

Consolidated Financial Statements of

ZHIIBAAHAASING FIRST NATION

And Independent Auditors' Report thereon

Year ended March 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Ziibaaahaasing First Nation are the responsibility of management and have been approved by the Chief and Council of the First Nation.

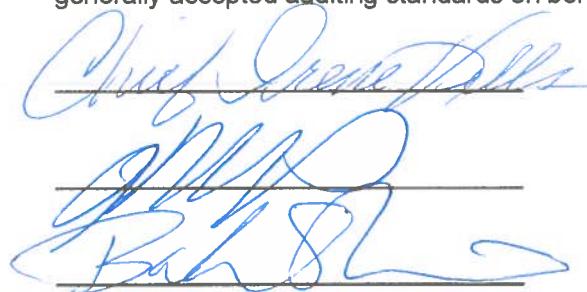
The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically to discuss and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.

A handwritten signature in blue ink, appearing to read "Chief Dene Bell". The signature is fluid and cursive, with "Chief" and "Dene" on the top line and "Bell" on the bottom line.



KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury Ontario P3C 1X3
Canada
Telephone (705) 675-8500
Fax (705) 675-7586

INDEPENDENT AUDITORS' REPORT

To the Members of Zhiibaahaasing First Nation

Opinion

We have audited the consolidated financial statements of Zhiibaahaasing First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2020, and its results of operations and accumulated surplus and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB), 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 First Nation'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 First Nation or to cease operations or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 the 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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the First Nation'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 the events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the First Nation 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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group First Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive style and is underlined with a single horizontal line.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 4, 2021

ZHIIBAAHAASING FIRST NATION

Index to Consolidated Financial Statements

Year ended March 31, 2020

Consolidated Financial Statements

Exhibit A	Consolidated Statement of Financial Position	1
Exhibit B	Consolidated Statement of Operations and Accumulated Surplus	2
Exhibit C	Consolidated Statement of Changes in Net Assets	3
Exhibit D	Consolidated Statement of Cash Flows	4
	Notes to Consolidated Financial Statements	5 - 15

ZHIIBAAHAASING FIRST NATION

Exhibit A - Consolidated Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Financial assets		
Cash	\$ 1,689,372	\$ 861,775
Restricted cash (note 2)	135,298	135,298
Accounts receivable	724,373	1,273,026
Consolidated revenue trust fund (note 3)	45,055	44,188
Investments in Government Business Partnerships (note 4)	30,604	18,738
	<u>2,624,702</u>	<u>2,333,025</u>
Financial liabilities		
Accounts payable and accrued liabilities	340,736	321,608
Deferred revenue (note 6)	1,395,764	1,323,294
Long-term debt (note 7)	499,663	539,337
	<u>2,236,163</u>	<u>2,184,239</u>
Net assets	388,539	148,786
Non-financial assets		
Tangible capital assets (note 8)	4,491,831	3,749,509
Prepaid expenses	53,716	46,408
	<u>4,545,547</u>	<u>3,795,917</u>
Contingent liabilities (note 9)		
Effects of COVID-19 (note 13)		
Accumulated surplus (note 10)	\$ 4,934,086	\$ 3,944,703

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

Chief



Councillor



Councillor



ZHIIBAAHAASING FIRST NATION

Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Federal funding (note 11)	\$ 1,430,949	\$ 746,279
Kinoomaadziwin Education Body	443,550	326,674
Government Business Enterprises	206,805	144,703
Other	1,033,123	1,192,940
Rental	87,831	91,436
	<hr/> 3,202,258	<hr/> 2,502,032
Expenses:		
Band Government	535,015	521,850
Medical Transportation	65,601	39,667
Community Health Services	413,134	398,385
Education	454,895	388,566
Band Housing	100,404	51,482
Public Works and Facilities	402,193	396,590
Employment and Economic Development	78,804	77,164
Equipment Rental	19,122	26,164
Social Housing	41,663	54,284
Community Property	102,044	287,658
	<hr/> 2,212,875	<hr/> 2,241,810
Excess of revenue over expenses	989,383	260,222
Accumulated surplus, beginning of year	3,944,703	3,684,481
Accumulated surplus, end of year	\$ 4,934,086	\$ 3,944,703

See accompanying notes to consolidated financial statements.

ZHIIBAAHAASING FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Excess of revenue over expenses	\$ 989,383	\$ 260,222
Acquisition of tangible capital assets	(968,474)	(284,255)
<u>Amortization of tangible capital assets</u>	<u>226,152</u>	<u>218,155</u>
	247,061	194,122
Acquisition of prepaid expenses	(7,308)	(12,910)
 Change in net financial assets	 239,753	 181,212
Net assets (debt), beginning of year	148,786	(32,426)
 Net assets, end of year	 \$ 388,539	 \$ 148,786

See accompanying notes to consolidated financial statements.

ZHIIBAAHAASING FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 989,383	\$ 260,222
Adjustments for:		
<u>Amortization of tangible capital assets</u>	226,152	218,155
	<u>1,215,535</u>	<u>478,377</u>
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	548,653	(736,259)
Increase in prepaid expenses	(7,308)	(12,910)
Increase (decrease) in accounts payable and accrued liabilities	19,128	(96,076)
Increase in deferred revenue	72,470	1,085,543
	<u>1,848,478</u>	<u>718,675</u>
Cash flows from financing activities:		
<u>Principal repayments on long-term debt</u>	(39,674)	(38,256)
	<u>(39,674)</u>	<u>(38,256)</u>
Cash flows from investing activities:		
Purchase of tangible capital assets	(968,474)	(284,255)
Increase in investment in U.C.C.M Building LP	(11,866)	(18,734)
<u>Increase in consolidated revenue trust fund</u>	(867)	(1,003)
	<u>(981,207)</u>	<u>(303,992)</u>
Net increase in cash	827,597	376,427
Cash, beginning of year	997,073	620,646
Cash, end of year	\$ 1,824,670	\$ 997,073
Cash is comprised of the following items:		
Cash	\$ 1,689,372	\$ 861,775
Restricted cash	135,298	135,298
	<u>\$ 1,824,670</u>	<u>\$ 997,073</u>

See accompanying notes to consolidated financial statements.

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

Zhiibaahaasing First Nation (the “First Nation”), located on Manitoulin Island, administers programs and provides services on behalf of its members.

1. Significant accounting policies:

These consolidated financial statements (the “financial statements”) of the First Nation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

(a) Reporting entity:

(i) Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the First Nation and are owned and controlled by the First Nation.

All interdepartmental and inter-organizational assets and liabilities, revenues and expenses have been eliminated.

(ii) Investment in Government Business Partnerships:

Government Business Partnerships are accounted for using the modified equity method. Government Business Partnerships include the following organizations:

- U.C.C.M Building Material Supply Limited Partnership and U.C.C.M Building Material Supply Partnership Inc. (“UCCMLP”)
- M’Nidoo M’Nising Power General Partners Inc. and M’Nidoo M’Nising Power Limited Partnership (“MMPLP”).

Under the modified equity method, the accounting principles are not adjusted to conform with those of the First Nation and inter-organization transactions and balances are not eliminated.

(b) Basis of accounting:

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

1. Significant accounting policies (continued):

(e) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Estimated Life – Years
Buildings and band housing	10 - 50 years
Infrastructure	10 - 40 years
Land improvements	10 – 15 years
Water treatment plant	40 years
Machinery and equipment	5 - 15 years
Furniture, computers and fixtures	4 - 10 years

(i) Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use

(ii) Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(f) Use of estimates:

The preparation of consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(g) Consolidated revenue trust funds:

Trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada.

Funds held by the Government of Canada on behalf of the First Nation are included on the consolidated statement of financial position.

(h) Prior year funding adjustments:

The First Nation has entered into accountable contribution agreements with several funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year which the adjustments are made.

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

2. Restricted cash:

In accordance with the operating agreements between the First Nation and Canada Mortgage and Housing Corporation (“CMHC”), the First Nation is required to set aside funding to maintain a replacement and surplus reserve bank account. As of the fiscal year end, the First Nation was required to have set aside \$185,597 (2019- \$164,894), cash in the amount of \$135,298 (2019 - \$135,298) is restricted for this purpose.

3. Consolidated revenue trust fund:

	Revenue	Capital	2020	2019
Balance, beginning of year	\$ 20,402	\$ 23,786	\$ 44,188	\$ 43,185
Interest	867	—	867	1,003
Balance, end of year	\$ 21,269	\$ 23,786	\$ 45,055	\$ 44,188

4. Investments in Government Business Partnerships:

The First Nation has a 14.28% equity interest in UCCMLP and a 16.66% equity interest in MMPLP. These organizations are government business partnerships of the First Nation and are accounted for on the modified equity method in these consolidated financial statements.

The investments in Government Business Partnerships consists of the following:

	MMPLP	UCCMLP	2020	2019
Balance, at beginning of year	\$ 2	\$ 18,736	\$ 18,738	\$ 4
Share of earnings	66,882	11,866	78,748	23,690
Provision for impairment	(66,882)	—	(66,882)	(4,956)
Balance, end of year	\$ 2	\$ 30,602	\$ 30,604	\$ 18,738

5. Line of credit:

Under its credit agreement, the First Nation has a demand operating facility to a maximum of \$100,000, bearing interest at prime plus 2.5% (2019 – prime plus 2.5%).

Borrowings under the credit facility are secured by a general security agreement and an assignment of fire insurance.

The balance on the line of credit at March 31, 2020 is \$Nil (2019 - \$Nil).

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

6. Deferred revenue:

	2020	2019
Indigenous Services Canada ("ISC")	\$ 768,147	\$ 1,013,844
Union of Ontario Indians- Family Support	118,123	20,869
Kinoomaadziwin Education Body	509,494	288,581
	\$ 1,395,764	\$ 1,323,294

7. Long-term debt:

	2020	2019
Mortgage payable to CMHC in monthly payments of \$593 including interest at 1.67%, due February 2029	\$ 59,015	\$ 65,084
Mortgage payable to CMHC in monthly payments of \$1,467 including interest at 0.98%, due March 2035	245,724	260,853
Mortgage payable to CMHC in monthly payments of \$509 including interest at 1.19%, due September 2030	60,410	65,776
Mortgage payable to CMHC in monthly payments of \$539 including interest at 1.30%, due December 2040	117,704	122,613
Loan payable to Toronto Dominion loan, in monthly payments of \$764 including interest of 4.58%, due February 1, 2022	16,810	25,011
	\$ 499,663	\$ 539,337

The Toronto Dominion loan is secured by a general security agreement representing a specified vehicle having a carrying value of \$11,447 (2019 - \$19,527).

Scheduled principal repayments are estimated as follows:

2021	\$ 40,346
2022	40,394
2023	32,581
2024	32,999
2025	33,423
Thereafter	319,920

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

8. Tangible capital assets:

Cost	Balance at March 31, 2019	Transfer	Additions	Balance at March 31, 2020
Buildings	\$ 872,256	\$ -	\$ 72,093	\$ 944,349
Land improvement	-	-	15,125	15,125
Water treatment plant	1,243,944	-	-	1,243,944
Band housing	2,717,696	-	416,751	3,134,447
Infrastructure	602,404	-	-	602,404
Machinery and equipment	1,070,595	-	99,695	1,170,290
Computers	23,635	-	-	23,635
Assets under construction	-	-	364,810	364,810
Total	\$ 6,530,530	\$ -	\$ 968,474	\$ 7,499,004

Accumulated Amortization	Balance at March 31, 2019	Disposals	Amortization	Balance at March 31, 2020
Buildings	\$ 475,737	\$ -	\$ 31,485	\$ 507,222
Land improvement	-	-	882	882
Water treatment plant	166,400	-	31,099	197,499
Band housing	959,452	-	68,403	1,027,855
Infrastructure	511,834	-	6,182	518,016
Machinery and equipment	643,963	-	88,101	732,064
Computers	23,635	-	-	23,635
Assets under construction	-	-	-	-
Total	\$ 2,781,021	\$ -	\$ 226,152	\$ 3,007,173

	Net book value, March 31, 2019	Net book value, March 31, 2020
Buildings	\$ 396,519	\$ 437,127
Land improvement	-	14,243
Water treatment plant	1,077,544	1,046,445
Band housing	1,758,244	2,106,592
Infrastructure	90,570	84,388
Machinery and equipment	426,632	438,226
Computers	-	-
Assets under construction	-	364,810
Total	\$ 3,749,509	\$ 4,491,831

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

8. Tangible capital assets (continued):

Cost	Balance at March 31, 2018	Transfer	Additions	Balance at March 31, 2019
Buildings	\$ 872,256	\$ -	\$ -	\$ 872,256
Water treatment plant	1,243,944	-	-	1,243,944
Band housing	2,703,496	-	14,200	2,717,696
Infrastructure	556,355	-	46,049	602,404
Machinery and equipment	846,589	-	224,006	1,070,595
Computers	23,635	-	-	23,635
Assets under construction	-	-	-	-
Total	\$ 6,246,275	\$ -	\$ 284,255	\$ 6,530,530

Accumulated Amortization	Balance at March 31, 2018	Disposals	Amortization	Balance at March 31, 2019
Buildings	\$ 445,934	\$ -	\$ 29,803	\$ 475,737
Water treatment plant	135,301	-	31,099	166,400
Band housing	892,433	-	67,019	959,452
Infrastructure	505,652	-	6,182	511,834
Machinery and equipment	559,911	-	84,052	643,963
Computers	23,635	-	-	23,635
Assets under construction	-	-	-	-
Total	\$ 2,562,866	\$ -	\$ 218,155	\$ 2,781,021

	Net book value, March 31, 2018	Net book value, March 31, 2019
Buildings	\$ 426,322	\$ 396,519
Water treatment plant	1,108,643	1,077,544
Band housing	1,811,063	1,758,244
Infrastructure	50,703	90,570
Machinery and equipment	286,678	426,632
Computers	-	-
Assets under construction	-	-
Total	\$ 3,683,409	\$ 3,749,509

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

9. Contingent liabilities:

In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the "Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$174,000. As of March 31, 2020, its proportion outstanding loan balance of part of the Trust is \$173,190 (2019 - \$173,190).

The loan guarantee is secured by an assignment of the First Nation's distributions from Ontario First Nation Limited Partnership.

10. Accumulated surplus:

Accumulated surplus consists of individual program surplus and reserves as follows:

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 3,992,179	\$ 3,210,173
CMHC Section 95	116,233	102,663
Operations	455,334	360,760
 Reserve funds set aside for specific purpose by Council:		
CMHC Section 95 Replacement Reserve	59,976	51,766
Consolidated revenue trust fund	45,055	44,188
Ontario First Nation Limited Partnership	266,322	175,153
 \$ 4,934,099	\$ 3,944,703	

11. Federal funding:

	2020	2019
Indigenous Services Canada, per confirmation	\$ 1,180,656	\$ 1,276,569
Deferred revenue, beginning of year	1,013,844	228,538
MT Vans revenue recognized in 2019	(45,000)	45,000
Deferred revenue, end of year	(768,147)	(1,013,844)
Indigenous Services Canada	1,381,353	536,263
 Health Canada	—	58,073
Canada Mortgage and Housing Corporation	49,596	151,943
 \$ 1,430,949	\$ 746,279	

12. Comparative information:

Certain 2019 comparative information have been reclassified to conform to the presentation adopted in 2020.

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

13. Effects of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the First Nation's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect to the First Nation's business is not known at this time.

14. Segmented information:

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band government, community health services, education, band housing, public works and facilities, employment and economic development, community property and business enterprises. For management reporting purposes the First Nation's operations and activities are organized and reported by programs. Programs were created for the purposes of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these programs. Certain functional areas that have been separately disclosed in the segmented information, along with the services they provide.

Band Government

The band government department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

Medical Transportation and Community Health Services

The medical and community services department provides medical transportation and delivers other programming designed to enhance the health and wellness of members.

Education

The education department provides student transportation and manages the education requirements for students of the First Nation.

Band and Social Housing

The band and social housing department manages the various on-reserve housing operations of the First Nation including CMHC housing.

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

14. Segmented information (continued):

Public Works and Facilities

The infrastructure or public works department provides the First Nation with support services for the repair and maintenance of all First Nation owned assets including buildings, roads, water systems and equipment. In addition, the department arranges for fire protection services to be provided to the First Nation.

Employment and Economic Development

The community development department is responsibility for identifying economic development and employment opportunities for the First Nation

Community Property

The community property department provides services for the longevity of the First Nation through the acquisition and development of equipment, roads and housing. Revenue and expenses included in this department are generally long-term in nature, capitalized in the accounts of the First Nation and amortized over their useful life.

Business Enterprises and Other

Business ventures undertaken by the First Nation are managed through the business enterprise department of the First Nation.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on the reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the summary of significant accounting policies.

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Note 14 - Segmented Information (continued)

Year ended March 31, 2020

	Band Government	Medical Transportation and Community Health Services	Education	Band and Social Housing	Public Works and Facilities	Employment and Economic Development	Community Property	Business Enterprises and Other	2020 Total
Revenue	\$ 191,855	469,656	454,513	100,827	232,517	253,200	968,475	531,215	3,202,258
Expenses:									
Salaries, wages and benefits	242,078	219,698	16,748	14,468	99,535	77,889	-	-	670,416
Materials, supplies, rentals and general	145,834	87,643	38,941	31,247	144,070	915	88,229	12,375	549,254
Contractual and professional services	83,771	11,162	68,620	13,846	53,694	-	880,244	-	1,111,337
Travel	111,205	101,623	1,038	209	10,169	-	-	-	224,244
Interest on long-term debt	-	-	976	5,872	-	-	-	-	6,848
Other	64,104	-	256,539	7,645	-	-	64,809	-	393,097
Administration (recovery)	(122,374)	43,101	63,453	-	15,820	-	-	-	-
Investment in tangible capital assets	-	-	-	-	-	-	(968,473)	-	(968,473)
Amortization of tangible capital assets	10,397	15,508	8,580	68,780	78,905	-	37,235	6,747	226,152
	535,015	478,735	454,895	142,067	402,193	78,804	102,044	19,122	2,212,875
Excess (deficiency) of revenue over expenses	\$ (343,160)	(9,079)	(382)	(41,240)	(169,676)	174,396	866,431	512,093	989,383

ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Note 14 - Segmented Information (continued)

Year ended March 31, 2020

	Band Government	Medical Transportation and Community Health Services	Education	Band and Social Housing	Public Works and Facilities	Employment and Economic Development	Community Property	Business Enterprises and Other	2019 Total
Revenue	\$ 191,451	517,996	388,566	100,425	159,807	211,386	322,188	610,213	2,502,032
Expenses:									
Salaries, wages and benefits	188,564	215,254	40,400	-	91,210	77,164	26,250	-	638,842
Materials, supplies, rentals and general	134,154	127,207	6,644	14,132	120,606	-	287,840	13,914	704,497
Contractual and professional services	54,991	125	63,996	17,275	62,171	-	186,192	-	384,750
Travel	148,437	91,900	2,780	309	18,371	-	-	-	261,797
Interest on long-term debt	-	-	1,348	7,009	-	-	-	-	8,357
Other	44,849	-	264,818	-	-	-	-	-	309,667
Administration (recovery)	(50,795)	50,795	-	-	-	-	-	-	-
Investment in tangible capital assets	(8,894)	(62,737)	-	-	-	-	(212,624)	-	(284,255)
Amortization of tangible capital assets	10,544	15,508	8,580	67,041	104,232	-	-	12,250	218,155
	521,850	438,052	388,566	105,766	396,590	77,164	287,658	26,164	2,241,810
Excess (deficiency) of revenue over expenses	\$ (330,399)	79,944	-	(5,341)	(236,783)	134,222	34,530	584,049	260,222