SHESHATSHIU INNU FIRST NATION

Consolidated Financial Statements

Year Ended March 31, 2020

SHESHATSHIU INNU FIRST NATION
Index to Consolidated Financial Statements
Year Ended March 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards prescribed for governments as recommended by the Public Sector Accounting Board of CPA Canada and as such include amounts that are the best estimates and judgments of management.

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

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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over 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, MNP 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 the financial management of Sheshatshiu Innu First Nation and meet when required.

On behalf of the Sheshatshiu Innu First Nation:

Chief, Eugene Hart

Greg Pastitshi, Director of Operations

Sheshatshiu, NL
March 03, 2021

Independent Auditor's Report

To the Members of Sheshatshiu Innu First Nation:

Opinion

We have audited the consolidated financial statements of Sheshatshiu Innu First Nation (the "First 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 First Nation as at March 31, 2020, and the results of its consolidated operations, changes in its net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Other Matter

The consolidated financial statements of the First Nation for the year ended March 31, 2019 were audited by Winsor Coombs of Mount Pearl, Newfoundland and Labrador, Canada, prior to its merger with MNP LLP. Winsor Coombs expressed an unmodified opinion on those statements on July 29, 2019.

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 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 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.

MNP LLP

Chartered Professional Accountants

Mount Pearl, Newfoundland and Labrador

March 3, 2021

MNP

SHESHATSHIU INNU FIRST NATION
Consolidated Statement of Financial Position
March 31, 2020

	2020	(Restated-Note 15) 2019
FINANCIAL ASSETS		
Cash and cash equivalents	**$ 13,743,341**	$ 6,107,723
Cash restricted for CMHC reserves *(Note 6)*	**757,349**	683,432
Due from governments *(Note 5)*	**5,166,673**	3,067,680
Trust funds held by federal government *(Note 3)*	**72,703**	272,045
Accounts receivable *(Note 4)*	**9,837,149**	1,843,364
Long term Investments *(Note 8)*	**15,177,154**	15,129,983
	44,754,369	27,104,227
LIABILITIES		
Accounts payable *(Note 7)*	**2,479,969**	1,672,816
Due to governments *(Note 11)*	**113,953**	133,346
Due to related parties *(Note 9)*	**647,364**	187,163
Severance pay accrual	**1,533,297**	1,358,861
Long term debt *(Note 12)*	**8,698,445**	9,904,949
Deferred income *(Note 10)*	**10,157,231**	5,513,976
	23,630,259	18,771,111
NET FINANCIAL ASSETS	**21,124,110**	8,333,116
NON-FINANCIAL ASSETS		
Prepaid expenses	**162,561**	143,662
Tangible capital assets *(Note 21)*	**68,030,144**	63,141,639
	68,192,705	63,285,301
ACCUMULATED SURPLUS	**$ 89,316,819**	$ 71,618,418

ON BEHALF OF COUNCIL

_______________ *Councillor*

Doreen Ashini _______________ *Councillor*

See notes to financial statements

SHESHATSHIU INNU FIRST NATION
Consolidated Statement of Operations and Accumulated Surplus
Year Ended March 31, 2020

	Budget 2020	**Total 2020**	Total (Restated - Note 15) 2019
REVENUES			
Sheshatshiu and Mushuau Innu First Nations Trust	$ 30,223,755	**$ 35,864,229**	$ 12,526,144
Federal government operating transfers *(Note 13)*	24,353,926	**12,924,909**	10,960,390
Innu Nation	4,122,193	**4,450,477**	957,281
Federal government capital transfers *(Note 13)*	-	**1,082,713**	1,026,770
Miscellaneous revenues	814,523	**1,018,742**	857,098
Infrastructure Park	-	**612,000**	612,000
Rental income	278,000	**541,834**	557,504
Provincial government operating transfers *(Note 13)*	1,781,593	**3,026,625**	5,793,455
Interest income	-	**208,553**	118,482
Innu Development Limited Partnership	-	**-**	19,180
Share of income in business enterprises	1,785,000	**1,792,280**	3,257,043
Provincial government capital transfers	-	**333,547**	107,395
Insurance proceeds	178,042	**-**	170,850
	63,537,032	**61,855,909**	36,963,592
EXPENSES			
ASETS	1,306,427	**1,014,837**	822,026
Aboriginal head start	325,781	**274,145**	435,812
Adult care	195,858	**206,429**	191,812
Arena operations	360,000	**319,493**	383,352
Band support	5,381,081	**5,935,207**	5,744,069
Capital	17,848,350	**5,542,626**	4,624,767
Community assistance	13,409,655	**13,508,487**	3,737,378
Community justice	310,138	**272,301**	158,531
Community youth network	52,865	**53,478**	52,279
Economic development	558,730	**637,485**	265,444
Education	56,326	**56,326**	257,113
Shushepeshipan Ishpitentamun Mitshuap Inc.	4,021,254	**3,446,353**	1,244,662
Group home	-	**-**	412,800
Health	6,826,183	**5,684,028**	5,085,967
Housing	3,299,134	**2,422,760**	2,441,838
Covid crisis expenses	4,545,527	**652,772**	-
Outpost program	644,000	**643,520**	608,541
Public works	1,232,056	**1,036,603**	1,157,472
Recreation	1,147,768	**1,028,546**	1,104,781
Safe house	404,000	**429,273**	442,620
Sewage Treatment	352,966	**214,532**	140,142
Shelter	549,512	**379,722**	424,440
Social workers	709,421	**398,585**	479,258
	63,537,032	**44,157,508**	30,215,104
ANNUAL SURPLUS	-	**17,698,401**	6,748,488
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	**71,618,418**	66,103,508
PRIOR PERIOD ADJUSTMENTS *(Note 15)*	-	**-**	(1,233,578)
ACCUMULATED SURPLUS - END OF YEAR	$ -	**$ 89,316,819**	$ 71,618,418

See notes to financial statements

SHESHATSHIU INNU FIRST NATION
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2020

	Budget 2020	2020	(Restated-Note 15) 2019
Prior period adjustment	$ -	$ -	$ **(1,233,578)**
ANNUAL SURPLUS	-	**17,698,401**	6,748,488
	-	**17,698,401**	5,514,910
Amortization of tangible capital assets	-	**6,202,965**	5,703,271
Purchase of tangible capital assets	-	**(11,091,469)**	(9,015,044)
Decrease (increase) in prepaid expenses	-	**(18,903)**	551,900
	-	**(4,907,407)**	(2,759,873)
INCREASE IN NET FINANCIAL ASSETS	-	**12,790,994**	2,755,037
NET FINANCIAL ASSETS - BEGINNING OF YEAR	-	**8,333,116**	5,578,079
NET FINANCIAL ASSETS - END OF YEAR	$ -	**$ 21,124,110**	$ 8,333,116

See notes to financial statements

SHESHATSHIU INNU FIRST NATION

Consolidated Statement of Cash Flows

Year Ended March 31, 2020

	2020	(Restated-Note 15) 2019
OPERATING ACTIVITIES		
Annual surplus	$ 17,698,401	$ 6,748,488
Items not affecting cash:		
Amortization of property, plant and equipment	6,202,965	5,703,271
Share of income in earnings of business enterprises	(1,792,280)	(3,257,043)
	22,109,086	9,194,716
Changes in non-cash working capital:		
Accounts receivable	(7,993,786)	354,426
Due from governments	(2,098,993)	(892,833)
Accounts payable	807,153	(260,964)
Prepaid expenses	(18,899)	551,895
Trust funds held by federal government	199,342	(243,133)
Severance pay accrual	174,436	125,284
Deferred income	4,643,255	1,415,749
Due to governments	(19,393)	(126,984)
	(4,306,885)	923,440
Cash flow from operating activities	17,802,201	10,118,156
INVESTING ACTIVITY		
Distribution of earnings from business enterprises	1,745,106	1,975,717
Cash flow from investing activity	1,745,106	1,975,717
FINANCING ACTIVITIES		
Advances from related parties	460,201	(213,566)
Proceeds from long term financing	1,593,872	-
Repayment of long term debt	(2,800,376)	(1,424,935)
Cash flow used by financing activities	(746,303)	(1,638,501)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(11,091,469)	(9,015,044)
INCREASE IN CASH FLOW	7,709,535	1,440,328
Cash - beginning of year	6,791,155	5,350,827
CASH - END OF YEAR	$ 14,500,690	$ 6,791,155
CASH CONSISTS OF:		
Cash and cash equivalents	$ 13,743,341	$ 6,107,723
Cash restricted for CMHC reserves	757,349	683,432
	$ 14,500,690	$ 6,791,155

See notes to financial statements

1. OPERATIONS

Sheshatshiu Innu First Nation (the "First Nation") is located in the province of Newfoundland and Labrador and provides various services to its members. Sheshatshiu Innu First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation or controlled by the First Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated consolidated financial statements were prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of CPA Canada.

Reporting Entity

The Sheshatshiu Innu First Nation reporting entity includes the Sheshatshiu Innu First Nation government and all related entities that are controlled by the First Nation.

Principles of Consolidation

All activities of the First Nation are included in these statements. A commercial enterprise that meets the definition of a government business entity, Innu Development Limited Partnership, is included in these consolidated statements on a modified equity basis. A controlled entity, Shushepeshipan Ishpitentamun Mitshuap Inc. is consolidated on a line by line basis in these statements.

Cash and cash equivalents

Cash and cash equivalents includes balances with banks and term deposits that can be redeemed within three months or less at acquisition which are held for the purpose of meeting short term cash commitments.

Tangible Capital Assets

Tangible Capital Assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or services.

In the first year of use capital assets are amortized at 50% of the normal rate

Roads	10 years	straight-line method
Houses	20 years	straight-line method
Buildings	20 years	straight-line method
Water and Sewer	25 years	straight-line method
Recreation	10 years	straight-line method
Equipment	3 years	straight-line method
Vehicles	5 years	straight-line method
Cemetery	30 years	straight-line method

Tangible Capital Assets acquired during the year but not placed into use are not amortized until they are placed into use.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

Net Debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that give rise to the revenues. All revenues are recorded on the accrual basis, expect when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

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.

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 purpose.

Measurement uncertainty

In preparing the financial statements for the government of Sheshatshiu Innu First Nation, management is required 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 revenue and expenses during the period. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of tangible capital assets;
- the estimated useful lives of assets;
- the allowance for doubtful accounts;

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Segments

The First Nation conducts its business through eight reportable segments: administration, public works, health and human services, emergency services, life long learning, community development, lands, estates and housing and long term facility. These operating segments are established by senior management to facilitate the achievement of the Fist Nation's long-term objectives to aid in in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenditures 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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder. Internal program contributions related to administration and rent are recorded at the exchange amount.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements.

3. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2020	2019
Opening balance	$ 272,045	$ 28,912
Additions	166,194	347,461
Withdrawals	(365,536)	(104,328)
	$ 72,703	$ 272,045

The trust funds arise from monies derived from 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. The additions are recognized as revenue when the funds are transfered into the trust.

4. ACCOUNTS RECEIVABLE

	2020	2019
Due from non-members	$ 9,836,057	$ 1,843,364
Due from members	22,669	23,510
	9,858,726	1,866,874
Allowance for doubtful accounts	(21,577)	(23,510)
	$ 9,837,149	$ 1,843,364

5. DUE FROM GOVERNMENT

	2020	2019
Canada Revenue Agency - HST	$ 764,881	$ 690,308
CMHC	-	235,765
Indigenous Services Canada	3,359,622	1,186,733
Service Canada	85,170	1,500
Government of Newfoundland and Labrador	536,655	308,872
Health Canada	331,099	518,076
Public Health Agency	24,200	13,880
Justice Canada	-	47,500
ACOA	65,046	65,046
	$ 5,166,673	$ 3,067,680

6. CMHC RESERVE

	2020	2019
Balance, beginning of year	$ 782,045	$ 574,395
Additions to reserve	102,000	249,433
Reserve funds used	(431,097)	(41,783)
	$ 452,948	$ 782,045

Use of the CMHC reserve funds are restricted to the replacement and renovation of the CMHC rental properties as directed by the Canada Mortgage and Housing Corporation. Under the terms of the agreement the First Nation is required to hold funds in a specified bank account to fund this reserve. At year-end this reserve was over funded. As of year end the First Nation had funded $757,349 (2019 - 683,423).

7. PAYABLES AND ACCRUALS

	2020	2019
Trade payables and accrued liabilities	$ 2,149,618	$ 1,579,040
Accrued salaries and benefits payable	330,351	93,776
	$ 2,479,969	$ 1,672,816

8. INVESTMENT IN BUSINESS ENTERPRISES

The commercial government business enterprise that is included in the First Nation reporting entity is the Innu Development Limited Partnership. The First Nation has a 49.995% ownership position in this limited partnership.

Summary draft financial information for the business enterprise in which the First Nation has an interest is as follows:

	2020	2019
Cash	$ 3,501,896	$ 2,581,083
Accounts Receivable	95,281	90,723
Due from Related Parties	7,481,479	7,857,412
Prepaids	5,172	4,587
Tangible Capital Assets	104,666	70,365
Long Term Investments	18,274,199	19,521,351
Intangible Assets	562,000	562,000
Total Assets	30,024,693	30,687,521
Accounts Payable	99,749	231,155
Equity	29,924,944	30,456,366
Total Liabilities and Equity	30,024,693	30,687,521
Revenue	7,168,001	10,558,099
Expenses	(3,538,374)	(3,147,637)
Net Income	3,629,627	7,410,462

9. DUE TO RELATED PARTIES

	2020	2019
Due to Innu Development Limited Partnership	$ 464,476	$ 464,477
Due from Labrador Innu Round Table Secretariat Inc.	182,888	(277,314)
Due from Sheshatshiu Tourism Inc.	(282,892)	(282,892)
Allowance for Doubtful Accounts for Related Partie	282,892	282,892
	$ 647,364	$ 187,163

The above amounts are interest free, unsecured, with no specific terms of repayment.

The Sheshatshiu Innu First Nation is a limited partner with a 49.995% holding in the Innu Development Limited Partnership.

The Sheshatshiu Innu First Nation appoints all the of the board of Shushepeshipan Ishpitentamin Mitsuap Inc.

The Sheshatshiu Innu First Nation has significant influence over Labrador Round Table Secretariat as it appoints half of its board members.

Expenses include $177,623 (2019 - $202,933) paid or payable to a related party.

Revenue includes $2,413,117 (2019 - $3,639,618) received or receivable from a related party.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. DEFERRED REVENUE

	Opening	Used	Current year	2020	2019
Indigenous Services Canada	$ 2,794,735	$ 2,658,676	$ 3,802,843	**$ 3,938,902**	$ 2,794,735
Government of Newfoundland and Labrador	42,942	42,942	45,769	**45,769**	42,942
Public Health Agency	9,400	9,400	27,384	**27,384**	9,400
Atlantic Canada Opportunities Agency	65,046	57,325	-	**7,721**	65,046
Service Canada	282,657	77,843	122,093	**326,907**	282,657
Sheshatshiu and Mushuau Innu First Nation Trust	1,576,470	1,390,588	3,830,591	**4,016,473**	1,576,470
Health Canada	742,726	742,726	1,794,075	**1,794,075**	742,726
	$ 5,513,976	$ 4,979,500	$ 9,622,755	**$ 10,157,231**	$ 5,513,976

11. DUE TO GOVERNMENTS

	2020	2019
Health Canada	**$ 15,994**	$ 21,043
Canada Revenue Agency - Employee Deductions Payable	**97,959**	112,303
	$ 113,953	$ 133,346

12. LONG TERM DEBT

	2020	2019
CMHC loan bearing interest at 1.84% per annum, repayable in monthly blended payments of $5,938. The loan is renewable on September 1, 2022 and matures on July 1, 2032.	**$ 787,254**	$ 843,598
CMHC loan bearing interest at 1.87% per annum, repayable in monthly blended payments of $1,036. The loan is renewable on May 1, 2024 and matures on May 1, 2029.	**104,865**	115,254
CMHC loan bearing interest at 1.84% per annum, repayable in monthly blended payments of $3,554. The loan is renewable on September 1, 2022 and matures on July 1, 2032.	**471,183**	504,906

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12. LONG TERM DEBT *(continued)*

	2020	2019
CMHC loan bearing interest at 1.05% per annum, repayable in monthly blended payments of $1,694. The loan is renewable on August 1, 2021 and matures on July 1, 2031.	**217,289**	235,247
CMHC loan bearing interest at 1.84% per annum, repayable in monthly blended payments of $2,678. The loan is renewable on September 1, 2022 and matures on July 1, 2032.	**355,118**	380,533
CMHC loan bearing interest at 1.05% per annum, repayable in monthly blended payments of $1,006. The loan is renewable on August 1, 2021 and matures on July 1, 2031.	**129,042**	139,707
CMHC loan bearing interest at 1.05% per annum, repayable in monthly blended payments of $2,117. The loan is renewable on August 1, 2021 and matures on July 1, 2031.	**271,634**	294,084
CMHC loan bearing interest at 1.31% per annum, repayable in monthly blended payments of $1,391. The loan is renewable on December 1, 2021 and matures on September 1, 2026.	**104,072**	119,310
CMHC loan bearing interest at 1.69% per annum, repayable in monthly blended payments of $1,257. The loan is renewable on September 1, 2024 and matures on June 1, 2034.	**191,307**	203,033
CMHC loan bearing interest at 1.69% per annum, repayable in monthly blended payments of $1,866. The loan is renewable on September 1, 2024 and matures on June 1, 2034.	**283,961**	301,365
CMHC loan bearing interest at 1.69% per annum, repayable in monthly blended payments of $2,876. The loan is renewable on September 1, 2024 and matures on September 1, 2034.	**444,412**	471,142
CMHC loan bearing interest at 1.69% per annum, repayable in monthly blended payments of $1,670. The loan is renewable on on September 1, 2024 and matures on September 1, 2034.	**257,961**	273,476
CMHC loan bearing interest at 2.48% per annum, repayable in monthly blended payments of $400. The loan is renewable on August 1, 2023 and matures on August 1, 2038.	**71,050**	74,057
CMHC loan bearing interest at 0.94% per annum, repayable in monthly blended payments of $2,096. The loan is renewable on September 1, 2020 andmatures on September 1, 2035.	**363,010**	384,660
CMHC loan bearing interest at 0.94% per annum, repayable in monthly blended payments of $961. The loan is renewable on September 1, 2020 and matures on September 1, 2035.	**166,447**	176,374
CMHC loan bearing interest at 1.5% per annum, repayable in monthly blended payments of $364. The loan is renewable on June 1, 2022 and matures on June 1, 2037.	**66,621**	69,979
CMHC loan bearing interest at 1.5% per annum, repayable in monthly blended payments of $722. The loan is renewable on June 1, 2022 and matures on June 1, 2037.	**131,779**	138,421

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12. LONG TERM DEBT *(continued)*

	2020	2019
CMHC loan bearing interest at 1.14% per annum, repayable in monthly blended payments of $943. The loan is renewable on June 1, 2021 and matures on July 1, 2036.	**168,837**	178,186
CMHC loan bearing interest at 1.11% per annum, repayable in monthly blended payments of $1,337. The loan is renewable on April 1, 2021 and matures on March 1, 2036.	**235,371**	248,737
CMHC loan bearing interest at 1.43% per annum, repayable in monthly blended payments of $904. The loan is renewable on April 1, 2022 and matures on April 1, 2037.	**164,500**	172,939
CMHC loan bearing interest at 1.5% per annum, repayable in monthly blended payments of $1,094. The loan is renewable on July 1, 2022 and matures on June 1, 2034.	**199,860**	209,934
CMHC loan bearing interest at 1.97% per annum, repayable in monthly blended payments of $1,001. The loan is renewable on December 1, 2022 and matures on October 1, 2027.	**84,694**	94,948
CMHC loan bearing interest at 1.69% per annum, repayable in monthly blended payments of $745. The loan is renewable on September 1, 2024 and matures on August 1, 2039.	**147,227**	153,544
CMHC loan bearing interest at 1.08% per annum, repayable in monthly blended payments of $1,065. The loan and is renewable on August 1, 2020 and matures on August 1, 2025.	**67,272**	79,266
CMHC loan bearing interest at 1.13% per annum, repayable in monthly blended payments of $406. The loan is renewable on July 1, 2021 and matures on July 1, 2041.	**92,478**	96,289
CMHC loan bearing interest at 1.43% per annum, repayable in monthly blended payments of $422. The loan is renewable on April 1, 2022 and matures on April 1, 2042.	**96,056**	99,727
RBC loan bearing interest at 3.73% per annum, repayable in monthly blended payments of $50,211. The loan matures on June 4, 2020.	**2,365,075**	2,888,818
BMO loan bearing interest at prime plus 1.5% per annum, repayable in monthly principal payments of $25,000. The loan matures on February 1, 2021.	**660,070**	957,415
	-	
	$ 8,698,445	$ 9,904,949

The CMHC loans are covered by a ministerial guarantee.

The First Nation has provided a general security agreement and assignment of the First Nations net proceeds of the Innu Infrastructure Park Trust as security for the RBC term loan.

The First Nation has provided as assignment of fire insurance on a building and an assignment of leases for space in this building as security for the Bank of Montreal prime plus 1.5% demand loan.

(continues)

12. LONG TERM DEBT *(continued)*

Principal repayment terms are approximately:

2021	$ 1,198,700
2022	1,223,600
2023	1,006,770
2024	976,000
2025	601,775
Thereafter	3,691,600
	$ 8,698,445

13. GOVERNMENT TRANSFERS

	Operating	Capital	**2020**	2019
Indigenous Services Canada	$ 6,254,363	$ 1,073,557	**$ 7,327,920**	$ 5,278,793
Health Canada	4,818,562	9,156	**4,827,718**	4,732,652
Justice Canada	95,000	-	**95,000**	95,000
Service Canada	1,006,787	-	**1,006,787**	850,422
Canadian Housing and Mortgage Corporation	431,265	-	**431,265**	627,162
ACOA	89,312	-	**89,312**	-
Public Health agency	229,620	-	**229,620**	403,132
	12,924,909	1,082,713	**14,007,622**	11,987,161
Government of Newfoundland and Labrador	3,026,625	333,547	**3,360,172**	5,900,850
	$ 15,951,534	$ 1,416,260	**$ 17,367,794**	$ 17,888,011

14. EXPENSES BY OBJECT

	2020	2019
Salaries & Wages	**$ 12,139,862**	$ 10,795,730
Amortization	**6,202,965**	5,703,272
Travel	**2,661,847**	2,483,940
Other	**7,369,275**	6,336,899
Professional Fees	**1,598,425**	531,384
Repairs & Maintenance	**1,637,117**	1,694,190
Supplies	**558,150**	608,507
Insurance	**655,480**	541,080
Community Payouts	**10,859,583**	979,000
Telephone	**247,788**	240,653
Interest	**227,016**	300,450
	$ 44,157,508	$ 30,215,105

15. PRIOR PERIOD ADJUSTMENT

In prior years' the First Nation did not record the liability for severance pay. Prior year amount have now been restated to show the liability for severance pay. The accounts affected are noted below

	As previously stated	Restatement	Restated totals
Severance pay accrual	$ -	$ 1,358,861	$ 1,358,861
Accumulated suplus	72,977,279	(1,358,861)	71,618,418
ASETS expenses	821,161	865	822,026
Band support expenses	5,660,316	83,753	5,744,069
Community youth network expense	51,684	595	52,279
Health expense	5,045,891	40,076	5,085,967
Annual Surplus	6,873,777	(125,289)	6,748,488
	$ 91,430,108	$ -	$ 91,430,108

16. GUARANTEES

Canada Mortgage and Housing Corporation has provided forgivable loans for home renovations. These loans are guaranteed by the the individual home owners and the First Nation. These loans are forgiven over a three year period. As at March 31, 2020. these loans have unforgiven balances of $129,558.

Canada Mortgage and Housing Corporation has provided a forgivable loan for the safe house. This loan is forgiven over a fifteen year period commencing July 1, 2007 as long as the First Nation is not in default under the terms and conditions of the loan agreement and continues to operate the property as a safe house. The unforgiven balance as of March 31, 2020 is $54,444.

17. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been provided by management.

18. PENSION PLAN

Sheshatshiu Innu First Nation provides a defined contribution pension plan ("DCPP") for its eligible members. Participation in the DCPP is mandatory. Each plan year members are required to contribute 5.5% of earnings. A member may make additional voluntary contributions up to the maximum permitted under the applicable legislation. Each plan year Sheshatshiu Innu First Nation (plan sponsor) is required to contribute on behalf of each member 5.5% of a member's earnings. The amount of retirement benefit to be received by eligible members will be the amount of the retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan.

Sheshatshiu Innu First Nation contributed $345,326 to the DCPP during the fiscal period ending March 31, 2020.

Sheshatshiu Innu First Nation does not have any other obligation with regards to the DCPP as at March 31, 2020.

19. CONTINGENT LIABILITY

In the past years, the First Nation has built houses and provided them to community members. The utility bills for some of these houses remain in the name of the First Nation. No payments have been made on these accounts and as of March 31, 2020 the total balance of these accounts is $497,547.

The First Nation does not intend to pay these bills and Newfoundland Hydro has not taken action to collect these accounts. No provision for this matter has been made in these financial statements.

20. SIGNIFICANT EVENT

Late in this fiscal year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses 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 Sheshatshiu Innu First 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.

21. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	Total 2020	Total 2019
Tangible Capital Assets										
Roads	3,172,326	-	-	3,172,326	999,385	267,085	-	1,266,470	1,905,856	2,172,941
Residential buildings	45,145,155	4,642,955	-	49,788,110	18,801,180	2,373,331	-	21,174,511	28,613,599	26,343,975
Community buildings	39,012,376	4,732,323	-	43,744,699	18,515,876	2,063,177	-	20,579,053	23,165,645	20,496,500
Water and sewer system	25,946,872	1,018,839	-	26,965,711	12,412,297	1,196,992	-	13,609,289	13,356,422	13,534,575
Recreation	111,542	-	-	111,542	39,039	11,154	-	50,193	61,349	72,503
Equipment	211,803	291,972	-	503,775	111,797	84,638	-	196,435	307,340	100,006
Cemetery	-	127,350	-	127,350	-	4,245	-	4,245	123,105	-
Vehicles	935,186	278,032	-	1,213,218	514,047	202,343	-	716,390	496,828	421,139
Total	114,535,260	11,091,471	-	125,626,731	51,393,621	6,202,965	-	57,596,586	68,030,144	63,141,639

SHESHATSHIU INNU FIRST NATION
Schedule of Segement Disclosure
March 31, 2020

22. Segment Disclosure
The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

	Education			Health			Economic Development		
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019
Revenue									
Federal government	$ 1,602,857	$ 1,292,733	$ 1,309,554	$ 7,185,315	$ 5,222,143	$ 5,158,009	$ 526,518	$ 495,125	$ 212,280
Provincial government	-	-	-	187,541	228,022	139,650	50,000	-	-
Other revenue	7,500	52,905	194,029	4,783,632	951,376	294,766	151,703	129,542	36,875
Share of income in business enterprises	-	-	-	-	-	-	-	-	9,180
Total Revenue	1,610,357	1,345,638	1,503,583	12,156,488	6,401,541	5,592,425	728,221	624,667	258,335
Expenditures									
Wages and benefits	911,797	752,349	605,528	4,596,463	3,955,792	3,684,893	189,680	135,532	147,108
Amortization	-	-	-	-	564,320	461,448	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense	698,560	592,960	909,423	7,560,025	2,421,702	1,610,695	538,541	501,953	118,336
Total Expenses	1,610,357	1,345,309	1,514,951	12,156,488	6,941,814	5,757,036	728,221	637,485	265,444
Annual Surplus (deficit)	$ -	$ 329	$ (11,368)	$ -	$ (540,273)	$ (164,611)	$ -	$ (12,818)	$ (7,109)

SHESHATSHIU INNU FIRST NATION
Schedule of Segement Disclosure
March 31, 2020

22. Segment Disclosure

	Capital Budget 2020	Capital Actual 2020	Capital Actual 2019	Community Services Budget 2020	Community Services Actual 2020	Community Services Actual 2019	Governance Budget 2020	Governance Actual 2020	Governance Actual 2019
Revenue									
Federal government	$ 8,988,438	$ 2,430,966	$ 2,062,571	$ 2,719,292	$ 3,019,262	$ 1,465,200	$ 1,691,094	$ 1,547,393	$ 1,779,546
Provincial government	-	-	2,286,467	2,942,948	2,871,739	2,787,572	291,516	260,411	687,161
Other revenue	12,455,382	11,824,713	9,306,944	14,932,572	22,516,053	4,135,252	3,304,347	7,221,246	1,850,673
Share of income in business enterprises	500,000	500,000	1,192,009	1,280,000	1,287,280	1,610,653	5,000	5,000	445,201
Total Revenue	21,943,820	14,755,679	14,847,991	21,874,812	29,694,334	9,998,677	5,291,957	9,034,050	4,762,581
Expenditures									
Wages and benefits	719,603	613,057	532,351	3,271,369	3,676,150	2,905,772	3,019,273	3,006,982	2,920,078
Amortization	-	4,044,075	3,779,087	-	263,088	235,034		1,331,482	1,227,703
Interest expense	-	227,016	300,450	-	-	-		-	-
Other expense	21,224,217	3,081,237	2,454,716	18,603,443	17,120,768	6,567,659	2,272,684	1,869,045	1,754,823
Total Expenses	21,943,820	7,965,385	7,066,604	21,874,812	21,060,006	9,708,465	5,291,957	6,207,509	5,902,604
Annual Surplus (deficit)	$ 0	$ 6,790,294	$ 7,781,387	$ -	$ 8,634,328	$ 290,212	$ -	$ 2,826,541	$ (1,140,023)

SHESHATSHIU INNU FIRST NATION
Schedule of Segement Disclosure
March 31, 2020

22. Segment Disclosure

	Budget 2020	Total Actual 2020	Actual 2019
Revenue			
Federal government	$ 22,713,514	$ 14,007,622	$ 11,987,160
Provincial government	3,472,005	3,360,172	5,900,850
Other revenue	35,635,136	42,695,835	15,818,539
Share of income in business enterprises	1,785,000	1,792,280	3,257,043
Total Revenue	63,605,655	61,855,909	36,963,592
Expenditures			
Wages and benefits	12,708,185	12,139,862	10,795,730
Amortization	-	6,202,965	5,703,272
Interest expense	-	227,016	300,450
Other expense	50,897,470	25,587,665	13,415,652
Total Expenses	63,605,655	44,157,508	30,215,104
Annual Surplus (deficit)	$ 0	$ 17,698,401	$ 6,748,488