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# Consolidated financial statements of Norway House Cree Nation

March 31, 2020

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# Management's Responsibility for Financial Reporting

Norway House Cree Nation's (the "Entity") management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards. The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

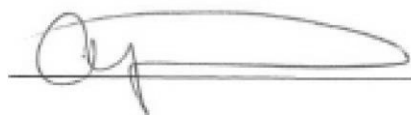
The Entity's Chief and Council is composed of elected officials who are not employees of the Entity. Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. Chief and Council is also responsible for recommending the appointment of the Entity's external auditors.

Deloitte LLP, an independent firm of chartered professional accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.



Chief

Norway House, Manitoba



Council



Council



Council

## Independent Auditor's Report

To Chief and Council of  
Norway House Cree Nation

### Opinion

We have audited the consolidated financial statements of Norway House Cree Nation (the "Entity"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, change in accumulated surplus, change in net debt, and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Norway House Cree Nation as at March 31, 2020, and its results of operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The financial statements for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 9, 2020.

### 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.

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

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

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

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

As part of an audit in accordance with Canadian GAAS, 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls 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.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized script font followed by "LLP" in a simple sans-serif font.

Chartered Professional Accountants  
November 5, 2020  
Winnipeg, Manitoba

**Norway House Cree Nation**  
**Consolidated statement of financial position**  
As at March 31, 2020

	Notes	2020 \$	2019 \$
<b>Financial assets</b>			
Cash and cash equivalents		<b>13,678,399</b>	15,532,943
Accounts receivable	3	<b>7,127,366</b>	4,903,529
Cash held in trust	4	<b>26,609</b>	26,609
		<b>20,832,374</b>	20,463,081
<b>Liabilities</b>			
Accounts payable and accrued liabilities		<b>17,810,566</b>	15,875,098
Long-term debt	6	<b>60,674,296</b>	65,183,608
		<b>78,484,862</b>	81,058,706
Deferred revenue	5	<b>22,264,789</b>	7,530,330
		<b>100,749,651</b>	88,589,036
Net debt		<b>(79,917,277)</b>	(68,125,955)
<b>Non-financial assets</b>			
Tangible capital assets	7	<b>187,625,445</b>	169,434,232
Inventory	8	<b>458,154</b>	466,665
Deposits and prepaid expenses		<b>8,058,962</b>	—
		<b>196,142,561</b>	169,900,897
<b>Accumulated surplus</b>		<b>116,225,284</b>	101,774,942
Contingencies	11		

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

Approved on behalf of the Council:



Chief



Councillor



Councillor



Councillor

**Norway House Cree Nation**  
**Consolidated statement of operations**  
Year ended March 31, 2020

	Notes	2020 Budget \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>				
Indigenous Services Canada (ISC)		65,391,294	78,137,9	66,470,407
Manitoba Keewatinowi Okimakanak (MKO)		2,483,129	2,410,	2,177,953
Province of Manitoba		4,745,759	2,714,04	1,669,749
Communications		38,854	5	47,553
Video lottery terminal (VLT)		27,898,206	24,283,9	21,824,381
Education		571,384	799	732,691
Canada Mortgage and Housing Corporation (CMHC) projects/subsidy		297,574	1,8	1,380,185
Parks, Recreation and Multi-Plex		245,433	2,4	2,107,539
Public Works		756,999	434	3,692,899
Housing		205,471	243	253,512
Construction		2,381,058	2,460,	1,270,899
Manitoba Hydro		1,519,289	897,28	1,079,565
Other	9	6,814,165	6,830,978	5,058,976
Keenanow Trust Secretariat		—	69,664	2,628,347
Enterprises		7,279,885	10,653	11,391,653
		<b>120,628,500</b>	<b>134,327,14</b>	<b>121,786,309</b>
<b>Expenditures</b>				
Education		28,563,194	34,284,4	32,690,657
Employment and training		2,150,421	1,414,	1,575,616
Social services		11,569,037	13,189,2	12,761,135
Band support		11,320,543	8,430,81	6,601,023
Public works		4,305,391	9,563,	10,965,339
Housing		2,818,340	4,292,	3,804,205
Health services		10,496,048	14,159,5	11,841,477
Emergency services		832,593	1,4	986,437
Restorative justice		93,587	8	104,757
Safety officer's program		721,350	592	652,196
Parks, recreation and multi-plex		2,359,782	2,936,	2,107,539
Pinaow wachi		4,610,917	1,462,	2,976,977
Youth		—	381,	670,576
Assisted living		1,813,662	1,856,	1,091,507
VLT operations		21,436,218	22,334,1	21,824,381
CMHC		3,284,840	1,513,	1,805,061
Broadband		952,356	1,0	731,299
Keenanow Trust Secretariat		—	563,	1,460,619
Health Centre for Excellence		—	179,	—
Enterprises		6,188,505	12,052	12,304,712
		<b>113,516,784</b>	<b>131,746,72</b>	<b>126,955,513</b>
Surplus (deficit) before other capital contributions		<b>7,111,716</b>	<b>2,580,</b>	<b>(5,169,204)</b>
ISC Health Centre of Excellence		<b>12,495,426</b>	<b>11,869,9</b>	<b>3,186,442</b>
<b>Surplus (deficit)</b>		<b>19,607,142</b>	<b>14,450,342</b>	<b>(1,982,762)</b>

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

**Norway House Cree Nation****Consolidated statement change in accumulated surplus**Year ended March 31, 2020

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	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Accumulated surplus, beginning of year</b>	<b>101,774,942</b>	103,757,704
Surplus (deficit)	<b>14,450,342</b>	(1,982,762)
<b>Accumulated surplus, end of year</b>	<b>116,225,284</b>	101,774,942

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



**Norway House Cree Nation****Consolidated statement of change in net debt**

Year ended March 31, 2020

	<b>2020</b>	2019
	<b>Actual</b>	Actual
	<b>\$</b>	\$
<b>Surplus (deficit)</b>	<b>14,450,342</b>	(1,982,762)
Acquisition of tangible capital assets	<b>(25,956,386)</b>	(11,008,811)
Acquisition of tangible capital assets – capital leases	—	(1,682,458)
Proceeds on disposal of tangible capital	<b>56,167</b>	693,081
(Gain) loss on disposal of tangible capital assets	<b>(56,167)</b>	1,053,887
Amortization of tangible capital assets	<b>7,765,173</b>	7,522,887
	<b>(3,740,871)</b>	(5,404,176)
Acquisition of inventory	<b>8,511</b>	(76,769)
Change in deposits and prepaid expenses	<b>(8,058,962)</b>	714,445
	<b>(8,050,451)</b>	637,676
Increase in net debt	<b>(11,791,322)</b>	(4,766,500)
Net debt, beginning of year	<b>(68,125,955)</b>	(63,359,455)
<b>Net debt, end of year</b>	<b>(79,917,277)</b>	(68,125,955)

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

**Norway House Cree Nation**  
**Consolidated statement of cash flows**  
Year ended March 31, 2020

	2020 \$	2019 \$
<b>Operating activities</b>		
Surplus (deficit)	14,450,342	(1,982,762)
Adjustments for non-cash items		
Amortization of capital assets – general account	7,127,027	7,067,435
Amortization of capital assets – enterprises	638,146	455,452
(Gain) loss on disposal of tangible assets	(56,167)	1,053,887
	22,159,348	6,594,012
Changes in non-cash working capital		
Accounts receivable	(2,223,837)	3,614,087
Deposits and prepaid expenses	(8,058,962)	714,445
Inventory	8,511	(76,769)
Accounts payable and accrued liabilities – operating	(787,794)	(584,373)
Deferred revenue	14,734,459	7,471,711
	25,831,725	17,733,113
<b>Financing activities</b>		
Repayment of debt reduction trust	—	(809,776)
Long-term debt proceeds	24,957,732	17,545,635
Long-term debt repayments	(29,467,044)	(5,587,633)
	(4,509,312)	11,148,226
<b>Investing activities</b>		
Acquisition of tangible capital assets	(23,233,124)	(11,008,811)
Proceeds on disposal of tangible capital assets	56,167	693,081
	(23,176,957)	(10,315,730)
Net (decrease) increase in cash and cash equivalents	(1,854,544)	18,565,609
Cash and cash equivalents, beginning of year	15,559,552	(3,006,057)
<b>Cash and cash equivalents, end of year</b>	<b>13,705,008</b>	<b>15,559,552</b>
<b>Cash and cash equivalents consist of:</b>		
Cash and cash equivalents	13,678,399	15,532,943
Trust funds	26,609	26,609
	<b>13,705,008</b>	<b>15,559,552</b>

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

## **1. Nature of entity**

Norway House Cree Nation (the "Entity") is a non-profit and non-taxable entity and is engaged in the social, cultural, educational and economic development of the First Nation citizens of Norway House Cree Nation at Norway House, Manitoba.

## **2. Summary of significant accounting policies**

### *Basis of accounting*

These consolidated financial statements were prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

### *Reporting entity*

The reporting entity includes the Entity's government and all related entities that are either owned or controlled by the Entity. Control is defined as the power to govern the financial and operating policies of another with expected benefits or the risk of loss to the government from the other organizations' activities. Control exists regardless of whether the government chooses to exercise its power to govern so long as it has the ability to govern. Control must exist at the financial statement date, without the need to amend agreements.

### *Principles of consolidation*

All controlled entities are fully consolidated on a line-by-line basis.

### *Consolidation method*

This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization. The other government organizations that were consolidated are the following:

Unincorporated departments including:

Norway House Cree Nation CMHC Housing Projects

Norway House Cree Nation Gaming Commission

Unincorporated entities including:

York Boat Inn

York Boat Diner

Keenanow Trust Secretariat

Kinosao Sipi Muchipinowin Program

Incorporated entities including:

Kinosao Sipi Business Development Corporation

4015029 Manitoba Ltd. (Molson Lake Lodge Parent Company)

NHCN Broadband Inc.

NHCN Business Centre Inc.

Jean Folster Place Inc.

NHCN Health Centre of Excellence Ltd.

NHCN Land Corporation

10058460 Manitoba Ltd. (Real Estate Holding Company)

Molson Lake Lodge 1978 Ltd.

4744757 Manitoba Ltd. (KSIW – 333 Maryland)

Pinaow Wachi Inc.

Norway House Pharmacy Ltd.

Norway House Pharmacy LP

Playgreen Development Corporation

7133805 Manitoba Ltd. (Indigus Pharmacy LP Parent Company)

## **2. Summary of significant accounting policies (continued)**

### *Principles of consolidation (continued)*

There are no organizations that have been accounted for using the modified equity method as all incorporated, self-sufficient business entities are controlled by the Norway House Cree Nation and not the reserve, therefore they are only reported on the Norway House Cree Nation consolidated financial statements.

### *Tangible capital assets*

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services. Certain assets which have historical or cultural value, including works of art, historical documents and historical or cultural artifacts, are not recognized as tangible capital assets.

Amortization based on the estimated useful life of the asset is calculated commencing in the year of acquisition as follows:

Buildings	25 – 40 year straight-line basis and 4% declining balance basis
Equipment	30%, 20% and 10% declining balance basis
Machinery	10% declining balance basis
Vehicles	30% declining balance basis
Paving and winter road	4% declining balance basis
Water and sewer equipment	30 year straight-line basis

In the year of acquisition, one-half of the applicable rate is applied.

### *Construction in progress*

Assets under construction are not amortized until the asset is available for use. At completion, the construction costs are closed out to the appropriate asset classification and amortized over its estimated useful life.

### *Measurement uncertainty*

The preparation of consolidated financial statements in accordance with Canadian public accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures. Actual results could differ from these estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Capitalization of labour costs is based on an estimate of the proportionate share of direct labour and overhead labour.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Entity is responsible for.

## **2. Summary of significant accounting policies (continued)**

### *Revenue recognition*

#### *Government transfer*

Government transfers (revenues from non-exchange transactions) are recognized as revenues when the transfer is authorized, any eligibility criteria are met and reasonable estimates of the amounts can be made. Transfers received where there is a stipulation that gives rise to an obligation that meets the definition of a liability are deferred and recognized as revenue as the stipulations are met. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

#### *Non-government funding*

Non-government funding is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding agreements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

#### *Other revenue*

Other income, primarily including sales of gas, VLTs, tobacco and fees for service, are recognized upon transfer of title of the product or upon performance of the service and when collectability is reasonably assured.

### *Inventory*

Inventory is valued at the lower cost or net realizable value determined by the first-in, first-out method. Inventory consists of pharmaceuticals, bingo paper and supplies.

### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and balances with the banks.

### *Pension plans*

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

### *Asset classification*

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventory.

### *Program surpluses*

Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding agreements.

## **2. Summary of significant accounting policies (continued)**

### *Segments*

Norway House Cree Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, and medical services, among other services.

Services are provided by departments and their activities are reported in these funds. The departments that have been separately disclosed along with the services they provide are as follows:

#### *Education*

Department that provides services to elementary and secondary students. The department also supports post-secondary students by providing funds for tuition fees, books and living allowances.

#### *Employment and Training*

Department that provides funding to support development and enhancement of essential employability skills, training for high-demand jobs, job finding, and programs for youth and people with disabilities.

#### *Social services*

Department that is responsible for administering assistance payments as well as providing services directed towards members.

#### *Band support*

Department that oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance of Chief and Council.

#### *Public works*

Department is responsible for public services such as the operation and maintenance of roads, water and sanitation system and waste management. Maintenance of Norway House Cree Nation buildings and community infrastructure is also included in this segment.

#### *Housing*

Department in charge of all activities related with first nation housing construction and administration, rental units and Residential Repair Assistance Programs (RRAP).

#### *Health services*

Department provides a diverse bundle of services directed towards the well-being of members including activities such as medical transportation, home support services, prenatal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

## **2. Summary of significant accounting policies (continued)**

### *Segments (continued)*

#### *Pinaow wachi*

Provides funding for eligible members in need of personal medical and non-medical care in a supported living environment.

#### *Emergency services*

Provide timely and safe response, medical assessment and treatment, and medical transport services in emergencies to the community of Norway House Cree Nation.

#### *Restorative justice*

To facilitate Aboriginal peoples' greater involvement in the administration of justice in the Province of Manitoba and the Government of Canada.

#### *Safety Officer's Program*

Department responsible for internal security and law enforcement. The main activities include handling of domestic issues, traffic accidents, finding missing persons and filling out paperwork.

#### *Park and Recreation*

Department that runs different programs and activities with the purpose to improve health and quality of life of members. Activities performed include sports coordination, maintenance of public spaces, York Boat Days and other social activities for all members.

#### *Youth*

Perform programs and activities for youth in matters such as education, culture, health, economic development, welfare, housing and infrastructure and sports and recreation.

#### *VLT Operations*

Department responsible for the operations of the video lottery terminals.

#### *CMHC*

Division of the Norway House Cree Nation that administers housing projects which are partially funded by operating agreements with CMHC.

#### *Broadband*

Organization that provides high speed internet services in Norway House, Manitoba and the surrounding areas.

#### *Keenanow Trust Secretariat*

Organization is an unincorporated, non-profit, non-taxable entity responsible for the administration of funds received from Keenanow Trust. The trust was established to promote social welfare, civic improvement, recreation and the economic, spiritual and cultural welfare of Norway House Cree Nation and its members.

## **2. Summary of significant accounting policies (continued)**

### *Segments (continued)*

#### *Health Centre of Excellence*

Organization that provides integrated medical services to the Norway House Cree Nation community and addresses social, physical, mental and spiritual needs of community.

#### *Enterprises*

Includes the activities of Norway House Cree Nation related entities including:

#### *Kinosao Sipi Business Development Corporation*

Organization that undertakes economic development projects with the goal of generating revenues and employing members.

#### *4744757 Manitoba Ltd.*

Entity that operates the rental property located at 333 Maryland in Winnipeg, Manitoba.

#### *York Boat Diner*

Entity that provides restaurant services.

#### *York Boat Inn*

Motel services provided at building located in Norway House, Manitoba. Activities include front desk, janitorial and cleaning services.

#### *Molson Lake Lodge (1978) Ltd.*

Entity that provides accommodation, fly-in, outposts and guide services for ultimate fishing in different lakes of Norway House, Manitoba.

#### *Kinosao Sipi Muchipunowin Program*

Unincorporated entity that operates radio bingo events in Norway House, Manitoba.

#### *Norway House Pharmacy Ltd.*

General partner of Norway House Pharmacy Limited Partnership. Entity that provides for the safe supply and use of medicines by patients and members.

#### *Norway House Cree Nation Gaming Commission*

Department responsible for the operation of licensed gaming activities.



## **2. Summary of significant accounting policies (continued)**

### *Segments (continued)*

For each reported segment, revenue and expenditures include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including administrative expense transfers that have been apportioned based on 10-15% of expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the summary of significant accounting policies.

### *Future accounting standards effective on or after April 1, 2021*

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

### *Effective on or after April 1, 2022:*

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

PS 3400, Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

The extent of the impact on adoption of these future standards is not known at this time.

### 3. Accounts receivable

	<b>2020</b>	2019
	\$	\$
Indigenous Services Canada (ISC)	<b>2,419,542</b>	390,136
Manitoba Keewatinowi Okimakanak Inc. (MKO)	<b>209,503</b>	150,768
Manitoba Hydro	<b>281,902</b>	443,746
Keenanow Trust Secretariat receivables	<b>521,635</b>	417,566
Province of Manitoba	<b>766,478</b>	697,588
Pharmacy benefit providers	<b>275,788</b>	188,490
Other	<b>12,960,358</b>	12,786,978
Allowance for doubtful accounts	<b>(10,307,840)</b>	(10,171,743)
	<b>7,127,366</b>	4,903,529

Other receivables include trade receivables and receivables due from Norway House Cree Nation members.

### 4. Trust funds

	<b>2020</b>	2019
	\$	\$
ISC - Trust funds	<b>26,609</b>	26,609

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

### 5. Deferred revenues

	<b>2020</b>	2019
	\$	\$
Deferred revenue consists of the following		
Keenanow Trust Secretariat	<b>397,487</b>	397,487
ISC – Health Centre of Excellence capital funding	<b>21,353,090</b>	7,065,000
Northwest Company	<b>53,356</b>	53,356
AMC daycare funding	<b>404,523</b>	—
Other	<b>56,333</b>	14,487
	<b>22,264,789</b>	7,530,330

**6. Long-term debt**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Bank of Montreal Loans are secured by the equipment and property being finance. All loans are demand loans, non-revolving. Loans with principal payments ranging from \$267-\$62,500 plus interest payable at prime +1.50-2.25%, repaid during 2020.	—	9,909,317
\$148,426 payable monthly including interest at 6.25%, maturing March 28, 2025, secured by a first charge on equipment and property.	<b>22,310,758</b>	—
National Leasing \$8,778 payable monthly including interest at 7.39%, secured by a first charge on equipment, repaid during 2020.	—	91,127
\$7,025 payable monthly including interest of 5.75% maturing March 31, 2021, secured by a first charge on equipment.	<b>184,438</b>	268,816
\$1,132 payable monthly including interest of 7.03%, maturing March 1, 2021, secured by a first charge on equipment.	<b>12,021</b>	25,265
Caterpillar Financial Services Limited \$7,756 payable monthly including interest at 6.5%, secured by equipment, repaid during 2020.	—	390,765
Beatoes Productions \$2,868 payable monthly interest free, maturing March 31, 2021 secured by audio/visual equipment.	<b>8,596</b>	43,023
Bodkin \$2,193 payable monthly including interest of 6.81%, maturing November 7, 2022, secured by a first charge on equipment.	<b>62,514</b>	—
Daimler \$3,283 payable monthly including interest of 8.39%, maturing September 9, 2024, secured by a first charge on equipment.	<b>147,251</b>	—
Carry forward	<b>22,725,578</b>	10,728,313

**6. Long-term debt (continued)**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Balance carried forward	<b>22,725,578</b>	10,728,313
Komatsu International (Canada) Inc. \$4,209 payable monthly, 0% interest, maturing November 27, 2022, secured by a first charge on equipment.	<b>134,703</b>	185,217
\$8,971 payable monthly, 0% interest, maturing April 1, 2023, secured by a first charge on equipment.	<b>331,420</b>	430,099
\$9,895 payable monthly, 0% interest, maturing December 2, 2022, secured by a first charge on equipment.	<b>326,525</b>	445,261
\$3,516 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>158,240</b>	—
\$3,516 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>158,240</b>	—
\$4,833 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>217,500</b>	—
Ford Credit \$630 payable monthly including interest at 11.69%, maturing January 29, 2024, secured by a first charge on equipment.	<b>26,821</b>	61,929
\$1,193 payable monthly including interest at 9.09%, maturing January 13, 2024, secured by a first charge on equipment.	<b>23,847</b>	55,061
\$1,242 payable monthly including interest at 9.09%, maturing January 13, 2024, secured by a first charge on equipment.	<b>25,171</b>	58,120
Money in Motion \$1,661 payable monthly including interest at 6.82%, maturing February 2, 2021 secured by a first charge on equipment.	<b>28,388</b>	17,980
GE Capital \$1,846 payable monthly including interest at 7.07%, maturing February 1, 2021, secured by a first charge on equipment.	<b>19,393</b>	38,800
Bank of Montreal Demand loan non-revolving from the Bank of Montreal up to \$3,800,000 repayable in monthly payments of \$22,927 principal plus interest at the prime rate plus 1.25%. Loan is secured by a general security agreement providing a first fixed and floating charge over the assets of 4015029 Manitoba Ltd., and a registered first charge of collateral mortgage of \$5,000,000 over 333 Maryland St. property.	<b>3,475,555</b>	3,569,016
CMHC Forgivable loan over 15 years, in 2025, as long as the building is used for a shelter.	<b>280,000</b>	280,000
Carry forward	<b>27,931,381</b>	15,869,796

**6. Long-term debt (continued)**

	2020 \$	2019 \$
Balance carried forward	<b>27,931,381</b>	15,869,796
Communities Economic Development Fund \$11,208 payable monthly including interest at 6.1%, secured by a first charge on equipment, repaid during 2020.	—	626,837
First People Economic Growth Fund Advanced on April 1, 2014 consists of two loans: \$300,000 loan with \$2,632 payable monthly including no interest, maturing December 1, 2023 and \$455,221 loan with \$5,175 payable monthly including interest at 6%, repaid during 2020.	—	321,416
Wells Fargo \$2,671 payable monthly including interest at 7.07%, secured by a first charge on equipment, repaid during 2020.	—	57,632
Frontier School Division \$150,000 payable monthly including interest at 3.75%, maturing April 30, 2021, not secured. The Entity negotiated a reduction in monthly payment to \$50,000 from May 1, 2019 to December 1, 2019.	<b>7,303,241</b>	8,042,240
Royal Bank of Canada Term loan non-revolving, repayable in annual payments of \$3,000,000 plus interest at the prime rate plus 3.00%, secured by a Band Council Resolution and a Tri-Party Agreement signed by Indigenous Services Canada, Norway House Cree Nation and the Royal Bank acknowledging loan commitment of funding, repaid during 2020.	—	15,000,000
NHCN Housing Projects Peace Hills Trust Construction mortgage, payable in blended monthly instalments of \$25,181 and interest rate of 3.75% renewable on November 1, 2022.	<b>3,799,357</b>	3,920,509
Royal Bank of Canada Demand loan payable in annual instalments of \$110,570 less interest at 3.08% payable monthly maturing April 1, 2024, secured by 35 housing units.	<b>552,851</b>	663,421
Carry forward	<b>39,586,830</b>	44,501,851

**6. Long-term debt (continued)**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Balance carried forward	<b>39,586,830</b>	44,501,851
NHCN Housing Projects (continued)		
Royal Bank of Canada (continued)		
Demand loan payable in monthly instalments of \$15,193, less interest at 2.14% payable monthly, maturing April 1, 2020, secured by 36 housing units.	<b>880,001</b>	1,041,479
Demand loan payable in monthly instalments of \$12,817 including interest at 3.36%, maturing June 1, 2023, secured by a Band Council Resolution supporting the apartment building construction loan in the original amount of \$2,400,000 and acknowledgement from ISC as to loan funding, terms and conditions.	<b>1,103,876</b>	1,218,268
Demand loan, repayable in monthly instalments of \$4,725 including interest at 2.19%, maturing February 1, 2021, secured by a Band Council Resolution committing to a loan for the purchase of trailers.	<b>509,496</b>	550,647
Demand loan, repayable in monthly instalments of \$13,755 plus interest at 2.63%, maturing December 1, 2020, secured by a Band Council Resolution supporting a loan facility of \$2,652,000 to fund the construction of the 33-unit CMHC project.	<b>1,515,731</b>	1,638,923
Demand loan payable in monthly instalments of \$13,670 including interest at 2.26%, maturing November 1, 2021 secured by 33 trailer units.	<b>1,680,300</b>	1,804,607
Demand loan payable in monthly instalments of \$10,927 including interest at 2.60%, maturing February 1, 2021, secured by teacherage units.	<b>1,244,912</b>	1,342,101
CMHC Housing Projects		
Canada Mortgage and Housing Corporation		
Mortgage payable, 1.82%, repayable in monthly instalments of \$5,789 due June 1, 2023.	<b>219,048</b>	283,898
Mortgage payable, 1.35%, repayable in monthly instalments of \$4,472, due July 1, 2026.	<b>325,595</b>	374,501
Mortgage payable, 1.97%, repayable in monthly instalments of \$3,559, due October 1, 2027.	<b>300,652</b>	337,051
Mortgage payable, 1.97%, repayable in monthly instalments of \$3,107, due September 1, 2027.	<b>259,802</b>	291,632
Mortgage payable, 1.97%, repayable in monthly instalments of \$2,075, due September 1, 2027.	<b>173,511</b>	194,769
Mortgage payable, 2.39%, repayable in monthly instalments of \$4,585, due March 1, 2028.	<b>400,497</b>	445,388
Mortgage payable, 1.86%, repayable in monthly instalments of \$1,440, due January 1, 2029.	<b>140,765</b>	155,287
Mortgage payable, 1.83%, repayable in monthly instalments of \$1,888, due November 1, 2024.	<b>101,272</b>	121,871
Carry forward	<b>48,442,288</b>	54,302,273

**6. Long-term debt (continued)**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Balance carried forward	<b>48,442,288</b>	54,302,273
CMHC Housing Projects (continued)		
Canada Mortgage and Housing Corporation (continued)		
Mortgage payable, 1.08%, repayable in monthly instalments of \$4,422, due August 1, 2025.	<b>279,104</b>	328,865
Mortgage payable, 2.39%, repayable in monthly instalments of \$6,882, due February 1, 2032.	<b>856,293</b>	917,667
Mortgage payable, 1.12%, repayable in monthly instalments of \$10,324, due February 1, 2035.	<b>1,701,429</b>	1,805,631
Mortgage payable, 1.19%, repayable in monthly instalments of \$5,066, due July 1, 2035.	<b>851,874</b>	902,208
Mortgage payable, 2.68%, repayable in monthly instalments of \$15,959, due September 1, 2033.	<b>2,169,372</b>	2,301,013
Mortgage payable, 2.21%, repayable in monthly instalments of \$10,591, due February 1, 2034.	<b>1,522,249</b>	1,614,665
Mortgage payable, 2.61% repayable in monthly instalments of \$13,856, due December 1, 2043	<b>2,922,908</b>	3,011,286
Mortgage payable, 0.73% repayable in monthly instalments of \$7,662, due July 1, 2025	<b>1,295,808</b>	—
Mortgage payable, terms to be determined upon completion of project	<b>632,971</b>	—
Total long-term debt	<b>60,674,296</b>	65,183,608

Long-term debt for CMHC projects financed by the Canada Mortgage and Housing Corporation, the Royal Bank and the Toronto-Dominion Bank are secured by a CMHC undertaking to insure the properties, a commitment letter, lender's loan agreement, ministerial guarantee and an assignment of fire insurance.

Principal payments due in the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

	<b>\$</b>
2021	5,842,344
2022	5,969,638
2023	5,964,488
2024	5,678,872
2025	5,579,969
Thereafter	31,638,984
	<b>60,674,296</b>

**7. Tangible capital assets**

	General capital assets				
	Land and land improvements	Buildings and leasehold improvements	Vehicles and equipment	Computer hardware and software	Housing
	\$	\$	\$	\$	\$
Cost					
Opening costs	236,682	103,534,301	26,873,781	312,461	82,938,194
Additions during the year	160,000	1,417,042	1,130,589	13,609	3,4
Transfers	—	392,41	(29,527)	—	1,961,991
Disposals and write downs	—	—	—	—	—
Closing costs	396,682	105,343,7	27,974,843	326,070	88,382,780
Accumulated amortization					
Opening accumulated amortization	7,014	36,225,418	18,157,797	242,779	31,945,269
Amortization	415	2,686,444	1,382,796	15,588	2,284,501
Disposals, write downs and transfers	—	—	—	—	—
Closing accumulated amortization	7,429	38,911,862	19,540,593	258,367	34,229,
Net book value of tangible capital assets	389,253	66,431,897	8,434,250	67,703	54,153,010



**7. Tangible capital assets (continued)**

	Infrastructure					2020	2019
	Roads and sidewalks	Water and sewer	Telecom	Construction In progress			
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
Opening costs	16,610,842	25,526,31	12,662,42	7,795,31	276,490,324	274,017,297	
Additions during the year	—	—	—	19,752,55	25,956,386	11,008,811	
Transfers	(492,697)	—	—	(1,832,183	—	—	
Disposals and write downs	—	—	—	—	—	(8,535,784)	
Closing costs	16,118,145	25,526,31	12,662,429	25,715,685	302,	276,490,324	
<b>Accumulated amortization</b>							
Opening accumulated amortization	9,023,973	8,605,677	2,848,165	—	107,056,092	108,004,479	
Amortization	403,961	661,86	329,60	—	7,765,17	7,522,887	
Disposals, write downs and transfers	—	—	—	—	—	(8,471,274)	
Closing accumulated amortization	9,427,934	9,267,544	3,177,766	—	114,821,265	107,056,092	
<b>Net book value of tangible capital assets</b>	<b>6,690,211</b>	<b>16,258,773</b>	<b>9,484,66</b>	<b>25,715,685</b>	<b>187,625,445</b>	<b>169,434,232</b>	

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
March 31, 2020

**7. Tangible capital assets (continued)**

	Band	CMHC	KSBDC	HCE	KSIW	Pinaow Wachi	Molson Lake Lodge
	\$	\$	\$	\$	\$	\$	\$
Cost							
Opening costs	218,819,060	26,934,26	6,799,242	6,418,413	6,272,114	4,366,52	2,755,593
Additions during the year	11,308,929	130,596	21,160	13,769,760	211,427	—	—
Transfers	(2,324,879)	2,425,278	—	—	(25,565	(74,834)	—
Disposals and write downs	—	—	—	—	—	—	—
Closing costs	227,803,110	29,490,134	6,820,402	20,188,173	6,457,9	4,291,688	2,755,59
Accumulated amortization							
Opening accumulated amortization	87,721,744	7,920,08	3,560,05	—	2,090,474	2,014,997	1,653,111
Amortization	6,161,016	861,366	156,47	—	183,548	101,607	63,29
Disposals, write downs and transfers	—	—	—	—	—	—	—
Closing accumulated amortization	93,882,760	8,781,	3,716,526	—	2,274,022	2,116,604	1,716,406
Net book value of tangible capital assets	133,920,350	20,708,686	3,103,876	20,188,17	4,183,9	2,175,08	1,039,187

**7. Tangible capital assets (continued)**

	<b>York Boat Inn &amp; Diner</b>	<b>\$</b>	<b>Other</b>	<b>\$</b>	<b>Pharmacy</b>	<b>Muchipunowin</b>	<b>\$</b>	<b>2020</b>	<b>\$</b>	<b>2019</b>	<b>\$</b>
<b>Cost</b>											
Opening costs	2,529,944		831,695		589,862		173,619	276,490,32		274,017,297	
Additions during the year	6,488		403,065		104,96		—	25,956,		11,008,811	
Transfers	—		—		—		—	—		—	
Disposals and write downs	—		—		—		—	—		(8,535,784)	
Closing costs	2,536,432		1,234,76		694,82		173,619	302,446,71		276,490,324	
<b>Accumulated amortization</b>											
Opening accumulated amortization	957,527		737,8		344,		56,027	107,056,092		108,004,479	
Amortization	186,728		5,982		4		—	7,765,173		7,522,887	
Disposals, write downs and transfers	—		—		—		—	—		(8,471,274)	
Closing accumulated amortization	1,144,255		743,808		389,409		56,02	114,821,2		107,056,092	
<b>Net book value of tangible capital assets</b>	1,392,177		490,95		305,414		117,5	187,625,445		169,434,232	

## 8. Inventory

	2020 \$	2019 \$
Band	59,217	—
Norway House Cree Nation Gaming Commission	12,978	12,978
York Boat Inn	4,000	4,000
Norway House Pharmacy	381,959	449,687
	<b>458,154</b>	<b>466,665</b>

## 9. Other revenue

	2020 \$	2019 \$
Emergency medical services	9,900	553,683
Band Support - other	—	437,177
Band Support - interest	251,654	501,114
Broadband - other	806,506	1,571,409
Pinaow Wachi - other	1,020,583	1,033,144
Whiskey Jack rental revenue	480,000	480,000
JNR revenue	1,932,788	—
Other	2,329,547	482,449
	<b>6,830,978</b>	<b>5,058,976</b>

## 10. Economic dependence

Norway House Cree Nation receives a major portion of its revenues pursuant to funding arrangements with Indigenous Services Canada.

## 11. Contingencies

Norway House Cree Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if Norway House Cree Nation fails to comply with the terms and conditions of the agreements.

## 12. Pension plan

Norway House Cree Nation provides a defined contribution pension plan to its employees. The net expense for the period is \$328,673 (2019: \$206,508).

Employees contribute 3% of their earnings to the entity's pension plan. The entity matches these employee contributions.

13. Segment disclosure

	Band support		Education		Employment and training	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
<b>Revenue</b>						
Federal government	8,929,565	8,049,960	31,767,558	27,739,074	334,342	137,549
Provincial government	1,925,425	1,490,510	1,717,461	2,175,476	1,654,149	1,537,681
Economic activities	2,307,940	527,553	—	—	—	—
Other revenue	5,738,537	3,322,468	799,391	732,691	64,027	—
Total revenue	18,901,467	13,390,491	34,284,410	30,647,241	2,052,518	1,675,230
<b>Expenditures</b>						
Salaries and benefits	2,114,761	1,354,174	1,331,223	1,312,119	391,972	662,557
Amortization	—	(1,175,826)	1,991,710	2,353,121	—	—
Debt servicing	2,399,887	1,751,558	456,288	—	—	—
Transfer						
Interdepartmental	(176,658)	(2,805,622)	3,912	(3,912)	—	—
Other expenses	8,167,462	7,476,739	30,501,277	29,029,328	1,022,347	913,059
Total expenditures	12,505,452	6,601,023	34,284,410	32,690,656	1,414,319	1,575,616
<b>Annual surplus (deficit)</b>	<b>6,396,015</b>	<b>6,789,468</b>	<b>—</b>	<b>(2,043,415)</b>	<b>638,199</b>	<b>99,614</b>

**13. Segment disclosure (continued)**

	Social services		Health services		Public works	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Revenue						
Federal government	12,651,370	12,657,388	13,070,601	11,713,922	6,969,727	3,395,820
Provincial government	—	—	101,515	—	—	—
Economic activities	—	—	27,751	—	1,279,323	370,374
Other revenue	—	—	120,093	—	550	2,717,917
Total revenue	12,651,370	12,657,388	13,319,960	11,713,922	8,249,600	6,484,111
Expenditures						
Salaries and benefits	531,346	386,355	6,458,734	6,058,721	2,114,402	3,231,453
Amortization	—	—	1,457,734	1,722,250	291,113	343,937
Debt servicing	—	—	—	—	—	53,334
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	(46,581)	(191,226)
Other expenses	12,657,880	12,374,780	6,243,040	4,769,019	7,204,460	7,527,841
Total expenditures	13,189,226	12,761,135	14,159,508	12,549,990	9,563,394	10,965,339
Annual surplus (deficit)	(537,856)	(103,747)	(839,548)	(836,068)	(1,313,794)	(4,481,228)

**13. Segment disclosure (continued)**

	Housing		Parks, Recreation, and Multi-Plex		Youth	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Revenue						
Federal government	1,941,000	—	—	—	334,342	331,664
Provincial government	—	—	—	—	—	—
Economic activities	243,403	242,262	249,251	23,841	—	—
Other revenue	207,500	11,250	2,207,710	184,205	—	—
Total revenue	2,391,903	253,512	2,456,961	208,046	334,342	331,664
Expenditures						
Salaries and benefits	775,667	611,189	1,113,957	943,600	381,964	670,576
Amortization	2,131,635	2,518,436	266,564	314,934	—	—
Debt servicing	—	—	—	—	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	1,385,592	674,580	1,556,308	849,005	—	—
Total expenditures	4,292,894	3,804,205	2,936,829	2,107,539	381,964	670,576
Annual surplus (deficit)	(1,900,991)	(3,550,693)	(479,868)	(1,899,493)	(47,622)	(338,912)

**13. Segment disclosure (continued)**

	Emergency services		Enterprises		VLT	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Revenue						
Federal government	20,000	—	—	—	—	—
Provincial government	605,472	553,683	—	—	—	—
Economic activities	—	—	12,871,437	13,649,578	24,283,962	25,970,039
Other revenue	9,900	—	—	—	—	—
Total revenue	635,372	553,683	12,871,437	13,649,578	24,283,962	25,970,039
Expenditures						
Salaries and benefits	876,438	625,995	4,454,612	1,846,912	547,176	413,541
Amortization	22,260	26,299	641,184	455,438	—	—
Debt servicing	—	—	192,552	501,829	—	12,971
Transfer	—	—	—	—	—	—
Interdepartmental	516,818	334,143	6,764,093	9,814,847	21,786,984	21,397,869
Other expenses	1,415,516	986,437	12,052,441	12,619,026	22,334,160	21,824,381
Total expenditures	(780,144)	(432,754)	818,996	1,030,552	1,949,802	4,145,658
Annual surplus (deficit)						



13. Segment disclosure (continued)

	CMHC		Pinaow Wachi		Safety Officer's Program	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Revenue						
Federal government	1,551,253	864,201	1,256,191	2,863,462	—	—
Provincial government	—	—	—	651,300	17,402	—
Economic activities	328,454	515,984	40,684	—	—	—
Other revenue	—	—	979,899	370,604	—	—
Total revenue	1,879,707	1,380,185	2,276,774	3,885,366	17,402	—
Expenditures						
Salaries and benefits	—	—	1,904,946	2,340,722	505,765	572,479
Amortization	861,366	964,298	101,607	—	—	—
Debt servicing	271,988	236,316	—	—	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	380,461	604,447	712,048	1,892,446	86,381	79,447
Total expenditures	1,513,815	1,805,061	2,718,601	4,233,168	592,146	651,926
Annual surplus (deficit)	365,892	(424,876)	(441,827)	(347,802)	(574,744)	(651,926)

**13. Segment disclosure (continued)**

	Restorative justice		Broadband		Keenanow Trust Secretariat	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Revenue						
Federal government	—	—	—	—	—	—
Provincial government	80,000	—	—	—	—	—
Economic activities	—	—	806,506	—	69,664	—
Other revenue	—	—	—	1,571,410	—	2,628,347
Total revenue	80,000	—	806,506	1,571,410	69,664	2,628,347
Expenditures						
Salaries and benefits	58,869	62,674	198,393	198,594	—	119,821
Amortization	—	—	—	—	—	—
Debt servicing	—	—	38,463	181,792	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	29,035	42,083	798,684	350,913	563,463	2,750,574
Total expenditures	87,904	104,757	1,035,540	731,299	563,463	2,870,395
Annual surplus (deficit)	(7,904)	(104,757)	(229,034)	840,111	(493,799)	(242,048)

**13. Segment disclosure (continued)**

	Health Centre of Excellence		Elimination		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
<b>Revenue</b>						
Federal government	11,181,910	3,160,000	—	(1,256,191)	90,007,859	69,656,849
Provincial government	—	—	—	—	6,021,424	6,408,650
Economic activities	193,508	—	(2,218,009)	(2,233,624)	40,483,874	39,066,007
Other revenue	812,497	26,442	(1,256,191)	(1,724,089)	9,683,913	9,841,245
<b>Total revenue</b>	<b>12,187,915</b>	<b>3,186,442</b>	<b>(3,474,200)</b>	<b>(5,213,904)</b>	<b>146,197,070</b>	<b>124,972,751</b>
<b>Expenditures</b>						
Salaries and benefits	—	—	—	—	23,760,225	21,411,752
Amortization	—	—	—	—	7,765,173	7,522,887
Debt servicing	—	—	—	(290,013)	3,359,178	2,447,787
Transfer	—	—	—	—	(219,327)	(384,142)
Interdepartmental	—	2,616,618	—	—	97,081,479	95,957,229
Other expenses	179,346	—	(3,474,200)	(4,923,891)	131,746,728	126,955,513
<b>Total expenditures</b>	<b>179,346</b>	<b>2,616,618</b>	<b>(3,474,200)</b>	<b>(5,213,904)</b>	<b>14,450,342</b>	<b>(1,982,762)</b>
<b>Annual surplus (deficit)</b>	<b>12,008,569</b>	<b>569,824</b>	<b>—</b>	<b>—</b>		

In decreased grant revenue in the band and increased it in Health Centre of Excellence  
Health Centre of Excellence grant revenue was around \$11M vs \$9.

#### 14. Expense by object

The following is a summary of expenses by object:

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Administration	<b>1,894,058</b>	1,719,024
Amortization	<b>7,765,173</b>	7,522,887
Bad debt	<b>655,216</b>	1,661,499
Fees and services	<b>46,904,665</b>	44,400,551
Cost of Good Sold	<b>2,613,568</b>	2,423,787
Donations	—	123,684
Event expense	<b>21,414,046</b>	23,399,949
Interest and bank charges	<b>3,359,178</b>	2,447,787
Insurance	<b>784,466</b>	597,687
Meals and Entertainment	<b>718,968</b>	2,167,612
Miscellaneous	<b>2,547,330</b>	1,409,526
Professional fees	<b>5,801,135</b>	4,856,662
Recoveries	—	111,624
Rent	<b>726,896</b>	1,430,745
Repairs and maintenance	<b>1,997,324</b>	1,113,589
Salaries and benefits	<b>23,760,225</b>	21,411,752
Supplies	<b>2,148,715</b>	3,742,693
Tax expense	<b>86,281</b>	107,846
Training	<b>182,024</b>	91,874
Travel	<b>6,913,644</b>	5,106,358
Utilities	<b>1,473,816</b>	1,108,375
	<b>131,746,728</b>	<b>126,955,513</b>

#### 15. Government transfers

	<b>Operations</b>	<b>Capital</b>	<b>2020 Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Federal Government Transfers			
Indigenous Services Canada	<b>78,137,938</b>	<b>11,869,92</b>	<b>90,007,859</b>
Canada Mortgage and Housing Corporation	<b>916,128</b>	—	<b>916,128</b>
Manitoba Keewatinowi Okimakanak	<b>2,410,093</b>	—	<b>2,410,0</b>
	<b>81,464,159</b>	<b>11,869,921</b>	<b>93,334,080</b>
	Operating	Capital	2019 Total
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Federal Government Transfers			
Indigenous Services Canada	66,470,407	3,186,442	69,656,849
Canada Mortgage and Housing Corporation	864,201	—	864,201
Manitoba Keewatinowi Okimakanak	2,177,953	—	2,177,953
	<b>69,512,561</b>	<b>3,186,442</b>	<b>72,699,003</b>

## 16. Accumulated surplus

Accumulated surplus consists of the following:

	\$	\$
Unrestricted operating surplus		
Balance, beginning of year	<b>(4,443,706)</b>	(13,245,601)
Transfer to invested in capital assets	<b>(19,977,263)</b>	10,219,046
Transfer to externally restricted reserves	<b>(256,575)</b>	565,611
Current year surplus	<b>14,450,342</b>	(1,982,762)
	<b>(10,227,202)</b>	(4,443,706)
Externally restricted reserves (CMHC)		
Balance, beginning of year	<b>1,968,024</b>	2,533,635
Allocations to reserves/income earned	<b>256,575</b>	70,937
Withdrawals from reserves/expenses	—	(636,548)
	<b>2,224,599</b>	1,968,024
Invested in capital assets		
Balance, beginning of year	<b>104,250,624</b>	114,469,670
Amortization	<b>(7,765,173)</b>	(7,522,887)
Purchases	<b>23,233,124</b>	11,008,811
Disposals	—	(1,746,968)
Loan advances	<b>(24,957,732)</b>	(17,545,635)
Loan repayments	<b>29,467,044</b>	5,587,633
	<b>124,227,887</b>	104,250,624
	<b>116,225,284</b>	101,774,942

## 17. Budget

Budget information is presented on a basis consistent with that used for actual results.  
The budget was approved by Chief and Council on March 11, 2019

## 18. COVID-1

On March 11, 2020 the World Health Organization characterized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. These public health and emergency measures resulted in an economic slowdown, restrictions on public gatherings and activities. The duration and impact of COVID-19 is unknown. Potential impacts include loss of revenue, supply chain disruption, travel bans, quarantines, social distancing, closures of non-essential services, and labour and supply costs related to prevention measures for COVID-19 and addressing an outbreak if one is declared in the community.

## 19. Comparative figures

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