

Financial Statements

Algonquin Forestry Authority

March 31, 2020

Algonquin Forestry Authority
Year ended March 31, 2020

Management's Responsibility for Financial Information

Management and the Board of Directors of the Algonquin Forestry Authority are responsible for the financial statements and all other information presented in this Annual Report. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and, where appropriate, include amounts based on Management's best estimates and judgements.

The Algonquin Forestry Authority is dedicated to the highest standards of integrity in its business. To safeguard the Authority's assets, the Authority has a sound and dynamic set of internal financial controls and procedures that balance benefits and costs. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information in accordance with the *Algonquin Forestry Authority Act*.

The Board of Directors ensures that Management fulfills its responsibilities for financial information and internal control. The Board of Directors meets regularly to oversee the financial activities of the Authority and at least annually to review the audited financial statements and the external auditors' report thereon, and recommends them to the Minister of Natural Resources and Forestry for approval.

The financial statements have been examined by the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report outlines the scope of the Auditor's examination and opinion.



Tim Doyle, CPA, CA
Treasurer



Jeff W. Leavey
General Manager

June 18, 2020

Date

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INDEPENDENT AUDITOR'S REPORT

To the Algonquin Forestry Authority and to the Minister of Natural Resources and Forestry

Opinion

I have audited the financial statements of the Algonquin Forestry Authority (the Authority), which comprise the statement of financial position as at March 31, 2020, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 Authority'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 the Authority either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

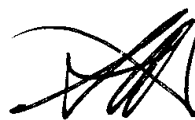
Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Authority'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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority 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.

I 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 I identify during my audit.



Susan Klein, CPA, CA, LPA
Assistant Auditor General

Toronto, Ontario
June 18, 2020

Algonquin Forestry Authority

Statement of Financial Position

As at March 31

2020

2019

Assets

Current assets

Cash	\$ 311,251	\$ 1,168,166
Accounts receivable (Note 3)	10,926,673	8,598,170
Inventories held for sale	539,275	751,491
Prepaid expenses	27,496	22,930
	<u>11,804,695</u>	<u>10,540,757</u>

Capital assets (Note 4)

	<u>512,563</u>	<u>482,717</u>
	<u>\$ 12,317,258</u>	<u>\$ 11,023,474</u>

Liabilities

Current liabilities

Accounts payables and accrued liabilities	\$ 1,745,016	\$ 1,648,150
Contractors' performance holdbacks	102,947	64,486
Due to Consolidated Revenue Fund (Note 11)	496,057	253,264
Deferred contributions (Note 5)	29,776	24,820
	<u>2,373,796</u>	<u>1,990,720</u>

Obligation for employee future benefits (Note 6)

	<u>288,735</u>	<u>334,172</u>
	<u>2,662,531</u>	<u>2,324,892</u>

Net assets

Restricted - Forest Renewal Fund (Notes 7 and 8)	3,482,165	3,265,647
Invested in capital assets	512,563	482,717
Unrestricted - General Fund	5,659,999	4,950,218
	<u>9,654,727</u>	<u>8,698,582</u>
	<u>\$ 12,317,258</u>	<u>\$ 11,023,474</u>

On behalf of the Board:



Director



Director

Algonquin Forestry Authority

Statement of Operations

Year Ended March 31

2020

2019

	General Fund	Forest Renewal Fund	Total	Total
Revenue				
Product sales	\$ 27,149,886	\$ -	\$ 27,149,886	\$ 20,959,670
Forest renewal activity	-	1,873,403	1,873,403	1,597,492
Standing timber sales	66,508	-	66,508	261,894
Other (Note 9)	2,918,358	322,121	3,240,479	2,290,300
	<u>30,134,752</u>	<u>2,195,524</u>	<u>32,330,276</u>	<u>25,109,356</u>
Expenses				
Direct program costs	23,512,896	1,585,486	25,098,382	20,430,867
Crown timber stumpage charges (Note 11)	3,033,072	-	3,033,072	2,739,024
Public access road maintenance	295,044	-	295,044	291,068
Operations planning	213,051	-	213,051	270,749
Wood measurement	44,480	-	44,480	46,279
	<u>27,098,543</u>	<u>1,585,486</u>	<u>28,684,029</u>	<u>23,777,987</u>
Operating income	<u>3,036,209</u>	<u>610,038</u>	<u>3,646,247</u>	<u>1,331,369</u>
Administrative and other				
Salaries and benefits	1,513,473	310,082	1,823,555	1,778,400
Bad debts	300,000	-	300,000	72,086
Amortization of capital assets	147,672	53,323	200,995	182,191
Office supplies and other	137,821	557	138,378	145,076
Office rent	37,504	18,793	56,297	58,235
Consulting, legal and miscellaneous	52,931	-	52,931	12,553
Directors' allowance	40,254	-	40,254	52,853
Insurance	20,037	8,281	28,318	28,440
Public relations	27,163	-	27,163	37,564
Staff travel and training	17,840	2,484	20,324	26,171
Interest and bank charges	1,887	-	1,887	35,895
	<u>2,296,582</u>	<u>393,520</u>	<u>2,690,102</u>	<u>2,429,464</u>
Excess (deficiency) of revenue over expenses	<u>\$ 739,627</u>	<u>\$ 216,518</u>	<u>\$ 956,145</u>	<u>\$ (1,098,095)</u>

Algonquin Forestry Authority

Statement of Changes in Net Assets

Year Ended March 31

2020	Invested in Capital Assets	Restricted - Forest Renewal Fund	Unrestricted - General Fund	Total
Balance, beginning of year	\$ 482,717	\$ 3,265,647	\$ 4,950,218	\$ 8,698,582
(Deficiency) excess of revenue over expenses	(200,995)	216,518	940,622	956,145
Invested in capital assets	230,841	-	(230,841)	-
Balance, end of year	\$ 512,563	\$ 3,482,165	\$ 5,659,999	\$ 9,654,727
2019	Invested in Capital Assets	Restricted - Forest Renewal Fund	Unrestricted - General Fund	Total
Balance, beginning of year	\$ 451,956	3,292,239	\$ 6,052,482	\$ 9,796,677
(Deficiency) excess of revenue over expenses	(182,191)	(26,592)	(889,312)	(1,098,095)
Invested in capital assets	212,952	-	(212,952)	-
Balance, end of year	\$ 482,717	\$ 3,265,647	\$ 4,950,218	\$ 8,698,582

Algonquin Forestry Authority

Statement of Cash Flows

Year Ended March 31

2020

2019

Cash flows from operating activities:

Excess (deficiency) of revenue over expenses	\$ 956,145	\$ (1,098,095)
Adjustments for non-cash items:		
Amortization of capital assets	200,995	182,191
Gain on sale of capital assets	<u>(16,549)</u>	<u>(13,866)</u>
	<u>1,140,591</u>	<u>(929,770)</u>

Change in non-cash operating working capital:

Accounts receivable	(2,328,503)	1,847,615
Inventories held for sale	212,216	(230,971)
Prepaid expenses	(4,566)	(20,968)
Accounts payable and accrued liabilities	96,866	(601,309)
Contractors' performance holdbacks	38,461	(10,094)
Due to Consolidated Revenue Fund	242,793	(49,593)
Deferred contributions	4,956	8,932
Obligation for employee future benefits	<u>(45,437)</u>	<u>-</u>
	<u>(642,623)</u>	<u>13,842</u>

Cash flows from capital activities

Acquisition of capital assets	(230,841)	(218,006)
Proceeds from sale of capital assets	<u>16,549</u>	<u>18,920</u>
	<u>(214,292)</u>	<u>(199,086)</u>

Net decrease in cash	(856,915)	(185,244)
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Cash

Beginning of year	<u>1,168,166</u>	<u>1,353,410</u>
End of year	<u>\$ 311,251</u>	<u>\$ 1,168,166</u>

Algonquin Forestry Authority

Notes to the Financial Statements

March 31, 2020

Algonquin Forestry Authority (the "Authority") is a Crown Agency which was established by the Ontario Government on January 4, 1975 under the *Algonquin Forestry Authority Act, 1974*. The Authority is responsible for forest management in Algonquin Provincial Park and operates on a not-for-profit basis. The Authority is exempt from income taxes under the Income Tax Act.

1. Significant accounting policies

Basis of accounting

The Authority's financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 series of standards for government not-for-profit organizations. A statement of remeasurement gains and losses has not been presented as there is nothing to report therein.

Fund accounting

The General Fund accounts for the Authority's revenue generating and administrative activities. The Forest Renewal Fund accounts for the forest management activities, including silvicultural work.

Revenue recognition

Revenue from product sales and forest renewal charges are recognized when the wood is delivered, and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.

The Authority accounts for contributions, which include government grants, under the deferral method of accounting as follows:

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of a period are accrued. Grants relating to future periods are deferred and recognized in the subsequent period when the related activity occurs. Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis and at rates corresponding to those of the related capital assets.

Other income is recognized when earned.

Inventories held for sale

Inventories held for sale, which consist of harvested wood not yet delivered to customers, are measured at the lower of cost and net realizable value with cost being determined on the first-in, first-out basis. Cost includes all acquisition costs incurred in bringing inventory to its present location and condition. Net realizable value is estimated selling price in the ordinary course of business less any applicable selling expenses.

Algonquin Forestry Authority

Notes to the Financial Statements

March 31, 2020

1. Significant accounting policies (continued)

Capital assets

Capital assets are stated at cost. Amortization is provided on the straight-line basis using the following annual rates:

<u>Asset</u>	<u>Rate</u>
Automotive equipment and trailers	25%
Portable steel structures	20%
Technical and data processing equipment	10%
Furniture and fixtures	10%
Leasehold improvements	10%

The cost of bridges and access roads is amortized over the estimated number of operating seasons for which the bridges and roads are to be used, with a maximum amortization period of 10 years. Forest renewal assets (comprised of furniture and fixtures, technical and data processing equipment, automotive equipment and trailers) are amortized on the same basis and at the same rates as the assets mentioned above.

Financial instruments

The Authority's financial assets and financial liabilities are accounted for as follows:

Cash is subject to an insignificant risk of change in value so carrying value approximates fair value.

Accounts receivable are recorded at amortized cost less any amount for valuation allowances. Valuation allowances are made to reflect accounts receivable at the lower of amortized cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowances are recognized in the Statement of Operations.

Accounts payable and accrued liabilities, contractors' performance holdbacks and Due to Consolidated Revenue Fund are recorded at amortized cost.

The Authority does not use derivative financial instruments.

Employee future benefits

The Authority provides termination benefits to qualifying employees for services rendered prior to January 1, 2016. The costs of severance entitlements under the *Public Service of Ontario Act* and unused vacation entitlements earned by employees during the year are accrued for in the financial statements. The costs of any legislated severance are recognized when earned by eligible employees.

Defined contribution plan accounting is applied to a multi-employer defined benefit plan for which the Authority has insufficient information to apply defined benefit plan accounting.

Algonquin Forestry Authority

Notes to the Financial Statements

March 31, 2020

1. Significant accounting policies (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. The infectious coronavirus (“COVID-19”) pandemic has added to the Authority’s measurement uncertainty primarily due to a reduction of available information with which to make significant assumptions related to critical estimates as compared to those estimates reported at March 31, 2019. Significant items subject to such estimates and assumptions include determination of the allowance for doubtful accounts receivable, inventory obsolescence, useful lives of capital assets and employee future benefits. Actual results could differ from those estimates. Accounts receivable (see Note 13) are subject to measurement uncertainty due to the Authority’s exposure to credit risk from individual customers. Due to the COVID-19 pandemic, additional measurement uncertainty exists around potential collection delays from customers due to the economic slowdown brought on by emergency measures to combat the spread of COVID-19. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

2. Related party transactions

The Authority, under the provisions of the *Algonquin Forestry Authority Act*, is subject to the direction and control of the Ministry of Natural Resources and Forestry (“the Ministry”). During the normal course of operations, the Authority entered into the following related party transactions with the Ministry during the year:

- i) Received funding for the reimbursement of road construction and maintenance costs (see Notes 5 and 9)
- ii) Received funding for the reimbursement of public access road maintenance costs (see Notes 5 and 9)
- iii) Paid crown timber stumpage charges (see Note 11)

During the normal course of operations, the Authority also received funding for the reimbursement of emergency road maintenance (see Note 9) from the Ministry of Environment, Conservation and Parks.

All related party transactions have been recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

3. Accounts receivable

	<u>2020</u>	<u>2019</u>
Trade receivables	\$ 9,347,456	\$ 6,805,020
Billable stumpage and other	1,989,217	1,903,150
	<u>11,336,673</u>	<u>8,708,170</u>
Less: allowance for doubtful accounts	<u>(410,000)</u>	<u>(110,000)</u>
	<u>\$ 10,926,673</u>	<u>\$ 8,598,170</u>

Algonquin Forestry Authority

Notes to the Financial Statements

March 31, 2020

4. Capital assets

	2020		
	Cost	Accumulated amortization	Net book value
Bridges and access roads	\$ 5,346,799	\$ 5,346,799	\$ -
Portable steel structures	963,000	801,525	161,475
Forest renewal assets	600,437	470,039	130,398
Automotive equipment	563,006	420,134	142,872
Technical equipment	134,350	121,978	12,372
Data processing equipment	118,506	59,996	58,510
Furniture and fixtures	32,176	32,176	-
Leasehold improvements	21,084	18,774	2,310
Trailers	12,550	7,924	4,626
	\$ 7,791,908	\$ 7,279,345	\$ 512,563
	2019		
	Cost	Accumulated amortization	Net book value
Bridges and access roads	\$ 5,346,799	\$ 5,346,799	\$ -
Portable steel structures	963,000	758,062	204,938
Forest renewal assets	560,496	416,533	143,963
Automotive equipment	531,078	434,219	96,859
Technical equipment	124,826	119,643	5,183
Data processing equipment	65,790	42,494	23,296
Furniture and fixtures	32,176	32,176	-
Leasehold improvements	21,084	18,486	2,598
Trailers	12,550	6,670	5,880
	\$ 7,657,799	\$ 7,175,082	\$ 482,717

5. Deferred contributions

Deferred contributions represent unspent resources received from the Ministry in the current period and which relate to expenses of future periods. Changes in the deferred contributions balance are as follows:

	Road construction and maintenance	Public access road maintenance	2020 Total	2019 Total
Balance, beginning of year	\$ -	\$ 24,820	\$ 24,820	\$ 15,888
Add: contributions received in the year	1,383,796	300,000	1,683,796	1,722,660
Less: amount spent in the year	(1,383,796)	(295,044)	(1,678,840)	(1,713,728)
Balance, end of year	\$ -	\$ 29,776	\$ 29,776	\$ 24,820

Algonquin Forestry Authority

Notes to the Financial Statements

March 31, 2020

6. Employee future benefits

(a) Multi-employer pension plan

The Authority's full-time employees participate in the Public Service Pension Fund ("PSPF") which is a defined benefit pension plan for certain employees of the Province of Ontario and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF, determines the Authority's annual payments to PSPF. As the sponsor is responsible for ensuring that the pension fund is financially viable, any surpluses or unfunded liabilities arising from the statutory actuarial funding valuations are not assets or obligations of the Authority. The Authority's payments for the year of \$185,561 (2019 - \$171,050) are included in salaries and benefits in the Statement of Operations.

(b) Termination benefits

The Authority provides termination benefits to qualifying employees. All full-time employees hired before April 1, 2014 qualify for a severance payment equal to one week of salary for each year of continuous service with the Authority provided before January 1, 2016, to a maximum of one-half of the employees' annual salary. The total obligation for vested severance payments amounts to \$288,735 (2019 - \$334,172) at year end.

(c) Non-pension post-retirement benefits

The cost of other non-pension post-retirement benefits is the responsibility of the Province of Ontario, a related party, and accordingly is not accrued or included in the Statement of Operations.

7. Forest Renewal Fund

Effective September 6, 2012, the Authority renewed its agreement with the Ministry to perform forest management activities, including silvicultural work. Funding, on a cost recovery basis, for these activities is derived from stumpage charges levied under the Crown Forest Sustainability Act and grants from the Forestry Futures Fund. The term of the agreement commenced April 1, 2007 and expires March 31, 2027.

The agreement also requires the Authority to maintain a minimum balance of \$1,500,000 in the Forest Renewal Fund.

8. Interfund transfer

The Board of Directors has approved, by resolution, that any loss incurred in the Forest Renewal Fund resulting from forest renewal activity expenses exceeding revenues, net of related capital asset amortization, during the year which cannot be funded by the Forest Renewal Fund without causing the Forest Renewal Fund balance to fall below \$2,500,000 shall be funded by the General Fund. No amount has been transferred during the year (2019 - \$Nil).

Algonquin Forestry Authority

Notes to the Financial Statements

March 31, 2020

9. Other revenue	<u>2020</u>	<u>2019</u>
Ministry reimbursement - road construction and maintenance	\$ 1,383,796	\$ 1,422,660
Ministry reimbursement - public access road maintenance	295,044	291,068
Ministry of Environment, Conservation and Parks - emergency road maintenance	885,276	-
Interest	396,911	328,298
Gain on sale of capital assets	16,549	13,866
Forestry Futures Trust Ontario	261,430	211,963
Other	1,473	22,445
	<u>\$ 3,240,479</u>	<u>\$ 2,290,300</u>

Included in General Fund other revenue is revenue of \$1.38 million (2019 - \$1.42 million) received by the Authority pursuant to an agreement with the Ministry. The purpose of the agreement is to provide the Authority with reimbursement of road construction and maintenance costs on eligible primary and secondary forest access roads where access to those roads is not limited to the forest industry. A portion of the Ministry funding was passed on to the Authority's customers through a rebate allocated on the basis of sales volumes. In fiscal year 2020, \$269,519 (2019 - \$376,255) was passed on to the Authority's customers and is netted in product sales in the Statement of Operations.

Included in the General Fund other revenue is \$885,276 (2019 - \$Nil) received by the Authority pursuant to a one-time funding agreement with the Ministry of Environment, Conservation and Parks for emergency road maintenance.

10. Remuneration of appointments

Total remuneration of the Board members of the Authority was approximately \$22,200 during the fiscal year (2019 - \$28,000).

11. Crown timber stumpage charges

Crown timber stumpage charges are incurred during the normal course of operations and are paid to the Ministry. Any amounts owing by the Authority at year end are recorded as Due to Consolidated Revenue Fund on the Statement of Financial Position. Year end balances are normally settled in full in the first quarter of the following year.

12. Comparative figures

Certain comparative figures have been adjusted to conform to changes in the current year presentation.

Algonquin Forestry Authority

Notes to the Financial Statements

March 31, 2020

13. Financial instruments risk management

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 Authority's credit risk arises from its financial assets including cash and accounts receivable. The Authority's accounts receivable are due from various customers and from government agencies. The collectability of the accounts is assessed annually by the Authority and an allowance for doubtful accounts is recorded where appropriate. All cash deposits are held with financial institutions. The amounts outstanding at year end are as follows:

2020					
	Total	Current	31-60 days	61-90 days	Over 91 days
Customer receivables	\$ 11,008,434	\$ 3,842,401	\$ 2,606,506	\$ 1,363,889	\$ 3,195,638
Recoverable expenses	328,239	326,089	2,150	-	-
Gross receivables	11,336,673	4,168,490	2,608,656	1,363,889	3,195,638
Less: allowance for doubtful accounts	(410,000)	-	-	-	(410,000)
Net receivables	\$ 10,926,673	\$ 4,168,490	\$ 2,608,656	\$ 1,363,889	\$ 2,785,638
2019					
	Total	Current	31-60 days	61-90 days	Over 91 days
Customer receivables	\$ 8,340,370	\$ 3,369,282	\$ 1,486,746	\$ 1,329,776	\$ 2,154,566
Recoverable expenses	367,800	366,021	1,779	-	-
Gross receivables	8,708,170	3,735,303	1,488,525	1,329,776	2,154,566
Less: allowance for doubtful accounts	(110,000)	-	-	-	(110,000)
Net receivables	\$ 8,598,170	\$ 3,735,303	\$ 1,488,525	\$ 1,329,776	\$ 2,044,566

There have been no significant changes from the previous year in the exposure to credit risk or to the policies, procedures and methods used to measure this risk.

Algonquin Forestry Authority

Notes to the Financial Statements

March 31, 2020

13. Financial instruments risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, contractors' performance holdbacks and amounts due to the Consolidated Revenue Fund. The Authority mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining adequate cash balances in the near-term if unexpected cash outflows arise.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

	2020			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable and accrued liabilities	\$ 1,745,016	\$ -	\$ -	\$ -
Contractors' performance holdbacks	102,947	-	-	-
Due to Consolidated Revenue Fund	496,057	-	-	-
	\$ 2,344,020	\$ -	\$ -	\$ -
	2019			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable and accrued liabilities	\$ 1,648,150	\$ -	\$ -	\$ -
Contractors' performance holdbacks	64,486	-	-	-
Due to Consolidated Revenue Fund	253,264	-	-	-
	\$ 1,965,900	\$ -	\$ -	\$ -

There have been no significant changes from the previous year in the exposure to liquidity risk or to the policies, procedures and methods used to measure this risk.