
BUNIBONIBEE CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

BUNIBONIBEE CREE NATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....STATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONS.....STATEMENT 2

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT.....STATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWS.....STATEMENT 4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 auditor's 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 AUDITOR'S 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, 2020, 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, 2020, 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.....)

Auditor's 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
March 10, 2022

BUNIBONIBEE CREE NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2020

2019

FINANCIAL ASSETS

Cash	\$ 20,899,102	\$ 5,227,909
Restricted cash (Note 2)	538,473	654,042
Accounts receivable (Note 3)	2,956,993	6,705,784
Inventory (Note 4)	1,020,709	1,186,001
Investments (Note 5)	(243,792)	(243,792)
Total financial assets	<u>25,171,485</u>	<u>13,529,944</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 6)	18,333,599	23,704,927
Deferred revenue (Note 7)	12,733,339	6,533,993
Long term debt (Note 8)	<u>21,193,998</u>	<u>10,018,881</u>
Total liabilities	<u>52,260,936</u>	<u>40,257,801</u>
Net debt	<u>(27,089,451)</u>	<u>(26,727,857)</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 9)	68,021,153	49,907,438
Construction in progress (Note 10)	51,952,895	30,297,014
Prepaid expenses	<u>222,175</u>	<u>746,347</u>
Total non-financial assets	<u>120,196,223</u>	<u>80,950,799</u>
Accumulated surplus	<u>\$ 93,106,772</u>	<u>\$ 54,222,942</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)	2020	2019
REVENUE			
Indigenous Services Canada	\$ 15,148,488	\$ 70,631,766	\$ 55,489,442
First Nations and Inuit Health		4,105,846	4,021,719
Canada Mortgage and Housing Corporation	668,253	837,264	873,115
Province of Manitoba	984,000	1,191,762	1,518,646
Administration fees	1,800,000	2,773,482	1,969,259
Other revenue	54,000	1,167,636	1,130,992
Rental and user fees	300,000	711,218	771,670
Sales	200,000	2,135,492	1,534,065
Tribal Council		273,410	106,852
Eliminations	<u>-</u>	(2,309,801)	(2,118,984)
	<u>19,154,741</u>	<u>81,518,075</u>	<u>65,296,776</u>
EXPENSES			
Governance and administration	3,169,433	5,754,836	4,693,962
Economic development	251,617	214,551	259,905
Social services	8,269,159	8,192,275	7,674,747
Employment, training and childcare		414,077	297,380
Health		4,333,055	3,742,922
Community services	1,651,197	1,940,280	1,780,272
Capital and capital projects	1,288,000	2,257,800	2,113,279
Band funds	984,000	2,791,350	2,480,176
Education	1,504,807	12,562,677	10,213,902
Care Home	4,621,395	5,123,220	5,075,432
Housing	1,534,944	1,359,925	1,128,228
Eliminations	<u>-</u>	(2,309,801)	(2,118,984)
	<u>23,274,552</u>	<u>42,634,245</u>	<u>37,341,221</u>
ANNUAL SURPLUS (DEFICIT)	(4,119,811)	38,883,830	27,955,555
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>54,222,942</u>	<u>54,222,942</u>	<u>26,267,387</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 50,103,131</u>	<u>\$ 93,106,772</u>	<u>\$ 54,222,942</u>

BUNIBONIBEE CREE NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**YEAR ENDED MARCH 31**

	BUDGET (UNAUDITED)	2020	2019
Annual surplus	<u>\$(_ 4,119,811)</u>	<u>\$ 38,883,830</u>	<u>\$ 27,955,555</u>
Acquisition of tangible capital assets and construction in progress		(43,756,673)	(30,927,514)
Amortization of tangible capital assets		3,987,077	3,375,668
Disposal of tangible capital assets	<u>_____ -</u>	<u>_____ -</u>	<u>12,000</u>
	<u>_____ -</u>	<u>(39,769,596)</u>	<u>(27,539,846)</u>
Acquisition of prepaid expenses		(222,175)	(746,347)
Consumption of prepaid expenses	<u>_____ -</u>	<u>746,347</u>	<u>1,035,963</u>
	<u>_____ -</u>	<u>524,172</u>	<u>289,616</u>
CHANGE IN NET DEBT FOR YEAR	(4,119,811)	(361,594)	705,325
NET DEBT, <i>beginning of year</i>	<u>(26,727,857)</u>	<u>(26,727,857)</u>	<u>(27,433,182)</u>
NET DEBT, <i>end of year</i>	<u>\$(_ 30,847,668)</u>	<u>\$(_ 27,089,451)</u>	<u>\$(_ 26,727,857)</u>

BUNIBONIBEE CREE NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS**YEAR ENDED MARCH 31**

2 0 2 0 2 0 1 9**CASH FLOW FROM*****OPERATING ACTIVITIES***

Cash received from funding and other sources	\$ 91,466,212	\$ 65,294,298
Cash paid to suppliers and employees	(57,329,557)	(28,555,500)
Interest paid	(1,229,311)	(2,138,417)
	<u>32,907,344</u>	<u>34,600,381</u>

CAPITAL ACTIVITIES

Acquisition of tangible capital assets and construction in progress	<u>(28,526,837)</u>	<u>(24,275,521)</u>
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FINANCING ACTIVITIES

Proceeds from long term debt	<u>12,038,676</u>	
Repayment of long term debt	<u>(863,559)</u>	<u>(6,784,808)</u>
	<u>11,175,117</u>	<u>(6,784,808)</u>

NET INCREASE IN CASH DURING YEAR

CASH, <i>beginning of year</i>	<u>5,881,951</u>	<u>2,341,899</u>
CASH, <i>end of year</i>	<u>\$ 21,437,575</u>	<u>\$ 5,881,951</u>

CASH COMPRISED OF

Cash	\$ 20,899,102	\$ 5,227,909
Restricted cash	<u>538,473</u>	<u>654,042</u>
	<u>\$ 21,437,575</u>	<u>\$ 5,881,951</u>

BUNIBONIBEE CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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, 2020****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.

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020****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.

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, 2020, \$103,358 (2019 - \$403,658) had been deposited into separate accounts leaving an unfunded balance of \$1,889,958 (2019 - \$1,496,624).

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.

	2 0 2 0	2 0 1 9
CMHC Replacement Reserve		
George Colon Memorial Home Inc.	\$ 103,021	\$ 152,458
Bunibonibee Cree Nation Housing Authority	337	251,200
Fund Held in Trust	<u>201,893</u>	51,429
Ottawa Trust Fund	<u>233,222</u>	<u>198,955</u>
	<u><u>\$ 538,473</u></u>	<u><u>\$ 654,042</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
3. ACCOUNTS RECEIVABLE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
A&C Water > \$1.5M	\$ 326,100	\$
Basic Needs	168,720	200,000
Capital Planning		8,775
Capacity Building	15,500	
Case Management Capacity		47,520
Clients Supports		90,430
Community Facilities O&M	3,573	
Contribution Equipment	136,008	
Environment Site Assess		59,849
ESA - Contaminated Sites - Steps 1-4		74,782
ESA - Contaminated Sites - Steps 5-6		18,695
Fit Up Education Facilities	160,888	
Health Planning Management	3,519	
Law Making Governance	25,000	
Major Renovations	222,881	
Manitoba Schools Initiative - New School Planning and Design		3,649,230
Renovation/ Additions - MSI Constructions		539,309
Renovation 9 Budget 2018 Housing Needs		400,000
Roads and Bridges	300,000	
Services Delivery Infrastructure		56,623
First Nations and Inuit Health		
Brighter Future	4,163	
Building Healthy Communities	3,500	
Canada Prenatal Nutrition Program	1,134	
CCC Other Direct Service Delivery	1,903	
COVID Response	257,655	
Home Community Care	11,154	
National Native Alcohol and Drug Abuse Program	2,295	
National Youth Solvent Abuse Program Treatment Centre	691	
Public Health NS and CHRS	3,102	
Canada Mortgage and Housing Corporation	496,167	145,923
Goods and services tax	80,872	104,480
Keewatin Tribal Council	276,456	252,119
Province of Manitoba		424,370
Provincial sales tax	5,208	21,313
Super B's Convenience Store	403,764	338,615
Trade and other	436,704	543,274
Subtotal	3,396,957	6,975,307
Less: Allowance for doubtful accounts	(439,964)	(269,523)
	<u>\$ 2,956,993</u>	<u>\$ 6,705,784</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020**

	2 0 2 0	2 0 1 9
4. INVENTORY		
Fuel for resale	<u>\$ 1,020,709</u>	<u>\$ 1,186,001</u>
5. INVESTMENTS		
Super B's Convenience Store	<u>\$(243,792)</u>	<u>\$(243,792)</u>
6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		
Indigenous Services Canada		
Basic Needs	\$ 1,928	\$ 597,634
Institutional Care	35,341	1,928
Professional and Institutional Development - HR	556,329	7,406
Youth Employment	474,894	37,026
First Nations and Inuit Health	6,846,296	6,276
Accrued liabilities	10,418,811	428,248
Payroll liabilities	10,418,811	1,472,110
Residents payable	10,418,811	458,686
Trade and other	10,418,811	12,071,676
Capital projects payable	10,418,811	8,623,937
	<u>\$ 18,333,599</u>	<u>\$ 23,704,927</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

7. DEFERRED REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
3 Duplexes	\$ 54,997	
Lot Servicing	17,414	
Business Planning	12,000	
New School Fire Flow Upgrade	1,987,890	
Roads and Bridges - MSI Housing Units	300,000	
Teacherages Renovations	858,412	
COVID-19 - Preparedness and Response	231,855	
Renovations/ Additions - CMHC RRAP	400,000	
PDIP - Community Led Planning Pilot	162,000	
Community Comprehensive Plan	19,014	
PDIP - Community Comprehensive Plan	17,406	
MSI - School Renovations	934,680	539,308
MSI - New School	3,023,761	
Cultural & Language - Improving School Effectiveness	156,789	250,584
Band Operated School	445,094	
Cultural & Language - Parental Community	259,500	253,078
School Effectiveness - Information Communication	52,209	52,209
Cultural & Language - Capacity Development	30,000	30,000
School Effectiveness - Parental Community	7,926	
Post Secondary	410,743	10,664
Instructional	2,469,515	668,099
Community Based Initiatives	481,180	324,100
RHI 10 Dwelling Multiplex	1,362,497	
7 Bungalow Project	196,719	
Service Delivery Infrastructure	56,623	
Case Management Capacity	47,520	
Capital Planning - Manitoba School Initiative	199,535	253,738
Roads and Bridges	348,285	
Student Transportation	284,359	320,397
School O&M	394,487	72,563
Water and Sewer Truck Repairs	1,006	
Capacity Building	15,500	
First Nations and Inuit Health		
Headstart Building	71,162	
Jordan's Principle	274,194	300,514
Resident Renovation	13,393	
Community Health Plan	14,525	
CDE Planning and Response	4,761	
Other		
Child Care	349,444	195,126
COHI Dental	-	30,557
	<u>\$ 12,733,339</u>	<u>\$ 6,533,993</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
8. LONG TERM DEBT

	2 0 2 0	2 0 1 9
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.	\$ 401,895	\$ 531,064
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.	18,535	91,021
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.	102,967	167,052
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.	438,420	487,560
C.M.H.C. mortgage, 2.48%, repayable in monthly installments of \$3,379 & I), due August 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	296,847	329,609
C.M.H.C. mortgage, interest at 2.52%, repayable in monthly installments of \$1,800 (P & I), due September 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	162,281	179,566
C.M.H.C. mortgage, interest at 1.13%, repayable in monthly installments of \$5,962 (P & I), due July 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	633,542	697,535
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.	430,091	469,103
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.	1,098,386	1,180,049
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.	1,188,646	1,277,021
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.	623,294	662,624
C.M.H.C. mortgage, interest at 2.06%, repayable in monthly installments of \$11,793 (P & I), due January 2025, secured by Ministerial Guarantee and assignment of all risks insurance.	2,209,028	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020****8. LONG TERM DEBT *(continued)***

	2 0 2 0	2 0 1 9
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.	1,053,229	1,106,316
C.M.H.C. mortgage, interest at 1.67%, repayable in monthly installments of \$4,041 (P & I), due May 2020, secured by Ministerial Guarantee and assignment of all risks insurance.	818,620	853,145
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.	822,114	874,644
First Nation Bank demand interim variable rate loan, interest at prime plus 2%, repayable in monthly interest only installments, due May 2020, secured by General Security Agreement and assignment of tobacco tax rebates from the Province of Manitoba.	9,700,000	
C.M.H.C. mortgage advances	<u>1,196,103</u>	<u>1,112,572</u>
	<u>\$ 21,193,998</u>	<u>\$ 10,018,881</u>

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

March 31, 2021	\$ 3,119,450
2022	1,946,550
2023	1,967,911
2024	1,907,130
2025	1,980,121

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	2020	2019
Buildings	\$ 73,559,701	\$ 20,746,254	\$ 94,305,955	\$ 37,741,351	\$ 2,590,791	\$ 40,332,142	\$ 53,973,813	\$ 35,818,350
Computers	829,171	1,000	830,171	582,863	73,500	656,363	173,808	246,308
Equipment	355,227	165,496	520,723	266,079	46,370	312,449	208,274	89,148
Furniture	795,937	37,179	833,116	364,019	74,959	438,978	394,138	431,918
Land	30,000		30,000				30,000	30,000
Roads	4,947,955		4,947,955	3,798,270	93,992	3,892,262	1,055,693	1,149,685
Vehicles	10,142,880	1,150,863	11,293,743	7,024,200	746,531	7,770,731	3,523,012	3,118,680
Water and sewer	<u>13,291,270</u>	<u>-</u>	<u>13,291,270</u>	<u>4,267,921</u>	<u>360,934</u>	<u>4,628,855</u>	<u>8,662,415</u>	<u>9,023,349</u>
	<u>\$ 103,952,141</u>	<u>\$ 22,100,792</u>	<u>\$ 126,052,933</u>	<u>\$ 54,044,703</u>	<u>\$ 3,987,077</u>	<u>\$ 58,031,780</u>	<u>\$ 68,021,153</u>	<u>\$ 49,907,438</u>

10. CONSTRUCTION IN PROGRESS

	2020	2019
5 Unit ISC Housing Duplex Project	\$ 1,483,902	
3 Unit ISC Housing Duplex Project	1,377,590	
Headstart Building Project - FNIH	850,828	
Nurses Residence Renovation FNIH	263,619	
8 Unit CMHC Housing Project	2,087,789	
11 Unit CMHC Housing Project	1,466,655	
ISC School Fire Flow Project	238,665	
7 Unit ISC Housing Project	1,931,451	892,065
MSI - New School Project	49,782,779	21,874,566
	\$ 51,952,895	\$ 30,297,014

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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) 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

	2 0 2 0	2 0 1 9
Agreement:	\$ 79,026,856	\$ 57,748,930
Plus: Revenue deferred from previous years	5,923,243	1,687,518
Advance on 2019/2020 MSI Funding		2,265,199
Less: Revenue deferred to subsequent year	(11,858,561)	(5,923,241)
Basic Needs Top Up 2017/2018		(204,361)
Advance on 2019/2020 MSI Funding	(2,265,199)	
Clients Supports recovery	(90,430)	
Services Delivery Infrastructure recovery	(56,623)	
Case Management Capacity recovery	(47,520)	
Summer Employment recovery		(37,026)
Institutional Care recovery		(1,928)
Basic Needs recovery		(38,243)
Professional and Institutional Development - HR recovery	- <u>7,406</u>	
TOTAL I.S.C. REVENUE PER FINANCIAL STATEMENTS	\$ 70,631,766	\$ 55,489,442

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, 2020****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 2 0	2 0 1 9
Administration	\$ 2,772,869	\$ 1,934,038
Amortization of capital assets	3,987,077	3,375,668
Bad debts	236,010	97,477
Bank and interest charges	1,078,947	1,563,583
Community activities	1,003,624	239,798
Contract services	320,881	710,083
Cost of sales	2,261,697	883,801
Donations	31,404	
Equipment	294,670	193,012
Insurance	326,407	255,238
Interest on long term debt	275,865	626,362
Legal settlement	50,000	
Office expenses	234,607	49,694
Other	661,921	746,631
Professional fees	1,057,780	257,473
Program costs	91,985	97,380
Repairs and maintenance	1,127,904	1,142,498
Rent	36,765	331,660
Salaries and benefits	16,642,931	15,013,141
Social assistance	6,905,307	6,485,326
Student support	712,070	831,443
Supplies	1,487,658	1,137,507
Telephone	125,496	119,486
Travel	1,440,285	1,133,409
Training	468,741	331,880
Tuition	65,894	160,945
Utilities	1,276,655	1,711,268
Eliminations	(2,309,801)	(2,118,984)
	<u>\$ 42,634,245</u>	<u>\$ 37,341,221</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues										
Federal Government										
I.S.C.	\$ 2,988,180	\$ 1,840,976	\$	\$	\$ 210,365	\$ 439,183	\$ 271,655	\$ 14,000	\$ 5,498,552	\$ 2,638,631
F.N.I.H.							4,021,291	3,767,283	84,555	254,436
C.M.H.C.			837,264	690,484						124,906
Other	—	—	—	—	—	—	—	—	—	—
Subtotal	2,988,180	1,840,976	837,264	690,484	210,365	439,183	4,292,946	3,781,283	5,583,107	3,017,973
Other revenue	<u>2,820,678</u>	<u>1,976,828</u>	<u>1,209,494</u>	<u>674,461</u>	<u>4,186</u>	<u>95,638</u>	<u>50,884</u>	<u>63,303</u>	<u>463</u>	<u>59,200</u>
Total revenue	<u>5,808,858</u>	<u>3,817,804</u>	<u>2,046,758</u>	<u>1,364,945</u>	<u>214,551</u>	<u>534,821</u>	<u>4,343,830</u>	<u>3,844,586</u>	<u>5,583,570</u>	<u>3,077,173</u>
Expenses										
Amortization	2,466,462	2,164,298	704,391	677,477						
Debt servicing	125,502	520,852	135,074	554		32,570		115		4
Other	2,123,273	1,016,425	396,320	406,640	164,405	190,384	1,454,330	1,229,698	1,341,245	1,566,804
Salaries and benefits	<u>1,039,599</u>	<u>992,387</u>	<u>124,140</u>	<u>43,557</u>	<u>50,146</u>	<u>36,951</u>	<u>2,878,725</u>	<u>2,513,109</u>	<u>916,555</u>	<u>546,471</u>
Total expenses	<u>5,754,836</u>	<u>4,693,962</u>	<u>1,359,925</u>	<u>1,128,228</u>	<u>214,551</u>	<u>259,905</u>	<u>4,333,055</u>	<u>3,742,922</u>	<u>2,257,800</u>	<u>2,113,279</u>
Surplus (Deficit)	<u>\$ 54,022</u>	<u>\$ (876,158)</u>	<u>\$ 686,833</u>	<u>\$ 236,717</u>	<u>\$ —</u>	<u>\$ 274,916</u>	<u>\$ 10,775</u>	<u>\$ 101,664</u>	<u>\$ 3,325,770</u>	<u>\$ 963,894</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

16. SEGMENT DISCLOSURE *(continued)*

	Employment, Training and Child Care		Social Services		Community Services		Own Source Programs		Education	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues										
Federal Government										
I.S.C.	\$ 142,920	\$ 149,713	\$ 7,699,175	\$ 7,580,892	\$ 1,615,816	\$ 1,248,425	\$	\$	\$ 47,959,542	\$ 37,333,989
F.N.I.H.										
C.M.H.C.										
Other	—	—	—	—	—	—	—	—	—	—
Subtotal	142,920	149,713	7,699,175	7,580,892	1,615,816	1,248,425	—	—	47,959,542	37,333,989
Other revenue	242,853	104,659	—	—	76,139	858,678	3,269,960	2,552,930	33,357	111,886
Total revenue	385,773	254,372	7,699,175	7,580,892	1,691,955	2,107,103	3,269,960	2,552,930	47,992,899	37,445,875
Expenses										
Amortization										
Debt servicing										
Other	81,231	49,377	7,952,059	7,121,208	307,738	469	119	650,896	609,252	297,362
Salaries and benefits	332,846	248,003	240,216	245,801	1,060,605	836,216	2,648,303	1,730,708	5,392,220	33,818
					879,675	943,587	142,928	98,572	6,561,205	3,634,810
Total expenses	414,077	297,380	8,192,275	7,674,747	1,940,280	1,780,272	2,791,350	2,480,176	12,562,677	10,213,902
Surplus (Deficit)	\$(28,304)	\$(43,008)	\$(493,100)	\$(93,855)	\$(248,325)	\$ 326,831	\$ 478,610	\$ 72,754	\$ 35,430,222	\$ 27,231,973

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

16. SEGMENT DISCLOSURE *(continued)*

	Care Home		Elimination		TOTAL	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Federal Government						
I.S.C.	\$ 4,245,561	\$ 4,243,633	\$	\$	\$ 70,631,766	\$ 55,489,442
F.N.I.H.			57,725		4,105,846	4,021,719
C.M.H.C.					837,264	873,115
Other	—	—	—	—	—	—
Subtotal	4,245,561	4,301,358			75,574,876	60,384,276
Other revenue	544,986	533,901	(2,309,801)	(2,118,984)	5,943,199	4,912,500
Total revenue	4,790,547	4,835,259	(2,309,801)	(2,118,984)	81,518,075	65,296,776
Expenses						
Amortization	206,972	236,531			3,987,077	3,375,668
Debt servicing	15,170	16,567			275,865	1,563,583
Other	1,424,182	1,725,543	(2,309,801)	(2,118,984)	21,728,372	17,388,829
Salaries and benefits	3,476,896	3,096,791	—	—	16,642,931	15,013,141
Total expenses	5,123,220	5,075,432	(2,309,801)	(2,118,984)	42,634,245	37,341,221
Surplus (Deficit)	\$ (332,673)	\$ (240,173)	\$ —	\$ —	\$ 38,883,830	\$ 27,955,555