

**Nekaneet First Nation
Consolidated Financial Statements
March 31, 2019**

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Nekaneet First Nation
Management's Responsibility for Financial Reporting
March 31, 2019

To the Members of Nekaneet First Nation:

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

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

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

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the consolidated financial statements. Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Chalupiak & Associates CPA Professional Corporation, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

On behalf of Nekaneet First Nation:

signature on file
Nekaneet First Nation

November 21, 2019
Date



Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants
3261 Saskatchewan Drive
Regina, Saskatchewan S4T 6S4
Phone: 306-359-3711 Fax: 306-569-3030

Independent Auditors' Report

To the Members of
Nekaneet First Nation

Opinion

We have audited the consolidated financial statements of Nekaneet First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, change 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, 2019, and the results of its consolidated operations, its changes in its consolidated 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 *Auditors' 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

Canadian public sector accounting standards require the disclosure and ratification of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue, expenses and surplus have been partially reported in these financial statements. This has no effect no effect on reporting actual revenue, expenses and surplus.

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.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 Group 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.
- ◆ 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.

Regina, Saskatchewan
November 21, 2019

Chalupiak & Associates
Chartered Professional Accountants

Nekaneet First Nation
Consolidated Statement of Financial Position
March 31, 2019

	2019	2018
Financial Assets		
Cash (Note 3)	\$ 153,361	\$ 186,041
Restricted cash - capital projects (Note 3)	68,607	8,192
Restricted cash - CMHC reserves (Note 3)	112,925	185,096
Trust funds held by federal government (Note 4)	51,403	203,607
Accounts receivable (Notes 5 and 6)	513,782	416,375
Due from New Horizon First Nations Administration (Note 7)	200,160	239,094
Portfolio investment (Note 8)	60,000	60,000
	<hr/> 1,160,238	<hr/> 1,298,405
Liabilities		
Accounts payable (Notes 9 and 10)	601,074	525,356
Deferred revenue - unexpended funds - ISC (Note 11)	31,954	300,500
Deferred revenue - unexpended funds - Health Canada (Note 12)	31,269	91,382
Deferred revenue (Note 13)	237,100	40,914
Current portion of long-term debt (Note 14)	388,889	406,549
Current portion of CMHC mortgages (Note 15)	75,755	58,812
Long-term debt (Note 14)	3,324,950	3,955,933
CMHC mortgages (Note 15)	714,431	418,069
Reserve for losses in related business entity (Note 16)	1,299,816	1,299,816
	<hr/> 6,705,238	<hr/> 7,097,331
Net debt	<hr/> (5,545,000)	<hr/> (5,798,926)
Non-financial Assets		
Capital assets (Note 17)	7,976,494	8,410,371
Prepaid expenses (Note 18)	1,493	1,134
	<hr/> 7,977,987	<hr/> 8,411,505
Accumulated Surplus (Note 19)	<hr/> \$ 2,432,987	<hr/> \$ 2,612,579

Approved on behalf of the Nekaneet First Nation:

signature on file

signature on file

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - grant	\$ 232,032	\$ 232,032	\$ 232,267
Indigenous Services Canada - fixed	858,855	858,855	830,948
Indigenous Services Canada - set	27,608	32,607	34,506
Indigenous Services Canada - flexible	404,111	404,111	631,970
ISC - prior period revenue (recovery)	-	(18,500)	-
ISC - current year receivable (payable)	-	(6,194)	(3,894)
Health Canada	309,760	309,760	253,313
Health Canada - prior period revenue (recovery)	-	-	(61,366)
CMHC - subsidy	-	69,025	53,468
CMHC - RRAP	-	26,470	23,999
CMHC - HIIFNHY	-	7,290	-
CMHC - other	-	69,685	29,800
Funds held in trust by Federal Government	-	82,090	170,915
FHQ Tribal Council	-	349,936	223,007
FHQ Developments Ltd	-	-	15,000
First Nation GST	-	444,792	379,199
First Nations Trust	-	167,592	165,416
Specific Claims Settlement Trust	-	332,927	348,117
Keseechiwan Holdings - monetary benefit agreement	-	55,377	-
Living Sky Community Development Corporation	-	23,727	-
Government of Saskatchewan - Tax Rebate	-	74,614	65,780
Rental Income	-	25,045	60,098
Interest revenue	-	1,894	1,884
Other revenue	-	379,705	51,076
Administration fees	-	83,491	80,842
Unexpended funds transferred - prior year	-	298,614	103,003
Deferred revenue - prior	-	40,914	244,631
Deferred revenue - current	-	(237,100)	(40,914)
Unexpended funds - prior period adjustment (Note 22)	-	99,676	-
Write down of old payables	-	76,813	-
	1,832,366	4,285,248	3,893,065
Expenses			
Community Development (Schedule 1)	-	834,619	552,084
Economic Development (Schedule 2)	-	59,258	42,400
Education (Schedule 3)	-	584,219	555,128
Indian Government Support (Schedule 4)	-	537,769	540,623
Social Development (Schedule 5)	-	237,417	315,523
Indian Registration (Schedule 6)	-	5,305	5,000
Governance and Institutions of Government (Schedule 7)	-	132,227	-
Health Services (Schedule 8)	-	333,324	253,736
CMHC Operations (Schedule 9)	-	155,547	119,735
Band Programs (Schedule 10)	-	1,043,929	776,398
Amortization (Schedule 11)	-	478,004	481,324
	-	4,401,618	3,641,951

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Current surplus (deficit) before unexpended funds	1,832,366	(116,370)	251,114
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	(63,223)	(391,882)
Current surplus (deficit)	\$ 1,832,366	\$ (179,593)	\$ (140,768)

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2019

	2019	2018
Surplus at beginning of year	\$ 2,612,579	\$ 2,753,347
Current deficit	(179,593)	(140,768)
Surplus at end of year	\$ 2,432,986	\$ 2,612,579

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<u>Current surplus (deficit)</u>	\$ 1,832,366	\$ (179,593)	\$ (140,768)
Acquisition of tangible capital assets	-	(44,126)	(89,223)
Amortization of tangible capital assets	-	478,004	481,324
	-	433,878	392,101
Acquisition of prepaid asset	-	(1,493)	(1,134)
Use of prepaid asset	-	1,134	17,906
	-	(359)	16,772
Increase in net financial assets	1,832,366	253,926	268,105
Net debt at beginning of year	(5,798,926)	(5,798,926)	(6,067,031)
<u>Net debt at end of year</u>	\$ (3,966,560)	\$ (5,545,000)	\$ (5,798,926)

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019	2018
Cash flows from		
Operating activities		
Current surplus (deficit)	\$ (179,593)	\$ (140,768)
Items not affecting cash		
Amortization	478,004	481,324
	298,411	340,556
Change in non-cash operating working capital		
Accounts receivable	(97,407)	471,340
Prepaid expenses	(359)	16,772
Accounts payable	75,716	(100,853)
Deferred revenue - unexpended funds - ISC	(268,546)	272,252
Deferred revenue - unexpended funds - Health Canada	(60,113)	16,627
Deferred revenue	196,186	(203,717)
Trust funds held by federal government	152,204	144,622
	296,092	957,599
Capital activities		
Capital asset purchases	(44,126)	(89,224)
Financing activities		
Due from New Horizon First Nations Administration	38,934	34,529
Long term debt - proceeds	-	57,467
Long term debt - repaid	(648,642)	(482,681)
CMHC mortgage - proceeds	379,881	-
CMHC mortgages - repaid	(66,576)	(94,103)
	(296,403)	(484,788)
Investing activities		
Loss (gain) on investments	-	22,562
Restricted cash - CMHC reserves	72,172	(100,653)
	72,172	(78,091)
Increase in cash and cash equivalents	27,735	305,496
Cash and cash equivalents, beginning of year	194,233	(111,263)
Cash and cash equivalents, end of year	\$ 221,968	\$ 194,233
Represented by		
Cash	\$ 153,361	\$ 186,041
Restricted cash - capital projects	68,607	8,192
	\$ 221,968	\$ 194,233

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

1. General

Nekaneet First Nation is a First Nation subject to the provisions of the Indian Act. These financial statements include Nekaneet First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board.

(a) Reporting entity

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

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Nekaneet First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Nekaneet First Nation.

Organizations accounted for on a modified equity basis include:
New Horizon First Nations Administration Inc.

(c) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

(d) Net debt or net financial assets

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

(e) Cash and cash equivalents

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

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

2. Basis of presentation and significant accounting policies, continued

(f) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2019.

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

(g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Nekaneet First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over the estimated useful life of each asset beginning in the year the asset is put into service.

Buildings	25 years Straight line
Automotive equipment	4 years Straight line
Computer equipment	3 years Straight line
Furniture and equipment	5 years Straight line
Infrastructure	40 years Straight line
CMHC houses	40 years Straight line
Band Housing	25 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Nekaneet First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts are not recognized as tangible capital assets in these statements. Assets under construction are not amortized until the asset is available to be put into service.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

2. Basis of presentation and significant accounting policies, continued

(h) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

(i) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(j) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(k) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

(l) Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

(m) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(n) Comparative figures

Prior years' comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Nekaneet First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2019	2018
Unrestricted cash (Bank indebtedness)		
Operations	\$ 153,361	\$ 186,041
Restricted cash - capital projects		
Lagoon project	68,607	8,192
Restricted cash - CMHC reserves		
Replacement reserve	32,925	105,096
Replacement reserve term deposits	80,000	80,000
	112,925	185,096
Restricted cash - trust funds held by federal government		
Capital	38,564	38,564
Revenue	12,839	165,043
	51,403	203,607
	\$ 386,296	\$ 582,936

The First Nation has a line of credit with Peace Hills Trust (PHT) of \$50,000 bearing interest at prime plus 2%, any amounts in excess of \$50,000 bear interest at 24%; on March 31, 2019 PHT accounts were overdrawn \$nil (2018 - \$nil) and there were outstanding cheques issued in excess of deposits totaling \$nil (2018 - \$nil).

The First Nation does not have any approved overdraft protection with the Bank of Montreal (BMO), any amounts overdrawn bear interest at 21%; on March 31, 2019 BMO accounts were overdrawn \$nil (2018 - \$nil) and there were outstanding cheques issued in excess of deposits totaling \$nil (2018 - \$nil).

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

4. Trust funds held by federal government

	2019 Revenue	2019 Capital	2019 Total	2018 Total
Surplus, beginning of year	\$ 165,043	\$ 38,564	\$ 203,607	\$ 348,405
Withdrawals	(193,300)	-	(193,300)	(280,080)
Lease revenue	37,470	-	37,470	128,427
Interest earnings	3,626	-	3,626	6,855
Surplus, end of year	\$ 12,839	\$ 38,564	\$ 51,403	\$ 203,607

5. Accounts receivable

	2019	2018
Due from members		
Advances	\$ 69,508	\$ 64,586
Due from others		
File Hills Qu'Appelle Tribal Council	30,532	41,487
New Horizon First Nation Administration - funds held in trust	344,759	303,765
Bank of Montreal - dormant account	7,849	7,849
GST	10,385	12,285
Other	76,354	5,917
	469,879	371,303
Due from government and other government organizations		
Indigenous Services Canada (ISC)	3,015	71
CMHC - subsidy	7,076	4,463
CMHC - other	-	15,560
First Nation GST	33,331	29,419
	43,422	49,513
Allowance for doubtful accounts	582,809 (69,027)	485,402 (69,027)
	\$ 513,782	\$ 416,375

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

6. ISC - accounts receivable

	2019	2018
BEB	\$ 3,015	\$ -
Institutional Care	- <hr/>	71
	<hr/> \$ 3,015	<hr/> \$ 71

7. Due from New Horizon First Nations Administration Inc.

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties. Amounts payable and receivable bear no interest and have no fixed terms of repayment.

8. Portfolio investments

	2019	2018
Keseechiwan Holdings LP (8.3% interest)	\$ 60,000	\$ 60,000

9. Accounts payable

	2019	2018
Due to members		
Accrued payroll	\$ 20,317	\$ 28,398
Due to others		
Trade payables	530,172	429,211
Group insurance	1,367	-
	<hr/> 531,539	<hr/> 429,211
Due to government and other government organizations		
Indigenous Services Canada (ISC)	9,209	3,965
Health Canada	35,797	61,366
CRA payroll deductions	4,212	2,416
	<hr/> 49,218	<hr/> 67,747
	<hr/> \$ 601,074	<hr/> \$ 525,356

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

10. ISC - accounts payable

	2019	2018
Band Employee Benefits - Statutory	\$ -	\$ 3,965
Institutional Care	9,209	-
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	\$ 9,209	\$ 3,965

11. Deferred revenue - unexpended funds - ISC

Indigenous Services Canada (ISC) funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds - ISC" on the financial statements.

	2019	2018
Recycle Waste Project	\$ -	\$ 9,734
Skills Link	-	9,398
Immediate Needs - renos & additions	-	246,534
P & ID	-	18,500
Home Care	2,744	5,889
Student transportation	1,778	1,726
Special Needs	1,057	8,719
Basic Needs	26,375	-
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	\$ 31,954	\$ 300,500

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

12. Deferred revenue - unexpended funds - Health Canada

FNIHB funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to FNIHB, deferred to the following year, or transferred to another FNIHB program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds - Health Canada" on the financial statements.

	2019	2018
Brighter Futures	\$ -	\$ 14,792
Solvent Abuse	4,743	10,260
Prenatal Nutrition	4,622	7,854
Support Services	-	3,394
NNADAP	6,331	33,584
Health Management	12,707	15,879
Research and engagement	-	4,096
Fetal Alcohol Spectrum Disorder	1,812	1,523
Mental Health	1,054	-
	<hr/>	<hr/>
	\$ 31,269	\$ 91,382
	<hr/>	<hr/>

13. Deferred revenue

	March 31, 2018	Funding received, 2019	Revenue recognized, 2019	March 31, 2019
Federal government				
Water Treatment Plant	\$ 3,921	\$ 100,000	\$ (39,585)	\$ 64,336
	<hr/>	<hr/>	<hr/>	<hr/>
Other				
Specific Claims settlement trust	36,993	332,965	(244,067)	125,891
FHQ - Daycare	-	106,982	(88,818)	18,164
FHQ - Aboriginal Head Start	-	151,911	(123,202)	28,709
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 40,914	\$ 691,858	\$ (495,672)	\$ 237,100
	<hr/>	<hr/>	<hr/>	<hr/>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

14. Long-term debt

	2019	2018
Peace Hills Trust #28 Consolidate loans #25, 26 and 27 bearing interest at 7.00% per annum, repayable in monthly blended payments of \$20,000 and quarterly principle payments of \$27,016, due on demand. The loan is secured by GSA, ISC, FNT & FNGST. The loan matures on October 1, 2019.	\$ 1,615,007	\$ 1,841,806
Peace Hills Trust #29 - Vehicle purchases Term loan bearing interest at 7.00% per annum, repayable in monthly blended payments of \$1,200, and one principle payment of \$30,000 in June 2018. The loan is secured by GSA, ISC, FNT & FNGST. The loan matures on April 1, 2022.	8,037	50,000
BMO - Construction of 14 new housing units Demand loan non-revolving bearing interest at prime plus 2.00%, repayable in monthly interest payments and annual principle payments of \$137,500 amortized over 20 years. Final payment due March 30, 2036.	2,090,795	2,470,676
<u>Current portion</u>	<u>3,713,839</u>	<u>4,362,482</u>
	388,889	406,549
	<u><u>\$ 3,324,950</u></u>	<u><u>\$ 3,955,933</u></u>

Principal portion of long-term debt due within the next five years:

2020	\$ 388,889
2021	398,444
2022	417,307
2023	437,535
<u>2024 and thereafter</u>	<u>2,071,664</u>
	<u><u>\$ 3,713,839</u></u>

	2019	2018
<u>Interest expense for the year on long-term debt</u>	<u>\$ 251,794</u>	<u>\$ 282,433</u>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

15. CMHC mortgages

	Phase number	Maturity date	Interest rate	Monthly payment	2019	2018
Scotia	6	01-Jan-22	4.79%	\$ 665	\$ 21,252	\$ 27,499
Scotia	8	01-May-18	3.49%	647	-	2,958
Scotia	9	01-Jan-20	4.79%	676	6,095	13,095
CMHC	10	01-Sep-20	0.94%	1,107	76,399	88,899
CMHC	11	01-Jun-23	2.50%	1,390	123,156	136,721
CMHC	12	01-Oct-20	1.04%	1,477	192,065	207,709
CMHC	13	01-Oct-23	2.68%	2,563	371,219	-
					790,186	476,881
<u>Less current portion</u>					75,755	58,812
<u>Total</u>				\$ 714,431	\$ 418,069	

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

16. Reserve for losses in related business entity

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	2019	2018
<u>New Horizon First Nation Administration Inc.</u>	<u>\$ (1,299,816)</u>	<u>\$ (1,299,816)</u>
	December 31, 2018	December 31, 2017
Cash	\$ 10,435	\$ -
Accounts receivable	10,194	9,838
Fixed assets	206,888	199,313
<u>Total assets</u>	<u>\$ 227,517</u>	<u>\$ 209,151</u>
Bank indebtedness	\$ -	\$ 3,459
Accounts payable	64,921	75,704
Tenant deposits	12,594	12,594
Due to Ottawa Trust Fund	344,759	303,765
Due to related party	207,095	260,379
Long-term debt	897,964	853,066
<u>Total liabilities</u>	<u>1,527,333</u>	<u>1,508,967</u>
Contributed surplus	260,596	260,596
Deficit	(1,560,412)	(1,560,412)
<u>Total equity</u>	<u>(1,299,816)</u>	<u>(1,299,816)</u>
<u>Total liabilities and equity</u>	<u>\$ 227,517</u>	<u>\$ 209,151</u>
	December 31, 2018	December 31, 2017
Revenue	\$ 245,635	\$ 213,109
Expenses	204,641	200,214
Debt servicing	40,994	35,457
<u>Total expenses</u>	<u>245,635</u>	<u>235,671</u>
<u>Net income (loss)</u>	<u>\$ -</u>	<u>\$ (22,562)</u>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

17. Tangible capital assets

	Cost	Additions	Accumulated amortization	Net book value	2019
Land	\$ 1,377,971	\$ -	\$ -	\$ 1,377,971	
Buildings	6,544,719	-	4,987,509	1,557,210	
Automotive equipment	403,639	41,491	378,907	66,223	
Computer equipment	4,012	-	2,674	1,338	
Furniture and equipment	516,080	2,636	506,888	11,828	
Infrastructure	2,051,727	-	315,398	1,736,329	
CMHC houses	2,379,378	-	1,764,630	614,748	
Band Housing	2,837,877	-	227,030	2,610,847	
	<hr/> <u>\$ 16,115,403</u>	<hr/> <u>\$ 44,127</u>	<hr/> <u>\$ 8,183,036</u>	<hr/> <u>\$ 7,976,494</u>	<hr/>
	Cost	Additions	Accumulated amortization	Net book value	2018
Land	\$ 1,377,971	\$ -	\$ -	\$ 1,377,971	
Buildings	6,544,719	-	4,765,051	1,779,668	
Automotive equipment	333,427	70,212	330,481	73,158	
Computer equipment	-	4,012	1,337	2,675	
Furniture and equipment	501,080	15,000	484,141	31,939	
Infrastructure	2,051,727	-	263,958	1,787,769	
CMHC houses	2,379,378	-	1,746,549	632,829	
Band Housing	2,837,877	-	113,515	2,724,362	
	<hr/> <u>\$ 16,026,179</u>	<hr/> <u>\$ 89,224</u>	<hr/> <u>\$ 7,705,032</u>	<hr/> <u>\$ 8,410,371</u>	<hr/>

18. Prepaid expenses

	2019	2018
Insurance	<hr/> <u>\$ 1,493</u>	<hr/> <u>\$ 1,134</u>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

19. Accumulated surplus

	2019	2018
Restricted		
Invested in tangible capital assets	\$ 4,987,825	\$ 5,351,188
Funds held in trust by federal government	51,403	203,607
CMHC reserves	460,042	449,956
Equity in related entity	(955,084)	(996,051)
	<hr/>	<hr/>
	4,544,186	5,008,700
Unrestricted		
Operating deficit	(2,111,199)	(2,396,121)
	<hr/>	<hr/>
	\$ 2,432,987	\$ 2,612,579
	<hr/>	<hr/>

20. Indigenous Services Canada (ISC) reconciliation

	2019	2018
Total per ISC confirmation	\$ 1,527,605	\$ 1,729,691
Receivable (payable) previous year		
P&ID - Leadership & Fin Mgt Capacity Dev	(18,500)	-
Current year receivable (payable)		
Band Employee Benefits	3,015	(3,965)
Institutional Care	(9,209)	71
	<hr/>	<hr/>
	\$ 1,502,911	\$ 1,725,797
	<hr/>	<hr/>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

21. Government Transfers

	2019		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 1,253,730	\$ 249,181	\$ 1,502,911
Health Canada	309,760	-	309,760
Canada Mortgage and Housing Corporation	146,000	26,470	172,470
First Nation GST	444,792	-	444,792
Total	2,154,282	275,651	2,429,933
Provincial government transfers	74,614	-	74,614
	\$ 2,228,896	\$ 275,651	\$ 2,504,547
	2018		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 1,348,516	\$ 377,281	\$ 1,725,797
Health Canada	191,947	-	191,947
Canada Mortgage and Housing Corporation	83,268	23,999	107,267
First Nation GST	379,199	-	379,199
Total	2,002,930	401,280	2,404,210
Provincial government transfers	65,780	-	65,780
	\$ 2,068,710	\$ 401,280	\$ 2,469,990

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

22. Unexpended funds - prior period

Funding agreements with Indigenous Services Canada and Health Canada stipulate that unexpended funds in some programs can be carried forward and spent in the next fiscal year. In some instances First Nations and / or funding agencies may revise the amount of unexpended funds when expenses are resubmitted in a program or when the funding agency completes a review of the program. When there is a variance from the prior year audited schedules any necessary adjustments are recorded in the current year as either "Unexpended funds - unrecorded prior period" or as "Unexpended funds - prior period adjustment".

	2019	2018
Unexpended funds - unrecorded prior period		
Basic Needs	\$ 6,408	\$ -
Unexpended funds - prior period adjustment		
Special Needs	(6,159)	-
Home Care	(2,135)	-
Brighter Futures	(14,792)	-
Solvent Abuse	(10,260)	-
Pre Natal	(7,854)	-
NNADAP	(33,584)	-
FASD	(1,523)	-
Health Research & Engagement	(4,096)	-
Health Planning & Management	(15,879)	-
	<hr/> \$ (89,874)	<hr/> \$ -

23. CMHC housing restricted funds

It is a requirement of the CMHC operating agreements that subsidy surplus, operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2019 the reserve accounts were under-funded by \$347,117 (2018 - \$264,860). The amount required to be set aside was \$460,042 (2018 - \$449,956) and the amount in the reserve bank account was \$112,925 (2018 - \$185,096). (The reserve amount of \$460,042 is not reported separately on these financial statements, but is included in equity).

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

24. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

Nekaneet First Nation does not provide extended health, dental and life insurance benefits to retirees and their surviving spouses and therefore has no obligations with regards to post employment benefits.

Pension plan

Nekaneet First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and Nekaneet First Nation contributes a matching portion. Nekaneet First Nation does not have any other obligations with regards to the pension plan as at March 31, 2019.

25. Contractual Obligations

The nature of Nekaneet First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. There are no significant contractual obligations.

26. Contingent liabilities

Nekaneet First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Nekaneet First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Nekaneet First Nation's financial statements.

The First Nation is contingently liable for a loan of New Horizon First Nation Administration Inc. with Peace Hills Trust. As of December 31, 2018 there was an outstanding balance of \$894,150 (2017 - \$845,970).

27. Related party transactions

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

28. Trusts under administration

Nekaneet First Nation acts as a trustee for a number of third parties, holding assets and administering them on their behalf. These assets held in trust are not included on the statement of financial position as assets of Nekaneet First Nation. Amounts held in trust at the year-end are the following:

	2019	2018
Nekaneet Treaty Benefits Claims Trust	\$ 10,142,810	\$ 10,879,248
	<hr/> <hr/>	<hr/> <hr/>
	\$ 10,142,810	\$ 10,879,248

29. Economic dependence

Nekaneet First Nation receives a major portion of its revenue pursuant to funding agreements with Indigenous Services Canada and Health Canada.

30. Subsequent events

There are no subsequent events to report.

31. Budgeted figures

Budget figures for revenue from Indigenous Services Canada and Health Canada were provided by Nekaneet First Nation and have been included in these financial statements for comparative purposes, however budgets were not provided for expenses.

Five year work plans were completed for Health Canada programming and budgets in other program areas were reviewed subsequent to year end.

32. Expenses by object

	2019 Budget	2019 Actual	2018 Actual
Administration	\$ -	\$ 91,656	\$ 72,841
Amortization	-	478,004	481,324
Assistance	-	215,867	254,322
Bad debts (recovery)	-	(9,531)	5,211
Christmas program	-	8,903	12,335
Consultants and contractors	-	518,145	258,818
Cultural programs	-	164,265	55,566
Donations	-	500	-
Elders	-	13,470	550
Equipment	-	63,091	74,262
Child Nutrition	-	18,723	21,395
Fire safety	-	5,500	-
First Nations Trust	-	-	12,800

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

32. Expenses by object, continued

	2019 Budget	2019 Actual	2018 Actual
Fuel	-	29,080	23,079
Funeral assistance	-	4,050	18,198
Governance	-	26,289	21,770
Graduation, awards, prizes	-	4,600	6,500
Home to work transition	-	-	2,661
Honorariums	-	273,150	282,025
Insurance	-	73,595	55,016
Interest and bank charges	-	7,376	15,663
Janitorial	-	750	4,571
Loan payments	-	-	365
Long-term debt - CMHC mortgage interest	-	13,207	6,688
Long-term debt - interest	-	251,794	282,433
Loss (gain) on investments	-	-	22,562
Per capita distribution	-	177,252	146,663
Professional fees	-	222,053	109,383
Program expenses	-	62,348	39,527
Property taxes	-	15,000	21,285
Registration fees	-	8,512	4,189
Rent - equipment	-	19,882	7,968
Rent - office	-	4,200	1,750
Repairs and maintenance	-	159,572	152,250
Septic pump outs	-	1,858	12,670
Student allowance	-	161,593	158,454
Student transportation	-	6,565	4,920
Supplies	-	167,971	55,560
Support for parents	-	-	2,260
Taxes	-	14,485	-
Telephone	-	18,297	18,719
Training	-	39,991	39,775
Travel - medical transportation	-	28,624	14,977
Travel, meetings, per diems	-	178,088	108,528
Tuition	-	107,106	85,226
Utilities	-	54,715	67,540
Wages and benefits	-	738,740	688,576
Unexpended funds - unrecorded in prior period (Note 22)	-	6,408	-
Transfer to capital assets	-	(44,126)	(89,224)
	<hr/>	<hr/>	<hr/>
	\$	\$ 4,401,618	\$ 3,641,951

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

33. Segmented information

As previously discussed in note 2 (j) the First Nation conducts its business through reportable segments as follows:

1) Indigenous Services Canada (ISC)

Claims and Indian Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2019

33. Segmented information, continued

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Registration & Membership:

Costs associated with the maintenance of the membership list of the First Nation including new registrations. The registration clerk maintains a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

2) Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3) Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth

4) Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Schedule #1
Nekaneet First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 172,797	\$ 172,797	\$ 188,122
Indigenous Services Canada - flexible	197,281	197,281	377,281
FHQ Tribal Council	-	9,900	9,900
Unexpended funds transferred - prior year	-	256,268	28,248
Deferred revenue - prior	-	3,921	3,819
Deferred revenue - current	-	(64,336)	(3,921)
Rental Income	-	8,938	15,368
	370,078	584,769	618,817
Expenses			
Consultants and contractors	-	281,035	91,389
Equipment	-	-	38,212
Fuel	-	19,055	7,571
Honorariums	-	100	-
Insurance	-	46,001	51,364
Interest and bank charges	-	1,302	1,016
Janitorial	-	300	721
Loan payments	-	-	365
Long-term debt - payments (principle & interest)	-	510,468	407,788
Long-term debt - principle repayment	-	(379,881)	(274,520)
Registration fees	-	-	175
Rent - equipment	-	16,099	1,904
Repairs and maintenance	-	113,378	101,560
Septic pump outs	-	1,858	12,250
Supplies	-	102,764	2,183
Telephone	-	3,577	6,122
Training	-	1,057	3,372
Travel, meetings, per diems	-	8,458	8,599
Utilities	-	50,191	62,173
Wages and benefits	-	58,857	68,051
Transfer to capital assets	-	-	(38,212)
	-	834,619	552,083
Current surplus (deficit) before unexpended funds	370,078	(249,850)	66,734
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	-	(256,268)
Current deficit before transfers	370,078	(249,850)	(189,534)

The accompanying notes are an integral part of the financial statements

Schedule #1, continued
Nekaneet First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Transfers			
Transfer - Band Programs	-	127,000	370,735
Transfer - Amortization	-	(412,666)	(413,916)
Current deficit	\$ 370,078	\$ (535,516)	\$ (232,715)

The accompanying notes are an integral part of the financial statements

Schedule #2
Nekaneet First Nation
Economic Development
Schedule of Operations
for the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 32,000	\$ 32,000	\$ 42,400
FHQ Tribal Council	-	33,369	33,369
	32,000	65,369	75,769
Expenses			
Consultants and contractors	-	42,750	42,400
Professional fees	-	12,339	-
Travel, meetings, per diems	-	4,169	-
	-	59,258	42,400
Current surplus	\$ 32,000	\$ 6,111	\$ 33,369

The accompanying notes are an integral part of the financial statements

Schedule #3
Nekaneet First Nation
Education
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 488,927	\$ 488,927	\$ 534,536
Indigenous Services Canada - set	-	5,000	-
Unexpended funds transferred - prior year	-	11,124	-
	488,927	505,051	534,536
Expenses			
Administration	-	17,267	33,651
Child Nutrition	-	18,723	21,395
Consultants and contractors	-	9,655	1,300
Cultural programs	-	6,067	-
Elders	-	200	300
Fuel	-	8,025	15,112
Graduation, awards, prizes	-	4,600	6,500
Insurance	-	862	414
Long-term debt - payments (principle & interest)	-	20,000	30,000
Long-term debt - principle repayment	-	(19,535)	(28,284)
Professional fees	-	8,000	-
Program expenses	-	-	850
Registration fees	-	3,468	2,876
Rent - equipment	-	-	322
Repairs and maintenance	-	7,257	1,010
Student allowance	-	161,593	158,454
Student transportation	-	6,565	4,920
Supplies	-	8,373	7,828
Training	-	2,005	1,440
Travel, meetings, per diems	-	4,688	3,306
Tuition	-	106,486	77,492
Wages and benefits	-	209,921	216,243
	-	584,220	555,129
Current deficit before unexpended funds	488,927	(79,169)	(20,593)
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	(1,778)	(11,124)
Current deficit before transfers	488,927	(80,947)	(31,717)
Transfers			
Transfer - Band Programs	-	14,000	60,000
Transfer - Amortization	-	(20,500)	(20,500)
Current surplus (deficit)	\$ 488,927	\$ (87,447)	\$ 7,783

The accompanying notes are an integral part of the financial statements

Schedule #4
Nekaneet First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - grant	\$ 232,032	\$ 232,032	\$ 232,267
Indigenous Services Canada - fixed	1,441	1,441	3,632
Indigenous Services Canada - set	2,254	2,254	6,219
ISC - current year receivable (payable)	-	3,015	(3,965)
Other revenue	-	2,184	-
	235,727	240,926	238,153
Expenses			
Consultants and contractors	-	22,540	40,934
Elders	-	100	-
Fuel	-	1,550	110
Honorariums	-	271,450	274,400
Insurance	-	3,165	434
Interest and bank charges	-	941	2,806
Professional fees	-	100,639	86,654
Registration fees	-	1,252	500
Rent - equipment	-	783	1,992
Repairs and maintenance	-	6,726	2,749
Supplies	-	1,239	3,112
Telephone	-	5,181	4,327
Training	-	-	550
Travel, meetings, per diems	-	48,097	66,792
Wages and benefits	-	74,106	58,012
Transfer to capital assets	-	-	(2,749)
	-	537,769	540,623
Current deficit before transfers	235,727	(296,843)	(302,470)
Transfers			
Transfer - Band programs	-	-	108,796
Transfer - Amortization	-	(7,963)	(20,406)
Current deficit	\$ 235,727	\$ (304,806)	\$ (214,080)

The accompanying notes are an integral part of the financial statements

Schedule #5
Nekaneet First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 27,255	\$ 27,255	\$ 38,758
Indigenous Services Canada - set	25,354	25,353	13,287
Indigenous Services Canada - flexible	206,830	206,830	254,689
ISC - current year receivable (payable)	-	(9,208)	71
Unexpended funds transferred - prior year	-	12,722	-
	259,439	262,952	306,805
Expenses			
Administration	-	-	3,948
Assistance	-	130,128	205,964
Consultants and contractors	-	2,440	650
Cultural programs	-	-	2,000
Fuel	-	400	-
Home to work transition	-	-	2,661
Interest and bank charges	-	237	480
Professional fees	-	4,188	-
Program expenses	-	25,964	15,670
Registration fees	-	701	-
Supplies	-	11,380	3,829
Support for parents	-	-	2,260
Telephone	-	190	-
Training	-	12,229	16,131
Travel, meetings, per diems	-	3,678	1,467
Tuition	-	-	5,034
Wages and benefits	-	45,882	55,428
	-	237,417	315,522
Current surplus (deficit) before unexpended funds	259,439	25,535	(8,717)
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	(30,176)	(14,608)
Current deficit	\$ 259,439	\$ (4,641)	\$ (23,325)

The accompanying notes are an integral part of the financial statements

Schedule #6
Nekaneet First Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 5,000	\$ 5,000	\$ 5,000
Expenses			
Supplies	-	198	139
Travel, meetings, per diems	-	890	332
Wages and benefits	-	4,217	4,529
	-	5,305	5,000
Current deficit	\$ 5,000	(305)	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #7
Nekaneet First Nation
Governance and Institutions of Government
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 131,435	\$ 131,435	\$ 18,500
Indigenous Services Canada - set	-	-	15,000
ISC - prior period revenue (recovery)	-	(18,500)	-
Other revenue	-	2,114	-
Unexpended funds transferred - prior year	-	18,500	-
	131,435	133,549	33,500
Expenses			
Administration	-	2,000	-
Consultants and contractors	-	1,200	15,000
Cultural programs	-	2,220	-
Equipment	-	21,100	-
Professional fees	-	70,840	-
Repairs and maintenance	-	763	-
Supplies	-	300	-
Travel, meetings, per diems	-	19,088	-
Wages and benefits	-	17,352	-
Transfer to capital assets	-	(2,636)	(15,000)
	-	132,227	-
Current surplus before unexpended funds	131,435	1,322	33,500
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	-	(18,500)
Current surplus	\$ 131,435	\$ 1,322	\$ 15,000

The accompanying notes are an integral part of the financial statements

Schedule #8
Nekaneet First Nation
Health Services
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Health Canada	\$ 309,760	\$ 309,760	\$ 253,313
Health Canada - prior period revenue (recovery)	-	-	(61,366)
Unexpended funds transferred - prior year	-	-	74,755
Administration fees	-	27,604	-
	309,760	337,364	266,702
Expenses			
Administration	-	27,604	22,871
Consultants and contractors	-	53,355	19,132
Cultural programs	-	33,075	15,874
Elders	-	1,350	-
Equipment	-	500	-
Honorariums	-	1,600	6,925
Insurance	-	245	-
Janitorial	-	250	450
Professional fees	-	787	8,200
Program expenses	-	10,934	9,919
Registration fees	-	242	-
Repairs and maintenance	-	2,583	2,316
Supplies	-	15,380	12,187
Telephone	-	6,533	7,856
Training	-	9,000	16,619
Travel - medical transportation	-	28,624	14,977
Travel, meetings, per diems	-	26,415	13,315
Utilities	-	4,525	3,864
Wages and benefits	-	110,323	99,230
	-	333,325	253,735
Current surplus before unexpended funds	309,760	4,039	12,967
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	(31,269)	(91,382)
Current deficit	\$ 309,760	\$ (27,230)	\$ (78,415)

The accompanying notes are an integral part of the financial statements

Schedule #9
Nekaneet First Nation
CMHC Operations
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
CMHC - subsidy	\$ -	\$ 69,025	\$ 53,468
CMHC - RRAP	- -	26,470	23,999
CMHC - HIIFNIIY	- -	7,290	-
CMHC - other	- -	69,685	29,800
Interest revenue	- -	1,854	1,865
Rental Income	- -	12,908	44,730
	- -	187,232	153,862
Expenses			
Consultants and contractors	- -	30,917	-
Equipment	- -	- -	4,050
Insurance	- -	21,840	1,900
Interest and bank charges	- -	147	618
Long-term debt - CMHC mortgage interest	- -	13,207	6,688
Professional fees	- -	1,360	7,000
Repairs and maintenance	- -	11,101	17,802
Septic pump outs	- -	- -	420
Supplies	- -	13,254	21,500
Travel, meetings, per diems	- -	2,083	1,437
Wages and benefits	- -	61,638	58,320
	- -	155,547	119,735
Current surplus before transfers	- -	31,685	34,127
Transfers			
Transfer - Amortization	- -	(18,081)	(18,081)
Current surplus	\$ -	\$ 13,604	\$ 16,046

The accompanying notes are an integral part of the financial statements

Schedule #10
Nekaneet First Nation
Band Programs
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Funds held in trust by Federal Government	\$ -	\$ 82,090	\$ 170,915
FHQ Tribal Council	- -	306,667	179,738
First Nation GST	- -	444,792	379,199
First Nations Trust	- -	167,592	165,416
Specific Claims Settlement Trust	- -	332,927	348,117
Living Sky Community Development Corporation	- -	23,727	-
Government of Saskatchewan - Tax Rebate	- -	74,614	65,780
FHQ Developments Ltd	- -	- -	15,000
Keseechiwan Holdings - monetary benefit agreement	- -	55,377	-
Rental Income	- -	3,200	-
Interest revenue	- -	37	18
Other revenue	- -	375,408	51,076
Administration fees	- -	55,887	80,842
Deferred revenue - prior	- -	36,993	240,812
Deferred revenue - current	- -	(172,764)	(36,993)
Unexpended funds - prior period adjustment (Note 22)	- -	99,676	-
Write down of old payables	- -	76,813	-
	- -	1,963,036	1,659,920
Expenses			
Administration	- -	44,785	12,371
Assistance	- -	85,739	48,358
Bad debts (recovery)	- -	(9,531)	5,211
Christmas program	- -	8,903	12,335
Consultants and contractors	- -	74,253	48,013
Cultural programs	- -	122,903	37,692
Donations	- -	500	-
Elders	- -	11,820	250
Equipment	- -	41,491	32,000
Fire safety	- -	5,500	-
First Nations Trust	- -	- -	12,800
Fuel	- -	50	285
Funeral assistance	- -	4,050	18,198
Governance	- -	26,289	21,770
Honorariums	- -	- -	700
Insurance	- -	1,482	904
Interest and bank charges	- -	4,750	10,740
Janitorial	- -	200	3,400
Long-term debt - interest	- -	120,743	147,449
Loss (gain) on investments	- -	- -	22,562
Per capita distribution	- -	177,252	146,663
Professional fees	- -	23,900	7,529
Program expenses	- -	25,450	13,088

The accompanying notes are an integral part of the financial statements

Schedule #10, continued
Nekaneet First Nation
Band Programs
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Property taxes	-	15,000	21,285
Registration fees	-	2,849	638
Rent - equipment	-	3,000	3,750
Rent - office	-	4,200	1,750
Repairs and maintenance	-	17,763	26,814
Supplies	-	15,085	4,782
Taxes	-	14,485	-
Telephone	-	2,816	415
Training	-	15,699	1,664
Travel, meetings, per diems	-	60,522	13,279
Tuition	-	620	2,700
Utilities	-	-	1,503
Wages and benefits	-	156,444	128,763
Transfer to capital assets	-	(41,491)	(33,263)
<u>Unexpended funds - unrecorded in prior period (Note 22)</u>	<u>-</u>	<u>6,408</u>	<u>-</u>
	-	1,043,929	776,398
Current surplus before transfers	-	919,107	883,522
Transfers			
Transfer - Indian Government Support	-	-	(108,796)
Transfer - Community Development	-	(127,000)	(370,735)
Transfer - Education	-	(14,000)	(60,000)
Transfer - Amortization	-	(18,794)	(8,421)
Current surplus	\$ -	\$ 759,313	\$ 335,570

The accompanying notes are an integral part of the financial statements

Schedule #11
Nekaneet First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Public Works	-	412,666	413,916
Education	-	20,500	20,500
Band Support	-	7,963	20,406
CMHC Operations	-	18,081	18,081
Band Programs	-	18,794	8,421
	-	478,004	481,324
Current deficit before transfers	-	(478,004)	(481,324)
Transfers			
Transfer - Programs	-	478,004	481,324
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements