

**RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK**

Financial Statements

March 31, 2021

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK

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Amstutz Inc.
Comptables Professionnels Agréés

INDEPENDENT AUDITORS' REPORT

To the Members of
RÉSEAU de la communauté autochtone à Montréal /
Montréal Indigenous Community NETWORK

Opinion - We have audited the financial statements of RÉSEAU de la communauté autochtone à Montréal / Montréal Indigenous Community NETWORK (the Organization), which comprise the balance sheet as at March 31, 2021 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the 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 accounting standards for not-for-profit organizations.

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 audit 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.



By R. Amstutz, CPA auditor, CA
June 15, 2021
Montreal, Quebec
Permit No: A105202

RÉSEAU de la communauté autochtone à Montréal
 Montréal Indigenous Community NETWORK
 OPERATIONS
 year ended March 31, 2021

	<u>2 0 2 1</u>	<u>2 0 2 0</u>
REVENUES		
Contribution agreements	\$ 313,026	\$ 195,760
Employment and social Development Canada Canada's COVID-19 Economic Response Plan	2,843,252	-
Educational tools	1,785	9,022
Workshops and training	1,075	6,540
Service agreements and other	53,700	23,445
Wage subsidies	125,318	-
Advice and consulting	100	1,050
Gatherings	-	17,613
Amortization of deferred grants related to capital assets	<u>1,389</u>	<u>1,930</u>
	<u>3,339,645</u>	<u>255,360</u>
EXPENSES		
Salaries and fringe benefits	811,599	113,609
Professional and consulting fees	59,779	63,975
Advertising and promotion	107	866
Project development	15,900	-
Office supplies, materials and printing	17,845	9,843
Occupancy costs	17,390	4,939
Insurance	2,676	471
Event space rentals	200	7,901
Travel and entertainment	6,711	10,155
Culturally appropriate	1,066	572
Interest and bank charges	2,203	296
Amortization	3,543	2,545
Administrative assistance	-	4,054
Miscellaneous	-	301
Outreach and marketing	-	90
COVID-19 Expenses		
Professional development	419,864	-
Travel and meals	49,784	-
Repairs, maintenance and cleaning	443,179	-
PPE Staff and Organization	14,919	-
Security and services	27,510	-
Contribution agreements	1,227,655	-
Office	80	-
Consultants	3,660	-
Telecommunications	6,632	-
Supplies	131,550	5,152
Utilities	12,252	-
Computer equipment	3,468	-
Warehousing	<u>38,752</u>	<u>-</u>
	<u>3,318,324</u>	<u>224,769</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 21,321</u>	<u>\$ 30,591</u>

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

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK
CHANGES IN NET ASSETS
year ended March 31, 2021

	<u>Restricted</u> Invested in capital assets	Un- restricted	<u>2 0 2 1</u> Total	<u>2 0 2 0</u> Total
Balance, beginning of year	\$ 1,434	\$ 29,157	\$ 30,591	\$ -
Excess of revenues over expenses	-	21,321	21,321	30,591
Acquisition of capital assets	5,960	(5,960)	-	-
Amortization of capital assets	(3,543)	3,543	-	-
Amortization of deferred grants related to capital assets	<u>1,389</u>	<u>(1,389)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>5,240</u>	\$ <u>46,672</u>	\$ <u>51,912</u>	\$ <u>30,591</u>

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

RÉSEAU de la communauté autochtone à Montréal
 Montréal Indigenous Community NETWORK
 BALANCE SHEET
 as at March 31, 2021

	<u>2 0 2 1</u>	<u>2 0 2 0</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,705,072	\$ 55,188
Accounts receivable (Note 3)	84,754	28,256
Security deposit	<u>1,100</u>	<u>1,100</u>
	1,790,926	84,544
CAPITAL ASSETS (Note 4)	<u>8,985</u>	<u>6,568</u>
	<u>\$ 1,799,911</u>	<u>\$ 91,112</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 5)	\$ 636,153	\$ 26,931
Deferred grants (Note 6)	<u>1,108,101</u>	<u>28,456</u>
	1,744,254	55,387
DEFERRED GRANTS RELATED TO CAPITAL ASSETS (Note 7)	<u>3,745</u>	<u>5,134</u>
	<u>1,747,999</u>	<u>60,521</u>
NET ASSETS		
RESTRICTED		
Invested in capital assets	5,240	1,434
UNRESTRICTED	<u>46,672</u>	<u>29,157</u>
	<u>51,912</u>	<u>30,591</u>
	<u>\$ 1,799,911</u>	<u>\$ 91,112</u>

CONTRACTUAL OBLIGATION (Note 8)

ON BEHALF OF THE BOARD

....., administrator

....., administrator

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

RÉSEAU de la communauté autochtone à Montréal
 Montréal Indigenous Community NETWORK
 CASH FLOWS
 year ended March 31, 2021

	<u>2 0 2 1</u>	<u>2 0 2 0</u>
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 21,321	\$ 30,591
Items not affecting cash		
Amortization	3,543	2,545
Amortization of deferred grants related to capital assets	<u>(1,389)</u>	<u>(1,930)</u>
	23,475	31,206
Changes in non cash operating working capital		
Accounts receivable	(56,498)	(28,256)
Security deposit	-	(1,100)
Accounts payable	609,222	26,931
Deferred grants	<u>1,079,645</u>	<u>28,456</u>
	<u>1,655,844</u>	<u>57,237</u>
INVESTING ACTIVITIES		
Acquisition of capital assets	<u>(5,960)</u>	<u>(9,113)</u>
	<u>(5,960)</u>	<u>(9,113)</u>
FINANCING ACTIVITIES		
Deferred grants related to capital assets	<u>-</u>	<u>7,064</u>
	<u>-</u>	<u>7,064</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,649,884	55,188
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>55,188</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>1,705,072</u></u>	\$ <u><u>55,188</u></u>

Cash and cash equivalents are comprised of cash.

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

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2021

1. STATUS AND PURPOSE OF THE ORGANIZATION

The organization was incorporated under Part III of the Quebec Companies Act on April 24, 2019 and is a non profit organization.

The organization supports the ecosystem of individuals and groups committed to improving the quality of life of First Nations, Inuit and Métis communities living in the greater Montréal area.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amount 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. Actual results may differ from these estimates.

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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Self-financing

Revenues from self-financing activities are recognized when the services are rendered or when the events have taken place.

Cash and cash equivalents

The organization's policy is to disclose cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Capital assets

Capital assets are recorded at cost. They are amortized over their estimated useful lives using the declining-balance method at the following annual rates:

Furniture and equipment	20%
Computer equipment	30%

RÉSEAU de la communauté autochtone à Montréal
 Montréal Indigenous Community NETWORK
 NOTES TO THE FINANCIAL STATEMENTS
 as at March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include the accounts payable.

3. ACCOUNTS RECEIVABLE	<u>2 0 2 1</u>	<u>2 0 2 0</u>
Accounts receivable	\$ 76,474	\$ 19,975
Grants receivable	4,707	4,707
Sales taxes receivable	<u>3,573</u>	<u>3,574</u>
	\$ <u>84,754</u>	\$ <u>28,256</u>

4. CAPITAL ASSETS		<u>2 0 2 1</u>	<u>2 0 2 0</u>
	Accumulated		
	Amorti-	Net Book	Net Book
	zation	Value	Value
	<u>Cost</u>		
Furniture and equipment	\$ 1,894	\$ 682	\$ 1,212
Computer equipment	<u>13,179</u>	<u>5,406</u>	<u>7,773</u>
	\$ <u>15,073</u>	\$ <u>6,088</u>	\$ <u>8,985</u>
			\$ <u>6,568</u>

Amortization provided for in the current year totalled \$3,543 (2020 - \$2,545).

5. ACCOUNTS PAYABLE	<u>2 0 2 1</u>	<u>2 0 2 0</u>
Accounts payable and accrued charges	\$ 634,781	\$ 25,558
Government remittances	1,372	1,178
Vacations payable	<u>-</u>	<u>195</u>
	\$ <u>636,153</u>	\$ <u>26,931</u>

RÉSEAU de la communauté autochtone à Montréal
 Montréal Indigenous Community NETWORK
 NOTES TO THE FINANCIAL STATEMENTS
 as at March 31, 2021

6. DEFERRED GRANTS	<u>2 0 2 1</u>	<u>2 0 2 0</u>
Balance, beginning of year	\$ 28,456	\$ -
Received during the year	4,235,923	42,500
Recognized as revenue	<u>(3,156,278)</u>	<u>(14,044)</u>
Balance, end of year	\$ <u>1,108,101</u>	\$ <u>28,456</u>
Employment and social Development Canada		
Canada's COVID-19 Economic Response Plan	\$ 859,970	\$ -
Indigenous Services Canada (ICSCF-1)	108,202	-
City of Montréal	59,687	23,687
Indigenous Services Canada	45,321	-
Conseil des Arts de Montréal	18,269	4,769
Concordia University	<u>16,652</u>	<u>-</u>
	\$ <u>1,108,101</u>	\$ <u>28,456</u>

7. DEFERRED GRANTS RELATED TO CAPITAL ASSETS	<u>2 0 2 1</u>		<u>2 0 2 0</u>	
	<u>Cost</u>	<u>Accumulated Amorti- zation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and equipment	\$ 1,894	\$ 682	\$ 1,212	\$ 1,515
Computer equipment	<u>5,170</u>	<u>2,637</u>	<u>2,533</u>	<u>3,619</u>
	\$ <u>7,064</u>	\$ <u>3,319</u>	\$ <u>3,745</u>	\$ <u>5,134</u>

The grant awarded from the government of Canada, Crime Prevention Action Fund in connection with the acquisition of furniture and equipment and computer equipment is amortized at the same rate as the assets to which it relates.

Amortization provided for in the current year totalled \$1,389 (2020 - \$1,930).

8. CONTRACTUAL OBLIGATION

The organization is committed under a lease agreement to pay monthly rent of \$1,265 for one year expiring November 30, 2021. The balance of this obligation on March 31, 2021 is \$10,118.

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2021

9. FINANCIAL INSTRUMENTS

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date, i.e. March 31, 2021.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable.

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK
OPERATIONS BY PROJECT
year ended March 31, 2021

SCHEDULE

	Administration	Public Safety Canada	FNHRDCQ	City of Montréal Smart Cities	Cost Recoveries	Canada Summer Jobs	Centrale du Grand Montréal	Employment and social Development Canada	Indigenous Services Canada PUPA	Indigenous Services Canada ICSF-1	Indigenous Services Canada ICSF-2	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES												
Contribution agreements	-	199,993	-	31,416	-	-	27,000	-	64,617	-	-	313,026
Canada's COVID-19 Economic Response Plan	-	-	-	-	-	-	-	2,662,009	-	170,795	20,448	2,843,252
Educational tools	1,785	-	-	-	-	-	-	-	-	-	-	1,785
Workshops and training	1,075	-	-	-	-	-	-	-	-	-	-	1,075
Service agreements and other	-	-	-	-	53,700	-	-	-	-	-	-	53,700
Wage subsidies	22,080	1,231	15,022	-	-	78,819	765	4,644	1,212	1,545	-	125,318
Advice and consulting	100	-	-	-	-	-	-	-	-	-	-	100
Amortization of deferred grants related to capital assets	-	1,389	-	-	-	-	-	-	-	-	-	1,389
	25,040	202,613	15,022	31,416	53,700	78,819	27,765	2,666,663	65,829	172,340	20,448	3,339,645
EXPENSES												
Salaries and fringe benefits	-	127,053	15,022	31,416	-	78,819	12,765	351,174	50,122	145,228	-	811,599
Professional and consulting fees	866	31,844	-	-	-	-	-	7,217	-	19,862	-	59,779
Advertising and promotion	-	107	-	-	-	-	-	-	-	-	-	107
Project development	-	15,900	-	-	-	-	-	-	-	-	-	15,900
Office supplies, materials and printing	2,458	11,285	-	-	-	-	-	1,896	1,682	524	-	17,845
Occupancy costs	-	4,384	-	-	-	-	-	6,005	3,000	4,001	-	17,390
Insurance	-	329	-	-	-	-	-	-	-	2,347	-	2,676
Event Space Rentals	-	200	-	-	-	-	-	-	-	-	-	200
Travel and entertainment	273	5,179	-	-	-	-	-	234	1,025	-	-	6,711
Culturally appropriate	-	1,018	-	-	-	-	-	48	-	-	-	1,066
Interest and bank charges	44	2,159	-	-	-	-	-	-	-	-	-	2,203
Amortization	-	3,155	-	-	-	-	-	-	-	388	-	3,543
COVID-19 Expenses												
Professional development	-	-	-	-	-	-	-	419,864	-	-	-	419,864
Travel and meals	78	-	-	-	4,500	-	-	45,206	-	-	-	49,784
Repairs, maintenance and cleaning	-	-	-	-	49,200	-	15,000	378,979	-	-	-	443,179
PPE Staff and Organization	-	-	-	-	-	-	-	14,919	-	-	-	14,919
Security and services	-	-	-	-	-	-	-	27,510	-	-	-	27,510
Contribution agreements	-	-	-	-	-	-	-	1,207,207	-	-	20,448	1,227,655
Office	-	-	-	-	-	-	-	80	-	-	-	80
Consultants	-	-	-	-	-	-	-	3,660	-	-	-	3,660
Telecommunications	-	-	-	-	-	-	-	6,632	-	-	-	6,632
Supplies	-	-	-	-	-	-	-	131,550	-	-	-	131,550
Utilities	-	-	-	-	-	-	-	12,252	-	-	-	12,252
Computer equipment	-	-	-	-	-	-	-	3,468	-	-	-	3,468
Warehousing	-	-	-	-	-	-	-	38,752	-	-	-	38,752
	3,719	202,613	15,022	31,416	53,700	78,819	27,765	2,666,663	65,829	172,340	20,448	3,318,324
EXCESS OF REVENUES OVER EXPENSES	21,321	-	-	-	-	-	-	-	-	-	-	21,321