

**Tootinaowaziibeeng Treaty
Reserve #292
Financial Statements**
March 31, 2020

Tootinaowaziibeeng Treaty Reserve #292

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For the year ended March 31, 2020

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Management's Responsibility

To the Members of Tootinaowaziibeeng Treaty Reserve #292:

The accompanying consolidated financial statements of Tootinaowaziibeeng Treaty Reserve #292 are the responsibility of management and have been approved by the Chief and Council.

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

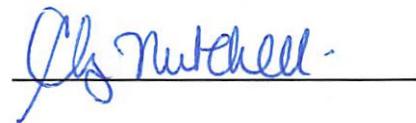
In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial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

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

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



Councillor



Finance
Administrator

Independent Auditor's Report

To the Chief and Council and Members of Tootinaowaziibeeng Treaty Reserve #292:

Opinion

We have audited the financial statements of Tootinaowaziibeeng Treaty Reserve #292 (the "First Nation"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2020, and the results of its operations 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Swan River, Manitoba
August 2, 2022

MNP LLP
Chartered Professional Accountants

Tootinaowaziibeeng Treaty Reserve #292

Consolidated Statement of Financial Position

As at March 31, 2020

	2020	2019
Financial assets		
Cash (Note 3)	351,049	1,045,702
Restricted Cash (Note 4)	74,665	84,718
Accounts receivable (Note 5)	137,918	435,402
Inventory for resale	20,022	20,985
Investments	5,966	5,965
Funds held in trust (Note 6)	1,268	1,257
	590,888	1,594,029
Liabilities		
Bank indebtedness (Note 7)	226,512	3,680
Accounts payable and accruals (Note 8)	926,672	1,736,052
Deferred revenue (Note 9)	953,046	415,219
Term loans due on demand (Note 10)	2,181,542	1,561,262
Capital lease obligations (Note 11)	13,729	73,404
Long-term debt (Note 12)	4,643,830	4,960,223
	8,945,331	8,749,840
Net debt	(8,354,443)	(7,155,811)
Contingencies and commitments (Note 15)		
Non-financial assets		
Tangible capital assets (Note 13)	17,260,978	17,318,059
Prepaid expenses	635,614	118,717
	17,896,592	17,436,776
Accumulated surplus	9,542,149	10,280,965

Approved on behalf of Chief and Council:

Benj

Chiet

Councillor

Durango
John Clark

Councillor

Tootinaowaziibeeng Treaty Reserve #292
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada (Note 14)	4,325,449	7,833,575	7,567,094
Health Canada (Note 14)	2,449,175	3,000,712	2,440,835
First Peoples Development, Inc. (Note 14)	503,077	486,894	505,888
Canada Mortgage and Housing Corporation (Note 14)	227,208	429,297	371,086
Convenience Store	-	885,549	804,714
Video Lotto Terminals (incl. tobacco sales)	-	460,733	499,119
Other revenue	250,982	312,315	788,971
Province of Manitoba (incl. tobacco & fuel tax rebates) (Note 14)	-	200,207	196,843
User fees	19,937	24,540	26,458
Rental income	122,196	34,583	48,986
Repayment of funding	-	(106,528)	-
Deferred revenue - prior year	-	415,219	85,361
Deferred revenue - current year	-	(953,046)	(415,219)
Income from TTR Legacy Trust	-	336,026	337,915
Manitoba First Nation Education Resource Centre (MFNERC)	43,401	30,984	34,066
Gain on debt forgiveness	-	6,151	170,590
	7,941,425	13,397,211	13,462,707
Program expenses			
Health Services	2,829,676	3,636,986	2,780,304
Community Development (Trust)	-	130,152	167,548
Social Services	-	2,245,229	1,846,135
Band Operations	5,819,632	6,609,870	5,691,356
Convenience Store Operations	-	1,043,568	977,372
Gaming Operations	-	470,222	514,659
	8,649,308	14,136,027	11,977,374
Surplus (deficit) before other items	(707,883)	(738,816)	1,485,333
Other income			
Gain on disposal of capital assets	-	-	2,573
Surplus (deficit)	(707,883)	(738,816)	1,487,906
Accumulated surplus, beginning of year	-	10,280,965	8,793,059
Accumulated surplus, end of year	-	9,542,149	10,280,965

Tootinaowaziibeeng Treaty Reserve #292
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2020

	2020 Budget	2020	2019
Annual surplus (deficit)	(707,883)	(738,816)	1,487,906
Purchases of tangible capital assets	-	(1,017,864)	(5,198,215)
Amortization of tangible capital assets	-	1,074,945	919,482
Gain on disposal of tangible capital assets	-	-	(2,573)
Proceeds of disposal of tangible capital assets	-	-	10,000
Acquisition of prepaid expenses	-	(516,897)	-
Use of prepaid expenses	-	-	70,653
Increase in net debt	(707,883)	(1,198,632)	(2,712,747)
Net debt, beginning of year	(4,443,064)	(7,155,811)	(4,443,064)
Net debt, end of year	(5,150,947)	(8,354,443)	(7,155,811)

Tootinaowaziibeeng Treaty Reserve #292
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Surplus	(738,816)	1,487,906
Non-cash items		
Amortization	1,074,945	919,482
Gain on disposal of capital assets	-	(2,573)
Changes in working capital accounts		
Accounts receivable	297,484	80,569
Prepaid expenses	(516,897)	70,653
Accounts payable and accruals	(809,380)	736,697
Deferred revenue	537,827	329,858
Investments	(1)	472
Inventories for resale	963	893
Funds held in trust	(11)	(27)
	(153,886)	3,623,930
Financing activities		
Advances of long-term debt	139,554	2,436,745
Repayment of long-term debt	(455,947)	(302,045)
Advances of term debt due on demand	940,000	780,000
Repayments of term debt due on demand	(319,720)	(210,818)
Repayment of capital lease obligations	(59,675)	(74,420)
	244,212	2,629,462
Capital activities		
Purchases of tangible capital assets	(1,017,864)	(5,198,215)
Proceeds of disposal of tangible capital assets	-	10,000
	(1,017,864)	(5,188,215)
Increase (decrease) in cash resources	(927,538)	1,065,177
Cash resources, beginning of year	1,126,740	61,563
Cash resources, end of year	199,202	1,126,740
Cash resources are composed of:		
Cash	351,049	1,045,702
Restricted cash	74,665	84,718
Bank indebtedness	(226,512)	(3,680)
	199,202	1,126,740

Tootinaowaziibeeng Treaty Reserve #292

Notes to the Financial Statements

For the year ended March 31, 2020

1. Operations

The Tootinaowaziibeeng Treaty Reserve #292 (the "Nation") is located in the province of Manitoba, and provides various services to its members. Tootinaowaziibeeng Treaty Reserve #292 includes the First Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities and partnerships.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Tootinaowaziibeeng Treaty Reserve #292
- Tootinaowaziibeeng Anishinabe Health Authority
- Tootinaowaziibeeng Housing Authority
- Tootinaowaziibeeng Indigenous Skills and Employment Training Strategy (ISETS) Program
- Anishinabe Childhood Development Inc.
- Tootinaowaziibeeng Treaty Reserve Holdings Inc.
- Tootinaowaziibeeng Convenience Store
- Tootinaowaziibeeng VLT Operations

All inter-entity balances and transactions have been eliminated on consolidation.

Basis of presentation

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

Cash resources

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

Funds held in Trust

Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

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

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2020

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

Inventory for Resale

Inventory of supplies and goods available for resale are recorded at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment. Investments consist of patronage equity accounts.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Tangible capital assets are amortized annually using the following method at rates intended to amortize the cost of the assets over their estimated useful lives (amortization is recorded at one-half the normal rate in the year of acquisition):

	Method	Rate
Buildings	declining balance	4-5 %
Furniture, Fixtures and Equipment	declining balance	20 %
Automotive Equipment	declining balance	30 %
Infrastructure	declining balance	4 %
Computer Equipment and Software	declining balance	30 %
Assets under capital lease	declining balance	30 %

Long-term debt

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt.

Repayments of long-term financing are recognized as a decrease in long-term debt.

Asset classification

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

Tootinaowaziibeeng Treaty Reserve #292

Notes to the Financial Statements

For the year ended March 31, 2020

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

Long-lived assets

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

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

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

Other revenues and user fees are earned from other services provided by the First Nation and are recognized at their fair value when the service has been provided.

Retail sales are recognized when the sale is made and the customer takes possession of the merchandise.

Rental income is recorded in the year it is earned.

Gaming revenue

The First Nation recognizes Video Lottery Terminals (VLT) revenue as the net win from gaming activities (the difference between gaming wins and gaming losses), consisting of slot machines, on a daily basis. Gaming revenue is gross of commissions paid to Manitoba Liquor and Lotteries which management believes is the most appropriate presentation of gaming revenue on the financial statements.

Insurance proceeds

Due to the inability to reasonably ascertain the proceeds ultimately receivable related to housing units damaged/destroyed, these proceeds are recognized only when the amounts have been confirmed through actual receipt of funds.

Provision for site rehabilitation

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. A liability is recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used and is equal to a proportion of the estimated total expenditure required for closure and post-closure care. The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future revenue generation, are expensed in the current year.

Tootinaowaziibeeng Treaty Reserve #292

Notes to the Financial Statements

For the year ended March 31, 2020

2. Significant accounting policies (Continued from previous page)

Employee future benefits

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

Segments

The First Nation conducts its business through 6 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Health Services - activities include the delivery of community-based health promotion and disease prevention programs, primary home and community care services, programs to control communicable diseases and address environmental issues and non-insured health benefits.

Community Development - receives funds from the Tootinaowaziibeeng Treaty Reserve First Nation Legacy Trust in accordance with the Trust Agreement (e.g. annual distribution), and utilizes the funds for various projects that will better the First Nation community and its members.

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

Band Operations - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes. Also includes activities relating to overseeing educational programming for members and the development and maintenance of the community's buildings, houses, roads and infrastructure.

Convenience Store Operations - activities include providing retail services within the community for fuel, tobacco and grocery products.

Gaming Operations - activities include providing a form of gaming entertainment for community members which generates revenue for discretionary needs of the community members.

These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both 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.

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

Measurement uncertainty

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Payables to funding agencies are based on anticipated repayment requirements; however actual repayments will be determined upon the funding agencies review of financial statements. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the operations in the periods in which they become known.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2020

3. Cash

	2020	2019
Unrestricted cash in bank	351,049	1,045,702

4. Restricted cash

	2020	2019
Health - moveable assets reserve	3,567	3,636
Housing - replacement reserve	71,098	81,082

Health Reserves

The Moveable Assets Reserve is funded by an annual allocation in the Health Services Transfer agreement. These funds, along with accumulated interest, must be held in a separate bank account and are to be used only for the replacement or acquisition of physical assets. As of March 31, 2020, \$3,567 (2019 - \$3,636) has been set aside to fund this reserve. The unfunded portion at March 31, 2020 was \$41,051 (2019 - \$31,487).

CMHC Reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following: A replacement reserve, established by an annual allocation of \$20,350 (2019 - \$8,800), to ensure that major repairs of buildings financed by CMHC are done as necessary. At March 31, 2020, \$71,098 (2019 - \$81,082) has been set aside to fund this reserve. The underfunded portion at March 31, 2020 was \$8,162 (2019 - overfunded by \$5,751).

A subsidy surplus reserve can be established by retaining excess federal assistance payments received. Reserve funds may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance. At March 31, 2020, the projects had no accumulated surplus, therefore no subsidy surplus reserve balance was required.

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

5. Accounts receivable

	2020	2019
Indigenous Services Canada	-	171,202
Assembly of Manitoba Chiefs	-	93,743
First Peoples Development, Inc.	39,288	55,812
CMHC	49,659	88,223
Members	17,793	13,053
Receiver General of Canada	805	8,928
Other	53,817	10,518
Province of Manitoba	7,899	12,116
Allowance for doubtful accounts	(31,343)	(18,193)
	137,918	435,402

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2020

6. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

Capital Trust	2020	2019
Balance	65	65
Revenue Trust		
Balance, beginning of year	1,192	1,165
Interest	11	27
Balance, end of year	1,203	1,192
	1,268	1,257

7. Bank indebtedness

	2020	2019
Operating line of credit	181,659	-
Other bank indebtedness	44,853	3,680
	226,512	3,680

At March 31, 2020, the First Nation had an authorized line of credit of \$500,000 (2019 - \$500,000) and there was \$318,341 (2019 - \$500,000) that remained unused. In 2020, a portion of the use of the authorized line of credit relates to cheques that had been issued and were outstanding at the end of the year, which amounted to \$235,609 (2019 - nil).

The line of credit bears interest at prime plus 1% and is secured by a Band Council resolution redirecting all funds from Indigenous Services Canada to the financial institution.

8. Accounts payable and accruals

	2020	2019
Trade accounts payable	657,630	1,473,912
Receiver General of Canada	73,966	84,797
Group pension plan and insurance	57,195	45,979
Indigenous Services Canada	55,094	55,094
Other	1,903	3,587
Accrued liabilities	80,884	72,683
	926,672	1,736,052

Indigenous Services Canada accounts payable consists of the following:

\$15,700 - Special Needs Funding (17/18)
\$ 9,385 - Parental Engagement Strategy (17/18)
\$10,009 - Teacher Recruitment and Retention (17/18)
\$10,000 - First Nation Career Promotion and Awareness (17/18)
\$10,000 - Community Building (16/17)
\$55,094

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2020

9. Deferred revenue

	<i>Balance, March 31, 2019</i>	<i>Funding Received 2020</i>	<i>Revenue Recognized 2020</i>	<i>Balance, March 31, 2020</i>
ISC - Renovation	53,459	-	(53,549)	-
ISC - Bathroom Renovations	-	157,000	137,000	20,000
ISC - Post Secondary	62,312	523,625	(347,563)	238,374
ISC - PIDP	29,500	55,000	(23,103)	61,397
ISC - Capacity Innovation	10,000	20,000	(30,000)	-
ISC - Instructional Services	-	1,587,397	(1,291,627)	295,770
ISC - Community Based Initiative	104,901	125,696	(133,165)	97,432
ISC - Jordan's Principle	121,959	282,613	(315,701)	161,073
ISC - Service Delivery	-	80,422	(57,622)	22,800
ISC - Community Readiness Program	-	123,200	(67,000)	56,200
	382,131	2,954,953	(2,182,330)	953,046
First Peoples Development, Inc. - ISETS	33,088	282,613	(315,701)	-
	415,219	3,237,566	(2,498,031)	953,046

10. Term loans due on demand

	<i>2020</i>	<i>2019</i>
CIBC - demand loan bearing interest at prime plus 1.0%, repayable in monthly installments of \$5,833, with five mobile homes having a net book value of \$604,835 (2019 - \$636,668) and a Band Council Resolution redirecting all funds from Indigenous Services Canada to the financial institution, pledged as collateral:	449,168	525,001
CIBC - demand loan bearing interest at prime plus 1.0%, repayable in monthly installments of \$1,032, with a Band Council Resolution redirecting all funds from Indigenous Services Canada to the financial institution, pledged as collateral:	50,514	64,955
CIBC - demand loan bearing interest at prime plus 1.0%, repayable in monthly installments of \$10,861, with a Band Council Resolution redirecting all funds from Indigenous Services Canada to the financial institution, pledged as collateral:	32,583	184,639
CIBC - demand loan bearing interest at prime plus 1.0%, repayable in monthly installments of \$833, with a Band Council Resolution redirecting all funds from Indigenous Services Canada to the financial institution, pledged as collateral, paid in full during the fiscal year:	-	6,667
CIBC - demand loan bearing interest at prime plus 1.0%, repayable in monthly installments of \$5,449 plus interest, with a Band Council Resolution redirecting all funds from Indigenous Services Canada to the financial institution, pledged as collateral:	1,229,277	780,000
CIBC - demand loan authorized up to \$835,000, bearing interest at prime plus 1.0%, repayable in monthly installments of \$3,479, with a Band Council Resolution redirecting all funds from Indigenous Services Canada to the financial institution, pledged as collateral:	420,000	-
	2,181,542	1,561,262

Tootinaowaziibeeng Treaty Reserve #292

Notes to the Financial Statements

For the year ended March 31, 2020

10. Term loans due on demand (Continued from previous page)

Principal repayments on long-term debt in each of the next five years

2021	149,802
2022	121,327
2023	125,582
2024	129,980
<u>2024 and thereafter</u>	<u>1,654,851</u>

11. Capital lease obligations

	2020	2019
John Deere Financial Inc. - capital lease payable in equal monthly installments of \$6,930, including interest at 7.65%, due May 2020, secured by 2013 John Deere Grader, having a net book value of \$78,719 (2019 - \$112,455):	13,729	73,404

Minimum lease payments related to the obligation under capital lease are as follows:

2021	13,860
Less: imputed interest	131
Balance of obligation	13,729

12. Long-term debt

	2020	2019
Bank of Montreal - loan repayable in monthly installments of \$3,663 plus interest at 6.99%, due February 2021, secured by a 2018 International Water Truck having a net book value of \$57,099 (2019 - \$81,570):	38,925	78,645
Bank of Montreal - loan repayable in monthly installments of \$923 plus interest at 7.55%, due October 2020, secured by school bus having a net book value of \$12,707 (2019 - \$18,153):	6,301	16,480
Bank of Montreal - loan repayable in monthly installments of \$3,406 plus interest at 7.99%, due February 2023, secured by 2019 International Water Truck having a net book value of \$82,737:	106,034	-
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$897 with interest at 1.12%, due February 1, 2025 with a renewal date of May 2020, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	51,471	61,597
Canada Mortgage and Housing Corporation - mortgage in blended monthly installments of \$3,298 with interest at 1.08%, due August 2030, with a renewal date of August 2020, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	389,798	424,959
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$3,418 with interest at 1.05%, due August 2031 with a renewal date of August 1, 2021, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	441,119	477,290

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2020

12. Long-term debt *(Continued from previous page)*

	2020	2019
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$3,243 with interest at 1.3%, due June 2032 with a renewal date of June 1, 2022, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	440,573	473,531
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$3,996 with interest at 2.52%, due September 2033 with a renewal date of September 1, 2023, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	548,661	582,363
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$12,024 with interest at 2.14%, due March 2034 with a renewal date of March 1, 2024, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	1,745,380	1,851,163
Manitoba Lotteries Corporation - loan repayable in weekly installments of \$334 with interest at 2.35% included in therein, due September 2020, secured by six video lotto terminals having a net book value of \$53,665 (2019 - \$59,628):	7,318	24,328
Manitoba Lotteries Corporation - loan repayable in weekly installments of \$334 with interest at 2.35% included therein, due July 2022, secured by six video lotto terminals having a net book value of \$69,934 (2019 - \$77,704):	39,679	55,938
Tootinaowaziibeeng Treaty Reserve First Nation Legacy Trust - loan repayable in annual installments of \$114,228 (to be deducted from annual income distribution from the Trust), with interest at 2.7% included therein, due August 2026:	828,571	913,929
	4,643,830	4,960,223

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2021	444,108
2022	401,716
2023	398,152
2024	364,096
<u>2024 and thereafter</u>	<u>3,036,405</u>
	<hr/>
	4,644,477
	<hr/>

During the year, interest paid was \$207,110 (2019 - \$136,053).

13. Tangible capital assets

Please see Schedule 1 for further information on tangible capital assets.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2020

14. Government Transfers

	<i>Operating</i>	<i>Capital & Repairs</i>	<i>2020 Total</i>	<i>2019 Total</i>
Indigenous Services Canada	7,226,575	607,000	7,833,575	7,567,094
Health Canada	3,000,712	-	3,000,712	2,440,835
Canada Mortgage and Housing Corporation	349,056	80,241	429,297	371,086
First Peoples Development Inc.	486,894	-	486,894	505,388
Province of Manitoba	200,207	-	200,207	196,843
	11,263,444	687,241	11,950,685	11,081,246

15. Contingencies and commitments

A portion of the balance included as surpluses (deficits) is from funds contributed by government agencies. Such surpluses (deficits) may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements. Any such repayment or recovery, where not otherwise ascertainable, will be recorded in the fiscal period in which such determination is made.

The First Nation received forgivable loans totalling \$80,242 (2019 - \$60,000) from CMHC's Residential Rehabilitation Assistance Program (RRAP) which were included in income for the year ended March 31, 2020. Provided the First Nation continues to own and occupy the subject houses for four years, the principle amount plus interest will be forgiven. If the homes are not occupied by eligible band members for the required time period, the unearned portion of the loans plus interest will become due and payable.

16. Pension Plan

The Tootinaowaziibeeng Treaty Reserve #292 has a defined contribution pension plan whereby employees' contributions to the plan are fully matched by the First Nation. The contribution amount varies depending on which entity the individual is employed by and ranges from 2% to 8%. The pension plan is administered and managed by London Life.

The expense recognized in the consolidated statement of operations and accumulated surplus with respect to this plan was \$147,506 (2019 - \$119,509). There were no significant changes to the pension plan in 2020.

17. Economic dependence

Tootinaowaziibeeng Treaty Reserve #292 receives substantially all of its revenue from the Government of Canada as a result of treaties entered into with the Government of Canada. These treaties are administered by Indigenous Services Canada (ISC) under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

18. Budget information

Canadian public sector accounting standards require the disclosure of budget information for comparison to the First Nation's actual revenues and expenses. The First Nation's Social Services program, Gaming operations and Convenience Store operations budgeted revenue and expenses and deficit have not been reported in these financial statements.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2020

19. Trusts administered by the First Nation

Trust funds administered by the First Nation, amounting \$12,710 (2019 - \$20,720) have not been included on the statement of financial position, nor have their operations been included on the statement of operations. The trust funds relate to monies that were to be paid to members of the First Nation upon receipt of the settlement proceeds from the Government of Canada in April 2017 for the 1905 Railway Expropriation Specific Claim. The remaining funds are owed to members that could not be located or have not yet turned 18 years of age. The trust fund balances at March 31 were as follows:

	2020	2019
Minor distribution fund (restricted cash)	12,710	20,720

20. Corresponding Figures

Prior year's corresponding figures have been reclassified where necessary to conform to the current year's presentation.

21. Subsequent event

Subsequent to year-end, the global outbreak of COVID-19 (coronavirus) continued, which has had a significant impact on the operations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Tootinaowaziibeeng Treaty Reserve #292
Schedule 1 - Schedule of Consolidated Tangible Capital Assets
For the year ended March 31, 2020

	<i>Land</i>	<i>Buildings</i>	<i>Furniture, Fixtures and Equipment</i>	<i>Automotive Equipment</i>	<i>Infrastructure</i>	<i>Computer Equipment and Software</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	355,972	16,599,590	935,748	2,298,102	5,371,657	227,797	25,788,866
Acquisition of tangible capital assets	-	726,450	43,914	-	240,000	7,500	1,017,864
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	355,972	17,326,040	979,662	2,298,102	5,611,657	235,297	26,806,730
Accumulated amortization							
Balance, beginning of year	-	5,129,078	654,248	1,424,790	1,152,481	222,664	8,583,261
Annual amortization	-	550,669	47,040	262,015	177,660	3,824	1,041,208
Balance, end of year	-	5,679,747	701,288	1,686,805	1,330,141	226,488	9,624,469
Net book value of tangible capital assets	355,972	11,646,293	278,374	611,297	4,281,516	8,809	17,182,261
Net book value of tangible capital assets 2019	355,972	11,470,511	281,501	873,312	4,219,176	5,133	17,205,605

Tootinaowaziibeeng Treaty Reserve #292
Schedule 1 - Schedule of Consolidated Tangible Capital Assets
For the year ended March 31, 2020

	<i>Subtotal</i>	<i>Capital Asset Under Lease</i>	2020	2019
Cost				
Balance, beginning of year	25,788,866	270,000	26,058,866	20,868,078
Acquisition of tangible capital assets	1,017,864	-	1,017,864	4,223,215
Construction-in-progress	-	-	-	975,000
Disposal of tangible capital assets	-	-	-	(7,427)
Balance, end of year	26,806,730	270,000	27,076,730	26,058,866
Accumulated amortization				
Balance, beginning of year	8,583,261	157,546	8,740,807	7,821,325
Annual amortization	1,041,208	33,737	1,074,945	919,482
Balance, end of year	9,624,469	191,283	9,815,752	8,740,807
Net book value of tangible capital assets	17,182,261	78,717	17,260,978	17,318,059
Net book value of tangible capital assets 2019	17,205,605	112,454	17,318,059	

Tootinaowaziibeeng Treaty Reserve #292
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Consolidated expenses by object			
Advertising	6,664	1,070	2,544
Amortization	-	1,074,945	919,482
Automotive	116,673	205,992	211,945
Bad debts	-	2,210	-
Bank charges and interest	8,038	57,813	17,671
Cash shortage	-	11,849	23,072
Community donations	238,912	330,327	317,571
Consulting	-	117,132	51,199
Cost of goods sold	-	1,047,310	1,011,139
Elders fees	-	-	40,022
Election expenses	-	-	8,000
Food and beverage	29,200	96,233	55,502
GST and Sales tax	-	-	12,993
Honouraria	198,800	198,800	203,602
Insurance	184,198	273,831	184,419
Interest on long-term debt	133,071	207,110	136,053
Meeting	5,200	7,622	9,491
Miscellaneous	2,400	2,345	4,753
Office equipment lease	15,200	16,599	22,857
Office supplies and expenses	67,877	61,656	73,401
Professional development	6,000	15,548	7,902
Professional fees	346,725	318,265	313,956
Program expense	725,563	709,985	600,785
Property tax	3,000	3,168	-
Rent	-	7,122	-
Repairs and maintenance	1,545,619	963,321	786,067
Salaries and benefits (includes pension expense)	3,380,119	3,787,402	3,166,220
Social assistance	-	1,742,965	1,380,064
Supplies (including workshops)	582,412	676,231	517,876
Telephone	65,803	112,182	83,780
Training	227,468	311,534	171,354
Travel	590,523	719,370	682,035
Tuition	129,390	626,075	485,394
User fees	-	34,430	26,018
Utilities	40,453	395,585	450,207
	8,649,308	14,136,027	11,977,374

Tootinaowaziibeeng Treaty Reserve #292
Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2020

	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>	<i>Prior Year Surplus (Deficit)</i>
Health Services	40,944	3,380,502	(39,114)	3,382,332	3,636,986	(254,654)	(83,890)
Community Development (Trust)	-	336,026	-	336,026	130,152	205,874	170,367
Social Services	2,243,822	-	-	2,243,822	2,245,229	(1,407)	117,431
Band Operations	5,548,809	838,006	(498,713)	5,888,102	6,609,870	(721,768)	1,275,353
Convenience Store Operations	-	1,035,438	-	1,035,438	1,043,568	(8,130)	(38,267)
Gaming Operations	-	511,491	-	511,491	470,222	41,269	46,912
Total	7,833,575	6,101,463	(537,827)	13,397,211	14,136,027	(738,816)	1,487,906