# National Indigenous Collaborative Housing Inc.

## Financial Statements

*March 31, 2024*

# National Indigenous Collaborative Housing Inc.

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*For the year ended March 31, 2024*


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# Independent Auditor's Report

To the Members of National Indigenous Collaborative Housing Inc.:

## Opinion

We have audited the financial statements of National Indigenous Collaborative Housing Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the  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, 2024, and the results of its operations and its cash flows for the  then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

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 opinion.

## Other Matter

The financial statements of the Organization for the period ended March 31, 2023 and the statement of financial position at March 31, 2023 are unaudited.

## 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.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Ottawa, Ontario

June 24, 2024

MNP

# National Indigenous Collaborative Housing Inc.
## Statement of Financial Position
*As at March 31, 2024*

| | 2024 | 2023 (Unaudited) |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | **101,706,959** | **-** |
| Accounts receivable *(Note 3)* | **134,716** | **-** |
| Prepaid expenses and deposits | **68,507** | **-** |
| | **101,910,182** | **-** |
| **Liabilities** | | |
| **Current** | | |
| Accounts payable and accruals *(Note 4)* | **985,718** | **-** |
| Deferred contributions *(Note 5)* | **100,796,900** | **-** |
| | **101,782,618** | **-** |
| **Contingencies** *(Note 6)* | | |
| **Commitments** *(Note 7)* | | |
| **Net Assets** | | |
| Unrestricted | **127,564** | **-** |
| | **101,910,182** | **-** |

**Approved on behalf of the Board of Directors**

e-Signed by Jocelyn W. Formsma
2024-06-24 16:26:40:40 EST
**Director**

e-Signed by Sally Ledger
2024-06-24 19:25:05:05 EST
**Director**

*The accompanying notes are an integral part of these financial statements*

# National Indigenous Collaborative Housing Inc.

## Statement of Operations

*For the year ended March 31, 2024*

| | ***12 Months Ended March 31 2024*** | *4 Months Ended March 31 2023 (Unaudited)* |
|---|---|---|
| **Revenue** | | |
| Indigenous Services Canada *(Note 5)* | **2,703,100** | - |
| Interest | **127,564** | - |
| | **2,830,664** | - |
| **Project delivery flowthrough** | **800,000** | - |
| **Net revenue** | **2,030,664** | - |
| **Operating expenses** | | |
| Communications and strategy | **531,570** | - |
| Contractors | **329,772** | - |
| Professional fees | **303,973** | - |
| Salaries and benefits | **298,743** | - |
| Travel and meetings | **258,263** | - |
| Technology services and support | **134,806** | - |
| Furniture and equipment | **26,334** | - |
| Office and administration | **17,478** | - |
| Insurance | **2,161** | - |
| | **1,903,100** | - |
| **Excess of revenue over expenses** | **127,564** | - |

*The accompanying notes are an integral part of these financial statements*

# National Indigenous Collaborative Housing Inc.
## Statement of Changes in Net Assets
*For the year ended March 31, 2024*

| | ***12 Months Ended March 31 2024*** | *4 Months Ended March 31 2023 (Unaudited)* |
|---|---|---|
| **Net assets, beginning of year** | **-** | - |
| **Excess of revenue over expenses** | **127,564** | **-** |
| **Net assets, end of year** | **127,564** | **-** |

*The accompanying notes are an integral part of these financial statements*

# National Indigenous Collaborative Housing Inc.

## Statement of Cash Flows

*For the year ended March 31, 2024*

| | ***12 Months Ended March 31 2024*** | *4 Months Ended March 31 2023 (Unaudited)* |
|---|---|---|
| **Cash provided by (used for) the following activities** | | |
| **Operating** | | |
| Excess of revenue over expenses | **127,564** | **-** |
| Changes in working capital accounts | | |
| Accounts receivable | **(134,716)** | **-** |
| Prepaid expenses and deposits | **(68,507)** | **-** |
| Accounts payable and accruals | **985,718** | **-** |
| Deferred contributions | **100,796,900** | **-** |
| **Increase in cash resources** | **101,706,959** | **-** |
| **Cash resources, beginning of year** | **-** | - |
| **Cash resources, end of year** | **101,706,959** | **-** |

*The accompanying notes are an integral part of these financial statements*

## 1. Incorporation and nature of the organization

National Indigenous Collaborative Housing Inc. (the “Organization”) is a not-for-profit organization incorporated without share capital under the Canada Not-for-profit Corporations Act on December 21, 2022. The mandate of the Organization is to uphold and advance housing as a human right for all Indigenous Peoples living in urban, rural and northern communities from coast-to-coast-to-coast within the scope of a “For Indigenous, By Indigenous” ("FIBI") Strategy.

The Organization receives funding under an agreement with the Government of Canada, which it utilizes and distributes to other organizations across Canada that carry out the projects intended to fulfil this mandate. The Organization is exempt from income taxes under paragraph 149(1)(l) of the Income Tax Act.

## 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Restricted contributions, including government funding, 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.

Unrestricted interest revenue is recognized as revenue when earned.

***Financial instruments***

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures all its arm's length financial assets and liabilities at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Financial asset impairment**

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

**2. Significant accounting policies** *(Continued from previous page)*

***Customer's accounting for cloud computing arrangement***

The Organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Organization recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of $134,806 have been recognized as technology services and support.

***Measurement uncertainty***

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Deferred contributions are based upon interpretation of funding agreements and other criteria established in agreement with the related funding agency.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the years in which they become known.

**3. Accounts receivable**

| | ***2024*** | *2023* |
|---|---|---|
| Accrued interest receivable | **68,507** | - |
| Public Service Bodies' Rebate recoverable | **54,857** | - |
| Other receivables | **11,352** | - |
| | **134,716** | - |

**4. Accounts payable and accruals**

| | ***2024*** | *2023* |
|---|---|---|
| Project delivery flowthrough payable | **800,000** | - |
| Trade payables | **79,013** | - |
| Accrued wages and vacation | **60,925** | - |
| Accrued expenses | **45,780** | - |
| | **985,718** | - |

## 5. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for the delivery of certain programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contributions balance are as follows:

| | *Balance, beginning of year* | *Contributions received* | *Contributions recognized* | *Balance, end of year* |
|---|---|---|---|---|
| ISC Q15 Project Delivery (UPIP Housing) | - | 100,000,000 | 800,000 | **99,200,000** |
| ISC Q214 Operational Costs | - | 3,375,000 | 1,778,100 | **1,596,900** |
| ISC Q2DM - Organizational Capacity | - | 125,000 | 125,000 | **-** |
| | **-** | 103,500,000 | 2,703,100 | **100,796,900** |

## 6. Contingencies

In the normal conduct of operations, there are two possible claims against the Organization. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Organization's financial position or results of operations.

Expenses incurred by members and other organizations may be subject to audit to ensure compliance with the underlying funding agreements of the Organization. Such audits may result in adjustments to amounts to which the Organization is entitled and therefore result in a portion of amounts recognized as revenue to be repaid to the funder. Management believes that the Organization has no material repayment obligation, if any, related to amounts distributed to recipient organizations.

## 7. Commitments

The Organization has approved commitments as a result of signed contribution agreements for project delivery flowthrough payments in future years totaling $187,693,381.

## 8. Financial instruments

The Organization, as part of its operations, carries financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

## 9. Economic dependence

The Organization's primary source of revenue is government funding. With the exception of interest revenue, all other revenue is from Indigenous Services Canada. The Organization's ability to continue viable operations is dependent upon maintaining its compliance with the criteria within its funding agreements. As at the date of these financial statements the Organization believes that it is in compliance with the agreements.