

# Consolidated Financial Statements

**Slate Falls Nation**

March 31, 2020

**SLATE FALLS NATION****Index to Consolidated Financial Statements****Year Ended March 31, 2020**

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### **Management's Responsibility for Financial Reporting**

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

The consolidated financial statements of Slate Falls Nation have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board and as such include amounts that are the best estimates and judgements of management. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Management maintains appropriate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

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

The March 31, 2020 consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.



Chief



Councillor



Councillor

Slate Falls, Ontario  
February 11, 2022

# Independent Auditor's Report

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**Grant Thornton LLP**  
94 Commerce Drive  
Winnipeg, MB  
R3P 0Z3

T +1 204 944 0100  
F +1 204 957 5442  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of  
Slate Falls First Nation

## Opinion

We have audited the financial statements of Slate Falls First Nation, which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenditures, changes in net assets and changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board.

## Basis for opinion

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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

# Independent Auditor's Report

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

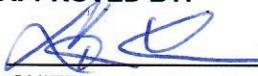
Winnipeg, Canada  
February 11, 2022

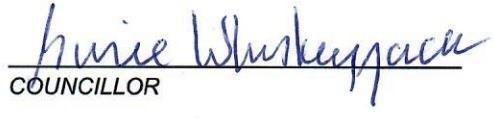
Licensed Public Accountants in the Province of Ontario  
Chartered Professional Accountants

**SLATE FALLS NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>Financial Assets</b>		
Cash (Note 3)	\$ 456,838	\$ 1,030,459
Restricted cash- Slate Falls Nation Trust (Notes 3, 4)	2,257,249	2,239,364
Short term investments	153,945	74,849
Band Trust Funds (Note 5)	9,534	7,968
CMHC Replacement Reserve Investment	85,768	78,766
CMHC Operating Reserve Investment	6,484	6,915
Accounts receivable, net of allowance for doubtful accounts \$62,238 (2019 - \$49,428) (Note 6)	2,592,878	2,549,283
CMHC Subsidy receivable	3,555	24,885
Investment in subsidiaries (Note 7)	5,468,431	5,432,989
Due from related parties (Note 12)	1,402,257	1,293,154
	<b>12,436,939</b>	<b>12,738,632</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	760,009	357,820
Slate Falls Nation Trust payable to members (Note 4)	330,416	344,980
Wages payable	167,667	166,827
Employee deductions payable	143,055	88,847
Deferred income (Note 10)	19,725	358,066
Incomplete Projects (Note 11)	2,042,919	2,333,285
Capital asset reserves (Note 13)	196,461	189,459
Mortgage payable (Note 14)	872,945	1,003,660
Due to related parties (Note 12)	2,685,605	2,454,518
	<b>7,218,802</b>	<b>7,297,462</b>
<b>Net financial assets</b>	<b>5,218,137</b>	<b>5,441,170</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 8)	19,080,156	17,244,864
Prepaid expenses	35,326	59,600
	<b>19,115,482</b>	<b>17,304,464</b>
	<b>\$ 24,333,619</b>	<b>\$ 22,745,634</b>

**APPROVED BY:**

  
**CHIEF**  
  
**COUNCILLOR**

  
**COUNCILLOR**

**SLATE FALLS NATION**

**Consolidated Statement of Revenues and Expenditures and Changes in Net Assets**

**For the Year Ended March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
ISC Fixed Contribution Funding	\$ 2,819,905	\$ 2,961,998
ISC Grant Funding	238,654	313,380
ISC Set Contribution Funding	-	2,060
Total AANDC (Note 15)	<b>3,058,559</b>	3,277,438
Health Canada	3,469,782	3,667,885
Other program funding and revenue	3,461,567	2,396,609
Transfer from (to) Incomplete	290,369	(1,352,671)
Transfer from (to) deferred revenue	338,341	218,859
	<b>7,560,059</b>	4,930,682
Income of subsidiary corporations	35,443	457,025
Ontario First Nations Limited Partnership	930,450	1,074,105
Gain (loss) on disposal of assets	-	30,000
Interest on trust account	36,866	32,744
	<b>11,621,377</b>	9,801,994
<b>Expenses</b>		
Public Works & Housing	3,602,758	1,796,865
Social Development	1,473,367	902,432
Finance & Administration	740,946	732,358
Health	3,674,692	3,673,436
Education	1,292,612	838,349
Land Use Planning	182,421	142,624
Slate Falls Nation Trust	2,144	2,176
	<b>10,968,940</b>	8,088,240
Ontario First Nations Limited Partnership income allocated	930,450	1,074,105
Amortization	988,494	828,066
	<b>12,887,884</b>	9,990,411
<b>Excess (deficiency) of revenue over expenses</b>	<b>(1,266,507)</b>	(188,417)
Transfer to Tangible Capital	2,854,492	674,179
<b>Net excess of revenue over expenses</b>	<b>1,587,985</b>	485,762
Accumulated surplus, beginning of year	<b>22,745,634</b>	22,259,872
<b>Net assets - end of year</b>	<b>\$ 24,333,619</b>	\$ 22,745,634

**SLATE FALLS NATION****Consolidated Statement of Change in Net Financial Assets****Year Ended March 31, 2020**

	2020	2019
<b>Surplus (deficiency) of revenues over expenditures for the year</b>	\$ 1,587,985	\$ 485,762
Acquisition of tangible capital assets	(2,854,492)	(674,178)
Amortization of tangible capital assets	1,019,200	858,444
Acquisition of prepaid expenses	24,274	(13,500)
Change in net financial assets	(223,033)	656,528
Net financial assets, beginning of year	5,441,170	4,784,642
<b>Net financial assets, end of year</b>	<b>\$ 5,218,137</b>	<b>\$ 5,441,170</b>

**SLATE FALLS NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 1,587,985	\$ 485,763
Items not affecting cash:		
Amortization of tangible capital assets	988,495	828,066
Amortization of CMHC financed property	30,707	30,378
Income (loss) of subsidiary corporations	(35,443)	(457,025)
Gain on disposal of assets	-	(30,000)
	<b>2,571,744</b>	857,182
Changes in non-cash working capital:		
Accounts receivable	(43,595)	(2,069,336)
Interest receivable	-	15,592
Short term investments	(79,096)	(826)
CMHC reserve investments	(6,579)	(9,434)
Accounts payable	402,196	(3,157)
Deferred income	(338,341)	(218,859)
Employee deductions payable	54,208	59,106
Prepaid expenses	24,274	(13,500)
CMHC Subsidy receivable	21,330	(21,330)
Wages payable	840	10,920
Slate Falls Nation Trust payable to members	(14,564)	(35,630)
Incomplete Projects	(290,366)	1,352,673
	<b>(269,693)</b>	(933,781)
Cash flow from operating activities	<b>2,302,051</b>	(76,599)
<b>Capital activities</b>		
Purchase of tangible capital assets	(2,854,492)	(674,179)
Proceeds on disposal of tangible capital assets	-	30,000
Cash flow used by capital activities	<b>(2,854,492)</b>	(644,179)
<b>Investing activities</b>		
Band Trust Funds	<b>(1,566)</b>	(181)
<b>Financing activities</b>		
Advances from related parties	121,984	112,007
Capital asset reserves	7,002	9,029
Restricted short term investments	-	2,210,549
Repayment of long term debt	(130,715)	(130,386)
Cash flow from (used by) financing activities	<b>(1,729)</b>	2,201,199
<b>Increase (decrease) in cash flow</b>	<b>(555,736)</b>	1,480,240
Cash - beginning of year	<b>3,269,823</b>	1,789,583
<b>Cash - end of year (Note 3)</b>	<b>\$ 2,714,087</b>	<b>\$ 3,269,823</b>

**SLATE FALLS NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

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**1. Nature of entity**

Slate Falls Nation is a First Nation located in the Province of Ontario. The First Nation is a non-profit, non-taxable entity and is engaged in the social, cultural, educational and economic development of First Nation citizens of Slate Falls Nation. The First Nation provides services such as fire, health, public works, community planning, recreation, education and other general government operations.

**2. Significant accounting policies**

Basis of presentation

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.

Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Fully consolidated entities have all inter-organizational balances and transactions eliminated upon consolidation. The following are fully consolidated in the financial statements of the First Nation.

- CMHC
- Land Use Planning
- Ontario First Nations Limited Partnership
- Slate Falls Nation Trust

For business enterprises and business partnerships the investment in the acquired companies is initially recorded at its cost. The results of operations of the acquired companies are included in the investment from the dates of acquisition. Under this method, government business enterprises' accounting policies, which follow Canadian generally accepted accounting principles for publicly accountable enterprises, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated.

The following subsidiaries' results of operations are included in these financial statements under the modified equity method:

<b>Percentage Ownership</b>	
2159256 Ontario Ltd.	100%
Bamaji Lake Economic Development Corporation	100%
Bamaji Air Inc.	75%
Knobby's Fly-In Camps Limited	100%
1902070 Ontario Inc.	100%

*(continues)*

# SLATE FALLS NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2020

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### 2. Significant accounting policies (*continued*)

#### 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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 from other sources are deferred when restrictions are placed on their use by the 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 is performed is deferred and recognized when the fee is earned or service performed.

#### Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Financial instruments policy

Financial instruments include cash and short term investments, accounts receivable, accounts payable, and long term debt. It is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments, and that unless otherwise noted, the book value of the First Nation's financial assets and liabilities approximates their fair value.

#### Short term investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

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# SLATE FALLS NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2020

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### 2. Significant accounting policies (*continued*)

#### Tangible capital assets

Tangible capital assets are 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.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Slate Falls First Nation's incremental cost of borrowing.

#### Amortization of tangible capital assets

Tangible capital assets is amortized over its estimated useful life at the following rates and methods:

Buildings	5%	straight-line method
Heavy Equipment	15%	straight-line method
Automotive Equipment	30%	straight-line method
Fuel Tanks	10%	straight-line method
Small Equipment	30%	straight-line method
Office Equipment	30%	straight-line method

Tangible capital assets are written down when conditions indicate that they no longer contribute to Slate Falls Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

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.

#### Budget

Annual budget figures are not included as they are not prepared in a format consistent with the accounting framework of the First Nation.

### 3. Cash

	2020	2019
Slate Falls Nation operating accounts	\$ 456,838	\$ 1,030,459
Slate Falls Nation Trust- restricted cash	2,257,249	2,239,364
	\$ 2,714,087	\$ 3,269,823

The First Nation has an operating line of credit with CIBC with interest payable monthly at prime plus 2%. The balance of the line of credit at March 31, 2020 was \$nil (2019 - \$nil).

# SLATE FALLS NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2020

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### 4. Trust Funds

The First Nation, the governments of Canada and Ontario, and Ontario Power Generation entered into settlement agreements relating to flooding of Lake St. Joseph and surrounding area. The First Nation ratified the settlement agreement by vote on November 14, 2012 and established the Slate Falls Nation Trust with an effective date of December 10, 2013. Monetary compensation of \$5,400,000 was directed to the Slate Falls Nation Trust to be held as a long term asset for the benefit of the First Nation. The Trustees shall administer the compensation on the terms and conditions set out in the Trust Agreement. The Trustee shall hold and invest the Trust property for the benefit of the First Nation, and will transfer or release Trust property as directed or authorized by the Trust Agreement.

The Trust is a reversionary trust and therefore, although it is subject to tax pursuant to section 104 of the Income Tax Act (Canada), subsection 75(2) of the Income Tax Act (Canada) applies to deem income to be that of a First Nation.

The year end of the Trust is December 31, 2019 and therefore the First Nation has adjusted the financial statement categories for the income of the period from January 1, 2020 to March 31, 2020.

At March 31, 2020, the Slate Falls Nation Trust had the following assets and liabilities under management.

	2020	2019
Restricted cash- Slate Falls Nation Trust	\$ 2,257,249	\$ 2,239,364
Less: Slate Falls Nation Trust payable to members	(330,416)	(344,980)
	<b>\$ 1,926,833</b>	<b>\$ 1,894,384</b>

### 5. Band Trust Funds

The trust balance is monies held in trust for Slate Falls Nation by the Department of Aboriginal Affairs and Northern Development Canada. The change in the trust balance during the year was as follows:

	Capital	Revenue	2020	2019
Balance, beginning of year	\$ 1,056	\$ 6,912	\$ 7,968	\$ 7,787
Add: Government of Canada Interest	- -	1,566	1,566	181
Balance, end of year	<b>\$ 1,056</b>	<b>\$ 8,478</b>	<b>\$ 9,534</b>	<b>\$ 7,968</b>

**SLATE FALLS NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

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**6. Accounts receivable**

	<b>2020</b>	<b>2019</b>
ISC Receivable	\$ 912,326	\$ 923,145
Health Canada	1,430,268	641,301
Other receivables	312,522	1,034,265
 Subtotal	 2,655,116	2,598,711
Allowance for Doubtful Accounts	(62,238)	(49,428)
 	 \$ 2,592,878	\$ 2,549,283

**7. Investment in subsidiaries**

The investment balance reported represents the modified equity (deficit) balance of the following band businesses:

	<b>2020</b>	<b>2019</b>
Bamaji Lake Economic Development Corporation	\$ 2,279,702	\$ 2,309,977
Knobby's Fly-In Camps Limited	3,521,567	3,585,016
Bamaji Air Ltd.	(608,449)	(743,568)
2159256 Ontario Ltd.	(147,145)	(141,646)
1902070 Ontario Inc.	422,756	423,210
 	 \$ 5,468,431	\$ 5,432,989

*(continues)*

**SLATE FALLS NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2020****7. Investment in subsidiaries (continued)****Bamaji Lake Economic Development Corporation  
March 31, 2020**

	<b>2020</b>	<b>2019</b>
Financial Assets	\$ 3,347,104	\$ 3,639,313
Liabilities	1,460,717	1,681,707
Net financial assets	1,886,387	1,957,606
Non-financial assets	393,315	352,371
	<b>\$ 2,279,702</b>	<b>\$ 2,309,977</b>
<b>Investment Comprised of:</b>		
Acquisition costs	\$ -	\$ -
Cumulative income (loss)	2,279,702	2,309,977
	<b>\$ 2,279,702</b>	<b>\$ 2,309,977</b>

**Knobby's Fly-In Camps Limited  
October 31, 2019**

	<b>2019</b>	<b>2018</b>
Assets	\$ 4,206,058	\$ 4,096,403
Liabilities	\$ 657,399	\$ 484,295
Surplus (deficit)	3,548,659	3,612,108
	<b>\$ 4,206,058</b>	<b>\$ 4,096,403</b>
Revenue	\$ 802,048	\$ 800,297
Expense	865,497	809,575
Current Surplus (deficit)	\$ (63,449)	\$ (9,278)
<b>Investment Comprised of:</b>		
Acquisition costs	\$ 1,865,000	\$ 1,865,000
Cumulative income (loss)	1,656,567	1,720,016
	<b>\$ 3,521,567</b>	<b>\$ 3,585,016</b>

*(continues)*

**SLATE FALLS NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2020****7. Investment in subsidiaries (continued)****2159256 Ontario Ltd.  
October 31, 2019**

	<b>2019</b>	<b>2018</b>
Assets	\$ 286,657	\$ 299,908
Liabilities	576,188	583,940
Surplus (deficit)	(289,631)	(284,032)
	\$ 286,557	\$ 299,908
Revenue	\$ 261,582	\$ 229,389
Expense	267,081	186,066
Current Surplus (deficit)	\$ (5,499)	\$ 43,323
<b>Investment Comprised of:</b>		
Acquisition costs	\$ 142,486	\$ 142,486
Cumulative income (loss)	(289,631)	(284,132)
	\$ (147,145)	\$ (141,646)

**1902070 Ontario Inc.  
January 31, 2020**

	<b>2020</b>	<b>2019</b>
Assets	\$ 1,228,029	\$ 1,224,543
Liabilities	1,241,990	1,238,050
Surplus (deficit)	(13,961)	(13,507)
	\$ 1,228,029	\$ 1,224,543
Revenue	\$ 109,208	\$ 129,857
Expenses	109,662	124,512
Current Surplus (deficit)	\$ (454)	\$ 5,345
<b>Investment Comprised of:</b>		
Acquisition costs	\$ 413,737	\$ 413,737
Cumulative income (loss)	9,019	9,473
	\$ 422,756	\$ 423,210

*(continues)*

**SLATE FALLS NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2020****7. Investment in subsidiaries (continued)**

**Bamaji Air Ltd.**  
**October 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>	<b>\$ 1,267,060</b>	\$ 1,158,832
Liabilities	1,632,371	\$ 1,704,301
Surplus	(365,311)	(545,469)
	<b>1,267,060</b>	\$ 1,158,832
Revenue	1,577,097	\$ 1,627,630
Expenses	1,396,939	1,332,648
Current Surplus (deficit)	180,158	\$ 294,982
Slate Falls Nation share of current surplus (deficit)	\$ 135,119	\$ 221,237
<b>Investment Comprised of:</b>		
Acquisition costs	\$ 2,101,624	\$ 2,101,624
Cumulative income (loss)	(2,710,073)	(2,845,192)
	<b>\$ (608,449)</b>	<b>\$ (743,568)</b>

# SLATE FALLS NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2020

### 8. Tangible capital assets

	Cost	Accumulated amortization	2020 Net book value
Land	\$ 126,200	\$ -	\$ 126,200
Buildings	14,523,457	7,963,567	6,559,890
Equipment	629,056	466,772	162,284
Automotive	1,046,549	654,231	392,318
CMHC Buildings	869,622	329,029	540,593
Fuel Tanks	547,922	301,357	246,565
Water Plant	11,603,305	567,831	11,035,474
Well	24,990	8,158	16,832
	<b>\$ 29,371,101</b>	<b>\$ 10,290,945</b>	<b>\$ 19,080,156</b>

	Cost	Accumulated amortization	2019 Net book value
Land	\$ 126,200	\$ -	\$ 126,200
Buildings	12,162,241	7,429,853	4,732,388
Equipment	539,527	428,608	110,919
Automotive	786,985	525,175	261,810
CMHC Buildings	869,622	298,322	571,300
Fuel Tanks	547,922	246,565	301,357
Water Plant	11,265,122	335,765	10,929,357
Construction in progress	194,000	-	194,000
Well	24,990	7,457	17,533
	<b>\$ 26,516,609</b>	<b>\$ 9,271,745</b>	<b>\$ 17,244,864</b>

### 9. Construction in progress

	2020	2019
Housing project	\$ -	\$ 194,000

Tangible capital projects which are not complete at March 31 are included as Construction in progress.

### 10. Deferred income

	2020	2019
Water Plant	\$ 19,725	\$ 358,066

Revenues received relating to capital projects that are unspent as at March 31 are deferred until the fiscal year the funds are disbursed.

**SLATE FALLS NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2020****11. Incomplete Projects**

The incomplete projects represent deferred funding from advances provided to Slate Falls Nation by the Department of Aboriginal Affairs and Northern Development Canada and the Government of Canada and other sources.

	<b>2020</b>	<b>2019</b>
Deferred revenue, beginning of year	\$ 2,333,285	\$ 980,612
Add: AANDC current deferral	2,021,959	2,282,312
Other program current deferral	20,960	50,973
Less: Deferred revenue recognized	(2,333,285)	(980,612)
	<b>2,042,919</b>	<b>2,333,285</b>

The balance of deferred revenue consists of the following:

	<b>2020</b>	<b>2019</b>
<b>Aboriginal Affairs and Northern Development Canada</b>		
Water and Sewer	\$ 120,351	\$ 109,579
Fire Prevention	25,424	24,345
Planning, Design & Construction	9,224	3,366
Electrical Systems	15,129	10,029
ECDEV Capacity Development	15,748	15,748
Instructional Services	472,214	166,566
Guidance and Counselling	262,500	262,500
Education Management & Government Capacity	7,926	8,189
Student transportation	-	23,966
School Effectiveness	93,811	93,811
Teachers Recruitment & Retention	9,981	13,581
Band operated schools	88,588	118,495
Child and Family services	423,600	423,600
Finance Management Government Capacity Development	7,524	8,654
Education Language and Culture	-	19,411
Parent and Community Engagement	38,421	38,421
Education Planning, Design & Construction	7,266	-
Schools Operations and maintenance	44,178	101,971
Housing Immediate Needs Construction 2019	-	840,080
Housing Immediate Needs Construction 2020	85,274	-
Capacity Innovation	9,475	-
Capital Planning Project Infrastructure	114,255	-
Early Learning and Childcare	106,176	-
School Second Level	64,894	-
	<b>2,021,959</b>	<b>2,282,312</b>
<b>Other deferred program funding</b>		
Student council	20,960	6,018
CMHC HIIFNIIY	-	3,136
CMHC RRAP	-	9,149
CMHC HASI	-	32,670
	<b>20,960</b>	<b>50,973</b>
	<b>\$ 2,042,919</b>	<b>\$ 2,333,285</b>

**SLATE FALLS NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2020****12. Due to (from) related parties**

	<b>2020</b>	<b>2019</b>
<u>Related party transactions</u>		
Bamaji Lake Economic Development Corporation (Wholly owned subsidiary)		
Services Provided	\$ 957,488	\$ 1,062,444
Transfer of Casino Rama funding	930,450	1,074,105
	<b>\$ 1,887,938</b>	<b>\$ 2,136,549</b>
Bamaji Air Inc.		
Flying services	\$ 173,595	\$ 135,252

These transactions are in the normal course of operations and are measured at the exchange amount, (the value of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for sales of product or provision of services.

Due to (from) related parties

The First Nation had the following balances owing to (from) related parties:

	<b>2020</b>	<b>2019</b>
<u>Due from related parties:</u>		
Bamaji Air Inc.	\$ 996,001	\$ 885,600
2159256 Ontario Ltd.	403,937	403,520
Due from 1902070 Ontario Inc.	2,319	4,034
	<b>\$ 1,402,257</b>	<b>\$ 1,293,154</b>
<u>Due to related parties:</u>		
Bamaji Lake Economic Development Corporation	\$ 2,585,914	\$ 2,353,913
Knobby's Fly-In Camps Limited	99,691	100,605
	<b>\$ 2,685,605</b>	<b>\$ 2,454,518</b>

Advances from a related organization are non-interest bearing and have no set repayment terms.

**13. Capital Asset Reserves**

The capital asset reserves are comprised of the following:

	<b>2020</b>	<b>2019</b>
Administration capital replacement reserve	\$ 27,229	\$ 27,229
Education capital replacement reserve	83,464	83,464
CMHC capital replacement reserve	85,768	78,766
	<b>\$ 196,461</b>	<b>\$ 189,459</b>

**SLATE FALLS NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2020****14. Mortgage payable**

	<b>2020</b>	<b>2019</b>
Canada Mortgage and Housing Corporation (CMHC) loan bearing interest at 1.110% per annum, repayable in monthly blended payments of \$2,909. The loan matures on March 1, 2031 and is secured by a first mortgage on the property. The mortgage was renewed on April 1, 2016 with the next renewal on April 1, 2021.	\$ <b>361,299</b>	\$ 392,006
CIBC demand loan bearing interest at prime plus 2% per annum. Repayable in monthly principal payments of \$8,334 plus interest. The loan matures April 13, 2025 and is secured by a first charge on all property, assignment of property insurance, and direction of Ontario First Nations Limited Partnership revenues to CIBC.	<b>511,646</b>	611,654
	<b>\$ 872,945</b>	\$ 1,003,660

Principal repayment terms are approximately:

2021	\$ 131,008
2022	131,008
2023	132,008
2024	132,008
2025	133,008
Thereafter	<u>213,905</u>
	<b>\$ 872,945</b>

**15. Indigenous Services Canada (ISC) revenues**

	<b>2020</b>	<b>2019</b>
ISC Fixed Contribution Funding	\$ <b>2,762,251</b>	\$ 2,961,998
ISC Grant Funding	<b>238,654</b>	313,380
ISC Set Contribution Funding	-	2,060
Total funding per ISC for year ended March 31, 2020	<b>3,000,905</b>	3,277,438
ISC Funding for Band Representative included in 2020/21	<b>57,654</b>	-
	<b>\$ 3,058,559</b>	\$ 3,277,438

The Fixed Contribution Funding from ISC for Band Representative was approved subsequent to the year end and is included in the agreement for the year ended March 31, 2021. The expenditures relating to this program were incurred in the year ended March 31, 2020. As such, the revenue has been recognized in the current year.

**16. Economic dependence**

Slate Falls Nation receives a significant portion of its revenues pursuant to funding agreements with the federal government.

# SLATE FALLS NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2020

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### 17. Contingent liability

The First Nation has provided a guarantee in the amount of \$320,000 to support a loan of a subsidiary company.

In addition, the First Nation has received a forgivable loan from CMHC. This loan is forgivable over five years should the First Nation comply with the terms and conditions of the RRAP loan. The loan becomes payable with interest at 6.5% should the First Nation fail to comply.

### 18. Segmented Information

Slate Falls Nations is a diversified community that provides a wide range of services to its members. For management reporting purposes Slate Falls Nation's 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.

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

#### Public Works and Housing

Public Works contains all activities that relate to the maintenance of buildings and land of the First Nation.

#### Social Development

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

#### Finance & Administration

Finance & Administration contains activities that are needed to run Slate Falls Nation.

#### Health Services

Health Services contains activities that provide medical services to band members.

#### Education

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

#### Land Use Planning

Land Use Planning contains the funds received and disbursed by Slate Falls Nation on behalf of Slate Falls Nation and Cat Lake First Nation for the Core Consultation agreement.

#### Ontario First Nations Limited Partnership

Ontario First Nations Limited Partnership (ONFLP) contains the funds received from ONFLP and the disbursement of these funds to eligible programs.

#### Slate Falls Nation Trust

Proceeds received and the disbursement thereof relating to the settlement of the Lake St. Joseph flood claim, including the establishment of the Slate Falls Nation Trust.

**SLATE FALLS NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2020**

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**19. Hydro One Agreement**

Slate Falls Nation entered into an agreement on December 4, 2017 with Hydro One Networks Inc. The agreement provides an annual payment of \$63,911.68 for 25 years as an appropriate and reasonable payment reflecting all of Hydro One's occupation of land on the Reserve in lieu of property taxes that reflects similar payment of taxes paid to municipalities.

**20. Comparative figures**

Certain prior year comparative figures have been reclassified to conform to the presentation in the current year.

**SLATE FALLS NATION**
**Consolidated Segmented Information**
**(Schedule 1)**
**Year Ended March 31, 2020**

	Public Works & Housing	Social Development	Finance & Administration	Health	Education	Land Use Planning	Casinorama	Slate Falls Nation Trust	2020 Current Year
<b>Revenue</b>									
ISC Fixed Contribution									
Funding	\$ 957,725	\$ 355,849	\$ 41,169	\$ -	\$ 1,465,162	\$ -	\$ -	\$ -	\$ 2,819,905
ISC Grant Funding	-	238,654	-	-	-	-	-	-	238,654
	957,725	594,503	41,169	-	1,465,162	-	-	-	3,058,559
Health Canada	-	-	-	3,469,782	-	-	-	-	3,469,782
Other program funding and revenue	1,234,761	891,335	807,100	277,288	68,660	182,422	-	-	3,461,567
Ontario First Nations Limited Partnership	-	-	-	-	-	-	930,450	-	930,450
Interest on trust account	-	1,567	-	-	-	-	-	35,299	36,866
Income (loss) of subsidiary corporations	-	-	35,443	-	-	-	-	-	35,443
Transfer from (to) Incomplete	556,521	(8,343)	-	-	(257,809)	-	-	-	290,369
Transfer from (to) deferred revenue	338,341	-	-	-	-	-	-	-	338,341
	3,087,348	1,479,062	883,712	3,747,070	1,276,013	182,422	930,450	35,299	11,621,377
<b>Expenses</b>									
Administration	7,306	13,400	1	355,040	23,513	-	-	-	399,260
Bad debts	-	-	18,147	-	569	-	-	-	18,716
Insurance	87,680	119	14,672	14,897	25,174	-	-	-	142,542
Interest and bank charges	188	361	7,105	1,794	653	-	-	74	10,175
Interest on long term debt	38,148	-	-	-	-	-	-	-	38,148
Office	28	2,072	20,701	3,836	841	-	-	-	27,478
Professional fees	8,705	-	114,601	-	-	-	-	-	123,306
Professional services	1,106,129	-	54,890	765,496	125,453	-	-	-	2,051,968
Program Operations	1,426,320	492,258	77,470	424,014	93,342	179,999	-	-	2,693,403
Rent	5,400	20,922	-	240	3,600	-	-	-	30,162
Equipment and Rentals	304,422	157,295	30,793	62,074	278,020	647	-	-	833,251
Repairs and maintenance	1,068	-	8,004	3,192	26,068	-	-	-	38,332
Salaries and benefits	416,565	737,426	211,373	1,496,269	210,231	-	-	-	3,071,864

*(continues)*

**SLATE FALLS NATION**
**Consolidated Segmented Information (continued)**
**(Schedule 1)**
**Year Ended March 31, 2020**

	Public Works & Housing	Social Development	Finance & Administration	Health	Education	Land Use Planning	Casinorama	Slate Falls Nation Trust	2020 Current Year
Freight	5,856	2,840	7,659	44,895	11,726	10	-	-	72,986
Grants and Sponsorships	-	-	-	5	6,500	-	-	-	6,505
Materials and Supplies	28,241	2,292	4,123	67,536	24,331	-	-	-	126,523
Travel	13,846	4,687	91,556	361,638	7,837	1,625	-	2,070	483,259
Gas/Oil	8,874	2,619	3,014	29,915	10,970	140	-	-	55,532
Utilities and telephone	108,775	19,374	32,081	37,027	49,857	-	-	-	247,114
Training and Workshops	-	17,702	1,750	6,824	-	-	-	-	26,276
Wages - WEA Administered Services	-	-	-	-	393,927	-	-	-	393,927
CMHC Loan Payment	30,707	-	-	-	-	-	-	-	30,707
Replacement Reserve	4,500	-	-	-	-	-	-	-	4,500
Health Canada Recovery	-	-	43,006	-	-	-	-	-	43,006
	3,602,758	1,473,367	740,946	3,674,692	1,292,612	182,421	-	2,144	10,968,940
Amortization	-	-	988,494	-	-	-	-	-	988,494
Ontario First Nations Limited Partnership income allocated	-	-	-	-	-	-	930,450	-	930,450
	-	-	988,494	-	-	-	930,450	-	1,918,945
Transfer to Tangible Capital	(2,334,912)	(211,146)	-	(20,995)	(287,439)	-	-	-	(2,854,492)
	1,267,846	1,262,221	1,729,440	3,653,697	1,005,173	182,421	930,450	2,144	10,033,392
	\$ 1,819,502	\$ 216,841	\$ (845,728)	\$ 93,373	\$ 270,840	\$ 1	\$ -	\$ 33,155	\$ 1,587,985

See notes to financial statements

**SLATE FALLS NATION**
**Consolidated Segmented Comparative Information**
**(Schedule 2)**
**Year Ended March 31, 2019**

	Public Works & Housing	Social Development	Finance & Administration	Health	Education	Land Use Planning	Casinorama	Slate Falls Nation Trust	2019 Prior Year
<b>Revenue</b>									
ISC Fixed Contribution Funding	\$ 1,551,453	\$ 15,000	\$ 415,015	\$ -	\$ 980,530	\$ -	\$ -	\$ -	\$ 2,961,998
ISC Grant Funding	-	313,380	-	-	-	-	-	-	313,380
ISC Set Contribution Funding	-	-	2,060	-	-	-	-	-	2,060
	1,551,453	328,380	417,075	-	980,530	-	-	-	3,277,438
Health Canada	-	-	-	3,667,885	-	-	-	-	3,667,885
Other program funding and revenue	625,587	596,785	595,129	365,744	70,740	142,624	-	-	2,396,609
Ontario First Nations Limited Partnership	-	-	-	-	-	-	1,074,105	-	1,074,105
Interest on trust account	-	181	-	-	-	-	-	32,563	32,744
Income (loss) of subsidiary corporations	-	-	457,025	-	-	-	-	-	457,025
Gain (loss) on disposal of assets	-	-	30,000	-	-	-	-	-	30,000
Transfer from (to) Incomplete	(833,450)	26,962	(367,100)	34,315	(213,398)	-	-	-	(1,352,671)
Transfer from (to) deferred revenue	218,859	-	-	-	-	-	-	-	218,859
	1,562,449	952,308	1,132,129	4,067,944	837,872	142,624	1,074,105	32,563	9,801,994
<b>Expenses</b>									
Administration	16,876	5,000	-	380,105	33,698	-	-	-	435,679
Bad debts	-	-	10,554	757	292	-	-	-	11,603
Insurance	82,692	-	15,982	10,821	21,245	-	-	-	130,740
Interest and bank charges	4,072	-	9,549	7	797	-	-	74	14,499
Interest on long term debt	41,731	-	-	-	-	-	-	-	41,731
Office	900	-	13,510	23,661	27	-	-	-	38,098
Professional fees	-	6,921	66,681	-	-	-	-	210	73,812
Professional services	601,146	69,525	38,662	771,594	43,357	-	-	-	1,524,284
Program Operations	145,598	55,624	78,549	557,665	60,118	135,018	-	28	1,032,598
Rent	-	1,892	-	1,546	3,600	-	-	-	7,038

*(continues)*

**SLATE FALLS NATION**
**Consolidated Segmented Comparative Information (continued)**
**(Schedule 2)**
**Year Ended March 31, 2019**

	Public Works & Housing	Social Development	Finance & Administration	Health	Education	Land Use Planning	Casinorama	Slate Falls Nation Trust	2019 Prior Year
Equipment and Rentals	231,266	1,150	64,685	230,884	22,510	-	-	-	550,495
Repairs and maintenance	13,703	59,482	12,571	3,647	36,774	-	-	-	126,177
Salaries and benefits	367,373	646,349	203,330	1,189,442	198,823	-	-	-	2,605,317
Freight	629	205	20,132	82,604	11,878	-	-	-	115,448
Grants and Sponsorships	-	-	-	-	14,581	-	-	-	14,581
Training and Workshops	2,000	-	-	19,146	-	-	-	-	21,146
Materials and Supplies	104,152	28,091	7,040	45,260	39,952	-	-	-	224,495
Travel	24,147	28,081	58,580	297,834	12,423	7,606	-	1,864	430,535
Gas/Oil	9,339	112	4,633	24,788	31,662	-	-	-	70,534
Utilities and telephone	116,363	-	27,004	33,675	41,467	-	-	-	218,509
Wages - WEA Administered Services	-	-	-	-	265,145	-	-	-	265,145
CMHC Loan Payment	30,378	-	-	-	-	-	-	-	30,378
Replacement Reserve	4,500	-	-	-	-	-	-	-	4,500
Health Canada Recovery	-	-	100,896	-	-	-	-	-	100,896
	1,796,865	902,432	732,358	3,673,436	838,349	142,624	-	2,176	8,088,238
Amortization	-	-	828,066	-	-	-	-	-	828,066
Ontario First Nations Limited Partnership income allocated	-	-	-	-	-	-	1,074,105	-	1,074,105
	-	-	828,066	-	-	-	1,074,105	-	1,902,172
Transfer to Tangible Capital	(412,858)	(10,757)	(46,000)	(204,562)	-	-	-	-	(674,177)
	1,384,007	891,675	1,514,424	3,468,874	838,349	142,624	1,074,105	2,176	9,316,232
	\$ 178,442	\$ 60,633	\$ (382,295)	\$ 599,070	\$ (477)	\$ -	\$ -	\$ 30,387	\$ 485,762

See notes to financial statements

**SLATE FALLS NATION****Consolidated Statement of Expenditure by Object****(Schedule 3)****Year Ended March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>Expenses</b>		
Administration	\$ 399,259	\$ 435,679
Amortization	988,494	828,066
Bad debts	18,716	11,603
CMHC Loan Payment	30,707	30,378
Equipment and Rentals	833,252	550,494
Freight	72,986	115,448
Gas/Oil	55,532	70,535
Grants and Sponsorships	6,505	14,581
Health Canada Recovery	43,006	100,896
Insurance	142,543	130,739
Interest and bank charges	10,173	14,498
Interest on long term debt	38,149	41,741
Materials and Supplies	126,524	224,495
Office	27,477	38,098
Ontario First Nations Limited Partnership income allocated	930,450	1,074,105
Professional fees	123,306	73,811
Professional services	2,051,967	1,524,284
Program Operations	2,693,402	1,032,593
Rent	30,162	7,038
Repairs and maintenance	38,334	126,177
Replacement Reserve	4,500	4,500
Salaries and benefits	3,071,863	2,605,317
Training and Workshops	26,275	21,146
Travel	483,260	430,536
Utilities and telephone	247,114	218,508
Wages - WEA Administered Services	393,927	265,145
	<b>12,887,884</b>	9,990,411
Transfer to Tangible Capital	<b>(2,854,492)</b>	(674,179)
	<b>\$ 10,033,392</b>	\$ 9,316,232