39,106
Telecommunication	10,420	3,971
Training expenses	-	454
Travel and accommodation	-	10,135
	109,140	131,766
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

CRF Administration – Schedule 2

	2021	2020
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	76,320	71,720
Interest revenues	-	36
Other revenues	3,668	-
Transfer from (to)	(8,841)	-
Deferred revenue from previous year	9,006	9,215
Deferred revenue to following year	-	(9,006)
	80,153	71,965
Expenses		
Salaries and fringe benefits	49,137	36,519
Advertising, awareness and promotion	3,997	1,278
Bank charges and interests	52	175
Cleaning and repairs	6,187	1,483
Contracts	531	-
Energy	-	650
Insurance	5,302	-
Office expenses and program supplies	3,669	2,534
Professional fees	3,219	4,698
Purchase of equipment	1,424	11,556
Rent	-	977
Rental of equipment	1,374	1,031
Telecommunication	3,198	2,380
Training expenses	1,882	3,678
Travel and accommodation	181	5,006
	80,153	71,965
Surplus for the year	-	-
Transfer from (to) other projects		
CRF Labour Market (schedule 4)	(9,006)	
Admin - Non agreement (schedule 3)	165	
	(8,841)	

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

Admin – Non agreement – Schedule 3

	2021	2020
	\$	\$
Revenues		
Ministère du Travail, de l'Emploi et de la Solidarité Sociale	9,687	7,217
Administration fees	5,200	7,038
Other revenues	441	3,150
Reimbursement of expenses	1,168	1,530
Transfer from (to)	(165)	-
Deferred revenue from previous year	5,310	4,692
Deferred revenue to following year	(3,137)	(5,310)
	18,504	18,317
Expenses		
Salaries and fringe benefits	2,443	5,404
Participant allowances	-	750
Advertising, awareness and promotion	1,861	1,084
Bank charges and interests	298	317
Cleaning and repairs	183	963
Contracts	-	5,200
Doubtful accounts	25,270	389
Energy	-	1,530
Office expenses and program supplies	150	1,296
Training expenses	7,367	60
Travel and accommodation	102	1,324
Amortization of fixed assets	6,897	6,377
Covid assistance	6,100	-
	50,671	24,694
Deficit for the year	(32,167)	(6,377)
Transfer from (to) other projects		
CRF Administration (schedule 2)	(165)	

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

CRF Labour Market – Schedule 4

	2021	2020
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	235,098	266,612
Other revenues	2,063	34,238
Transfer from (to)	57,925	-
Deferred revenue from previous year	134,225	107,002
Deferred revenue to following year	(233,641)	(134,225)
	<u>195,670</u>	<u>273,627</u>
Expenses		
Salaries and fringe benefits	2,046	9,070
Participant allowances	125,639	115,403
Advertising, awareness and promotion	-	146
Cleaning and repairs	941	97
Capital Cost and renovation	-	109,639
Energy	4,109	3,412
Office expenses and program supplies	2,072	2,201
Purchase of equipment	21,190	1,664
Rental of equipment	1,473	1,514
Telecommunication	1,709	1,733
Training expenses	34,028	24,955
Travel and accommodation	2,463	3,793
	<u>195,670</u>	<u>273,627</u>
Surplus for the year	<u>-</u>	<u>-</u>
Transfer from (to) other projects		
CRF Administration (schedule 2)	9,006	
CRF Partnership (schedule 8)	40,132	
CRF Core (schedule 9)	8,787	
	<u>57,925</u>	

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

CRF Child Care - FNICCI – Schedule 5

	2021	2020
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	85,665	85,665
Transfer from (to)	-	25,685
Deferred revenue from previous year	1,438	2,483
Deferred revenue to following year	(7,988)	(1,438)
	79,115	112,395
Expenses		
Salaries and fringe benefits	11,507	17,918
Advertising, awareness and promotion	-	1,613
Bank charges and interests	-	48
Child Care expenses	1,875	349
Cleaning and repairs	19,275	27,876
Contracts	-	85
Insurance	-	4,908
Office expenses and program supplies	32,759	37,137
Professional fees	1,288	-
Purchase of equipment	-	6,345
Rent	-	134
Rental of equipment	-	344
Telecommunication	5,735	6,157
Training expenses	4,474	2,828
Travel and accommodation	2,202	6,653
	79,115	112,395
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

Child Care - Economic response plan – Schedule 6

	2021	2020
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	124,287	-
Deferred revenue to following year	(49,103)	-
	75,184	-
Expenses		
Participant allowances	63,010	-
Cleaning and repairs	12,174	-
	75,184	-
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

Child Care - I.E.L.L.C. - - Schedule 7

	2021	2020
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	195,360	171,232
Transfer from (to)	-	(25,685)
Deferred revenue from previous year	132,962	-
Deferred revenue to following year	(268,425)	(132,962)
	59,897	12,585
Expenses		
Salaries and fringe benefits	20,955	-
Participant allowances	16,562	-
Professional fees	19,527	12,585
Purchase of equipment	2,846	-
Training expenses	7	-
	59,897	12,585
Surplus for the year	-	-

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

CRF Partnership – Schedule 8

	2021	2020
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	76,528	84,508
Transfer from (to)	(40,132)	-
Deferred revenue from previous year	40,132	6,489
Deferred revenue to following year	(25,418)	(40,132)
	51,110	50,865
Expenses		
Salaries and fringe benefits	46,260	40,477
Advertising, awareness and promotion	938	680
Cleaning and repairs	311	1,219
Contracts	125	20
Energy	-	153
Insurance	1,247	1,155
Office expenses and program supplies	444	889
Purchase of equipment	-	2,498
Rent	-	262
Rental of equipment	323	323
Telecommunication	752	767
Training expenses	441	259
Travel and accommodation	269	2,163
	51,110	50,865
Surplus for the year	-	-
Transfert from (to) other projects		
CRF Labour Market (schedule 4)	(40,132)	

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

CRF Core – Schedule 9

	2021	2020
	\$	\$
Revenues		
ESDC – Consolidated Revenue Fund	121,718	82,940
Transfer from (to)	(8,787)	-
Deferred revenue from previous year	8,787	26,320
Deferred revenue to following year	(22,239)	(8,787)
	99,479	100,473
Expenses		
Salaries and fringe benefits	78,983	65,608
Advertising, awareness and promotion	3,282	2,381
Cleaning and repairs	1,628	4,267
Contracts	438	70
Energy	-	536
Insurance	4,366	4,042
Office expenses and program supplies	2,210	2,913
Purchase of equipment	2,846	8,743
Rent	-	915
Rental of equipment	1,132	1,132
Telecommunication	2,874	2,683
Training expenses	1,544	908
Travel and accommodation	176	6,275
	99,479	100,473
Surplus for the year	-	-
Transfer from (to) other projects		
CRF Labour Market (schedule 4)	(8,787)	

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

EIF Administration – Schedule 10

	2021 \$	2020 \$
Revenues		
ESDC – Employment Insurance Fund	36,212	36,173
Interest revenues	-	4
Transfer from (to)	(4,753)	-
Deferred revenue from previous year	4,753	3,933
Deferred revenue to following year	(9,518)	(4,753)
	<u>26,694</u>	<u>35,357</u>
Expenses		
Salaries and fringe benefits	10,483	16,078
Advertising, awareness and promotion	1,160	850
Bank charges and interests	21	179
Cleaning and repairs	5,797	1,525
Contracts	156	25
Energy	-	191
Insurance	1,559	1,444
Office expenses and program supplies	924	1,040
Professional fees	3,219	6,033
Purchase of equipment	1,424	3,123
Rent	-	327
Rental of equipment	404	404
Telecommunication	941	958
Training expenses	558	1,360
Travel and accommodation	48	1,820
	<u>26,694</u>	<u>35,357</u>
Surplus for the year	<u>-</u>	<u>-</u>
Transfer from (to) other projects		
EIF Labour Market (schedule 11)	(4,753)	

Algonquin Nation Human Resources and Sustainable Development Corporation
Schedules

Year ended March 31, 2021

EIF Labour Market – Schedule 11

	2021	2020
	\$	\$
Revenues		
ESDC – Employment Insurance Fund	208,032	206,170
Other revenues	-	13,440
Transfer from (to)	4,753	-
Deferred revenue from previous year	6,625	-
Deferred revenue to following year	(52,073)	(6,625)
	167,337	212,985
Expenses		
Salaries and fringe benefits	688	2,433
Participant allowances	130,174	122,266
Advertising, awareness and promotion	-	49
Cleaning and repairs	314	32
Capital Cost and renovation	-	4,326
Energy	1,370	984
Office expenses and program supplies	575	798
Professional fees	-	1,476
Purchase of equipment	1,861	2,038
Rent	-	3,450
Rental of equipment	491	450
Telecommunication	570	578
Training expenses	28,682	61,543
Travel and accommodation	2,612	12,562
	167,337	212,985
Surplus for the year	-	-
Transfer from (to) other projects		
EIF Administration (schedule 10)	4,753	