
BUNIBONIBEE CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

BUNIBONIBEE CREE NATION

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MARCH 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Bunibonibee Cree Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.


The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.


Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

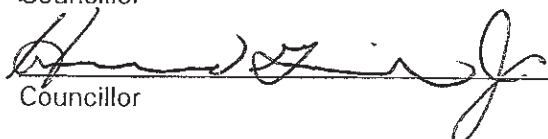
The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

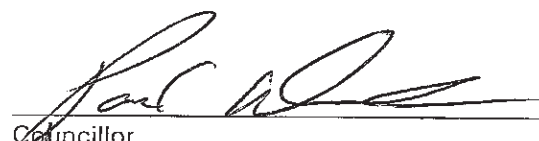
The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Bunibonibee Cree Nation and meet when required.

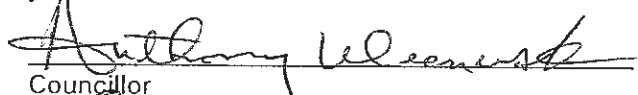


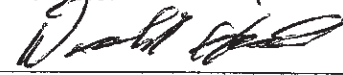
Chief


Councillor


Councillor



Councillor


Councillor


Councillor

INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership
Bunibonibee Cree Nation

Opinion

We have audited the accompanying consolidated financial statements of Bunibonibee Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, changes in net debt, and cash flows for the year then ended, and 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 consolidated financial position of Bunibonibee Cree Nation as at March 31, 2019, and its consolidated financial performance and its consolidated 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 Financial Statements section of our report. We are independent of Bunibonibee Cree Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 Bunibonibee Cree 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 Bunibonibee Cree Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Bunibonibee Cree Nation's financial reporting process.

(continued.....)

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
September 8, 2020

BUNIBONIBEE CREE NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 5,227,909	\$ 1,840,217
Restricted cash (Note 2)	654,042	501,682
Accounts receivable (Note 3)	6,705,784	2,862,901
Inventory (Note 4)	1,186,001	849,336
Investments (Note 5)	(243,792)	(393,792)
Total financial assets	<u>13,529,944</u>	<u>5,660,344</u>
	<u>13,529,944</u>	<u>5,660,344</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	23,704,927	13,746,249
Deferred revenue (Note 7)	6,533,993	2,543,588
Long term debt (Note 8)	<u>10,018,881</u>	<u>16,803,689</u>
Total liabilities	<u>40,257,801</u>	<u>33,093,526</u>
Net debt	<u>(26,727,857)</u>	<u>(27,433,182)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	49,907,438	46,061,999
Construction in progress (Note 10)	30,297,014	6,602,607
Prepaid expenses	<u>746,347</u>	<u>1,035,963</u>
Total non-financial assets	<u>80,950,799</u>	<u>53,700,569</u>
Accumulated surplus	<u>\$ 54,222,942</u>	<u>\$ 26,267,387</u>

Approved on behalf of Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

BUNIBONIBEE CREE NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 9	2 0 1 8
REVENUE			
Indigenous Services Canada	\$ 15,508,681	\$ 55,489,442	\$ 28,911,448
FNHI	3,381,320	4,021,719	3,810,329
Canada Mortgage and Housing Corporation		873,115	1,488,854
Heritage Canada			50,000
Province of Manitoba	574,000	1,518,646	1,491,626
Keewatin Tribal Council		106,852	1,202,002
Administration fees	1,251,362	1,969,259	1,303,967
Investment income			159,407
Other revenue	1,113,994	1,130,992	1,200,822
Rental income and user fees	587,420	771,670	838,024
Sales	210,000	1,534,065	1,449,161
Debt forgiveness			522,502
Eliminations	-	(2,118,984)	(1,939,379)
	<u>22,626,777</u>	<u>65,296,776</u>	<u>40,488,763</u>
EXPENDITURES			
Governance and administration	2,084,616	4,693,962	4,771,121
Economic development	94,092	259,905	188,256
Social services	7,147,554	7,674,747	7,566,802
Employment, training and child care		297,380	415,270
Health	3,781,212	3,742,922	2,871,280
Community services	2,358,417	1,780,272	2,060,626
Capital and capital projects	641,514	2,113,279	2,483,039
Own source programs	101,500	2,480,176	3,515,741
Education	1,472,481	10,213,902	9,277,952
Care Home	4,621,395	5,075,432	4,790,406
Housing		1,128,228	1,927,157
Eliminations	-	(2,118,984)	(1,939,379)
	<u>22,302,781</u>	<u>37,341,221</u>	<u>37,928,271</u>
ANNUAL SURPLUS	323,996	27,955,555	2,560,492
ACCUMULATED SURPLUS, beginning of year	<u>26,267,387</u>	<u>26,267,387</u>	<u>23,706,895</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 26,591,383</u>	<u>\$ 54,222,942</u>	<u>\$ 26,267,387</u>

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 9	2 0 1 8
Annual surplus	\$ <u>323,996</u>	\$ <u>27,955,555</u>	\$ <u>2,560,492</u>
Acquisition of tangible capital assets and construction in progress		(<u>30,927,514</u>)	(<u>7,391,889</u>)
Amortization of tangible capital assets		<u>3,375,668</u>	<u>3,187,280</u>
Disposal of tangible capital assets		<u>12,000</u>	<u>5,000</u>
Transfer of tangible capital assets	<u>-</u>	<u>-</u>	<u>181,447</u>
	<u>-</u>	(<u>27,539,846</u>)	(<u>4,018,162</u>)
Acquisition of prepaid expenses		(<u>746,347</u>)	(<u>1,035,963</u>)
Consumption of prepaid expenses	<u>-</u>	<u>1,035,963</u>	<u>667,900</u>
	<u>-</u>	<u>289,616</u>	(<u>368,063</u>)
CHANGE IN NET DEBT FOR YEAR	323,996	705,325	(<u>1,825,733</u>)
NET DEBT, <i>beginning of year</i>	(<u>27,433,182</u>)	(<u>27,433,182</u>)	(<u>25,607,449</u>)
NET DEBT, <i>end of year</i>	\$ (<u>27,109,186</u>)	\$ (<u>26,727,857</u>)	\$ (<u>27,433,182</u>)

BUNIBONIBEE CREE NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2019	2018
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding and other sources	\$ 65,294,298	\$ 39,788,242
Cash paid to suppliers and employees	(28,555,500)	(33,778,192)
Interest paid	(2,138,417)	(2,009,998)
	<u>34,600,381</u>	<u>4,000,052</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(24,275,521)	(7,391,889)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt		5,346,709
Repayment of long term debt	(6,784,808)	(2,944,756)
	(6,784,808)	<u>2,401,953</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	3,540,052	(989,884)
CASH, <i>beginning of year</i>	<u>2,341,899</u>	<u>3,331,783</u>
CASH, <i>end of year</i>	\$ <u>5,881,951</u>	\$ <u>2,341,899</u>
CASH COMPRISED OF		
Cash	\$ 5,227,909	\$ 1,840,217
Restricted cash	<u>654,042</u>	<u>501,682</u>
	\$ <u>5,881,951</u>	\$ <u>2,341,899</u>

BUNIBONIBEE CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

REPORTING ENTITY

The Bunibonibee Cree Nation reporting entity includes the Bunibonibee Cree Nation (the Cree Nation) government and all related entities which are accountable to the Cree Nation and are either owned or controlled by the Cree Nation.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

B.C.N. Programs:

- Bunibonibee Cree Nation Operating Fund
- Bunibonibee Cree Nation Housing Authority
- George Colon Memorial Home Inc.
- Oxford House Road Authority Ltd.
- Oxford House Board of Education Inc.

Incorporated business entities which are owned and controlled by the Cree Nation but which are not dependent on the First Nation for their continuing operations and joint ventures are included in the consolidated financial statements using the modified equity method. These include:

- Super B's Convenience Store
- B.C.N./Arnason Industries Ltd. Joint Venture (51% share)

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, construction in progress and prepaid expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

INVENTORY

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

INVESTMENTS

Portfolio investments are recorded at fair market value. The Cree Nation's investments in various commercial enterprises and joint ventures are accounted for using the modified equity method. Under the modified equity, the cost of the investments are adjusted for The Cree Nation's share of the commercial enterprises' income or loss less dividends.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**NET DEBT*

The Cree Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Cree Nation is determined by its liabilities less its financial assets. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are stated at cost and recorded in the capital assets. Social housing assets acquired under Canada Mortgage and Housing Corporation sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Amortization of tangible capital assets is recorded on a declining balance basis at the following annual rates:

Buildings	4 - 30%
Computers	30%
Equipment	10 - 30%
Furniture	20%
Roads	4 - 8%
Vehicles	15 - 30%
Water and sewer	4%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

SEGMENTS

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

REVENUE RECOGNITION

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise stated, it is management's opinion that the Cree Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of Cree Nation's financial assets and liabilities approximates their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**FAIR VALUE*

Due to the short term nature of all financial instruments other than long term debt and long term investments, the carrying value as presented in financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

USE OF ESTIMATES

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 certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

2. RESTRICTED CASH

CMHC Replacement Reserve

As required as part of the Cree Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2019, \$403,658 \$ (2018 - \$259,934) had been deposited into separate accounts leaving an unfunded balance of \$1,496,624 (2018 - \$1,568,224).

Fund Held in Trust

The George Colon Memorial Home holds funds in trust for their residents. Monthly rent for the Memorial Home and living expenses are subtracted from pension monies received for each resident.

Ottawa Trust Fund

The Ottawa Trust Fund arises 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the Cree Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Cree Nation's Council.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

2. RESTRICTED CASH *(continued)*

	2019	2018
CMHC Replacement Reserve		
George Colon Memorial Home Inc.	\$ 152,458	\$ 138,734
Bunibonibee Cree Nation Housing Authority	251,200	121,200
Fund Held in Trust	51,429	75,908
Ottawa Trust Fund	<u>198,955</u>	<u>165,840</u>
	<u>\$ 654,042</u>	<u>\$ 501,682</u>

3. ACCOUNTS RECEIVABLE

	2019	2018
Indigenous Services Canada		
Basic Needs	\$ 200,000	\$ 204,361
Capital Planning	8,775	297,426
Corporation Business Planning		47,798
Design Construction		1,000
Economic Development Allocation		148,973
Environment Site Assess	59,849	
ESA - Contaminated Sites - Steps 1-4	74,782	
ESA - Contaminated Sites - Steps 5-6	18,695	
Case Management Capacity	47,520	
Services Delivery Infrastructure	56,623	
Clients Supports	90,430	
Renovation 9 Budget 2018 Housing Needs	400,000	
Manitoba Schools Initiative - New School	3,649,230	
Renovation/ Additions - MSI Constructions	539,309	
First Nation Inuit Health		
Canada Mortgage and Housing Corporation	145,923	359,428
Goods and services tax	104,480	70,893
Keewatin Tribal Council	252,119	485,716
Province of Manitoba	424,370	491,121
Provincial sales tax	21,313	23,426
Super B's Convenience Store	338,615	342,217
Trade and other	<u>543,274</u>	<u>541,413</u>
Subtotal	6,975,307	3,013,772
Less: Allowance for doubtful accounts	(269,523)	(150,871)
	<u>\$ 6,705,784</u>	<u>\$ 2,862,901</u>

4. INVENTORY

	2019	2018
Fuel for resale	<u>\$ 1,186,001</u>	<u>\$ 849,336</u>

5. INVESTMENTS

	2019	2018
Super B's Convenience Store	<u>\$(243,792)</u>	<u>\$(393,792)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 9	2 0 1 8
Indigenous Services Canada		
Basic Needs	\$ 597,634	\$ 615,376
George Colon Memorial Home Inc.	1,928	
Professional and Institutional Development - HR	7,406	
Youth Employment	37,026	
First Nations and Inuit Health	6,276	8,367
Accrued liabilities	428,248	231,894
Payroll liabilities	1,472,110	1,412,333
Residents payable	458,686	443,923
Trade and other	12,071,676	11,034,356
Capital projects payable	<u>8,623,937</u>	<u>-</u>
	<u>\$ 23,704,927</u>	<u>\$ 13,746,249</u>

7. DEFERRED REVENUE

	2 0 1 9	2 0 1 8
Indigenous Services Canada		
3 Duplexes	\$ 54,997	\$ 405,658
Lot Servicing	17,414	17,414
Business Planning	12,000	12,000
Youth Employment		37,026
Community Opportunity Readiness Program		26,120
Capital - Construction of Multi Unit Housing		246,340
Band Operated School		548,024
Cultural & Language - Capacity Development		30,000
Cultural & Language - Parental and Community		259,500
School Effectiveness - Parental & Community		8,487
Improving School Effectiveness		7,568
School Effectiveness - Information and Communication		52,209
Professional and Institutional Development - HR		7,406
Professional and Institutional Development - Other		29,766
Renovation	400,000	
PDIP - Community Led Planning Pilot	162,000	
Community Comprehensive Plan	19,014	
PDIP - Community Comprehensive Plan	17,406	
MSI - School Renovations	539,308	
Cultural & Language - Improving School Effectiveness	250,584	
Band Operated School	445,094	
Cultural & Language - Parental Community	253,078	
School Effectiveness - Information Communication	52,209	
Cultural & Language - Capacity Development	30,000	
School Effectiveness - Parental Community	7,926	
Post Secondary	10,664	
Instructional	668,099	
Community Based Initiatives	324,100	
RHI 10 Dwelling Multiplex	1,362,497	
7 Bungalow Project	196,719	
Service Delivery Infrastructure	<u>56,623</u>	<u>-</u>
Carry forward	<u>\$ 4,879,732</u>	<u>\$ 1,687,518</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

7. DEFERRED REVENUE <i>(continued)</i>	2 0 1 9	2 0 1 8
Carry forward	\$ 4,879,732	\$ 1,687,518
Case Management Capacity	47,520	
Capital Planning - Manitoba School Initiative	253,738	
Roads and Bridges	348,285	
Student Transportation	320,397	
School O &M	72,563	
Water and Sewer Truck Repairs	<u>1,006</u>	<u>-</u>
	<u>5,923,241</u>	<u>1,687,518</u>
First Nation Inuit Health		
Headstart Building	71,162	151,521
Jordan's Principle	300,514	335,888
Resident Renovation	<u>13,393</u>	<u>187,470</u>
	<u>385,069</u>	<u>674,879</u>
Other		
Childcare	195,126	181,191
COHI Dental	<u>30,557</u>	<u>-</u>
	<u>\$ 6,533,993</u>	<u>\$ 2,543,588</u>

8. LONG TERM DEBT	2 0 1 9	2 0 1 8
CIBC mortgage at 3.31%, repayable in monthly installments of \$12,058 (P & I), due February 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	\$ 531,064	\$ 656,061
Peace Hills Trust mortgage, 3.50, repayable in monthly installments of \$6,191 (P & I), due June 2020, secured by Ministerial Guarantee and assignment of all risks insurance.	91,021	160,960
C.M.H.C. mortgage, interest at 1.13%, repayable in monthly installments of \$5,470 (P & I), due July 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	167,052	230,422
C.M.H.C. mortgage, interest at 2.39%, repayable in monthly installments of \$5,019 (P & I), due March 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	487,560	535,571
C.M.H.C. mortgage, 2.48%, repayable in monthly installments of \$3,253 (P & I), due August 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	329,609	362,160
C.M.H.C. mortgage, interest at 2.52%, repayable in monthly installments of \$1,786 (P & I), due September 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	179,566	196,511

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

8. LONG TERM DEBT (continued)

	2 0 1 9	2 0 1 8
C.M.H.C. mortgage, interest at 1.13%, repayable in monthly installments of \$5,926 (P & I), due July 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	697,535	760,827
C.M.H.C. mortgage, interest at 1.13%, repayable in monthly installments of \$3,676 (P & I), due July 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	469,103	507,690
C.M.H.C. mortgage, interest at 1.50%, repayable in monthly installments of \$8,233 (P & I), due July 2022, secured by Ministerial Guarantee and assignment of all risks insurance.	1,180,049	1,260,539
C.M.H.C. mortgage, interest at 1.50%, repayable in monthly installments of \$8,909 (P & I), due July 2022, secured by Ministerial Guarantee and assignment of all risks insurance.	1,277,021	1,364,124
C.M.H.C. mortgage, interest at 1.13%, repayable in monthly installments of \$3,885 (P & I), due July 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	662,624	701,529
C.M.H.C. mortgage, interest at 1.50%, repayable in monthly installments of \$5,775 (P & I), due July 2022, secured by Ministerial Guarantee and assignment of all risks insurance.	1,106,316	1,158,650
C.M.H.C. mortgage, interest at 1.67%, repayable in monthly installments of \$4,041 (P & I), due January 2020, secured by Ministerial Guarantee and assignment of all risks insurance.	853,145	887,132
C.M.H.C. mortgage, interest at 1.13%, repayable in monthly installments of \$5,179 (P & I), due July 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	874,644	926,606
Unsecured short term demand loan, non-interest bearing		2,386
Unsecured short term demand loan, interest at 3%.		890,000
Demand loan payable, interest at 16%, no terms of repayment of principal, secured by a BCR authorizing a general security agreement and an irrevocable assignment of tobacco tax rebates		5,089,949
C.M.H.C. mortgage advances	<u>1,112,572</u>	<u>1,112,572</u>
	<u>\$ 10,018,881</u>	<u>\$ 16,803,689</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2020	\$ 1,998,640
2021	774,667
2022	745,074
2023	704,563
2024	583,804

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

9. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Adjustments	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2 0 1 9	Total 2 0 1 8
Buildings	\$ 67,629,262	\$ 5,930,439	\$	\$ 73,559,701	\$ 35,708,642	\$ 2,032,709	\$ 37,741,351	\$ 35,818,350	\$ 31,920,620
Computers	782,949	46,222		829,171	484,999	97,864	582,863	246,308	297,950
Equipment	290,986	64,241		355,227	162,234	103,845	266,079	89,148	128,752
Furniture	716,187	79,750		795,937	360,649	3,370	364,019	431,918	355,538
Land	30,000			30,000				30,000	30,000
Roads	4,947,955			4,947,955	3,670,888	127,382	3,798,270	1,149,685	1,277,067
Vehicles	9,042,425	1,112,455	(12,000)	10,142,880	6,389,675	634,525	7,024,200	3,118,680	2,652,750
Water and sewer	13,291,270	-	-	13,291,270	3,891,948	375,973	4,267,921	9,023,349	9,399,322
	<u>\$ 96,731,034</u>	<u>\$ 7,233,107</u>	<u>\$ (12,000)</u>	<u>\$ 103,952,141</u>	<u>\$ 50,669,035</u>	<u>\$ 3,375,668</u>	<u>\$ 54,044,703</u>	<u>\$ 49,907,438</u>	<u>\$ 46,061,999</u>

10. CONSTRUCTION IN PROGRESS

	2 0 1 9	2 0 1 8
5 Unit ISC Housing Duplex Project	\$ 1,483,902	\$ 1,498,873
10 Unit ISC Housing Project		302,591
3 Unit ISC Housing Duplex Project	1,377,590	1,026,928
Headstart Building Project - FNIH	850,828	800,469
Nurses Residence Renovation FNIH	263,619	89,543
8 Unit CMHC Housing Project	2,087,789	1,428,767
11 Unit CMHC Housing Project	1,466,655	1,455,436
7 Unit ISC Housing Project	892,065	
MSI - New School Project	21,874,566	-
	<u>\$ 30,297,014</u>	<u>\$ 6,602,607</u>

Construction in progress will be transferred to tangible capital assets upon completion and will be amortized accordingly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

11. CONTINGENT LIABILITIES

- (a) The Cree Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. For accounting purposes any amounts assessed or claims paid will be accounted for in the year of determination.
- (b) As at March 31, 2019, certain legal actions and other contingent liabilities are pending against the Cree Nation. The final outcome of the outstanding claims cannot be determined at this time. However, management believes that ultimate disposition of these matters will not materially exceed the amounts recorded in these consolidated financial statements.

Estimated costs to settle claims are based on available information and projections of estimated future expenses developed based on the Cree Nation's historical experience. Claims are reported as an expenditure in the year of the loss, where the costs are deemed to be likely and can be reasonably determined.

- (c) The Cree Nation entered into a Joint Venture agreement on September 20, 2017 to carry out work related to various construction projects. The Cree Nation holds a 51% share and shall participate in the net gains and profits and share in the losses and liabilities of the joint venture. Losses, if any, will be accounted for in the year of determination.

12. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2019	2018
Agreement:	\$ 57,748,930	\$ 29,122,292
Plus: Revenue deferred from previous years	1,687,518	1,303,095
Basic Needs Top Up 2017/2018		204,361
Advance on 2019/2020 MSI Funding	2,265,199	
Less: Revenue deferred to subsequent year	(5,923,241)	(1,687,518)
Basic Needs Top Up 2017/2018	(204,361)	
Summer Employment recovery	(37,026)	
Institutional Care recovery	(1,928)	
Basic Needs recovery	(38,243)	
Professional and Institutional Development - HR recovery	(7,406)	
Skill Link recovery	-	(30,782)
TOTAL I.S.C. REVENUE PER FINANCIAL STATEMENTS	\$ 55,489,442	\$ 28,911,448

13. ECONOMIC DEPENDENCE

Bunibonibee Cree Nation received a substantial portion of its revenue pursuant to a funding agreement with Indigenous Services Canada (I.S.C.) and First Nations and Inuit Health (F.N.I.H.).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

14. RELATED PARTY TRANSACTIONS

In the normal course of business the Cree Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the Cree Nation and related parties aggregate revenue and expenditures derived from related parties is not determinable.

15. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 1 9	2 0 1 8
Administration	\$ 1,934,038	\$ 1,264,814
Amortization of capital assets	3,375,668	3,187,160
Bad debts	97,477	95,275
Bank and interest charges	1,563,583	1,767,977
Community activities	239,798	368,304
Contract services	710,083	1,241,262
Cost of sales	883,801	933,461
Donations	31,404	25,015
Equipment	193,012	247,972
Insurance	255,238	240,110
Interest on long term debt	626,362	546,272
Office expenses	49,694	42,900
Other	746,631	1,406,944
Professional fees	257,473	351,240
Program costs	97,380	48,396
Repairs and maintenance	1,142,498	1,981,006
Rent	331,660	350,504
Salaries and benefits	15,013,141	14,825,860
Social assistance	6,485,326	6,308,957
Student support	831,443	473,037
Supplies	1,137,507	1,090,374
Telephone	119,486	120,691
Travel	1,133,409	1,026,713
Training	331,880	184,430
Tuition	160,945	76,823
Utilities	1,711,268	1,662,153
Eliminations	(2,118,984)	(1,939,379)
	<u>\$ 37,341,221</u>	<u>\$ 37,928,271</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

16. SEGMENT DISCLOSURE

Bunibonibee Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Government and Administration		Housing		Economic Development		Health		Capital and Capital Projects	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues										
Federal Government										
I.S.C.	\$ 1,840,976	\$ 1,996,424	\$	\$	\$ 439,183	\$ 234,163	\$ 14,000	\$ 14,000	\$ 2,638,631	\$ 4,580,903
F.N.I.H.							3,767,283	2,986,590	254,436	823,739
C.M.H.C.			690,484	1,379,415					124,906	45,900
Other	-	-	-	-	-	-	-	-	-	-
Subtotal	1,840,976	1,996,424	690,484	1,379,415	439,183	234,163	3,781,283	3,000,590	3,017,973	5,450,542
Other revenue	<u>1,976,828</u>	<u>1,311,516</u>	<u>674,461</u>	<u>965,218</u>	<u>95,638</u>	<u>104,110</u>	<u>63,303</u>	<u>29,652</u>	<u>59,200</u>	<u>1,083,973</u>
Total revenue	<u>3,817,804</u>	<u>3,307,940</u>	<u>1,364,945</u>	<u>2,344,633</u>	<u>534,821</u>	<u>338,273</u>	<u>3,844,586</u>	<u>3,030,242</u>	<u>3,077,173</u>	<u>6,534,515</u>
Expenses										
Amortization	2,164,298	2,107,357	677,477	667,666						
Debt servicing	520,852	467,090	554	5,392	32,570		115	16	4	(9)
Other	1,016,425	1,348,202	406,640	1,212,267	190,384	140,660	1,229,698	1,146,103	1,566,804	1,445,793
Salaries and benefits	<u>992,387</u>	<u>848,472</u>	<u>43,557</u>	<u>41,832</u>	<u>36,951</u>	<u>47,596</u>	<u>2,513,109</u>	<u>1,725,161</u>	<u>546,471</u>	<u>1,037,255</u>
Total expenses	<u>4,693,962</u>	<u>4,771,121</u>	<u>1,128,228</u>	<u>1,927,157</u>	<u>259,905</u>	<u>188,256</u>	<u>3,742,922</u>	<u>2,871,280</u>	<u>2,113,279</u>	<u>2,483,039</u>
Surplus (Deficit)	<u>\$ (876,158)</u>	<u>\$ (1,463,181)</u>	<u>\$ 236,717</u>	<u>\$ 417,476</u>	<u>\$ 274,916</u>	<u>\$ 150,017</u>	<u>\$ 101,664</u>	<u>\$ 158,962</u>	<u>\$ 963,894</u>	<u>\$ 4,051,476</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

16. SEGMENT DISCLOSURE (continued)

	Employment, Training and Child Care		Social Services		Community Services		Own Source Programs		Education	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues										
Federal Government										
I.S.C.	\$ 149,713	\$ 260,206	\$ 7,580,892	\$ 7,582,233	\$ 1,248,425	\$ 1,196,507	\$	\$	\$ 37,333,989	\$ 8,862,068
F.N.I.H.										
C.M.H.C.										
Other	-	-	-	-	-	-	-	50,000	-	-
Subtotal	149,713	260,206	7,580,892	7,582,233	1,248,425	1,196,507	-	50,000	37,333,989	8,862,068
Other revenue	<u>104,659</u>	<u>212,504</u>	<u>-</u>	<u>522,502</u>	<u>858,678</u>	<u>833,674</u>	<u>2,552,930</u>	<u>2,456,980</u>	<u>111,886</u>	<u>13,189</u>
Total revenue	<u>254,372</u>	<u>472,710</u>	<u>7,580,892</u>	<u>8,104,735</u>	<u>2,107,103</u>	<u>2,030,181</u>	<u>2,552,930</u>	<u>2,506,980</u>	<u>37,445,875</u>	<u>8,875,257</u>
Expenses										
Amortization									297,362	171,980
Debt servicing			307,738	248,843	469		650,896	999,851	33,818	29,055
Other	49,377	167,621	7,121,208	7,066,870	836,216	910,567	1,730,708	2,357,221	3,634,810	2,892,850
Salaries and benefits	<u>248,003</u>	<u>247,649</u>	<u>245,801</u>	<u>251,089</u>	<u>943,587</u>	<u>1,150,059</u>	<u>98,572</u>	<u>158,669</u>	<u>6,247,912</u>	<u>6,184,067</u>
Total expenses	<u>297,380</u>	<u>415,270</u>	<u>7,674,747</u>	<u>7,566,802</u>	<u>1,780,272</u>	<u>2,060,626</u>	<u>2,480,176</u>	<u>3,515,741</u>	<u>10,213,902</u>	<u>9,277,952</u>
Surplus (Deficit)	<u>\$ (43,008)</u>	<u>\$ 57,440</u>	<u>\$ (93,855)</u>	<u>\$ 537,933</u>	<u>\$ 326,831</u>	<u>\$ (30,445)</u>	<u>\$ 72,754</u>	<u>\$ (1,008,761)</u>	<u>\$ 27,231,973</u>	<u>\$ (402,695)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

16. SEGMENT DISCLOSURE *(continued)*

	Care Home		Elimination		TOTAL	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Federal Government						
I.S.C.	\$ 4,243,633	\$ 4,184,944	\$	\$	\$ 55,489,442	\$ 28,911,448
F.N.I.H.					4,021,719	3,810,329
C.M.H.C.	57,725	63,539			873,115	1,488,854
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Subtotal	4,301,358	4,248,483			60,384,276	34,260,631
Other revenue	<u>533,901</u>	<u>634,193</u>	<u>(2,118,984)</u>	<u>(1,939,379)</u>	<u>4,912,500</u>	<u>6,228,132</u>
Total revenue	<u>4,835,259</u>	<u>4,882,676</u>	<u>(2,118,984)</u>	<u>(1,939,379)</u>	<u>65,296,776</u>	<u>40,488,763</u>
Expenses						
Amortization	236,531	240,157			3,375,668	3,187,160
Debt servicing	16,567	17,739			1,563,583	1,767,977
Other	1,725,543	1,398,499	(2,118,984)	(1,939,379)	17,388,829	18,147,274
Salaries and benefits	<u>3,096,791</u>	<u>3,134,011</u>	<u>-</u>	<u>-</u>	<u>15,013,141</u>	<u>14,825,860</u>
Total expenses	<u>5,075,432</u>	<u>4,790,406</u>	<u>(2,118,984)</u>	<u>(1,939,379)</u>	<u>37,341,221</u>	<u>37,928,271</u>
Surplus (Deficit)	<u>\$ (240,173)</u>	<u>\$ 92,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,955,555</u>	<u>\$ 2,560,492</u>