

PEGUIS FIRST NATION

Consolidated Financial Statements
For the year ended March 31, 2019

PEGUIS FIRST NATION

Consolidated Financial Statements **For the year ended March 31, 2019**

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Peguis First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of Peguis First Nation. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depend on future events. The financial statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian public sector accounting standards.

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

The Peguis First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

BDO Canada LLP, Chartered Professional Accountants, as the First Nation's appointed external auditor, has audited the consolidated financial statements. The Independent Auditor's Report is addressed to the Members and appears on the following page. The opinion is based upon an examination conducted in accordance with Canadian auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of operations of the First Nation in accordance with Canadian public sector accounting standards. BDO Canada LLP has full and free access to the Council. These statements were presented to the Finance Committee prior to approval.



Chief Glenn Hudson



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Independent Auditor's Report

To the Members of Peguis First Nation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Peguis First Nation and its components ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Peguis First Nation as at March 31, 2019 and the results of its operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation has had pending claims and funding disputes for flood expenditures in the amount of \$11,415,502 the valuation and collectibility of which is not susceptible of satisfactory audit verification as at the year end. During the prior year, additional claims of \$1,060,949 were recorded as recoverable. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the First Nation and claimed to the funders. Therefore, we were not able to determine whether any adjustments might be necessary to other revenues, annual deficit, and cash flows from operations for the years ended March 31, 2019 and 2018, financial assets as at March 31, 2019 and 2018, and accumulated surplus as at March 31, 2019 and 2018. Our audit opinion on the consolidated financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

During the year, the First Nation has debt financed and loaned funds for investments to its affiliate, Chief Peguis Investment Corporation (CPIC) in the amount of \$20,941,785. We were unable to obtain sufficient appropriate audit evidence over the recoverable value of these loans as CPIC's year end financial statements and investment income projections are not available. Therefore, we were not able to determine whether any adjustments might be necessary to valuation impairment expenses, annual surplus, and cash flows from operations for the year ended March 31, 2019, accounts receivable and financial assets as at March 31, 2019, and accumulated surplus as at March 31, 2019.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of these 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.



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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
December 5, 2019

PEGUIS FIRST NATION

Consolidated Statement of Financial Position

March 31

2019

2018

Financial Assets

Cash and bank	\$ 2,074,293	\$ 6,118,772
Restricted cash (Note 3)	3,565,925	5,652,191
Accounts receivable (Note 4)	20,482,849	2,098,603
Due from government and government organizations (Note 5)	19,328,258	13,437,741
Long-term investments (Note 6)	1,069,974	1,069,974
	<u>46,521,299</u>	<u>28,377,281</u>

Liabilities

Demand loans (Note 7)	91,554,439	43,918,105
Accounts payable (Note 8)	8,806,754	8,494,475
Accrued termination entitlement (Note 9)	2,059,198	2,047,966
Unexpended funding (Note 10)	10,593,511	12,076,261
Long-term debt (Note 11)	8,135,131	6,492,354
	<u>121,149,033</u>	<u>73,029,161</u>

Net debt

(74,627,734) (44,651,880)

Non-financial Assets

Tangible capital assets (Note 12)	122,222,134	91,257,687
Inventories	42,798	45,163
Prepaid expenses	58,854	30,413
	<u>122,323,786</u>	<u>91,333,263</u>

Accumulated surplus (Note 13)


\$ 47,696,052 \$ 46,681,383

Commitments and contingency (Note 15)

Approved by the First Nation:

 Chief


 Councillor

 Councillor

 Councillor

 Councillor

_____ Councillor

 Councillor

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

PEGUIS FIRST NATION

Consolidated Statement of Operations

For the year ended March 31

	2019		2018
	Budget	Actual	Actual
Revenue			
First Peoples Development Inc.	\$ 1,770,000	\$ 2,192,785	\$ 1,964,014
Gaming revenue	4,298,345	4,736,051	4,810,869
Federal Government Transfers - Operating (Note 14)	50,977,186	53,896,413	48,230,292
Federal Government Transfers - Capital (Note 14)	9,100,000	8,754,733	3,170,731
Provincial Government Transfers - Operating (Note 14)	200,000	1,500,921	2,617,157
Rental and tuition recoveries	-	757,951	1,083,560
Other income (Note 17)	10,838,653	17,068,965	8,856,039
	77,184,184	88,907,819	70,732,662
Expenses			
Social Services	7,790,482	6,975,328	6,603,470
School Operations	6,580,601	7,024,392	6,678,103
Band Administration	8,124,429	9,682,147	7,493,831
PHP, PS and Special Programs	5,607,230	3,554,800	3,400,489
VLTOperation o/a Peguis Gaming Commission	4,224,134	3,828,367	3,787,323
Medical Services Set Programs	4,613,034	4,199,285	3,760,973
Medical Services Flexible Funding Model	1,776,000	2,714,858	2,369,182
Set Funded Programs - Education	4,543,261	4,513,690	4,033,462
Capital Housing	3,402,277	3,274,818	2,580,112
McPherson Local Roads	-	-	173,020
Tobacco Tax	624,000	593,640	1,003,181
Treaty Committee	3,269,437	2,793,982	2,343,456
Training and Employment	1,928,927	3,358,597	2,353,862
Personal Care Home	2,493,993	2,290,776	1,888,395
Al-Care Treatment Centre	1,847,300	1,953,970	1,799,212
Roads and Public Works	2,011,955	1,549,661	995,624
Plant and Teacherages	1,476,897	2,193,430	1,730,281
Student Transportation	1,655,881	1,542,584	1,458,732
Emergency Operations Centre	-	304,789	897,405
TLE Office	700,464	1,147,396	715,303
Set Funded Programs - Band	1,148,610	1,875,954	737,978
CMHC RRAP	-	2,738	547,433
Fisher Ambulance Service	472,291	777,781	599,948
Institutional Care - Type 1	-	468,330	465,736
CMHC Projects	375,475	875,435	947,172
Lands and Membership	684,672	508,113	381,779
Sump Pump	-	249,303	301,479
Fire Hall	-	177,519	128,592
Cultural	-	129,200	139,840
Community Services	960,000	3,151,224	2,532,610
Summer Work Experience	-	233,124	276,233
Skills Link	-	147,984	7,765
Radio Payroll	-	60,984	82,977
Policing and Security	-	7,865	204,574
Women's Project	-	66,196	83,819
Traditional Health - Trust	-	190,381	126,986
Elderly Persons Home	-	40,078	123,772
Moveable Asset Reserve	-	23,401	23,401
Housing	-	3,716,058	78,237
HIP Program	-	-	13,280
Economic Development	415,595	410,668	413,604
PIPD	-	101,844	97,813
Red Eagle Bingo Committee	-	75,812	-
PFN Environmental Training	-	201,863	245,967
Enhanced Medical Travel	-	-	156,346
Map and Prevention	-	-	35,593
Keeyask Training	-	-	35,158
DPMP Fin/Mgmt Pilot Project	-	-	24,600
Elders Preconstruction - Enbridge	-	21,228	18,277
Construction of Multi-Units	-	42,609	-
S500 and S501 Projects	-	1,170	7,123
End of Life Research	-	-	2,398
Business Planning	-	-	405
Geothermal Project	-	-	(1,044)
Lot Servicing	-	4,500	-
Financing Initiative	5,963,908	10,835,278	10,226,541
	72,690,853	87,893,150	75,131,808
Annual surplus (deficit)	\$ 4,493,331	1,014,669	(4,399,146)
Accumulated surplus, beginning of year		46,681,383	51,080,529
Accumulated surplus, end of year		\$ 47,696,052	\$ 46,681,383

PEGUIS FIRST NATION

Consolidated Statement of Changes in Net Debt

For the year ended March 31	2019		2018
	Budget	Actual	Actual
Annual surplus (deficit)	\$ 4,493,331	\$ 1,014,669	\$ (4,399,146)
Acquisition of tangible capital assets	(9,100,000)	(35,243,262)	(7,445,823)
Inventories	-	2,365	(16,605)
Prepaid expenses	-	(28,441)	4,900
Amortization of tangible capital assets	3,435,880	4,278,815	4,184,948
Decrease in net debt	<u>\$ (1,170,789)</u>	(29,975,854)	(7,671,726)
Net debt, beginning of year		<u>(44,651,880)</u>	(36,980,154)
Net debt, end of year		<u>\$ (74,627,734)</u>	<u>\$ (44,651,880)</u>

PEGUIS FIRST NATION

Consolidated Statement of Cash Flows

For the year ended March 31 **2019** **2018**

Net Inflow (Outflow) of Cash Related to the Following Activities:

Operating Activities

Annual surplus (deficit)	\$ 1,014,669	\$ (4,399,146)
Adjustments for items not affecting cash		
Amortization of capital assets	4,278,815	4,184,948
	<u>5,293,484</u>	<u>(214,198)</u>
Net change in non-cash working capital balances (Note 18)	<u>(23,373,812)</u>	<u>610,019</u>
Cash provided by (used in) by operating activities	<u>(18,080,328)</u>	<u>395,821</u>

Capital Activities

Purchase of capital assets	<u>(35,243,262)</u>	<u>(7,445,823)</u>
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Financing Activities

Demand and long term loan proceeds	48,611,599	43,918,105
Long-term debt repayment	(1,418,754)	(5,997,246)
Demand loans repayment	-	(9,185,128)
	<u>47,192,845</u>	<u>28,735,731</u>

Increase (decrease) in cash and cash equivalents **(6,130,745)** **21,685,729**

Cash and bank (bank indebtedness), beginning of year **11,770,963** **(9,914,766)**

Cash and bank, end of year **\$ 5,640,218** **\$ 11,770,963**

Represented by

Cash and bank	\$ 2,074,293	\$ 6,118,772
Restricted cash	<u>3,565,925</u>	<u>5,652,191</u>
	<u>\$ 5,640,218</u>	<u>\$ 11,770,963</u>

Supplementary Information

Interest paid	<u>\$ 562,936</u>	<u>\$ 1,111,716</u>
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PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

1. Summary of Significant Accounting Policies

a) Basis of Accounting

These financial statements were prepared using the accrual basis of accounting in accordance with Canadian public sector accounting standards. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

b) Basis of Consolidation

The Peguis First Nation reporting entity includes the Peguis First Nation government and all related entities which are accountable to Peguis First Nation and are either owned or controlled by Peguis First Nation.

These financial statements consolidate the assets, liabilities and results of operations for Peguis First Nation and use accounting standards which lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific segment, transactions amongst programs have been eliminated on the segment disclosures separately.

The following entities' results of operations are included in these financial statements under the full consolidation method:

Unincorporated Departments

Peguis School Board
Peguis Health Services
Peguis Training and Employment
Peguis Gaming Commission
Peguis Treaty Committee
Peguis Recreation Committee
Peguis Arena Committee
Peguis TLE Implementation Office

Subsidiaries and Incorporated Non-Profits (100% owned/controlled)

Peguis Senior Centre Inc.
Fisher Ambulance Service Ltd.
Peguis Al-Care Treatment Centre Board of Directors Inc.
6223291 Manitoba Ltd.
6780734 Manitoba Ltd.
Peguis Housing Authority Inc.
CP Industries Limited Partnership
Chief Peguis One Stop Limited Partnership
Chief Peguis Pharmacy Limited Partnership

c) Investments

Investments in loans are initially recorded at cost. Valuation allowances are used to reflect loans receivable at the lower of cost and net recoverable value.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

1. Summary of Significant Accounting Policies (continued)

d) 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 the transfer of assets that are recognized and released by the payor government and are not representative of the full benefit of the recipient government's treaty entitlements. Government transfers are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the 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.

e) Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at purchased fair value at the time of the contribution, with a corresponding amount recorded as revenue. Crown lands received by Treaty Land Entitlement process are not recorded unless these are purchased by the First Nation (75,756 acres).

Amortization based on the estimated useful life of the asset is recorded once the asset is available for productive use as follows:

Infrastructure	5% straight-line basis
Buildings	20 to 40 years straight-line basis
Equipment	6 % to 20% straight-line basis
Automotive	20% straight-line basis

f) Measurement Uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

1. Summary of Significant Accounting Policies (continued)

f) Measurement Uncertainty (continued)

Measurement uncertainty exists specifically in the determination of accounts receivable, useful life capital assets, termination entitlements and unexpended funding. The recovery of eligible costs and reconciliation of funding provided for emergency flood operations and other restricted funding is dependent upon future events.

g) Employee Future Benefits

The First Nation maintains a defined contribution pension plan for its personnel. Expenses for this plan are equal to the First Nation's required contribution for the year.

The First Nation also offers termination benefits to its employees upon voluntary or involuntary termination of employment. The liability for this plan is determined using the projected benefit method and based on best estimate assumptions based on the employees' projected tenure and salary. The First Nation's expense is recorded as the change in the liability for the year.

h) Restricted Cash

Restricted cash balances represent assets segregated for use for replacement reserves in accordance with CMHC and FNIHB operating agreements. Restricted cash includes trust funds held by ISC and legal counsel and cash held as security for long term debt.

i) Liability for Contaminated Sites

Liabilities for remediation of a contaminated site are 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. At each financial reporting date, the First Nation reviews the carrying amount of any liability and remeasures.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

2. Nature of Entity

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 Peguis First Nation. The First Nation provides services such as fire, ambulance, public works, community planning, parks and recreation, library and other general government operations. These financial statements do not include the following:

Peguis First Nation TLE Trust

Peguis First Nation (Peguis) entered into a Treaty Entitlement Agreement with the governments of Canada and Manitoba for the purpose of acquiring up to 166,794 acres of additional reserve lands. Under the agreement, Peguis agreed to create the Peguis First Nation Trust (the "Trust") to manage and administer certain monies to be paid for the purchase of land and other implementation administration. An additional sum was to be received for community purposes as set out in the agreement. The Trust is commonly known as the Peguis First Nation Treaty Land Entitlement (TLE) Trust. The Trust was created September 7, 2007 with Peguis, as settlor and beneficiary. The Trust is managed and controlled by an independently elected Board of Trustees.

Peguis First Nation Surrender Claim Trust

Peguis submitted a claim to Her Majesty the Queen in right of Canada (Canada) under Canada's Specific Claims Policy with respect to the purported surrender by Peguis, on or about September 24, 1907, of its rights and interests in the land referred to as the St. Peters Reserve. Peguis and Canada entered into a settlement agreement in order to settle the claim submitted by Peguis to Canada. The Trust was settled on June 15, 2009. The Trust is managed and controlled by an independently elected Board of Trustees.

Chief Peguis Investment Trust

The Trust was created June 1, 2012 with Peguis, as settlor and beneficiary. The Trust is managed and controlled by Board of Trustees who were initially appointed from Trustees elected for the other trusts. All subsequent Trustees will be elected. The Trust owns the shares of Peguis Development Corporation, Chief Peguis Investment Corporation and general partners of Peguis Foods Limited Partnership, Peguis Hardware Limited Partnership, and Peguis Midway Limited Partnership.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

3. Restricted Cash

Restricted cash and cash equivalents includes funds restricted by agreements with funders. Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$59,383 (\$79,440 in 2018) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation (CDIC) or as may otherwise be approved by CDIC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are charged to interest first and then principal.

	2019	2018
Externally Restricted Reserves		
BMO treasury accounts for housing (i)	\$ 101,061	\$ 1,019,032
PEM Hospital	3,074,947	4,371,992
CMHC Replacement Reserve	388,508	257,571
ISC Trust (ii)	1,409	3,596
	\$ 3,565,925	\$ 5,652,191

(i) BMO Treasury Accounts for Housing

Under the terms of the Funding direction with the Peguis Surrender Trust, \$3,500,000 was to be placed into a treasury account for future project development. These funds have been utilized to enhance housing projects.

(ii) ISC Funds Held in Trust

The restricted cash balance contains the surplus of monies held in trust for Peguis First Nation by the Department of Indigenous and Northern Affairs Canada. The change in the trust balance during the year was as follows:

	2019	2018
Trust balance, beginning of year	\$ 3,596	\$ 1,304
Interest earned	(2,187)	2,292
Trust balance, end of year	\$ 1,409	\$ 3,596

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

4. Accounts Receivable

	2019	2018
Chief Peguis Investment Corporation	\$ 21,448,211	\$ 2,088,433
Health Services	34,506	66,178
Band Administration	42,349	274,478
School Board	329,677	223,580
Senior Centre	19,318	23,978
Gaming Commission	7,451	1,926
Treaty Committee	-	220,750
Al-Care Treatment Centre	1,700	983
Training and Employment	427,293	982,210
Fisher Ambulance Service	280,428	243,534
TLE Implementation Services	187,070	-
Allowance for doubtful accounts	(2,295,154)	(2,027,447)
	\$ 20,482,849	\$ 2,098,603

5. Due from Government and Government Organizations

	2019	2018
GST receivable	\$ 341,469	\$ 268,113
Indigenous and Northern Affairs Canada		
Current funding received after year-end	6,401,117	530,933
Kapyong court costs	886,912	886,912
Province of Manitoba tobacco tax rebates	283,258	336,281
Flooding receivables	11,415,502	11,415,502
	\$ 19,328,258	\$ 13,437,741

6. Long-term Investments

The investment balance reported represents the investments in loans:

	2019	2018
<u>Loans Receivable</u>		
Demand promissory notes receivable, unsecured, non-interest bearing, repayable upon demand in 24 monthly instalments of principal.	\$ 1,069,974	\$ 1,069,974

In 2014, three businesses: Peguis Hardware LP, Peguis Foods LP, and Peguis Midway LP were sold to Chief Peguis Investment Trust for the sum of \$1,600,000 in aggregate.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

7. Demand Loans

	2019	2018
Royal Bank of Canada demand housing loan	\$ 368,789	\$ 388,768
Bridge Finance Inc., including accrued interest	91,185,650	43,529,337
	\$ 91,554,439	\$ 43,918,105

The Royal Bank of Canada bank overdrafts and demand facilities are due on demand and bear interest at 3.09%. They are secured by a Directional Payment Agreement acknowledged by the Federal Government agencies covering all funding.

The Bridge Finance Inc. demand loan is due on demand and bears interest at the bank of Montreal Prime Rate plus 11%. The facility may be prepaid in full or partially at any time. The demand loan is secured by a general security agreement, registered mortgage on land, assignment of leases and rents, assignment of all property and perils insurance.

8. Accounts Payable

	2019	2018
Al-Care Treatment Centre	\$ 28,570	\$ 19,251
Band Administration	5,614,127	4,636,819
Fisher Ambulance Service	38,073	19,383
Gaming Commission	43,990	20,554
Health Services	482,161	435,099
Provision for on-reserve member mortgages	1,549,171	1,074,331
Related party payables	-	791,294
School Board	395,890	509,881
Senior Centre	108,449	136,248
Source deductions and pension payable	135,255	114,823
TLE Implementation Services	101,443	73,337
Training and Employment	103,629	637,841
Treaty Committee	205,996	25,614
	\$ 8,806,754	\$ 8,494,475

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

9. Employee Future Benefits

Accrued Termination Entitlement

Accrued termination obligations are based on an actuarial valuation as at March 31, 2019.

The First Nation's contractual commitment for the termination entitlement for employees is to pay out 1 week of salary for each year of service upon voluntary or involuntary termination of employment, if the employee has full-time status of employment and has completed one full year of service, subject to certain maximum entitlements.

The significant actuarial assumptions adopted in measuring the First Nation's accrued termination entitlement include actual periods of service, including fractional years and projected salaries to the date of termination. Significant assumptions include a discount rate of 4.5% (5.0% in 2018), a rate of salary increase of 4.5% (3.5% in 2018) plus an age related merit/promotion scale, probability of termination and retirement.

An analysis of the changes in the employee benefits payable is as follows:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 2,047,966	\$ 1,912,000
Net increase in termination entitlements	11,232	135,966
Balance, end of year	<u>\$ 2,059,198</u>	<u>\$ 2,047,966</u>

Pension Plan

The expense for the First Nation's pension plan for the year was \$783,978 (\$744,387 in 2018). The plan is funded equally by the First Nation and the First Nation's employees at rates of 5.0% to 5.5% of the employee's salaries. The funds are invested in mutual funds as directed by the First Nation's individual employees' investment directives.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

10. Unexpended Funding

The unexpended funding balance represents funding advances provided to Peguis First Nation by the Department of Indigenous and Northern Affairs Canada and the Government of Canada and other sources.

	<u>2019</u>	<u>2018</u>
Deferred revenue - opening	\$ 12,076,261	\$ 7,926,783
Add: Current deferral	6,712,940	7,613,335
Less: Deferred revenue recognized	<u>(8,195,690)</u>	<u>(3,463,857)</u>
	<u>\$ 10,593,511</u>	<u>\$ 12,076,261</u>

The balance of deferred revenue consists of the following:

	<u>2019</u>	<u>2018</u>
Indigenous Services Canada		
Flood advances recoverable	\$ -	\$ 1,635,600
Business Planning	62,823	62,823
Wastewater	-	3,480,000
NTR3 Recovery	89,050	89,050
Natural Resources Canada	18,000	18,000
Flood Recovery	330,219	247,856
Water Treatment Plant	4,321,718	-
Trust Funding from Lands Management	45,000	45,000
Renovations and Additions	-	250,000
Sump Pump Diverter	36,000	295,773
Community Well Being	801,384	-
Infrastructure Construction - Landfill	500,000	-
Electrical Systems Upgrades	43,100	-
Cost Sharing	93,575	-
Housing Capacity Development	20,000	-
2018 Housing Renovations	400,000	-
Health Canada		
Trust Capital Funding	80,000	80,000
Percy E. Moore Hospital and Renovation	3,074,920	4,629,385
Other		
Peguis Senior Centre	87,797	87,797
Peguis Soil Remediation Project	-	620,469
Training & Employment	-	12,554
Peguis AI-Care Treatment Centre	363,445	160,474
Trust monies - Community Services	-	135,000
Trust monies - Housing	<u>226,480</u>	<u>226,480</u>
	<u>\$ 10,593,511</u>	<u>\$ 12,076,261</u>

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

11. Long-term Debt

	2019	2018
CMHC mortgage payable at 1.92%, due April 2019, monthly payments of \$7,560 principal and interest, secured by an ISC Ministerial Guarantee, a CMHC loan agreement and an assignment of fire insurance.	\$ 812,630	\$ 887,032
CMHC mortgage payable at 1.01%, due February 2031, monthly payments of \$6,921 principal and interest, secured by an ISC Ministerial Guarantee, a CMHC loan agreement and an assignment of fire insurance.	932,168	1,005,425
Demand mortgage payable at 2.65%, due January 2021, monthly payments of \$7,268 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	113,295	196,317
CMHC Phase 5 project advances. Payments commence May 2019 when fully drawn.	975,165	-
\$100,000 advance provided by CMHC as Proposal Development Funding for constructing a new affordable personal care home on the Peguis First Nation.	99,862	99,862
Mortgage payable at 1.71%, due September 2032, monthly payments of \$4,090 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	588,783	627,145
CMHC mortgage payable at 1.30%, due December 2040, monthly payments of \$5,370 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement, and an assignment of fire insurance.	1,220,657	1,268,931
Mortgage payable at 0.00%, due September 2038, one time balloon payment of \$7,000,000 due at maturity. Secured by a mortgage on land. Recorded at initial present value and remeasured annually.	2,121,769	1,998,840
Vehicle loan payable at 6.89%, due August 2019, monthly payments of \$582 principal and interest.	-	2,910
Vehicle loan payable at 5.69%, due August 2019, monthly payments of \$1,275 principal and interest.	-	3,785
Carried forward	\$ 6,864,329	\$ 6,090,247

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

11. Long-term Debt (continued)	2019	2018
Brought forward	\$ 6,864,329	\$ 6,090,247
Vehicle loan payable at 5.50%, due November 2019, monthly payments of \$1,065 principal and interest.	8,350	20,314
Vehicle loan payable at 5.50%, due January 2020, monthly payments of \$1,293 principal and interest.	12,608	26,995
Vehicle loan payable at 5.50%, due June 2019, monthly payments of \$2,729 principal and interest.	8,111	39,460
Vehicle loan payable at 6.50%, due December 2020, monthly payments of \$3,632.42 principal and interest.	54,354	100,738
Vehicle loan payable at 6.50%, due December 2020, monthly payments of \$3,632.42 principal and interest.	141,099	214,600
Vehicle loan payable 7.50%, due March 2021, monthly payments of \$4,770 principal and interest.	101,508	-
Vehicle loan payable 7.50%, due March 2021, monthly payments of \$2,081 principal and interest.	45,691	-
Vehicle lease payable 6.45%, due June 2023, monthly payments of \$916.16 principal and interest.	37,990	-
Vehicle lease payable 6.45%, due June 2023, monthly payments of \$936.49 principal and interest.	37,824	-
Vehicle lease payable 6.45%, due July 2023, monthly payments of \$935.90 principal and interest.	36,788	-
Vehicle lease payable 6.45%, due June 2023, monthly payments of \$936.49 principal and interest.	37,794	-
Vehicle lease payable 6.79%, due June 2023, monthly payments of \$1,026.81 principal and interest.	39,729	-
Vehicle lease payable 6.45%, due July 2023, monthly payments of \$837.97 principal and interest.	35,863	-
Vehicle lease payable 5.90%, due May 2023, monthly payments of \$867.95 principal and interest.	36,422	-
Vehicle lease payable 5.90%, due June 2023, monthly payments of \$838.59 principal and interest.	35,268	-
Vehicle lease payable 6.45%, due June 2023, monthly payments of \$1,157.16 principal and interest.	48,536	-
Vehicle lease payable 6.45%, due June 2023, monthly payments of \$1,152.65 principal and interest.	49,807	-
Carried forward	\$ 7,632,071	\$ 6,492,354

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

11. Long-term Debt (continued)	2019	2018
Brought forward	\$ 7,632,071	\$ 6,492,354
Vehicle lease payable 6.45%, due June 2023, monthly payments of \$1,154.21 principal and interest.	47,588	-
Vehicle lease payable 6.45%, due June 2023, monthly payments of \$1,307.09 principal and interest.	53,822	-
Vehicle lease payable 6.45%, due May 2023, monthly payments of \$1,819.42 principal and interest.	82,135	-
Vehicle lease payable 5.90%, due August 2023, monthly payments of \$720.81 principal and interest.	31,872	-
Vehicle lease payable 5.90%, due August 2023, monthly payments of \$658.79 principal and interest.	28,849	-
Vehicle lease payable 7.40%, due August 2021, monthly payments of \$1,869.60 principal and interest.	46,937	-
Vehicle lease payable 5.90%, due December 2023, monthly payments of \$1,913.86 principal and interest.	90,733	-
Vehicle lease payable 5.90%, due February 2024, monthly payments of \$1,133.26 principal and interest.	54,006	-
Vehicle lease payable 5.90%, due January 2024, monthly payments of \$1,378.06 principal and interest.	67,118	-
	\$ 8,135,131	\$ 6,492,354
Interest expense for the year on long-term debt	\$ 93,488	\$ 341,472

The future minimum payments for the next five years and thereafter assuming callable debt is not demanded are:

2019	\$ 753,623
2020	569,879
2021	530,588
2022	461,748
2023	290,619
Thereafter	5,528,674
	\$ 8,135,131

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

12. Tangible Capital Assets

Included in capital assets is a total of \$12,241,248 of assets under construction. These capital assets will be amortized once they are in use.

	2019				
	Land and Infrastructure	Buildings	Equipment	Automotive	Total
Cost, beginning of year	\$ 43,494,735	\$ 95,923,789	\$ 4,968,925	\$ 10,138,057	\$ 154,525,506
Additions	4,693,730	28,861,860	41,119	1,646,553	35,243,262
Cost, end of year	48,188,465	124,785,649	5,010,044	11,784,610	189,768,768
Accumulated amortization, beginning of year	(16,472,144)	(34,722,636)	(4,653,879)	(7,419,160)	(63,267,819)
Amortization	(292,060)	(3,100,425)	(84,067)	(802,263)	(4,278,815)
Accumulated amortization, end of year	(16,764,204)	(37,823,061)	(4,737,946)	(8,221,423)	(67,546,634)
Net carrying amount, end of year	\$ 31,424,261	\$ 86,962,588	\$ 272,098	\$ 3,563,187	\$ 122,222,134

	2018				
	Land and Infrastructure	Buildings	Equipment	Automotive	Total
Cost, beginning of year	\$ 43,378,928	\$ 89,180,027	\$ 4,866,092	\$ 9,654,636	\$ 147,079,683
Additions	115,807	6,743,762	102,833	483,421	7,445,823
Cost, end of year	43,494,735	95,923,789	4,968,925	10,138,057	154,525,506
Accumulated amortization, beginning of year	(16,182,586)	(31,662,687)	(4,464,379)	(6,773,219)	(59,082,871)
Amortization	(289,558)	(3,059,949)	(189,500)	(645,941)	(4,184,948)
Accumulated amortization, end of year	(16,472,144)	(34,722,636)	(4,653,879)	(7,419,160)	(63,267,819)
Net carrying amount, end of year	\$ 27,022,591	\$ 61,201,153	\$ 315,046	\$ 2,718,897	\$ 91,257,687

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

13. Accumulated Surplus

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

	2019	2018
Investment in tangible capital assets	\$114,087,003	\$ 84,765,333
Current funds	(66,890,501)	(38,558,558)
Replacement Reserve funds		
CMHC	464,880	430,680
Health Canada MAR	34,670	43,928
	\$ 47,696,052	\$ 46,681,383

Replacement Reserves	CMHC	FNIHB MAR	2019	2018
Balance, beginning of year	\$ 430,680	\$ 43,928	\$ 474,608	\$ 428,333
Allocations	44,383	35,695	80,078	94,278
Adjustment to reserves	9,000	-	9,000	7,000
Expenses	(19,183)	(44,953)	(64,136)	(55,003)
Balance, end of year	\$ 464,880	\$ 34,670	\$ 499,550	\$ 474,608

The replacement reserve balance consists of a net accumulation of the levy on operations, recoveries collected and expenditures paid for by the reserve since inception in accordance with the agreement with Canada Mortgage and Housing Corporation (CMHC).

14. Government Transfers

	2019			2018		
	Operating	Capital	Total	Operating	Capital	Total
Federal Government Transfers						
ISC	\$ 44,434,352	\$ 8,754,733	\$ 53,189,085	\$ 39,016,084	\$ 3,170,731	\$ 42,186,815
Health Canada	8,890,067	-	8,890,067	8,114,073	-	8,114,073
HRSDC	-	-	-	-	-	-
CMHC	504,794	-	504,794	1,032,935	-	1,032,935
Public Safety						
Canada	-	-	-	-	-	-
RCMP Housing	67,200	-	67,200	67,200	-	67,200
	53,896,413	8,754,733	62,651,146	48,230,292	3,170,731	51,401,023
Provincial government transfers	1,500,921	-	1,500,921	2,617,157	-	2,617,157
	\$ 55,397,334	\$ 8,754,733	\$ 64,152,067	\$ 50,847,449	\$ 3,170,731	\$ 54,018,180

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

14. Government Transfers (continued)

Indigenous Services Canada (ISC) Revenue Reconciliation

	<u>2019</u>	<u>2018</u>
ISC cash release confirmation	\$ 52,168,580	\$ 44,683,257
Plus: Prior year deferral of Wastewater	3,480,000	-
Plus: Prior year deferral of Sump Pump Diverter	259,775	-
Plus: Prior year deferral Renovations and Additions	250,000	-
Plus: Prior year deferral of Roads and Bridges funds	-	1,953,000
Plus: Prior year deferral of Soil Remediation	620,469	-
Plus: Prior year deferral of Flood Recovery	1,035,600	-
Plus: Prior year deferral of Percy E. Moore Hospital	1,554,438	-
Less: Current year deferral of Electrical Systems	(43,100)	-
Less: Current year deferral of Cost Sharing	(93,575)	-
Less: Current year deferral of Housing Capacity	(20,000)	-
Less: Current year deferral of 2018 Housing Renovations	(400,000)	-
Less: Current year deferral of Wastewater	-	(3,480,000)
Less: Current year deferral of Sump Pump Diverter	-	(295,773)
Less: Current year deferral of Water Treatment Plant	(4,321,718)	-
Less: Current year deferral of Natural Resources Canada	-	(4,500)
Less: Current year deferral of Remediation fund	-	(620,469)
Less: Current year Road Inspection Report deferral	-	(48,700)
Less: Current year deferral of Community Well Being	(801,384)	-
Less: Current year deferral of Landfill	(500,000)	-
Total ISC revenue reported	<u>\$ 53,189,085</u>	<u>\$ 42,186,815</u>

The First Nation is party to a multi-year Canada First Nation Funding arrangement that expires and is due for renewal annually after April 1, 2019.

Peguis First Nation allocated its block funding across other programs as follows:

	<u>2019</u>	<u>2018</u>
<u>Elementary/Secondary</u>		
Peguis School Operations	\$ 7,319,398	\$ 7,111,549
Student Transportation	1,100,863	1,122,880
	<u>\$ 8,420,261</u>	<u>\$ 8,234,429</u>
 <u>Post-Secondary</u>		
Band Support	\$ 2,000,000	\$ 2,000,000
Post-secondary and Special Programs	6,475,846	6,306,886
	<u>\$ 8,475,846</u>	<u>\$ 8,306,886</u>

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

15. Commitments and Contingency

The First Nation has guaranteed on-reserve mortgages for its members. As at March 31, 2019, \$1,549,171 (\$1,074,331 in 2018) has been guaranteed by the First Nation. Of this amount \$1,549,171 of the loans were in default at year end and as the First Nation does not exercise security on these balances a provision for this amount has been recorded in the First Nation's records.

The First Nation has guaranteed a line of credit of \$75,000 for Peguis Hardware LP. At March 31, 2019, the limited partnership had \$25,000 of undrawn capacity under this facility. (\$75,000 in 2018).

The First Nation has guaranteed a line of credit of \$100,000 for Peguis Midway LP. At March 31, 2019, the limited partnership had \$5,000 of undrawn capacity under this facility. (\$75,000 in 2018).

The First Nation has been named in a countersuit with a former advisor for contingency and other billings. Legal counsel has advised that it is unlikely that the countersuit will be successful. The First Nation's claim against the advisor may provide a recovery of \$3,200,000 to \$5,000,000 of costs already paid. A provision for this claim has not been made in the financial statements as this is dependent upon future events.

16. Subsequent Event

Subsequent to year end, the First Nation disbursed over \$6.25 million through the Bridge Financing Inc. facility to various assets that were currently in construction at year end. These assets include buildings and other property under construction in the Cities of Winnipeg and Selkirk, and on the lands of the First Nation.

Subsequent to year end, the First Nation committed to a joint venture agreement for renovation and build out of a facility that will encumber approximately \$31,500,000.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

17. Other Income

	2019	2018
Administration fees	\$ 461,334	\$ 2,368,110
Ambulance fees	592,560	471,592
Community trust funding	7,227,272	2,036,822
Concessions	120,911	122,361
Construction services	3,693,218	-
Emergency operation	-	1,060,949
Hockey, arena and fundraising	651,688	687,977
Interest revenue	17,214	10,846
School operations	414,224	478,715
Sundry - interchanges, cost recoveries and tobacco sales	3,890,544	1,618,667
	\$ 17,068,965	\$ 8,856,039

18. Net Change in Non-cash Working Capital Balances

	2019	2018
Accounts receivable, including receivables due from government	\$ (24,274,763)	\$ (779,540)
Prepaid expenses	(28,441)	4,900
Inventories	2,365	(16,605)
Account payable	312,279	(2,884,180)
Trust assets/liabilities, net	2,086,266	4,149,478
Unexpended funding	(1,482,750)	-
Accrued termination entitlement	11,232	135,966
	\$ (23,373,812)	\$ 610,019

19. Budget

The Management Action Plan (Budget) adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget expensed capital expenditures rather than including capitalizing the assets. As a result, the budget figures presented in the consolidated statements of operations and change in net debt represent the Financial Plan were without adjustments for capital programs:

Management Action Plan (Budget) surplus for the year	\$ (4,606,669)
Add: Capital expenditures	<u>9,100,000</u>
Budget surplus per statement of operations	<u>\$ 4,493,331</u>

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

20. Expenses by Object

	<u>2019</u>	<u>2018</u>
Amortization	\$ 4,346,619	\$ 4,229,501
Contractors	8,200,161	3,513,294
Donations	1,687,060	1,225,625
Interest and bank charges	11,118,548	6,762,272
Medical travel	1,785,609	1,684,699
Office and administration	1,927,038	1,968,009
Other	18,533,259	12,685,406
Post secondary	1,453,423	1,523,669
Professional fees	2,150,179	6,859,130
Repairs and maintenance	2,246,416	1,860,077
Salaries and benefits	26,864,999	25,501,553
Social assistance	6,434,028	6,172,762
Travel	1,145,811	1,145,811
	<u>\$ 87,893,150</u>	<u>\$ 75,131,808</u>

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2019

21. Comparative Figures

Certain prior year's figures have been restated to conform to the current year's presentation.

22. Segmented Information

First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Peguis First 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.

The services are provided by the several entities of Peguis First Nation. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

Public Works

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

Social Development and Income Assistance

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

Finance & Administration

Finance & Administration contains activities that are needed to run the Peguis Indian Band organization.

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.

Training & Development

Training & Development contains activities that provide financial support or support by other means to Band members and organizations situated on the First Nation reserve that is aimed at developing personal skills and businesses.

Housing

Housing contains activities that provide housing and repairs and maintenance to Band members' housing and other related infrastructure and construction services to third parties.

Gaming

Gaming contains activities that provide gaming services to both Band members and non-Band members.

PEGUIS FIRST NATION Notes to Consolidated Financial Statements

For the year ended March 31

22. Segmented Information (continued)

	2019									
	Public Works	Social Development	Finance & Administration	Health Services	Education	Training & Development	Housing	Gaming	Eliminations	Total
Revenue										
ISC	\$ 4,934,478	\$ 7,791,247	\$ 6,018,353	\$10,328,445	\$18,873,618	\$ 644,803	\$ 4,598,141	\$ -	\$ -	\$53,189,085
Sundry and other federal	479,950	1,136,132	8,257,278	9,736,582	819,094	3,532,245	8,652,960	7,907,705	(4,803,212)	35,718,734
	<u>5,414,428</u>	<u>8,927,379</u>	<u>14,275,631</u>	<u>20,065,027</u>	<u>19,692,712</u>	<u>4,177,048</u>	<u>13,251,101</u>	<u>7,907,705</u>	<u>(4,803,212)</u>	<u>88,907,819</u>
Expenses										
General program	3,385,078	9,980,723	18,434,722	4,313,340	6,710,260	2,950,330	9,748,367	5,961,922	(4,803,212)	56,681,530
Salaries	182,813	-	1,335,262	138,607	2,086,303	-	488,014	115,618	-	4,346,617
Amortization	791,884	310,823	3,098,434	8,206,913	10,032,333	1,468,102	1,390,893	1,565,621	-	26,865,003
	<u>4,359,775</u>	<u>10,291,546</u>	<u>22,868,418</u>	<u>12,658,860</u>	<u>18,828,896</u>	<u>4,418,432</u>	<u>11,627,274</u>	<u>7,643,161</u>	<u>(4,803,212)</u>	<u>87,893,150</u>
Annual surplus (deficit)	\$ 1,054,653	\$ (1,364,167)	\$ (8,592,787)	\$ 7,406,167	\$ 863,816	\$ (241,384)	\$ 1,623,827	\$ 264,544	\$ -	\$ 1,014,669

	2018									
	Public Works	Social Development	Finance & Administration	Health Services	Education	Training & Development	Housing	Gaming	Eliminations	Total
Revenue										
ISC	\$ 5,592,833	\$ 8,009,957	\$ 4,155,210	\$ 2,425,461	\$18,476,321	\$ 550,512	\$ 2,976,521	\$ -	\$ -	\$42,186,815
Sundry and other federal	1,455,994	762,483	6,063,197	9,136,120	843,120	2,499,081	1,437,385	7,201,032	(852,565)	28,545,847
	<u>7,048,827</u>	<u>8,772,440</u>	<u>10,218,407</u>	<u>11,561,581</u>	<u>19,319,441</u>	<u>3,049,593</u>	<u>4,413,906</u>	<u>7,201,032</u>	<u>(852,565)</u>	<u>70,732,662</u>
Expenses										
General program	2,792,216	9,059,817	15,563,124	4,248,552	5,480,899	1,885,720	2,493,555	5,192,265	(852,565)	45,863,583
Salaries	182,813	-	1,316,571	173,088	2,088,425	-	407,648	60,956	-	4,229,501
Amortization	701,056	288,828	3,038,898	7,217,685	9,731,743	1,285,126	1,257,830	1,517,558	-	25,038,724
	<u>3,676,085</u>	<u>9,348,645</u>	<u>19,918,593</u>	<u>11,639,325</u>	<u>17,301,067</u>	<u>3,170,846</u>	<u>4,159,033</u>	<u>6,770,779</u>	<u>(852,565)</u>	<u>75,131,808</u>
Annual surplus (deficit)	\$ 3,372,742	\$ (576,205)	\$ (9,700,186)	\$ (77,744)	\$ 2,018,374	\$ (121,253)	\$ 254,873	\$ 430,253	\$ -	\$ (4,399,146)