
Consolidated financial statements of
Kebaowek First Nation

March 31, 2021

Management's Statement of Responsibility	1
Independent Auditor's Report	2 - 4
Consolidated statement of operations	5 - 6
Consolidated statement of cumulative operating surplus	7
Consolidated statement of net investment in capital assets	8
Consolidated statement of financial position	9
Consolidated statement of changes in net financial assets	10
Consolidated statement of cash flows	11
Notes to the consolidated financial statements	12 - 31

Management's Statement of Responsibility

The consolidated financial statements of Kebaowek First Nation as of March 31, 2021, are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with the Canadian public sector accounting standards ("PSAS") and, as such, include amounts that are the best estimates and judgments of management.

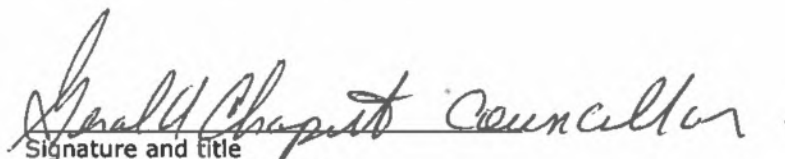
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

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

The external auditor, MNP LLP, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the consolidated financial statements. The external auditor has full and free access to financial management of Kebaowek First Nation and meets when required.

On behalf of Kebaowek First Nation:


Signature and title
for Kebaowek First Nation

October 18, 2021



MNP LLP
101 1st Avenue East
Suite 200
Amos QC J9T 1H4
Canada

Tel: 819-732-8273
Fax: 819-732-9143
www.mnp.ca

Independent Auditor's Report

To the Chief and Council of
Kebaowek First Nation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Kebaowek First Nation (the "Organization"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, cumulative operating surplus, net investment in capital assets, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, except for the implications of the situation described in section «Basis for Qualified Opinion», the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization for the year ended March 31, 2021, and the results of its operations, cumulative operating surplus, net investment in capital assets, changes in net debt and cash flows for the year then ended in accordance with the Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

We were not able to observe the counting of the physical inventories of a controlled entity (Mtikon L.P.) as of March 31, 2021 and April 1, 2020 or satisfy ourselves concerning those inventories quantities by alternative means. Since opening and ending inventories affect the determination of the net surplus (deficit), the results of operations and the cash flows in the controlled entities, we were unable to determine whether adjustments to the net surplus (deficit), the results of operations and cash flows in the controlled entities might be necessary for the year ended March 31, 2021, to Long-term investments as of March 31, 2021 and to cumulative operating surplus as of March 31, 2021 and April 1, 2020.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Organization 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 qualified opinion.

Other information

We draw attention to the fact that the Organization includes, in its consolidated financial statements, certain financial information that is not required by the PSAS. These information, prepared in accordance with the requirements of Indigenous Services Canada, addresses the status of the surplus (deficit) of funding for the year on page 6. The Organization also choose to present a statement of net investment in Capital assets in page 8. Our opinion is not modified in respect of these matters.

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 PSAS, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with Canadian GAAS, 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 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization 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.
- 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.

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.

Other Matter – Predecessor Auditor’s Report

The consolidated financial statements for the year ended March 31, 2020 was audited by another auditor who expressed an unmodified opinion on this consolidated financial statements as of October 15, 2020.

MNP LLP

1

October 18, 2021

¹ CPA auditor, CA, public accountancy permit No.A137585

Kebaowek First Nation**Consolidated statement of operations**

Year ended March 31, 2021

	Notes	2021 \$	2020 \$
REVENUES			
Sales		2,421,065	2,641,772
Indigenous Services Canada (ISC) – Flexible contribution		821,538	184,931
ISC – Fixed contribution		3,352,479	4,171,906
ISC – Set Contribution		25,000	-
ISC – Block contribution		4,681,293	4,647,530
Administration fees		634,506	597,737
Canada Mortgage and Housing Corporation (CMHC)		907,045	119,175
Environment Canada		254,540	104,132
First Nations Education Council (FNEC)		290,908	183,656
First Nations of Quebec and Labrador Health and Social Services (FNQLHSS)		67,293	81,182
Forestry contracts		-	22,615
Government of Quebec		162,800	91,554
First Nations Human Resources Development Commission of Quebec (FNHRDCQ)		356,185	353,299
Interest		11,636	39,861
Land management		100,000	100,000
Ministère des Forêts, de la Faune et des Parcs		160,000	137,000
Refundable surplus to ISC – Health Branch		(20,231)	(1,803)
Provincial and federal police		1,791,888	493,200
Recreation revenues		22,554	32,251
Rent revenues		291,979	278,969
Secrétariat aux affaires autochtones		309,669	185,000
Special activities revenues		129,551	171,894
Other revenues		756,699	860,270
Withdrawal from replacement reserve		-	40,000
ISC – Unexpended contribution from previous year		2,327,370	687,279
ISC – Unexpended contribution to following year	8	(4,235,320)	(2,327,370)
Deferred revenue from previous year		1,272,165	1,223,719
Deferred revenue to following year	7	(2,794,844)	(1,272,165)
		14,097,768	13,847,594

Kebaowek First Nation
Consolidated statement of operations
Year ended March 31, 2021

	Notes	2021 \$	2020 \$
EXPENSES			
Band government		83,272	22,914
Administration		940,743	840,743
Human resources development		166,059	177,303
Education		1,208,720	1,065,627
Health		2,496,707	2,456,430
Public works		1,504,787	1,182,491
Police security		573,202	518,323
Fire protection		69,267	76,777
Social assistance		338,540	344,860
Housing		720,118	1,201,426
Economic development		2,980,471	3,287,262
Natural resources and others		717,632	1,202,568
		11,799,518	12,376,724
SURPLUS FOR THE YEAR BEFORE NET DEFICIT IN CONTROLLED ENTITIES			
		2,298,250	1,470,870
NET SURPLUS (DEFICIT) IN CONTROLLED ENTITIES	4	(232,589)	20,289
SURPLUS FOR THE YEAR		2,065,661	1,491,159
CONCILIATION TO ISC FINANCIAL REPORTING REQUIREMENTS			
Surplus for the year under PSAS		2,065,661	1,491,159
Proceeds from long-term debt		283,150	312,586
Reimbursement of long-term debt		(161,763)	(247,918)
Acquisition of capital assets		(2,663,924)	(1,977,205)
Deficit for the year under ISC financial reporting requirements (1)		(476,876)	(421,378)

(1) The operating surplus under ISC financial reporting requirements before amortization/loss/proceeds from disposal of capital assets and transfer to tenants is \$688,338 (surplus of \$851,128 in 2020).

The accompanying notes are an integral part of the consolidated financial statements.

Kebaowek First Nation**Consolidated statement of cumulative operating surplus**

Year ended March 31, 2021

	2021 \$	2020 \$
BALANCE AT BEGINNING OF YEAR	6,594,764	5,701,714
Change of accounting policy	-	(427,000)
Change of accounting policy – Impact on the net investment in capital assets	-	157,441
ADJUSTED BALANCE AT BEGINNING OF YEAR	6,594,764	5,432,155
Surplus for the year	2,065,661	1,491,159
TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS		
Acquisition of capital assets	(2,663,924)	(1,977,205)
Amortization/loss/proceeds from disposal of capital assets and transfer to tenants	1,165,214	1,272,506
Proceeds from long-term debt	283,150	312,586
Reimbursement of long-term debt	(161,763)	(247,918)
Allocation from the economic investment deficit	282,366	83,449
Change of accounting policy – Impact on the economic investment deficit	-	215,492
Adjustment of Kebaowek Land Management inc. equity pick-up	225,305	-
Allocation to band rental, single apartment building and multiplex reserves	(19,500)	(19,500)
Adjustment to reserved funds – Article 95	(7,865)	31,775
Adjustment – Other	-	265
BALANCE AT END OF YEAR	7,763,408	6,594,764

The accompanying notes are an integral part of the consolidated financial statements.

Kebaowek First Nation**Consolidated statement of net investment in capital assets**

Year ended March 31, 2021

	2021	2020
	\$	\$
NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	25,055,116	24,521,605
Change of accounting policy – Impact on the net investment in capital assets	-	(157,441)
ADJUSTED NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	25,055,116	24,364,164
VARIATION OF NET INVESTMENT IN CAPITAL ASSETS		
Plus:		
Acquisition of capital assets	2,663,924	1,977,205
Reimbursement of long-term debt	161,763	247,918
Reimbursement of Residential Rehabilitation Assistance Program On-Reserve (RRAP)	48,535	50,921
	2,874,222	2,276,044
Less:		
Proceeds from long-term debt	(283,150)	(312,586)
Amortization of capital assets	(1,165,214)	(1,229,217)
Transfer to tenants	-	(43,289)
	(1,448,364)	(1,585,092)
NET INVESTMENT IN CAPITAL ASSETS AT END OF YEAR	26,480,974	25,055,116

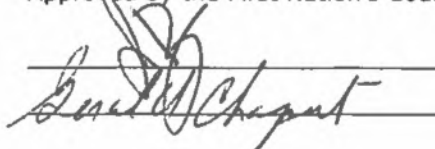
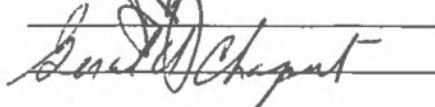
The accompanying notes are an integral part of the consolidated financial statements.

Kebaowek First Nation
Consolidated statement of financial position
As at March 31, 2021

		2021	2020
	Notes	\$	\$
FINANCIAL ASSETS			
Cash		4,663,799	2,660,597
Accounts receivable	3	7,377,305	5,434,493
Long-term investments	4	2,845,740	2,851,500
Restricted cash and deposits	5	405,839	404,765
		<u>15,292,683</u>	<u>11,351,355</u>
LIABILITIES			
Accounts payable and accrued liabilities		1,942,108	2,395,727
Deferred revenue	7	2,794,844	1,272,165
ISC – Unexpended funding	8	4,235,320	2,327,370
Deferred governmental assistance		324,064	341,120
Long-term debt	9	2,736,825	2,663,973
		<u>12,033,161</u>	<u>9,000,355</u>
NET FINANCIAL ASSETS		<u>3,259,522</u>	<u>2,351,000</u>
NON-FINANCIAL ASSETS			
Capital assets	6	29,203,639	27,704,929
Inventories		135,841	128,515
Prepaid expenses		41,138	81,571
		<u>29,380,618</u>	<u>27,915,015</u>
ACCUMULATED SURPLUS	12	<u>32,640,140</u>	<u>30,266,015</u>
Contingencies and Guarantees (Note 15)			

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the First Nation's Council

 Council's Member
 Council's Member

Kebaowek First Nation**Consolidated statement of changes in net financial assets**

Year ended March 31, 2021

	2021 \$	2020 \$
SURPLUS FOR THE YEAR	2,065,661	1,491,159
CHANGES IN CAPITAL ASSETS		
Acquisition of capital assets	(2,663,924)	(1,977,205)
Amortization/loss/proceeds from disposal of capital assets and transfer to tenants	1,165,214	1,272,506
Change of accounting policy – Capital assets	-	605,140
	(1,498,710)	(99,559)
CHANGES IN OTHER NON-FINANCIAL ASSETS		
Changes in inventories	(7,326)	(30,391)
Changes in prepaid expenses	40,433	(30,411)
Change of accounting policy – Inventories	-	11,000
	33,107	(49,802)
CHANGES IN NON-OPERATIONAL SURPLUSES AND RESERVES		
Adjustment to reserved funds – Article 95 and other	(7,865)	32,039
Variation of replacement reserves and operating reserve fund	42,481	(35,305)
Increase in in-trust surplus	8	11
Variation of RRAP loans	48,535	50,921
Change of accounting policy – Cumulative operating surplus	-	(427,000)
Adjustment of Kebaowek Land Management inc. equity pick-up	225,305	-
	308,464	(379,334)
CHANGES IN NET FINANCIAL ASSETS	908,522	962,464
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	2,351,000	1,388,536
NET FINANCIAL ASSETS AT END OF YEAR	3,259,522	2,351,000

The accompanying notes are an integral part of the consolidated financial statements.

Kebaowek First Nation
Consolidated statement of cash flows
Year ended March 31, 2021

	Notes	2021 \$	2020 \$
Operating activities			
Surplus for the year		2,065,661	1,491,159
Items not affecting cash			
Amortization of capital assets		1,165,214	1,229,217
Amortization of deferred governmental assistance		(17,056)	(17,954)
Change of accounting policy – Variation of cash		-	(8,275)
Transfer to tenants		-	43,289
		3,213,819	2,737,436
Changes in non-cash operating working capital items	13	1,067,305	1,339,175
		4,281,124	4,076,611
Investing activities			
Acquisition of capital assets		(2,663,924)	(1,977,205)
Increase in restricted cash and deposits		(1,074)	(4,348)
Variation of investments		231,065	(3,150,423)
		(2,433,933)	(5,131,976)
Financing activities			
Variation of RRAP loans		48,535	50,921
Adjustment to reserved funds – Article 95 and other		34,616	32,039
Increase in in-trust surplus		8	11
Variation of replacement reserves and operating reserve fund		-	(35,305)
Proceeds from long-term debt		283,150	312,586
Reimbursement of long-term debt and RRAP loans		(210,298)	(298,839)
		156,011	61,413
Net increase (decrease) in cash and cash equivalents		2,003,202	(993,952)
Cash and cash equivalents, beginning of year		2,660,597	3,654,549
Cash and cash equivalents, end of year		4,663,799	2,660,597

Cash and cash equivalents consist of cash.

See additional information presented in Note 13.

The accompanying notes are an integral part of the consolidated financial statements.

Kebaowek First Nation

Notes to the consolidated financial statements

March 31, 2021

1. Description of the organization

Kebaowek First Nation (the "First Nation" or "Organization") is an unincorporated legal body as defined in the *Indian Act*. A band council is considered a form of local government consisting of a Chief and two or more councillors who are chosen by election or band custom to carry out the functions of government for the First Nation.

2. Summary of accounting policies

The consolidated financial statements have been prepared in accordance with Canadian public accounting standards applicable to local governments issued by the CPA Canada Public Sector Accounting Handbook.

The principle of fund accounting has been used in the preparation of these consolidated financial statements in accordance with Canadian public sector accounting standards. Accounts are classified into funds in accordance with specified requirements, activities and objectives. The accrual method is followed for the recognition of revenues and expenses.

Cash and cash equivalents

Cash and cash equivalents include cash, bank overdraft, bank loan and short-term investments with a term to maturity of three months or less at the date of acquisition.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

Capital assets

The capital assets are composed of all capital assets recorded at cost. The methods, the term and amortization rates are as follows:

Community buildings	Diminishing balance	2.5%
Private housing	Straight-line	25 years
Water and sanitation systems	Diminishing balance	2.5%
Roadway system	Diminishing balance	2.5%
		10.0 to
Motorized equipment	Diminishing balance	20.0%
Office and other equipment	Diminishing balance	20.0%
Building Migizy Odenaw Inc.	Diminishing balance	5.0%
Equipment Migizy Odenaw Inc.	Diminishing balance	10.0%
Restaurant equipment Migizy Odenaw Inc.	Diminishing balance	20.0%

Revenue recognition

Revenues are recorded in the period specified in funding agreements entered into with government agencies and other organizations. Assistance received in advance of making the related expenses is deferred. Revenues are recognized when persuasive evidence of an arrangement exists, price is fixed or determinable and collection is reasonably assured.

2. Summary of accounting policies (continued)

Use of estimates

The preparation of consolidated financial statements in conformity with PSAS 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 revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables and long-term investments, the cost and net realizable value of inventories, the useful lives of long-lived assets, the potential devaluation of long-term investments and potential impairment of goodwill and indefinite-life intangible assets, the deferred revenues, the ISC – Unexpended funding and liabilities under legal contingencies. Actual results could differ from these estimates.

Principle of consolidation

The consolidated financial statements include the accounts of the First Nation and the enterprises under its control that are not accounted under the modified equity method of accounting. The consolidated enterprise is Migizy Odenaw Inc. because it is deemed to be dependant from a financing point of view and, therefore, consolidated. As at March 31, 2021, the financial information available for the operations of Migizy Odenaw Inc. was taken from its respective year-end (September 30, 2020). Transactions concluded between this enterprise and reciprocal balances are eliminated. The reciprocal balances have not been eliminated in the information in the segment disclosure (Note 19).

Investments in controlled entities

All the entities subject to the control of the First Nation are consolidated with the exception of the commercial enterprises which correspond to the definition of government businesses enterprises.

Commercial enterprises which correspond to the definition of government businesses enterprises are recorded in the consolidated financial statements according to the modified equity method unless the controlled entities become entirely dependent from a financing point of view from Kebaowek First Nation. Under this accounting policy, only the net result, the investment of the First Nation in the government business enterprise and the other variations to the capital are recorded. No adjustment is made in regard of the difference between the accounting policies of the enterprise and the First Nation.

The enterprises recorded according to the modified equity method are:

- Kebaowek Land Management inc. (wholly owned by the First Nation)
- Amik Nikewin Development inc. (wholly owned by the First Nation)
- Kitika Nijwaswi L.P. (99.99% of the parts owned by the First Nation and 0.01% by Amik Nikewin inc.)

Moreover, Kitika Nijwaswi L.P. owns 99.99% of the parts in the enterprises Mikan Transport L.P and Mitikon L.P. Amik Nikewin Development inc. owns 0.01% of the parts in the enterprises Mikan Transport L.P and Mitikon L.P.

Long-term investments

Long-term investments are recorded at cost. Any loss in value of a long-term investment that is other than temporary decline is recognized as a loss.

2. Summary of accounting policies (continued)

Revenues and expenses related to the acquisition of capital assets

Revenues and expenses related to the acquisition of capital assets are recorded in the net investment in capital assets when the related capital expenses are recorded, provided that the First Nation meets the eligibility criteria.

Pension plan

The cost of the defined pension plan is equal to the pension plan expense.

The pension plan is a multiemployer defined benefit pension plan that is accounted for as a defined contribution plan.

Loans

Loans with significant concessionary terms are presented at face value discounted by the amount of the grant portion.

Proceeds from the disposal of capital assets and the related revenues

Proceeds from the disposal of capital assets and from assets held for sale are recorded in the net investment in capital assets.

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

3. Accounts receivable

	2021	2020
	\$	\$
ISC receivable	3,346,580	3,160,700
FNHRDCQ receivable	3,828	3,927
FNEC receivable	171,208	26,941
FNQLHSS receivable	47,316	35,461
CMHC receivable	256,318	3,238
GST, QST and tobacco tax receivable	33,419	35,561
Forestry contracts receivable	100,000	100,000
Government of Quebec receivable	156,425	73,175
Land management receivable	160,000	137,000
Public security receivable	1,285,125	-
Other administration accounts receivable	35,141	47,753
Residents personal mortgage receivable	206,904	365,600
Accounts receivable (housing)	366,412	336,449
Water and garbage receivable	48,504	60,445
Other accounts receivable	1,265,665	1,086,339
Expenses to be reimbursed (housing)	84,445	87,375
CMHC (RRAP loans) receivable	6,758	6,758
	7,574,048	5,566,722
Allowance for doubtful accounts	(196,743)	(132,229)
	7,377,305	5,434,493

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

4. Long-term investments

	2021	2020
	\$	\$
Loan to receive from an individual, no interest and reimbursement terms	10,000	10,000
Loan to a promoter, no interest and reimbursement terms	24,714	24,714
Loan to a promoter, no interest and reimbursement terms	8,500	8,500
Loan to a promoter, no interest and reimbursement terms	10,000	10,000
Loan to a promoter, no interest and reimbursement terms	10,000	10,000
	63,214	63,214
Kebaowek Land Management Inc. – Subsidy (100%)		
Initial investment	100	100
Equity pick-up (accumulated deficit)	(86,705)	(222,624)
Advance, no interest and repayment terms	-	3,010,810
	(86,605)	2,788,286
Amik Nikewin inc. – Subsidy (100%) (General partner of Kitika Nijwaswi L.P)		
Initial investment	100	-
Equity pick-up (accumulated deficit)	(14)	-
	86	-
Kitika Nijwaswi L.P. (parts of 99.99%)		
Initial investment	99	-
Equity pick-up (accumulated deficit)	(143,189)	-
Advance, no interest and repayment terms	3,012,135	-
	2,869,131	-
	2,845,740	2,851,500

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

4. Long-term investments (continued)

Summary of the financial information of Kebaowek Land Management Inc. as at March 31, 2021

	2021	2020
	\$	\$
Consolidated statement of financial position		
Assets	330,151	6,858,756
Liabilities	416,856	7,081,281
Consolidated statement of operations		
Revenues	4,957,270	5,112,844
Expenses	5,046,649	5,092,555
Surplus (deficit) for the year	(89,379)	20,289
Consolidated statement of cash flows		
Operating activities	3,170,658	(2,259,302)
Investing activities	2,332,898	(2,617,612)
Financing activities	(5,476,204)	5,118,783

Related-party transactions – Kebaowek Land Management Inc.:

During the year, the First Nation invoiced revenues to Kebaowek Land Management Inc. for \$32,285. The amount receivable on these transactions is nil as at March 31, 2021 (nil as at March 31, 2020). The First Nation also purchased goods and services from Kebaowek Land Management Inc. for \$54,340 (no purchase in 2020). The amount payable on these and previous transactions included in the accounts payable and accrued liabilities is nil as at March 31, 2021 (\$449,474 as at March 31, 2020).

As at December 31, 2020, Kebaowek Land Management inc. sold all its assets and liabilities to Mikan Transport L.P. and Mitikon L.P. As a result of this transaction, Mikan Transport L.P. is owing an amount of \$330,151 to Kebaowek Land Management inc.

Summary of the financial information - Mikan Transport L.P. as at March 31, 2021

	2021
	(3 months)
	\$
Statement of financial position	
Assets	2,925,881
Liabilities	3,014,460
Statement of operations	
Revenues	747,652
Expenses	836,231
Deficit for the year	(88,579)
Statement of cash flows	
Operating activities	(210,310)
Investing activities	(2,499,716)
Financing activities	2,745,867

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

4. Long-term investments (continued)

The amount of the long-term debt of Mikan Transport L.P. is \$1,513,729 as of March 31, 2021. Principal payments required in each of the next five years are as follows:

	\$
2022	386,069
2023	354,154
2024	354,154
2025	339,663
2026	77,644

Related-party transactions – Mikan Transport L.P.:

During the year, the First Nation invoiced revenues to Mitikon L.P. for \$21,016. The amount receivable on these transactions is nil as at March 31, 2021. The First Nation also purchased goods and services for \$23,034 from Mikan Transport L.P. The amount payable on these and previous transactions is included in the accounts payable and accrued liabilities as at March 31, 2021, for \$16,724. Mikan Transport L.P. is also owing an amount of \$891,765 to Kebaowek First Nation from a sale of assets and liabilities from Kebaowek Land Management inc. as of December 31, 2020.

Moreover, during the year Mikan Transport L.P. invoiced revenues to Mitikon L.P. for \$632,881 and the amount receivable on these transaction is \$305,356 as at March 31, 2021.

Summary of the financial information - Mitikon L.P. as at March 31, 2021

	2021 (3 months) \$
Statement of financial position	
Assets	3,204,916
Liabilities	3,259,540
Statement of operations	
Revenues	1,717,769
Expenses	1,772,393
Deficit for the year	(54,624)
Statement of cash flows	
Operating activities	(1,455,756)
Investing activities	(1,343,960)
Financing activities	2,608,549

The amount of the long-term debt of Mitikon L.P. is \$419,335 as of March 31, 2021. Principal payments required in each of the next five years are as follows:

	\$
2022	223,710
2023	155,315
2024	29,702
2025	10,608

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

4. Long-term investments (continued)

Related-party transactions – Mitikon L.P. :

During the year, the First Nation charged other revenues to Mikan Transport L.P. for \$7,608. The amount receivable on these transactions is nil as at March 31, 2021. The First Nation also purchased goods and services for \$13,001 from Mitikon L.P. The amount payable on these and previous transactions is included in the accounts payable and accrued liabilities as at March 31, 2021, for \$13,001. Moreover, another amount of \$159,474 is included in the accounts payables and accrued liabilities related to the sale of assets and liabilities from Kebaowek Land Management inc. as of December 31, 2020. Mitikon L.P. is also owing an amount of \$2,120,370 to Kebaowek First Nation from a sale of assets and liabilities from Kebaowek Land Management inc. as of December 31, 2020.

Moreover, during the year Mitikon L.P. purchased services to Mikan Transport L.P. for \$632,881 and the amount payable on these transaction is \$305,356 as at March 31, 2021.

5. Restricted cash and deposits

	2021	2020
	\$	\$
In-trust surplus	596	588
Operating and replacement reserves (Note 14)	405,243	404,177
	405,839	404,765

6. Capital assets

	Cost	Accumulated	2021	2020
	\$	amortization	Net book	Net book
	\$	\$	value	value
	\$	\$	\$	\$
Assets under construction	1,512,998	-	1,512,998	1,797,915
Community buildings	2,979,202	1,323,894	1,655,308	1,697,752
Private housing	10,535,496	5,800,916	4,734,580	5,117,931
Water and sanitation systems	17,797,250	2,059,246	15,738,004	15,839,626
Roadway system	3,789,000	542,533	3,246,467	887,536
Motorized equipment	2,979,640	1,561,156	1,418,484	1,440,725
Building Migizy Odenaw Inc.	662,331	366,986	295,345	310,890
Equipment Migizy Odenaw Inc.	530,236	363,637	166,599	180,998
Restaurant equipment Migizy Odenaw Inc.	61,059	46,313	14,746	15,508
Office and other equipment	1,528,326	1,107,217	421,108	416,048
	42,375,538	13,171,898	29,203,639	27,704,929

7. Deferred revenue

	2021	2020
	\$	\$
GCNWA Proposal	73,122	-
Human Resources Development Consolidated Revenues Fund	29,906	3,440
FNEC – ICT Skills Link Program	643	-
FNEC – Science & Technology / Youth Employment Project	10,550	-
FNEC – Summer Student Jobs	3,573	-
FNEC – Language and Culture	118,236	15,670

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

7. Deferred revenue (continued)

	2021	2020
	\$	\$
FNEC – Partnership Initiative	42,312	26,288
Nursing Station Maintenance	-	9,805
Primary Health Care	-	40,331
Home Care Nursing	-	62,540
Environmental Health Officer	-	5,125
Community Health Representative	-	34,787
Brighter Futures	-	21,293
Mental Wellness Team	-	104,473
Aboriginal Health Transition Fund	-	11,537
Mental Health	-	39,090
N.N.A.D.A.P. Prevention	-	53,928
Prenatal Nutrition	-	9,921
Diabetes	-	12,014
Head Start	-	23,185
Aids / HIV	-	58,377
Tobacco Prevention	-	12,353
Training (AHHRI)	-	5,641
Respiratory Infections	-	1,631
Management Support	-	269,572
Fetal Alcohol Syndrome Disease	-	10,354
Communicable Disease Emergencies Initiative (CDE)	-	11,719
Traditional Healers	-	28,447
Bullying	13,500	13,500
Maternal and Child Health	-	29,061
Food Rescue	6,380	-
E-Health Infostructure Program	-	12,366
Avenir d'enfants	40,474	40,474
ISC Health Branch – Health Career Summer Student	-	1,844
NASP – National Aboriginal Suicide Prevention Strategy	-	20,865
Moose Project	-	2,567
FNQLHSSC Sport Participation	9,952	-
FNQLHSSC Gender Equality	25,881	-
Culture & Communication	-	21,107
Wastewater Treatment System (AQB03)	-	107,030
Eco Patrol	3,506	-
Police infrastructure Project	1,195,000	-
CMHC Construction 157 Ogima Street	736,734	-
Matamec	33,675	33,675
Comprehensive Planning	22,688	9,542
Cultural Center	68,670	54,580
Radio Station	54,341	21,271
Culture Co-Ordinator	71,753	-
NIB Trust Fund	47,467	-
Anishnabe Mikawa	5,654	20,652
Nuclear Laboratories	10,500	-
Ottawa River Keeper	5,000	12,110
Gazoduc	79,394	-
Temiskaming Dam – Environmental Assessments	85,933	-
	2,794,844	1,272,165

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

8. ISC – Unexpended funding

	2021 \$	2020 \$
COVID-19 EMAP Phase 3	61,944	-
COVID-19 Reopening Band Buildings	90,125	-
Addition to Reserve	20,000	20,000
COVID-19 Administration Costs	157,536	-
Band Surplus	172,181	-
Post-Secondary Education	148,426	-
COVID-19 Post Secondary	789	-
Nursing Station Maintenance	3,678	-
Primary Health Care	30,002	-
Home Care Nursing	75,240	-
Environmental Health Officer	20,884	-
Community Health Representative	25,320	-
Brighter Futures	50,078	-
Jordan's Principle – Support	21,209	-
Jordan's Principle – Transportation	860	-
Jordan's Principle – Education	31,915	-
Jordan's Principle – Q200 Pharmacy/Medical	217	-
Jordan's Principle – Q2GA Assisted Technology	1,552	-
Jordan's Principle – Q2G9 Education Assistance	17,765	-
Jordan's Principle – Q2G2 Respite care	2,652	-
Mental Wellness Team	119,164	-
Aboriginal Health Transition Fund	11,537	-
Mental Health	53,834	-
N.N.A.D.A.P. Prevention	133,803	-
Prenatal Nutrition	15,222	-
Head Start	38,979	-
Aids / HIV	64,268	-
Tobacco Prevention	22,090	-
Canadian Oral Hygiene Initiative	25,000	-
Training (AHHRI)	11,273	-
Respiratory Infections	2,791	-
Management Support	392,222	-
Fetal Alcohol Syndrom Disease	16,566	-
Communicable Disease Emergencies Initiative (CDE)	23,150	-
Home Support Program	61,195	-
Traditional Healers	30,810	-
Headstart on Reserve ELCC	58,088	-
E-Health Infostructure Program	186	-
ISC Health Branch – Health Career Summer Student	2,478	-
NASP – National Aboriginal Suicide Prevention Strategy	9,454	-
First Line Services	509,965	408,392
COVID-19 Mental Wellness	79,976	-
COVID-19 IELCC (Daycare)	12,330	-
COVID-19 Clinical & Client Care	65,523	-
COVID-19 Communicable Disease	63,966	-
COVID-19 Diabetes	14,729	-
Indian Day School	5,429	-
COVID-19 Headstart	21,502	-

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

8. ISC – Unexpended funding (continued)

	2021 \$	2020 \$
COVID-19 O & M Facilities	14,382	-
COVID-19 Assisted Living	45,122	-
Extension Amik Street	99,243	1,089,379
Waste Management	12,525	12,525
Emergency Preparedness	1,189	20,653
Sewage Repair	5,615	-
Infrastructure – Water System	77,454	138,221
O & M Eco-Center	215,411	136,315
Eco-Center	294,382	345,779
Wastewater Treatment System (AQB03)	6	-
O & M Garbage Truck	48,128	-
Assets Management (CQJ90)	40,000	-
COVID-19 – Social Assistance	30,446	-
Social Assistance – Service Delivery	25,111	-
Community Development Plan	81,067	145,027
SAA Phase 1A Engineer & Architect	447,336	-
Temiskaming Dam	-	11,079
	4,235,320	2,327,370

9. Long-term debt

	2021 \$	2020 \$
Loan, 3.07%, secured by ISC, payable by monthly instalments of \$391, capital and interest, maturing in 2025	14,457	18,636
Loan, 3.07%, secured by ISC, payable by monthly instalments of \$317, capital and interest, maturing in 2025	11,726	15,115
Loan, 2.18%, secured by ISC, payable by weekly instalments of \$139, capital and interest, maturing in 2022	3,846	10,934
Loan, 2.95%, secured by ISC, payable by monthly instalments of \$495, capital and interest, maturing in 2030	45,938	50,497
Loan, 1.84%, secured by ISC, payable by monthly instalments of \$1,258, capital and interest, maturing in 2033	155,345	167,474
Loan, 2.49% secured by ISC, payable by monthly instalments of \$568, capital and interest, maturing in 2034	71,543	76,525
Loan, 1.48%, secured by ISC, payable by monthly instalments of \$1,589, capital and interest, maturing in 2033	206,944	222,841
Loan, 1.48%, secured by ISC, payable by monthly instalments of \$875, capital and interest, maturing in 2037	148,244	156,501

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

9. Long-term debt (continued)

	2021	2020
	\$	\$
Loan, 0.71%, secured by ISC, payable by monthly instalments of \$553, capital and interest, maturing in 2036	92,395	98,204
Loan, 1.30%, secured by ISC, payable by monthly instalments of \$1,222, capital and interest, maturing in 2028	85,735	99,196
Loan, 2.70% secured by ISC, payable by monthly instalments of \$665, capital and interest, maturing in 2032	71,440	77,420
Loan, 3.22%, secured by ISC, payable by monthly instalments of \$1,134, capital and interest, maturing in 2043	203,449	210,380
Loan, 2.01%, secured by ISC, payable by monthly instalments of \$389, capital and interest, maturing in 2038	76,973	79,350
Loan, 0.45%, secured by ISC, payable by monthly instalments of \$526, capital and interest, maturing in 2036	90,006	95,605
Loan, 2.41%, secured by ISC, payable by monthly instalments of \$1,205, capital and interest, maturing in 2044	247,625	256,044
Loan, 1.69%, secured by ISC, payable by monthly instalments of \$244, capital and interest, maturing in 2030	22,565	25,095
Loan, 0.71%, secured by ISC, payable by monthly instalments of \$530, capital and interest, maturing in 2027	32,735	38,695
Loans from CMCH (RRAP)*	50,730	99,265
Loan, 2.60%, secured by ISC, payable by monthly instalments of \$168, capital and interest, maturing in 2032	19,034	20,530
Loan 1.87%, secured by ISC, payable by monthly instalments of \$1,115, capital and interest, maturing in 2045	251,640	260,258
Loan 1.75%, secured by ISC, payable by monthly instalments of \$514, capital and interest, maturing in 2045	119,271	123,330
Loan 1.73%, secured by ISC, payable by monthly instalments of \$718, capital and interest, maturing in 2045	168,857	174,642
Loan, 6.00%, payable by monthly instalments of \$2900, capital and interest, maturing in 2026	125,741	150,000
Loan, 6.00%, payable by bi-annual instalments of \$25,370 by the Secr�tariat aux affaires autochtones, capital and interest, maturing in 2024	137,436	137,436
Loan in progress, approved by CMHC, with a term of 25 years, interests and other terms to be determined	145,750	-

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

9. Long-term debt (continued)

	2021	2020
	\$	\$
Loan in progress, approved by CMHC, with a term of 25 years, interests and other terms to be determined	107,400	-
Loan-subsidy in the amount of \$40,000, guaranteed by the Government of Canada, repayable in a single installment of \$30,000 on December 31, 2022, effective rate of 5.00%(1)	30,000	-
	2,736,825	2,663,973
Current portion	263,701	174,182
	2,473,124	2,489,791

- * Under this program, an agreement has been reached by the Kebaowek First Nation and the CMHC concerning the cumulative contributions for the major repairs of houses located on the First Nation's territory (RRAP).

Should all the conditions of the agreement be met by the First Nation, the amortization of these loans will be made by remission instalments based on a straight-line method of amortization of three to five years. Should the conditions not be respected by the First Nation, the outstanding balance of these loans will be repaid by the First Nation as a usual mortgage (subject of interest charges).

- (1) If the loan is not repaid on December 31, 2022, an amount of \$40,000 will become repayable over 36 months and will bear interest at the rate of 5.00% where only interest at the rate of 5.00% will be paid until the principal is repaid no later than December 2025. An amount of \$10,000 has been inscribed to revenues.

Principal payments required in each of the next five years are as follows:

	\$
2022	263,701
2023	296,749
2024	240,222
2025	195,056
2026	133,074

10. Reserves for acquisition of capital assets

The First Nation has reserved funds for the future acquisition of capital assets in accordance with funding agreements. Here is the detail of these reserves as at March 31, 2021 :

	2021	2020
	\$	\$
School bus	44,082	44,082
Public works equipment	200,000	200,000
Single apartment building	71,551	65,551
Band rental	31,625	27,125
Police department	210,322	210,322
Fire truck	205,000	205,000
	762,580	752,080

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

11. Cumulative operating and funds balances

The cumulative operating and funds balances as at March 31, 2021, do not take into consideration possible modifications following the review and analysis of the present consolidated financial statements by ISC, CMHC, FNEC and FNHRDCQ. Any adjustment resulting from these analyses will be recorded in the current year as an adjustment of funds balances or in the results as indicated by ISC, CMHC, FNEC or FNHRDCQ.

12. Accumulated surplus

The accumulated surplus of Kebaowek First Nation is divided among several surpluses and reserves, as detailed below:

	2021	2020
	\$	\$
Reserve for acquisition of capital assets	762,580	752,080
Economic investment deficit	(2,831,943)	(2,549,577)
In-trust surplus	596	588
Operating reserve fund – Article 95	85,511	77,646
Replacement reserve fund – Article 95	290,014	255,398
Replacement reserve – Multiplex	89,000	80,000
Net investment in capital assets	26,480,974	25,055,116
Cumulative operating surplus	7,763,408	6,594,764
	32,640,140	30,266,015

13. Additional information relating to the consolidated statement of cash flows

	2021	2020
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	(1,942,812)	(1,291,556)
Inventories	(7,326)	(30,391)
Prepaid expenses	40,433	(30,411)
ISC – Unexpended funding	1,907,950	1,640,091
Accounts payable and accrued liabilities	(453,619)	1,002,996
Deferred revenue	1,522,679	48,446
	1,067,305	1,339,175

14. Replacement reserve

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited annually. These funds along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then capital.

Kebaowek First Nation

Notes to the consolidated financial statements

March 31, 2021

15. Contingencies and guarantees

The First Nation is a guarantor for personal housing mortgages to residents of the community for the amount of 1,604,114 as at March 31, 2021 (\$926,089 as at March 31, 2020).

Moreover, the First Nation is also a guarantor for a loan in Mikan Transport L.P. for the amount of \$1,189,985 as at March 31, 2021.

16. Financial instruments

Interest rate risk

The long-term debt bears interest at fixed rates. Consequently, the cash flows exposure is not significant. However, the fair value of loans having fixed rates of interest could fluctuate because of changes in market interest rates. The short-term loans represent a limited exposure to interest rate risk due to their short-term maturity.

Credit risk

The First Nation provides credit to its tenants in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for potential credit losses.

Credit facility (bank loan)

An authorized line of credit of \$500,000, bearing interest at prime rate (2.45% as at March 31, 2021) plus 1.00%, is available. The loans are repayable on demand and fluctuate regularly. The credit line is renewable on an annual basis and guaranteed by a first ranking hypothec of \$750,000 on all borrower's present and future claims. No amount was used as at March 31, 2021.

An authorized credit card of \$150,000, bearing interest at 19.99%, is also available. An amount of \$26,850 included under the accounts payable and accrued liabilities was used as at March 31, 2021.

Fair value of financial assets and liabilities

The fair value represents approximately the amounts of the financial instruments that would be exchanged between the consenting parties, according to the current market value of instruments which the risk, capital and duration are the same. Certain estimates and decisions were required to arrive at the fair value of financial instruments which was based upon actualization and other evaluation methods which depend largely on hypothesis of estimated cash flows and the actualization rate depending on different degrees of risk.

The fair value of cash, accounts receivable, restricted cash and deposits, long-term investments and accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity.

As at March 31, 2021, the net book value of all financial instruments corresponded approximately to their fair value with the exception of the following item:

	Net book value	Fair value
	\$	\$
Long-term debt	2,736,825	2,820,484

17. Pension plan

The First Nation supports a contributory defined benefit pension plan for substantially all of its employees (except for the police department which is described below). It is a multiemployer plan that is administered by the Native Benefits Plan. The pension for native employees is 8.50% of the gross salary and the employer contributes 1.82 times the employee's contribution. For the non-native employees, it is 6.80% of the gross salary and the employer contributes 1.82 times the employee's contribution.

For the police department, the rate is 9.50% of the gross salary for the native employees and 7.2% for the non-native employees. The employer contributes 2.00 times the employee's contribution.

The First Nation also offers a voluntary pension plan for employees not covered by ISC, ISC – Health Branch and police activities. The contribution by the employees is 5.00% and the First Nation contributes the same amount.

For the current fiscal year, the pension plan expenses amounted to \$259,468 (\$232,121 in 2020).

Kebaowek First Nation**Notes to the consolidated financial statements**

March 31, 2021

18. Expenses by object

	2021	2020
	\$	\$
Cost of goods sold	2,121,539	2,311,356
Advertizing	11,851	4,818
Salaries and fringe benefits	3,387,868	3,383,002
Allocations	459,235	482,570
Administration fees	612,628	554,369
Councillors' honoraries	27,000	27,000
Contracts	228,593	329,968
Amortization of deferred governmental assistance	(17,056)	(17,954)
Amortization of capital assets	1,165,214	1,229,217
Doubtful accounts	65,174	16,532
Management expenses	65,563	63,078
Energy	146,777	151,132
Membership fees	2,180	2,778
Gas	44,712	56,962
Insurances	160,698	124,133
Interest and bank charges	24,613	71,492
Interest and long-term debt	59,547	64,372
Licences and permits	39,519	50,290
Maintenance expenses	148,934	121,256
Material and supplies	389,941	474,668
Other	12,818	45,509
Pension plan	259,468	232,121
Professional fees	1,033,560	1,093,790
Recreation activities expenses	324	3,941
Registration fees	20,470	39,451
Rental	114,813	102,875
Room and board	414,927	222,659
Telephone	56,390	66,082
Training expenses (reimbursements)	11,927	46,861
Transfer to Migizy Odenaw Childcare Center	55,129	33,071
Transfer to tenants	-	43,289
Transfer to the replacement reserve	33,550	32,133
Transportation expenses	102,583	185,146
Travel	52,440	117,127
Tuition fees	308,761	409,125
Water, garbage and sewer expenses	10,368	10,908
Workshops expenses	146,839	191,596
Transfer to economic development businesses	20,621	-
	11,799,518	12,376,723

19. Segment disclosure

	Band government		Administration	
	2021	2020	2021	2020
Revenues				
Federal government transfers	24,030	7,708	354,653	588,549
Other revenues	59,242	15,206	763,447	715,632
Total revenues	83,272	22,914	1,118,100	1,304,181
Expenses				
Salaries and fringe benefits	9,703	9,296	450,219	379,316
Amortization	-	-	32,208	32,412
Other expenses	73,569	13,618	458,316	434,385
Total expenses	83,272	22,914	940,743	846,113
Annual surplus (deficit)	-	-	177,357	458,068

	Human resources development		Education	
	2021	2020	2021	2020
Revenues				
Federal government transfers	329,719	349,859	1,354,319	1,459,374
Other revenues	(163,660)	(150,543)	(17,660)	1,096
Total revenues	166,059	199,316	1,336,659	1,460,470
Expenses				
Salaries and fringe benefits	47,654	40,750	236,745	218,616
Amortization	-	-	15,317	10,928
Other expenses	118,405	158,256	956,658	846,776
Total expenses	166,059	199,006	1,208,720	1,076,320
Annual surplus (deficit)	-	310	127,939	384,150

	Health		Public works	
	2021	2020	2021	2020
Revenues				
Federal government transfers	2,436,456	2,342,857	2,531,533	2,281,467
Provincial government transfers	52,000	91,554	-	-
Other revenues	38,256	34,139	188,688	246,707
Total revenues	2,526,712	2,468,550	2,720,221	2,528,174
Expenses				
Salaries and fringe benefits	1,135,307	1,110,840	404,819	367,813
Amortization	41,629	43,357	567,647	421,270
Other expenses	1,319,771	1,319,612	532,321	399,605
Total expenses	2,496,707	2,473,809	1,504,787	1,188,688
Annual surplus (deficit)	30,005	(5,259)	1,215,434	1,339,486

19. Segment disclosure (continued)

	Police security		Fire protection	
	2021	2020	2021	2020
Revenues				
Federal government transfers	596,888	493,200	85,069	81,770
Other revenues	-	-	10,933	7,124
Total revenues	596,888	493,200	96,002	88,894
Expenses				
Salaries and fringe benefits	366,260	310,027	-	1,177
Amortization	45,603	40,153	-	-
Other expenses	161,339	174,471	69,267	77,214
Total expenses	573,202	524,651	69,267	78,391
Annual surplus (deficit)	23,686	(31,451)	26,735	10,503

	Social assistance		Housing	
	2021	2020	2021	2020
Revenues				
Federal government transfers	692,332	661,415	201,950	249,187
Other revenues	7,735	3,925	319,642	564,981
Total revenues	700,067	665,340	521,592	814,168
Expenses				
Salaries and fringe benefits	31,875	28,073	48,216	195,919
Amortization	-	-	383,351	604,283
Other expenses	306,665	316,787	288,551	401,835
Total expenses	338,540	344,860	720,118	1,202,037
Annual surplus (deficit)	361,527	320,480	(198,526)	(387,869)

	Economic development		Others	
	2021	2020	2021	2020
Revenues				
Federal government transfers	512,600	-	14,998	(20,652)
Provincial government transfers	110,800	-	-	-
Other revenues	2,835,599	2,930,873	121,708	333,666
Total revenues	3,458,999	2,982,798	136,706	313,014
Expenses				
Salaries and fringe benefits	458,639	448,092	35,658	39,144
Amortization	60,334	57,376	930	888
Other expenses	2,461,498	2,813,867	93,848	251,178
Total expenses	2,980,471	3,319,335	130,436	291,210
Annual surplus (deficit)	478,528	(336,537)	6,270	21,804

19. Segment disclosure (continued)

	Natural resources		Total	
	2021	2020	2021	2020
Revenues				
Federal government transfers	96,902	102,012	9,231,449	8,648,671
Provincial government transfers	408,651	322,000	571,451	413,554
Other revenues	130,937	189,523	4,294,868	4,892,329
Total revenues	636,490	613,535	14,097,768	13,954,554
Expenses				
Salaries and fringe benefits	162,772	233,939	3,387,868	3,383,002
Amortization	18,195	18,550	1,165,214	1,229,217
Other expenses	406,228	663,861	7,246,436	7,871,465
Total expenses	587,195	916,350	11,799,518	12,483,684
Annual surplus (deficit)	49,295	(302,815)	2,298,250	1,470,870

The segment disclosure is presented before the net surplus (deficit) in the controlled entities and before elimination of revenue and expenses for consolidation purpose.

20. Comparative figures

Certain figures for 2020 have been reclassified to conform to the presentation adopted in 2021.