

# **Consolidated Financial Statements**

**Tataskweyak Cree Nation**

March 31, 2020



# Contents

	<b>Page</b>
Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2-3
Consolidated Statement of Operations	4
Consolidated Statement of Change in Accumulated Surplus	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Change in Net Debt	7
Consolidated Statement of Cash Flow	8
Notes to the Consolidated Financial Statements	9-35
Review Engagement Report on the Schedules of Salaries, Honoraria, Travel Expenses and Other Remuneration	36
Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration	37
- Chief and Councillors	37
Schedule of Honoraria, Salaries, Travel Expenses and Other Remuneration	38
- Unelected Senior Officials	38

## Management's Responsibility for Financial Reporting

The accompanying March 31, 2020 consolidated financial statements of Tataskweyak Cree Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of Tataskweyak Cree Nation.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

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

The consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.

Don Geron  
Chief

## Split Lake, Manitoba

## Council

John Ash

Robert Spencer

Theresa Dawson



## Independent auditors' Report

To the Chief and Council of  
Tataskweyak Cree Nation

### **Qualified Opinion**

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

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tataskweyak Cree Nation as at March 31, 2020, and the consolidated results of its operations, changes in accumulated surplus, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Qualified 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 TCN in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Included in TCN's government business enterprises accounted for using the modified equity method are investments in Cree Nation Partners Limited Partnership #1, Cree Nation Partners Limited Partnership #2, and Cree Nation Partners Limited Partnership #3. As at March 31, 2020 these three investments are recorded as investment in government business enterprises and carried at \$2,631,579. TCN's share of the net earnings from these equity investments of \$927,247 is included in equity earnings from government business enterprises for the year ended March 31, 2020. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of TCN's investment in these entities as at March 31, 2020 and TCN's share of earnings from these investments for the year then ended because audited financial information was not prepared and provided by management of these entities. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Included in TCN's consolidated financial statement is Iron North Limited Partnership. As at March 31, 2020 financial assets included in TCN's consolidated statement of financial position related to Iron North Limited Partnership were carried at \$3,482,826, tangible capital assets carried at \$3,971,186 and liabilities carried at \$2,666,126. For the year ended March 31, 2020 TCN's consolidated statement of operations included revenue from other government organizations related to Iron North Limited Partnership of \$9,358,838 and expenses from other government organizations related to Iron North Limited Partnership of \$7,711,258 resulting in net surplus of \$1,647,580 related to Iron North Limited Partnership. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of financial assets, tangible capital assets and liabilities as at March 31, 2020 or TCN's share of revenues and expenses related to Iron North Limited Partnership for the year then ended because audited financial information was not prepared and provided by management. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

TCN recorded \$513,106 of destitute and bereavement payments in the Video Lotto Terminal Operation line on the consolidated statement of operations. We were unable to obtain sufficient appropriate audit evidence over the occurrence, accuracy and authorization of these payments as supporting documentation was either not created or maintained. Accordingly, we were not able to determine whether any adjustments might be necessary to the recorded amount of Video Lotto Terminal expense.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 consolidated financial statements.

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

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

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



Winnipeg, Canada  
November 15, 2021

Chartered Professional Accountants

# Tataskweyak Cree Nation

## Consolidated Statements of Operations

Year Ended March 31	Budget (Note 17)	2020	2019
<b>Revenues</b>			
Indigenous Services Canada (Note 6)	\$ 28,545,970	\$ 27,000,392	\$ 21,119,435
Manitoba Hydro	5,611,897	6,108,966	7,934,199
Health Canada	5,830,509	4,699,817	4,766,887
Video Lottery Terminal Operation	1,800,000	1,758,443	1,626,937
Province of Manitoba	572,894	658,007	734,773
Manitoba Keewatinowi Okimakanak	-	993,071	844,059
Rental	469,679	815,227	742,985
Gas Bar	1,186,518	803,144	684,001
CMHC	502,265	461,919	686,094
Smoke Shop	-	207,028	119,668
Tataskweyak Trust	-	-	100,000
Other (Note 7)	2,944,580	1,314,617	1,874,840
Other Government Organizations	10,025,128	8,852,105	11,066,646
Equity earnings from government business enterprises (Note 5)	<u>1,262,095</u>	<u>1,262,095</u>	2,368,621
	<u>58,751,535</u>	<u>54,934,831</u>	54,669,145
<b>Expenses</b>			
Band Support	5,107,726	5,042,858	4,351,642
Community Fund	270,502	55,904	1,262,922
Policing	1,409,229	1,060,025	909,556
Operations and Maintenance	464,486	469,765	497,936
Public Works	1,706,563	390,198	520,719
Stephen's Lake	-	268,887	317,008
Health Services	6,829,985	5,110,681	4,367,411
ISETP	-	1,005,144	892,767
Social Development	5,091,163	4,592,043	4,549,330
Elderly Person's Home/Assisted Living	919,052	979,676	970,365
Tataskweyak Education Authority	14,226,793	13,225,034	10,831,546
Minor Capital	-	54	21
CMHC Housing Projects	1,008,932	515,733	658,640
Housing Authority	4,379,834	3,458,811	3,291,869
Economic Development	338,971	257,798	223,003
Video Lottery Terminal Operation	-	1,565,621	1,829,427
Gaming Commission (Bingo)	-	34,224	14,699
Kistepinaniq Hotel	-	406,500	466,802
On-Going Jobs	-	525,874	701,757
Future Development	2,027,162	1,912,108	1,220,360
Adverse Effects	3,773,449	2,631,928	2,964,247
Environmental Services	-	350,276	338,879
Gas Bar	1,411,132	1,864,160	1,507,509
Job Seeker Manitoba	63,720	51,600	42,271
Other Government Organizations	<u>8,439,486</u>	<u>8,263,411</u>	9,083,642
	<u>57,468,185</u>	<u>54,038,313</u>	51,814,328
<b>Annual surplus</b>	<b>\$ 1,283,350</b>	<b>\$ 896,518</b>	<b>\$ 2,854,817</b>

See accompanying notes to the consolidated financial statements.

---

## Tataskweyak Cree Nation

### Consolidated Statement of Change in Accumulated Surplus

Year Ended March 31

2020

2019

---

Accumulated surplus, beginning of year	\$ 61,610,802	\$ 58,755,985
Annual surplus	<u>896,518</u>	<u>2,854,817</u>
Accumulated surplus, end of year	<u>\$ 62,507,320</u>	<u>\$ 61,610,802</u>

---

# Tataskwewak Cree Nation

## Consolidated Statement of Financial Position

March 31

2020

2019

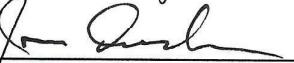
Financial assets			
Cash and cash equivalents	\$ 10,354,900	\$ 6,669,490	
Restricted cash (Note 16)	3,758,452	4,955,378	
Marketable securities	2,598,796	4,514,750	
Accounts receivable (Note 3)	7,012,970	9,438,085	
Inventory	32,057	35,719	
Portfolio investments (Note 4)	41,933	41,953	
Investment in government business enterprises (Note 5)	8,213,375	7,928,234	
<b>Total financial assets</b>	<b>32,012,483</b>	<b>33,583,609</b>	
Liabilities			
Accounts payable and accruals	4,168,465	3,762,343	
Demand loans (Note 9)	117,257	116,908	
Obligations under capital lease (Note 11)	380,347	468,622	
Long-term debt (Note 10)	9,159,429	8,446,568	
Deferred revenue (Note 12)	45,969,584	43,219,114	
<b>Total liabilities</b>	<b>59,795,082</b>	<b>56,013,555</b>	
<b>Net debt</b>	<b>(27,782,599)</b>	<b>(22,429,946)</b>	
Non-financial assets			
Tangible capital assets (Note 8)	89,851,545	83,802,539	
Prepays	438,374	238,209	
<b>Total non-financial assets</b>	<b>90,289,919</b>	<b>84,040,748</b>	
<b>Accumulated surplus</b>	<b>\$ 62,507,320</b>	<b>\$ 61,610,802</b>	

Commitments and contingencies (Note 13)

Approved on behalf of the Council:

 Chief

 Councillor

 Councillor

Councillor

 Councillor

Councillor

 Councillor

Councillor

 Councillor

Councillor

See accompanying notes to the consolidated financial statements.

# Tataskweyak Cree Nation

## Consolidated Statement of Change in Net Debt

Year Ended March 31	Budget (Note 17)	2020	2019
Annual surplus	\$ 1,283,350	\$ 896,518	\$ 2,854,817
Capital assets acquired (Note 8)	(11,995,186)	(11,995,186)	(13,787,208)
Capital assets disposed - cost (Note 8)	728,852	728,852	1,079,438
Capital assets disposed - accumulated depreciation (Note 8)	(569,511)	(569,511)	(717,608)
Amortization (Note 8)	<u>5,786,839</u>	<u>5,786,839</u>	<u>5,657,324</u>
	<u>(6,049,006)</u>	<u>(6,049,006)</u>	<u>(7,768,054)</u>
Use of prepaid expenses	238,209	238,209	326,203
Acquisition of prepaid expenses	<u>(438,374)</u>	<u>(438,374)</u>	<u>(238,209)</u>
	<u>(200,165)</u>	<u>(200,165)</u>	<u>87,994</u>
Change in net debt	(4,965,821)	(5,352,653)	(4,825,243)
Net debt, beginning of year	<u>(22,429,946)</u>	<u>(22,429,946)</u>	<u>(17,604,703)</u>
Net debt, end of year	<u>\$ (27,395,767)</u>	<u>\$ (27,782,599)</u>	<u>\$ (22,429,946)</u>

# Tataskweyak Cree Nation

## Consolidated Statement of Cash Flow

Year Ended March 31

2020

2019

Increase (decrease) in cash and cash equivalents

### Operating

Annual surplus	\$ 896,518	\$ 2,854,817
Adjustments for non-cash items		
Gain of equity from government business enterprises	(1,262,095)	(2,368,621)
Amortization	5,786,839	5,657,324
(Gain) loss on disposal of tangible capital assets	(43,189)	136,444
Loss on Ozhi LP investment	20	-
	<u>5,378,093</u>	<u>6,279,964</u>
Changes in non-cash working capital balances		
Accounts receivable	2,425,115	(545,166)
Inventory	3,662	(14,689)
Prepays	(200,165)	87,994
Accounts payable and accruals	406,122	(3,321,370)
Deferred revenue	2,750,470	8,462,010
	<u>10,763,297</u>	<u>10,948,743</u>

### Capital transactions

Proceeds on disposition of tangible capital assets	75,810	225,386
Purchase/construction of tangible capital assets (Note 8)	(11,802,090)	(13,787,208)
	<u>(11,726,280)</u>	<u>(13,561,822)</u>

### Financing

Long-term debt proceeds	1,884,934	827,921
Long-term debt repayments	(1,172,074)	(1,166,156)
Capital lease repayments	(154,652)	(231,811)
Demand loan proceeds	1,575,349	6,158
Demand loan repayments	(1,575,000)	(122,605)
	<u>558,557</u>	<u>(686,493)</u>

### Investing

Proceeds of marketable securities	1,915,954	1,763,980
Distributions from investments in government business enterprises (Note 5)	976,956	2,657,568
Increase (decrease) in restricted cash	1,196,926	(2,433,293)
	<u>4,089,836</u>	<u>1,988,255</u>

Net increase (decrease) in cash and cash equivalents

3,685,410

(1,311,317)

### Cash and cash equivalents

Beginning of year	\$ 6,669,490	7,980,807
End of year	<u>\$ 10,354,900</u>	<u>\$ 6,669,490</u>

---

# **Tataskweyak Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2020

---

### **1. Nature of entity**

Tataskweyak Cree Nation (TCN) is a government, non-taxable entity and is engaged in the social, cultural, educational and economic development of the First Nation citizens of Tataskweyak Cree Nation at Split Lake, Manitoba.

---

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

#### **Basis of accounting**

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

#### **Reporting entity**

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

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise which are accounted for using the modified equity method.

#### **Principles of consolidation**

Consolidation conforms the accounting policies of controlled entities to those of TCN and eliminates all inter-organizational balances and transactions. This method reports the organizations as if they were one organization. The entities that were consolidated into TCN are as follows:

6089951 Manitoba Ltd.  
Iron North Limited Partnership  
4915110 Manitoba Ltd.  
Ininew Limited Partnership  
Tataskweyak Security Inc.  
Split Lake Security Services Limited Partnership

---

# **Tataskweyak Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2020

---

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

#### **Modified equity method**

Government business enterprises are separate legal entities that have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers other than TCN as their principal activity, and in the normal course of operations, can maintain their operations and meet their liabilities from revenues received outside revenue received from TCN. TCN accounts for its investments using the equity method of accounting, which is modified only to the extent that the business enterprises' accounting principles are not adjusted to conform with those of TCN. Thus TCN aggregates the business enterprise's net assets and net income as an investment on the consolidated statement of financial position. The net income of the business enterprises is reported as a separate investment income line on the consolidated statement of operations. Inter-organizational transactions are not eliminated unless the transaction arises from the sale or transfer of an asset or liability that is remaining within the government reporting entity.

The corporations that have been accounted for using the modified equity method include:

336/344 Thompson Drive Corporation	100 % interest
5872066 Manitoba Ltd.	92.50 % interest
5925640 Manitoba Ltd.	92.50 % interest
6354671 Manitoba Ltd.	92.50 % interest

The limited partnerships that qualify as government business enterprises and have been accounted for using the modified equity method include:

336/344 Thompson Drive Limited Partnership	99.90 % voting units
Cree Nation Partners Limited Partnership #1	92.50 % voting units
Cree Nation Partners Limited Partnership #2	92.50 % voting units
Cree Nation Partners Limited Partnership #3	92.50 % voting units

#### **Portfolio investments**

All investments in entities that are not controlled are considered to be portfolio investments. They are reported at cost less any write-downs associated with a loss in value that is other than a temporary decline. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

The corporations that have been included as portfolio investments are:

6407102 Manitoba Ltd.	20 % interest
Keewatin Railway Company Ltd.	44 % interest
Ininew Project Management Ltd.	38 % interest

The limited partnerships that have been included as portfolio investments are:

Aboriginal Strategies Limited Partnership	20 % voting units
Ozhi LP	33 % voting units

---

# **Tataskweyak Cree Nation**

## **Notes to the Consolidated Financial Statements**

---

March 31, 2020

---

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

#### **Government transfers**

Government transfers (revenue from non-exchange transactions with governments) are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made, except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

#### **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 and prepaid expenses.

#### **Revenue recognition**

Resources, other than government transfers, that are externally restricted through stipulations imposed by an agreement with an external party, legislation, or regulation that specify the purpose or purposes for which the resources are to be used are deferred on the consolidated statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose.

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

---

# Tataskwewak Cree Nation

## Notes to the Consolidated Financial Statements

---

March 31, 2020

---

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

#### Tangible capital assets

Tangible capital assets are non-financial assets having physical substance whose ownership and control are with the First Nation, are used in the First Nation's operations, have useful lives extending beyond one year, and are not held for resale.

To be classified as tangible capital assets, each asset must meet the capitalization threshold as stated below and will depreciate using the straight-line method using the following rates:

<u>Classification</u>	<u>Amortization Rate</u>	<u>Useful Life</u>
Buildings		
Housing CMHC	4.00 %	25 years
Housing Band built	6.67 %	15 years
Non-residence-brick/steel beam construction	2.50 %	40 years
Non-residence-wood frame construction construction	5.00 %	20 years
Heavy equipment	20.00 %	5 years
Water and sewer systems	5.00 %	20 years
Roads	5.00 %	20 years
Plane	5.00 %	20 years
Vehicles		
General purpose	33.34 %	3 years
School bus	20.00 %	5 years
Betterments		
General/housing	20.00 %	5 years
Equipment	33.34 %	3 years
Capital leases, with the exception of school buses		3-5 years

All amortization is straight-line and will commence in the year of acquisition or completion of construction with the application of the half year rule.

Tangible capital assets are subsequently measured at cost less accumulated amortization less impairment, if any.

---

# **Tataskweyak Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2020

---

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

#### **Tangible capital assets (continued)**

Purchased assets are initially measured at cost, including installation, legal, transportation, insurance, and any other costs directly attributable to the purchase.

New constructions are valued at cost including construction, architectural, other professional fees, insurance, and other cost required for the completion of the asset. Interest costs are to be capitalized in the year they are incurred.

Site improvements such as roadside brush clearing, house lot development, and construction site improvements will not be capitalized, unless the improvements costs are included in the construction contracts.

Soil remediation completed by the First Nation or by contractors will not be capitalized and is rather expensed because the related land is not legally owned by the First Nation.

Tangible capital assets are written down when conditions indicate that a tangible capital asset no longer contributes to TCN's ability to provide goods and services, or the value of the future economic benefits associated with the tangible capital asset is less than net book value.

#### **Capital leases**

Capital leases are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of TCN's rate for incremental borrowing or the interest rate implicit in the lease.

#### **Use of estimates**

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

#### **Inventories**

Inventories of gasoline and other confectionary items including cigarettes and cigars are valued at the lower of cost or net realizable value determined by the first-in, first-out method. These amounts are held for sale in the normal course of operations.

---

# **Tataskwewak Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2020

---

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

#### **Cash and cash equivalents**

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

#### **Marketable securities**

Marketable securities include Guaranteed Investment Certificates held at cost for the acquisition of future Hydro-electric dam investments.

#### **Pension plans**

TCN maintains defined contribution pension plans for its personnel. Expenditures for this plan are equal to TCN's required contribution for the year and are recognized as earned by eligible employees.

#### **Segmented disclosure**

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The revenues and expenses and equity in government business enterprises that are directly attributable to a particular segment are allocated to that segment. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis.

The segments are as follows:

##### **Band Government**

Revenues and expenses that relate to the operations of the Band itself and governance activities of the Chief and Council.

##### **Community Services**

Provides services meant to improve the health and development of TCN's members.

##### **Economic Development**

Manages the development of economic opportunities for TCN.

##### **Education**

Provides elementary and secondary education services and provides financial support to post-secondary students.

##### **Health**

Services are comprised of a variety of health care programs which work to improve the overall health of the population and provides support to TCN members.

##### **Housing**

Provides affordable housing to qualifying members under various programs.

##### **Social Services**

Administers the provision of social assistance to qualifying members.

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

3. Accounts receivable	2020	2019 (Note 15)
Manitoba Hydro	\$ 4,698,922	\$ 5,317,052
Indigenous Services Canada	525,897	2,545,617
CMHC	78,166	271,660
Province of Manitoba	104,361	139,419
Health Canada	65,219	33,964
Government Business Enterprises	-	-
Other Government Organizations	(290,895)	(894,217)
Payable to portfolio investees	(543,992)	(251,792)
Due from joint ventures (INLP)	519,504	1,143,566
Other	1,855,788	1,078,816
	<u>\$ 7,012,970</u>	<u>\$ 9,384,085</u>

Other receivables include trade receivables and receivables due from Tataskweyak members. The amounts payable to portfolio investees and due to government business enterprises are due to the entities listed in Note 4 and Note 5, respectively.

The balance due to other government organizations (OGO) represents timing differences due to draws received or advances paid after the year end of the OGO but before the year end of TCN. In the current year \$206,350 (2019: \$787,608) relates to draws received from Iron North Limited Partnership.

The balance due from joint ventures (INLP) represents amounts owing from joint ventures that arise from construction projects undertaken by INLP. The balances due from joint ventures are unsecured, non-interest bearing with no specific terms of repayment.

### 4. Portfolio investments

	2020	2019
<u>Corporations</u>		
6407102 Manitoba Ltd.	\$ 2	\$ 2
Ininew Project Management Ltd.	39,887	39,887
Keewatin Railway Company Ltd.	44	44
	<u>39,933</u>	<u>39,933</u>
<u>Limited Partnership</u>		
Aboriginal Strategies Limited Partnership	2,000	2,000
Ozhi LP	-	20
	<u>\$ 41,933</u>	<u>\$ 41,953</u>

---

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

---

March 31, 2020

---

### 5. Government business enterprises

The investment balance reported represents the modified equity balance of the following businesses. The operating results of these businesses are included to December 31, 2019. All loans are non-interest bearing and have no set terms of repayment.

#### Equity (deficit)

	2019	2018
<u>Corporations</u>		
336/344 Thompson Drive Corporation	\$ 79,196	\$ 73,194
5872066 Manitoba Ltd.	(7,247)	(6,029)
5925640 Manitoba Ltd.	3,647	4,285
6354671 Manitoba Ltd.	(4,883)	(4,466)
<u>Limited Partnerships</u>		
336/344 Thompson Drive Limited Partnership	5,502,600	5,181,517
Cree Nation Partners Limited Partnership #1	1,225,189	1,228,857
Cree Nation Partners Limited Partnership #2	128,977	201,825
Cree Nation Partners Limited Partnership #3	<u>1,285,896</u>	<u>1,249,051</u>
	<u>\$ 8,213,375</u>	<u>\$ 7,928,234</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

### 5. Business enterprise equity (continued)

Summarized partner cash drawings from business enterprises are as follows:

	2020	2019
<u>Limited Partnership</u>		
Cree Nation Partners Limited Partnership #2 - cash draw	\$ 138,609	\$ 997,188
Cree Nation Partners Limited Partnership #3 - cash draw	830,584	1,633,952
336/344 Thompson Drive Limited Partnership - cash draw	<u>7,763</u>	<u>26,428</u>
	<u><b>\$ 976,956</b></u>	<u><b>\$ 2,657,568</b></u>

Summarized corporate financial information is as follows:

	336/344 Thompson Drive Corporation	5872066 Manitoba Ltd.	5925640 Manitoba Ltd.	6354671 Manitoba Ltd.
Current assets	\$ -	\$ -	\$ 5,418	\$ 97
Long-term assets	<u>83,238</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><b>83,238</b></u>	<u><b>-</b></u>	<u><b>5,418</b></u>	<u><b>97</b></u>
Current liabilities	4,042	7,834	1,450	5,342
Long-term liabilities	-	-	-	-
Equity (deficit)	<u>79,196</u>	<u>(7,834)</u>	<u>3,968</u>	<u>(5,245)</u>
Total equity and liabilities	<u><b>83,238</b></u>	<u><b>-</b></u>	<u><b>5,418</b></u>	<u><b>97</b></u>
Expenses	\$ 4,031	\$ 1,316	\$ 1,422	\$ 1,390
Other income	<u>10,033</u>	<u>-</u>	<u>732</u>	<u>939</u>
Net earnings (loss)	<u><b>\$ 6,002</b></u>	<u><b>\$ (1,316)</b></u>	<u><b>\$ (690)</b></u>	<u><b>\$ (451)</b></u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

### 5. Business enterprise equity (continued)

Summarized partnership financial information is as follows:

	336/344 Thompson Drive LP	Cree Nation Partners LP #1	Cree Nation Partners LP #2	Cree Nation Partners LP #3
Current assets	\$ 1,908,454	\$ 1,350,584	\$ 156,510	\$ 1,564,699
Long-term assets	<u>5,933,826</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 7,842,280</u>	<u>\$ 1,350,584</u>	<u>\$ 156,510</u>	<u>\$ 1,564,699</u>
Current liabilities	267,046	26,058	6,001	85,588
Long-term liabilities	<u>1,989,397</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity (deficit)	<u>5,585,837</u>	<u>1,324,526</u>	<u>150,509</u>	<u>1,479,111</u>
Total equity and liabilities	<u>\$ 7,842,280</u>	<u>\$ 1,350,584</u>	<u>\$ 156,510</u>	<u>\$ 1,564,699</u>
Revenue	\$ 459,695	\$ -	\$ 125,673	\$ 945,481
Expenses	<u>120,817</u>	<u>3,967</u>	<u>54,504</u>	<u>6,708</u>
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net earnings (loss)	<u>\$ 338,878</u>	<u>\$ (3,967)</u>	<u>\$ 71,169</u>	<u>\$ 938,773</u>

---

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

---

March 31, 2020

---

### 6. Indigenous Services Canada (ISC) revenue reconciliation

	<b>2020</b>	<b>2019</b>
Gross ISC revenue (including prior year deferred)	\$ 64,909,622	\$ 56,689,884
Deferred revenue (Note 12)	<u>(37,909,230)</u>	<u>(35,570,449)</u>
Total ISC revenue reported	<b><u>\$ 27,000,392</u></b>	<b><u>\$ 21,119,435</u></b>

---

### 7. Other revenue

	<b>2020</b>	<b>2019</b>
Band Support - other	\$ 342,073	\$ 223,736
Community fund - other	208,768	851,356
Aboriginal Policing Directorate	1,500	5,500
Housing Authority - other	3,830	95,608
Kistepinanik Hotel - other	12,642	114,878
Health Services - other	224,370	165,282
Video Lottery Terminal Operations - other	61,651	16,140
Other	<u>459,783</u>	<u>402,340</u>
	<b><u>\$ 1,314,617</u></b>	<b><u>\$ 1,874,840</u></b>

**Tataskwewayak Cree Nation  
Notes to the Consolidated Financial Statements**

March 31, 2020

**8. Tangible capital assets**

		Land	Buildings	Equipment	Vehicles	Plane	Construction in-progress	Infrastructure	Total 2020	Total 2019
<b>Cost</b>										
Opening costs	\$ 75,850	118,337,113	9,261,446	5,948,957	434,891	33,931,968	8,324,204	\$ 176,314,429	\$ 163,606,659	
Additions	-	549,015	993,087	1,178,096	-	9,274,988	-	11,995,186	13,787,208	
Transfers	-	4,168,223	490,753	-	-	(4,975,514)	316,533	-	-	
Disposals	-	(494,760)	(194,747)	(38,345)	-	-	-	(728,852)	(1,079,438)	
Adjustment	-	-	-	-	-	-	-	-	-	
Closing costs	<b>75,850</b>	<b>122,559,591</b>	<b>10,550,539</b>	<b>7,087,708</b>	<b>434,891</b>	<b>38,231,442</b>	<b>8,640,742</b>	<b>187,580,763</b>	<b>176,314,429</b>	
<b>Accumulated Amortization</b>										
Opening accumulated amortization	-	(75,647,391)	(4,717,918)	(4,415,079)	(32,617)	-	(7,698,885)	(92,511,890)	(87,572,174)	
Disposals	-	477,764	77,898	13,849	-	-	-	569,511	717,608	
Adjustment	-	-	-	-	-	-	-	-	-	
Amortization expense	-	(3,615,934)	(1,223,969)	(871,107)	(21,745)	-	(54,084)	(5,786,839)	(5,657,324)	
Closing accumulated amortization	-	(78,785,561)	(5,863,989)	(5,272,337)	(54,362)	-	(7,752,969)	(97,729,218)	(92,511,890)	
<b>Net book value</b>										
Opening balance	<b>75,850</b>	<b>42,689,722</b>	<b>4,543,528</b>	<b>1,533,878</b>	<b>402,274</b>	<b>33,931,968</b>	<b>625,319</b>	<b>83,802,539</b>	<b>76,034,485</b>	
Closing balance	<b>75,850</b>	<b>43,774,030</b>	<b>4,686,550</b>	<b>1,815,371</b>	<b>380,529</b>	<b>38,231,442</b>	<b>887,773</b>	<b>89,881,545</b>	<b>83,802,539</b>	
Increase (decrease) in net book value	\$ -	\$ 1,084,308	\$ 143,022	\$ 281,493	\$ (21,745)	\$ 4,259,474	\$ 262,454	\$ 6,049,006	\$ 7,768,054	

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

### 8. Tangible capital assets (continued)

	Buildings	Equipment	Vehicles	Construction in-progress	Infrastructure	Total 2020	Total 2019
<b>Additions by entity/program</b>							
Band Support	\$ -	71,904	68,818	-	-	\$ 140,722	\$ 294,440
Community Fund	-	-	-	111,107	-	111,107	2,684,070
Health Services	200,000	-	213,508	-	-	413,508	403,459
Tataskweyak Education Authority	-	293,996	428,549	-	-	722,545	330,203
Video Lottery Terminal Operations	-	-	59,373	-	-	59,373	45,979
Capital Projects	-	-	-	9,163,882	-	9,163,882	7,722,978
Housing Authority	87,935	-	-	-	-	87,935	322,075
Adverse Effects	261,080	57,601	34,796	-	-	353,477	671,364
Other Government Organizations	-	569,586	373,051	-	-	942,637	1,312,640
<b>Total additions</b>	<b>\$ 549,015</b>	<b>\$ 993,087</b>	<b>\$ 1,178,095</b>	<b>\$ 9,274,989</b>	<b>\$ -</b>	<b>\$ 11,995,186</b>	<b>\$ 13,787,208</b>
During the current year, Tataskweyak Education Authority acquired equipment in the amount of \$193,096 (2019 - \$nil) by means of a capital lease.							
	Buildings	Equipment	Vehicles	Construction in-progress	Infrastructure	Total 2019	Total 2018
<b>Disposals by entity/program</b>							
Band Support	\$ (494,760)	-	-	-	-	\$ -	\$ (366,958)
Housing Authority	-	(194,747)	-	-	-	(494,760)	-
Tataskweyak Education Authority	-	-	(39,345)	-	-	(194,747)	-
Other Government Organizations	-	-	-	-	-	(39,345)	(712,480)
<b>Total disposals</b>	<b>\$ (494,760)</b>	<b>\$ (194,747)</b>	<b>\$ (39,345)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (728,852)</b>	<b>\$ (1,079,438)</b>
During the current year, Tataskweyak Education Authority disposed of equipment in the amount of \$194,747 (2019 - \$nil) by means of a capital lease.							

# Tataskwewak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

9. Demand loans	2020	2019
<b>Ininew Limited Partnership:</b>		
Royal Bank operating loan bearing interest at prime plus 2.0%, repayable on demand. The loan is secured by an assignment of cash collateral in the amount of \$100,000 that is guaranteed by TCN	\$ <u>117,257</u>	\$ <u>116,908</u>
	\$ <u>117,257</u>	\$ <u>116,908</u>
<hr/>		
10. Long-term debt	2020	2019
<b>CMHC:</b>		
CMHC (Section 95) mortgage payable (Phase 6) bearing interest at 2.61% due December 1, 2023, repayable in monthly instalments of \$7,042 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, an assignment of fire insurance.	\$ <u>592,598</u>	\$ <u>660,711</u>
CMHC (Section 95) mortgage payable (Phase 7) bearing interest at 1.87%, due May 1, 2024, repayable in monthly instalments of \$4,140 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<u>418,366</u>	<u>459,796</u>
CMHC (Section 95) mortgage payable (Phase 8) bearing interest at 1.87% due May 1, 2024, repayable in monthly instalments of \$2,320 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<u>234,461</u>	<u>257,679</u>
CMHC (Section 95) mortgage payable (Phase 9) bearing interest at 1.11%, due April 1, 2021, repayable in monthly instalments of \$3,433 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<u>429,481</u>	<u>465,691</u>
CMHC (Section 95) mortgage payable (Phase 10) bearing interest at 1.87%, due May 1, 2024, repayable in monthly instalments of \$3,157 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<u>461,772</u>	<u>490,684</u>
CMHC (Section 95) mortgage payable (Phase 11) bearing interest at 1.87%, due May 1, 2024, repayable in monthly instalments of \$4,430 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<u>647,906</u>	<u>688,471</u>
Carry forward	\$ <u>2,784,584</u>	\$ <u>3,023,032</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

10. Long-term debt (continued)	2020	2019
Carried forward	\$ 2,784,584	\$ 3,023,032
CMHC (Section 95) mortgage payable (Phase 12) bearing interest at 1.23%, due May 1, 2020, repayable in monthly instalments of \$4,449 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance. This mortgage has been renewed subsequent to year end.	953,436	994,825
CMHC (Section 95) mortgage payable (Phase 13) bearing interest at 1.69%, due September 1, 2024, repayable in monthly instalments of \$8,505 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	1,312,223	-
<b>Community Fund:</b> Royal Bank (Teacherages project) term loan bearing interest at prime plus 2%, due April 1, 2020, repayable in monthly instalments of \$13,293 plus interest, secured by a general security agreement and Band Council Resolution. Renewed subsequent to year end for similar terms.	811,311	970,831
<b>Video Lottery Operation:</b> First Peoples Economic Growth Fund (Gaming Centre) term loan is interest-free, unsecured and repayable at \$3,125 per month, commencing six months after disbursement of proceeds until repaid in full.	190,625	228,125
Royal bank (Gaming Centre) term loan bearing interest at 4.63%, due December 19, 2022, repayable in monthly instalments of \$19,604 principal and interest, secured by a general security agreement and Band Council Resolution.	1,526,046	1,686,578
Northland Ford Sales Ltd. vehicle loan bearing interest at 3.99%, repaid during the year.	-	1,002
Northland Ford Sales Ltd. vehicle loan bearing interest at 3.99%, repaid during the year.	-	1,193
Ford Credit Canada Company vehicle loan bearing interest at 7.09%, due January 7, 2023. The loan is repayable at \$1,103 per month, principal and interest and secured by the purchased vehicle.	33,883	44,312
Carry forward	\$ 7,612,108	\$ 6,949,898

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

10. Long-term debt (continued)	2020	2019
Carried forward	\$ 7,612,108	\$ 6,949,898
Ford Credit Canada Company vehicle loan bearing interest at 7.04%, due February 28, 2024. The loan is repayable at \$968 per month, principal and interest and secured by the purchased vehicle.	39,405	-
<b>Iron North Limited Partnership:</b>		
SMS Equipment - Komatsu D65PX-17 S/N 500013 - heavy equipment loan is interest-free, repaid during the year.	-	34,661
SMS Equipment - Komatsu D65PX-17 S/N 50070 - heavy equipment loan is interest-free, repaid during the year.	-	34,661
SMS Equipment - Komatsu S/N 10382 - heavy equipment loan bearing interest at 4.239% with monthly principal payments of \$6,158 due December 1, 2022. Secured by the equipment.	200,138	266,850
SMS Equipment - Komatsu S/N 10357 - heavy equipment loan bearing interest at 4.239% with monthly principal payments of \$5,741 due December 1, 2022. Secured by the equipment.	186,577	248,770
SMS Equipment - Komatsu S/N A11320 - heavy equipment loan is interest-free, with monthly principal payments of \$4,969 due December 1, 2021. Secured by the equipment.	119,262	178,893
SMS Equipment - Komatsu S/N 3720 - heavy equipment loan bearing interest at 5.75%, with monthly principal payments of \$1,917 due December 21, 2022. Secured by the equipment.	63,328	82,030
SMS Equipment - Komatsu S/N A36210 - heavy equipment loan is interest free loan repayable with monthly principal payments of \$6,338, due July 10, 2022. Secured by the equipment.	196,467	272,519
Carry forward	<u>\$ 8,417,285</u>	<u>\$ 8,068,282</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

10. Long-term debt (continued)	2020	2019
Carried forward	\$ 8,417,285	\$ 8,068,282
SMS Equipment - Komatsu S/N B20021 - heavy equipment loan is interest free loan repayable, with monthly principal payments of \$3,495 due November 23, 2022. Secured by the equipment.	125,805	164,245
SMS Equipment - Komatsu S/N 72678 - heavy equipment loan is interest free loan repayable, with monthly principal payments of \$3,876 due September 24, 2022. Secured by the equipment.	124,443	174,461
SMS Equipment - Komatsu S/N 6032 - heavy equipment loan repayable with monthly principal and interest payments of \$6,539, interest at 0.75%, due June 10, 2023. Secured by the equipment.	312,882	-
<b>Split Lake Security Services Limited Partnership:</b> First Peoples Economic Growth Fund Inc. loan is an interest free loan repayable with monthly principal payments of \$2,484, due September 1, 2025. Secured by a general security agreement	29,802	-
First Peoples Economic Growth Fund Inc. loan repayable with monthly principal and interest payments of \$737.83, interest at 7.0%, due November 1, 2025. Secured by a general security agreement	119,210	-
<b>Housing:</b> Ford Credit Canada Company vehicle loan bearing interest at 6.89%, due January 16, 2023. The loan is repayable at \$1,001 per month, principal and interest and secured by the purchased vehicle.	30,002	39,580
	<u>\$ 9,159,429</u>	<u>\$ 8,446,568</u>

During the year TCN paid \$103,288 (2019: 91,461) in interest charges on long-term debt.

Principal repayments in each of the next five years are due as follows:

2021	\$ 2,813,652
2022	1,428,145
2023	2,303,252
2024	1,632,511
2025 and thereafter	981,869
	<u>\$ 9,159,429</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

11. Obligations under capital lease	2020	2019
<b>Video Lottery Operation:</b> Manitoba Liquor and Lotteries capital lease bearing interest at 2.35%, due August 3, 2022. The loan is repayable at \$1,672 per week, principal and interest and is secured by the equipment.	<b>201,626</b>	281,233
<b>Tataskweyak Education Authority:</b> Royal Bank vehicle capital lease bearing interest at 2.49%, repaid in full during the year.	-	38,398
Xerox Canada Limited equipment capital lease, terminated during the year is repayable at \$10,691 per quarter, principal and interest.	-	148,991
Xerox Canada Limited equipment capital lease, bearing at 7%, due February 1, 2025. The capital lease is repayable at \$10,600 per quarter principal and interest, and is secured by the related equipment.	<b>178,721</b>	-
	<b>\$ 380,347</b>	<b>\$ 468,622</b>

During the year TCN paid \$20,201 (2019: 21,188) in interest charges on obligations under capital lease

Principal repayments in each of the next five years are due as follows:

2021	\$ 115,754
2022	118,321
2023	67,179
2024	37,963
2025	<b>41,130</b>
	<b>\$ 380,347</b>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

12. Deferred revenue	2020	2019
Deferred revenue consists of the following:		
Manitoba Hydro		
Adverse Effects	\$ 1,806,877	\$ 2,617,165
Future Development	69,756	64,756
Keeyask Centre (IPM)	291,866	291,866
Water and Sewer (IPM)	3,257,460	3,257,460
	<hr/>	<hr/>
	<b>5,425,959</b>	<b>6,231,247</b>
Indigenous Services Canada		
Band Corporate Business Planning	13,649	13,649
Basic Needs	123,914	-
Community Based Initiative	630,413	342,998
COVID-19 Support	157,542	-
Duplex Housing	-	2,332,000
Government Capacity Development & Enhancement	196,606	-
New Gas Bar (IPM)	187,016	187,016
Housing - Housing Capacity and Immediate Needs	328,582	420,000
Housing - Trailers (IPM)	2,300,020	1,012,752
Lagoon & Force main Project (IPM)	12,368,493	12,368,493
Professional Development Program	26,264	75,948
Special Education (TEA)	321,930	31,257
School Site Remedial Actions (IPM)	778,630	242,991
Water and Sewer (IPM)	9,034,743	8,952,190
Water and Sewer Part B Phase 2 (IPM)	11,157,565	9,240,147
Water and Wastewater Training	283,863	351,008
	<hr/>	<hr/>
	<b>37,909,230</b>	<b>35,570,449</b>
Assembly of Manitoba Chiefs	160,659	-
Health Canada	1,178,391	578,911
Manitoba Keewatinowin Okimakanak - ISETP	222,784	137,626
CMHC - Housing 2018-19 (IPM)	372,023	-
Other	700,538	700,881
	<hr/>	<hr/>
	<b>\$ 45,969,584</b>	<b>\$ 43,219,114</b>

---

# **Tataskweyak Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2020

---

### **13. Commitments and contingencies**

A statement of claim has been filed against TCN by the Cree Construction and Development Company Ltd. (CCDC) for \$2.7 million for unpaid work and materials together with an unspecified claim for damages airing out of the related contract. TCN has filed a counterclaim and statement of defense regarding the matter. Management has recorded a liability to CCDC in the amount of \$1.025 million. The additional amount in the claim is for other costs not billed to TCN and therefore, not recorded in the records. All costs recorded to date are included in the construction in progress balance (Note 8) and have no impact on the operating results of TCN for the year. In addition, TCN has filed a statement of claim against the insurer for the project for a performance bond in the amount of \$7.3 million to complete the outstanding work on the project. The claim is ongoing and the outcome is currently undeterminable and therefore, no additional construction in progress has been recorded.

In 2010, TCN signed a Revenue Advance Agreement with the Manitoba Hydro Electric Board (Hydro) that superseded and replaced the previous TCN Advance Agreements. Pursuant to the TCN Advance Agreement, Hydro had advanced \$1,475,000 to TCN through March 31, 2010 that constituted charges against TCN's income from its anticipated interest in the Gull Rapids project. Should TCN not acquire an equity interest in the Gull Rapids project, Hydro may apply these contributions toward any obligation or liability of Hydro to TCN under Articles 18.4 or 18.5 of the Northern Flood Agreement or against any other obligations as may be agreed to by Hydro and TCN. This amount has been previously recognized as revenue as it is not likely that TCN will need to repay these funds in the future.

TCN has guaranteed loans for certain of its business enterprises (see Note 5). It is not possible at this time to determine whether any liability will result from these guarantees. As the loan facilities are not currently in default, a provision has not been reflected in the financial statements.

---

### **14. Defined contribution pension plan**

The expenses for TCN's pension plan for the year was \$303,289 (2019: \$273,743). The plan is funded equally by TCN and TCN's employees at rates of 3.0% to 7.6% of the employee's salaries. The funds are invested in mutual funds as directed by TCN's individual employees' investment directives.

---

### **15. Comparative figures**

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

---

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

---

March 31, 2020

---

16. Restricted cash	2020	2019
Replacement reserve	\$ 932,910	\$ 749,015
Capital project contributions	2,731,850	4,112,671
Ottawa Trust Funds	<u>93,692</u>	<u>93,692</u>
	<u>\$ 3,758,452</u>	<u>\$ 4,955,378</u>

The replacement reserve, is required to be maintained under the terms of the agreement with CMHC, the accounts are to be funded annually through operations. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation.

The capital project contributions are only available for use in completing specific projects based on the terms of the contribution agreements.

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. TCN is permitted to use its revenue for any purpose that will promote the general progress and welfare of TCN and its members. The expenditures of capital funds require the consent of Indigenous Services Canada and generally must be for projects of capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

### 17. Budgeted figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal budget in the statement of change in net debt and statement of operations has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal budget to the budget per the financial statements:

#### Consolidated statement of change in net debt

	Approved fiscal budget	Adjustments	Fiscal budget per financial statements
Annual deficit	\$ (1,998,624)	\$ 3,281,974	\$ 1,283,350
Capital assets acquired (Note 8)	(770,802)	(11,224,384)	(11,995,186)
Capital assets disposed - cost (Note 8)	-	728,852	728,852
Capital assets disposed - accumulated amortization (Note 8)	-	(569,511)	(569,511)
Amortization	<u>3,685,431</u>	<u>2,101,408</u>	<u>5,786,839</u>
	<u>2,914,629</u>	<u>(8,963,635)</u>	<u>(6,049,006)</u>
Use of prepaid expenses	-	238,209	238,209
Acquisition of prepaid	-	(438,374)	(438,374)
	<u>-</u>	<u>(200,165)</u>	<u>(200,165)</u>
Change in net debt	916,005	(5,881,826)	(4,965,821)
Net debt, beginning of the year	<u>(22,429,946)</u>	<u>-</u>	<u>(22,429,946)</u>
Net debt, end of the year	<u>\$ (21,513,941)</u>	<u>\$ (5,881,826)</u>	<u>\$ (27,395,767)</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

### 17. Budgeted figures (continued)

#### Consolidated statement of operations

	Approved fiscal budget	Adjustments	Fiscal budget per financial statements
<b>Revenue</b>			
Indigenous Services Canada	\$ 28,545,970	\$ -	\$ 28,545,970
Manitoba Hydro	5,611,897	-	5,611,897
Health Canada	5,830,509	-	5,830,509
Video Lottery Terminal Operation	1,800,000	-	1,800,000
Province of Manitoba	572,894	-	572,894
Rental	469,679	-	469,679
Gas Bar	1,186,518	-	1,186,518
CMHC	502,265		502,265
Other	2,944,580	-	2,944,580
Other Government Organizations	-	10,025,128	10,025,128
Gain on equity from business enterprises	-	1,262,095	1,262,095
	<b>47,464,312</b>	<b>11,287,223</b>	<b>58,751,535</b>
<b>Expenses</b>			
Band Support	5,107,726	-	5,107,726
Community Fund	270,502	-	270,502
Job Seeker Manitoba	63,720	-	63,720
Policing	1,409,229	-	1,409,229
Operations and Maintenance	464,486	-	464,486
Public Works	1,706,563	-	1,706,563
Health Services	6,829,985	-	6,829,985
Social Development	5,091,163	-	5,091,163
Elderly Person's Home/Assisted Living	919,052	-	919,052
Tataskweyak Education Authority	14,652,030	(425,237)	14,226,793
CMHC Housing Projects	1,017,932	(9,000)	1,008,932
Housing Authority	4,379,834	-	4,379,834
Economic Development	338,971	-	338,971
Future Development	2,027,162	-	2,027,162
Adverse Effects	3,773,449	-	3,773,449
Gas Bar	1,411,132	-	1,411,132
Other Government Organizations	-	8,439,486	8,439,486
	<b>49,462,936</b>	<b>8,005,249</b>	<b>57,468,185</b>
<b>Annual deficit</b>	<b>\$ (1,998,624)</b>	<b>\$ 3,281,974</b>	<b>\$ 1,283,350</b>

The adjustments include the addition of gain on equity from business enterprises and other government organizations and removal of proceeds from debt and capital asset additions.

**Tataskweyak Cree Nation**  
**Notes to the Consolidated Financial Statements**  
March 31, 2020

18. Segmented disclosure		Education		Health		Economic Development		Housing		Community Services		Subtotal	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
Revenues													
Federal government	\$ 13,475,563	\$ 10,728,563	\$ 4,874,476	\$ 4,766,887	\$ 266,362	\$ 285,552	\$ 596,418	\$ -	\$ 56,817	\$ 57,488	\$ 19,269,636	\$ 15,838,490	
Provincial government	-	-	-	-	\$ 5,580,418	\$ 5,543,926	-	-	\$ 1,446,682	\$ 1,522,193	7,027,100	7,066,119	
Economic activities	166,114	148,889	-	-	3,865,624	3,083,706	367,090	362,333	-	-	4,392,828	3,594,928	
Gain of equity on business enterprises	-	-	-	-	-	-	-	-	-	-	-	-	
Other revenue	100,318	140,619	582,801	467,639	10,557,772	13,294,527	507,749	944,102	-	-	3,600	11,748,640	
Total revenue	<b>13,735,995</b>	<b>11,018,071</b>	<b>5,457,277</b>	<b>5,234,526</b>	<b>20,270,116</b>	<b>22,207,711</b>	<b>1,471,257</b>	<b>1,306,435</b>	<b>1,503,499</b>	<b>1,583,281</b>	<b>42,438,204</b>	<b>41,350,024</b>	
Expenses													
Salaries and benefits	7,563,760	6,294,989	2,678,698	2,034,976	4,841,436	5,471,312	639,980	788,366	578,185	522,089	<b>16,302,059</b>	<b>15,111,732</b>	
Amortization	1,032,685	939,263	631,651	789,279	1,551,262	1,400,687	1,441,232	1,390,350	-	-	<b>4,662,830</b>	<b>4,519,579</b>	
Interest on long term debt	14,101	12,311	-	-	28,338	31,008	79,242	63,956	-	-	<b>121,681</b>	<b>107,275</b>	
Travel	351,854	261,714	347,417	281,810	1,326,849	1,156,693	102,539	137,744	150,367	154,981	<b>2,279,086</b>	<b>1,992,942</b>	
Other	4,490,355	3,405,536	2,191,707	1,695,884	10,097,353	9,732,209	1,821,484	2,059,940	814,366	926,234	<b>19,415,255</b>	<b>17,869,803</b>	
Total expenses	<b>13,452,755</b>	<b>10,913,813</b>	<b>5,855,473</b>	<b>4,801,949</b>	<b>17,845,238</b>	<b>17,841,909</b>	<b>4,084,537</b>	<b>4,440,356</b>	<b>1,542,918</b>	<b>1,603,304</b>	<b>42,780,921</b>	<b>39,601,331</b>	
Annual surplus (deficit)	<b>\$ 283,240</b>	<b>\$ 104,258</b>	<b>\$ (398,196)</b>	<b>\$ 432,577</b>	<b>\$ 2,424,938</b>	<b>\$ 4,365,802</b>	<b>\$ (2,613,280)</b>	<b>\$ (3,133,921)</b>	<b>\$ (39,419)</b>	<b>\$ (20,023)</b>	<b>\$ (342,717)</b>	<b>\$ 1,748,693</b>	

**Tataskweyak Cree Nation  
Notes to the Consolidated Financial Statements**  
March 31, 2020

18. Segmented disclosure (continued)		Carryforward subtotal		Social Services		Band Government		Inter-segment eliminations		Consolidated totals	
	2020		2019		2020		2019		2020		2019
Revenues											
Federal government	\$ 19,269,636	\$ 15,838,490	\$ 5,699,999	\$ 5,599,213	\$ 6,891,232	\$ 4,448,618	\$ -	\$ -	\$ 31,860,867	\$ 25,886,321	
Provincial government	7,027,100	7,066,119	-	-	732,944	2,412,836	-	-	7,760,044	9,478,955	
Economic activities	4,392,828	3,594,928	56,606	63,325	11,900	12,360	(859,330)	(519,988)	3,602,004	3,150,625	
Gain of equity on business enterprises	-	-	-	-	1,262,095	2,368,621	-	-	1,262,095	2,368,621	
Other revenue	11,748,640	14,850,487	-	-	791,392	1,280,072	(2,090,211)	(2,345,936)	10,449,821	13,784,623	
Total revenue	\$ 42,438,204	\$ 41,350,024	<u>5,756,605</u>	<u>5,662,538</u>	<u>9,689,563</u>	<u>10,522,507</u>	<u>(2,949,541)</u>	<u>(2,865,924)</u>	<u>54,934,831</u>	<u>54,669,145</u>	
Expenses											
Salaries and benefits	16,302,059	15,793,542	974,838	960,914	2,381,990	2,073,851	563,530	447,628	19,095,357	17,698,869	
Amortization	4,662,830	4,519,579	-	-	1,124,009	1,137,745	-	-	5,786,839	5,657,324	
Interest on long term debt	121,681	107,215	-	-	1,808	5,374	-	-	123,489	112,649	
Travel	2,279,086	1,724,325	48,665	55,438	440,803	623,645	137,216	73,158	2,631,338	2,598,867	
Other	19,445,265	17,869,803	4,549,735	4,507,542	4,685,085	5,714,412	2,248,795	2,345,138	26,401,290	25,746,619	
Total expenses	\$ 42,780,921	\$ 40,014,524	<u>5,573,238</u>	<u>5,523,894</u>	<u>8,633,695</u>	<u>9,555,027</u>	<u>2,949,541</u>	<u>2,865,924</u>	<u>54,038,313</u>	<u>51,814,328</u>	
Annual surplus (deficit)	\$ (342,717)	\$ 1,335,500	<u>\$ 183,367</u>	<u>\$ 138,644</u>	<u>\$ 1,055,868</u>	<u>\$ 967,480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 896,518</u>	<u>\$ 2,854,817</u>	

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2020

### 19. Expenses by object

	<b>2020</b>	<b>2019</b>
Expenditures		
Administration fees	\$ 16,040	\$ 21,269
Advertising and promotion	134,759	99,542
Allowances - students	1,226,557	841,591
Amortization	5,786,839	5,657,324
Audit fees	510,221	312,522
Bad debt	410,011	268,642
Bank charges and interest	469,176	616,598
Basic needs (welfare)	3,845,048	3,775,393
Commission expense	215,995	279,837
Community distributions - contribution to Tataskweyak Trust	-	93,254
Community distributions - fishermen payout	-	13,000
Community distributions - per capita	-	563,259
Community distributions - shoreline restoration	35,311	241,860
Community services	960,549	643,245
Consultant fees	764,657	1,248,156
Destitute payments	503,041	506,540
Equipment rentals	792,541	1,012,514
Honoraria	637,240	503,043
Insurance	677,983	644,754
Interest on long term debt	123,489	112,649
(Gain) loss on disposal of tangible capital assets	(43,189)	136,444
Materials and supplies	1,219,714	751,307
Office and general	895,080	1,168,135
Professional development	442,390	370,407
Professional fees	1,253,139	986,121
Program costs	2,505,064	2,218,593
Purchases	1,593,988	1,098,031
Rent for Ininew Limited Partnership	18,385	34,340
Repairs and maintenance	3,408,959	3,691,999
Salaries and benefits	19,095,357	17,698,869
Supplies	1,063,550	900,481
Travel	2,631,338	2,598,867
Tuition costs	624,051	551,550
Utilities	1,625,967	1,590,041
Vehicle	595,063	564,151
	<hr/> <b>\$ 54,038,313</b>	<hr/> <b>\$ 51,814,328</b>

---

# **Tataskwewak Cree Nation**

## **Notes to the Consolidated Financial Statements**

---

March 31, 2020

---

### **20. Subsequent event**

Subsequent to March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

TCN has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of TCN for future periods. However, certain provincial and federal funders do realize that TCN will take action to protect their communities and the most vulnerable to ensure support and assistance is available to those who need it during this difficult time. Certain funders have assured TCN that the flow of expected funding for fiscal 2021 and the duration of the pandemic will continue without interruption. They have also provided an extension to the terms for certain projects as the funders realize that planned activities were required to be postponed. The funders have indicated the funding will not be clawed back as a result of the delays in undertaking these activities.

---