

**Northlands Denesuline First Nation  
Consolidated Financial Statements**

*March 31, 2020*

# Northlands Denesuline First Nation

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For the year ended March 31, 2020

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## Management's Responsibility

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To the Members of Northlands Denesuline First Nation:

The accompanying consolidated financial statements of Northlands Denesuline First Nation are the responsibility of management and have been approved by the Chief and Council.

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

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

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

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

March 30, 2021

## Independent Auditors' Report

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To the Members of Northlands Denesuline First Nation:

### Opinion

We have audited the consolidated financial statements of Northlands Denesuline First Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, 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 the Nation as at March 31, 2020, and the results of its consolidated operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

### Responsibilities of Management and Those Charged with Governance for the Consolidated 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 the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 the Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

ACCOUNTING > CONSULTING > TAX

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- 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 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Winnipeg, Manitoba

March 30, 2021

*MNP LLP*




Chartered Professional Accountants

# Northlands Denesuline First Nation Consolidated Statement of Financial Position

As at March 31, 2020

	2020	2019
<b>Financial assets</b>		
Cash	57,419	100,394
Accounts receivable (Note 3)	2,205,861	1,367,428
Restricted cash (Note 4)	6,373,615	5,955,227
	<b>8,636,895</b>	<b>7,423,049</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 5)	5,987,489	4,573,526
Deferred revenue (Note 6)	4,819,691	3,663,450
Due to Indigenous Services Canada (ISC) (Note 7)	965,624	965,624
Long-term debt (Note 8)	1,360,123	1,559,368
CMHC accountable advance (Note 9)	524,566	-
Due to Barrenlands First Nation (Note 10)	8,930	97,401
	<b>13,666,423</b>	<b>10,859,369</b>
<b>Net debt</b>	<b>(5,029,528)</b>	<b>(3,436,320)</b>
<b>Contingencies (Note 11)</b>		
<b>Significant event (Note 19)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	62,766,571	54,243,607
Inventories held for use (Note 12)	1,262,743	543,085
	<b>64,029,314</b>	<b>54,786,692</b>
<b>Accumulated surplus (Note 13)</b>	<b>58,999,786</b>	<b>51,350,372</b>

Approved

  
 Chief  
  
 Councillor  
  
 Councillor

  
 Councillor  
  
 Councillor

# Northlands Denesuline First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2020*

	Schedules	2020 Budget	2020	2019
<b>Revenue</b>				
Indigenous Services Canada (ISC) (Note 14)		9,399,262	24,285,519	23,808,401
Indigenous Services Canada (ISC) - land claim (Note 14)		908,234	1,364,461	1,620,083
First Nation and Inuit Health Branch (FNIH) (Note 14)		1,634,540	3,913,907	2,769,672
Province of Manitoba		-	536,043	384,434
Canada Mortgage and Housing Corporation (CMHC)		211,160	130,400	188,428
Other revenue		-	564,342	1,188,872
Rental income		-	486,338	714,758
Keewatin Tribal Council		-	280,665	264,968
Province of Manitoba - winter road		-	80,000	70,954
Treaty Land Entitlement		-	51,592	45,669
ISC recovery of funding		-	-	(83,250)
Deferred revenue - prior year (Note 6)		-	3,663,450	7,238,096
Deferred revenue - current year (Note 6)		-	(4,819,691)	(3,663,450)
		<b>12,153,196</b>	<b>30,537,026</b>	<b>34,547,635</b>
<b>Segment expenses</b>				
Governance and Administration	3	1,055,084	1,886,288	2,176,726
Social Assistance	4	2,817,368	2,864,308	2,844,626
Health	5	1,628,292	3,295,216	2,642,651
Capital and Housing	6	732,271	2,178,924	1,764,590
Education	7	4,174,708	5,370,186	4,810,122
Operations and Maintenance	8	1,039,702	5,012,981	4,794,829
Land Claim	9	843,569	1,235,140	1,137,844
Other Programs	10	53,350	145,358	306,983
Community Economic Development	11	-	88,989	12,651
Business Enterprises	12	-	810,222	-
<b>Total segment expenses (Note 15)</b>		<b>12,344,344</b>	<b>22,887,612</b>	<b>20,491,022</b>
<b>Annual surplus (deficit)</b>		<b>(191,148)</b>	<b>7,649,414</b>	<b>14,056,613</b>
<b>Accumulated surplus, beginning of year</b>		<b>51,350,372</b>	<b>51,350,372</b>	<b>37,293,759</b>
<b>Accumulated surplus, end of year</b>		<b>51,159,224</b>	<b>58,999,786</b>	<b>51,350,372</b>

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

**Northlands Denesuline First Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2020*

	<i>2020</i>	<i>2020</i>	<i>2019</i>
<b>Annual surplus (deficit)</b>	<b>(191,148)</b>	<b>7,649,414</b>	14,056,613
Purchases of tangible capital assets	-	<b>(1,417,352)</b>	(3,447,366)
Amortization of tangible capital assets	-	<b>3,435,562</b>	3,172,277
Acquisition of construction in progress	-	<b>(10,541,174)</b>	(13,769,946)
Decrease (increase) in fuel inventory	-	<b>(719,658)</b>	786,568
<b>Decrease (increase) in net debt</b>	<b>(191,148)</b>	<b>(1,593,208)</b>	798,146
<b>Net debt, beginning of year</b>	<b>(3,436,320)</b>	<b>(3,436,320)</b>	(4,234,466)
<b>Net debt, end of year</b>	<b>(3,627,468)</b>	<b>(5,029,528)</b>	(3,436,320)



# Northlands Denesuline First Nation

## Consolidated Statement of Cash Flows

*For the year ended March 31, 2020*

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Cash receipts from contributors	30,854,834	30,611,459
Cash paid to suppliers	(13,012,342)	(11,600,531)
Cash paid to employees	(5,716,833)	(4,685,445)
Interest on long-term debt	(28,570)	(40,493)
	<b>12,097,089</b>	<b>14,284,990</b>
<b>Financing activities</b>		
CMHC accountable advance	524,566	-
Repayment of long-term debt	(199,245)	(392,336)
Repayments to Barren Lands First Nation	(88,471)	(53,926)
Decrease (Increase) in restricted cash	(418,388)	2,654,612
	<b>(181,538)</b>	<b>2,208,350</b>
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,417,352)	(3,447,366)
Acquisition of construction in progress	(10,541,174)	(13,769,946)
	<b>(11,958,526)</b>	<b>(17,217,312)</b>
<b>Decrease in cash resources</b>	<b>(42,975)</b>	<b>(723,972)</b>
<b>Cash resources, beginning of year</b>	<b>100,394</b>	<b>824,366</b>
<b>Cash resources, end of year</b>	<b>57,419</b>	<b>100,394</b>

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

# Northlands Denesuline First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

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### 1. Operations

The Northlands Denesuline First Nation (the "Nation") is located in the Province of Manitoba and provides various services to its Members. The Nation's financial reporting entity includes all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

### 2. Significant accounting policies

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

#### **Reporting entity**

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity. Any trusts administered on behalf of third parties by Northlands Denesuline First Nation are excluded from the Nation reporting entity.

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

- Northlands Denesuline First Nation Band Operations
- Northlands Denesuline First Nation North of 60 Program
- Northlands Denesuline First Nation Health Services
- Northlands Denesuline First Nation CMHC Housing Authority
- 10035134 Manitoba Ltd.

All inter-entity balances have been eliminated on consolidation.

#### **Basis of presentation**

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

#### **Cash**

Cash includes balances with bank. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **Funds held in Ottawa Trust Fund**

Funds held in trust on behalf of Nation Members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust moneys consist of:

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

#### **Inventories held for use**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

**Northlands Denesuline First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

***Amortization***

Tangible capital assets are amortized annually using the following method at rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, only one-half the rate is charged.

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Buildings	straight-line	5 %
Equipment	straight-line	10 %
Vehicles	straight-line	33.33 %
Band housing	straight-line	4 %
CMHC housing	straight-line	4 %
Roads	straight-line	2.5 %
Water and sewer	straight-line	4 - 6.67 %

***Long-lived assets***

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in operations.

***Capital construction in progress***

The Nation uses an external project manager for certain projects. Costs that have been included in capital construction in progress will be included as acquisitions of tangible capital assets and amortized upon completion.

***Net debt***

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

***Non-financial assets***

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Nation unless they are sold.

***Employee future benefits***

The Nation's employee future benefit program consists of a defined contribution pension plan. The Nation's contributions to the defined contribution plan are expensed as incurred.

***Deferred revenue***

Deferred revenue consists of funding that has been collected in advance where program expenditures specific to the funding received have been deferred to subsequent years. Recognition of these amounts as revenue is deferred to years when the specific expenditures are made.

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

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

***Revenue recognition***

**Government Transfers**

The Nation recognizes government transfers as revenue, including Indigenous Services Canada, First Nations and Inuit Health, Province of Manitoba, Government of Canada, and Canada Mortgage and Housing Corporation, as the funding becomes receivable under the terms of the applicable funding agreements. Funding received under a funding arrangement that relates to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt and is matched with the related department expenses in the year of their occurrence with the Nation.

**Rental revenue**

Rental revenue is recognized on a monthly basis under terms of the agreements.

**Other revenue**

Other revenue is recognized by the Nation when services are provided or goods are shipped and collectability is reasonably assured.

***Measurement uncertainty***

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue. Provisions for funding recoveries are recorded in accordance with management's estimates of future costs.

The estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

***Financial instruments***

Financial instruments include cash, accounts receivable, restricted cash, accounts payables and accruals, due to Indigenous Services Canada, long-term debt, CMHC accountable advance and due to Barrenlands First Nation. Unless otherwise stated, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

# Northlands Denesuline First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

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

#### **Segments**

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

Governance and Administration - includes administration and governance activities.

Social Assistance - activities include delivering social programs.

Health - include activities related to health and wellness programs funded by FNIH.

Capital and Housing - includes activities related to the development and sustainment of on-reserve housing, including CMHC subsidized housing.

Education - includes the operation of education programs.

Operations and Maintenance - includes general operations and maintenance program activities.

Land Claim - reports on funding related to the Samuel Thorassie Claim.

Other Programs - includes other programs and activities.

Community Economic Development - includes activities related to the economic development of the community.

Business Enterprises - includes activities related to 10035134 Manitoba Ltd.

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

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

#### **Recent accounting pronouncement**

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2021. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, consolidated financial statements of prior periods, including comparative information, are not restated. The Nation has not yet determined the effect of the new standard on its consolidated financial statements.

### 3. Accounts receivable

	2020	2019
Indigenous Services Canada (ISC)	505,238	598,371
CMHC receivable	48,230	10,867
Trade receivables	616,451	758,190
Accrued ISC receivables - capital projects	1,076,542	-
	<b>2,246,461</b>	1,367,428
Less: Allowance for doubtful accounts	40,600	-
	<b>2,205,861</b>	1,367,428

# Northlands Denesuline First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

### 4. Restricted cash

	2020	2019
Government of Canada - land claim	734,826	686,362
Ottawa Trust	9,996	9,838
Cash held in restricted accounts	5,368,215	5,108,445
CMHC replacement reserve	260,578	150,582
	<b>6,373,615</b>	<b>5,955,227</b>

#### ***Government of Canada - land claim***

Claims cash is restricted for the negotiation on the Samuel Thorassie land claim. As at March 31, 2020, the balance of these funds held by legal representatives was \$732,451 (2019 - \$680,611).

#### ***Ottawa Trust***

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 Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Nation's Chief and Council. Trust moneys consist of:

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

#### ***Cash held in restricted accounts***

Cash held in restricted accounts of \$5,368,215 (2019 - \$5,108,445) consists of funding received that must be spent on particular capital projects and is held in a bank accounts that requires co-signature from the general construction contractor in order to release funds.

#### ***CMHC replacement reserve***

As required as part of the Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account should be established for replacement of capital equipment and for major repairs to the houses. 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, the bank account was overfunded by \$14,950 (2019 - underfunded \$72,696).

#### ***CMHC subsidy surplus reserve***

The Nation's CMHC Housing Program receives funding pursuant to the (Post 1996) Section 95 Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program. These funds, along with accumulated interest, must be held in a separate bank account. At March 31, 2020, a separate account had not been maintained leaving an unfunded balance of \$9,600 (2019 - \$23,912).

**Northlands Denesuline First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**5. Accounts payable and accruals**

	2020	2019
Trade accounts payable	4,161,277	2,710,731
Holdbacks payable - capital projects	1,826,212	1,862,795
	<b>5,987,489</b>	<b>4,573,526</b>

**6. Deferred revenue**

	2020	2019
ISC - Lagoon projects	-	142,693
ISC - Environmental projects	867,881	1,634,538
ISC - Water treatment plant	2,863,263	1,444,889
ISC - North of 60 claim	591,861	441,330
ISC - New Housing Division	280,639	-
ISC - CoVid Basic needs	173,264	-
ISC - Waste Diversion	42,783	-
	<b>4,819,691</b>	<b>3,663,450</b>

**7. Due to Indigenous Services Canada (ISC)**

	2020	2019
ISC recovery for negotiation preparedness	67,500	67,500
ISC recovery for regulatory improvement initiative	15,750	15,750
ISC recovery for 2011-12	5,826	5,826
ISC recovery for 2012-13 on final INAC review	178,566	178,566
ISC recovery for basic needs and band operated school 2012-13	70,007	70,007
ISC recovery for band operated school 2013-14	16,914	16,914
ISC recovery for basic needs 2013-14	189,827	189,827
ISC recovery for special needs 2013-14	4,194	4,194
ISC recovery for basic needs 2014-15	167,708	167,708
ISC recovery for in-home care 2014-15	1,409	1,409
ISC recovery for band operated school 2014-15	4,500	4,500
ISC recovery for enhanced school salaries 2014-15	30,320	30,320
ISC recovery for band operated school 2015-16	6,846	6,846
ISC recovery for basic needs 2017-18	206,257	206,257
	<b>965,624</b>	<b>965,624</b>

# Northlands Denesuline First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

### 8. Long-term debt

	2020	2019
Demand loan payable to Royal Bank of Canada in 60 installments, with monthly payments of \$8,200 including interest at a rate of prime (2.45%) plus 3.87% (2019 - prime of 3.95% plus 3.87%), due July 2022, secured by a general security agreement constituting a first ranking security interest in all property.	127,130	211,864
CMHC mortgage with payments of \$4,261 per month including interest at 1.17%, maturing August 2035 with a scheduled renewal date of January 2021, secured by a ministerial guarantee and an assignment of fire insurance.	721,031	763,457
CMHC mortgage with payments of \$4,685 per month including interest at 1.17%, maturing December 2021 with a scheduled renewal date of January 2021, secured by a ministerial guarantee and an assignment of fire insurance.	97,284	152,013
CMHC mortgage with payments of \$1,839 per month including interest at 1.11%, maturing January 2041 with a scheduled renewal date of April 2021, secured by a ministerial guarantee and an assignment of fire insurance.	414,678	432,034
	<b>1,360,123</b>	<b>1,559,368</b>

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

2021	207,797
2022	137,464
2023	61,867
2024	62,584
2025	63,309

### 9. CMHC accountable advance

The CMHC accountable advance is an interest bearing construction loan that will be converted to a mortgage upon project completion.

### 10. Due to Barrenlands First Nation

A settlement was reached with Barrenlands First Nation regarding a previous debt that requires monthly installments of \$4,000 which includes interest at a fixed rate of 3.50%, due on the first of every month.



**11. Contingencies**

***Government of Canada - land claim***

In prior years, the Nation, through the claim office, has obtained loans from Indigenous Services Canada totaling \$17.12 million which were to be repaid upon final settlement of Samuel Litigation Claim. This agreement with the Government of Canada specifies that the Government of Canada, upon reaching a final settlement, will provide sufficient funding to pay out the total amount of outstanding loans as of the date of settlement. Due to the nature of these negotiations it was not possible, at the time, to determine the outcome of the negotiations and, therefore, the financial statements have recognized the loans as revenue in the year received. Future repayment was to be recorded as an expense in the year of repayment together with any settlement proceeds.

During the year, these loans were forgiven.

***Legal claim***

A claim in the amount of \$402,764 (plus unspecified damages) has been filed against the Nation for tobacco tax refunds received relating to the period January 28, 2003 to April 10, 2013 that allegedly should have been paid to the plaintiff. The plaintiff also claims that all amounts received subsequent to this date should be added to the claim. An amount has not been included in these consolidated financial statements as the likelihood of a judgment against the Nation is unknown and is not quantifiable.

***Funding recoveries***

The Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent and funding amounts related to the year ended March 31, 2020 might be recovered.

***First Nations Financial Transparency Act***

The Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2020. Since the audit report is dated after this date, the Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined.

***Provision for site rehabilitation***

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

For accounting purposes, any amounts assessed or claims paid will be accounted for in the year of determination.

**Northlands Denesuline First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**12. Inventories held for use**

The cost of inventories consumed are recognized as fuel expense in the various programs with only some fuel being sold to third parties. There were no write-downs or reversals of write-downs of inventories recognized as an expense during the year.

**13. Accumulated surplus**

Accumulated surplus consists of the following:

	2020	2019
Equity in tangible capital assets	61,793,472	52,919,634
Replacement reserve	245,628	254,778
Operating reserve	9,600	39,348
Ottawa trust funds	9,996	9,838
Operating surplus (deficit)	(3,058,910)	(1,873,226)
	<b>58,999,786</b>	<b>51,350,372</b>

**14. ISC and FNIH Revenue reconciliation**

	2020	2019
<b>ISC revenue reconciliation</b>		
ISC revenue per funding agreement	24,573,438	23,808,401
ISC revenue per consolidated financial statement	(24,285,519)	(23,808,401)
ISC revenue per consolidated financial statement - land claim	(1,364,461)	-
Accrued ISC receivables - capital projects	1,076,542	-
	-	-
<b>FNIH revenue reconciliation</b>		
FNIH revenue per funding agreement	3,913,907	2,769,672
FNIH revenue per consolidated financial statements	(3,913,907)	(2,769,672)
	-	-

**15. Consolidated expenses by object**

	2020	2019
Amortization	3,435,562	3,172,277
Bank charges and interest	61,896	68,215
Professional fees	1,445,199	1,001,321
Purchased goods and services	9,279,873	7,969,930
Salaries and benefits	5,716,833	4,685,445
Social assistance	1,878,008	2,556,155
Training	73,644	57,760
Travel	996,597	979,919
	<b>22,887,612</b>	<b>20,491,022</b>

**16. Economic dependence**

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

**17. Financial instruments**

The Nation as part of its operations carries a number of financial instruments. Unless otherwise stated, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Credit risk***

The Nation is subject to credit risk through its accounts receivable. Accounts receivable credit risk is reduced as most of the Nation's receivables relate to contracts and agreements with federal and provincial governments.

***Liquidity risk***

The Nation manages its liquidity risks by maintaining cash and credit facilities and by updating cash flow projections on an as-needed basis.

***Fair value***

Fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment. Changes in the following assumptions could significantly affect the estimates.

The fair values of cash, accounts receivable, restricted cash, accounts payable and accruals, due to Indigenous Services Canada, long-term debt, CMHC accountable advance and Barrenlands First Nation approximate their carrying values due to their short-term nature.

**18. Budget information**

The disclosed budget information has been approved by the Chief and Council of the Northlands Denesuline First Nation.

**19. Significant event**

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Nation's operation and financial condition.

**Northlands Denesuline First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2020*

	<i>Buildings</i>	<i>Vehicles and equipment</i>	<i>Roads</i>	<i>Water and sewer</i>	<i>Band housing</i>	<i>CMHC housing</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	22,365,113	2,525,106	1,311,901	21,988,109	7,752,103	2,969,353	58,911,685
Acquisition of tangible capital assets	233,482	1,183,870	-	-	-	-	1,417,352
Construction-in-progress	-	-	-	-	-	-	-
Balance, end of year	22,598,595	3,708,976	1,311,901	21,988,109	7,752,103	2,969,353	60,329,037
<b>Accumulated amortization</b>							
Balance, beginning of year	7,168,423	1,709,253	379,886	20,566,115	5,190,840	1,663,393	36,677,910
Annual amortization	1,124,093	675,648	32,798	1,174,165	310,084	118,774	3,435,562
Balance, end of year	8,292,516	2,384,901	412,684	21,740,280	5,500,924	1,782,167	40,113,472
<b>Net book value of tangible capital assets</b>	<b>14,306,079</b>	<b>1,324,075</b>	<b>899,217</b>	<b>247,829</b>	<b>2,251,179</b>	<b>1,187,186</b>	<b>20,215,565</b>
2019 Net book value of tangible capital assets	15,196,690	815,853	932,015	1,421,994	2,561,263	1,305,960	22,233,775

**Northlands Denesuline First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2020*

	<i>Subtotal</i>	<i>Construction in progress</i>	<i>2020</i>	<i>2019</i>
<b>Cost</b>				
Balance, beginning of year	58,911,685	32,009,832	90,921,517	73,704,205
Acquisition of tangible capital assets	1,417,352	-	1,417,352	3,447,366
Construction-in-progress	-	10,541,174	10,541,174	13,769,946
Balance, end of year	60,329,037	42,551,006	102,880,043	90,921,517
<b>Accumulated amortization</b>				
Balance, beginning of year	36,677,910	-	36,677,910	33,505,633
Annual amortization	3,435,562	-	3,435,562	3,172,277
Balance, end of year	40,113,472	-	40,113,472	36,677,910
<b>Net book value of tangible capital assets</b>	20,215,565	42,551,006	62,766,571	54,243,607
2019 Net book value of tangible capital assets	22,233,775	32,009,832	54,243,607	

**Northlands Denesuline First Nation**  
**Schedule 2 - Consolidated Summary Schedule of Segment Revenue and Expenses**

*For the year ended March 31, 2020*

	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>	<i>Prior Year Surplus (Deficit)</i>
Governance and Administration	2,981,612	1,886,288	264,129	1,359,453	1,172,172
Social Assistance	2,971,525	2,864,308	-	107,217	(71,066)
Health	3,916,020	3,295,216	(265,739)	355,065	14,592
Capital and Housing	11,483,381	2,178,924	(14,600)	9,289,857	15,818,838
Education	5,936,545	5,370,186	(600,000)	(33,641)	142,758
Operations and Maintenance	1,725,707	5,012,981	-	(3,287,274)	(3,100,673)
Land Claim	1,213,930	1,235,140	21,210	-	-
Other Programs	215,917	145,358	(5,000)	65,559	3,654
Community Economic Development	88,989	88,989	-	-	76,338
Business Enterprises	3,400	810,222	600,000	(206,822)	-
	<b>30,537,026</b>	<b>22,887,612</b>	<b>-</b>	<b>7,649,414</b>	<b>14,056,613</b>

**Northlands Denesuline First Nation**  
**Governance and Administration**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	1,744,110	1,244,574
Province of Manitoba	536,043	384,434
Other revenue	325,970	961,846
Rental income	432,413	644,958
ISC - recovery of funding	-	(83,250)
Keewatin Tribal Council	116,340	-
Deferred revenue - current year	(173,264)	-
	<b>2,981,612</b>	<b>3,152,562</b>
<b>Expenses</b>		
Administration	4,500	3,390
Amortization	10,300	9,500
Bad debts	40,600	-
Bank charges and interest	20,783	32,477
Community activities	26,976	96,146
Community assistance	196,725	136,926
Contracted services	199,508	98,039
Equipment and vehicles	9,150	-
Freight and courier	12,938	2,522
Fuel	9,841	23,040
Funeral	12,504	25,852
Honouraria	309,050	217,100
Insurance	2,034	1,373
Interest	-	4,574
Office supplies	6,521	4,404
Professional development	-	6,675
Professional fees	378,881	264,664
Repairs and maintenance	13,545	82,989
Salaries and benefits	171,138	228,058
Social assistance	-	4,000
Student expenses	-	1,000
Supplies and program materials	110,910	59,174
Telephone, fax, and internet	26,390	26,356
Travel	272,585	339,222
Utilities	51,409	509,245
	<b>1,886,288</b>	<b>2,176,726</b>
<b>Surplus before transfers</b>	<b>1,095,324</b>	<b>975,836</b>
<b>Transfers between programs</b>	<b>264,129</b>	<b>196,336</b>
<b>Surplus</b>	<b>1,359,453</b>	<b>1,172,172</b>

**Northlands Denesuline First Nation**  
**Social Assistance**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	2,971,525	2,773,560
<b>Expenses</b>		
Bank charges and interest	9,715	7,169
Contracted services	-	94
Freight and courier	7,575	7,994
Funeral	-	3,520
Honouraria	968	-
Office supplies	2,445	937
Professional development	1,000	1,902
Salaries and benefits	134,219	167,543
Social assistance	1,878,008	2,552,155
Special needs	-	2,298
Supplies and program materials	108,819	89,272
Travel	5,596	10,242
Utilities	715,963	1,500
	2,864,308	2,844,626
<b>Surplus (deficit)</b>	107,217	(71,066)



**Northlands Denesuline First Nation**  
**Health**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
First Nation and Inuit Health (FNIH)	<b>3,913,907</b>	2,759,672
Other revenue	<b>2,113</b>	18,907
	<b>3,916,020</b>	2,778,579
<b>Expenses</b>		
Amortization	<b>21,100</b>	19,500
Bank charges and interest	<b>5,793</b>	4,727
Community activities	<b>253,027</b>	167,165
Community assistance	<b>6,237</b>	2,932
Contract wages	<b>62,001</b>	112,812
Equipment and vehicles	<b>44,214</b>	1,330
Freight and courier	<b>2,119</b>	16,732
Fuel	<b>36,315</b>	34,657
Honouraria	<b>12,735</b>	12,672
Insurance, licenses and fees	<b>6,225</b>	11,755
Office supplies	<b>35,360</b>	65,318
Professional development	<b>11,805</b>	11,964
Rent	<b>-</b>	500
Repairs and maintenance	<b>30,987</b>	28,612
Salaries and benefits	<b>1,555,344</b>	1,149,210
Supplies and program materials	<b>168,997</b>	132,721
Telephone, fax, and internet	<b>49,610</b>	52,031
Travel	<b>297,988</b>	241,808
Utilities	<b>695,359</b>	576,205
	<b>3,295,216</b>	2,642,651
<b>Surplus before transfers</b>	<b>620,804</b>	135,928
<b>Transfers between programs</b>	<b>(265,739)</b>	(121,336)
<b>Surplus</b>	<b>355,065</b>	14,592

**Northlands Denesuline First Nation**  
**Capital and Housing**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	11,949,168	13,206,196
First Nation and Inuit Health Branch (FNIH)	-	10,000
Canada Mortgage and Housing Corporation (CMHC)	130,400	188,428
Other revenue	236,259	196,919
Deferred revenue - prior year	3,222,120	7,204,005
Deferred revenue - current year	(4,054,566)	(3,222,120)
	<b>11,483,381</b>	<b>17,583,428</b>
<b>Expenses</b>		
Amortization	118,774	118,773
Bank charges and interest	167	152
Contracted services	975,746	714,818
Equipment rental	1,821	9,143
Freight and courier	52,246	80,477
Insurance, licenses and fees	33,952	36,147
Interest on long-term debt	14,900	15,185
Office supplies	232	-
Professional development	2,671	-
Professional fees	110,501	15,592
Repairs and maintenance	194,988	128,007
Salaries and benefits	98,109	73,255
Supplies and program materials	223,304	552,947
Travel	56,454	15,888
Utilities	295,059	4,206
	<b>2,178,924</b>	<b>1,764,590</b>
<b>Surplus before transfers</b>	<b>9,304,457</b>	<b>15,818,838</b>
<b>Transfers between programs</b>	<b>(14,600)</b>	<b>-</b>
<b>Surplus</b>	<b>9,289,857</b>	<b>15,818,838</b>

**Northlands Denesuline First Nation**  
**Education**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	5,886,020	4,883,080
Rental income	50,525	69,800
	<b>5,936,545</b>	<b>4,952,880</b>
<b>Expenses</b>		
Amortization	157,600	145,500
Bank charges and interest	9,439	8,113
Board travel, training and honouraria	-	3,780
Contracted services	173,857	35,585
Equipment and vehicles	26,600	35,833
Equipment rental	5,000	4,500
Freight and courier	145,490	105,928
Fuel	49,534	26,047
Honouraria	22,630	15,100
Insurance, licenses and fees	8,556	13,666
Office supplies	54,781	10,717
Professional development	29,648	16,523
Professional fees	-	1,371
Repairs and maintenance	325,748	295,326
Salaries and benefits	2,645,168	2,330,190
Student expenses	98,739	222,217
Supplies and program materials	443,184	411,460
Telephone, fax, and internet	8,609	8,367
Travel	125,669	134,950
Utilities	1,039,934	984,949
	<b>5,370,186</b>	<b>4,810,122</b>
<b>Surplus before transfers</b>	<b>566,359</b>	<b>142,758</b>
<b>Transfers between programs</b>	<b>(600,000)</b>	<b>-</b>
<b>Surplus (deficit)</b>	<b>(33,641)</b>	<b>142,758</b>

**Northlands Denesuline First Nation**  
**Operations and Maintenance**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	1,645,707	1,612,002
Province of Manitoba - winter roads	80,000	70,954
Other revenue	-	11,200
	<b>1,725,707</b>	<b>1,694,156</b>
<b>Expenses</b>		
Amortization	3,126,288	2,879,004
Bank charges and interest	108	108
Community assistance	23,209	-
Contracted services	308,251	215,428
Equipment and vehicles	3,861	115,377
Equipment rental	264	14,457
Freight and courier	60,045	91,882
Fuel	80,303	55,137
Honouraria	1,450	4,740
Insurance, licenses and fees	94,642	68,780
Professional development	22,130	5,400
Professional fees	300	6,141
Repairs and maintenance	392,871	263,064
Salaries and benefits	350,390	397,688
Supplies and program materials	161,633	454,664
Telephone, fax, and internet	8,976	4,052
Travel	52,706	32,594
Utilities	325,554	186,313
	<b>5,012,981</b>	<b>4,794,829</b>
<b>Deficit</b>	<b>(3,287,274)</b>	<b>(3,100,673)</b>

**Northlands Denesuline First Nation**  
**Land Claim**  
**Schedule 9 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Government of Canada - land claim	<b>1,364,461</b>	1,620,083
Deferred revenue - prior year	<b>441,330</b>	34,091
Deferred revenue - current year	<b>(591,861)</b>	(441,330)
	<b>1,213,930</b>	1,212,844
<b>Expenses</b>		
Bank charges and interest	<b>346</b>	393
Office supplies	<b>4,387</b>	2,074
Professional fees	<b>842,052</b>	713,553
Salaries and benefits	<b>260,835</b>	220,913
Telephone, fax, and internet	<b>4,009</b>	5,182
Travel	<b>123,511</b>	195,729
	<b>1,235,140</b>	1,137,844
<b>Surplus (deficit) before transfers</b>	<b>(21,210)</b>	75,000
<b>Transfers between programs</b>	<b>21,210</b>	(75,000)
<b>Surplus (deficit)</b>	<b>-</b>	<b>-</b>

**Northlands Denesuline First Nation**  
**Other Programs**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Keewatin Tribal Council	<b>164,325</b>	264,968
Treaty Land Entitlement	<b>51,592</b>	45,669
	<b>215,917</b>	310,637
<b>Expenses</b>		
Bank charges and interest	<b>20</b>	-
Freight and courier	-	457
Office supplies	<b>80</b>	525
Professional development	-	2,987
Repairs and maintenance	-	140,563
Salaries and benefits	<b>96,626</b>	118,589
Supplies and program materials	<b>3,400</b>	12,075
Telephone, fax, and internet	<b>1,779</b>	1,822
Travel	<b>18,703</b>	8,826
Utilities	<b>24,750</b>	21,139
	<b>145,358</b>	306,983
<b>Surplus before transfers</b>	<b>70,559</b>	3,654
<b>Transfers between programs</b>	<b>(5,000)</b>	-
<b>Surplus</b>	<b>65,559</b>	3,654

**Northlands Denesuline First Nation**  
**Community Economic Development**  
**Schedule 11 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>88,989</b>	88,989
<b>Expenses</b>		
Freight and courier	-	1,500
Insurance	<b>398</b>	-
Professional development	-	490
Professional fees	<b>31,000</b>	-
Salaries and benefits	<b>172</b>	-
Supplies and program materials	<b>57,419</b>	10,000
Travel	-	661
	<b>88,989</b>	12,651
<b>Surplus (deficit)</b>	-	76,338

**Northlands Denesuline First Nation**  
**Business Enterprises**  
**Schedule 12 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Rental income	3,400	-
<b>Expenses</b>		
Amortization	1,500	-
Bank charges and interest	626	-
Equipment	8,195	-
Insurance	8,052	-
Internet	2,244	-
Meals and entertainment	236	-
Office supplies	873	-
Overhead cost	75,140	-
Professional and consulting fees	82,466	-
Repairs and maintenance	728	-
Salaries and benefits	404,830	-
Shipping and delivery	3,307	-
Supplies	87,189	-
Telephone	1,672	-
Training	6,390	-
Travel	40,077	-
Vehicles	24,758	-
Work experience initiatives	61,939	-
	<b>810,222</b>	<b>-</b>
<b>Deficit before transfers</b>	<b>(806,822)</b>	<b>-</b>
<b>Transfers between programs</b>	<b>600,000</b>	<b>-</b>
<b>Deficit</b>	<b>(206,822)</b>	<b>-</b>