
KITCHENUHMAKOOOSIB INNINUWUG
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

KITCHENUHMAKOOSIB INNINUWUG

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	STATEMENT 1
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS	STATEMENT 2
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT.....	STATEMENT 3
CONSOLIDATED STATEMENT OF CASH FLOWS.....	STATEMENT 4
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Kitchenuhmaykoosib Inninuwug are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to the financial management of Kitchenuhmaykoosib Inninuwug and meet when required.

Chief

Councillor

Baker Tilly HMA LLP
701 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

T: 204.989.2229
TF: 1.866.730.4777
F: 204.944.9923

winnipeg@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership
Kitchenuhmaykoosib Innuuwug

Opinion

We have audited the accompanying consolidated financial statements of Kitchenuhmaykoosib Innuuwug, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, consolidated statement of change in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Kitchenuhmaykoosib Innuuwug as at March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We have conducted our audit in accordance with Canadian public sector accounting 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 Kitchenuhmaykoosib Innuuwug 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.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Kitchenuhmaykoosib Innuuwug'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 Kitchenuhmaykoosib Innuuwug or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Kitchenuhmaykoosib Innuuwug's financial reporting process

(continued.....)

Auditors' Responsibility 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 Kitchenuhmaykoosib Inninuwug'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 Kitchenuhmaykoosib Inninuwug'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 Kitchenuhmaykoosib Inninuwug 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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
December 16, 2020

KITCHENUHMAKOOSIB INNINUWUG

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2020

2019

FINANCIAL ASSETS

Cash and cash equivalents	\$ 23,915,622	\$ 8,154,762
Restricted cash (Note 2)	15,330	11,396
Accounts receivable (Note 3)	1,422,832	2,664,473
Investments (Note 4)	<u>3,886,295</u>	<u>3,562,301</u>
Total financial assets	<u>29,240,079</u>	<u>14,392,932</u>

LIABILITIES

Accounts payable and accruals (Note 5)	7,666,857	2,829,828
Deferred revenue and other long-term liabilities (Note 6)	16,542,634	7,337,422
Replacement reserve	370,122	332,657
Long-term debt (Note 7)	<u>3,179,733</u>	<u>3,465,597</u>
Total liabilities	<u>27,759,346</u>	<u>13,965,504</u>
Net assets	<u>1,480,733</u>	<u>427,428</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 8)	47,607,398	26,957,798
Inventory	222,079	122,798
Prepaid expenses and other current assets	-	202,200
Total non-financial assets	<u>47,829,477</u>	<u>27,282,796</u>
Accumulated surplus	<u>\$ 49,310,210</u>	<u>\$ 27,710,224</u>

Contingent liabilities (Note 10)

Approved by Chief and Council

.....
Chief
.....
Councillor
.....

Stanley Bluecut

.....
Councillor
.....
Councillor
.....

 **bakertilly**

KITCHENUHMAKOOSIB INNINUWUG

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2020	2019
REVENUE			
Indigenous Services Canada	\$ 5,118,476	\$ 44,719,313	\$ 16,603,297
Health Canada	7,242,323	9,688,635	14,440,818
CMHC		250,952	254,048
Canada Post		495,660	646,964
Local revenue	46,594	207,320	227,081
Provincial government		538,688	570,045
Other revenue	1,211,583	8,869,949	7,342,733
Ontario First Nation (2008) LLP		1,492,925	1,722,694
Sioux Lookout Area Aboriginal Management Board		160,873	175,841
Deferred from prior year		7,337,422	2,774,387
Deferred to following year	<u>-</u>	<u>(16,542,634)</u>	<u>(7,337,422)</u>
	<u>13,618,976</u>	<u>57,219,103</u>	<u>37,420,486</u>
EXPENDITURES			
Band Support and Administration	1,120,591	6,533,777	4,795,847
Lands and Environment	4,527,502	401,308	449,846
Public Works	4,527,502	5,050,239	5,460,072
Education	4,514,855	6,766,239	4,647,942
Housing		510,903	543,248
Capital Projects	241,255	1,835,849	882,634
Social Economics and Development		886,358	791,407
Health Care		8,881,342	8,157,268
Economic Development	4,617,961	213,293	158,986
First Nation program	12,624	3,596,447	4,720,781
Equay Wuk Women's Shelter	<u>-</u>	<u>943,362</u>	<u>1,011,840</u>
	<u>19,562,290</u>	<u>35,619,117</u>	<u>31,619,871</u>
ANNUAL SURPLUS (DEFICIT)	(5,943,314)	21,599,986	5,800,615
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>27,710,224</u>	<u>27,710,224</u>	<u>21,909,609</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 21,766,910</u>	<u>\$ 49,310,210</u>	<u>\$ 27,710,224</u>

KITCHENUHMAKOOSIB INNINUWUG

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2020	2019
Annual surplus (deficit)	<u><u>\$(5,943,314)</u></u>	<u><u>\$ 21,599,986</u></u>	<u><u>\$ 5,800,615</u></u>
Acquisition of tangible capital assets and construction in progress		<u><u>(21,988,053)</u></u>	<u><u>(7,386,737)</u></u>
Disposition of capital assets			<u><u>32,471</u></u>
Amortization of tangible capital assets	<u><u>-</u></u>	<u><u>1,338,453</u></u>	<u><u>1,318,780</u></u>
	<u><u>-</u></u>	<u><u>(20,649,600)</u></u>	<u><u>(6,035,486)</u></u>
Acquisition of fuel inventory		<u><u>(222,079)</u></u>	<u><u>(122,798)</u></u>
Acquisition of prepaid expenses			<u><u>(202,200)</u></u>
Use of prepaid expenses		<u><u>202,200</u></u>	<u><u>10,950</u></u>
Use of fuel inventory	<u><u>-</u></u>	<u><u>122,798</u></u>	<u><u>600,000</u></u>
	<u><u>-</u></u>	<u><u>102,919</u></u>	<u><u>285,952</u></u>
CHANGE IN NET DEBT FOR YEAR	<u><u>(5,943,314)</u></u>	<u><u>1,053,305</u></u>	<u><u>51,081</u></u>
NET ASSETS, <i>beginning of year</i>	<u><u>427,428</u></u>	<u><u>427,428</u></u>	<u><u>376,347</u></u>
NET ASSETS, <i>end of year</i>	<u><u>\$(5,515,886)</u></u>	<u><u>\$ 1,480,733</u></u>	<u><u>\$ 427,428</u></u>

KITCHENUHMAKOOSIB INNINUWUG

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2020	2019
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding and other sources	\$ 67,665,956	\$ 35,615,445
Cash paid to suppliers and employees	(29,627,245)	(23,798,972)
	<u>38,038,711</u>	<u>11,816,473</u>
<i>INVESTING ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(21,988,053)	(7,366,667)
<i>FINANCING ACTIVITIES</i>		
Acquisition of long-term debt	380,000	
Repayment of bank loan	(285,864)	(299,987)
	<u>(285,864)</u>	<u>80,013</u>
NET INCREASE IN CASH DURING YEAR	15,764,794	4,529,819
CASH, <i>beginning of year</i>	<u>8,166,158</u>	<u>3,636,339</u>
CASH, <i>end of year</i>	<u>\$ 23,930,952</u>	<u>\$ 8,166,158</u>
CASH COMPRISED OF		
Cash and cash equivalents	23,915,622	8,154,762
Restricted cash	15,330	11,396
	<u>\$ 23,930,952</u>	<u>\$ 8,166,158</u>

KITCHENUHMAKOOSIB INNINUWUG

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, as defined by the Chartered Professional Accountants of Canada Public Sector Accounting Handbook, which encompasses the following principles:

REPORTING ENTITY

The Kitchenuhmaykoosib Innuuwug ("The Nation") reporting entity includes the Kitchenuhmaykoosib Innuuwug Nation government and all related entities which are accountable to The Nation and are either owned or controlled by The Nation.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

- Kitchenuhmaykoosib Innuuwug Band
- Kitchenuhmaykoosib Innuuwug First Nation Program
- Kitchenuhmaykoosib Innuuwug Equay Wuk Shelter
- Nu-Mah-Koos Non-Profit Building Development Corporation.
- Pe-Tay-Ka-Win Development Corporation and its subsidiary companies

Incorporated and unincorporated business entities which are owned and controlled by The Nation but which are not dependent on The Nation for their continuing operations are included in the consolidated financial statements using the modified equity method. The financial information for these entities included in the financial statements is for the year ended December 31, 2019. These include:

- Wasaya Group 49%
- Wasaya Partnership 51%

ASSET CLASSIFICATION

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, construction in progress and prepaid expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

INVESTMENTS

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. The Nation investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for The Nation's share of the commercial enterprises' income or loss less dividends.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******INVENTORY***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

NET ASSETS (DEBT)

The Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net assets (debt) of The Nation is determined by its liabilities less its financial assets. Net assets (debt) combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Social housing assets acquired under Canada Mortgage and Housing Corporation ("C.M.H.C.") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Tangible capital assets are amortized annually using the straight line method (except where noted) at rates intended to amortize the cost of the assets over their estimated useful lives. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Infrastructure	4%
Buildings	20%
Housing	5%
Equipment	20%
Vehicles	20%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

SEGMENTS

The Nation conducts its business through ten reportable segments. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

REVENUErecognition

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******FINANCIAL INSTRUMENTS***

Financial instruments include cash, accounts receivable, investments, accounts payable and accrued liabilities and long term debt. Unless otherwise stated, it is management's opinion that the Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of The Nation's financial assets and liabilities approximates their fair value.

FAIR VALUE

Due to the short term nature of all financial instruments other than long-term debt and investments, the carrying value as presented in the financial statements is a reasonable estimate of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long-term investments and debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

USE OF ESTIMATES

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 certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. RESTRICTED CASH

CMHC Replacement Reserve

As required, as part of the Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2020, \$3,877 (2019 - \$169) had been deposited into separate accounts leaving an unfunded balance of \$366,245 (2019 -\$332,488)

Ottawa Trust Fund

The Ottawa Trust Fund arises 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to The Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of The Nation's Council.

	2 0 2 0	2 0 1 9
CMHC Replacement Reserve account	\$ 3,877	\$ 169
Ottawa Trust Fund		
Balance, beginning of year	11,227	11,026
Interest	226	201
Balance, end of year	<u>11,453</u>	<u>11,227</u>
	<u>\$ 15,330</u>	<u>\$ 11,396</u>

3. ACCOUNTS RECEIVABLE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
Fire Protection	\$ 65,319	\$ 65,319
Economic Development		18,787
Planning Design and Construction	20,197	20
Capacity Innovation Housing	40,354	16,500
Economic Development Support and Capacity Building		46,079
Instructional Services		322,351
Student Transportation		159,393
FNWWAP Wastewater > \$1.5M		150,000
Vulnerable Systems		306,836
Community Based Initiative	200,000	
Response	240,000	-
Subtotal	<u>565,870</u>	<u>1,085,285</u>
Health Canada	56,498	269,118
Other sources	<u>800,464</u>	<u>1,310,070</u>
	<u>\$ 1,422,832</u>	<u>\$ 2,664,473</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

4. INVESTMENTS

	2 0 2 0	2 0 1 9
Investments in Wasaya	<u>\$ 3,886,295</u>	<u>\$ 3,562,301</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 0	2 0 1 9
CMHC accountable advance	\$ 526,000	\$
Trade and other payables	<u>7,140,857</u>	<u>2,829,828</u>
	<u>\$ 7,666,857</u>	<u>\$ 2,829,828</u>

During the year CMHC approved loan for an amount of \$1,052,000 for the construction of 4 unit housing project. As per the term of loan, CMHC has release \$526,000 as at year end March 31, 2020 as half advance payment. The blance half will be release upon receiving ministerial guarantee. As per CMHC, total loan amount has not been fully released and is not under repayment as at March 31, 2020.

6. DEFERRED REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
Capital School Construction	\$ 11,956,669	\$ 3,500,000
Covid-19 Emergency Fund	77,440	
Feasibility Study		63,094
Income Assistance Service Delivery	100,000	
Vulnerable Systems	306,836	306,836
C & F Advocacy Band Rep	90,901	
Wastewater Contribution		215,617
Wastewater < \$ 1.5M		35,923
Q38L-003-Planning Design & Construction (Year 003)	725,000	
FNWWAP Wastewater > \$ 1.5M	150,000	150,000
Q34X-001-A&C Water < \$ 1.5M (Year 003)	500,000	-
Q34X-002-A&C Water < \$ 1.5M (Year 003)	205,000	-
Q351-001-A&C Wasterwater < \$ 1.5M (Year 003)	<u>220,173</u>	<u>-</u>
	<u>14,332,019</u>	<u>4,271,470</u>
Health Canada		
Nusing Station Project	224,639	3,051,320
Allied funding	21,541	
Jordan's Principal Suicide Prevention	364,133	
Jordan's Principal - Special Needs	105,584	
Safe House	464,864	-
	<u>1,180,761</u>	<u>3,051,320</u>
Other Programs	<u>1,029,854</u>	<u>14,632</u>
	<u>\$ 16,542,634</u>	<u>\$ 7,337,422</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

7. LONG-TERM DEBT

2 0 2 0

2 0 1 9

John Deere Financial, 2.90%, repayable in monthly installments of \$4,826 (including Interest), secured by equipment purchased, due March 2023.	\$ 166,390	\$ 218,485
John Deere Financial, repayable in monthly installments of \$7,179 (including Interest) due March 2023.	239,150	311,336
C.M.H.C. mortgage, 1.87%, repayable in monthly installments of \$3,049 (including Interest), due March 2029, secured by Ministerial Guarantee.	303,004	333,582
C.M.H.C. mortgage, 2.49%, repayable in monthly installments of \$2,352 (including Interest), due January 2033, secured by Ministerial Guarantee.	310,005	330,255
C.M.H.C. mortgage, 1.69%, repayable in monthly installments of \$6,791 (including Interest), due August 2039, secured by Ministerial Guarantee.	1,348,815	1,406,503
C.M.H.C. mortgage, 2.49%, repayable in monthly installments of \$6,163 (including Interest), due January 2033 secured by Ministerial Guarantee and assignment of fire insurance.	812,369	865,436
	<u>\$ 3,179,733</u>	<u>\$ 3,465,597</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions, assuming long-term debt subject to refinancing is reviewed are estimated to be as follows:

March 31, 2021	\$ 294,318
2022	303,311
2023	311,804
2024	175,633
2025	179,286
Thereafter	<u>1,915,381</u>
	<u>\$ 3,179,733</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

8. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals,	Write-offs & Adjustments	Opening Balance	Amortization	Disposals,	Write-offs & Adjustments	Total	Total
Construction in progress (Note 9)	\$ 15,354,618	\$ 20,868,533	\$ (18,184,307)	\$ 18,038,844	\$ 11,172,069	\$ 749,748		\$ 11,921,817	\$ 18,038,844	\$ 15,354,618
Infrastructure	17,544,484	18,184,307		35,728,791					23,806,974	6,372,415
Buildings	395,085	78,718		473,803	50,836	5,541			417,426	344,249
Housing	5,825,321			5,825,321	2,802,370	161,585			2,861,366	3,022,951
Equipment	2,905,711	193,662	-	3,099,373	1,502,083	243,172	-	1,745,255	1,354,118	1,403,628
Vehicles	2,251,361	847,140	-	3,098,501	1,791,424	178,407	-	1,969,831	1,128,670	459,937
	<u>\$ 44,276,580</u>	<u>\$ 40,172,360</u>	<u>\$ 18,184,307</u>	<u>\$ 66,264,633</u>	<u>\$ 17,318,782</u>	<u>\$ 1,338,453</u>	<u>\$ -</u>	<u>\$ 18,657,235</u>	<u>\$ 47,607,398</u>	<u>\$ 26,957,798</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. CONSTRUCTION IN PROGRESS

2 0 2 0 2 0 1 9

Nursing station project	\$	15,354,618
School project	<u>18,038,844</u>	<u>-</u>
	<u>\$ 18,038,844</u>	<u>\$ 15,354,618</u>

10. CONTINGENT LIABILITIES

The Nation has signed agreements with various government bodies for funding of programs which may require that surpluses be returned. If any amounts become repayable, they will be accounted for in the year of determination.

11. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

2 0 2 0 2 0 1 9

Agreement:	#1718-ON-000029	\$ <u>54,407,948</u>	\$ <u>16,603,297</u>
------------	-----------------	----------------------	----------------------

REVENUE AS PER STATEMENT OF OPERATION (Statement 2)

Indigenous Service Canada	\$ <u>44,719,313</u>	\$ <u>16,603,297</u>
Health Canada	\$ <u>9,688,635</u>	\$ <u>-</u>
	<u>\$ 54,407,948</u>	<u>\$ 16,603,297</u>

12. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

13. RELATED PARTY TRANSACTIONS

In the normal course of business the Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the Nation and related parties, aggregate revenue and expenditures derived from related parties is not determinable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

14. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 0	2 0 1 9
Administration fees	\$ 1,395,381	\$ 896,469
Amortization	1,338,453	1,318,780
Bank and interest charges	20,021	14,537
Contributions	856,070	385,077
Income assistance		187,083
Office	1,321,826	1,051,847
Professional fees	2,864,172	2,657,323
Program costs	8,408,807	8,196,976
Rent	93,767	299
Repairs and maintenance	1,254,090	788,852
Salaries and benefits	12,237,384	10,513,095
Travel	4,061,585	3,948,760
Utilities	1,360,462	1,377,881
Workshops and training	<u>407,099</u>	<u>282,892</u>
	<u>\$ 35,619,117</u>	<u>\$ 31,619,871</u>

15. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, increased or reduced funding availability, increased or decreased demand for services, increased government regulations or interventions, all of which may negatively impact the financial conditions or results of operations of the Nation. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

15. SEGMENT DISCLOSURE

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies in Note 1. The segment results for the year are as follows:

	Band Support and Administration		Lands and Environment		Public Works		Education		Housing	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues										
Federal Government										
ISC	\$ 3,214,234	\$ 2,194,689	\$ 100,000	\$ 194,600	\$ 3,935,914	\$ 3,893,621	\$ 7,658,263	\$ 4,391,159	\$	\$
Health Canada	681,000							490,624		
CMHC									250,952	254,048
Canada Post Corporation	7,500	10,419	587,764	289,744	1,010,034	777,647	401,429	593,074	444,732	389,026
Other	3,496,286	1,371,431	587,764	289,744	1,010,034	777,647	401,429	593,074	444,732	389,026
Deferred from prior year			77,726		215,617	509,845		94,111		
Deferred to next year	(889,882)	-	(351,313)	(77,726)	(925,173)	(215,617)	-	-	-	-
Total revenue	<u>6,509,138</u>	<u>3,576,539</u>	<u>414,177</u>	<u>406,618</u>	<u>4,236,392</u>	<u>4,965,496</u>	<u>8,059,692</u>	<u>5,568,968</u>	<u>695,684</u>	<u>643,074</u>
Expenses										
Amortization	1,150,600	1,133,992							161,587	158,522
Other	3,885,553	2,402,918	244,437	317,361	3,354,503	4,048,553	3,050,617	1,916,382	349,316	384,726
Salaries and benefits	<u>1,497,624</u>	<u>1,258,937</u>	<u>156,871</u>	<u>132,485</u>	<u>1,695,736</u>	<u>1,411,519</u>	<u>3,715,622</u>	<u>2,731,560</u>	<u>-</u>	<u>-</u>
Total expenses	<u>6,533,777</u>	<u>4,795,847</u>	<u>401,308</u>	<u>449,846</u>	<u>5,050,239</u>	<u>5,460,072</u>	<u>6,766,239</u>	<u>4,647,942</u>	<u>510,903</u>	<u>543,248</u>
Surplus (Deficit)	<u><u>\$(24,639)</u></u>	<u><u>\$(1,219,308)</u></u>	<u><u>\$ 12,869</u></u>	<u><u>\$(43,228)</u></u>	<u><u>\$ 813,847)</u></u>	<u><u>\$(494,576)</u></u>	<u><u>\$ 1,293,453</u></u>	<u><u>\$ 921,026</u></u>	<u><u>\$ 184,781</u></u>	<u><u>\$ 99,826</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

15. SEGMENT DISCLOSURE *(continued)*

	Capital Projects		Socio-Economic and Development		Health Care		KI Economic Development		Local Revenue	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues										
Federal Government										
ISC	\$ 28,744,303	\$ 4,850,290	\$ 50,000	\$ 9,007,635	\$ 16,850	\$ 213,293	\$ 158,779	\$	\$	\$
Health Canada										
CMHC										
Canada Post Corporation									488,160	636,545
Other	197,793	42,000	717,938	598,438	1,023,980	732,417			3,057,045	4,831,657
Deferred from prior year	3,992,759				3,051,320	2,170,431				
Deferred to next year	(13,138,505)	(3,992,759)	-	-	(1,196,050)	(3,051,320)	-	-	(41,711)	-
Total revenue	<u>19,796,350</u>	<u>899,531</u>	<u>717,938</u>	<u>648,438</u>	<u>11,886,885</u>	<u>13,818,572</u>	<u>213,293</u>	<u>158,779</u>	<u>3,503,494</u>	<u>5,468,202</u>
Expenses										
Amortization										
Other	1,731,659	583,769	463,392	434,196	4,955,358	4,488,427	213,293	158,986	3,460,257	4,654,403
Salaries and benefits	<u>104,190</u>	<u>298,865</u>	<u>422,966</u>	<u>357,211</u>	<u>3,925,984</u>	<u>3,668,841</u>	<u>-</u>	<u>-</u>	<u>136,190</u>	<u>66,378</u>
Total expenses	<u>1,835,849</u>	<u>882,634</u>	<u>886,358</u>	<u>791,407</u>	<u>8,881,342</u>	<u>8,157,268</u>	<u>213,293</u>	<u>158,986</u>	<u>3,596,447</u>	<u>4,720,781</u>
Surplus (Deficit)	<u>\$ 17,960,501</u>	<u>\$ 16,897</u>	<u>\$(168,420)</u>	<u>\$(142,969)</u>	<u>\$ 3,005,543</u>	<u>\$ 5,661,304</u>	<u>\$ -</u>	<u>\$(207)</u>	<u>\$(92,953)</u>	<u>\$ 747,421</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 202015. SEGMENT DISCLOSURE *(continued)*

	Equay Wuk Women's Shelter		TOTAL	
	2020	2019	2020	2019
Revenues				
Federal Government				
ISC	\$ 853,306	\$ 853,306	\$ 44,719,313	\$ 16,603,297
Health Canada			9,688,635	14,440,818
CMHC			250,952	254,048
Canada Post Corporation			495,660	646,964
Other	332,754	405,087	11,269,755	10,030,521
Deferred from prior year			7,337,422	2,774,387
Deferred to next year			(16,542,634)	(7,337,422)
Total revenue	1,186,060	1,258,393	57,219,103	37,412,610
Expenses				
Amortization	26,266	26,266	1,338,453	1,318,780
Other	334,895	390,399	22,043,280	19,780,120
Salaries and benefits	582,201	587,299	12,237,384	10,513,095
Total expenses	943,362	1,003,964	35,619,117	31,611,995
Surplus (Deficit)	\$ 242,698	\$ 254,429	\$ 21,599,986	\$ 5,800,615