

**Poplar Hill First Nation
Consolidated Financial Statements**
March 31, 2020

Poplar Hill First Nation Contents

For the year ended March 31, 2020

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Management's Responsibility

To the Members of Poplar Hill First Nation:

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

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Poplar Hill First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council, on behalf of the Members, to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

Tom Woodward

Band Administrator

To the Members of Poplar Hill First Nation:

Qualified Opinion

We have audited the consolidated financial statements of Poplar Hill First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, change in net financial assets, and its 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 of Qualified Opinion paragraphs, 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 the results of its consolidated operations, net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We did not observe the counting of physical inventories at the beginning and end of the year, nor were we able to satisfy ourselves concerning those inventory quantities by alternative means. Since the beginning and closing inventories enter into the determination of results of operations and cashflows, we were unable to determine whether any adjustments might be necessary to inventory held for use, expenses, operating surplus and cash provided from operations.

We were unable to verify the completeness or occurrence of energy sales for the year ended March 31, 2020 and the completeness and existence of the related energy sales receivables as at March 31, 2020. Our testing indicated deficiencies in the recording of monthly meter readings and the recording of deposits against the appropriate hydro accounts. As a result, we were unable to determine whether any adjustments to energy sales or accounts receivable were necessary.

The First Nation has undertaken steps to identify the total cost of tangible capital assets not previously recorded and any impairment or related amortization attributed to each of those assets. However, the full extent of these unrecorded assets and their appropriate amortization is not determinable as at the date of this audit report. As a result, we were unable to determine what further adjustments, if any, might be necessary to tangible capital assets, amortization expense, annual surplus and accumulated surplus.

Responsibilities of Management 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

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.

ACCOUNTING > CONSULTING > TAX

TRUE NORTH SQUARE

242 HARGRAVE STREET, SUITE 1200, WINNIPEG MB, R3C 0T8

1.877.500.0795 T: 204.775.4531 F: 204.783.8329 MNP.ca

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.

Winnipeg, Manitoba

March 27, 2021

MNP LLP

Chartered Professional Accountants

MNP
LLP

Poplar Hill First Nation
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Cash resources (Note 3)	8,664,624	7,661,998
Accounts receivable (Note 4)	912,607	1,730,550
Portfolio investments (Note 5)	26	26
Ottawa Trust funds (Note 6)	58,944	54,568
	9,636,201	9,447,142
Liabilities		
Accounts payable and accruals (Note 7)	2,952,486	618,995
Deferred revenue (Note 8)	4,178,450	5,108,928
Demand loan (Note 9)	-	1,000,000
	7,130,936	6,727,923
Net financial assets	2,505,265	2,719,219
Contingent liabilities (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	54,997,224	47,647,633
Inventories held for use (Note 11)	911,350	976,347
	55,908,574	48,623,980
Accumulated surplus (Note 12)	58,413,839	51,343,199

Approved on behalf of the Chief and Council

Howard Comber

Chief

E.Q. Moore

Councillor

Phil Howe

Councillor

Alec Strong

Councillor

Poplar Hill First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	<i>Schedules</i>	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue				
Indigenous Services Canada (ISC) (Note 13)	16,929,949	17,279,445	22,810,513	
Province of Ontario	2,528,512	2,595,599	2,580,798	
Ministry of Northern Development and Mines	75,002	-	-	
Other revenue	1,280,724	1,508,330	1,655,649	
Energy sales	400,000	353,407	1,024,510	
Canada Mortgage and Housing Corporation	37,500	37,500	31,000	
Ontario First Nations Limited Partnership	1,100,000	1,094,123	1,261,912	
Keewaytinook Okimakanak	223,819	249,325	309,114	
Ministry of Indigenous Relations & Reconciliation	68,750	68,750	81,000	
Nishnawbe Aski Nation	297,767	281,994	384,243	
Sioux Lookout Area Aboriginal Management Board	130,000	107,051	152,005	
Deferred revenue - prior year (Note 8)	4,308,728	5,108,928	1,693,757	
Deferred revenue - current year (Note 8)	(3,770,998)	(4,178,450)	(5,108,928)	
Recovery of funding	-	(131,049)	-	
	23,609,753	24,374,953	26,875,573	
Segment expenses				
Band Support	4	1,153,661	1,361,365	1,011,724
Economic Development	5	376,000	414,920	319,879
Power Authority	6	1,756,816	1,725,793	2,245,879
Ontario First Nations Limited Partnership	7	-	-	284
Capital and Projects	8	757,574	783,156	695,541
Public Works	9	2,401,511	2,060,491	1,577,119
Other	10	83,750	2,444,076	2,448,085
Education Authority	11	3,156,693	3,057,452	2,405,366
Social Assistance	12	2,626,813	2,747,103	2,497,601
Health Authority	13	3,165,700	2,709,957	2,407,809
	15,478,518	17,304,313	15,609,287	
Surplus				
Accumulated surplus, beginning of year	8,131,235	7,070,640	11,266,286	
	51,343,199	51,343,199	40,076,913	
Accumulated surplus, end of year (Note 12)	59,474,434	58,413,839	51,343,199	

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

Poplar Hill First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2020

	2020 Budget	2020	2019
Annual surplus	8,131,235	7,070,640	11,266,286
Purchases of tangible capital assets	(7,867,235)	(9,797,333)	(11,544,668)
Amortization of tangible capital assets	-	2,447,742	2,322,865
Change in inventory	-	64,997	9,588
	(7,867,235)	(7,284,594)	(9,212,215)
Change in net financial assets	264,000	(213,954)	2,054,071
Net financial assets, beginning of year	2,719,219	2,719,219	665,148
Net financial assets, end of year	2,983,219	2,505,265	2,719,219

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

Poplar Hill First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Surplus	7,070,640	11,266,286
Non-cash items	2,447,742	2,322,865
Amortization	9,518,382	13,589,151
Changes in working capital accounts		
Accounts receivable	817,943	183,053
Accounts payable and accruals	2,333,491	(1,392,196)
Deferred revenue	(930,478)	3,415,171
Inventory held for use	64,997	9,588
Ottawa trust fund	(4,376)	(4,471)
	11,799,959	15,800,296
Financing activities		
Advance on demand loan	-	1,000,000
Repayment on demand loan	(1,000,000)	(916,667)
	(1,000,000)	83,333
Capital activities		
Purchases of tangible capital assets	(9,797,333)	(11,544,668)
Increase in cash resources	1,002,626	4,338,961
Cash resources, beginning of year	7,661,998	3,323,037
Cash resources, end of year	8,664,624	7,661,998

Poplar Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

1. Operations

The Poplar Hill First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its Members. Poplar Hill First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Principles of consolidation

The First Nation has consolidated the assets, liabilities, revenue and expenses of all departments, segments and divisions that form part of the Poplar Hill First Nation. The First Nation does not own or control any separately incorporated entities and therefore, no separate organizations have been consolidated into these financial statements.

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Cash resources

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

Tangible capital assets

Tangible capital assets are initially recorded at cost, which 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.

Contributed capital assets are recorded into revenue 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.

Certain assets which have historical or cultural value, including fine 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.

Poplar Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

2. Significant accounting policies *(Continued from previous page)*

Amortization

Tangible capital assets are amortized annually using the following method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Years
Buildings	straight-line	25
Equipment	straight-line	5
Vehicles	straight-line	4
Heavy equipment	straight-line	10
Outdoor lighting	straight-line	20
Water and sewer	straight-line	25
Power generation	straight-line	20

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in operations for the year.

Revenue recognition

Government transfer revenue, which includes, but is not limited to, Indigenous Services Canada, Province of Ontario, and Canada Mortgage and Housing Corporation is recognized as the funding becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt and is recognized as revenue in the year to which it was designated. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Interest is recognized on an accrual basis in the year it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

Funds held in Ottawa Trust funds

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust funds are reported as an asset on the consolidated statement of financial position. These funds consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Poplar Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Any impairment on the portfolio investments which is other than temporary is charged against the amount of the investment reported. Amortization is based on the estimated useful lives of tangible capital assets. Provisions are made for slow moving and obsolete inventory. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue. Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the year in which they become known.

Segments

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

For each reported segment, revenue and expenses represent amounts that are directly attributable to the segment.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in *Note 2 the Significant accounting policies*.

Band Support - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

Social Assistance - activities include satisfying the economic, social or health related needs of members of the community who require assistance.

Education Authority - activities include overseeing many aspects of educational opportunities for its members at all levels of learning both within the community and externally.

Power Authority - activities include providing electrical power to community residents and buildings.

Economic Development - activities include small business centre and providing other business services to the community.

Public Works - activities include the operations and maintenance of community infrastructure.

Capital and Projects - activities include the planning, managing and delivery of large scale infrastructure and capital projects to the community.

Ontario First Nations Limited Partnership - activities include the operations and management of Casino Rama funds.

Health Authority - activities that provide health services to the First Nation.

Other - activities that do not fit into the above segments.

Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. The First Nation's contributions to the defined contribution plans are expensed as incurred.

Poplar Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

2. Significant accounting policies *(Continued from previous page)*

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Financial instruments

Amortized cost

The First Nation has classified the following financial assets in the amortized cost category: cash, accounts receivable, Ottawa Trust funds and portfolio investments. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Cash, accounts receivable, Ottawa Trust funds and portfolio investments are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

The First Nation has classified the following liabilities in the amortized cost category: accounts payable and accruals and demand loan. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Accounts payable and accruals and demand loan are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

The consolidated statement of remeasurement gains and losses have not been presented as the First Nation did not have any transactions to include for the years ended March 31, 2020 and March 31, 2019.

Poplar Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

3. Cash resources

	2020	2019
Band Support	1,187,875	790,631
Landfill Project	1,004,870	53,477
Power Authority	90,040	143,879
Casino Rama	24,615	470,784
Capital	525,918	19,573
Education	1,882,510	1,351,653
Social Assistance	297,765	633,329
Health Authority	235,454	1,303,679
New Clinic, Water & Sewer and Generators Rebuild	3,415,577	2,877,743
Investment account	-	17,250
	8,664,624	7,661,998

The First Nation has available to it, the following overdraft facility:

The \$150,000 Bank of Montreal overdraft facility on the First Nation's Capital Projects account; incurs interest at the bank's prime interest rate plus 3%. The bank's prime interest rate at March 31, 2020 was 2.45% (2019 - 3.95%). The balance on the line of credit was \$nil at March 31, 2020 (2019 - \$nil). Interest is charged only when the facility is used. Secured by a first ranking interest of the First Nation's Casino Rama funds.

4. Accounts receivable

	2020	2019
Indigenous Services Canada	731,147	1,395,393
Ministry of Community and Social Services	181,460	145,708
Other receivables	-	189,449
Power Authority - Energy account receivable	4,115,487	4,115,487
	5,028,094	5,846,037
Less: Allowance for doubtful accounts	4,115,487	4,115,487
	912,607	1,730,550

Poplar Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

5. Portfolio investments

Portfolio investments which are owned by Poplar Hill First Nation but not controlled or influenced by the First Nation are accounted for as disclosed in Note 2. The First Nation has the following portfolio investments.

	2020	2019
Measured at cost:		
2472881 Ontario Inc. - 100 shares constituting a 4.55% interest	10	10
NCC Development Corporation - 165 shares constituting a 16.5% interest	2	2
Investment in OFNLP - 1 unit constituting 4.55% interest	1	1
Investment in Ontario First Nation Sovereign Wealth - 1 unit constituting 0.77%	1	1
Investment in NCC Development LP - 165 shares constituting a 16.5% interest	1	1
Investment in First Nation LP - 100 shares constituting a 4.55% interest	10	10
Investment in OFN Asset Management GP Corp - 1 unit constituting 0.77%	1	1
	26	26

6. Ottawa Trust funds

	2020	2019
Capital Trust		
Balance, beginning of year	278	278
Revenue Trust		
Balance, beginning of year	54,290	49,819
Interest	1,051	1,146
Bell permit, other revenue	3,325	3,325
	58,666	54,290
	58,944	54,568

The Ottawa Trust funds arises from monies derived from capital or revenue sources outlined on 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 Section 63 to 69 of the Indian Act. Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council.

7. Accounts payable and accruals

	2020	2019
Canada Revenue Agency - source deductions	11,500	9,737
Trade payables and accruals	2,832,218	607,607
Repayable to funders	108,768	1,651
		2,952,486
		618,995

Poplar Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

8. Deferred revenue

	2020	2019
Indigenous Services Canada	4,088,890	5,108,928
Nishnawbe Aski Nation	89,560	-
	4,178,450	5,108,928

9. Demand loan

The Bank of Montreal operating demand loan for fuel was repaid during the year.

10. Contingent liabilities

The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. Management believes they are in compliance with the terms and conditions of the agreements.

11. Inventories held for use

	2020	2019
Public Works fuel	274,300	292,498
Power Authority fuel	591,600	635,622
Education Authority fuel	45,450	48,227
	911,350	976,347

Poplar Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

12. Accumulated surplus

	2020	2019
Portfolio investments	26	26
Ottawa Trust funds	58,944	54,568
Investment in tangible capital assets	54,997,224	47,647,633
Operating surplus	3,357,645	3,640,972
	58,413,839	51,343,199

13. Reconciliation of funding from Indigenous Services Canada ("ISC")

The ISC revenue of \$17,279,445 (2019 – \$22,810,513) on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation.

14. Economic dependence

Poplar Hill First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

15. Budget information

The disclosed budget information has been approved by the Chief and Council of Poplar Hill First Nation on September 20, 2019. The following table reconciles the budgeted surplus approved by the Chief and Council to the budgeted surplus disclosed on the financial statements.

Surplus per approved budget	204,000
Capital asset purchases	<u>7,927,235</u>
Budgeted surplus disclosed in financial statements	<u>8,131,235</u>

16. First Nations Financial Transparency Act

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2020. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Poplar Hill First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<i>Assets under construction</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Heavy equipment</i>	<i>Outdoor lighting</i>	<i>Power generation</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	11,727,144	35,734,093	72,041	1,146,988	31,878	6,687,776	55,399,920
Acquisition of tangible capital assets	8,465,145	814,169	-	60,000	-	-	9,339,314
Balance, end of year	20,192,289	36,548,262	72,041	1,206,988	31,878	6,687,776	64,739,234
Accumulated amortization							
Balance, beginning of year	-	7,005,185	69,502	1,126,381	7,160	3,283,755	11,491,983
Annual amortization	-	1,445,647	2,539	17,289	1,594	334,389	1,801,458
Balance, end of year	-	8,450,832	72,041	1,143,670	8,754	3,618,144	13,293,441
Net book value of tangible capital assets	20,192,289	28,097,430	-	63,318	23,124	3,069,632	51,445,793
2019 Net book value of tangible capital assets	11,727,144	28,728,908	2,539	20,607	24,718	3,404,021	43,907,937

Poplar Hill First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<i>Subtotal</i>	<i>Water and sewer</i>	<i>Vehicles</i>	<i>2020</i>	<i>2019</i>
Cost					
Balance, beginning of year	55,399,920	11,834,356	700,653	67,934,929	56,390,261
Acquisition of tangible capital assets	9,339,314	132,714	325,305	9,797,333	11,544,668
Balance, end of year	64,739,234	11,967,070	1,025,958	77,732,262	67,934,929
Accumulated amortization					
Balance, beginning of year	11,491,983	8,368,327	426,986	20,287,296	17,964,431
Annual amortization	1,801,458	462,902	183,382	2,447,742	2,322,865
Balance, end of year	13,293,441	8,831,229	610,368	22,735,038	20,287,296
Net book value of tangible capital assets	51,445,793	3,135,841	415,590	54,997,224	47,647,633
2019 Net book value of tangible capital assets	43,907,937	3,465,629	273,667	47,647,233	

Poplar Hill First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2020

	2020 Budget	2020	2019
Expenses by object			
Amortization	-	2,447,742	2,322,865
Audit fees	82,500	88,804	84,239
Bad debts	-	-	290,280
Bank charges and interest	5,000	8,007	19,103
Board travel, training and honouraria	185,000	216,656	90,978
Chief and Council	438,000	429,613	426,161
Chief and Council travel and training	102,000	101,594	78,474
Community events	70,000	66,040	31,469
Consulting	-	33,499	57,184
Contracted services	488,619	695,270	534,053
Food and beverage	81,242	24,782	37,904
Freight	90,000	45,296	90,954
Fuel	2,131,816	2,142,642	2,135,008
Funerals	51,202	59,733	73,960
Furniture and equipment	45,000	15,819	7,510
Honoraria	5,000	6,437	2,000
Insurance	47,000	43,025	39,569
Interest on long-term debt	40,000	31,747	45,041
Materials	132,458	77,240	130,487
Miscellaneous	313,000	56,562	34,503
Office supplies	45,000	71,098	22,473
Professional fees	260,884	246,495	261,300
Program expense	312,479	261,574	349,905
Recoverable funding	-	84,688	-
Rent	6,100	13,118	1,678
Repairs and maintenance	685,896	521,346	329,477
Salaries and benefits	5,849,181	5,399,958	4,549,690
Social assistance	1,930,000	2,069,643	1,961,223
Student support	20,000	43,764	8,583
Supplies	877,958	847,397	784,675
Telephone and internet	60,362	43,695	66,121
Training	389,436	388,769	227,899
Transportation	4,866	7,577	1,367
Travel	472,859	524,167	311,314
Utilities	255,660	232,518	201,435
Vehicle	-	3,500	405
	15,478,518	17,349,815	15,609,287

Poplar Hill First Nation
Schedule 3 - Consolidated Summary Schedule of Segment Operations
For the year ended March 31, 2020

	<i>Schedule #</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Transfers From (To)</i>	<i>2020 Surplus (Deficit)</i>	<i>2019 Surplus (Deficit)</i>
Segment						
Band Support	4	480,517	1,361,365	685,000	(195,848)	153,744
Economic Development	5	596,292	414,920	-	181,372	226,519
Power Authority	6	1,335,223	1,725,793	387,369	(3,201)	249,895
Ontario First Nations Limited Partnership	7	1,094,123	-	(1,094,123)	-	(1)
Capital and Projects	8	1,187,018	783,156	300,000	703,862	411,149
Public Works	9	3,055,683	2,060,491	551,091	1,546,283	682,401
Other	10	1,346,701	2,444,076	-	(1,097,375)	(78,086)
Education Authority	11	3,865,282	3,057,452	100,000	907,830	463,264
Social Assistance	12	3,133,261	2,747,103	(454,361)	(68,203)	(50,379)
Health Authority	13	8,280,853	2,709,957	(474,976)	5,095,920	9,207,780
Total		24,374,953	17,304,313	-	7,070,640	11,266,286

**Poplar Hill First Nation
Band Support**
Schedule 4 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	404,661	404,661	505,319
Other revenue	59,000	75,856	260,149
	463,661	480,517	765,468
Expenses			
Audit fees	50,000	81,597	80,814
Bank charges and interest	3,000	4,154	3,002
Chief and Council	438,000	429,613	426,161
Chief and Council travel and training	102,000	101,594	78,474
Community events	70,000	66,040	22,429
Consulting	-	99	13,867
Funerals	20,000	25,814	31,015
Insurance	35,000	30,276	28,562
Office supplies	40,000	65,953	19,858
Pension	85,000	86,460	-
Professional fees	110,000	134,540	49,190
Salaries and benefits	100,000	114,035	125,903
Supplies	48,661	149,718	79,846
Telephone and internet	44,000	27,977	46,424
Travel	8,000	43,495	6,179
	1,153,661	1,361,365	1,011,724
Deficit before transfers	(690,000)	(880,848)	(246,256)
Transfers between programs	690,000	685,000	400,000
Surplus (deficit)	-	(195,848)	153,744

Poplar Hill First Nation
Economic Development
Schedule 5 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	50,000	50,000	50,000
Other revenue	530,000	546,292	506,398
	580,000	596,292	556,398
Expenses			
Fuel	205,000	228,823	175,000
Furniture and equipment	-	-	7,510
Office supplies	-	-	300
Repairs and maintenance	10,000	8,757	-
Salaries and benefits	120,000	120,327	123,188
Supplies	30,000	40,901	321
Telephone and internet	1,000	1,594	1,376
Travel	10,000	14,518	12,184
	376,000	414,920	319,879
Surplus before transfers	204,000	181,372	236,519
Transfers between programs	-	-	(10,000)
Surplus	204,000	181,372	226,519

**Poplar Hill First Nation
Power Authority**
Schedule 6 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	801,816	801,816	-
Other revenue	180,000	180,000	200,000
Energy sales	400,000	353,407	1,024,510
	1,381,816	1,335,223	1,224,510
Expenses			
Bad debts	-	-	290,280
Bank charges and interest	-	1,984	12,486
Consulting	-	-	12,500
Fuel	1,536,816	1,530,522	1,695,868
Interest on long-term debt	40,000	31,747	45,041
Office supplies	-	-	2,005
Postage	-	35	-
Repairs and maintenance	60,000	65,252	72,256
Salaries and benefits	120,000	96,253	114,970
Telephone and internet	-	-	473
	1,756,816	1,725,793	2,245,879
Deficit before transfers	(375,000)	(390,570)	(1,021,369)
Transfers between programs	375,000	387,369	1,271,264
Surplus (deficit)	-	(3,201)	249,895

Poplar Hill First Nation
Ontario First Nations Limited Partnership
Schedule 7 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020 <i>Budget</i>	2020	2019
Revenue			
Ontario First Nations Limited Partnership	1,100,000	1,094,123	1,261,912
Expenses			
Bank charges and interest	-	-	284
Surplus before transfers	1,100,000	1,094,123	1,261,628
Transfers between programs	(1,100,000)	(1,094,123)	(1,261,629)
Surplus (deficit)	-	-	(1)

Poplar Hill First Nation
Capital and Projects
Schedule 8 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	847,574	847,574	478,358
Province of Ontario	-	-	10,000
Other revenue	200,000	211,964	187,699
Keewaytinook Okimakanak	40,000	65,506	43,056
Sioux Lookout Area Aboriginal Management Board	70,000	61,974	97,577
	1,157,574	1,187,018	816,690
Expenses			
Contracted services	360,000	400,860	301,478
Freight	30,000	37,646	44,424
Materials	-	13,835	73,572
Program expense	20,000	6,975	3,625
Renovation materials	-	550	-
Salaries and benefits	260,000	265,047	212,644
Supplies	77,574	32,890	50,765
Travel	10,000	21,853	9,033
Vehicle	-	3,500	-
	757,574	783,156	695,541
Surplus before transfers	400,000	403,862	121,149
Transfers between programs	300,000	300,000	290,000
Surplus	700,000	703,862	411,149

Poplar Hill First Nation
Public Works
Schedule 9 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020	2020	2019
Revenue			
Indigenous Services Canada	3,327,491	3,327,491	3,359,091
Province of Ontario	-	15,000	163,900
Other revenue	102,018	237,453	161,101
Canada Mortgage and Housing Corporation	37,500	37,500	31,000
Ministry of Northern Development and Mines	75,002	-	-
Sioux Lookout Area Aboriginal Management Board	60,000	45,077	54,428
Deferred revenue - prior year	1,135,000	1,135,000	-
Deferred revenue - current year	(1,730,000)	(1,741,838)	(1,135,000)
	3,007,011	3,055,683	2,634,520
Expenses			
Contracted services	128,619	200,984	140,000
Freight	60,000	7,651	46,530
Fuel	360,000	348,088	235,845
Furniture and equipment	45,000	15,819	-
Materials	77,500	45,971	21,789
Professional fees	100,884	41,567	-
Program expense	-	-	901
Rent	-	570	620
Repairs and maintenance	530,000	342,140	236,825
Salaries and benefits	946,003	847,668	766,183
Student support	-	16,353	-
Supplies	153,505	188,172	124,071
Telephone and internet	-	186	4,355
Travel	-	5,322	-
	2,401,511	2,060,491	1,577,119
Surplus before transfers	605,500	995,192	1,057,401
Transfers between programs	594,500	551,091	(375,000)
Surplus	1,200,000	1,546,283	682,401

Poplar Hill First Nation
Other
Schedule 10 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	1,431,500	1,431,500	2,108,111
Keewaytinook Okimakanak	-	-	9,650
Other revenue	15,000	6,378	1,265
Ministry of Indigenous Relations & Reconciliation	68,750	68,750	81,000
Deferred revenue - prior year	700,000	758,923	928,896
Deferred revenue - current year	(1,200,000)	(918,850)	(758,923)
	1,015,250	1,346,701	2,369,999
Expenses			
Amortization	-	2,291,096	2,224,362
Contracted services	-	93,426	82,955
Honoraria	-	-	2,000
Salaries and benefits	63,000	48,816	123,306
Supplies	5,000	500	1,896
Training	-	-	5,577
Travel	15,750	10,238	7,989
	83,750	2,444,076	2,448,085
Deficit	931,500	(1,097,375)	(78,086)

**Poplar Hill First Nation
Education Authority**
Schedule 11 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020	2020	2019
Revenue			
Indigenous Services Canada	3,774,609	3,774,408	2,347,600
Other revenue	34,000	38,104	169,972
Keewaytinook Okimakanak	183,819	183,819	266,058
Nishnawbe Aski Nation	-	-	85,000
Recovery of funding	-	(131,049)	-
	3,992,428	3,865,282	2,868,630
Expenses			
Amortization	-	115,396	84,643
Audit fees	15,000	16,433	15,650
Bank charges and interest	1,000	287	929
Board travel, training and honouraria	35,000	35,591	34,800
Consulting	-	13,400	5,817
Contracted services	-	-	9,621
Fuel	30,000	35,210	28,295
Insurance	12,000	12,749	11,007
Materials	54,958	17,434	35,126
Miscellaneous	313,000	56,090	34,503
Office supplies	5,000	4,560	310
Professional fees	-	-	1,374
Program expense	184,523	137,049	122,754
Rent	5,000	10,048	72
Repairs and maintenance	85,896	70,375	20,391
Salaries and benefits	2,020,466	2,124,810	1,723,577
Student support	20,000	27,411	8,583
Supplies	51,850	69,117	24,997
Telephone and internet	8,000	4,742	4,337
Training	50,000	57,723	29,191
Travel	60,000	68,027	22,296
Utilities	205,000	181,000	187,093
	3,156,693	3,057,452	2,405,366
Surplus before transfers	835,735	807,830	463,264
Transfers between programs	(100,000)	100,000	-
Surplus	735,735	907,830	463,264

Poplar Hill First Nation
Social Assistance
Schedule 12 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	273,802	563,302	634,140
Province of Ontario	2,367,312	2,419,399	2,236,048
Other revenue	25,699	25,699	31,395
Deferred revenue - prior year	-	414,361	-
Deferred revenue - current year	-	(289,500)	(414,361)
	2,666,813	3,133,261	2,487,222
Expenses			
Bank charges and interest	1,000	471	1,197
Community events	-	-	9,040
Funerals	31,202	33,919	42,946
Program expense	-	-	1,651
Salaries and benefits	294,400	255,462	271,493
Social assistance	1,930,000	2,069,643	1,961,223
Supplies	22,699	26,841	26,895
Training	271,200	271,376	156,988
Travel	25,652	37,873	11,826
Utilities	50,660	51,518	14,342
	2,626,813	2,747,103	2,497,601
Surplus (deficit) before transfers	40,000	386,158	(10,379)
Transfers between programs	(40,000)	(454,361)	(40,000)
Deficit	-	(68,203)	(50,379)

**Poplar Hill First Nation
Health Authority**
Schedule 13 - Schedule of Segment Operations
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	5,728,996	6,078,693	13,327,894
Province of Ontario	161,200	161,200	161,200
Other revenue	135,007	186,584	137,670
Nishnawbe Aski Nation	297,767	281,994	299,243
Deferred revenue - prior year	2,473,728	2,800,644	764,861
Deferred revenue - current year	(840,998)	(1,228,262)	(2,800,644)
	7,955,700	8,280,853	11,890,224
Expenses			
Amortization	-	41,250	13,860
Audit fees	17,500	10,775	12,775
Bank charges and interest	-	1,105	1,205
Board travel, training and honouraria	150,000	181,064	56,178
Food and beverage	81,242	24,782	37,904
Honoraria	5,000	6,437	-
Miscellaneous	-	472	-
Professional fees	50,000	70,388	210,736
Program expense	107,956	117,551	220,974
Recoverable funding	-	84,688	-
Rent	1,100	2,500	986
Repairs and maintenance	-	34,822	-
Salaries and benefits	1,840,312	1,395,580	1,088,427
Supplies	488,669	339,258	475,885
Telephone and internet	7,362	9,197	9,156
Training	68,236	59,670	36,144
Transportation	4,866	7,577	1,367
Travel	343,457	322,841	241,807
Vehicle	-	-	405
	3,165,700	2,709,957	2,407,809
Surplus before transfers	4,790,000	5,570,896	9,482,415
Transfers between programs	(430,000)	(474,976)	(274,635)
Surplus	4,360,000	5,095,920	9,207,780