

McDowell Lake First Nation
Consolidated Financial Statements
For the year ended March 31, 2020

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McDowell Lake First Nation Management's Responsibility for Financial Reporting

To the Members of
McDowell Lake First Nation

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of McDowell Lake First Nation for the year ended March 31, 2020 are the responsibility of management and have been approved by Chief and Council.

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

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

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

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

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of McDowell Lake First Nation and meet when required.

On behalf of McDowell Lake First Nation:

DocuSigned by:

Mary Lawson

Chief

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Dylan Cockroft

Councillor

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Independent Auditor's Report

To the Members of
McDowell Lake First Nation

Opinion

We have audited the consolidated financial statements of the McDowell Lake First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net financial assets 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 First Nation as at March 31, 2020, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the 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 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 the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 First 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 First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Kenora, Ontario
March 10, 2021

McDowell Lake First Nation
Consolidated Statement of Financial Position

March 31	2020	2019
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Financial Assets		
Cash (Note 1)	\$ 2,129,975	\$ 1,652,583
Short term investment (Note 2)	1,989,296	1,949,894
Accounts receivable (Note 3)	325,497	237,705
Long term investments (Note 4)	<u>900,796</u>	<u>841,411</u>
 Total Financial Assets	 <u>5,345,564</u>	 <u>4,681,593</u>
 Liabilities		
Accounts payable (Note 5)	1,086,090	1,041,228
Deferred revenue (Note 6)	<u>887,997</u>	<u>369,076</u>
 Total Liabilities	 <u>1,974,087</u>	 <u>1,410,304</u>
 Net Financial Assets	 <u>3,371,477</u>	 <u>3,271,289</u>
 Non-financial Assets		
Prepaids	15,486	5,000
Tangible capital assets (Note 7)	<u>809,506</u>	<u>761,547</u>
 Total Non-financial Assets	 <u>824,992</u>	 <u>766,547</u>
 Accumulated Surplus (Note 10)	 <u>\$ 4,196,469</u>	 <u>\$ 4,037,836</u>

Approved on Behalf

DocuSigned by:

Mary Lawson

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Chief

DocuSigned by:

Dylan Cockroft

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Councillor

**McDowell Lake First Nation
Consolidated Statement of Operations**

For the year ended March 31	Budget	2020	2019
Revenue (Note 11)			
Government Transfers			
Federal	\$ 1,282,609	\$ 495,166	\$ 578,956
Provincial	168,677	59,878	86,691
Other Grants	651,054	122,257	121,394
Other Revenues	-	615,047	629,601
Net income (loss) from government business enterprise (Note 4)	-	51,172	42,696
	<hr/>	<hr/>	<hr/>
	2,102,340	1,343,520	1,459,338
Expenses			
Band administration	-	178,375	180,339
Education	55,252	32,676	47,034
Community and Economic Development	760,812	611,641	641,441
Health	1,242,542	362,195	285,187
	<hr/>	<hr/>	<hr/>
	2,058,606	1,184,887	1,154,001
Annual surplus	<hr/>	<hr/>	<hr/>
	\$ 43,734	158,633	305,337
Accumulated surplus, beginning of year		<hr/>	<hr/>
		4,037,836	3,732,499
Accumulated surplus, end of year		<hr/>	<hr/>
	\$ 4,196,469	\$ 4,037,836	

McDowell Lake First Nation
Consolidated Statement of Changes in Net Financial Assets

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2020</u>	<u>2019</u>
Annual surplus (deficit)	\$ 43,734	\$ 158,633	\$ 305,337
Addition to capital assets	-	(105,305)	(81,354)
Amortization of capital assets	-	57,346	55,877
Increase (decrease) in prepaids	-	(10,486)	10,956
 Net change in net financial assets	 <u>\$ 43,734</u>	 100,188	 290,816
 Net financial assets, beginning of year		 <u>3,271,289</u>	 2,980,473
 Net financial assets, end of year		 \$ 3,371,477	 \$ 3,271,289

**McDowell Lake First Nation
Consolidated Statement of Cash Flows**

For the year ended March 31	2020	2019
Operating Transactions		
Annual surplus (deficit)	\$ 158,633	\$ 305,337
Amortization	<u>57,346</u>	<u>55,877</u>
	215,979	361,214
Changes in non-cash operating balances		
Accounts receivable	(87,792)	84,502
Accounts payable	44,862	243,950
Deferred revenue	518,921	160,061
Prepads	<u>(10,486)</u>	<u>10,956</u>
	681,484	860,683
Investing transactions		
Increase in investment in Government Business Enterprises	(59,385)	(52,112)
(Increase) decrease in short term investment	<u>(39,402)</u>	<u>(23,196)</u>
	(98,787)	(75,308)
Capital transactions		
Acquisition of tangible capital assets	<u>(105,305)</u>	<u>(81,354)</u>
Increase in cash and cash equivalents during the year	477,392	704,021
Cash, beginning of year	<u>1,652,583</u>	<u>948,562</u>
Cash, end of year	\$ 2,129,975	\$ 1,652,583

McDowell Lake First Nation Summary of Significant Accounting Policies

March 31, 2020

General	McDowell Lake First Nation (the "First Nation") is a local government whose primary objective is to provide a variety of services to its members.
Basis of Preparation	The consolidated financial statements of the First Nation are the representations of management. They have been prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as recommended by Indigenous Services Canada.
Reporting Entity	The reporting entity includes the First Nation and all entities that are controlled by the First Nation. All controlled entities are consolidated according to the First Nation's percentage ownership except for entities that meet the definition of a government business enterprise or a government business partnership, which are included in the consolidated financial statements on a modified equity basis. Under the modified equity method of accounting, only the First Nation's investment in the entity and the First Nation's portion of the entity's net income and other changes in equity are recorded. No adjustment is made for inter-organizational balances and transactions are not eliminated.
	Magnus James Enterprises LP is the only government business enterprise reflected in the consolidated financial statements.
Portfolio Investments	Portfolio investments are investments that do not form part of the government reporting entity and are recorded at cost. When there is a loss in value that is other than temporary, the investment is written down to recognize the loss.
Short Term Investments	Temporary investments are recorded at cost, unless the market value has declined below cost, in which case they are written down to market value. Investment income earned is reported as revenue in the period earned.

McDowell Lake First Nation Summary of Significant Accounting Policies

March 31, 2020

Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installment costs, design and engineering fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table border="1"><thead><tr><th>Asset</th><th>Basis</th><th>Rate</th></tr></thead><tbody><tr><td>Buildings</td><td>Straight-line</td><td>40 years</td></tr><tr><td>Equipment</td><td>Straight-line</td><td>5 and 25 years</td></tr><tr><td>Docks</td><td>Straight-line</td><td>15 years</td></tr><tr><td>Boats and motors</td><td>Straight-line</td><td>15 years</td></tr><tr><td>Leaseholds</td><td>Straight-line</td><td>10 years</td></tr></tbody></table> <p>When a capital asset no longer contributes to the First Nation's ability to provide services, its carrying amount is written-down to its residual value.</p>				Asset	Basis	Rate	Buildings	Straight-line	40 years	Equipment	Straight-line	5 and 25 years	Docks	Straight-line	15 years	Boats and motors	Straight-line	15 years	Leaseholds	Straight-line	10 years
Asset	Basis	Rate																				
Buildings	Straight-line	40 years																				
Equipment	Straight-line	5 and 25 years																				
Docks	Straight-line	15 years																				
Boats and motors	Straight-line	15 years																				
Leaseholds	Straight-line	10 years																				
Revenue Recognition	<p>Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.</p> <p>Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purposes.</p>																					
Use of Estimates	<p>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 certain assets and liabilities at the date of the consolidated financial statements, and the reported amounts of certain revenues and expenses during the reported period. Actual results could differ from those estimated.</p>																					
Pension Plan	<p>The First Nation maintains a defined contribution pension plan for its personnel. Expenses for this plan are equal to the First Nations required contribution for the year.</p>																					

McDowell Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

1. Cash

Included in cash are three bank accounts - one held at CIBC of \$305,579 (2019 - \$189,335), one held at Scotia Bank of \$1,795,212 (2019 - \$1,429,261) and one held in trust of \$29,084 (2019 - \$33,886). The cash held at CIBC is designated for OFNLP programming.

2. Short-Term Investment

The short-term investment designated for OFNLP programming is comprised of a guaranteed investment certificate with a variable prime interest rate less 1.85%, maturing December 11, 2020.

3. Accounts Receivable

	2020	2019
Indigenous Services Canada	\$ 125,329	\$ 121,978
Keewaytinook Okimakanak	68,750	50,000
HST	81,016	55,856
Other	50,402	9,871
	<hr/>	<hr/>
	<hr/>	<hr/>
	\$ 325,497	\$ 237,705

McDowell Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

4. Long Term Investments

	2020	2019
<u>Portfolio Investments</u>		
Investment in K-Net LP - 165 of 1990 Common Units	\$ 23,675	\$ 23,675
Investment in First Nation LP - 100 of 2001 Common Units	1	1
Investment in NCC Development LP - 165 of 1000 Common Units	1	1
Investment in Magnus James Enterprises Inc.		
- 100 of 100 Common shares	(32)	(32)
<u>Investment in Government Business Enterprise</u>		
Investment in Magnus James Enterprises LP		
- 99 of 100 Common Units	<u>877,151</u>	<u>817,766</u>
	<u>\$ 900,796</u>	<u>\$ 841,411</u>

The Magnus James Enterprise LP is owned and controlled by McDowell Lake First Nation. The following information provides condensed supplementary information for the enterprise for the year ended March 31, 2020.

Financial Position

Current assets	\$ 249,410	\$ 152,184
Non-current assets	<u>647,319</u>	<u>670,404</u>
Total Assets	<u>\$ 896,729</u>	<u>\$ 822,588</u>
Liabilities	\$ 19,782	\$ 4,854
Net Assets	<u>876,947</u>	<u>817,734</u>
	<u>\$ 896,729</u>	<u>\$ 822,588</u>
Revenue	\$ 131,975	\$ 130,493
Expenses	<u>80,975</u>	<u>87,797</u>

5. Accounts Payable

	2020	2019
Trade and other		
Contributions repayable	<u>\$ 219,848</u>	<u>\$ 210,562</u>
	<u>866,241</u>	<u>830,665</u>
	<u>\$ 1,086,089</u>	<u>\$ 1,041,227</u>

McDowell Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

6. Deferred Revenue

Deferred contributions related to expenses of future periods represent unspent funding.

	2020	2019
Balance, beginning of year	\$ 369,076	\$ 209,015
Add: Amount received during the year	887,997	371,214
Less: Amount recognized as revenue in the year	(369,076)	(211,153)
 Balance, end of year	 <u>\$ 887,997</u>	 <u>\$ 369,076</u>

The balance at year end is made up of the following:

Health Canada	\$ 317,045	\$ -
Indigenous Services Canada	570,952	369,076
 \$ 887,997	 <u>\$ 369,076</u>	

McDowell Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

7. Tangible Capital Assets

2020

	Buildings	Equipment	Docks	Leaseholds	Boats/Motors	Total
Cost, Beginning of Year	\$ 489,087	\$ 330,390	\$ 15,000	\$ 93,328	\$ -	\$ 927,805
Additions	74,015	19,690	-	-	11,600	105,305
Cost, End of Year	563,102	350,080	15,000	93,328	11,600	1,033,110
Accumulated Amortization, Beginning of Year	22,542	108,885	8,000	26,831	-	166,258
Amortization	4,571	42,443	1,000	9,332	-	57,346
Accumulated Amortization, End of Year	27,113	151,328	9,000	36,163	-	223,604
Net Carrying Amount, End of Year	\$ 535,989	\$ 198,752	\$ 6,000	\$ 57,165	\$ 11,600	\$ 809,506

2019

	Buildings	Equipment	Docks	Leaseholds	Capital Work in Progress	Total
Cost, Beginning of Year	\$ 101,496	\$ 330,390	\$ 15,000	\$ 93,328	\$ 306,237	\$ 846,451
Additions	81,354	-	-	-	-	81,354
Transfers	306,237	-	-	-	(306,237)	-
Cost, End of Year	489,087	330,390	15,000	93,328	-	927,805
Accumulated Amortization, Beginning of Year	18,988	66,894	7,000	17,499	-	110,381
Amortization	3,554	41,991	1,000	9,332	-	55,877
Accumulated Amortization, End of Year	22,542	108,885	8,000	26,831	-	166,258
Net Carrying Amount, End of Year	\$ 466,545	\$ 221,505	\$ 7,000	\$ 66,497	\$ -	\$ 761,547

McDowell Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

8. Segmented Information

For the year ended March 31, 2020

	Administration	Education	Community & Economic Development	Health	Total
Revenue					
Grants	\$ 43,735	\$ 33,139	\$ 248,876	\$ 351,551	\$ 677,301
Other	42,494	-	572,553	-	615,047
Net income from government business enterprise	51,172	-	-	-	51,172
	<u>137,401</u>	<u>33,139</u>	<u>821,429</u>	<u>351,551</u>	<u>1,343,520</u>
Expenses					
Administration, office and other	14,776	-	9,711	2,376	26,863
Supplies and program expenses	39,024	3,826	119,604	187,247	349,701
Rent and utilities	65,661	-	8,410	57,680	131,751
Travel and training	3,080	1,267	76,485	33,919	114,751
Salaries and benefits	(1,512)	27,583	397,431	80,973	504,475
Amortization	57,346	-	-	-	57,346
	<u>178,375</u>	<u>32,676</u>	<u>611,641</u>	<u>362,195</u>	<u>1,184,887</u>
Annual surplus	<u><u>\$ (40,974)</u></u>	<u><u>\$ 463</u></u>	<u><u>\$ 209,788</u></u>	<u><u>\$ (10,644)</u></u>	<u><u>\$ 158,633</u></u>

For the year ended March 31, 2019

	Administration	Education	Community & Economic Development	Health	Total
Revenue					
Grants	\$ 54,743	\$ 34,368	\$ 334,933	\$ 362,997	\$ 787,041
Other	52,470	-	577,131	-	629,601
Net loss from government business enterprise	42,696	-	-	-	42,696
	<u>149,909</u>	<u>34,368</u>	<u>912,064</u>	<u>362,997</u>	<u>1,459,338</u>
Expenses					
Administration, office and other	38,271	-	10,413	7,347	56,031
Supplies and program expenses	14,019	-	255,911	65,736	335,666
Rent and utilities	69,240	-	6,282	50,267	125,789
Travel and training	2,932	8,874	62,279	38,593	112,678
Salaries and benefits	-	38,160	306,556	123,244	467,960
Amortization	55,877	-	-	-	55,877
	<u>180,339</u>	<u>47,034</u>	<u>641,441</u>	<u>285,187</u>	<u>1,154,001</u>
Annual Surplus	<u><u>\$ (30,430)</u></u>	<u><u>\$ (12,666)</u></u>	<u><u>\$ 270,623</u></u>	<u><u>\$ 77,810</u></u>	<u><u>\$ 305,337</u></u>

McDowell Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

9. Segmented Information - continued

Administration

Administration is comprised of the administration and finance department. This department performs a management and administrative role by holding Council Meetings to administer the delivery of programs and services and to help develop a strategy for the future.

Education

Education includes the activities of the Sioux Lookout Area Aboriginal Management Board ("SLAAMB") program and other educational activities that enhance the educational development of community members.

Health

The First Nation health programs provide health awareness and prevention and assistance programs for community members.

Community and Economic Development

Community and economic development includes governance activities, land use planning initiatives and environmental planning to improve the economic and social well-being of community members.

9. Budget

The program budgets approved by Chief and Council were not prepared on a basis consistent with that used to report actual financial statement results (Public Sector Accounting Standards). The budgets were prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budgets expensed all capital expenditures rather than including amortization expense. As well, the budget approved by Chief and Council was not prepared on a consolidated basis and does not include all of the activities of the First Nation. As a result, budget figures are only presented where available.

10. Accumulated Surplus

The First Nation segregates its accumulated surplus into the following categories:

	2020	2019
Current funds	\$ 221,054	\$ (178,307)
Investment in capital assets	809,506	761,547
Ontario First Nations Limited Partnership	2,289,473	2,636,830
Magnus James	<u>876,436</u>	<u>817,766</u>
	<hr/> \$ 4,196,469	<hr/> \$ 4,037,836

The investment in capital assets represents amounts already spent and invested in capital assets.

Current funds represent the general activities of the First Nation.

McDowell Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

11. Government Transfers

	2020		
	Operating	Capital	Total
Government Transfers			
Federal government transfers			
Indigenous Services Canada	\$ 136,789	\$ -	\$ 136,789
Health Canada	358,378	-	358,378
	<hr/> 495,167	<hr/> -	<hr/> 495,167
Provincial government transfers			
Ministry of Natural Resources	37,999	-	37,999
Ministry of Health and Long Term Care	21,879	-	21,879
	<hr/> 59,878	<hr/> -	<hr/> 59,878
Total revenue	<hr/> \$ 555,045	<hr/> \$ -	<hr/> \$ 555,045
	2019		
	Operating	Capital	Total
Government Transfers			
Federal government transfers			
Indigenous Services Canada	\$ 229,063	\$ -	\$ 229,063
Health Canada	349,893	-	349,893
	<hr/> 578,956	<hr/> -	<hr/> 578,956
Provincial government transfers			
Ministry of Natural Resources	72,668	-	72,668
Ministry of Health and Long Term Care	14,023	-	14,023
	<hr/> 86,691	<hr/> -	<hr/> 86,691
Total revenue	<hr/> \$ 665,647	<hr/> \$ -	<hr/> \$ 665,647

McDowell Lake First Nation Notes to Consolidated Financial Statements

March 31, 2020

12. Commitments

The First Nation is committed to a three year lease with a related party for premises at \$4,600 a month expiring January 2021.

The First Nation is committed to a two year lease for premises at \$2,200 a month plus HST expiring April 2022.

13. Contingency

The First Nation has been named as a defendant in a lawsuit arising in the ordinary course of operations. The amount of the claim for damages is \$355,750. Subsequent to year-end, the claim was settled for \$125,000. This has been accrued in the accounts payable balance at March 31, 2020.

14. Defined Contribution Pension Plan

The expense for the First Nation's pension plan for the year was \$6,654 (2019 - \$7,143). The plan is funded equally by the organization and the First Nation's employees at rates of 5% of the employee's salary.

15. COVID-19

Subsequent to the year-end, the impact of COVID-19 in Canada and on the global economy increased significantly.

The restrictions put in place by Canadian, provincial, municipal and First Nation communities regarding travel and social distancing has impacted the delivery of programs administered by the organization most of which are considered essential services. Indigenous Services Canada has approved the carry-forward of unexpended funding as of March 31, 2020 for fixed, flex and set funding. One time funding has also been approved to assist with the additional costs associated with PPE for the safety of its employees and patrons.

The situation continues to be dynamic and the ultimate duration and magnitude of these events, as well as their financial impact on the First Nation's 2021 operations is not fully known at this time.