

Bonaparte Indian Band
Consolidated Financial Statements
For the year ended March 31, 2020

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Bonaparte Indian Band are the responsibility of management and have been approved by the Chief and Band Council.

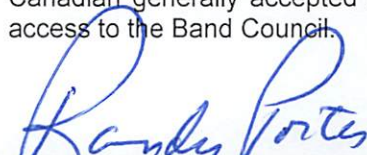
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen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

The Bonaparte Indian Band maintains systems of internal accounting and administrative controls of sufficient quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

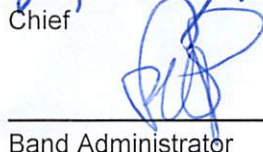
The Bonaparte Indian Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Finance Committee.

The Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Band Council.



Chief



Band Administrator



Tel: 250-372-9505
Fax: 250-374-6323
Toll-free: 1-800-482-4531
www.bdo.ca

BDO Canada LLP
300 - 275 Lansdowne Street
Kamloops, BC V2C 6J3

Independent Auditor's Report

To the Chief and Council of Bonaparte Indian Band

Qualified Opinion

We have audited the consolidated financial statements of Bonaparte Indian Band (the Band), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Bonaparte Indian Band as at March 31, 2020, and its consolidated results of operations, its change in consolidated net financial assets (debt), and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As noted in the Summary of Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets as at March 31, 2019 and 2018, the related amortization expense and annual surplus for the year ended March 31, 2019 and 2018 and equity in tangible capital assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified for the above matters.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Band 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Band'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 Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band'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 generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band'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 Group'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 Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band 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 for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Kamloops, British Columbia
January 11, 2021

Bonaparte Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31, 2020	2020	2019
Financial Assets		
Cash (Note 2)	\$ 5,948,049	\$ 4,878,435
Restricted cash (Note 3)	817,002	774,186
Accounts receivable (Note 4)	647,938	2,804,880
Investments in Government Business Enterprises (Note 5)	489,377	14,859
	<u>7,902,366</u>	<u>8,472,360</u>
Liabilities		
Accounts payable (Note 7)	898,628	771,581
Deferred revenue (Note 8)	2,499,376	1,447,889
Long term debt (Note 9)	617,947	771,310
	<u>4,015,951</u>	<u>2,990,780</u>
Net Financial Assets	<u>3,886,415</u>	<u>5,481,580</u>
Non-financial Assets		
Tangible capital assets (Note 6)	13,194,995	11,762,995
Prepaid expenses	29,384	27,434
	<u>13,224,379</u>	<u>11,790,429</u>
Accumulated surplus (Note 10)	<u>\$ 17,110,794</u>	<u>\$ 17,272,009</u>

Contingencies and Subsequent Events (Note 13)

Approved on behalf of the Band Council:

Randy Fortes

Chief

[Signature]

Councilor

Bonaparte Indian Band

Exhibit B - Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2020	2019
Annual surplus (deficit)	\$ 171,230	\$ 1,761,608
Acquisition of tangible capital assets	(1,957,395)	(537,699)
Amortization of tangible capital assets	555,226	532,996
Write-downs of tangible capital assets	36,258	-
	<u>(1,194,681)</u>	<u>1,756,905</u>
Acquisition of prepaid expenses	(1,950)	-
Change in transfers	(398,534)	-
	<u>(400,484)</u>	<u>-</u>
Net change in net financial assets	(1,595,165)	1,756,905
Net financial assets, beginning of year	5,481,580	3,724,675
Net financial assets, end of year	\$ 3,886,415	\$ 5,481,580

Bonaparte Indian Band
Exhibit C - Consolidated Statement of Operations

March 31	Budget	2020	2019
Revenue			
Indigenous Services Canada	\$ -	\$ 3,928,230	\$ 3,151,946
First Nations Health Authority	-	667,310	609,357
Government of Canada	-	86,499	-
Interest	-	98,304	65,345
Canada Mortgage and Housing Corporation	-	74,681	-
Own Source Revenues	-	1,666,977	3,370,581
Other income	-	33,431	73,459
Ottawa Trust Funds	-	-	9,181
Province of British Columbia	-	1,571,942	261,245
Rental revenue	-	104,268	103,860
Administration	-	(153)	(10,455)
Income from Government Business Enterprises	-	474,518	-
	-	8,706,007	7,634,519
Expenses			
Community Welfare	-	1,327,672	1,083,766
Administration	-	1,539,289	1,134,023
Operations & Maintenance	-	1,325,661	593,389
Education	-	616,090	439,643
Natural Resources & Economic Development	-	2,101,321	1,499,763
Capital	-	590,771	235,260
Social Housing	-	566,348	419,085
Amortization	-	467,625	467,982
	-	8,534,777	5,872,911
Surplus for the year	-	171,230	1,761,608

Bonaparte Indian Band
Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
Operating activities		
Cash receipts from customers	\$ 11,914,435	\$ 6,397,680
Cash paid to suppliers and employees	(8,168,453)	(4,933,808)
Interest paid	(48,276)	(82,239)
Cash flows from operating activities	3,697,706	1,381,633
Financing activities		
Repayment of long term debt	(153,363)	(139,131)
Cash flows from financing activities	(153,363)	(139,131)
Capital activities		
Purchase of capital assets	(1,957,395)	(537,699)
Investing activities		
Investments in Government Business Enterprises	(474,518)	-
Cash flows from investing activities	(474,518)	-
Increase in cash and cash equivalents	1,112,430	704,803
Cash and cash equivalents, beginning of year	5,652,621	4,947,818
Cash and cash equivalents, end of year	\$ 6,765,051	\$ 5,652,621
Represented by:		
Cash	\$ 5,948,049	\$ 4,878,435
Restricted cash	817,002	774,186
Cash and cash equivalents, end of year	\$ 6,765,051	\$ 5,652,621

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

Bonaparte Indian Band Summary of Significant Accounting Policies

March 31, 2020

Basis of Accounting These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for government entities, as issued by the Canadian Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**Reporting Entity and
Principles of Financial
Reporting**

The Bonaparte Indian Band reporting entity includes the Bonaparte Indian Band government and all related entities which are accountable to the Bonaparte Indian Band and are either owned or controlled by the Bonaparte Indian Band.

Inter-entity balances have been eliminated on consolidation.

Incorporated business entities, which are owned or controlled by the Bonaparte Indian Band and which are not dependent on the band for their continuing operations, are included in the summary financial statements using the modified equity method. These include: 1049280 BC Ltd. and Bonaparte Sales Limited Partnership.

**Cash and Cash
Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances with maturities of three months or less.

Bonaparte Indian Band Summary of Significant Accounting Policies

March 31, 2020

Revenue Recognition Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the summary balance sheet.

Rental revenue is recognized when a tenant commences occupancy and rent is due. Bonaparte Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Tangible Capital Assets Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded at revenue.

Amortization is charged on assets with a corresponding reduction in equity in tangible capital assets (Note 10). Assets are amortized over their expected useful lives on the following bases:

Automotive equipment	30% - straight-line basis
Buildings	5% - straight-line basis
Equipment	30% - declining balance basis
Land improvements	5% - straight-line basis
Computers	33% - straight-line basis

Additions during the year have been amortized at one-half the above annual rates.

No amortization is taken on assets under construction until they have been fully developed.

Social Housing Fund assets acquired under CMHC subsidized housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt, as required for CMHC reporting purposes.

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

Bonaparte Indian Band Summary of Significant Accounting Policies

March 31, 2020

Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosure at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could be different from those estimates. Significant estimates in these financial statements include valuation of accounts receivable, calculation of deferred revenue, and amortization of tangible capital assets.
Pension Plan	The Bonaparte Indian Band contributes to a private defined contribution pension plan. Total contributions to the plan during the year-ended March 31, 2020 were \$52,565 (2019 - \$18,508).
Investments	<p>The Band accounts for its investments using the modified equity method. Under this method the cost of this investment are adjusted by earnings or losses of the entities from the date of acquisition.</p> <p>Inter-entity balances and transactions are not eliminated under the modified equity method.</p> <p>Other investments are recorded on the cost basis.</p>
Ottawa Trust Funds	Bonaparte Indian Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized as revenue of the band upon authorized withdrawal from the Ottawa Trust Fund.
Government Transfers	Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.
Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.
Non-Financial Assets	Non-financial assets are used to provide the Bonaparte Indian Band's services in future periods. These assets do not normally provide resources to discharge the liabilities of the Bonaparte Indian Band unless they are sold. The Bonaparte Indian Band's non-financial assets include tangible capital assets and prepaid expenses.

Bonaparte Indian Band Notes to Consolidated Financial Statements

March 31, 2020

1. Economic Dependence

The Bonaparte Indian Band receives a major portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada ("ISC").

2. Cash

	2020	2019
Operations	\$ 5,913,081	\$ 4,870,817
Social Housing	34,968	7,618
	\$ 5,948,049	\$ 4,878,435

3. Restricted Cash

	2020	2019
Ottawa Trust - Capital	\$ 260,879	\$ 239,370
Ottawa Trust - Revenue	392,182	373,034
Replacement Reserves - Social Housing	163,941	161,782
	\$ 817,002	\$ 774,186

The Ottawa trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenses of capital funds requires the consent of ISC and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

Bonaparte Indian Band Notes to Consolidated Financial Statements

March 31, 2020

3. Restricted Cash (continued)

The Housing restricted cash is derived under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the 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.

4. Accounts Receivable

	2020	2019
Indigenous Services Canada receivable	\$ 285,569	\$ 2,116,102
Rents receivable	19,009	20,250
Other	343,360	668,528
	\$ 647,938	\$ 2,804,880

5. Investments in Government Business Enterprises

	2020	2019
Investment in 1049280 BC Ltd.	\$ 14,759	\$ 14,759
Investment in Bonaparte Sales Limited Partnership	474,618	100
	\$ 489,377	\$ 14,859

Bonaparte Indian Band has investments in the above entities. A summary of the financial statements for Bonaparte Sales Limited Partnership for the year ended March 31, 2020 is as follows:

	2020
Balance Sheet	
Current assets	\$ 525,415
Current liabilities	\$ 50,850
Partners' capital	474,565
	\$ 525,415
Statement of Operations	
Revenue	\$ 1,503,331
Expenses	1,025,866
Net earnings	477,465
Equity, end of year	\$ 474,565

Bonaparte Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

6. Tangible Capital Assets

	2020						
	Land	Automotive	Buildings	Land Improvements	Equipment	Social Housing Buildings	Total
Cost, beginning of year	\$ 643,598	\$ 379,237	\$ 5,964,169	\$ 8,080,656	\$ 452,922	\$ 1,684,346	\$ 17,204,928
Additions	-	51,500	182,659	3,394,199	39,812	-	3,668,170
Construction in progress	-	-	-	(1,710,775)	-	-	(1,710,775)
Cost, end of year	\$ 643,598	\$ 430,737	\$ 6,146,828	\$ 9,764,080	\$ 492,715	\$ 1,684,346	\$ 19,162,323
Accumulated amortization, beginning of year	\$ -	\$ 295,800	\$ 2,883,347	\$ 733,661	\$ 428,957	\$ 1,070,337	\$ 5,412,102
Amortization	-	32,756	158,608	255,056	21,231	87,575	555,226
Accumulated amortization, end of year	\$ -	\$ 328,556	\$ 3,041,954	\$ 1,180,920	\$ 450,189	\$ 1,157,912	\$ 5,967,328
Net carrying amount, end of year	\$ 643,598	\$ 102,181	\$ 3,104,874	\$ 8,583,160	\$ 42,526	\$ 526,434	\$ 13,194,995

Bonaparte Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

6. Tangible Capital Assets (continued)

								2019
	Land	Automotive	Buildings	Land Improvements	Equipment	Social Housing Buildings	Total	
Cost, beginning of year	\$ 643,598	\$ 297,036	\$ 5,964,169	\$ 7,834,842	\$ 425,897	\$ 1,684,346	\$ 16,849,888	
Additions		82,201	-	428,473	27,025	-	537,699	
Cost, end of year	\$ 643,598	\$ 379,237	\$ 5,964,169	\$ 8,263,315	\$ 452,922	\$ 1,684,346	\$ 17,387,587	
Accumulated amortization, beginning of year	\$ -	\$ 277,656	\$ 2,721,198	\$ 695,380	\$ 403,736	\$ 993,626	\$ 5,091,596	
Amortization		18,144	162,149	250,771	25,221	76,711	532,996	
Accumulated amortization, end of year	\$ -	\$ 295,800	\$ 2,883,347	\$ 946,151	\$ 428,957	\$ 1,070,337	\$ 5,624,592	
Net carrying amount, end of year	\$ 643,598	\$ 83,437	\$ 3,080,822	\$ 7,317,164	\$ 23,965	\$ 614,009	\$ 11,762,995	

Bonaparte Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

7. Accounts Payable

	2020	2019
Social Housing payables	\$ 11,218	\$ 32,435
Operations payables	887,410	739,146
	\$ 898,628	\$ 771,581

8. Deferred Revenue

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	2020	2019
Waste Diversion/ Recycling	\$ 302,150	\$ -
COVID-19 Income Assistance	9,809	-
Housing- New Construction	20,207	-
DFA Fencing Project	284,025	-
IR #1&2 Water FSBLTY CPMS #6424	1,632,539	1,033,824
ICMS 126005 Mould	127,401	414,065
DFA Recovery 2017 Wildfire	83,743	-
P&ID Custom Election Code	1,736	-
Community Energy Plan Project	22,808	-
Community Inclusion Program	14,958	-
	\$ 2,499,376	\$ 1,447,889

Bonaparte Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

9. Long Term Debt

	2020	2019
Social Housing		
All Nations Trust Co., mortgage repayable in monthly instalments of \$2,462 including interest at 1.44% per annum, maturing February 2022	\$ 55,817	\$ 84,644
All Nations Trust Co., mortgage repayable in monthly instalments of \$1,089 including interest at 1.44% per annum, maturing February 2022	86,016	97,763
Mortgage repayable in monthly instalments of \$5,475 including interest at 2.78% per annum, maturing April 2024	253,199	294,593
Term loan, repayable in monthly instalments of \$5,898 including interest at 3.47% per annum, secured as described below, maturing April 2022	149,268	215,148
Demand loan, repayable in monthly instalments of \$621, including interest at 2.34% per annum, secured as described below, maturing June 2021	73,647	79,162
	\$ 617,947	\$ 771,310

All RBC term and demand loans are secured by a general security agreement, constituting a first ranking security in all personal property of the Bonaparte Indian Band.

Due to the inability to provide financial statements to the Royal Bank of Canada, all Royal Bank of Canada loans are due on demand.

The estimated principal repayments on the above long term debt required over the next five years are as follows:

2021	\$ 516,959
2022	38,969
2023	12,260
2024	12,437
2025	37,322
	\$ 617,947

Bonaparte Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

10 . Accumulated Surplus

	<u>2020</u>	<u>2019</u>
Unrestricted Surplus	\$ 2,065,114	\$ 4,277,519
Equity in Tangible capital assets	12,445,647	10,450,966
Equity in Ottawa Trust	653,060	603,223
Restricted Surplus	1,334,414	1,346,081
Contributed surplus	431,392	431,392
Equity in Replacement Reserve	181,167	162,828
	<u>\$ 17,110,794</u>	<u>\$ 17,272,009</u>

11. Comparative Figures

Certain comparative amounts presented in the financial statements have been restated to conform to current year's presentation.

12. Federal Assistance Payments

Bonaparte Indian Band has received federal assistance through CMHC pursuant to Section 56-1 of the *National Housing Act* to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received through March 31, 2020 was \$74,681 (2019 - \$Nil). This assistance will continue, providing the Band is not in default of the agreement. As at March 31, 2020, the Band was not in compliance with all agreements.

13. Replacement Reserve

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited at March 31, 2020 in the amount of \$17,000 (2019 - \$17,000) annually. These funds along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal.

Bonaparte Indian Band Notes to Consolidated Financial Statements

March 31, 2020

14. Contingencies and Subsequent Events

Bonaparte Indian Band is subject to various legal claims, however, the results are undeterminable as no accruals have been recorded.

During the summer of 2018, assets of the Bonaparte Indian Band were damaged as a result of a natural disaster. No assessment has been made for repairs or any lost assets as it is unknown at this time.

15. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

As the impacts of COVID-19 continue, there could be further impact on the Entity, its funders and its business entities. The Entity has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Entity was deemed an essential service. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Entity is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

Bonaparte Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

16. Expenses by Object

	<u>2020</u>	<u>2019</u>
Amortization	\$ 555,226	\$ 532,996
Licences, dues and fees	23,747	23,466
Bad debt	108,328	53,878
Bank charges and interest	48,276	17,224
Training and development	243,564	29,711
Tuition	164,563	152,385
Contracts and consulting	1,601,115	755,387
Consulting services	50,529	5,091
Travel	186,644	59,170
Student allowance	31,476	2,611
Honoraria	83,393	71,781
Program expenses	30,874	21,100
Insurance	236,029	124,336
Rental	80,087	79,506
Fuel purchases	65,083	15,956
Office supplies	39,550	34,193
Meals	140,440	60,835
Professional fees	423,083	709,294
Repairs and maintenance	140,028	99,941
Social assistance	213,136	262,452
Materials and supplies	510,131	404,095
Telephone	49,870	44,218
Staff travel	178,282	124,503
Living allowances	234,880	206,870
Utilities	50,243	63,364
Wages and benefits	2,901,474	1,808,434
Replacement reserve expense	18,339	18,339
Community services	125,807	77,164
Inspection fees	-	13,461
Miscellaneous	580	1,150
	<u>\$ 8,534,777</u>	<u>\$ 5,872,911</u>

Bonaparte Indian Band Notes to Consolidated Financial Statements

March 31, 2020

17. Segment Disclosure

The Bonaparte Indian Band is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Social Development

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

Administration

This item relates to the revenues and expenses that relate to the operations of the Band itself and cannot be directly attributed to specific segment.

Operations and Maintenance

This service area provides services relating to the development, maintenance and service of the Band's assets, infrastructure and common property.

Education

This service area provides educational services through the operations of an on-reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Band's Members.

Natural Resources and Economic Development

This service area provides for the development of economic opportunities to the Members, along with the exploration of the development of natural resource revenues.

Capital

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

Social Housing

This service area provides for social housing to the Members.

Bonaparte Indian Band
Notes to Consolidated Financial Statements

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**15. Segment Disclosure -
continued**
2020

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
Revenue								
ISC	\$ 391,262	\$ 709,490	\$ 1,129,102	\$ 387,537	\$ 96,691	\$ 1,186,460	\$ 27,688	\$ 3,928,230
Other	1,085,043	1,059,634	197,833	39,847	2,215,425	-	179,995	4,777,777
Total	1,476,305	1,769,124	1,326,935	427,384	2,312,116	1,186,460	207,683	8,706,007
Expenses								
Wages & benefits	582,790	512,552	623,014	144,912	952,170	-	82,442	2,897,880
Purchases	744,882	1,026,711	702,647	471,178	1,149,151	590,771	396,331	5,081,671
Amortization	-	467,651	-	-	-	-	87,575	555,226
Total	1,327,672	2,006,914	1,325,661	616,090	2,101,321	590,771	566,348	8,534,777
Surplus (deficit)	\$ 148,633	\$ (237,790)	\$ 1,274	\$ (188,706)	\$ 210,795	\$ 595,689	\$ (358,665)	\$ 171,230

2019

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
Revenue								
ISC	\$ 342,071	\$ 924,527	\$ 566,651	\$ 485,987	\$ 169,664	\$ 663,046	\$ -	\$ 3,151,946
Other	999,390	108,054	7,968	4,900	3,167,584	-	194,677	4,482,573
Total	1,341,461	1,032,581	574,619	490,887	3,337,248	663,046	194,677	7,634,519
Expenses								
Wages & benefits	324,285	456,329	229,423	44,417	594,317	-	157,362	1,806,133
Purchases	759,481	677,694	363,966	395,226	905,446	235,260	196,708	3,533,781
Amortization	-	467,982	-	-	-	-	65,015	532,997
Total	1,083,766	1,602,005	593,389	439,643	1,499,763	235,260	419,085	5,872,911
Surplus (deficit)	\$ 257,695	\$ (569,424)	\$ (18,770)	\$ 51,244	\$ 1,837,485	\$ 427,786	\$ (224,408)	\$ 1,761,608