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Sachigo Lake First Nation
Consolidated Financial Statements
For the year ended March 31, 2019

Sachigo Lake First Nation
Consolidated Financial Statements
For the year ended March 31, 2019

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Sachigo 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.

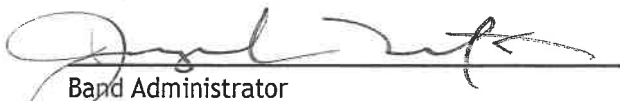
The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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 Sachigo Lake First Nation and meet when required.

On behalf of Sachigo Lake First Nation:



Chief



Band Administrator



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

Independent Auditor's Report

**To the Members of
Sachigo Lake First Nation**

Qualified Opinion

We have audited the consolidated financial statements of Sachigo Lake First Nation and its entities (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net debt 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, except for the possible effects of the matter described in the Basis for Qualified Opinion 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, 2019, and its consolidated results of operations, its changes in consolidated net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Section 1201, Financial Statement Presentation, of the CPA Canada Public Sector Accounting Handbook requires the disclosure of budgeted information. The First Nation has not prepared or approved consolidated budgets. As a result, no budgeted information has been presented on the consolidated financial statements for the year ended March 31, 2019.

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.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which explains that certain comparative information for the year ended March 31, 2018 has been restated. Our opinion is not modified in respect of this matter.

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.

Independent Auditor's Report (cont'd)

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.

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

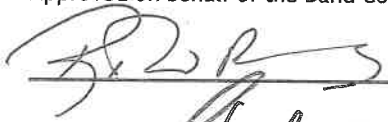

Dryden, Ontario
October 7, 2019

Sachigo Lake First Nation

Consolidated Statement of Financial Position

March 31	2019	2018
		Restated (Note 2)
Financial assets		
Cash (Note 3)	\$ 5,776,787	\$ 1,527,100
Accounts receivable (Note 4)	517,340	433,503
Due from government and government organizations (Note 5)	872,690	462,768
Inventory for resale	414,072	412,712
Trust funds held by federal government (Note 13)	87,290	-
	<u>7,668,179</u>	<u>2,836,083</u>
Financial liabilities		
Accounts payable and accrued liabilities (Note 6)	3,239,052	870,771
Due to government and government organizations (Note 7)	458,778	123,542
Deferred revenue (Note 8)	2,048,765	636,531
Debt (Note 9)	2,603,435	1,553,903
Obligation under capital lease (Note 10)	245,089	317,588
	<u>8,595,119</u>	<u>3,502,335</u>
Net debt	<u>(926,940)</u>	<u>(666,252)</u>
Non-financial assets		
Tangible capital assets (Note 11)	26,473,861	22,783,862
Prepaid expenses	6,097	-
	<u>26,479,958</u>	<u>22,783,862</u>
Accumulated surplus (Note 12)	<u>\$ 25,553,018</u>	<u>\$ 22,117,610</u>

Approved on behalf of the Band Council:

Sachigo Lake First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2019	2018
		Restated (Note 2)
Revenue		
Federal government transfers	\$ 12,267,549	\$ 9,283,884
Provincial government transfers	2,057,149	1,943,118
Contributed assets	455,000	-
Fuel sales	2,437,316	1,925,529
Hydro One	83,637	79,952
Nishnawbe Aski Nation	332,298	360,438
Northern Nishnawbe Education Council	110,124	104,904
Ontario First Nations (2008) Limited Partnership	1,413,643	1,112,643
Other	1,982,301	1,328,286
Rental	424,746	458,276
Sioux Lookout Area Aboriginal Management Board	210,728	153,792
Tourism	131,207	89,751
Windigo First Nations Council	-	58,650
	<u>21,905,698</u>	<u>16,899,223</u>
Expenses		
Band support	1,511,715	1,259,779
Community funds	1,126,578	1,005,867
Economic development	1,003,879	983,324
Education and training	3,262,234	2,820,748
Health	2,547,847	2,212,727
Housing and infrastructure	7,352,448	6,669,502
Social services	1,665,589	1,479,196
	<u>18,470,290</u>	<u>16,431,143</u>
Annual surplus	3,435,408	\$ 468,080
Accumulated surplus, beginning of year, as previously stated	19,303,895	18,832,491
Prior period adjustments (Note 2)	2,813,715	2,817,039
Accumulated surplus, beginning of year, restated	22,117,610	21,649,530
Accumulated surplus, end of year	<u>\$ 25,553,018</u>	<u>\$ 22,117,610</u>

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

Sachigo Lake First Nation

Consolidated Statement of Changes in Net Debt

For the year ended March 31	Actual 2019	Actual 2018
		Restated (Note 2)
Annual surplus	\$ 3,435,408	\$ 468,080
Acquisition of tangible capital assets	(6,255,068)	(3,395,483)
Amortization of tangible capital assets	2,565,069	2,382,261
Change in prepaid expenses	(6,097)	-
Net change in net debt	(260,688)	(545,142)
Net assets (debt), beginning of year, as previously stated	107,267	26,404
Prior period adjustment (Note 2)	(773,519)	(147,514)
Net debt, beginning of year, restated	(666,252)	(121,110)
Net debt, end of year	\$ (926,940)	\$ (666,252)

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

Sachigo Lake First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018 Restated (Note 2)
Cash flows from operating activities		
Annual surplus	\$ 3,435,408	\$ 468,080
Item not involving cash:		
Amortization	2,565,069	2,382,261
Changes in non-cash working capital balances		
Accounts receivable	(83,837)	162,411
Due from government and government organizations	(409,922)	27,051
Inventory	(1,360)	(52,117)
Prepaid expenses	(6,097)	-
Accounts payable and accrued liabilities	2,368,281	(824,769)
Due to government and government organizations	335,236	-
Deferred revenue	1,412,234	(585,597)
	<u>9,615,012</u>	<u>1,577,320</u>
Cash used in capital activities		
Acquisition of tangible capital assets	<u>(6,255,068)</u>	<u>(3,395,483)</u>
Cash used in financing activities		
Repayment of debt	(779,419)	(295,859)
Advances of debt	1,828,951	1,481,512
Repayment of obligation under capital lease	<u>(72,499)</u>	<u>(68,604)</u>
	<u>977,033</u>	<u>1,117,049</u>
Cash used in investment activities		
Increase in trust assets	<u>(87,290)</u>	<u>-</u>
Increase (decrease) in cash during the year	<u>4,249,687</u>	<u>(701,114)</u>
Cash, beginning of year	<u>1,527,100</u>	<u>2,228,214</u>
Cash, end of year	<u>\$ 5,776,787</u>	<u>\$ 1,527,100</u>

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

Sachigo Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2019

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 Sachigo Lake First Nation reporting entity includes the Sachigo Lake First Nation government and all related entities that are controlled by the First Nation.
Basis of Consolidation	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.

Organizations consolidated in Sachigo Lake First Nation's financial statements include:

- Sachigo Development Corporation

Tangible Capital Assets	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.
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Amortization is provided for on a straight-line basis as follows:

Buildings	20 years
Equipment	5 years
Computers	2 years
Infrastructure	25 years
Vehicles	3 years
Airplanes	4 years
Heavy equipment	10 years

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying 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 asset is available to be put into service.

Sachigo Lake First Nation Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (cont'd)

Leased Tangible Capital Assets	Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease.
Revenue Recognition	<p>Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis.</p> <p>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.</p> <p>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.</p> <p>Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.</p>
Inventory for Resale	Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on a weighted average basis.
Use of Estimates	The financial statements of the First Nation have been prepared by management in accordance with Canadian public sector accounting principles. The preparation of financial statements in conformity with Canadian public sector accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies summarized above.

Sachigo Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2019

2. Prior Period Adjustments

Tangible Capital Assets

A prior period adjustment was made to correct errors related to tangible capital asset additions and amortization. These errors resulted in tangible capital assets being understated by \$3,587,234, expenses being overstated by \$622,681 and accumulated surplus, beginning of year being understated by \$2,964,553.

Debt

A prior period adjustment was made to correct an error related to the advance of debt from Canada Mortgage and Housing Corporation. This error resulted in federal government transfers being overstated by \$347,469, expenses being understated by \$2,863 and debt being understated by \$350,332.

Deferred Revenue and Due to Government and Government Organizations

A prior period adjustment was made to correct errors related to Health Canada funding, deferred revenue and due to government and government organizations. These errors resulted in an overstatement of federal government transfers of \$275,673, and understatement of deferred revenue of \$316,460 and due to government and government organizations of \$106,727 and overstatement of accumulated surplus, beginning of year of \$147,514.

The prior year figures have been retroactively adjusted as follows:

	Previously Reported	Adjustment	As Restated
Due to government and government organizations	\$ 16,815	\$ 106,727	\$ 123,542
Deferred revenue	320,071	316,460	636,531
Debt	1,203,571	350,332	1,553,903
Tangible capital assets	19,196,628	3,587,234	22,783,862
Federal government transfers	9,907,026	(623,142)	9,283,884
Expenses	17,050,961	(619,818)	16,431,143
Accumulated surplus, beginning of year	18,832,491	2,817,039	21,649,530
Accumulated surplus, end of year	19,303,895	2,813,715	22,117,610

Sachigo Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2019

3. Cash

	2019	2018
Canadian Imperial Bank of Commerce - Sioux Lookout		
Administration	\$ 3,258,208	\$ 550,596
Community Funds	112,532	120,595
Savings	471,132	390,671
New Store	499,091	398,709
Echoing Lake Camp	39,945	14,220
Winter Roads	(69,077)	(51,475)
Post Office	100,791	47,606
Internet Services	10,372	5,523
Economic Development	244,310	139,214
Business Centre	43,310	17,536
Health	345,393	(43,192)
Education	638,004	(1,604)
Social Services	78,300	(65,775)
Guaranteed investment certificate	4,476	4,476
	<u>\$ 5,776,787</u>	<u>\$ 1,527,100</u>

The First Nation has several overdraft lines of credit totaling \$410,000 which are due on demand and bear interest rates of prime plus 1.5% (5.45% per annum at March 31, 2019). At March 31, 2019, the First Nation has utilized \$69,077 (2018 - \$51,475) on these lines of credit. The overdraft lines of credit are supported by a Band Council Resolution and a general security agreement.

4. Accounts Receivable

	2019	2018
Band member loans and advances	\$ 15,717	\$ 43,185
Nishnawbe Aski Nation	83,385	133,987
Other	36,791	73,646
Sioux Lookout Area Aboriginal Management Board	25,925	23,364
Tikinagan Child & Family Services	65,627	-
Windigo First Nations Council	44,443	159,321
Windigo Investments Limited Partnership	245,452	-
	<u>\$ 517,340</u>	<u>\$ 433,503</u>

Sachigo Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2019

5. Due from Government and Government Organizations

	2019	2018
Federal government		
Indigenous and Northern Affairs Canada	\$ 543,425	\$ 54,117
Canada Mortgage and Housing Corporation	35,883	-
Canada Revenue Agency	60,265	47,606
Health Canada	17,247	201,263
Public Safety Canada	200,000	-
Provincial government		
Ministry of Children, Community and Social Services	15,870	131,977
Ministry of Energy, Northern Development and Mines	-	26,521
Province of Ontario	-	1,284
	<u>\$ 872,690</u>	<u>\$ 462,768</u>

6. Accounts Payable and Accrued Liabilities

	2019	2018
Trade payables and other accrued liabilities	\$ 350,340	\$ 183,927
Capital project payables	2,640,081	548,746
Windigo First Nations Council	238,167	124,585
WSIB	10,464	13,513
	<u>\$ 3,239,052</u>	<u>\$ 870,771</u>

7. Due to Government and Government Organizations

	2019	2018
Federal government		Restated (Note 2)
Health Canada	\$ 421,267	\$ 106,727
Receiver General for Canada	12,414	16,815
Provincial government		
Ministry of Health and Long-Term Care	25,097	-
	<u>\$ 458,778</u>	<u>\$ 123,542</u>

Sachigo Lake First Nation Notes to Consolidated Financial Statements

March 31, 2019

8. Deferred Revenue and Government Transfers

	Balance March 31, 2018 Restated (Note 2)	Funding Received	Revenue Recognized	Funding Repayable/ Funding	Balance March 31, 2019
Federal					
Indigenous and Northern Affairs Canada	\$ 250,071	\$ 8,447,351	\$ 7,028,014	\$ -	\$ 1,669,408
Canada Mortgage and Housing Corporation	-	87,190	87,190	-	-
Department of Canadian Heritage	-	5,000	5,000	-	-
Health Canada	316,460	2,623,042	2,245,605	314,540	379,357
Public Safety Canada	-	2,901,740	2,901,740	-	-
Total Federal	566,531	14,064,323	12,267,549	314,540	2,048,765
Provincial					
Ministry of Children, Community and Social Services	-	1,372,186	1,372,186	-	-
Ministry of Indigenous Affairs	-	81,000	52,557	28,443	-
Ministry of Northern Development and Mines	-	122,122	122,122	-	-
Ministry of Natural Resources	-	1,025	1,025	-	-
Ministry of Health and Long Term Care	-	234,168	209,071	25,097	-
Ministry of Tourism, Culture and Sport	-	178,000	178,000	-	-
Ministry of Transportation	-	59,188	59,188	-	-
Ontario Trillium Foundation	-	63,000	63,000	-	-
Total Provincial	-	2,110,689	2,057,149	53,540	-
Other Deferred Revenue					
Windigo First Nations Council	70,000	-	70,000	-	-
\$	636,531	\$ 16,175,012	\$ 14,394,698	\$ 368,080	\$ 2,048,765

Sachigo Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2019

8. Deferred Revenue (cont'd)

Deferred revenue is broken down by program as follows:

	2019	2018
		Restated (Note 2)
Indigenous and Northern Affairs Canada		
Community Based Preventative Services	\$ 521,700	\$ 71,000
Climate Change	-	44,071
Water Feasibility Study	1,147,708	135,000
Health Canada		
Aboriginal Diabetes Initiative	42	-
Aboriginal Diabetes Initiative - Reinvestment	32,267	32,267
Brighter Futures - Reinvestment	-	37,128
Building Healthy Communities	-	17,417
Canada Prenatal Nutrition	38,178	18,807
Choose Life	99,461	99,461
Community Health Promotion - X-ray After Hours	25,000	-
Community Health Promotion	107,319	59,038
Healthy Child Development	8,115	14,398
Nutrition North Canada	12,059	-
Suicide Prevention	56,916	37,944
Windigo First Nations Council	-	70,000
	<u>\$ 2,048,765</u>	<u>\$ 636,531</u>

Sachigo Lake First Nation Notes to Consolidated Financial Statements

March 31, 2019

9. Debt

	2019	2018
<u>Canada Imperial Banking Corporation (CIBC)</u>		
Demand instalment loan payable in monthly instalments of \$29,952 plus interest of prime plus 1.5% (5.45% at year-end) and maturing March 2020. Secured by a general security agreement and by band resolution.	\$ 359,422	\$ -
Demand instalment loan payable in monthly instalments of \$3,375 plus interest at the bank's prime lending rate plus 1.5% (5.45% at year-end) and maturing November 2025. Secured by a general security agreement and a Band Council Resolution confirming borrowings.	270,000	310,500
Demand instalment loan payable in monthly instalments of \$2,500 plus interest of prime plus 1.5% (5.45% at year-end) and maturing March 2023. Secured by a general security agreement and a Band Council Resolution confirming borrowings.	120,000	150,000
Demand instalment loan payable in monthly instalments of \$12,606 plus interest of prime plus 1.5% (5.45% at year-end) and maturing February 2024. Secured by a general security agreement and a Band Council Resolution confirming borrowings.	743,746	-
Demand instalment loan payable in monthly instalments of \$24,833 plus interest of prime plus 1.5% (5.45% at year-end) and maturing March 2020. Secured by a general security agreement and a Band Council Resolution confirming borrowings.	249,537	-
Demand instalment loans	-	674,039
<u>Daimler Truck Financial</u>		
Loan payable in monthly instalments of \$1,332 including interest of 5.31% and maturing February 2023. Secured by automotive equipment.	56,423	69,032
<u>Canada Mortgage and Housing Corporation (CMHC)</u>		
Mortgage payable in monthly instalments of \$3,720 including interest at 2.68%, maturing October 2023	804,307	350,332
	\$ 2,603,435	\$ 1,553,903

Sachigo Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2019

9. Debt (cont'd)

Anticipated annual principal payments, assuming repayment is not demanded and continues as scheduled, due in the next five years and thereafter are as follows:

2020	\$ 867,400
2021	259,800
2022	261,200
2023	261,400
2024	886,100
Thereafter	<u>67,535</u>
	<u>\$ 2,603,435</u>

10. Obligation Under Capital Lease

	<u>2019</u>	<u>2018</u>
Obligation under a capital lease for heavy equipment, blended monthly payments of \$7,334, with interest at the rate of 5.45%, maturing February 2023, secured by specific equipment	<u>\$ 245,089</u>	<u>\$ 317,588</u>

Future minimum lease payments under capital lease for subsequent years are as follows:

2020	\$ 88,013
2021	88,013
2022	<u>90,382</u>
	266,408
Less: amounts representing interest	<u>(21,319)</u>
	<u>\$ 245,089</u>

March 31

11. Tangible Capital Assets

	Buildings	Equipment	Computers	Infrastructure	Vehicles
Cost, beginning of year	\$ 60,293,977	\$ 1,848,943	\$ 182,984	\$ 2,240,000	\$ 1,103,365
Additions	755,700	100,004	-	-	175,089
Capitalized construction	670,402	-	-	-	-
Cost, end of year	61,720,079	1,948,947	182,984	2,240,000	1,278,454
Accumulated amortization, beginning of year	40,248,166	1,658,544	162,830	2,013,640	788,449
Amortization	1,990,302	63,252	13,680	35,000	168,096
Accumulated amortization, end of year	42,238,468	1,721,796	176,510	2,048,640	956,545
Net carrying amount, end of year	\$ 19,481,611	\$ 227,151	\$ 6,474	\$ 191,360	\$ 321,909

March 31

11. Tangible Capital Assets (cont'd)

	Buildings	Equipment	Computers	Infrastructure	Vehicles
Cost, beginning of year	\$ 57,262,789	\$ 1,741,914	\$ 157,091	\$ 2,240,000	\$ 761,865
Additions	1,863,156	107,029	25,893	-	341,500
Disposals	-	-	-	-	-
Capitalized construction	1,168,032	-	-	-	-
Cost, end of year	60,293,977	1,848,943	182,984	2,240,000	1,103,365
Accumulated amortization, beginning of year	38,320,924	1,580,880	154,890	1,973,240	691,872
Amortization	1,927,242	77,664	7,940	40,400	96,577
Disposals	-	-	-	-	-
Accumulated amortization, end of year	40,248,166	1,658,544	162,830	2,013,640	788,449
Net carrying amount, end of year	\$ 20,045,811	\$ 190,399	\$ 20,154	\$ 226,360	\$ 314,916

The net book value of tangible capital assets not being amortized because they are under construction (or development) is

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12. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2019	2018
Investment in tangible capital assets	\$ 24,234,296	\$ 21,586,410
Unrestricted surplus	1,318,722	531,200
	<u>\$ 25,553,018</u>	<u>\$ 22,117,610</u>

13. Trust Funds Held by Federal Government

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*.

14. Comparative Figures

Certain of the comparative figures presented in the financial statements have been restated to conform to the current year's presentation.

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15. Indigenous and Northern Affairs Canada

	2019	2018
Funding per INAC confirmation	\$ 8,447,351	\$ 6,371,664
<u>Transfer from deferred revenue</u>		
NTLB - Construction of Multi-Units (Triplexes)	-	597,595
NTLC - Renovations and Additions (Triplexes)	-	
NTLD - Lot Servicing (Triplexes)		
NG1B - Membership Governance Capacity Development	-	15,854
NTLE - Capacity Development (Housing)		
NTLF - Innovation (Housing)	-	282,051
NP34 - Band Operated Schools - Direct Services (Special Education)	-	98,006
NTQB - Projects & Capacity (Climate Change)	44,071	87,163
NPD7 - Preventative/Least Disruptive Measures (Community Based Preventative Services)	71,000	-
NTFW - FNWWAP - Water < \$1.5M (Water Feasibility Study)	135,000	-
<u>Transfer to deferred revenue</u>		
NPD7 - Preventative/Least Disruptive Measures (Community Based Preventative Services)	(521,700)	(71,000)
NTQB - Projects & Capacity (Climate Change)	-	(44,071)
NTFW - FNWWAP - Water < \$1.5M (Water Feasibility Study)	(1,147,708)	(135,000)
Revenue recognized	\$ 7,028,014	\$ 7,202,262

16. Health Canada

	2019	2018
Funding per Health Canada confirmation	\$ 2,623,042	\$ 2,275,633
Repayable funding	(314,540)	(93,558)
Transfer to deferred revenue	(62,897)	(182,115)
Revenue recognized	\$ 2,245,605	\$ 1,999,960

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17. Segmented Information

Sachigo 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 activities can be categorized into segments. The following segments have been identified and as such are separately disclosed.

Band Support

Band support contains activities that are needed to run the Sachigo Lake First Nation organization.

Community Funds

Community funds contains activities of all other programs including funding from Ontario First Nations (2008) Limited Partnership.

Housing and Infrastructure

Housing and infrastructure contains all the activities that provide maintenance to the community and its infrastructure including road maintenance, sewer and water, community buildings and public utilities. It also contains all activities that relate to the maintenance of the First Nation's buildings and land and the provision of housing and repairs and maintenance to band members' housing.

Health

Health contains activities that provide medical services to band members. Furthermore, the community wellness department provides a diverse bundle of services directed towards transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

Education & Training

Education & training contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Social Services

Social services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community.

Economic Development

Economic Development contains all activities that provide economic support for the community including the motel, business centre, fuel sales and more.

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:

Sachigo Lake First Nation
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March 31, 2019

17. Segmented Information (cont'd)

For the year ended March 31	Band Support	Community Funds	Housing & Infrastructure	Health	Education & Training	Social Services	Economic Development	Total 2019
Revenue								
Federal government transfers	\$ 760,785	\$ -	\$ 6,371,138	\$ 2,245,605	\$ 2,815,921	\$ 74,100	\$ -	\$ 12,267,549
Provincial government transfers	162,545	-	213,273	63,000	130,000	1,488,331	-	2,057,149
OFNLP	-	1,413,643	-	-	-	-	-	1,413,643
Other	968,537	264,522	2,923,101	189,373	440,090	913	1,380,821	6,167,357
	1,891,867	1,678,165	9,507,512	2,497,978	3,386,011	1,563,344	1,380,821	21,905,698
Expenses								
Amortization	71,609	98,016	2,268,726	48,219	67,957	-	10,542	2,565,069
Contracted services, supplies and other	511,330	1,028,562	2,300,192	898,886	1,723,692	1,412,267	656,111	8,531,040
Salaries and benefits	798,836	-	1,775,057	1,250,372	1,432,358	196,234	229,351	5,682,208
Travel and training	109,402	-	19,860	102,751	25,580	57,088	8,573	323,254
Rent, utilities and telephone	20,538	-	988,613	247,619	12,647	-	99,302	1,368,719
	1,511,715	1,126,578	7,352,448	2,547,847	3,262,234	1,665,589	1,003,879	18,470,290
Annual surplus (deficit)	\$ 380,152	\$ 551,587	\$ 2,155,064	\$ (49,869)	\$ 123,777	\$ (102,245)	\$ 376,942	\$ 3,435,408

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17. Segmented Information (cont'd)

For the year ended March 31	Band Support	Community Funds	Infrastructure	Health	Education & Training	Social Services	Economic Development	Total 2018
Revenue								
Federal government transfers	\$ 784,452	\$ -	\$ 3,760,779	\$ 1,999,960	\$ 2,630,187	\$ 108,506	\$ -	\$ 9,283,884
Provincial government transfers	165,152	-	178,221	70,000	134,503	1,395,242	-	1,943,118
OFNLP	-	1,112,643	-	-	-	-	-	1,112,643
Other	539,999	291,248	2,231,479	164,653	361,197	25,181	945,821	4,559,578
	<u>1,489,603</u>	<u>1,403,891</u>	<u>6,170,479</u>	<u>2,234,613</u>	<u>3,125,887</u>	<u>1,528,929</u>	<u>945,821</u>	<u>16,899,223</u>
Expenses								
Amortization	62,309	108,257	2,139,105	20,644	39,241	-	12,705	2,382,261
Contracted services, supplies and other	417,760	897,610	1,784,394	667,952	1,513,801	1,251,752	683,168	7,216,437
Salaries and benefits	718,102	-	1,766,211	1,127,916	1,228,499	180,736	199,149	5,220,613
Travel and training	45,847	-	23,026	216,540	26,693	46,708	2,788	361,602
Rent, utilities and telephone	15,761	-	956,766	179,675	12,514	-	85,514	1,250,230
	<u>1,259,779</u>	<u>1,005,867</u>	<u>6,669,502</u>	<u>2,212,727</u>	<u>2,820,748</u>	<u>1,479,196</u>	<u>983,324</u>	<u>16,431,143</u>
Annual surplus (deficit)	\$ 229,824	\$ 398,024	\$ (499,023)	\$ 21,886	\$ 305,139	\$ 49,733	\$ (37,503)	\$ 468,080