

West Moberly First Nations
Consolidated Financial Statements
March 31, 2020

West Moberly First Nations

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the West Moberly First Nations are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

The financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to the Council.

Original signed by

Chief

Original signed by

Councillor

Original signed by

Councillor

Original signed by

Councillor

Allan J. Grykuliak, CPA, CA*
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INDEPENDENT AUDITOR'S REPORT

To the Chief and Council

Opinion

We have audited the financial statements of the **West Moberly First Nations** which comprise the statement of financial position as at March 31, 2020, and the statements of change in net assets, operations, 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 West Moberly First Nations as at March 31, 2020, and the results of its operations 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 Financial Statements section of our report.

We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 these financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative to do so.

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

Auditor's Responsibilities for the Audit of the 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.

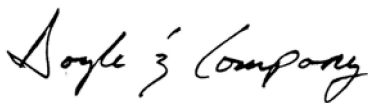
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Organization'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 Organization'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 Organization 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.

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.

Edmonton, Alberta
October 6, 2020


Chartered Professional Accountants

West Moberly First Nations
Consolidated Statement of Financial Position
As at March 31, 2020

	2020 \$	2019 \$
FINANCIAL ASSETS		
Cash	2,747,860	4,911,440
Restricted cash (Note 4)	374,129	638,500
Investments (Note 5)	8,657,429	9,010,186
Accounts receivable (Note 6)	1,314,209	878,963
Inventory (Note 7)	182,982	223,519
Investment in First Nation Controlled Entities (Note 8)	7,068,991	5,101,821
	20,345,600	20,764,429
LIABILITIES		
Accounts payable (Note 9)	931,080	837,379
Deferred contributions (Note 10)	5,314,697	3,957,806
Treaty loan payable (Note 11)	3,278,585	3,278,585
Long-term liabilities (Note 12)	3,441,942	2,921,977
Obligations under capital lease (Note 13)	31,015	71,248
Replacement reserve (Note 14)	328,945	594,520
	13,326,264	11,661,515
NET FINANCIAL ASSETS	7,019,336	9,102,914
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	13,312,383	12,190,352
Prepaid expenses	26,964	27,338
	13,339,347	12,217,690
ACCUMULATED SURPLUS (Schedule 1 and Note 18)	20,358,683	21,320,604

Subsequent Event - Note 20

Approved by the First Nations:

Original signed by Chief

Original signed by Councillor

Original signed by Councillor

Original signed by Councillor

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Financial Activities
For the year ended March 31, 2020

	2020 Budget \$	2020 Actual \$	2019 Actual \$
REVENUE			
Indigenous Services Canada	-	1,705,198	996,561
Health Canada	-	451,886	443,050
Canada Mortgage and Housing Corporation	-	88,032	91,257
Treaty 8 Heritage Trust	-	300,000	300,000
Oil and Gas Commission	-	610,525	733,415
Industrial contracts	-	3,811,651	6,492,942
Interest income	-	164,081	421,452
Other revenue	-	5,204,368	4,564,646
Revenue deferred from previous period	-	3,957,806	3,798,694
Revenue deferred to subsequent period	-	(5,314,697)	(3,957,806)
	-	10,978,850	13,884,211
EXPENDITURES			
Administration	-	904,188	821,757
Capital Projects	-	105,592	114,216
Chief and Council	-	3,391,513	3,687,284
Community Operations	-	514,447	543,919
Community Wellbeing Initiative	-	158,183	88,671
Culture	-	146,010	55,726
Dakki Centre	-	245,644	202,722
Dunne-za Lodge	-	39,930	24,462
Economic Development	-	269,047	562,469
Education	-	725,190	661,480
Health - First Nations Health Authority	-	447,604	437,867
Health - Other	-	233,847	203,287
Housing	-	673,131	200,324
Lands	-	2,325,283	1,149,601
Social Development	-	204,183	182,770
Specific Claims - Agriculture Benefits	-	(19,914)	(60,922)
Specific Claims - Trapline	-	10,619	42,047
Specific Claims - Treaty Land Entitlement	-	917,872	414,582
Specific Claims - Western Boundary	-	11,719	34,114
West Moberly First Nation Holdings Inc.	-	572,026	650,006
0944996 BC Ltd - Golf Course	-	334,291	335,410
	-	12,210,405	10,351,792
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER REVENUE (EXPENDITURES)	-	(1,231,555)	3,532,419
OTHER REVENUE (EXPENDITURES)			
Amortization	-	(528,631)	(478,769)
EXCESS OF REVENUE OVER EXPENDITURES	-	(1,760,186)	3,053,650

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2020

	2020 \$	2019 \$
EXCESS OF REVENUES OVER EXPENDITURES	(961,921)	5,851,024
Acquisition of tangible capital assets	(1,650,662)	(1,685,334)
Amortization of tangible capital assets	528,631	478,769
	(1,122,031)	(1,206,565)
Acquisition of prepaid assets	(26,964)	(27,338)
Use of prepaid assets	27,338	14,018
	374	(13,320)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(2,083,578)	4,631,139
NET FINANCIAL ASSETS, BEGINNING OF YEAR	9,102,914	4,471,775
NET FINANCIAL ASSETS, END OF YEAR	7,019,336	9,102,914

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and other income	11,900,495	13,742,314
Cash paid to suppliers and employees	(12,339,264)	(10,254,834)
	(438,769)	3,487,480
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances (to) from business entities	(1,170,109)	1,829,236
(Increase) Decrease in investments	352,757	(2,203,715)
Increase (decrease) in replacement reserve	(265,575)	53,842
Increase (decrease) in trust funds	264,371	(54,349)
(Increase) decrease of inventory	40,537	(215,592)
Purchase of capital assets	(1,650,662)	(1,685,334)
	(2,428,681)	(2,275,912)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of capital lease obligation	(40,233)	(45,107)
Increase (decrease) in treaty loans payable	-	339,775
Long-term liabilities repaid	(314,178)	(329,914)
Increase in long-term liabilities	793,910	-
	439,499	(35,246)
INCREASE IN CASH DURING THE YEAR	(2,427,951)	1,176,322
CASH, Beginning of Year	5,549,940	4,373,618
CASH, End of Year	3,121,989	5,549,940
Cash is represented by:		
Cash	2,747,860	4,911,440
Restricted cash (Note 4)	374,129	638,500
	3,121,989	5,549,940

The accompanying notes form part of these financial statements.

West Moberly First Nations
Schedule of Changes in Accumulated Surplus - Schedule 1
For the year ended March 31, 2020

	Unrestricted Surplus \$	Equity in Tangible Capital Assets \$	Equity in Enterprise Fund \$	Equity in Trust Funds \$	2020 \$	2019 \$
BALANCE, Beginning of Year	6,977,667	9,197,127	5,101,830	43,980	21,320,604	15,469,580
Excess of revenue over expenditures	(1,760,186)	-	797,061	1,204	(961,921)	5,851,024
Current funds advanced to (from) subsidiaries	(1,170,109)	-	1,170,109	-	-	-
Current funds used for tangible capital assets	(1,650,662)	1,650,662	-	-	-	-
Annual amortization expense	528,631	(528,631)	-	-	-	-
Long-term liabilities obtained	793,910	(793,910)	-	-	-	-
Long-term liabilities repaid	(314,178)	314,178	-	-	-	-
Change in accumulated surplus	(3,572,594)	642,299	1,967,170	1,204	(961,921)	5,851,024
BALANCE, End of Year	3,405,073	9,839,426	7,069,000	45,184	20,358,683	21,320,604

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Tangible Capital Assets - Schedule 2
For the year ended March 31, 2020

	Land	Capital Lease	Automotive	Buildings	Computers	Equipment	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
COST:								
Balance, Beginning of Year	1,741,894	792,175	845,274	12,565,719	103,026	1,300,862	17,348,950	15,663,616
Acquisition of tangible capital assets	-	-	13,650	1,583,224	-	53,788	1,650,662	1,685,334
Balance, End of Year	1,741,894	792,175	858,924	14,148,943	103,026	1,354,650	18,999,612	17,348,950
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	270,978	623,757	3,319,510	103,026	841,327	5,158,598	4,679,829
Annual amortization	-	18,774	69,081	368,458	2,021	70,297	528,631	478,769
Balance, End of Year	-	289,752	692,838	3,687,968	105,047	911,624	5,687,229	5,158,598
NET BOOK VALUE	1,741,894	502,423	166,086	10,460,975	(2,021)	443,026	13,312,383	12,190,352

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Financial Activities by Program - Schedule 3
For the year ended March 31, 2020

	ISC	Other	2020		2019
	Revenue	Revenue	Total	Total	Surplus
	\$	\$	Revenue	Expenditures	(Deficit)
			\$	\$	\$
Administration	296,808	235,147	531,955	904,188	(372,233)
Capital Projects (net of recovery)	533,288	(454,345)	78,943	105,592	(26,649)
Chief and Council	-	5,013,683	5,013,683	3,391,513	1,622,170
Community Operations	314,821	15,614	330,435	514,447	(184,012)
Culture	5,000	90,843	95,843	146,010	(50,167)
Dakii Centre	-	79,193	79,193	245,644	(166,451)
Dunne-za Lodge	-	5,629	5,629	39,930	(34,301)
Economic Development	15,817	162,156	177,973	269,047	(91,074)
Education	256,725	201,971	458,696	725,190	(266,494)
Health - First Nations Health Authority	-	438,073	438,073	447,604	(9,531)
Health - Other	18,220	135,897	154,117	233,847	(79,730)
Housing	-	467,651	467,651	673,131	(205,480)
Lands	-	2,224,128	2,224,128	2,325,283	(101,155)
Social Development	109,193	84	109,277	204,183	(94,906)
Specific Claims - Agriculture Benefits	-	116,124	116,124	(19,914)	136,038
Specific Claims - Trapline	-	-	-	10,619	(10,619)
Specific Claims - Treaty Land Entitlement	-	50,799	50,799	917,872	(867,073)
Specific Claims - Western Boundary	-	-	-	11,719	(11,719)
0944996 BC Ltd - Golf Course	-	169,914	169,914	334,291	(164,377)
West Moberly First Nation Holdings Inc.	-	320,780	320,780	572,026	(251,246)
Community Wellbeing Initiative	155,637	-	155,637	158,183	(2,546)
	1,705,509	9,273,341	10,978,850	12,210,405	(1,231,555)

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Expenditures by Object - Schedule 4
For the year ended March 31, 2020

	2020	2019
	\$	\$
EXPENDITURES		
Advertising	2,365	4,128
Amortization	528,631	478,769
Bad debts	6,826	86,200
Bank charges and penalties	76,802	121,665
Concession purchases	3,039	47,959
Contractors and consultants	2,095,298	2,158,346
Distributions from trust	305,032	227,371
Donations	66,408	90,300
Elders	295,280	209,725
Equipment rental	225,814	133,730
Freight	7,743	4,428
Honorariums	162,393	95,688
Insurance	100,878	143,438
Interest on long term debt	101,090	65,684
Meeting costs	38,818	4,818
Office, memberships and registration fees	277,262	212,627
Prizes and gifts	84,029	95,720
Professional fees	1,222,259	814,789
Program expenses	602,918	1,080,102
Property taxes	11,371	13,060
Rent	15,402	21,541
Repairs and maintenance	285,707	251,243
Supplies	424,458	185,580
Training	27,211	12,729
Travel and vehicle expenses	641,331	554,095
Utilities and telephone	184,292	155,481
Wages and employee benefits	4,946,379	3,561,345
TOTAL EXPENDITURES	12,739,036	10,830,561

The accompanying notes form part of these financial statements.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2020

NATURE OF OPERATIONS

West Moberly First Nations provides local government, education and social development services to its members and was established under the Indian Act (Canada).

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements include the assets, liabilities, and results of operations of West Moberly First Nations (the "First Nation") and all related entities and organizations subject to control by Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of First Nations members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting and Audit Boards ("PSAB"), which encompasses the following principles:

(a) Fund Accounting

The West Moberly First Nations uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each fund are set out in the supplementary schedules. The West Moberly First Nations maintains the following funds:

- The Operating Fund which reports the general activities of the First Nations Administration.
- The Capital Asset Fund which reports the capital assets of the First Nations, together with their related financing.
- The Enterprise Fund which reports the investment made in controlled entities.
- The Trust Fund which reports on trust funds owned by the First Nations and held by third parties.

(b) Reporting Entity and Principles of Financial Reporting

The West Moberly First Nations reporting entity includes the West Moberly First Nations government and all related entities which are accountable to the First Nations and are either owned, controlled or have significant influence by the First Nations and which are not dependent on the First Nations for their continuing operations are included in the summary financial statements using the modified equity method. These include:

- Dunne-za Economic Development Corporation
- Dunne-za Ventures Limited Partnership
- EBA Developments Limited Partnership
- West Moberly First Nations Investments Inc.
- West Moberly Indigiinet Internet Service Inc.
- Papewewin Development Limited Partnership.
- Black Diamond Cygnus Limited Partnership
- Twin Sisters Native Plants Nursey Limited Partnership
- Six Nations Ventures

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2020

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(b) Reporting Entity and Principles of Financial Reporting - continued

Three other Government Organizations, which are controlled by the First Nation, are included in the financial statements using the consolidation method. Under the consolidation method, the assets, liabilities, revenue and expenses of the those organizations have been consolidated and all inter-company balances have been eliminated on consolidation. Those Organizations are:

- West Moberly First Nation Holdings Inc.
- 09244996 B.C. Ltd.
- West Moberly First Nations Agricultural Benefits Settlement Trust

(c) Cash

Cash and cash equivalents consist of bank accounts and temporary investments with maturities of three months or less.

(d) Revenue Recognition

Government transfers and grant revenue are recognized as the First Nations becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the recourses are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

(e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life as follows:

	Years
Automotive	3-10
Buildings	25-50
Computers	3-5
Equipment	5-20

Annual amortization is charged in the year of acquisition and not in the year of disposal.

Assets under construction are not amortized until the asset is available for productive use.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2020

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Investments

Investments are recorded at the lower of cost and fair market value.

(h) Inventory Valuation

Inventories are valued at the lower of cost and net realizable value. Concession is cost on a first-in first-out basis. Cattle inventory is costed on a weighted average basis.

(i) Trust Funds

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

First Nation trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds.

(j) Financial Instruments

(i) Measurement of financial instruments

The Nation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Nation subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, investments, and accounts receivables.

Financial liabilities measured at amortized cost include accounts payable, deferred contributions, treaty loan payable, long-term liabilities, obligations under capital lease, and replacement reserve.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

2. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2020

3. ECONOMIC DEPENDENCE

The West Moberly First Nations receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

4. RESTRICTED CASH

	2020 \$	2019 \$
Trust Funds		
Band Capital	2,789	2,789
Band Revenue	42,395	41,191
Canada Mortgage and Housing Corporation	328,945	594,520
	374,129	638,500

5. INVESTMENTS

	2020 \$	2019 \$
Scotia Wealth Management		
Cash	1,651,334	1,642,040
Equities	3,671,078	4,201,414
Fixed income	3,335,017	3,166,732
	8,657,429	9,010,186

6. ACCOUNTS RECEIVABLE

	2020 \$	2019 \$
Indigenous Services Canada	-	6,353
Canada Mortgage and Housing Corporation	7,323	160,797
Trade	724,630	449,468
Members	563,586	234,625
GST	18,670	27,720
	1,314,209	878,963

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2020

7. INVENTORY

	2020	2019
	\$	\$
Cattle	175,028	214,320
Concession	7,954	9,199
	182,982	223,519

8. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES

	2020	2019
	\$	\$
Dunne-za Economic Development Corporation - 100% interest		
Shares	100	100
Accumulated deficit in earnings	(100)	(100)
	-	-
Dunne-za Ventures Limited Partnership - 99.9% interest		
Units	999	999
Advances	450	450
Accumulated surplus (deficit) in earnings	2,128,350	1,099,839
	2,129,799	1,101,288
Black Diamond Cygnus Limited Partnership - 50% interest		
Units	500	500
Advances	(500)	(500)
Accumulated surplus in earnings	1,081,500	1,146,000
	1,081,500	1,146,000
West Moberly First Nations Investments Inc. - 100% interest		
Shares	100	100
Advances	1,397,771	1,239,327
Accumulated deficit in earnings	23,733	(7,528)
	1,421,604	1,231,899
West Moberly Indigiinet Internet Service Inc. - 50% interest		
Shares	10	10
Advances	224,818	233,501
Accumulated deficit in earnings	(96,826)	(101,167)
	128,002	132,344

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8. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES - continued

EBA Developments Limited Partnership - 33% interest

Investment in shares - cost	-	266,667
Accumulated deficit in earnings	-	(50,133)
	-	216,534

Six Nations Ventures Limited Partnership - 16.67% interest

Shares	10	10
Accumulated equity in earnings	455,376	529,882
	455,386	529,892

Twin Sisters Native Plants Nursery Limited Partnership - 49.9% interest

Units	10	10
Advances	237,509	237,509
Accumulated equity in earnings	694,833	506,345
	932,352	743,864

Papawewin Developments Limited Partnership - 99.9% interest

Units	999	-
Advances	919,349	-
	920,348	-

Total investment in controlled entities	7,068,991	5,101,821
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Financial information for each of the entities for their respective 2019/2020 year-ends are as follows:

	Assets	Liabilities	Revenues	Net Earnings (Loss)
	\$	\$	\$	\$
Dunne-za Ventures LP (99.9%)	2,269,355	135,604	2,477,363	2,176,872
Black Diamond West Moberly LP (50%)	10,165,000	8,001,000	1,622,775	659,147
West Moberly Holdings Inc. (100%)	2,708,582	8,728,743	376,008	(319,884)
West Moberly Investment (100%)	3,441,138	3,417,305	558,709	31,261
0944996 BC Ltd. (100%)	125,922	1,950,678	169,914	(211,731)
WM Indigiinet Internet Service Inc. (50%)	150,189	61,498	54,276	8,683
Papawewin Developments LP. (99.9%)	-	919,349	-	-
Six Nations Ventures Inc. (16%)	2,726,826	8,758	1,461,548	(447,034)
EBA Developments Limited Partnership (33%)	-	-	-	(616,121)
Twin Sisters Native Plants Nursery (49.9%)	2,030,329	207,336	1,295,555	376,976

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9. ACCOUNTS PAYABLE

	2020 \$	2019 \$
Trade	818,618	763,511
Canada Revenue Agency - source deductions	59,188	22,707
Indigenous Services Canada	53,274	51,161
	931,080	837,379

10. DEFERRED CONTRIBUTIONS

	2020 \$	2019 \$
Indigenous Services Canada	454,345	-
First Nations Health Authority	97,305	96,125
Industrial Agreements	4,763,047	3,861,681
	5,314,697	3,957,806

11. TREATY LOAN PAYABLE - INDIGENOUS SERVICES CANADA

The promissory note due to Indigenous Services Canada is \$3,278,585 (2019 - \$3,278,585) and is repayable on the earlier of March 31, 2022 or the date on which the claim is settled. The promissory note is interest free unless the First Nation defaults or the loan reaches maturity.

12. LONG-TERM LIABILITIES

	2020 \$	2019 \$
CIBC Mortgage, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$495 including interest charged at 6.7%.	26,156	30,196
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,825 including interest charged at 1.43%.	106,451	126,495
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,995 including interest charged at 1.67%.	72,575	94,937
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,320 including interest charged at 1.143%.	63,758	73,540

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12. LONG-TERM LIABILITIES - continued

All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,182 plus interest charged at 1.12%.	194,177	205,993
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$3,944 including interest charged at 1.82%.	672,803	708,685
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in bi-weekly instalments of \$875 including interest charged at 3.39%.	136,269	154,517
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in bi-weekly instalments of \$1,403 including interest charged at 3.39%.	104,176	118,503
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly bi-weekly of \$169 including interest charged at 3.37%.	29,077	32,514
Bank of Nova Scotia loan, secured by a building, with a net book value of \$3,999,927, repayable in monthly instalments of \$6,250 including interest charged at prime plus 0.50%.	681,250	-
Bank of Nova Scotia loan, secured by equipment, with a net book value of \$195,722, repayable in monthly instalments of \$4,477 including interest charged at prime plus 1.25%.	-	40,296
Bank of Nova Scotia loan, buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,802 including interest charged at 4.34%.	268,415	278,270
Bank of Nova Scotia loan, buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,802 including interest charged at 4.34%.	149,261	164,728
Bank of Nova Scotia loan, buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$4,695 including interest charged including interest charged at prime plus 0.50%.	112,660	-

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12. LONG-TERM LIABILITIES - continued

Farm Credit Canada, loans secured by first mortgage over property with a net book value of \$1,729,500, repayable in annual installments of \$102,876 including interest of 3.7% maturing 2028 to 2032.

	824,914	893,303
	3,441,942	2,921,977
Less: current portion of long-term liabilities	349,546	282,842
	3,092,396	2,639,135

Interest paid on long-term liabilities amounted to \$101,089 (2019 - \$65,684) during the year.

Future principal repayments on long-term liabilities are estimated as follows:

	\$
2021	349,546
2022	363,333
2023	328,779
2024	311,659
2025	320,323
Thereafter	1,768,302
	3,441,942

13. OBLIGATIONS UNDER CAPITAL LEASES

	2020			2019	
	Total	Deferred	Current	Long-Term	Long-Term
	\$	Finance	Portion	Portion	Portion
		\$	\$	\$	\$
John Deere Credit Inc. #1	28,194	734	27,460	-	27,460
John Deere Credit Inc. #2	3,644	89	3,555	-	3,555
	31,838	823	31,015	-	31,015

John Deere Credit Inc. #1, secured by equipment, with a net book value of \$26,245 (2019 - \$37,492), repayable only between May to October in six instalments of \$4,699 including interest charged at 3.34% maturing November, 2020.

John Deere Credit Inc. #2, secured by equipment, with a net book value of \$10,157 (2019 - \$14,510), repayable only between May to October in six instalments of \$1,822 including interest charged at 3.95% maturing July, 2020.

Future repayments on capital leases are estimated as follows:

	\$
2021	31,015

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14. REPLACEMENT RESERVES

Under the terms of the agreement with CMHC, the First Nations is required to make annual deposits equal to required contributions to a replacement reserve account. These funds, along with accumulating interest, are to be held in a separate bank account. The funds in this account may only be used as approved by CMHC. Withdraws are credited to accumulated interest first and then principal.

Under agreements with CMHC, the First Nations may also establish an operating reserve to fund the ongoing operating costs of the rental housing project financed by CMHC. Required contributions to the operating reserve are equal to the amount by which revenues for the year from the CMHC rental housing project exceed all costs and expenditures incurred during the year related to the CMHC housing project.

15. EQUITY IN TANGIBLE CAPITAL ASSETS

	2020 \$	2019 \$
Tangible capital assets (Schedule 2)	18,999,612	17,348,950
Accumulated amortization (Schedule 2)	(5,687,229)	(5,158,598)
Long-term liabilities (Note 12)	(3,441,942)	(2,921,977)
Capital lease obligations (Note 13)	(31,015)	(71,248)
	9,839,426	9,197,127

16. EQUITY IN ENTERPRISE FUND

	2020 \$	2019 \$
Balance, beginning of year	5,101,830	4,134,199
Net advances (from) to controlled entities	1,170,109	(1,829,236)
Earnings (loss) from controlled entities	797,061	2,796,867
Balance, end of year	7,069,000	5,101,830

17. EQUITY IN TRUST FUND

	Revenue \$	Capital \$	Total \$
Balance, beginning of year	41,191	2,789	43,980
Earnings	1,204	-	1,204
Balance, end of year	42,395	2,789	45,184

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18. ACCUMULATED SURPLUS

	2020	2019
	\$	\$
Unrestricted surplus	3,405,073	6,977,667
Equity in tangible capital assets	9,839,426	9,197,127
Equity in enterprise fund	7,069,000	5,101,830
Equity in trust funds	45,184	43,980
	20,358,683	21,320,604

19. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Nation by failing to discharge an obligation. The Nation's credit risk is mainly related to accounts receivable. The Nation provides credit to its clients in the normal course of its operations and assesses on a continuous basis the accounts receivable and records any amounts that are not collectible in the allowance for doubtful accounts.

Market Risk

Market risk is the risk that the fair value or future cash flows of the Nation's financial instrument will fluctuate because of changes in market prices. Some of the Nation's investments expose it to this risk which comprises currency risk, and interest rate risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Nation has investments outside of Canada and incurs expenditures in foreign currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Nation is exposed to interest rate risk on its bank account balances and any of its fixed and/or floating interest rate financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The Nation manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.

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20. SUBSEQUENT EVENT

Subsequent to March 31, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had significant impact on the Nation's operations through the restrictions put in place by the Canadian and provincial governments as well as municipal governments regarding, travel, isolation/quarantine orders, closure of public facilities, cancellation/postponement of programs and tax and utility deferral programs. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of public facility closures, program and service disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

21. BUDGET FIGURES

The budgeted figures are un-audited and are for presentation purposes only.

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.