

Kingfisher Lake First Nation
Consolidated Financial Statements
For the year ended March 31, 2020

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Kingfisher Lake First Nation Management's Responsibility for the Consolidated Financial Statements

March 31, 2020

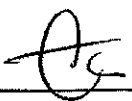
The accompanying consolidated financial statements of Kingfisher Lake First Nation are the responsibility of management and have been approved by the Chief and Council.

These 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. Management is responsible 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.

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

The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. BDO Canada LLP have access to financial management of Kingfisher Lake First Nation and meet when required.

On behalf of Kingfisher Lake First Nation:



Chief



Councillor



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BDO Canada LLP
1095 Barton Street
Thunder Bay ON P7B 5N3

Independent Auditor's Report

To the Members of Kingfisher Lake First Nation

Opinion

We have audited the consolidated financial statements of Kingfisher Lake First Nation and its subsidiaries (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations and accumulated surplus, the consolidated statement of changes in net debt and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020 and its consolidated results of operations, its consolidated change in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Significant Accounting Policies included in Note 1 to the consolidated financial statements describe the tangible capital asset policy with respect to the First Nation's tangible capital assets. For fiscal years commencing on or after January 1, 2009, Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook requires that capital assets be capitalized and amortized over their estimated useful lives. The First Nation has not fully adopted these recommendations. Although the First Nation has recognized certain tangible capital assets and amortization as of the date of financial statement preparation, the First Nation has not gathered the necessary information to be in a position to recognize and disclose a complete inventory of any of its major classes of tangible capital assets as disclosed in Note 12. As a result, we have been unable to determine whether any adjustments to the amounts recorded are necessary for the year ended March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We did not observe the taking of physical inventories at March 31, 2020, nor were we able to satisfy ourselves concerning those inventory quantities by alternative means. Since closing inventories enter into determination of results of operations and cash flows, we were unable to determine whether any adjustments might be necessary to expenses, annual surplus and cash flows from operations for the year ended March 31, 2020 and 2019, and assets and accumulated surplus as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

The consolidated financial statements include investments in various entities accounted for using the modified equity method as described in Note 6 to the financial statements. We were unable to obtain information on the balances of these investments, and were unable to verify their classification under Canadian public sector accounting standards. The financial information for the majority of these investments has not been audited and summary financial information has not been provided in the notes to these consolidated financial statements as required by Canadian public sector accounting standards. As a result, we are unable to determine the potential impact on the revenue, expenses and annual surplus for the years ended March 31, 2020 and 2019, the assets and liabilities at March 31, 2020 and 2019, and accumulated surplus at April 1 and March 31 for both the 2020 and 2019 year ends. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

Independent Auditor's Report (cont'd)

The First Nation derives revenue from the operation of gaming services. We were unable to obtain satisfactory audit evidence over the accuracy of gaming revenues and expenses due to the lack of controls over gaming related cash receipts and disbursements. Accordingly, we were not able to determine whether any adjustments might be necessary to gaming revenues and expenses, annual surplus and cash flows from operations for the year ended March 31, 2020 and 2019, and assets and accumulated surplus as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

The First Nation has not included disclosure of budget information as required by Canadian public sector accounting standards because consolidated budgets were not prepared. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 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. Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

Independent Auditor's Report (cont'd)

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP



Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
November 8, 2023

Kingfisher Lake First Nation Consolidated Statement of Financial Position

March 31	2020	2019
Financial assets		
Cash	\$ 1,735,802	\$ 630,546
Accounts receivable (Note 2)	216,881	185,454
Due from government and government organizations (Note 3)	831,535	1,168,986
Trust funds held by federal government (Note 4)	53,044	52,015
Advances to related First Nation entities (Note 5)	901,140	879,785
Investments (Note 6)	2,034,737	1,887,408
Long-term loans receivable (Note 7)	1,079,896	393,916
	<u>6,853,035</u>	<u>5,198,110</u>
Liabilities		
Bank indebtedness (Note 8)	1,393,643	270,000
Accounts payable and accrued liabilities (Note 9)	3,655,288	2,795,910
Deferred revenue (Note 10)	5,119,711	3,181,598
Long term debt (Note 11)	1,143,439	965,523
	<u>11,312,081</u>	<u>7,213,031</u>
Net debt	<u>(4,459,046)</u>	<u>(2,014,921)</u>
Non-financial assets		
Tangible capital assets (Note 12)	15,483,817	14,095,824
Inventories held for sale	644,935	389,448
	<u>16,128,752</u>	<u>14,485,272</u>
Accumulated surplus	<u>\$11,669,706</u>	<u>\$ 12,470,351</u>

On behalf of the Band:


 _____ Chief

 _____ Councillor

The accompanying notes are an integral part of these consolidated financial statements.

Kingfisher Lake First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2020	2019
Revenue		
Federal government transfers (Note 10)	\$11,738,771	\$ 8,685,114
Provincial government transfers (Note 10)	1,649,168	1,644,256
Ontario First Nation Limited Partnership	1,078,260	1,238,925
Musselwhite Mine	91,561	800,320
Gaming	314,211	100,160
Postal service fees	349,737	457,966
Other	742,233	732,685
	<u>15,963,941</u>	<u>13,659,426</u>
Expenses		
Band Management	2,449,402	2,340,043
Economic Development	82,872	18,807
Education	1,456,859	1,383,575
Social Services	1,049,806	1,035,252
Municipal Services	1,735,896	1,841,867
Health	3,421,013	2,920,415
Capital	1,677,400	964,720
Other Programs	4,773,046	4,798,491
Senior Citizens Complex	32,672	293,832
Housing Authority	85,620	92,092
	<u>16,764,586</u>	<u>15,689,094</u>
Annual deficit	(800,645)	(2,029,668)
Accumulated surplus, beginning of year	12,470,351	14,500,019
Accumulated surplus, end of year	<u>\$11,669,706</u>	<u>\$ 12,470,351</u>

The accompanying notes are an integral part of these consolidated financial statements.

Kingfisher Lake First Nation Consolidated Statement of Changes in Net Debt

For the year ended March 31	2020	2019
Annual deficit	\$ (800,645)	\$ (2,029,668)
Acquisition of tangible capital assets	(3,088,255)	(732,544)
Amortization of tangible capital assets	1,700,262	1,589,364
Inventories held for sale	(255,487)	(299,448)
Prepaid expenses	-	45,838
Net change in net financial assets (debt)	(2,444,125)	(1,426,458)
Net financial assets (debt), beginning of year	(2,014,921)	(588,463)
Net debt, end of year	\$ (4,459,046)	\$ (2,014,921)

The accompanying notes are an integral part of these consolidated financial statements.

Kingfisher Lake First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
Cash used in operating activities		
Annual deficit	\$ (800,645)	\$ (2,029,668)
Items not involving cash:		
Amortization	1,700,262	1,589,364
ISC trust fund income	(1,029)	(1,184)
Write down of long-term loan receivable	-	850,000
	898,588	408,512
Increase (decrease) in non-cash working capital items:		
Accounts receivable	(31,427)	(40,915)
Due from government and government organizations	337,451	(755,345)
Prepaid expenses	-	45,838
Accounts payable and accrued liabilities	859,378	(143,144)
Deferred revenue	1,938,113	1,653,299
Inventories held for sale	(255,487)	(299,448)
Advances to related entities	(21,355)	(103,626)
	3,725,261	765,171
Financing activities		
Repayment of long-term debt	177,916	(317,274)
Advances (repayments) of bank indebtedness	1,123,643	20,000
	1,301,559	(297,274)
Investment activities		
Investments	(147,329)	(304,142)
Long term loans receivable - advances	(674,558)	-
Long term loans receivable - repayments	(11,422)	(11,422)
	(833,309)	(315,564)
Capital transactions		
Purchase of tangible capital assets	(3,088,255)	(732,544)
Net decrease in cash during the year	1,105,256	(580,211)
Cash, beginning of year	630,546	1,210,757
Cash, end of year	\$ 1,735,802	\$ 630,546

The accompanying notes are an integral part of these consolidated financial statements.

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies

Basis of Accounting	These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.														
Reporting Entity	The Kingfisher Lake First Nation reporting entity includes the Kingfisher Lake First Nation government and all related entities that are controlled by the First Nation.														
Principles of Consolidation	<p>All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.</p> <p>Under the modified equity method of accounting, only Kingfisher Lake First Nation's investment in the government business enterprise and the First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Kingfisher Lake First Nation and inter-organizational balances and transactions are not eliminated.</p>														
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances and term deposits having a maturity of three months or less, and bank overdrafts.														
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.</p> <p>Amortization is provided for on a straight line basis as follows:</p> <table> <tr> <td>Band housing</td><td>15 years</td></tr> <tr> <td>CMHC housing</td><td>15 years</td></tr> <tr> <td>Public buildings</td><td>10-15 years</td></tr> <tr> <td>Vehicles</td><td>3-5 years</td></tr> <tr> <td>Equipment</td><td>3-10 years</td></tr> <tr> <td>Infrastructure</td><td>10-15 years</td></tr> <tr> <td>Heavy equipment</td><td>5 years</td></tr> </table>	Band housing	15 years	CMHC housing	15 years	Public buildings	10-15 years	Vehicles	3-5 years	Equipment	3-10 years	Infrastructure	10-15 years	Heavy equipment	5 years
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Heavy equipment	5 years														

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies (cont'd)

Contributed capital assets are recorded into revenues at their fair value on the date of contribution, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the assets are available for productive use.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies (cont'd)

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. The principal estimates used in the preparation of these financial statements are the useful lives of tangible capital assets, the amounts payable to funders, and the accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Contaminated Sites

A liability for contaminated sites is recognized on properties not in productive use when all of the following criteria have been met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the First Nation is directly responsible or accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

The First Nation has evaluated all of its properties and has determined that there are no properties that meet the above criteria and therefore no liability has been accrued.

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

2. Accounts Receivables

	2020	2019
Trade and other receivables (by program):		
Administration:		
General receivables	\$ 969,709	\$ 357,906
Garage	110,165	110,165
Less allowance for doubtful accounts	(874,616)	(293,257)
	<u>205,258</u>	<u>174,814</u>
CMHC:		
General receivables	62,506	53,556
Less allowance for doubtful accounts	(54,206)	(49,591)
	<u>8,300</u>	<u>3,965</u>
Senior's Complex:		
First Nation members	84,624	81,426
Less allowance for doubtful accounts	(81,301)	(74,751)
	<u>3,323</u>	<u>6,675</u>
	<u>\$ 216,881</u>	<u>\$ 185,454</u>

3. Due from Government and Government Organizations

	2020	2019
Federal government		
Indigenous Services Canada	\$ 33,121	\$ 979,313
Canada Mortgage and Housing Corporation	56,656	33,049
Health Canada	-	44,030
Provincial government		
Ontario First Nations Limited Partnership	719,316	-
Ministry of Natural Resources	1,500	1,500
Ministry of Transportation	85,605	85,605
Other		
Kwayaciiwin Education Resource Centre	20,798	20,798
Nishnawbe Aski Nation	-	58,070
Other	48,320	20,879
	<u>965,316</u>	<u>1,243,244</u>
Less allowance for doubtful accounts	(133,781)	(74,258)
	<u>\$ 831,535</u>	<u>\$ 1,168,986</u>

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

4. Trust Funds Held by Federal Government

	March 31, 2019	Additions 2020	Withdrawals 2020	March 31, 2020
Indigenous Services Canada	\$ 52,015	\$ 1,029	\$ -	\$ 53,044

The 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. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

Trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council.

5. Advances to Related First Nation Entities

Loans were advanced to (from) the following related First Nation entities unsecured and due on demand without interest:

	2020	2019
Okeskemanesee Construction Ltd.	\$ 1,022,143	\$ 1,022,143
Kingfisher Social-Economic Development Corporation	504,303	463,715
1103462 Ontario Ltd.	(640,346)	(640,346)
Omahamo Holdings Ltd.	15,040	34,273
	<u>\$ 901,140</u>	<u>\$ 879,785</u>

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

6. Investments

Included in investments are the following:

	2020	2019
Wholly-owned Government Business Enterprises:		
Kingfisher Lake Social-Economic Development Corporation	\$ 1,881,020	\$ 1,881,020
Various Investments		
1103462 Ontario Ltd.	202,371	202,371
1353428 Ontario Ltd. - 50%	125,554	125,554
2061842 Ontario Ltd. - 50%	103,252	105,800
2317186 Ontario Ltd. - 50%	173,638	52,909
2317365 Ontario Ltd. - 50%	(1,149,078)	(930,003)
Asheweig Winter Roads Corporation - 50%	147,062	148,072
BBH General Partner Ltd. - 50%	(58,772)	(62,826)
BBH Leasing Ltd. - 50%	(35,598)	(32,775)
BBH Limited Partnership - 50%	1,046,112	873,501
Landmark Inn Leasing - 11.11%	(18,050)	(20,627)
Landmark Inn - 11.11%	426,587	360,256
Myguard Security Group LP - 22%	62,335	55,852
Okeskemansee Construction Ltd.	(857,443)	(857,443)
Omahamo Holdings Ltd.	(14,284)	(14,284)
SIF #2 Limited Partner - 15%	30	30
Wasaya Airways Ltd.	1	1
	153,717	6,388
	\$ 2,034,737	\$ 1,887,408

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

6. Investments (cont'd)

Landmark Inn Leasing Corporation has the following long-term debt which the First Nation has issued a guarantee without recourse for repayment:

- As of June 30, 2019 (its most recent available year end statements), Landmark Inn Leasing Corporation had a long-term debt due to Nexus Community Credit Union of \$3,694,673 (2018 - \$4,298,168), payable in monthly installments of \$39,235 including interest at 4.25% (2018 - 4.25%) per annum, maturing February 2, 2022. The First Nation has provided a general security agreement and a general postponement of claim as collateral.

2317186 Ontario Ltd. (o/a Happy Time Tours) has the following long-term debt which the First Nation has issued a guarantee without recourse for repayment:

- As at July 31, 2019 (its most recent available year end statements), 2317186 Ontario Ltd. had a long-term debt due to the Royal Bank of Canada of \$250,000 (2018 - \$250,000), at an interest rate of 5.45 (2018 - 5.45%). The First Nation has provided a general security agreement and postponement of claim as security.
- As at July 31, 2019 (its most recent available year end statements), 2317186 Ontario Ltd. had an outstanding operating line of credit due to the Royal Bank of Canada of \$172,042 (2018 - \$96,000) at an interest rate of 5.45% (2018 - 5.45%). The First Nation has provided a general security agreement and postponement of claim as collateral.

2317365 Ontario Ltd. (o/a Happy Time Leasing) has the following long-term debt which the First Nation has issued a guarantee without recourse for repayment:

- At at July 31, 2019 (its most recent available year end statements), 2317365 Ontario Ltd. had an outstanding operating line of credit due to the Royal Bank of Canada of \$115,000 (2018 - \$110,000) at an interest rate of 5.95% (2018 - 5.95%). The First Nation has provided a general security agreement and postponement of claim as collateral.

1103462 Ontario Inc. has the following long-term debt which the First Nation has issued a guarantee without recourse for repayment:

- Fuel loan due to the Royal bank of Canada of \$440,000

SIF #2 Limited Partner has the following long-term debt which the First Nation has issued a guarantee without recourse for repayment:

- A Laurentian Bank of Canada non-revolving term loan with a maximum principal of \$15,000,000. The First Nation has pledged as security its 15% limited partnership interest as security.

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

7. Long-term loans receivable

At March 31, 2020, the First Nation had advanced funds to the following First Nation Business Enterprises with no specified terms of repayment:

	2020	2019
First Nation Business Enterprises		
2317186 Ontario Ltd. (o/a Happy Time Tours)	\$ 404,675	\$ 393,916
2317365 Ontario Ltd. (o/a Happy Time Leasing)	1,112,588	850,000
Hotel project - Arthur St.	500,000	-
FN Motel One	377,836	-
WunnuminLakeFirstNation	202,060	-
Less allowance for doubtful receivable	(1,517,263)	(850,000)
	<u>\$ 1,079,896</u>	<u>\$ 393,916</u>

8. Bank Indebtedness

At March 31, 2020, the First Nation had lines of credit totaling \$2,470,000 (2019 - \$20,000), of which \$1,393,643 (2019 - \$270,000) have been utilized and bear interest at prime plus 1.25% (5.20% per annum at March 31, 2020). The lines of credit have been secured by a general security agreement.

9. Accounts Payable and Accrued Liabilities

	2020	2019
Trade accounts payable and accruals	\$ 3,623,020	\$ 2,741,251
Government remittances payable	32,268	28,015
Repayable to funders	-	26,644
	<u>\$ 3,655,288</u>	<u>\$ 2,795,910</u>

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

10. Deferred Revenue and Government Transfers

	Balance March 31, 2019	Funding Received 2020	Revenue Recognized 2020	Balance March 31, 2020
Federal Government				
Indigenous Services				
Canada	\$ 2,955,185	\$ 13,611,861	\$ (11,682,115)	\$ 4,884,931
Canadian Mortgage and Housing Corporation	-	56,656	(56,656)	-
	<u>2,955,185</u>	<u>13,668,517</u>	<u>(11,738,771)</u>	<u>4,884,931</u>
Provincial				
Government				
Ministry of Northern Development and Mines	-	381,838	(381,838)	-
Ministry of Health and Long Term Care	-	254,751	(254,751)	-
Ministry of Children, Community and Social Services	-	927,079	(927,079)	-
Other Provincial	-	85,500	(85,500)	-
	<u>-</u>	<u>1,649,168</u>	<u>(1,649,168)</u>	<u>-</u>
Other				
Other Contributions	42,579	1,350,435	(1,350,435)	42,579
Nishnawbe Aski Nation	183,834	222,967	(406,801)	192,201
	<u>226,413</u>	<u>1,573,402</u>	<u>(1,757,236)</u>	<u>234,780</u>
	<u>\$ 3,181,598</u>	<u>\$ 16,891,087</u>	<u>\$ (15,145,175)</u>	<u>\$ 5,119,711</u>

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

10. Deferred Revenue and Government Transfers (cont'd)

Deferred revenue is broken down by program as follows:

	2020	2019
Aboriginal Head Start on	\$ 119,824	\$ -
Awareness Walk	42,579	42,579
Capital Planning	32,542	-
Early Childhood Development	-	19,165
Education Facilities	-	70,008
Fire Training	94,130	74,101
First Nation Second Level School	59,242	-
Federal Tobacco Control Strategy	6,944	-
Government Capacity Planning	33,885	83,522
Guidance and Counselling	284,634	284,634
Health Management	199,290	162,876
High Cost Special Education	235,690	418,240
Instructional Services	895,023	-
Jordan's Principle - Suicide Prevention	396,249	483,005
Landfill Construction	2,054,709	554,864
Language and Culture	-	180,464
Nutrition North Canada	-	32,292
Planning, Design, and Construction	122,601	134,302
Preventative/ Least Disruptive Measures	300,346	420,301
Public Health	25,000	25,000
Suicide Prevention	24,822	12,411
Youth Life Promotion - NAN	192,201	183,834
	<u>\$ 5,119,711</u>	<u>\$ 3,181,598</u>

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

11. Long Term Debt

	2020	2019
Royal Bank of Canada		
Fixed term loan repaid in 2019	\$ -	\$ 187,336
Fixed term loan repaid in 2019	-	324,212
Demand term loan payable in monthly installments of \$4,250 plus interest at prime plus 1% (4.95% at year end).	501,500	-
Demand term loan payable in monthly installments of \$2,100 plus interest at prime plus 1% (4.95% at year end).	249,900	-
Canada Mortgage and Housing Corporation		
Mortgage payable in monthly installments of \$5,161 including interest at 1.44%, with a renewal date of February 2022, maturing December 2026. Secured by a ministerial loan guarantee from ISC and an assignment of insurance proceeds on fifteen houses with a net book value of \$nil.	392,039	453,975
	<u>\$ 1,143,439</u>	<u>\$ 965,523</u>

Anticipated annual principal payments due in the next five years are as follows:

Year	Amount
2021	\$ 132,775
2022	133,594
2023	134,426
2024	135,270
2025	136,127
Thereafter	<u>471,247</u>
	<u>\$ 1,143,439</u>

Kingfisher Lake First Nation
Notes to Consolidated Financial Statements

For the year ended March 31, 2020

12. Tangible Capital Assets

	Band Housing	Public Buildings	Equipment	Heavy Equipment	Vehicles	CMHC Housing	Infrastructure	Total
Cost, beginning of 2020 year	\$ 16,124,510	\$ 7,648,051	\$ 705,829	\$ 1,019,837	\$ 892,424	\$ 2,574,208	\$ 20,238,436	\$ 49,203,295
Additions	332,151	393,046	106,500	252,000	157,632	-	1,846,926	3,088,255
Cost, end of 2020 year	16,456,661	8,041,097	812,329	1,271,837	1,050,056	2,574,208	22,085,362	52,291,550
Accumulated amortization, beginning of 2020 year	12,107,457	5,666,814	399,751	868,754	519,643	2,574,208	12,970,844	35,107,471
Amortization	588,930	299,752	129,725	61,511	185,322	-	435,022	1,700,262
Accumulated amortization, end of 2020 year	12,696,387	5,966,566	529,476	930,265	704,965	2,574,208	13,405,866	36,807,733
Net carrying amount, end of 2020 year	\$ 3,760,274	\$ 2,074,531	\$ 282,853	\$ 341,572	\$ 345,091	\$ -	\$ 8,679,496	\$ 15,483,817
Net carrying amount, end of 2019 year	\$ 4,017,053	\$ 1,981,237	\$ 306,078	\$ 151,083	\$ 372,781	\$ -	\$ 7,267,592	\$ 14,095,824

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

13. Comparative Figures

Certain of the comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

14. COVID-19 ("Coronavirus")

In March 2020, the World Health Organization declared a global pandemic, prompting the Province of Ontario to declare a state of emergency and place restrictions on non-essential businesses. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, and workforce. Due to COVID-19, the First Nation has had to limit its service offerings, however, additional funding has been received for wages and health and safety costs. As the impacts of COVID-19 in Canada and on the global economy continue, there could be further impact on the First Nation and its funders.

These restrictions are expected to be temporary, however, given the dynamic nature of these circumstances, the duration of the disruption cannot be reasonably estimated at this time.

15. Replacement Reserve

Under the terms of agreements with Canada Mortgage and Housing Corporation, the Rental Housing Replacement Reserve account is to be credited in the amount of \$15,000 annually until it accumulates to the maximum stated in the agreements plus interest. These funds, along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation. As at March 31, 2020 the replacement reserve balance was \$172,042 (2019 - \$172,042). The reserve is unfunded as at March 31, 2020 and 2019.

Kingfisher Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

16. Segmented Information

Kingfisher Lake First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The services are provided by several entities of Kingfisher Lake First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Band Management

Band management includes administration, governance activities, and day-to-day band operations.

Economic Development

Economic development includes activities to increase the economic opportunities for the First Nation.

Education

Education includes activities delivering education and student success programming.

Social Services

Social Services includes activities delivering social and employment assistance programming.

Municipal Services

Municipal services includes activities related to operating and maintaining First Nation infrastructure.

Health

Health includes the operations of the nursing station and providing health and well being programming.

Capital

Capital includes capital construction projects and activities for the First Nation.

Other Programs

Other programs include all other programming managed by the First Nation.

Senior Citizens Complex

Senior citizens complex includes the operation and maintenance of the First Nation's seniors' complex under the First Nation's CMHC program.

Housing authority

Housing authority includes the operation and maintenance of housing under the First Nation's CMHC program.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are as follows:

Kingfisher Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

16. Segmented Information (cont'd)

For the year ended March 31, 2020	Band Management	Economic Development	Education	Social Services	Municipal Services	Health	Capital	Other Programs	Senior Citizens Complex	Housing Authority	2020 Total
Revenue											
Federal government transfers	\$ 486,750	\$ 455,905	\$ 2,239,884	\$ 32,400	\$ 1,657,401	\$ 3,790,224	\$ 855,962	\$ 2,163,589	\$ -	\$ 56,656	\$ 11,738,771
Provincial government transfers	-	-	-	1,181,830	381,838	-	-	85,500	-	-	1,649,168
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	1,078,260	-	-	1,078,260
Other	(339,961)	-	201,797	-	49,707	14,500	-	1,508,613	11,500	51,586	1,497,742
	146,789	455,905	2,441,681	1,214,230	2,088,946	3,804,724	855,962	4,835,962	11,500	108,242	15,963,941
Expenses											
Administration	(2,977)	-	-	-	-	-	-	-	-	-	(2,977)
Amortization	-	-	-	-	-	-	-	1,700,262	-	-	1,700,262
Bad debts	43,850	-	-	-	-	-	-	-	6,550	4,615	55,015
Bank charges and interest (recovery)	77,885	-	5	-	-	-	-	5,542	235	210	83,877
Contracted services	224,538	41,670	108,701	-	389,085	474,074	465,962	121,569	-	-	1,825,599
Donations	312	-	-	-	-	27,307	-	127,725	-	-	155,344
Events	3,957	-	23,400	-	-	-	-	52,002	-	-	79,359
Freight	104,202	1,000	-	-	2,013	52,566	54,775	1,395	-	-	215,951
Funerals	-	-	-	-	-	-	-	-	-	-	-
Honoraria	212,435	4,700	13,300	-	-	2,400	-	36,914	-	-	269,749
Insurance	191,077	-	-	-	-	172	-	-	-	-	191,249
Interest on long term debt	-	-	-	-	-	-	-	-	-	-	-
Materials and supplies	144,702	26,180	181,840	6,682	144,377	204,997	446,286	882,702	-	-	2,037,766
Miscellaneous	147,703	4,120	28,293	-	22,912	148,310	-	362,876	-	-	714,214
Professional fees	140,279	-	-	-	-	56,462	3,470	2,835	-	3,500	206,546
Rent	678	436	1,050	-	24,445	2,163	-	4,300	-	-	33,072
Repairs and maintenance	12,872	3,430	7,002	-	53,018	19,991	61,345	14,199	398	11,505	183,760
Replacement reserve expenses	-	-	-	-	-	-	-	-	-	-	-
Retrofit initiative	-	-	-	-	-	-	-	-	-	-	-
Social assistance	-	-	-	857,024	-	-	-	-	-	-	857,024
Training	3,456	-	6,135	-	40	690	-	-	-	-	10,321
Travel	167,112	1,100	137,946	5,163	9,848	308,929	70,427	301,464	-	65,700	1,067,689
Utilities	55,234	-	21,634	-	318,605	127,162	(741)	71,903	25,489	-	619,286
Vehicle	245,602	236	1,680	-	35,707	46,775	1,100	33,923	-	90	365,113
Wages and benefits	676,485	-	925,873	180,937	735,846	1,949,015	574,776	1,053,435	-	-	6,096,367
	2,449,402	82,872	1,456,859	1,049,806	1,735,896	3,421,013	1,677,400	4,773,046	32,672	85,620	16,764,586
Surplus (deficit)	\$ (2,302,613)	\$ 373,033	\$ 984,822	\$ 164,424	\$ 353,050	\$ 383,711	\$ (821,438)	\$ 62,916	\$ (21,172)	\$ 22,622	\$ (800,645)

Kingfisher Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

16. Segmented Information (cont'd)

For the year ended March 31, 2019	Band Management	Economic Development	Education	Social Services	Municipal Services	Health	Capital	Other Programs	Senior Citizens Complex	Housing Authority	2019 Total
Revenue											
Federal	\$ 575,213	\$ 247,801	\$ 1,671,379	\$ 36,700	\$ 1,617,365	\$ 3,453,601	\$ 456,407	\$ 244,932	\$ -	\$ 381,716	\$ 8,685,114
Provincial	23,716	-	-	1,211,256	279,761	-	-	129,523	-	-	1,644,256
Casino	-	-	-	-	-	-	-	1,238,925	-	-	1,238,925
Other	(193,709)	-	126,126	-	(70,826)	82,000	-	2,091,140	13,200	43,200	2,091,131
	405,220	247,801	1,797,505	1,247,956	1,826,300	3,535,601	456,407	3,704,520	13,200	424,916	13,659,426
Expenses											
Administration	(27,989)	-	-	-	27,976	-	-	-	-	-	(13)
Amortization	-	-	-	-	-	-	-	1,589,364	-	-	1,589,364
Bad debts	9,762	-	-	-	-	-	-	-	13,375	13,493	36,630
Bank charges and interest (recovery)	21,543	-	-	-	-	(439)	-	(498)	250	442	21,298
Contracted services	302,115	16,999	57,604	600	239,945	489,453	512,282	134,299	-	(1,764)	1,751,533
Donations	662	-	-	-	-	8,377	-	93,284	-	-	102,323
Events	17,850	-	32,181	-	-	-	-	13,355	-	-	63,386
Freight	4,462	-	1,153	-	15,222	30,339	(50,771)	22,844	-	-	23,249
Funerals	-	-	-	-	-	-	-	-	-	-	-
Honoraria	159,146	-	11,750	-	-	500	-	40,048	-	-	211,444
Insurance	80,639	-	-	-	-	120	-	-	-	-	80,759
Interest on long term debt	-	-	-	-	-	-	-	15,460	-	7,119	22,579
Materials and supplies	152,408	-	181,902	4,303	199,070	181,219	(126,684)	788,912	-	-	1,381,130
Miscellaneous	277,940	(71)	228	-	34,951	70,560	-	411,090	-	-	794,698
Professional fees	165,277	-	17,316	-	-	9,887	981	2,270	-	-	195,731
Rent	550	(106)	225	-	26,199	6,572	2,405	(2,314)	-	-	33,531
Repairs and maintenance	36,622	-	10,299	-	69,782	3,358	48,182	32,705	227,212	72,657	500,817
Replacement reserve expenses	-	-	-	-	-	-	-	-	-	-	-
Retrofit initiative	-	-	-	-	-	-	-	-	-	-	-
Social assistance	-	-	-	837,220	-	-	-	-	-	-	837,220
Training	2,650	-	4,125	-	-	250	-	-	-	-	7,025
Travel	251,515	-	83,582	3,765	11,511	159,758	30,708	308,098	-	-	848,937
Utilities	7,213	-	10,246	-	402,717	170,543	73,165	236,304	52,995	-	953,183
Vehicle	337,159	-	4,066	-	36,564	21,909	-	35,307	-	145	435,150
Wages and benefits	540,519	1,985	968,898	189,364	777,930	1,768,009	474,452	1,077,963	-	-	5,799,120
	2,340,043	18,807	1,383,575	1,035,252	1,841,867	2,920,415	964,720	4,798,491	293,832	92,092	15,689,094
Surplus (deficit)	\$ (1,934,823)	\$ 228,994	\$ 413,930	\$ 212,704	\$ (15,567)	\$ 615,186	\$ (508,313)	\$ (1,093,971)	\$ (280,632)	\$ 332,824	\$ (2,029,668)