

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

Financial Statements

March 31, 2023

RÉSEAU de la communauté autochtone à Montréal
Montréal Indigenous Community NETWORK

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Amstutz Inc.

Comptables Professionnels Agréés

RAPPORT DES AUDITEURS INDÉPENDANTS

Aux membres de
RÉSEAU de la communauté autochtone à Montréal /
Montréal Indigenous Community NETWORK

Opinion - Nous avons effectué l'audit des états financiers de RÉSEAU de la communauté autochtone à Montréal / Montréal Indigenous Community NETWORK (l'organisme), qui comprennent le bilan au 31 mars 2023, l'état des résultats, l'état de l'évolution des actifs nets et l'état des flux de trésorerie pour l'exercice clos à cette date, ainsi que les notes annexes, y compris le résumé des principales méthodes comptables.

À notre avis, les états financiers ci-joints donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de l'organisme au 31 mars 2023 ainsi que des résultats de son exploitation et de ses flux de trésorerie pour l'exercice clos à cette date, conformément aux Normes comptables canadiennes pour les organismes à but non lucratif.

Nous avons effectué notre audit conformément aux normes d'audit généralement reconnues du Canada. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section "Responsabilités de l'auditeur à l'égard de l'audit des états financiers" du présent rapport. Nous sommes indépendants de l'organisme conformément aux règles de déontologie qui s'appliquent à l'audit des états financiers au Canada, et nous nous sommes acquittés des autres responsabilités déontologiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Responsabilité de la direction et des responsables de la gouvernance à l'égard des états financiers - La direction est responsable de la préparation et de la présentation fidèle des états financiers conformément aux Normes comptables canadiennes pour les organismes sans but lucratif, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Lors de la préparation des états financiers, c'est à la direction qu'il incombe d'évaluer la capacité de l'organisme à poursuivre son exploitation, de communiquer, le cas échéant, les questions relatives à la continuité de l'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la direction a l'intention de liquider l'organisme ou de cesser son activité ou si aucune autre solution réaliste ne s'offre à elle.

Il incombe aux responsables de la gouvernance de surveiller le processus d'information financière de l'organisme.

Responsabilités de l'auditeur à l'égard de l'audit des états financiers - Nos objectifs sont d'obtenir l'assurance raisonnable que les états financiers pris dans leur ensemble sont exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, et de délivrer un rapport de l'auditeur contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes d'audit généralement reconnues du Canada permettra toujours de détecter toute anomalie significative qui pourrait exister. Les anomalies peuvent résulter de fraudes ou d'erreurs et elles sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, individuellement ou collectivement, elles puissent influencer sur les décisions économiques que les utilisateurs des états financiers prennent en se fondant sur ceux-ci. Dans le cadre d'un audit réalisé conformément aux normes d'audit généralement reconnues du Canada, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique tout au long de cet 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, 2023
Montreal, Quebec
Permit No: A105202

RÉSEAU de la communauté autochtone à Montréal
 Montréal Indigenous Community NETWORK
 OPERATIONS
 year ended March 31, 2023

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
REVENUES		
Contribution agreements		
Projects	\$ 871,235	\$ 667,027
Operations	766,237	798,354
Canada's COVID-19 Economic Response Plan	589,002	3,094,134
Service agreements and other	1,427,834	-
Advice and consulting	5,781	-
Amortization of deferred grants related to capital assets	726	1,002
Donation - CORE	-	28,457
Canada Summer Jobs	-	55,857
Workshops and training	-	3,000
Educational tools	-	2,160
	<u>3,660,815</u>	<u>4,649,991</u>
EXPENSES		
Salaries and fringe benefits	998,798	819,515
Community support fund	2,058,223	-
Professional and consulting fees	176,067	157,316
Honoraria	20,245	-
Mental Health program	33,338	-
Advertising and promotion	96	3,334
Intervention program	103,802	-
Office supplies and materials	18,929	43,975
Rent and utilities	66,321	12,594
Equipment and furniture	11,646	-
Event space rentals	1,629	476
Tranportation	7,715	27,020
Culturally appropriate	1,595	748
Interest and bank charges	2,477	2,669
Amortization	2,926	4,141
Communications	27,310	-
Taxes and licenses	9,435	-
Administration	13,358	2,088
Professional developpement	50,955	82,681
Gatherings	13,496	-
Non recoverable sales taxes	45,904	-
COVID-19 Expenses	-	3,256,792
Youths Projects Development	-	221,638
Outreach and marketing	-	13,251
Insurance	-	40
	<u>3,664,265</u>	<u>4,648,278</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ <u>(3,450)</u>	\$ <u>1,713</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, 2023

	<u>Restricted</u> Invested in capital assets	Un- restricted	<u>2 0 2 3</u> <u>Total</u>	<u>2 0 2 2</u> <u>Total</u>
Balance, beginning of year	\$ 7,374	\$ 46,251	\$ 53,625	\$ 51,912
(Deficiency) excess of revenues over expenses	-	(3,450)	(3,450)	1,713
Amortization of capital assets	(2,926)	2,926	-	-
Amortization of deferred grants related to capital assets	<u>726</u>	<u>(726)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u><u>5,174</u></u>	\$ <u><u>45,001</u></u>	\$ <u><u>50,175</u></u>	\$ <u><u>53,625</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, 2023

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 614,096	\$ 737,917
Accounts receivable (Note 3)	189,804	414,609
Prepaid expenses	<u>3,977</u>	<u>-</u>
	807,877	1,152,526
CAPITAL ASSETS (Note 4)	<u>7,191</u>	<u>10,117</u>
	<u>\$ 815,068</u>	<u>\$ 1,162,643</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 5)	\$ 169,557	\$ 39,956
Deferred grants (Note 6)	<u>593,319</u>	<u>1,066,319</u>
	762,876	1,106,275
DEFERRED GRANTS RELATED TO CAPITAL ASSETS (Note 7)	<u>2,017</u>	<u>2,743</u>
	<u>764,893</u>	<u>1,109,018</u>
NET ASSETS		
RESTRICTED		
Invested in capital assets	5,174	7,374
UNRESTRICTED	<u>45,001</u>	<u>46,251</u>
	<u>50,175</u>	<u>53,625</u>
	<u>\$ 815,068</u>	<u>\$ 1,162,643</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, 2023

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (3,450)	\$ 1,713
Items not affecting cash		
Amortization	2,926	4,141
Amortization of deferred grants related to capital assets	<u>(726)</u>	<u>(1,002)</u>
	(1,250)	4,852
Changes in non cash operating working capital		
Accounts receivable	224,805	(329,855)
Prepaid expenses	(3,977)	1,100
Accounts payable	129,601	(596,197)
Deferred grants	<u>(473,000)</u>	<u>(41,782)</u>
	<u>(123,821)</u>	<u>(961,882)</u>
INVESTING ACTIVITIES		
Acquisition of capital assets	<u>-</u>	<u>(5,273)</u>
	<u>-</u>	<u>(5,273)</u>
 (DECREASE) IN CASH AND CASH EQUIVALENTS	 (123,821)	 (967,155)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>737,917</u>	<u>1,705,072</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>614,096</u></u>	\$ <u><u>737,917</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, 2023

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, 2023

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 3</u>	<u>2 0 2 2</u>
Accounts receivable	\$ 189,804	\$ 406,329
Grants receivable	-	4,707
Sales taxes receivable	<u>-</u>	<u>3,573</u>
	\$ <u>189,804</u>	\$ <u>414,609</u>

4. CAPITAL ASSETS			<u>2 0 2 3</u>	<u>2 0 2 2</u>
	<u>Cost</u>	Accumulated <u>Amorti- zation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and equipment	\$ 2,043	\$ 1,172	\$ 871	\$ 1,089
Computer equipment	<u>18,303</u>	<u>11,983</u>	<u>6,320</u>	<u>9,028</u>
	\$ <u>20,346</u>	\$ <u>13,155</u>	\$ <u>7,191</u>	\$ <u>10,117</u>

Amortization provided for in the current year totalled \$2,926 (2022 - \$4,141).

5. ACCOUNTS PAYABLE	<u>2 0 2 3</u>	<u>2 0 2 2</u>
Accounts payable and accrued charges	\$ 98,199	\$ 38,779
Salaries and vacations payable	71,358	-
Government remittances	<u>-</u>	<u>1,177</u>
	\$ <u>169,557</u>	\$ <u>39,956</u>

RÉSEAU de la communauté autochtone à Montréal
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 NOTES TO THE FINANCIAL STATEMENTS
 as at March 31, 2023

6. DEFERRED GRANTS	<u>2 0 2 3</u>	<u>2 0 2 2</u>
Balance, beginning of year	\$ 1,066,319	\$ 1,108,101
Received during the year	3,192,018	4,461,548
Recognized as revenue	<u>(3,665,018)</u>	<u>(4,503,330)</u>
Balance, end of year	\$ <u>593,319</u>	\$ <u>1,066,319</u>

Deferred grants are comprised of the following:

Indigenous Services Canada			
FNIHB MW	\$ 500,000	\$ -	
UPIP	11,043	109,522	
COVID-19	10,116	490,916	
FNIHB	-	188,696	
ICSF-2	-	108,202	
City of Montréal	53,891	150,714	
Conseil des Arts de Montréal	<u>18,269</u>	<u>18,269</u>	
	\$ <u>593,319</u>	\$ <u>1,066,319</u>	

7. DEFERRED GRANTS RELATED TO CAPITAL ASSETS	<u>2 0 2 3</u>	<u>2 0 2 2</u>	
	<u>Cost</u>	<u>Accumulated Amorti- zation</u>	<u>Net Book Value</u>
Furniture and equipment	\$ 1,894	\$ 1,118	\$ 776
Computer equipment	<u>5,170</u>	<u>3,929</u>	<u>1,241</u>
	\$ <u>7,064</u>	\$ <u>5,047</u>	\$ <u>2,017</u>
			\$ <u>2,743</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 \$726 (2022 - \$1,002).

RÉSEAU de la communauté autochtone à Montréal
 Montréal Indigenous Community NETWORK
 NOTES TO THE FINANCIAL STATEMENTS
 as at March 31, 2023

8. COVID-19 EXPENSES	<u>2 0 2 3</u>	<u>2 0 2 2</u>
Contribution agreements	-	2,928,139
Supplies	-	188,667
Repairs and maintenance	-	74,516
Telecommunications	-	18,550
Travel and meals	-	17,516
Warehousing	-	10,688
Computer equipment	-	8,861
Cultural supplies	-	4,212
Utilities	-	3,672
PPE Staff and Organization	-	1,319
Office	-	652
	<u> -</u>	<u>3,256,792</u>
	\$ <u> -</u>	\$ <u>3,256,792</u>

COVID-19 expenses are included in expenses in the statement of operations.

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, 2023.

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, 2023

SCHEDULE

	Public Safety		City of Montréal		Conseils des arts	Employment and social Development Canada			Indigenous Services Canada					Total	
	Administration	Canada	CIUSSS	Smart Cities		Strategy	Homeless	Reaching Homes	COVID 19	FNHIB	FNHIB MW	ICSF-2	ICSF-5		UPIP
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
REVENUES															
Contribution agreements															
Projects	-	-	150,000	33,000	-	-	381,240	-	188,696	-	-	19,821	98,478	871,235	
Operations	-	400,200	-	228,062	38,037	-	-	-	-	-	-	-	99,938	766,237	
Canada's COVID-19															
Economic Response Plan	-	-	-	-	-	-	-	480,800	-	-	108,202	-	-	589,002	
Service agreements and other	4,978	-	-	-	-	-	1,422,856	-	-	-	-	-	-	1,427,834	
Advice and consulting	5,781	-	-	-	-	-	-	-	-	-	-	-	-	5,781	
Amortization of deferred grants related to capital assets	726	-	-	-	-	-	-	-	-	-	-	-	-	726	
	11,485	400,200	150,000	261,062	38,037	-	1,422,856	381,240	480,800	188,696	-	108,202	19,821	198,416	3,660,815
EXPENSES															
Salaries and fringe benefits	-	104,180	32,421	167,856	-	-	207,725	41,405	200,961	40,766	-	103,507	-	99,977	988,798
Community Support Fund		208,111			3,529		1,194,563	327,123	150,000	147,635	-	-	19,821	7,441	2,058,223
Professional and consulting fees		62,467		61,356	10,663		1,960	5	30,700			4,172		4,744	176,067
Honoraria		7,770			3,485				2,800					6,190	20,245
Mental Health program									33,038			300			33,338
Advertising and promotion	96														96
Intervention program			103,802												103,802
Office supplies, materials and printing	11,731	711	4,727	55	156		382	401	597					169	18,929
Rent and Utilities		1,727		1,974	2,548		1,072	497						58,503	66,321
Insurance															
Equipment and furniture				21			3,537		8,088						11,646
Event Space Rentals			1,629												1,629
Transportation		633	1,425	17	91		79	143	155					5,172	7,715
Culturally appropriate	4	215			150									1,226	1,595
Interest and bank charges	178	16		199	391			1,627						66	2,477
Amortization	2,926														2,926
Communications		30		2,588	10,575			28	11,374					2,715	27,310
Taxes and licenses		93		2,357			1,280	4,400	843					462	9,436
Administration		180		8,777			4,215	34						152	13,358
Professional development		74		8,378			6,370	2,552	33,286	295					50,955
Gatherings		894			4,940		46	1,742						5,874	13,496
Non recoverable sales taxes		13,099	6,986	7,484	1,509		1,627	1,283	8,958			223		5,725	45,904
	14,935	400,200	150,000	261,062	38,037	-	1,422,856	381,240	480,800	188,696	-	108,202	19,821	198,416	3,664,265
EXCESS OF REVENUES OVER EXPENSES	(3,450.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,450.00)

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