

---

**Consolidated financial statements of  
Kebaowek First Nation**

March 31, 2020

---

---

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 - 27

---

## Management's Statement of Responsibility

The consolidated financial statements of Kebaowek First Nation as of March 31, 2020, 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 Canadian public sector accounting standards ("PSAS") and, as such, include amounts that are the best estimates and judgments of management.

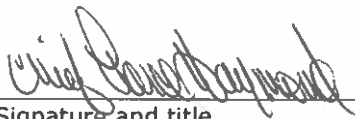
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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, Deloitte 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 15, 2020



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

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

## Independent Auditor's Report

To the Chief and Council of  
Kebaowek First Nation

### 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, 2020, 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, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization for the year ended March 31, 2020, 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 Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

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 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. This 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 chooses to present a statement of net investment in Capital assets in page 8.

We also draw your attention to the fact that no budget figures are presented, even though it is a requirement of the Canadian public sector accounting standards.

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.

*Deloitte LLP*

1

October 15, 2020

---

<sup>1</sup> CPA auditor, CA, public accountancy permit No.A112314

**Kebaowek First Nation**  
**Consolidated statement of operations**  
Year ended March 31, 2020

	2020	2019
Notes	\$	\$
<b>REVENUES</b>		
Sales	<b>2,641,772</b>	2,669,584
Indigenous Services Canada (ISC) – Flexible contribution	<b>20,653</b>	122,275
ISC – Fixed contribution	<b>3,637,765</b>	778,677
ISC – Block contribution	<b>3,268,080</b>	3,164,024
ISC – Health Branch	<b>2,077,869</b>	2,136,425
Administration fees	<b>597,737</b>	729,663
Canada Mortgage and Housing Corporation (CMHC)	<b>119,175</b>	166,539
Environment Canada	<b>76,371</b>	10,000
First Nations Education Council (FNEC)	<b>183,656</b>	151,542
First Nations of Quebec and Labrador Health and Social Services (FNQLHSS)	<b>81,182</b>	60,189
Forestry contracts	<b>22,615</b>	1,736,725
Government of Quebec	<b>54,815</b>	39,590
First Nations Human Resources Development Commission of Quebec (FNHRDCQ)	<b>353,299</b>	368,914
Interest	<b>39,861</b>	25,349
Land management	<b>100,000</b>	100,000
Ministère des Forêts, de la Faune et des Parcs	<b>137,000</b>	166,000
Recoverable deficit (refundable surplus) to ISC	-	11,648
Refundable surplus to ISC – Health Branch	<b>(1,803)</b>	(30,435)
Provincial and federal police	<b>493,200</b>	480,000
Recreation revenues	<b>32,251</b>	24,014
Rent revenues	<b>278,969</b>	335,390
Secrétariat aux affaires autochtones	<b>249,500</b>	740,990
Special activities revenues	<b>171,894</b>	122,374
Other revenues	<b>860,270</b>	467,467
Withdrawal from replacement reserve	<b>40,000</b>	52,617
ISC – Unexpended contribution from previous year	<b>687,279</b>	998,318
ISC – Unexpended contribution to following year	<b>(2,327,370)</b>	(687,279)
Deferred revenue from previous year	<b>1,223,719</b>	1,870,234
Deferred revenue to following year	<b>(1,272,165)</b>	(1,431,677)
	<b><u>13,847,594</u></b>	<b><u>15,379,157</u></b>

**Kebaowek First Nation**  
**Consolidated statement of operations**  
Year ended March 31, 2020

	2020	2019
	\$	\$
Notes		
<b>EXPENSES</b>		
Band government	22,914	15,836
Administration	840,743	743,079
Human resources development	177,303	312,007
Education	1,065,627	1,219,294
Health	2,456,430	2,216,233
Public works	1,182,491	1,054,851
Police security	518,323	455,716
Fire protection	76,777	62,990
Social assistance	344,860	333,543
Housing	1,201,426	704,418
Economic development	3,287,262	4,705,995
Natural resources and others	1,202,568	841,826
	<u>12,376,724</u>	<u>12,665,788</u>
<b>SURPLUS FOR THE YEAR BEFORE NET DEFICIT IN CONTROLLED ENTITY</b>	<b>1,470,870</b>	<b>2,713,369</b>
NET SURPLUS IN CONTROLLED ENTITY	4 <u>20,289</u>	-
<b>SURPLUS FOR THE YEAR</b>	<b><u>1,491,159</u></b>	<b><u>2,713,369</u></b>
<b>CONCILIATION TO ISC FINANCIAL REPORTING REQUIREMENTS</b>		
Surplus for the year	1,491,159	2,713,369
Proceeds from long-term debt	312,586	903,250
Reimbursement of long-term debt	(247,918)	(339,580)
Acquisition of capital assets	<u>(1,977,205)</u>	<u>(2,317,122)</u>
(Deficit) surplus for the year under ISC financial reporting requirements(1)	<u>(421,378)</u>	<u>959,917</u>

(1) The operating surplus under ISC financial reporting requirements before amortization and transfer to tenants is \$851,128 (surplus of \$1,809,571 in 2019).

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, 2020

	Notes	2020 \$	2019 \$
<b>BALANCE AT BEGINNING OF YEAR</b>		<b>5,701,714</b>	3,817,675
Change of accounting policy	2	<b>(427,000)</b>	-
Change of accounting policy – Impact on the net investment in capital assets	2	<b>157,441</b>	-
<b>ADJUSTED BALANCE AT BEGINNING OF YEAR</b>		<b>5,432,155</b>	3,817,675
Surplus for the year		<b>1,491,159</b>	2,713,369
<b>TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS</b>			
Acquisition of capital assets		<b>(1,977,205)</b>	(2,317,122)
Amortization/loss/proceeds from disposal of capital assets and transfer to tenants		<b>1,272,506</b>	849,654
Proceeds from long-term debt		<b>312,586</b>	903,250
Reimbursement of long-term debt		<b>(247,918)</b>	(339,580)
Allocation from the economic investment deficit		<b>83,449</b>	100,435
Change of accounting policy – Impact on the economic investment deficit	2	<b>215,492</b>	-
Allocation to band rental, single apartment building and multiplex reserves		<b>(19,500)</b>	(19,500)
Adjustment to reserved funds – Article 95		<b>31,775</b>	(973)
Adjustment – Other		<b>265</b>	(5,494)
<b>BALANCE AT END OF YEAR</b>		<b>6,594,764</b>	5,701,714

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, 2020

	2020	2019
Notes	\$	\$
<b>NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR</b>	<b>24,521,605</b>	23,570,655
Change of accounting policy – Impact on the net investment in capital assets	2 (157,441)	-
<b>ADJUSTED NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR</b>	<b>24,364,164</b>	23,570,655
<b>VARIATION OF NET INVESTMENT IN CAPITAL ASSETS</b>		
Plus:		
Acquisition of capital assets	1,977,205	2,317,122
Reimbursement of long-term debt	247,918	339,580
Reimbursement of Residential Rehabilitation Assistance Program On-Reserve (RRAP)	50,921	47,152
	<u>2,276,044</u>	<u>2,703,854</u>
Less:		
Proceeds from long-term debt	(312,586)	(903,250)
Amortization of capital assets	(1,229,217)	(849,654)
Transfer to tenants	(43,289)	-
	<u>(1,585,092)</u>	<u>(1,752,904)</u>
<b>NET INVESTMENT IN CAPITAL ASSETS AT END OF YEAR</b>	<b>25,055,116</b>	24,521,605



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

**Kebaowek First Nation**  
**Consolidated statement of financial position**  
As at March 31, 2020

	2020	2019
Notes	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	<b>2,660,597</b>	3,654,549
Accounts receivable	3 <b>5,434,493</b>	4,345,247
Long-term investments	4 <b>2,851,500</b>	63,214
Restricted cash and deposits	5 <b>404,765</b>	400,417
	<b>11,351,355</b>	<b>8,463,427</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	<b>2,395,727</b>	1,498,936
Deferred revenue	7 <b>1,272,165</b>	1,431,677
ISC - Unexpended funding	8 <b>2,327,370</b>	687,279
Deferred governmental assistance	<b>341,120</b>	359,074
Long-term debt	9 <b>2,663,973</b>	3,097,925
	<b>9,000,355</b>	<b>7,074,891</b>
<b>NET FINANCIAL ASSETS</b>	<b>2,351,000</b>	<b>1,388,536</b>
<b>NON-FINANCIAL ASSETS</b>		
Capital assets	6 <b>27,704,929</b>	27,605,369
Inventories	<b>128,515</b>	109,124
Prepaid expenses	<b>81,571</b>	51,160
	<b>27,915,015</b>	<b>27,765,653</b>
<b>ACCUMULATED SURPLUS</b>	12 <b>30,266,015</b>	<b>29,154,189</b>
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, 2020

	2020	2019
Notes	\$	\$
<b>SURPLUS FOR THE YEAR</b>	<b>1,491,159</b>	2,713,369
<b>CHANGES IN CAPITAL ASSETS</b>		
Acquisition of capital assets	<b>(1,977,205)</b>	(2,317,122)
Amortization/loss/proceeds from disposal of capital assets and transfer to tenants	<b>1,272,506</b>	849,654
Change of accounting policy – Capital assets	<b>605,140</b>	-
	<b>(99,559)</b>	(1,467,468)
<b>CHANGES IN OTHER NON-FINANCIAL ASSETS</b>		
Changes in inventories	<b>(30,391)</b>	(3,302)
Changes in prepaid expenses	<b>(30,411)</b>	7,963
Change of accounting policy – Inventories	<b>11,000</b>	-
	<b>(49,802)</b>	4,661
<b>CHANGES IN NON-OPERATIONAL SURPLUSES AND RESERVES</b>		
Adjustment to reserved funds – Article 95 and other	<b>32,039</b>	(6,467)
Variation of replacement reserves and operating reserve fund	<b>(35,305)</b>	(17,683)
Increase in in-trust surplus	<b>11</b>	13
Variation of RRAP loans	<b>50,921</b>	47,152
Change of accounting policy – Cumulative operating surplus	<b>(427,000)</b>	-
	<b>(379,334)</b>	23,015
<b>CHANGES IN NET FINANCIAL ASSETS</b>	<b>962,464</b>	1,273,577
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	<b>1,388,536</b>	114,959
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	<b>2,351,000</b>	1,388,536

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

**Kebaowek First Nation**  
**Consolidated statement of cash flows**  
Year ended March 31, 2020

	2020	2019
Notes	\$	\$
<b>Operating activities</b>		
Surplus for the year	1,491,159	2,713,369
Items not affecting cash		
Amortization of capital assets	1,229,217	849,654
Amortization of deferred governmental assistance	(17,954)	(18,899)
Change of accounting policy – Variation of cash	(8,275)	-
Transfer to tenants	43,289	-
	<u>2,737,436</u>	3,544,124
Changes in non-cash operating working capital items	13 <u>1,339,175</u>	379,815
	<u>4,076,611</u>	<u>3,923,939</u>
<b>Investing activities</b>		
Acquisition of capital assets	(1,977,205)	(1,733,872)
Increase in restricted cash and deposits	(4,348)	(2,420)
Variation of investments	(3,150,423)	-
	<u>(5,131,976)</u>	<u>(1,736,292)</u>
<b>Financing activities</b>		
Variation of RRAP loans	50,921	47,152
Adjustment to reserved funds – Article 95 and other	32,039	(6,467)
Increase in in-trust surplus	11	13
Variation of replacement reserves and operating reserve fund	(35,305)	(17,683)
Proceeds from long-term debt	312,586	320,000
Reimbursement of long-term debt and RRAP loans	(298,839)	(386,732)
	<u>61,413</u>	<u>(43,717)</u>
Net (decrease) increase in cash and cash equivalents	(993,952)	2,143,930
Cash and cash equivalents, beginning of year	3,654,549	1,510,619
<b>Cash and cash equivalents, end of year</b>	<u>2,660,597</u>	<u>3,654,549</u>

Cash and cash equivalents consist of cash.

See additional information presented in Notes 2 and 13.

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

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
 March 31, 2020

**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 sector accounting standards applicable to local governments issued by the CPA Canada Public Sector Accounting Handbook.

The principles of fund accounting have 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.

*Change of accounting policy*

Investments in controlled entities

Effective April 1, 2019, the First Nation elected to change its accounting policy for an investment in a controlled entity for the modified equity basis of accounting since its subsidiary Kebaowek Land Management Inc. is considered a government business enterprise. As a result of the change in policy, the net deficit in this controlled entity is presented separately in the consolidated statement of operations. Moreover, the equity pick-up in the controlled entity is presented in the long-term investments in the consolidated statement of financial position. The change of this accounting policy has been applied prospectively as provided for in the accounting standards.

Results of the change in policy are as follows:

	March 31, 2019	Impact of the change in policy – April 1, 2019	April 1, 2019
	\$	\$	\$
Cash	3,654,549	(8,275)	<b>3,646,274</b>
Accounts receivable	4,345,247	(202,310)	<b>4,142,937</b>
Long-term investments	63,214	(362,137)	<b>(298,923)</b>
Inventories	109,124	(11,000)	<b>98,124</b>
Capital assets	27,605,369	(605,140)	<b>27,000,229</b>
Accounts payable and accrued liabilities	1,498,936	(106,205)	<b>1,392,731</b>
Deferred revenue	1,431,677	(207,958)	<b>1,223,719</b>
Deferred governmental assistance	359,074	-	<b>359,074</b>
Long-term debt	3,097,925	(447,699)	<b>2,650,226</b>
Accumulated surplus	29,154,189	(427,000)	<b>28,727,189</b>

In addition, the economic investment deficit has been adjusted by \$215,492 and the cumulative operating surplus by the same amount. The net investment in capital assets has also been adjusted by \$157,141 and the cumulative operating surplus by the same amount.

*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.

**2. Summary of accounting policies (continued)**

*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%
Asset under capital lease:		
Motorized equipment	Diminishing balance	10.0%

*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.

*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 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 organizations under its control that are not accounted under the modified equity basis of accounting. The consolidated organization is Migizy Odenaw Inc. Transactions concluded between these organizations and reciprocal balances are eliminated. The reciprocal balances have not been eliminated in the information of the annexes presented on pages 28 to 204 neither than in the segment disclosure (Note 19).

## **2. Summary of accounting policies (continued)**

### *Investments in controlled entities*

Kebaowek Land Management Inc. and Migizy Odenaw Inc. are wholly owned by Kebaowek First Nation. As at March 31, 2020, the financial information available for the operations of Migizy Odenaw Inc. and Kebaowek Land Management Inc. was taken from their respective year-end (September 30, 2019 and March 31, 2020). These investments in controlled entities are recorded on the modified equity basis of accounting unless the controlled entities become entirely dependent from a financing point of view from Kebaowek First Nation. As at March 31, 2020, Kebaowek Land Management Inc. is deemed to be independent from a financing point of view and therefore is recorded on the modified equity basis. Furthermore, Migizy Odenaw Inc. is deemed to be dependent from a financing point of view and therefore is consolidated in the Organization financial statements.

### *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.

### *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, 2020

**3. Accounts receivable**

	2020	2019
	\$	\$
ISC receivable	<b>2,840,300</b>	1,471,205
ISC – Health Branch receivable	<b>320,400</b>	359,312
FNHRDCQ receivable	<b>3,927</b>	51,083
FNEC receivable	<b>26,941</b>	21,020
FNQLHSS receivable	<b>35,461</b>	9,141
CMHC receivable	<b>3,238</b>	630,738
GST, QST and tobacco tax receivable	<b>35,561</b>	82,035
Forestry contracts receivable	<b>100,000</b>	63,383
Government of Quebec receivable	<b>73,175</b>	72,871
Land management receivable	<b>137,000</b>	67,750
Other administration accounts receivable	<b>47,753</b>	56,893
Residents personal mortgage receivable	<b>365,600</b>	211,904
Accounts receivable (housing)	<b>336,449</b>	312,966
Water and garbage receivable	<b>60,445</b>	32,560
Other accounts receivable	<b>1,086,339</b>	929,743
Expenses to be reimbursed (housing)	<b>87,375</b>	87,725
CMHC (RRAP loans) receivable	<b>6,758</b>	6,758
	<b>5,566,722</b>	4,467,087
Allowance for doubtful accounts	<b>(132,229)</b>	(121,840)
	<b>5,434,493</b>	4,345,247

**4. Long-term investments**

	2020	2019
	\$	\$
Loan to receive from an individual, no interest and reimbursement terms	<b>10,000</b>	10,000
Loan to a promoter, no interest and reimbursement terms	<b>24,714</b>	24,714
Loan to a promoter, no interest and reimbursement terms	<b>8,500</b>	8,500
Loan to a promoter, no interest and reimbursement terms	<b>10,000</b>	10,000
Loan to a promoter, no interest and reimbursement terms	<b>10,000</b>	10,000
	<b>63,214</b>	63,214
Kebaowek Land Management Inc. – Subsidy (100%)		
Initial investment	<b>100</b>	-
Equity pick-up (accumulated deficit)	<b>(222,624)</b>	-
Advance, no interest and repayment terms	<b>3,010,810</b>	-
	<b>2,788,286</b>	-
	<b>2,851,500</b>	63,214

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
 March 31, 2020

**4. Long-term investments (continued)**

**Summary of the financial information of Kebaowek Land Management Inc. as at March 31, 2020**

	<b>2020</b>
	<b>\$</b>
<b>Consolidated statement of financial position</b>	
Assets	<b>6,858,756</b>
Liabilities	<b>7,081,281</b>
<b>Consolidated statement of operations</b>	
Revenues	<b>5,112,844</b>
Expenses	<b>5,092,555</b>
Surplus for the year	<b>20,289</b>
<b>Consolidated statement of cash flows</b>	
Operating activities	<b>(2,259,302)</b>
Investing activities	<b>(2,617,612)</b>
Financing activities	<b>5,118,783</b>

The amount of the long-term debt of Kebaowek Land Management Inc. is \$2,417,339 as of March 31, 2020. Principal payments required in each of the next five years are as follows:

	\$
2021	685,610
2022	540,224
2023	402,446
2024	355,798
2025	340,020

**Related-party transactions – Kebaowek Land Management Inc.:**

During the year, the First Nation charged other revenues to Kebaowek Land Management Inc. for \$53,624. The amount receivable on these transactions is nil as at March 31, 2020 (nil as at March 31, 2019). The First Nation also purchased no goods and services from Kebaowek Land Management Inc. The amount payable on these and previous transactions is included in the accounts payable and accrued liabilities as at March 31, 2020, for \$449,474 (\$449,474 as at March 31, 2019).

**Related-party transactions between Kebaowek Land Management Inc. and its subsidy:**

Kebaowek Land Management Inc. purchased a subsidy as at October 19, 2019. Kebaowek Land Management Inc. purchased goods and services to its subsidy from October 19, 2019 to March 31, 2020, for \$807,524. The amount payable on these transactions as at March 31, 2020 is \$217,186. Kebaowek Land Management Inc. also charged revenues to its subsidy from October 19, 2019 to March 31, 2020, for \$5,557. The amount receivable on these transactions is \$5,557 as at March 31, 2020. These transactions are eliminated for the consolidation purpose between Kebaowek Land management Inc. and its subsidy.

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
March 31, 2020

**5. Restricted cash and deposits**

	2020	2019
	\$	\$
In-trust surplus	588	577
Operating and replacement reserves (Note 14)	404,177	399,840
	<b>404,765</b>	<b>400,417</b>

**6. Capital assets**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
	\$	\$	\$	\$
Assets under construction	1,797,915	-	1,797,915	10,681,981
Community buildings	2,979,202	1,281,450	1,697,752	1,741,284
Private housing	10,535,496	5,417,565	5,117,931	5,274,151
Water and sanitation systems	17,499,155	1,659,529	15,839,626	6,062,517
Roadway system	1,377,740	490,204	887,536	910,293
Motorized equipment	2,844,726	1,404,001	1,440,725	1,596,939
Building Migizy Odenaw Inc.	662,331	351,441	310,890	327,252
Equipment Migizy Odenaw Inc.	529,341	348,343	180,998	133,034
Restaurant equipment Migizy Odenaw Inc.	60,460	44,952	15,508	19,020
Office and other equipment	1,430,248	1,014,200	416,048	304,811
Asset under capital lease: Motorized equipment	-	-	-	554,087
	<b>39,716,614</b>	<b>12,011,685</b>	<b>27,704,929</b>	<b>27,605,369</b>

**7. Deferred revenue**

	2020	2019
	\$	\$
Human Resources Development Consolidated Revenues Fund	3,440	-
FNEC – Language and Culture	15,670	-
FNEC – Partnership Initiative	26,288	-
Nursing Station Maintenance	9,805	-
Primary Health Care	40,331	39,943
Home Care Nursing	62,540	50,747
Environmental Health Officer	5,125	-
Community Health Representative	34,787	22,458
Brighter Futures	21,293	40,342
Jordan's Principle	-	115,754
Mental Wellness Team	104,473	100,798
Aboriginal Health Transition Fund	11,537	10,000
Mental Health	39,090	21,863
N.N.A.D.A.P. Prevention	53,928	13,135
Prenatal Nutrition	9,921	7,358
Diabetes	12,014	-
Head Start	23,185	-
Aids / HIV	58,377	10,490
Tobacco Prevention	12,353	6,791
Training (AHHRI)	5,641	-

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
March 31, 2020

**7. Deferred revenue (continued)**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Respiratory Infections	<b>1,631</b>	-
Management Support	<b>269,572</b>	120,597
Fetal Alcohol Syndrome Disease	<b>10,354</b>	4,816
Communicable Disease Emergencies Initiative (CDE)	<b>11,719</b>	-
Traditional Healers	<b>28,447</b>	21,952
Bullying	<b>13,500</b>	13,500
Maternal and Child Health	<b>29,061</b>	-
E-Health Infostructure Program	<b>12,366</b>	-
Avenir d'enfants	<b>40,474</b>	-
ISC Health Branch – Health Career Summer Student	<b>1,844</b>	-
NASP – National Aboriginal Suicide Prevention Strategy	<b>20,865</b>	-
Moose Project	<b>2,567</b>	-
Culture & Communication	<b>21,107</b>	-
Infrastructure – Water System	-	123,703
Wastewater Treatment System (AQB03)	<b>107,030</b>	347,005
CMHC Construction 16 229 593 015	-	66,195
CMHC Construction 16 229 593 014	-	32,758
Matamec	<b>33,675</b>	33,675
Kebaowek Land Management Inc. (Note 2 - Change of accounting policy)	-	207,958
Comprehensive Planning	<b>9,542</b>	9,849
Cultural Center	<b>54,580</b>	-
Radio Station	<b>21,271</b>	-
Anishnabe Mikawa	<b>20,652</b>	-
Forestry Building Renovations	-	9,990
Ottawa River Keeper	<b>12,110</b>	-
	<b>1,272,165</b>	<b>1,431,677</b>

**8. ISC – Unexpended funding**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Band Surplus	-	143,643
Addition to Reserve	<b>20,000</b>	20,000
First Line Services	<b>408,392</b>	302,272
Extension Amik Street	<b>1,089,379</b>	3,575
Waste Management	<b>12,525</b>	-
Emergency Preparedness	<b>20,653</b>	-
Infrastructure – Water System	<b>138,221</b>	-
O & M Eco-Center	<b>136,315</b>	51,910
Eco-Center	<b>345,779</b>	-
Community Development Plan	<b>145,027</b>	141,600
Waterfront Master Plan	-	13,200
Temiskaming Dam	<b>11,079</b>	11,079
	<b>2,327,370</b>	<b>687,279</b>

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
March 31, 2020

---

**9. Long-term debt**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Loan, 3.19%	-	311
Loan, 3.07%, secured by ISC, payable by monthly instalments of \$391, capital and interest, maturing in 2025	<b>18,636</b>	22,675
Loan, 3.07%, secured by ISC, payable by monthly instalments of \$317, capital and interest, maturing in 2025	<b>15,115</b>	18,391
Loan, 2.18%, secured by ISC, payable by weekly instalments of \$139, capital and interest, maturing in 2022	<b>10,934</b>	17,870
Loan, 2.95%, secured by ISC, payable by monthly instalments of \$495, capital and interest, maturing in 2030	<b>50,497</b>	54,612
Loan, 1.84%, secured by ISC, payable by monthly instalments of \$1,258, capital and interest, maturing in 2033	<b>167,474</b>	179,370
Loan, 2.49% secured by ISC, payable by monthly instalments of \$568, capital and interest, maturing in 2034	<b>76,525</b>	81,376
Loan, 1.48%, secured by ISC, payable by monthly instalments of \$1,589, capital and interest, maturing in 2033	<b>222,841</b>	238,491
Loan, 1.48%, secured by ISC, payable by monthly instalments of \$875, capital and interest, maturing in 2037	<b>156,501</b>	164,627
Loan, 1.19%, secured by ISC, payable by monthly instalments of \$573, capital and interest, maturing in 2036	<b>98,204</b>	103,871
Loan, 6.24% (Note 2 – Change of accounting policy)	-	8,939
Loan, 1.30%, secured by ISC, payable by monthly instalments of \$1,222, capital and interest, maturing in 2028	<b>99,196</b>	112,478
Loan, 2.70% secured by ISC, payable by monthly instalments of \$665, capital and interest, maturing in 2032	<b>77,420</b>	83,233
Loan, 3.22%, secured by ISC, payable by monthly instalments of \$1,134, capital and interest, maturing in 2043	<b>210,380</b>	217,074
Loan, 3.22%, secured by ISC, payable by monthly instalments of \$428, capital and interest, maturing in 2038	<b>79,350</b>	81,875
Loan, 1.30%, secured by ISC, payable by monthly instalments of \$560, capital and interest, maturing in 2036	<b>95,605</b>	101,040
Loan, 1.82%	-	1,563
Loan, 2.41%, secured by ISC, payable by monthly instalments of \$1,205, capital and interest, maturing in 2044	<b>256,044</b>	264,237

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
 March 31, 2020

**9. Long-term debt (continued)**

	<b>2020</b>	2019
	<b>\$</b>	\$
Loan, 1.69%, secured by ISC, payable by monthly instalments of \$244, capital and interest, maturing in 2030	<b>25,095</b>	27,571
Loan, 1.82%, secured by ISC, payable by monthly instalments of \$546, capital and interest, maturing in 2027	<b>38,695</b>	44,488
Loans from CMCH (RRAP)*	<b>99,265</b>	125,036
Loan, 2.60%, secured by ISC, payable by monthly instalments of \$168, capital and interest, maturing in 2032	<b>20,530</b>	21,983
Loan, 4.89%	-	120,754
Loan 1.87%, secured by ISC, payable by monthly instalments of \$1,115, capital and interest, maturing in 2045	<b>260,258</b>	267,300
Loan 1.75%, secured by ISC, payable by monthly instalments of \$514, capital and interest, maturing in 2045	<b>123,330</b>	125,000
Loan 1.73%, secured by ISC, payable by monthly instalments of \$718, capital and interest, maturing in 2045	<b>174,642</b>	175,000
Obligation under capital lease, 7.45% (Note 2 – Change of accounting policy)	-	322,547
Obligation under capital lease, 8.92% (Note 2 – Change of accounting policy)	-	116,213
Loan, 6.00%, payable by monthly instalments of \$3,000, capital and interest, starting in April 2020, maturing in 2026	<b>150,000</b>	-
Loan, 6.00%, payable by bi-annual instalments of \$25,370 by the Secrétariat aux affaires autochtones, capital and interest, starting date to be determined, maturing six semesters after the starting date	<b>137,436</b>	-
	<b>2,663,973</b>	3,097,925
Current portion	<b>174,182</b>	404,509
	<b>2,489,791</b>	2,693,416

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

	\$
2021	174,182
2022	164,987
2023	136,429
2024	139,069
2025	133,963

\* 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).

**9. Long-term debt (continued)**

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).

**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, 2020 :

	<b>2020</b>	2019
	<b>\$</b>	\$
School bus	<b>44,082</b>	44,082
Public works equipment	<b>200,000</b>	200,000
Single apartment building	<b>65,551</b>	59,551
Band rental	<b>27,125</b>	22,625
Police department	<b>210,322</b>	210,322
Fire truck	<b>205,000</b>	205,000
	<b>752,080</b>	741,580

**11. Cumulative operating and funds balances**

The cumulative operating and funds balances as at March 31, 2020, do not take into consideration possible modifications following the review and analysis of the present consolidated financial statements by ISC, CMHC, FNEC, FNHRDCQ and ISC – Health Branch. 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, FNHRDCQ or ISC – Health Branch.

**12. Accumulated surplus**

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

	<b>2020</b>	2019
	<b>\$</b>	\$
Reserve for acquisition of capital assets	<b>752,080</b>	741,580
Economic investment deficit	<b>(2,549,577)</b>	(2,250,636)
In-trust surplus	<b>588</b>	577
Operating reserve fund – Article 95	<b>77,646</b>	109,421
Replacement reserve fund – Article 95	<b>255,398</b>	258,928
Replacement reserve – Multiplex	<b>80,000</b>	71,000
Net investment in capital assets	<b>25,055,116</b>	24,521,605
Cumulative operating surplus	<b>6,594,764</b>	5,701,714
	<b>30,266,015</b>	29,154,189

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

	<b>2020</b>	2019
	<u>\$</u>	<u>\$</u>
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	<b>(1,291,556)</b>	2,022,574
Inventories	<b>(30,391)</b>	(3,302)
Prepaid expenses	<b>(30,411)</b>	7,963
ISC – Unexpended funding	<b>1,640,091</b>	(311,039)
Accounts payable and accrued liabilities	<b>1,002,996</b>	(895,178)
Deferred revenue	<b>48,446</b>	(438,557)
Income taxes payable	-	(2,646)
	<b><u>1,339,175</u></b>	<b><u>379,815</u></b>
<i>Non-cash transaction</i>		
Interest paid	<b><u>64,372</u></b>	<b><u>72,245</u></b>

**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.

**15. Contingencies and guarantees**

The First Nation is a guarantor for personal housing mortgages to residents of the community for the amount of \$926,089 as at March 31, 2020 (\$986,688 as at March 31, 2019).

Moreover, the First Nation is also a guarantor for a loan in Kebaowek Land Management Inc. for the amount of \$1,376,665 as at March 31, 2020.

**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.



**16. Financial instruments (continued)**

*Credit facility (bank loan)*

An authorized line of credit of \$400,000, bearing interest at prime rate (2.95% as at March 31, 2020) 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, 2020.

An authorized credit card of \$150,000, bearing interest at 19.99%, is also available. An amount of \$15,230 included under the accounts payable and accrued liabilities was used as at March 31, 2020.

*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, 2020, 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	2,663,973	2,671,392

**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 \$232,121 (\$211,049 in 2019).

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
March 31, 2020

**18. Expenses by object**

	2020	2019
	\$	\$
Cost of goods sold	<b>2,311,356</b>	2,380,000
Advertizing	<b>4,818</b>	3,518
Salaries and fringe benefits	<b>3,383,002</b>	3,401,963
Allocations	<b>479,853</b>	546,766
Administration fees	<b>554,369</b>	563,367
Bank charges	<b>56,060</b>	4,702
Councillors' honoraries	<b>27,000</b>	26,250
Contracts	<b>329,968</b>	1,237,231
Amortization of deferred governmental assistance	<b>(17,954)</b>	(18,899)
Amortization of capital assets	<b>1,229,217</b>	849,654
Doubtful accounts	<b>16,532</b>	3,442
Management expenses	<b>63,078</b>	147,449
Energy	<b>151,132</b>	145,576
Membership fees	<b>2,778</b>	12,148
Gas	<b>56,962</b>	88,500
Insurances	<b>124,133</b>	111,001
Interest and bank charges	<b>15,432</b>	16,411
Interest and long-term debt	<b>64,372</b>	72,245
Licences and permits	<b>50,290</b>	95,400
Maintenance expenses	<b>121,256</b>	133,621
Material and supplies	<b>474,668</b>	377,232
Other	<b>48,227</b>	38,030
Pension plan	<b>232,121</b>	211,049
Professional fees	<b>1,093,790</b>	575,558
Recreation activities expenses	<b>3,941</b>	5,736
Registration fees	<b>39,451</b>	39,902
Rental	<b>102,875</b>	214,691
Room and board	<b>222,659</b>	250,888
Telephone	<b>66,082</b>	65,598
Training expenses (reimbursements)	<b>46,861</b>	32,887
Transfer to Migizy Odenaw Childcare Center	<b>33,071</b>	28,978
Transfer to tenants	<b>43,289</b>	-
Transfer to the replacement reserve	<b>32,133</b>	31,470
Transportation expenses	<b>185,146</b>	126,823
Travel	<b>117,127</b>	155,586
Tuition fees	<b>409,125</b>	507,244
Water, garbage and sewer expenses	<b>10,908</b>	10,044
Workshops expenses	<b>191,596</b>	176,373
Income taxes recovery	<b>-</b>	(2,646)
	<b><u>12,376,724</u></b>	<u>12,665,788</u>

**19. Segment disclosure**

	<b>Band government</b>		<b>Administration</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
<b>Revenues</b>				
Federal government transfers	<b>7,708</b>	9,347	<b>588,549</b>	1,286,217
Other revenues	<b>15,206</b>	5,744	<b>715,632</b>	725,277
<b>Total revenues</b>	<b>22,914</b>	15,091	<b>1,304,181</b>	2,011,494
<b>Expenses</b>				
Salaries and fringe benefits	<b>9,296</b>	9,188	<b>379,316</b>	369,623
Amortization	-	-	<b>32,412</b>	33,056
Other expenses	<b>13,618</b>	6,648	<b>434,385</b>	344,076
<b>Total expenses</b>	<b>22,914</b>	15,836	<b>846,113</b>	746,755
<b>Annual surplus (deficit)</b>	-	(745)	<b>458,068</b>	1,264,739

	<b>Human resources development</b>		<b>Education</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
<b>Revenues</b>				
Federal government transfers	<b>349,859</b>	419,015	<b>1,459,374</b>	1,426,397
Other revenues	<b>(150,543)</b>	(85,711)	<b>1,096</b>	541
<b>Total revenues</b>	<b>199,316</b>	333,304	<b>1,460,470</b>	1,426,938
<b>Expenses</b>				
Salaries and fringe benefits	<b>40,750</b>	77,082	<b>218,616</b>	205,413
Amortization	-	-	<b>10,928</b>	10,160
Other expenses	<b>158,256</b>	256,222	<b>846,776</b>	1,010,803
<b>Total expenses</b>	<b>199,006</b>	333,304	<b>1,076,320</b>	1,226,376
<b>Annual surplus (deficit)</b>	<b>310</b>	-	<b>384,150</b>	200,562

	<b>Health</b>		<b>Public works</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
<b>Revenues</b>				
Federal government transfers	<b>2,342,857</b>	2,080,824	<b>2,281,467</b>	1,702,864
Provincial government transfers	<b>91,554</b>	70,702	-	-
Other revenues	<b>34,139</b>	50,229	<b>246,707</b>	149,550
<b>Total revenues</b>	<b>2,468,550</b>	2,201,755	<b>2,528,174</b>	1,852,414
<b>Expenses</b>				
Salaries and fringe benefits	<b>1,110,840</b>	1,036,298	<b>367,813</b>	345,902
Amortization	<b>43,357</b>	44,405	<b>421,270</b>	290,459
Other expenses	<b>1,319,612</b>	1,151,928	<b>399,605</b>	428,171
<b>Total expenses</b>	<b>2,473,809</b>	2,232,631	<b>1,188,688</b>	1,064,532
<b>Annual surplus (deficit)</b>	<b>(5,259)</b>	(30,876)	<b>1,339,486</b>	787,882

**19. Segment disclosure (continued)**

	<b>Police security</b>		<b>Fire protection</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
<b>Revenues</b>				
Federal government transfers	<b>493,200</b>	480,000	<b>81,770</b>	79,112
Other revenues	-	130	<b>7,124</b>	19,731
<b>Total revenues</b>	<b>493,200</b>	480,130	<b>88,894</b>	98,843
<b>Expenses</b>				
Salaries and fringe benefits	<b>310,027</b>	258,557	<b>1,177</b>	-
Amortization	<b>40,153</b>	-	-	-
Other expenses	<b>174,471</b>	203,955	<b>77,214</b>	63,270
<b>Total expenses</b>	<b>524,651</b>	462,512	<b>78,391</b>	63,270
<b>Annual surplus (deficit)</b>	<b>(31,451)</b>	17,618	<b>10,503</b>	35,573

	<b>Social assistance</b>		<b>Housing</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
<b>Revenues</b>				
Federal government transfers	<b>661,415</b>	640,355	<b>249,187</b>	135,481
Other revenues	<b>3,925</b>	3,108	<b>564,981</b>	549,215
<b>Total revenues</b>	<b>665,340</b>	643,463	<b>814,168</b>	684,696
<b>Expenses</b>				
Salaries and fringe benefits	<b>28,073</b>	20,855	<b>195,919</b>	163,518
Amortization	-	-	<b>604,283</b>	330,282
Other expenses	<b>316,787</b>	312,688	<b>401,835</b>	212,081
<b>Total expenses</b>	<b>344,860</b>	333,543	<b>1,202,037</b>	705,881
<b>Annual surplus (deficit)</b>	<b>320,480</b>	309,920	<b>(387,869)</b>	(21,185)

	<b>Economic development</b>		<b>Others</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
<b>Revenues</b>				
Federal government transfers	<b>51,925</b>	-	<b>(20,652)</b>	-
Provincial government transfers	-	466,585	-	-
Other revenues	<b>2,930,873</b>	4,518,870	<b>333,666</b>	322,623
<b>Total revenues</b>	<b>2,982,798</b>	4,880,508	<b>313,014</b>	322,623
<b>Expenses</b>				
Salaries and fringe benefits	<b>448,092</b>	759,594	<b>39,144</b>	33,988
Amortization	<b>57,376</b>	85,716	<b>888</b>	800
Other expenses	<b>2,813,867</b>	3,940,531	<b>251,178</b>	251,802
<b>Total expenses</b>	<b>3,319,335</b>	4,785,841	<b>291,210</b>	286,590
<b>Annual surplus (deficit)</b>	<b>(336,537)</b>	94,667	<b>21,804</b>	36,033

**19. Segment disclosure (continued)**

	Natural resources		Total	
	2020	2019	2020	2019
<b>Revenues</b>				
Federal government transfers	<b>74,251</b>	14,729	<b>8,620,910</b>	8,169,394
Provincial government transfers	<b>349,761</b>	409,293	<b>441,315</b>	946,580
Other revenues	<b>189,523</b>	146,699	<b>4,892,329</b>	6,406,006
<b>Total revenues</b>	<b>613,535</b>	570,721	<b>13,954,554</b>	15,521,980
<b>Expenses</b>				
Salaries and fringe benefits	<b>233,939</b>	121,945	<b>3,383,002</b>	3,401,963
Amortization	<b>18,550</b>	18,212	<b>1,229,217</b>	813,090
Other expenses	<b>663,861</b>	411,383	<b>7,871,465</b>	8,593,558
<b>Total expenses</b>	<b>916,350</b>	551,540	<b>12,483,684</b>	12,808,611
<b>Annual surplus (deficit)</b>	<b>(302,815)</b>	19,181	<b>1,470,870</b>	2,713,369

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

**20. Comparative figures**

Certain figures for 2019 have been reclassified to conform to the presentation adopted in 2020.

