

True North Aid
Financial Statements
December 31, 2017

TRUE NORTH AID

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of
True North Aid

We have reviewed the accompanying financial statements of **True North Aid** that comprise the balance sheet as at December 31, 2017, and the statements of income, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for non-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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **True North Aid** as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-profit organizations.



SYLVAIN RIEL CPA
inc.

Société de comptables professionnels agréés

Without modifying our opinion, we draw attention to Note 2 to the financial statements which mention that **True North Aid** adopted Canadian accounting standards for non-profit organizations on January 1, 2017 with a transition date of January 1, 2016. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at December 31, 2016 and January 1, 2016, and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2016 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.



Saint-Lazare,
April 6, 2018

CPA auditor, CA, public accountancy permit No. A111083

TRUE NORTH AID

OPERATIONS

year ended December 31, 2017

2

	<u>2017</u>	<u>2016</u>
	\$	\$
Revenues		
Contributions	96,976	15,604
Humanitarian expenses		
Humanitarian aid	17,210	-
Shipping and freight	12,087	629
Salaries and social benefits	26,931	-
Travelling expenses	22,160	2,359
Consultation and training	1,100	-
Membership and registration fees	3,200	-
Insurance	1,688	-
Fundraising administration fees	872	-
	<u>85,248</u>	<u>2,988</u>
Excess of revenues over humanitarian expenses	11,728	12,616
Operating expenses		
Salaries and social benefits	15,817	-
Fundraising administration fees	2,603	-
Travelling expenses	1,774	1,208
Consultation and training	3,102	500
Office expenses	1,675	2,240
Advertising and website	574	-
Telecommunications	577	973
Professional fees	500	200
Interest and bank charges	2,205	16
Non-refundable taxes	1,558	-
	<u>30,385</u>	<u>5,137</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(18,657)</u>	<u>7,479</u>

"Unaudited"

TRUE NORTH AID
CHANGES IN NET ASSETS
 year ended December 31, 2017

	<u>Unrestricted</u>	<u>2017</u>	<u>Total</u> <u>2016</u>
	\$	\$	\$
BALANCE, BEGINNING OF YEAR	23,254	23,254	15,775
Excess (deficiency) of revenues over expenses	<u>(18,657)</u>	<u>(18,657)</u>	<u>7,479</u>
BALANCE, END OF YEAR	<u>4,597</u>	<u>4,597</u>	<u>23,254</u>

"Unaudited"

TRUE NORTH AID
BALANCE SHEET
as at December 31, 2017

	<u>2017</u>	<u>2016</u>	As at January 1, <u>2016</u>
	\$	\$	\$
CURRENT ASSETS			
Cash	2,343	22,279	14,878
Accounts receivable	-	-	24
Government assistance	<u>3,582</u>	<u>1,096</u>	<u>873</u>
	<u>5,925</u>	<u>23,375</u>	<u>15,775</u>
CURRENT LIABILITIES			
Accounts payable	-	121	-
Government remittances	<u>1,328</u>	<u>-</u>	<u>-</u>
	1,328	121	-
NET ASSETS			
Unrestricted net assets	<u>4,597</u>	<u>23,254</u>	<u>15,775</u>
	<u>5,925</u>	<u>23,375</u>	<u>15,775</u>

Approved by the board

_____, director

_____, director

"Unaudited"

TRUE NORTH AID

CASH FLOWS

year ended December 31, 2017

5

	<u>2017</u>	<u>2016</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from contributors	96,976	15,628
Cash paid to suppliers and employees	<u>(116,912)</u>	<u>(8,227)</u>
NET INCREASE (NET DECREASE) IN CASH AND CASH EQUIVALENTS	(19,936)	7,401
CASH AND CASH EQUIVALENTS AT END OF YEAR (note 5)	<u>22,279</u>	<u>14,878</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (note 5)	<u>2,343</u>	<u>22,279</u>

"Unaudited"

1- IDENTIFICATION AND DESCRIPTION OF BUSINESS

True North Aid is incorporated as a non-profit organization under Canada non-profit Corporations Act. The organization is dedicated to serving and supporting northern Indigenous communities in Canada through practical humanitarian support. As a non-profit organization, it is not subject to income tax.

2- IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

These financial statements are the first financial statements in which the organization applied the Canadian accounting standards for non-profit organizations. The initial application of this new standard had no impact on its excess of revenues over expenses for the year ended December 31, 2016, nor on its net assets at transition date on January 1, 2016.

3- SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for non-profit organizations. Canadian accounting standards for non-profit organizations are part of Canadian GAAP and include the following significant accounting policies:

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for non-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they became known. Actual results could differ from those estimates.

Revenue recognition

The deferral method is used to record contributions. Restricted contributions, which are those tied by an obligation of required use, are recognized as revenue in the year during which the related charges are incurred. Unrestricted contributions are recognized as revenue in the year they are received and if their reception is reasonably assured.

Cash and cash equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents.

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3- SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital assets

Acquisitions of capital assets are charged to operating expenses in the year of purchase.

Financial instruments

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

Financial assets measured at amortized cost include cash and government assistance.

Financial liabilities measured at amortized cost include government remittances.

4- CAPITAL ASSETS CHARGED TO OPERATING EXPENSES

The organization did not acquire any capital assets in 2016 and 2017.

5- CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash	<u>2,343</u>	<u>22,279</u>

6- FINANCIAL INSTRUMENTS

Risks and concentrations

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure at the balance sheet date, i.e. December 31, 2017,

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6- FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk

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

7- FIGURES

Figures for 2016 have not been audited or reviewed.

The corresponding figures presented for comparative purposes were compiled by management.

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