

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

Financial Statements

March 31, 2022

**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, 2022 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, 2022, 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
June 15, 2022
Montreal, Quebec
Permit No: A105202

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK
OPERATIONS
year ended March 31, 2022

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
REVENUES		
Contribution agreements		
Projects	\$ 667,027	\$ 254,610
Operations	798,354	58,416
Canada's COVID-19 Economic Response Plan	3,094,134	2,843,252
Donation - CORE	28,457	-
Canada Summer Jobs	55,857	-
Educational tools	2,160	1,785
Workshops and training	3,000	1,075
Service agreements and other	-	53,700
Wage subsidies	-	125,318
Advice and consulting	-	100
Amortization of deferred grants related to capital assets	<u>1,002</u>	<u>1,389</u>
	<u>4,649,991</u>	<u>3,339,645</u>
EXPENSES		
Salaries and fringe benefits	819,515	811,599
Professional and consulting fees	157,316	59,779
Administrative assistance	2,088	-
Advertising and promotion	3,334	107
Outreach and marketing	13,251	-
Youths Projects Development	221,638	15,900
Professional developpement	82,681	-
Office supplies and materials	43,975	17,845
Rent	12,594	17,390
Insurance	40	2,676
Event space rentals	476	200
Travel and entertainment	27,020	6,711
Amortization	4,141	3,543
Culturally appropriate	748	1,066
Interest and bank charges	2,669	2,203
COVID-19 Expenses		
Cultural supplies	4,212	-
Travel and meals	17,516	49,784
Repairs and maintenance	74,516	443,179
PPE Staff and Organization	1,319	14,919
Contribution agreements	2,928,139	1,227,655
Office	652	80
Telecommunications	18,550	6,632
Supplies	188,667	131,550
Utilities	3,672	12,252
Computer equipment	8,861	3,468
Warehousing	10,688	38,752
Professional developpement	-	419,864
Security and services	-	27,510
Consultants	<u>-</u>	<u>3,660</u>
	<u>4,648,278</u>	<u>3,318,324</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>1,713</u>	\$ <u>21,321</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, 2022

	<u>Restricted</u> Invested in capital assets	Un- restricted	<u>2 0 2 2</u> Total	<u>2 0 2 1</u> Total
Balance, beginning of year	\$ 5,240	\$ 46,672	\$ 51,912	\$ 30,591
Excess of revenues over expenses	-	1,713	1,713	21,321
Acquisition of capital assets	5,273	(5,273)	-	-
Amortization of capital assets	(4,141)	4,141	-	-
Amortization of deferred grants related to capital assets	<u>1,002</u>	<u>(1,002)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u><u>7,374</u></u>	\$ <u><u>46,251</u></u>	\$ <u><u>53,625</u></u>	\$ <u><u>51,912</u></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, 2022

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 737,917	\$ 1,705,072
Accounts receivable (Note 3)	414,609	84,754
Security deposit	<u>-</u>	<u>1,100</u>
	1,152,526	1,790,926
CAPITAL ASSETS (Note 4)	<u>10,117</u>	<u>8,985</u>
	\$ <u>1,162,643</u>	\$ <u>1,799,911</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 5)	\$ 39,956	\$ 636,153
Deferred grants (Note 6)	<u>1,066,319</u>	<u>1,108,101</u>
	1,106,275	1,744,254
DEFERRED GRANTS RELATED TO CAPITAL ASSETS (Note 7)	<u>2,743</u>	<u>3,745</u>
	<u>1,109,018</u>	<u>1,747,999</u>
NET ASSETS		
RESTRICTED		
Invested in capital assets	7,374	5,240
UNRESTRICTED	<u>46,251</u>	<u>46,672</u>
	<u>53,625</u>	<u>51,912</u>
	\$ <u>1,162,643</u>	\$ <u>1,799,911</u>

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, 2022

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,713	\$ 21,321
Items not affecting cash		
Amortization	4,141	3,543
Amortization of deferred grants related to capital assets	<u>(1,002)</u>	<u>(1,389)</u>
	4,852	23,475
Changes in non cash operating working capital		
Accounts receivable	(329,855)	(56,498)
Security deposit	1,100	-
Accounts payable	(596,197)	609,222
Deferred grants	<u>(41,782)</u>	<u>1,079,645</u>
	<u>(961,882)</u>	<u>1,655,844</u>
INVESTING ACTIVITIES		
Acquisition of capital assets	<u>(5,273)</u>	<u>(5,960)</u>
	<u>(5,273)</u>	<u>(5,960)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(967,155)	1,649,884
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,705,072</u>	<u>55,188</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>737,917</u>	\$ <u>1,705,072</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, 2022

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, 2022

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 2</u>	<u>2 0 2 1</u>
Accounts receivable	\$ 406,329	\$ 76,474
Grants receivable	4,707	4,707
Sales taxes receivable	<u>3,573</u>	<u>3,573</u>
	\$ <u>414,609</u>	\$ <u>84,754</u>

4. CAPITAL ASSETS			<u>2 0 2 2</u>	<u>2 0 2 1</u>
	<u>Cost</u>	<u>Accumulated Amorti- zation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and equipment	\$ 2,043	\$ 954	\$ 1,089	\$ 1,212
Computer equipment	<u>18,303</u>	<u>9,275</u>	<u>9,028</u>	<u>7,773</u>
	\$ <u>20,346</u>	\$ <u>10,229</u>	\$ <u>10,117</u>	\$ <u>8,985</u>

Amortization provided for in the current year totalled \$4,141 (2021 - \$3,543).

5. ACCOUNTS PAYABLE	<u>2 0 2 2</u>	<u>2 0 2 1</u>
Accounts payable and accrued charges	\$ 38,779	\$ 634,781
Government remittances	<u>1,177</u>	<u>1,372</u>
	\$ <u>39,956</u>	\$ <u>636,153</u>

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2022

6. DEFERRED GRANTS	<u>2 0 2 2</u>	<u>2 0 2 1</u>
Balance, beginning of year	\$ 1,108,101	\$ 28,456
Received during the year	4,461,548	4,235,923
Recognized as revenue	<u>(4,503,330)</u>	<u>(3,156,278)</u>
Balance, end of year	\$ <u>1,066,319</u>	\$ <u>1,108,101</u>

Deferred grants are comprised of the following:

Indigenous Services Canada COVID-19	\$ 490,916	\$ 45,321
Indigenous Services Canada (FNIHB)	188,696	-
Indigenous Services Canada (UPIP)	109,522	-
Indigenous Services Canada (ICSF-2)	108,202	108,202
City of Montréal	150,714	59,687
Conseil des Arts de Montréal	18,269	18,269
Employment and social Development Canada		
Canada's COVID-19 Economic Response Plan	-	859,970
Concordia University	<u>-</u>	<u>16,652</u>
	\$ <u>1,066,319</u>	\$ <u>1,108,101</u>

7. DEFERRED GRANTS RELATED TO CAPITAL ASSETS	<u>2 0 2 2</u>	<u>2 0 2 1</u>		
	<u>Cost</u>	<u>Accumulated Amorti- zation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and equipment	\$ 1,894	\$ 924	\$ 970	\$ 1,212
Computer equipment	<u>5,170</u>	<u>3,397</u>	<u>1,773</u>	<u>2,533</u>
	\$ <u>7,064</u>	\$ <u>4,321</u>	\$ <u>2,743</u>	\$ <u>3,745</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 \$1,002 (2021 - \$1,389).

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2022

8. 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, 2022.

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, 2022

	Admin.	Canada Summer Jobs	Concordia University	Conseils des arts	CORE	Employment and Social Development Canada	Employment and Social Development Canada Homeless	Indigenous Services Canada Covid- 19	Indigenous Services Canada FNIHB	Indigenous Services Canada ICSF 2	Indigenous Services Canada UPIP	Public Safety Canada	Ville de Montreal Comms	Ville de Montreal Smart Cities	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES															
Contributions Agreements:															
Projects	-	-	-	-	-	-	-	-	231,304	-	35,737	399,986	-	-	667,027
Operations	100,000	-	16,652	-	-	-	-	617,034	-	-	-	-	59,687	4,981	798,354
Canada's COVID-19															
Economic Response Plan	-	-	-	-	-	859,970	2,234,164	-	-	-	-	-	-	-	3,094,134
Donation - CORE	20,041	-	-	-	8,416	-	-	-	-	-	-	-	-	-	28,457
Canada Summer Jobs	-	55,857	-	-	-	-	-	-	-	-	-	-	-	-	55,857
Educational Tools	1,160	-	-	-	1,000	-	-	-	-	-	-	-	-	-	2,160
Workshop and training	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000
Amortization of deferred grants related to capital assets	1,002	-	-	-	-	-	-	-	-	-	-	-	-	-	1,002
	125,203	55,857	16,652	-	9,416	859,970	2,234,164	617,034	231,304	-	35,737	399,986	59,687	4,981	4,649,991
EXPENSES															
Salaries and fringo benefits	16,387	55,857	16,652	-	7,028	33,199	310,463	200,084	-	-	18,377	96,430	60,068	4,970	819,515
Professional and consulting fees	17,502	-	-	-	-	-	39,187	42,380	-	-	820	27,960	29,467	-	157,316
Administrative assistance	1,044	-	-	-	-	612	-	-	-	-	-	432	-	-	2,088
Advertising and promotion	-	-	-	-	1,585	-	-	-	-	-	-	-	1,749	-	3,334
Outreach and marketing	12,716	-	-	-	90	-	81	45	-	-	-	105	203	11	13,251
Youth Projects Development	-	-	-	-	-	-	-	3,113	-	-	-	218,525	-	-	221,638
Professional Development	10,668	-	-	-	-	43,402	-	-	-	-	-	28,611	-	-	82,681
Office supplies and materials	9,874	-	-	-	4,211	173	9,529	3,040	-	-	8,809	8,115	224	-	43,975
Rent	-	-	-	-	-	536	-	11,126	-	-	-	932	-	-	12,594
Insurance	-	-	-	-	-	-	40	-	-	-	-	-	-	-	40
Event space rentals	230	-	-	-	-	-	-	-	-	-	246	-	-	-	476
Travel and entertainment	3,405	-	-	-	613	840	-	1,898	-	-	7,296	12,851	117	-	27,020
Amortization	4,141	-	-	-	-	-	-	-	-	-	-	-	-	-	4,141
Culturally appropriate	-	-	-	-	-	-	-	-	-	-	-	748	-	-	748
Interest and bank charges	2,653	-	-	-	-	-	-	-	-	-	-	16	-	-	2,669
COVID-19 Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cultural Supplies	-	-	-	-	-	4,212	-	-	-	-	-	-	-	-	4,212
Travel and meals	15	-	-	-	-	8,466	-	9,000	-	-	-	35	-	-	17,516
Repairs and maintenance	-	-	-	-	-	74,516	-	-	-	-	-	-	-	-	74,516
PPE Staff & Organization	44	-	-	-	-	-	-	1,275	-	-	-	-	-	-	1,319
Contribution agreements	-	-	-	-	-	570,821	1,825,614	300,000	231,304	-	-	400	-	-	2,928,139
Office	-	-	-	-	-	652	-	-	-	-	-	-	-	-	652
Telecommunications	3,160	-	-	-	-	19,159	2,498	-	-	-	-	53	-	-	18,550
Supplies	4,049	-	-	-	-	84,760	44,598	44,210	-	-	189	10,861	-	-	188,667
Utilities	-	-	-	-	-	3,672	-	-	-	-	-	-	-	-	3,672
Computer equipment	-	-	-	-	-	7,998	-	863	-	-	-	-	-	-	8,861
Warehousing	4,803	-	-	-	-	5,885	-	-	-	-	-	-	-	-	10,688
	84,371	55,857	16,652	-	13,527	858,903	2,232,010	617,034	231,304	-	35,737	406,074	91,828	4,981	4,648,278
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	40,832	-	-	-	4,111	1,067	2,154	-	-	-	-	6,088	32,141	-	1,713