

SHESHATSHIU INNU FIRST NATION

Consolidated Financial Statements

Year Ended March 31, 2021

SHESHATSHIU INNU FIRST NATION
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Year Ended March 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Sheshatshiu Innu First Nation 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.

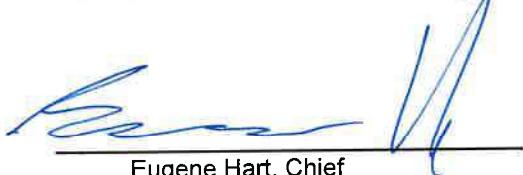
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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.

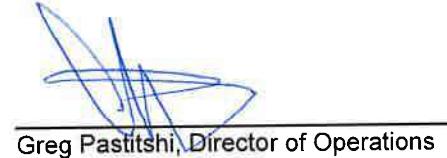
The Council meets periodically with management, as well as the external auditors, to discuss internal controls over financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated 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:



Eugene Hart, Chief



Greg Pastitshi, Director of Operations

Sheshatshiu, NL
March 01, 2022

To the Members of Sheshatshiu Innu First Nation:

Opinion

We have audited the financial statements of Sheshatshiu Innu First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and the results of its operations, changes in its 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 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 financial statements, including the disclosures, and whether the 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.

Mount Pearl, Newfoundland and Labrador

March 1, 2022

MNP LLP

Chartered Professional Accountants

MNP

SHESHATSHIU INNU FIRST NATION
Consolidated Statement of Financial Position
March 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 22,669,226	\$ 21,743,342
Cash restricted for CMHC reserves (Note 6)	757,349	757,349
Due from governments (Note 5)	4,763,323	5,166,673
Trust funds held by federal government (Note 3)	255,862	72,703
Accounts receivable (Note 4)	1,337,890	1,822,683
Investment in business enterprises (Note 7)	17,338,960	15,177,154
	47,122,610	44,739,904
LIABILITIES		
Payables and accruals (Note 8)	1,713,786	2,479,964
Due to governments (Note 11)	16,154	113,953
Due to related parties (Note 9)	458,123	632,898
Retirement obligation	1,596,145	1,533,297
Deferred revenue (Note 10)	13,525,519	10,157,231
Long term debt (Note 12)	7,492,612	8,698,444
	24,802,339	23,615,787
NET FINANCIAL ASSETS	22,320,271	21,124,117
NON-FINANCIAL ASSETS		
Prepaid expenses	246,101	162,561
Tangible capital assets (Note 21)	66,535,614	68,030,144
	66,781,715	68,192,705
ACCUMULATED SURPLUS	\$ 89,101,986	\$ 89,316,822

CONTINGENT LIABILITY (Note 19)

ON BEHALF OF COUNCIL




Councillor

Damiana Bérubé, Councillor

SHESHATSHIU INNU FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2021

	Budget 2021	Total 2021	Total 2020
REVENUES			
Sheshatshiu and Mushuau Innu First Nations Trust	\$ 9,359,753	\$ 8,246,255	\$ 35,864,229
Federal government operating transfers (Note 13)	26,863,564	13,431,967	12,924,909
Innu Nation	180,000	1,179,251	4,450,477
Federal government capital transfers (Note 13)	-	1,172,463	1,082,713
Miscellaneous revenues	6,686,860	933,307	1,018,742
Infrastructure Park	-	612,000	612,000
Rental income	456,110	693,734	541,834
Provincial government operating transfers (Note 13)	5,849,406	5,179,161	3,026,625
Interest income	-	75,998	208,553
Innu Development Limited Partnership	26,000	26,000	-
Share of income in business enterprises	2,818,885	4,980,691	1,792,280
Provincial government capital transfers (Note 13)	-	280,495	333,547
	52,240,578	36,811,322	61,855,909
EXPENSES			
ASETS	1,492,915	931,636	1,014,837
Aboriginal head start	395,094	269,059	274,145
Adult care	312,127	316,149	206,429
Arena operations	201,725	174,222	319,493
Band support	6,513,817	5,736,449	6,074,466
Capital	11,030,591	5,257,305	5,542,626
Community assistance	2,900,000	2,848,508	13,508,487
Community justice	376,997	353,009	272,301
Community youth network	51,600	33,349	53,478
Covid crisis expenses	6,093,572	4,700,883	652,772
Economic development	237,330	208,617	637,485
Education	53,531	10,028	56,326
Health	8,240,163	6,472,581	5,684,028
Housing	3,078,661	1,625,003	2,422,760
Outpost program	1,143,884	227,594	643,520
Public works	1,463,587	1,123,890	1,036,603
Recreation	399,383	888,523	889,284
Safe house	404,000	425,160	429,273
Sewage treatment	583,425	166,383	214,532
Shelter	1,189,921	436,218	379,722
Shushepeshipan Ishpitentamun Mitshuap Inc.	5,289,034	4,467,143	3,446,353
Social workers	789,221	354,449	398,585
	52,240,578	37,026,158	44,157,505
ANNUAL SURPLUS (DEFICIT)			
	-	(214,836)	17,698,404
ACCUMULATED SURPLUS - BEGINNING OF YEAR	89,316,822	89,316,822	71,618,418
ACCUMULATED SURPLUS - END OF YEAR	\$ 89,316,822	\$ 89,101,986	\$ 89,316,822

SHESHATSHIU INNU FIRST NATION
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2021

	Budget 2021	2021	2020
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (214,836)	\$ 17,698,404
Decrease (increase) in prepaid expenses	-	(83,538)	(18,899)
Amortization of tangible capital assets	-	5,828,454	6,202,965
Purchase of tangible capital assets	-	(4,333,926)	(11,091,469)
	-	1,410,990	(4,907,403)
INCREASE IN NET FINANCIAL ASSETS	-	1,196,154	12,791,001
NET FINANCIAL ASSETS - BEGINNING OF YEAR	21,124,117	21,124,117	8,333,116
NET FINANCIAL ASSETS - END OF YEAR	\$ 21,124,117	\$ 22,320,271	\$ 21,124,117

SHESHATSHIU INNU FIRST NATION
Consolidated Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (214,836)	\$ 17,698,404
Items not affecting cash:		
Amortization of property, plant and equipment	5,828,454	6,202,965
Share of income in earnings of business enterprises	(4,980,691)	(1,792,280)
	632,927	22,109,089
Changes in non-cash working capital:		
Accounts receivable	484,793	6,215
Due from governments	403,350	(2,098,993)
Payables and accruals	(766,181)	807,153
Prepaid expenses	(83,547)	(18,899)
Retirement obligation	62,848	174,436
Deferred revenue	3,368,288	4,643,255
Due to governments	(97,799)	(19,393)
	3,371,752	3,493,774
Cash flow from operating activities	4,004,679	25,602,863
INVESTING ACTIVITIES		
Distribution of earnings from business enterprises	2,818,890	1,745,103
Trust funds held by federal government	(183,159)	199,342
Cash flow from investing activities	2,635,731	1,944,445
FINANCING ACTIVITIES		
Advances from related parties	(174,768)	460,201
Proceeds from long term financing	-	1,593,872
Repayment of long term debt	(1,205,832)	(2,800,376)
Cash flow used by financing activities	(1,380,600)	(746,303)
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(4,333,926)	(11,091,469)
INCREASE IN CASH FLOW	925,884	15,709,536
Cash - beginning of year	22,500,691	6,791,155
CASH - END OF YEAR	\$ 23,426,575	\$ 22,500,691
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 22,669,226	\$ 21,743,342
Cash restricted for CMHC reserves	757,349	757,349
	\$ 23,426,575	\$ 22,500,691

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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 controlled by the First Nation and are either owned or controlled by the First Nation.

Impact on operations of COVID-19 (coronavirus)

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have 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.

The First Nation's operations were impacted by COVID-19 due to closure of the First Nation's operations.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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.

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SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The First Nation does not share in the control of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the First Nation.

The Innu Nation represents the Innu of Labrador in comprehensive land rights negotiations and the negotiation of resource agreements in Labrador. The leadership of this entity is elected by the general elections and as such are not controlled by this First Nation.

Manu Tshishkutamashutau Innu Education Inc. provides primary and secondary education to the Innu students in Natuashish and Sheshatshiu. This First Nation appoints half the trustees for this organization but the organization operates totally independent of the First Nation.

Innu Round Table Secretariat is the implementation arm of the Round Table and is mainly involved with the devolution of programs to the Innu of Labrador. This First Nation appoints a third of the directors of this organization but the organization operates totally independent of the First Nation.

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
Residential buildings	20 years	straight-line method
Community buildings	20 years	straight-line method
Water and Sewer system	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
Gas station	20 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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SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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, except 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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SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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 First 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. 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

	2021	2020
Opening balance	\$ 72,703	\$ 272,045
Additions	183,159	166,194
Withdrawals	-	(365,536)
	\$ 255,862	\$ 72,703

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 funds are transferred to the trust.

4. ACCOUNTS RECEIVABLE

	2021	2020
Due from non-members	\$ 1,337,890	\$ 1,821,591
Due from members	20,106	22,669
	1,357,996	1,844,260
Allowance for doubtful accounts	(20,106)	(21,577)
	\$ 1,337,890	\$ 1,822,683

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

5. DUE FROM GOVERNMENTS

	2021	2020
Canada Revenue Agency - HST	\$ 772,441	\$ 764,881
Indigenous Services Canada	3,095,378	3,359,622
Service Canada	130,174	85,170
Government of Newfoundland and Labrador	451,595	536,655
Health Canada	207,231	331,099
Public Health Agency	-	24,200
Atlantic Canada Opportunities Agency	106,504	65,046
	\$ 4,763,323	\$ 5,166,673

6. CMHC RESERVE

	2021	2020
Balance, beginning of year	\$ 644,953	\$ 637,785
Additions to reserve	108,450	108,377
Reserve funds used	(37,787)	(101,209)
	\$ 715,616	\$ 644,953

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 (2020 - 757,349)

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

7. 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:

	2021	2020
Cash	\$ 3,587,686	\$ 3,501,896
Accounts Receivable	85,385	83,231
Due from Related Parties	7,221,891	7,475,841
Prepays	5,338	5,172
Tangible Capital Assets	96,823	104,666
Long Term Investments	23,663,687	18,451,103
Intangible Assets	562,000	562,000
Total Assets	35,222,810	30,183,909
Accounts Payable	167,787	87,699
Equity	35,055,023	30,096,210
Total Liabilities and Equity	35,222,810	30,183,909
Revenue	12,716,687	7,343,405
Expenses	(2,925,574)	(3,583,374)
Net Income	9,791,113	3,760,031

8. PAYABLES AND ACCRUALS

	2021	2020
Trade payables and accrued liabilities	\$ 1,224,422	\$ 2,149,618
Accrued salaries and benefits payable	489,364	330,346
 	\$ 1,713,786	\$ 2,479,964

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

9. DUE TO RELATED PARTIES

	2021	2020
Due to Innu Development Limited Partnership	\$ 464,477	\$ 464,477
Due from Labrador Innu Round Table Secretariat Inc.	6,819	182,888
Due from Mamu Tshishkutamashutau / Innu Education	(13,173)	(14,467)
Due from Sheshatshiu Tourism Inc.	(282,892)	(282,892)
Allowance for Doubtful Accounts for Related Party	282,892	282,892
	\$ 458,123	\$ 632,898

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

The Sheshatshiu Innu First Nation holds 100% of the shares in Sheshatshiu Innu Tourism Inc.

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 has significant influence over Labrador Round Table Secretariat as it appoints a significant number of its board members.

The Sheshatshiu Innu First Nation has significant influence over Mamu Tshishkutamamashutau / Innu Education as it appoints a significant number of board members.

Expenses include \$60,659 (2020 - \$117,623) paid or payable to a related party.

Revenue includes \$1,783,033 (2020 - \$2,076,190) 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.

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

10. DEFERRED REVENUE

	Opening	Used	Current year	2021	2020
Indigenous Services Canada	\$ 3,938,902	\$ 1,541,456	\$ 5,662,250	\$ 8,059,696	\$ 3,938,902
Government of Newfoundland and Labrador	45,769	45,769	140,134	140,134	45,769
Public Health Agency	27,384	27,384	94,849	94,849	27,384
Atlantic Canada Opportunities Agency	7,721	7,721	72,206	72,206	7,721
Service Canada	326,907	139,215	460,977	648,669	326,907
Sheshatshiu and Mushuau Innu First Nation Trust	4,016,473	3,025,760	40,960	1,031,673	4,016,473
Health Canada	1,794,075	1,528,876	3,213,093	3,478,292	1,794,075
	\$ 10,157,231	\$ 6,316,181	\$ 9,684,469	\$ 13,525,519	\$ 10,157,231

11. DUE TO GOVERNMENTS

	2021	2020
Health Canada	\$ 15,994	\$ 15,994
Canada Revenue Agency - Employee Deductions Payable	160	97,959
	\$ 16,154	\$ 113,953

12. LONG TERM DEBT

	2021	2020
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.	\$ 729,808	\$ 787,254
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.	94,272	104,865
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.	436,801	471,183

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SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

12. LONG TERM DEBT (continued)	2021	2020
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.	199,133	217,289
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.	329,205	355,118
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.	118,259	129,042
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.	248,936	271,634
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.	88,628	104,072
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.	179,320	191,307
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.	266,169	283,961
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.	417,107	444,412
CMHC loan bearing interest at 1.69% per annum, repayable in monthly blended payments of \$1,670. The loan is renewable on September 1, 2024 and matures on September 1, 2034.	242,111	257,961
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.	67,960	71,050
CMHC loan bearing interest at 0.96% per annum, repayable in monthly blended payments of \$2,096. The loan is renewable on March 1, 2026 and matures on September 1, 2035.	340,811	363,010
CMHC loan bearing interest at 0.96% per annum, repayable in monthly blended payments of \$961. The loan is renewable on March 1, 2026 and matures on September 1, 2035.	156,268	166,447
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.	63,208	66,621
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.	125,028	131,779

(continues)

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

12. LONG TERM DEBT (*continued*)

	2021	2020
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.	159,373	168,837
CMHC loan bearing interest at 0.27% per annum, repayable in monthly blended payments of \$1,257. The loan is renewable on April 1, 2021 and matures on March 1, 2036.	221,845	235,371
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.	155,930	164,500
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.	189,622	199,860
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.	74,230	84,694
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.	140,757	147,227
CMHC loan bearing interest at 0.67% 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.	55,041	67,272
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.	88,620	92,478
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.	92,326	96,056
RBC loan bearing interest at 3.16% per annum, repayable in monthly blended payments of \$50,211. The loan matures on June 4, 2022.	1,853,219	2,365,075
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, 2022.	358,625	660,069
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	\$ 7,492,612	\$ 8,698,444

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)

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

12. LONG TERM DEBT (*continued*)

Principal repayment terms are approximately:

2022	\$ 1,223,600
2023	1,005,324
2024	976,000
2025	603,518
2026	408,141
Thereafter	<u>3,276,029</u>
	<u><u>\$ 7,492,612</u></u>

13. GOVERNMENT TRANSFERS

	Operating	Capital	2021	2020
Indigenous Services Canada	\$ 6,530,352	\$ 990,096	\$ 7,520,448	\$ 7,327,920
Health Canada	5,219,952	134,990	5,354,942	4,827,718
Justice Canada	101,260	-	101,260	95,000
Service Canada	921,861	-	921,861	1,006,787
Canadian Housing and Mortgage Corporation	374,722	47,377	422,099	431,265
Atlantic Canada Opportunities Agency	35,515	-	35,515	89,312
Public Health Agency	248,305	-	248,305	229,620
	13,431,967	1,172,463	14,604,430	14,007,622
Government of Newfoundland and Labrador	5,179,161	280,495	5,459,656	3,026,625
	\$ 18,611,128	\$ 1,452,958	\$ 20,064,086	\$ 17,034,247

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

14. EXPENSES BY OBJECT

	2021	2020
Salaries & Wages	\$ 16,044,189	\$ 12,139,862
Other	9,040,540	7,369,272
Amortization	5,828,454	6,202,965
Travel	1,468,803	2,661,847
Professional fees	1,036,087	1,598,425
Repairs & maintenance	1,021,312	1,637,117
Community payouts	1,017,500	10,859,583
Supplies	612,670	558,150
Insurance	490,036	655,480
Telephone	294,872	247,788
Interest	171,695	227,016
	\$ 37,026,158	\$ 44,157,505

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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, 2021, these loans have unforgiven balances of \$136,747.

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, 2021 is \$31,111.

17. BUDGETED FIGURES

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

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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, 2021.

Sheshatshiu Innu First Nation does not have any other obligation with regards to the DCPP as at March 31, 2021.

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, 2021 the total balance of these accounts is \$559,710.

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. SUBSEQUENT EVENTS

Subsequent to year end the First Nation borrowed \$3,000,000 from the Royal Bank to finance the continued construction of a gas station in the community.

SHESHATSHIU INNU FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

21. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value			
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	Total 2021	Total 2020
Tangible Capital Assets										
Roads	3,172,326	-	-	3,172,326	1,266,470	267,085	-	1,533,555	1,638,771	1,905,856
Residential buildings	49,788,110	805,803	-	50,593,913	21,174,511	2,296,358	-	23,470,869	27,123,044	28,613,599
Community buildings	43,744,699	1,201,288	-	44,945,987	20,579,053	1,706,356	-	22,285,409	22,660,577	23,165,646
Water and sewer system	26,965,711	108,075	-	27,073,786	13,609,289	1,199,154	-	14,808,443	12,265,343	13,356,422
Recreation	111,542	-	-	111,542	50,193	11,154	-	61,347	50,195	61,349
Equipment	503,775	600,504	-	1,104,279	196,435	180,427	-	376,862	727,417	307,340
Cemetery	127,350	13,200	-	140,550	4,245	4,465	-	8,710	131,840	123,105
Vehicles	1,213,217	588,033	-	1,801,250	716,390	163,455	-	879,845	921,405	496,827
	125,626,730	3,316,903	-	128,943,633	57,596,586	5,828,454	-	63,425,040	65,518,592	68,030,144
Assets under construction										
Gas Station (Note 20)	-	1,017,023	-	1,017,023	-	-	-	-	1,017,022	-
	125,626,730	4,333,926	-	129,960,656	57,596,586	5,828,454	-	63,425,040	66,535,614	68,030,144

See notes to financial statements