

Northwest Angle #33 First Nation
Consolidated Financial Statements
March 31, 2019

Northwest Angle #33 First Nation

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For the year ended March 31, 2019

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Management's Responsibility

To the Members and Chief and Council of Northwest Angle #33 First Nation:

The accompanying consolidated financial statements of Northwest Angle #33 First Nation are the responsibility of management and have been approved by the Chief and Council.

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

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

The Northwest Angle #33 First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

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

May 13, 2020

Chief

Independent Auditor's Report

To the Members and Chief and Council of Northwest Angle #33 First Nation:

Qualified Opinion

We have audited the consolidated financial statements of Northwest Angle #33 First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, changes in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We were unable to verify the opening balances of accounts payable and accumulated surplus or to determine if expenditures paid during the year belong to the current period or the prior period as the prior year financial statements had a denial of opinion issued due to lack of supporting documentation for accounts payable and expenses. We are unable to quantify the amount of the possible effects this may have on the expenses and the surplus for the year ended March 31, 2019.

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 First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

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

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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation 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.

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.

Kenora, Ontario

May 13, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Northwest Angle #33 First Nation
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018	
Financial assets			
Current			
Cash resources (Note 3)	538,502	-	
Accounts receivable (Note 4)	4,085,257	1,412,934	
	4,623,759	1,412,934	
Restricted cash (Note 5)	538,095	368,711	
Funds held in Ottawa Trust Fund (Note 6)	37,355	36,507	
Long-term investments (Note 7)	3	3	
Total financial assets	5,199,212	1,818,155	
Liabilities			
Current			
Bank indebtedness (Note 3)	-	262,776	
Accounts payable and accruals (Note 8)	1,075,537	1,281,182	
Deferred revenue (Note 9)	2,721,165	62,400	
Repayable to funder (Note 10)	1,603,228	1,160,020	
	5,399,930	2,766,378	
Long-term debt (Note 11)	4,327,641	4,381,237	
Total liabilities	9,727,571	7,147,615	
Net debt	(4,528,359)	(5,329,460)	
Contingencies (Note 12)			
Subsequent events (Note 13)			
Non-financial assets			
Tangible capital assets (Schedule 1)	8,188,711	8,642,633	
Total non-financial assets	8,188,711	8,642,633	
Accumulated surplus	3,660,352	3,313,173	
Approved on behalf of the Chief and Council			
	Chief		Councillor
	Councillor		Councillor
	Councillor		

The accompanying notes are an integral part of these financial statements

Northwest Angle #33 First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2019

	<i>Schedules</i>	2019 Budget	2019	2018
Revenue				
Indigenous Services Canada <i>(Note 14), (Note 15)</i>		2,277,960	5,764,818	3,015,753
First Nations and Inuit Health <i>(Note 15)</i>		452,179	641,080	469,404
Canada Mortgage and Housing Corporation <i>(Note 15)</i>		222,500	287,035	283,678
Indigenous Services Canada - Flood Claim <i>(Note 15)</i>		134,295	141,328	78,180
Ontario First Nations Limited Partnership		715,000	1,070,483	844,084
Administration fees		130,000	360,146	243,039
Ministry of Community and Social Services <i>(Note 15)</i>		271,300	327,955	298,877
Anishinaabe Abinoojii Family Services		211,868	194,345	134,281
Ministry of Indigenous Affairs <i>(Note 15)</i>		136,000	184,272	128,448
Anishinaabeg of Kabapikotawangag Resource Council		146,314	180,040	148,589
Miscellaneous		33,500	138,021	117,420
Rental income		215,280	138,050	171,090
Ministry of Children, Community and Social Services <i>(Note 15)</i>		125,346	127,552	112,346
Ministry of Health and Long-Term Care <i>(Note 15)</i>		16,101	127,363	77,413
Ministry of Education <i>(Note 15)</i>		-	108,350	287,069
Shooniyaa Wa-Biitong		53,610	78,908	158,400
HST and Sales Tax rebates		30,000	34,323	-
Ministry of Children and Youth Services <i>(Note 15)</i>		28,800	28,800	28,800
Kenora Chiefs Advisory		-	19,344	-
Ministry of Northern Development and Mines <i>(Note 15)</i>		18,730	18,730	14,048
Grand Council Treaty #3		-	10,000	20,916
Interest income		-	2,357	1,379
Deferred revenue - prior year <i>(Note 9)</i>		121,183	62,400	165,664
Deferred revenue - current year <i>(Note 9)</i>		-	(2,721,165)	(62,400)
Repayment of funding		-	(443,208)	(34,719)
Repayment of funding - Flood Claim		-	(141,328)	(78,180)
		5,339,966	6,739,999	6,623,579
Expenses				
Administration	4	1,621,195	1,468,907	1,477,604
Capital	5	341,670	250,741	400,623
Economic Development	6	50,000	53,808	47,651
Education	7	1,086,167	1,486,392	2,231,144
Governance	8	35,000	50,000	11,743
Health	9	854,345	1,045,836	992,648
Housing CMHC	10	410,680	549,798	600,325
Ontario First Nations Limited Partnership	11	-	3,000	18,750
Operations and Maintenance	12	582,619	685,239	953,721
Social Services	13	675,826	799,099	786,265
Total expenses <i>(Schedule 2)</i>		5,657,502	6,392,820	7,520,474
Surplus (deficit)		(317,536)	347,179	(896,895)
Accumulated surplus, beginning of year		3,313,173	3,313,173	4,210,068
Accumulated surplus, end of year		2,995,637	3,660,352	3,313,173

The accompanying notes are an integral part of these financial statements

Northwest Angle #33 First Nation Consolidated Statement of Change in Net Debt

For the year ended March 31, 2019

	<i>2019 Budget</i>	2019	2018
Surplus (deficit)	(317,536)	347,179	(896,895)
Purchases of tangible capital assets	-	(158,649)	(30,000)
Construction in progress	-	-	(142,093)
Amortization of tangible capital assets	250,000	512,565	508,902
Loss on disposal of capital asset	-	6	-
Proceeds of disposal of tangible capital assets	-	100,000	-
	250,000	453,922	336,809
Use of prepaid expenses	-	-	342,760
(Increase) decrease in net debt	(67,536)	801,101	(217,326)
Net debt, beginning of year	(5,329,460)	(5,329,460)	(5,112,134)
Net debt, end of year	(5,396,996)	(4,528,359)	(5,329,460)

The accompanying notes are an integral part of these financial statements

Northwest Angle #33 First Nation Consolidated Statement of Cash Flows

For the year ended March 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	347,179	(896,895)
Non-cash items		
Amortization	512,565	508,902
Gain (loss) on disposal of capital assets	(6)	-
	859,738	(387,993)
Changes in working capital accounts		
Accounts receivable	(2,672,323)	(1,018,032)
Prepaid expenses	-	342,760
Restricted cash	(169,384)	359,179
Accounts payable and accruals	(205,638)	900,744
Deferred revenue	2,658,765	(103,264)
Repayable to funder	443,210	(65,305)
	914,368	28,089
Financing activities		
Advances of long-term debt	141,328	78,180
Repayment of long-term debt	(194,922)	(159,129)
Increase in Funds Held in Ottawa Trust Fund	(847)	(758)
	(54,441)	(81,707)
Capital activities		
Purchases of tangible capital assets	(158,649)	(30,000)
Construction in progress	-	(142,094)
Proceeds of disposal of tangible capital assets	100,000	-
	(58,649)	(172,094)
Increase (decrease) in cash resources	801,278	(225,712)
Cash resources (deficiency), beginning of year	(262,776)	(37,064)
Cash resources (deficiency), end of year	538,502	(262,776)
Supplementary cash flow information		
Interest paid	66,353	66,238
Interest received	2,357	1,379

The accompanying notes are an integral part of these financial statements

Northwest Angle #33 First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

1. Operations

Northwest Angle #33 First Nation (the "First Nation") is located in the Province of Ontario, and provides municipal-like services to its members.

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting principles and include the following significant accounting policies:

Reporting entity

The Northwest Angle #33 First Nation reporting entity includes the First Nation Government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Northwest Angle #33 First Nation
- CMHC Housing

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Basis of presentation

Sources of financing and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada are reported on the consolidated statement of financial position. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Northwest Angle #33 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

2. **Significant accounting policies** (Continued from previous page)

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for other tangible capital assets is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. No amortization is taken in the year of acquisition.

	Rate
Housing - General	25 years
Housing - CMHC	25 years
Infrastructure	25 years
Automotive	4 years
Machinery	5 years
Boats	7 years
Roads	30 years
Community Buildings	25 years
Landfill	30 years

A housing project with a carrying value of \$1,721,628 (2018 - \$1,721,628) is currently under construction. As such, amortization of these assets has not been recorded during the year.

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

Non-financial assets

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Revenue recognition

Other revenue

Other revenue, such as rental income, is recognized when service is provided and collectability is reasonably assured.

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Northwest Angle #33 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

2. Significant accounting policies *(Continued from previous page)*

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable is stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Segments

The First Nation conducts its business through ten reportable segments: Administration, Capital, Economic Development, Education, Governance, Health, Housing CMHC, Ontario First Nations Limited Partnership, Operations and Maintenance, and Social Services. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the significant accounting policies.

3. Cash Resources and Bank indebtedness

	2019	2018
Royal Bank - General Account	428,624	(361,853)
Bank of Nova Scotia - Social Services Account	101,629	90,828
Guaranteed Investment Certificate	8,249	8,249
	538,502	(262,776)

Northwest Angle #33 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

4. Accounts receivable

	2019	2018
Indigenous Services Canada	2,501,047	562,601
Ontario First Nations Limited Partnership	588,749	-
CMHC rent receivable	388,662	307,900
Ministry of Education	334,170	323,832
CMHC subsidy assistance receivable	264,705	252,452
First Nations and Inuit Health	178,524	3,882
Advances to First Nation Members	159,093	152,084
Miscellaneous	92,248	38,610
Ministry of Indigenous Affairs	54,000	-
Shooniyaa Wa-Biitong	51,839	158,400
Anishinaabeg of Kabapikotawangag Resource Council	19,976	73,157
	4,633,013	1,872,918
Allowance for doubtful accounts	(547,756)	(459,984)
	4,085,257	1,412,934

The allowance for doubtful accounts includes \$159,093 (2018 - \$152,084) relating to member advances and \$388,662 (2018 - \$307,900) relating to CMHC rent receivable.

5. Restricted Cash

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following:

- A replacement reserve established by an annual allocation of \$36,850, to ensure replacement of buildings financed by CMHC.
- A subsidy surplus reserve established by retaining excess federal assistance payments received. Reserve funds may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance.

In accordance with the terms of the agreements, CMHC replacement monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Replacement reserve withdrawals are credited first to principal and then to interest.

	2019	2018
Royal Bank - Replacement Reserve	363,911	287,711
Royal Bank - Operating Reserve	174,184	81,000
	538,095	368,711

Northwest Angle #33 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

6. Funds held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2019	2018
Capital Trust		
Balance, beginning of year	7,795	7,795
Balance, end of year	7,795	7,795
Revenue Trust		
Balance, beginning of year	28,712	27,954
Interest	848	758
Balance, end of year	29,560	28,712
	37,355	36,507

7. Long-term investments

Long-term investments consist of the following:

	2019	2018
Ontario First Nations Limited Partnership	1	1
Ontario First Nations Sovereign Wealth GP	1	1
Ontario First Nations Asset Management GP Corporation	1	1
	3	3

8. Accounts payable and accruals

	2019	2018
Accounts payable - general	1,033,040	1,224,514
Receiver General	12,497	11,102
Audit accrual	30,000	30,000
Pension payable	-	15,566
	1,075,537	1,281,182

9. Deferred Revenue

	<i>Balance March 31, 2018</i>	<i>Funding Received 2019</i>	<i>Other Revenue 2019</i>	<i>Revenue Recognized 2019</i>	<i>Balance March 31, 2019</i>
Federal Government					
Administration	-	1,312,511	680,375	1,007,824	985,062
Operations and Maintenance	-	442,925	55,230	474,739	23,416
Social Services	62,400	1,847,080	514,968	711,761	1,712,687
	62,400	3,602,516	1,250,573	2,194,324	2,721,165

Northwest Angle #33 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

10. Repayable to funder

	2019	2018
ISC - Tuition Agreements	974,744	639,886
ISC - Band Operated School - Direct Services	329,403	329,403
ISC - Special Education	151,815	151,815
ISC - SWOP	28,400	28,400
ISC - First Nation Training	10,435	10,435
ISC - Student Employment	81	81
Ministry of Education	108,350	-
	1,603,228	1,160,020

11. Long-term debt

	2019	2018
Canada Mortgage and Housing Corporation loan, repayable in blended monthly payments of principal and interest in the amount of \$3,240, bearing interest at 1.71%, maturing September 1, 2032. Secured by a Ministerial Guarantee.	470,389	499,799
Canada Mortgage and Housing Corporation loan, repayable in blended monthly payments of principal and interest in the amount of \$948, bearing interest at 1.67%, maturing April 1, 2033. Secured by a Ministerial Guarantee.	143,403	151,943
Canada Mortgage and Housing Corporation loan, repayable in blended monthly payments of principal and interest in the amount of \$3,078, bearing interest at 1.53%, maturing December 1, 2032. Secured by a Ministerial Guarantee.	459,986	488,232
Canada Mortgage and Housing Corporation loan, repayable in blended monthly payments of principal and interest in the amount of \$3,516, bearing interest at 2.04%, maturing January 1, 2034. Secured by a Ministerial Guarantee.	540,920	572,054
Canada Mortgage and Housing Corporation loan, repayable in blended monthly payments of principal and interest in the amount of \$3,316, bearing interest at 2.35%, maturing July 1, 2033. Secured by a Ministerial Guarantee.	484,980	513,342
Canada Mortgage and Housing Corporation loan, repayable in blended monthly payments of principal and interest in the amount of \$3,091, bearing interest at 1.83%, maturing November 1, 2034. Secured by a Ministerial Guarantee.	505,902	533,553
Canada Mortgage and Housing Corporation loan, repayable in blended monthly payments of principal and interest in the amount of \$4,337, bearing interest at 1.04%, maturing October 1, 2040. Secured by a Ministerial Guarantee.	948,022	989,603
ISC promissory note related to ongoing flood claim negotiations, unsecured, repayable when claim is settled, interest free, maturing in March 2022 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	141,226	141,226
ISC promissory note related to ongoing flood claim negotiations, unsecured, repayable when claim is settled, interest free, maturing in March 2023 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	12,664	12,664
ISC promissory note related to ongoing flood claim negotiations, unsecured, repayable when claim is settled, interest free, maturing in March 2024 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	40,675	40,675

Northwest Angle #33 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

11. Long-term debt *(Continued from previous page)*

	2019	2018
ISC promissory note related to ongoing flood claim negotiations, unsecured, repayable when claim is settled, interest free, maturing in March 2020 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	95,795	95,795
ISC promissory note related to ongoing flood claim negotiations, unsecured, repayable when claim is settled, interest free, maturing in March 2020 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	171,331	171,331
ISC promissory note related to ongoing flood claim negotiations, unsecured, repayable when claim is settled, interest free, maturing in March 2021 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	92,840	92,840
ISC promissory note related to ongoing flood claim negotiations, unsecured, repayable when claim is settled, interest free, maturing in March 2022 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	78,180	78,180
ISC promissory note related to ongoing flood claim negotiations, unsecured, repayable when claim is settled, interest free, maturing in March 2024 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	141,328	-
	4,327,641	4,381,237

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed at similar rates and terms, are estimated as follows:

	Principal
2020	198,767
2021	202,694
2022	206,703
2023	210,798
2024	214,979
	1,033,941
Thereafter	3,293,700

Interest on long-term debt amounted to \$66,353 (2018 - \$66,368).

12. Contingencies

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

Northwest Angle #33 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

13. Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

14. ISC funding reconciliation

	2019	2018
ISC revenue per financial statements	5,764,818	3,015,753
ISC revenue per funding confirmation	5,764,818	3,015,753

15. Government transfers

	Operating	Capital	2019	2018
Federal government transfers				
Indigenous Services Canada	5,523,148	241,670	5,764,818	3,015,753
First Nations and Inuit Health	641,080	-	641,080	469,404
Canada Mortgage and Housing Corporation	287,035	-	287,035	283,678
Indigenous Services Canada - Flood Claim	141,328	-	141,328	78,180
Total Federal	6,592,591	241,670	6,834,261	3,847,015
Provincial government transfers				
Ministry of Community and Social Services	327,955	-	327,955	298,877
Ministry of Indigenous Affairs	184,272	-	184,272	128,448
Ministry of Children, Community, and Social Services	127,552	-	127,552	112,346
Ministry of Health and Long-Term Care	127,363	-	127,363	77,413
Ministry of Education	108,350	-	108,350	287,069
Ministry of Children and Youth Services	28,800	-	28,800	28,800
Ministry of Northern Development and Mines	18,730	-	18,730	14,048
Total Provincial	923,022	-	923,022	947,001
	7,515,613	241,670	7,757,283	4,794,016

16. Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The First Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company Ontario First Nations General Partner Inc.

17. Economic dependence

The First Nation receives 84% (2018 - 46%) of its revenue from Indigenous Services Canada (ISC) as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Northwest Angle #33 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

18. Budget information

The disclosed budget information has been approved by the Chief and Council, and presented to the members of the First Nation.

19. First Nations Financial Transparency Act

The First Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 28, 2019. As the audit report is dated after this date, the First Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

20. Comparative figures

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

Northwest Angle #33 First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	<i>Housing - General</i>	<i>Housing - CMHC</i>	<i>Infrastructure</i>	<i>Automotive</i>	<i>Machinery</i>	<i>Boats</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	3,120,308	6,452,248	2,958,928	149,954	32,000	63,330	12,776,768
Acquisition of tangible capital assets	-	-	-	63,655	-	94,994	158,649
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	(178,582)	-	-	-	-	(178,582)
Balance, end of year	3,120,308	6,273,666	2,958,928	213,609	32,000	158,324	12,756,835
Accumulated amortization							
Balance, beginning of year	2,449,079	2,799,546	1,053,884	129,005	14,000	37,618	6,483,132
Annual amortization	61,171	250,947	117,161	26,388	3,600	17,862	477,129
Accumulated amortization on disposals	-	(78,576)	-	-	-	-	(78,576)
Balance, end of year	2,510,250	2,971,917	1,171,045	155,393	17,600	55,480	6,881,685
Net book value of tangible capital assets	610,058	3,301,749	1,787,883	58,216	14,400	102,844	5,875,150
2018 Net book value of tangible capital assets	671,228	3,652,702	1,905,039	20,952	18,000	25,712	6,293,633

Northwest Angle #33 First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	<i>Subtotal</i>	<i>Roads</i>	<i>Community Buildings</i>	<i>Landfill</i>	<i>Construction-in-progress</i>	<i>2019</i>	<i>2018</i>
Cost							
Balance, beginning of year	12,776,768	207,221	1,208,096	447,648	1,721,628	16,361,361	16,189,261
Acquisition of tangible capital assets	158,649	-	-	-	-	158,649	30,000
Construction-in-progress	-	-	-	-	-	-	142,098
Disposal of tangible capital assets	(178,582)	-	-	-	-	(178,582)	-
Balance, end of year	12,756,835	207,221	1,208,096	447,648	1,721,628	16,341,428	16,361,359
Accumulated amortization							
Balance, beginning of year	6,483,132	190,085	861,480	184,028	-	7,718,725	7,209,822
Annual amortization	477,129	1,994	18,538	14,907	-	512,568	508,904
Accumulated amortization on disposals	(78,576)	-	-	-	-	(78,576)	-
Balance, end of year	6,881,685	192,079	880,018	198,935	-	8,152,717	7,718,726
Net book value of tangible capital assets	5,875,150	15,142	328,078	248,713	1,721,628	8,188,711	8,642,633
2018 Net book value of tangible capital assets	6,293,633	17,136	346,616	263,620	1,721,628	8,642,633	

Northwest Angle #33 First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object

For the year ended March 31, 2019

	2019 Budget	2019	2018
Consolidated expenses by object			
Administrative expenses	154,025	317,356	240,904
Amortization of tangible capital assets	250,000	512,565	508,902
Bad debts	144,240	76,157	81,065
Bank charges and interest	7,800	16,026	8,923
Capital, operations and maintenance	94,845	69,658	229,996
Community events	115,233	96,249	157,490
Contracted services	575,304	464,344	940,171
Education	1,122,466	1,074,668	1,713,945
Health	5,500	3,662	2,145
Honoraria, salaries, wages and benefits	1,665,696	1,783,667	1,596,323
Insurance	63,200	98,395	63,042
Interest on long-term debt	-	66,353	66,368
Office, materials, supplies and utilities	912,945	1,050,272	1,222,646
Professional fees	183,777	334,650	297,215
Training and travel	362,471	428,798	391,339
	5,657,502	6,392,820	7,520,474

Northwest Angle #33 First Nation
Schedule 3 - Summary of Consolidated Schedules of Revenue and Expenses by Segment

For the year ended March 31, 2019

	<i>Schedule #</i>	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Administration	4	1,312,511	680,375	(985,062)	1,007,824	1,468,907	580,087	119,004
Capital	5	244,209	-	-	244,209	250,741	-	(6,532)
Economic Development	6	50,000	-	-	50,000	53,808	-	(3,808)
Education	7	1,863,893	(314,882)	-	1,549,011	1,486,392	47,339	109,958
Governance	8	50,000	-	-	50,000	50,000	-	-
Health	9	4,800	1,141,543	-	1,146,343	1,045,836	101,984	202,491
Housing CMHC	10	-	423,829	-	423,829	549,798	258,503	132,534
Ontario First Nations Limited Partnership	11	-	1,070,483	-	1,070,483	3,000	(1,067,483)	-
Operations and Maintenance	12	392,325	55,230	(23,416)	424,139	685,239	14,451	(246,649)
Social Services	13	1,847,080	577,368	(1,650,287)	774,161	799,099	65,119	40,181
Total		5,764,818	3,633,946	(2,658,765)	6,739,999	6,392,820	-	347,179

**Northwest Angle #33 First Nation
Administration**

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	477,489	1,312,511	352,423
ISC - Flood Claim	134,295	141,328	78,180
Administration fees	130,000	360,146	243,039
Ministry of Indigenous Affairs	136,000	184,272	128,448
Miscellaneous	30,000	88,027	110,721
HST and Sales Tax rebates	30,000	34,323	-
Grand Council Treaty #3	-	10,000	-
Interest income	-	2,357	1,379
Rental income	-	1,250	34,290
Anishinaabeg of Kabapikotawangag Resource Council	-	-	400
Repayment of funding	-	-	(19)
Repayment of funding - Flood Claim	-	(141,328)	(78,180)
Deferred revenue - current year <i>(Note 9)</i>	-	(985,062)	-
	937,784	1,007,824	870,681
Expenses			
Administration	12,535	12,535	6,852
Amortization	250,000	261,618	250,812
Bad debts (recovery)	-	(4,606)	1,036
Bank charges and interest	7,500	15,529	6,665
Consulting	35,000	6,987	247
Contracted services	500	15,005	678
Cultural enrichment	600	-	-
Election costs	12,000	11,104	-
Emergency assistance	60,000	53,846	38,022
Funerals	25,000	9,393	28,107
Honoraria	298,080	199,451	238,385
Insurance	17,000	65,805	6,989
Materials	-	-	10,815
Meetings	13,000	9,100	24,812
Miscellaneous	21,450	507	-
Office supplies	15,000	25,022	50,983
Professional fees	168,777	270,110	267,036
Rent	57,900	-	-
Repairs and maintenance	13,700	15,068	44,538
Salaries and benefits	419,062	243,078	233,198
Supplies	4,600	46,494	43,681
Travel	146,491	158,180	178,506
Utilities	43,000	54,681	46,242
	1,621,195	1,468,907	1,477,604
Surplus (deficit) before transfers	(683,411)	(461,083)	(606,923)
Transfers between segments			
Transfer from Ontario First Nations Limited Partnership	627,971	580,087	614,000
Surplus (deficit)	(55,440)	119,004	7,077

Northwest Angle #33 First Nation
Capital
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	241,670	244,209	241,786
Deferred revenue - prior year	100,000	-	140,649
	341,670	244,209	382,435
Expenses			
Administration	-	24,420	-
Contracted services	-	25,969	56,968
Materials	270,170	43,036	146,151
Repairs and maintenance	22,000	14,275	35,706
Salaries and benefits	49,500	141,122	143,247
Training	-	-	6,723
Transportation	-	1,200	-
Travel	-	330	5,597
Utilities	-	389	6,231
	341,670	250,741	400,623
Surplus (deficit)	-	(6,532)	(18,188)

Northwest Angle #33 First Nation
Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	50,000	50,000	50,000
Expenses			
Administration	5,000	5,000	5,000
Consulting	25,589	12,921	-
Contracted services	-	-	1,000
Miscellaneous	300	1,810	36,736
Materials	-	220	1,309
Salaries and benefits	11,011	21,657	62
Training	2,800	-	-
Travel	3,300	12,200	3,483
User fees	2,000	-	61
	50,000	53,808	47,651
Surplus (deficit)	-	(3,808)	2,349

Northwest Angle #33 First Nation
Education

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	1,070,967	1,863,893	1,744,950
Ministry of Education	-	108,350	-
Anishinaabeg of Kabapikotawangag Resource Council	-	19,976	-
Repayment of funding	-	(443,208)	-
	1,070,967	1,549,011	1,744,950
Expenses			
Administration	18,975	70,580	52,746
Consulting	-	7,700	-
Contracted services	116,000	52,048	218,713
Cultural enrichment	2,000	-	9,270
Honoraria	-	707	-
Insurance	-	-	3,085
Materials	-	300	2,341
Miscellaneous	-	-	5,850
Office supplies	700	6,116	587
Program expense	5,000	39,442	12,700
Repairs and maintenance	-	-	60
Salaries and benefits	38,500	128,502	89,684
Student expenses	302,100	641,649	817,358
Supplies	11,700	51,107	56,352
Transportation	10,966	19,790	29,207
Travel	1,000	35,432	36,604
Tuition	579,226	433,019	896,587
	1,086,167	1,486,392	2,231,144
Surplus (deficit) before transfers	(15,200)	62,619	(486,194)
Transfers between segments			
Transfer from Ontario First Nations Limited Partnership	15,200	47,339	117,804
Surplus (deficit)	-	109,958	(368,390)

**Northwest Angle #33 First Nation
Governance**

Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	35,000	50,000	35,000
Expenses			
Administration	3,500	5,000	-
Consulting	18,000	-	9,308
Meetings	3,000	11,309	-
Office supplies	500	-	-
Training	6,000	11,309	-
Travel	4,000	22,382	2,435
	35,000	50,000	11,743
Surplus (deficit)	-	-	23,257

Northwest Angle #33 First Nation Health

Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 <i>Budget</i>	2019	2018
Revenue			
Indigenous Services Canada	14,000	4,800	4,800
First Nations and Inuit Health	452,179	641,080	469,404
Anishinaabeg of Kabapikotawangag Resource Council	146,314	160,064	148,189
Ministry of Children, Community and Social Services	125,346	127,552	112,346
Ministry of Health and Long-Term Care	16,101	127,363	77,413
Anishinaabe Abinoojii Family Services	37,870	33,840	-
Ministry of Children and Youth Services	28,800	28,800	28,800
Kenora Chiefs Advisory	-	19,344	-
Miscellaneous	3,500	3,500	3,500
Grand Council Treaty #3	-	-	1,532
Deferred revenue - prior year	-	-	9,445
Repayment of funding	-	-	(28,179)
	824,110	1,146,343	827,250
Expenses			
Administration	62,257	87,660	53,796
Bank charges and interest	-	436	1,763
Consulting	21,785	20,492	-
Contracted services	4,300	3,675	12,452
Cultural enrichment	27,376	14,289	10,721
Health	5,500	3,662	2,145
Honoraria	4,300	3,607	4,550
Insurance	8,700	2,380	17,070
Materials	54,207	63,672	55,402
Meetings	6,507	9,324	9,436
Office supplies	1,600	1,545	544
Professional fees	12,500	12,735	-
Program expense	-	91	-
Rent	7,091	9,641	3,988
Repairs and maintenance	30,217	11,923	43,051
Salaries and benefits	374,413	541,470	509,326
Supplies	40,246	83,821	103,938
Training	13,800	12,318	6,735
Transportation	65,000	13,840	27,467
Travel	55,390	80,067	54,835
User fees	30,516	30,015	28,403
Utilities	28,640	39,173	47,026
	854,345	1,045,836	992,648
Surplus (deficit) before transfers	(30,235)	100,507	(165,398)
Transfers between segments			
Transfer from Ontario First Nations Limited Partnership	30,829	101,984	-
Surplus (deficit)	594	202,491	(165,398)

**Northwest Angle #33 First Nation
Housing CMHC**

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Canada Mortgage and Housing Corporation	222,500	287,035	283,678
Rental income	215,280	136,800	136,800
Miscellaneous	-	(6)	-
	437,780	423,829	420,478
Expenses			
Administration	-	36,020	36,020
Amortization	-	250,947	258,090
Bad debts	144,240	80,762	80,028
Bank charges and interest	300	-	-
Insurance	25,000	30,209	30,757
Interest on long-term debt	-	66,353	66,368
Professional fees	-	7,140	10,500
Repairs and maintenance	-	12,214	55,598
Student expenses	241,140	-	-
Utilities	-	66,153	62,964
	410,680	549,798	600,325
Surplus (deficit) before transfers	27,100	(125,969)	(179,847)
Transfers between segments			
Transfer from Ontario First Nations Limited Partnership	-	258,503	-
Surplus (deficit)	27,100	132,534	(179,847)

Northwest Angle #33 First Nation
Ontario First Nations Limited Partnership
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Ontario First Nations Limited Partnership	715,000	1,070,483	844,084
Expenses			
Supplies	-	3,000	18,750
Surplus (deficit) before transfers	715,000	1,067,483	825,334
Transfers between segments			
Transfer to Administration	(627,971)	(580,087)	(614,000)
Transfer to Operations and Maintenance	(41,000)	(14,451)	(93,530)
Transfer to Health	(30,829)	(101,984)	-
Transfer to Education	(15,200)	(47,339)	(117,804)
Transfer to Social Services	-	(65,119)	-
Transfer to Housing CMHC	-	(258,503)	-
	(715,000)	(1,067,483)	(825,334)
Surplus (deficit)	-	-	-

Northwest Angle #33 First Nation
Operations and Maintenance
Schedule 12 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	328,620	392,325	379,777
Miscellaneous	-	36,500	3,200
Ministry of Northern Development and Mines	18,730	18,730	14,048
Shooniyaa Wa-Biitong	-	-	158,400
Repayment of funding	-	-	(6,521)
Deferred revenue - prior year	21,183	-	15,569
Deferred revenue - current year (Note 9)	-	(23,416)	-
	368,533	424,139	564,473
Expenses			
Administration	17,822	17,822	32,654
Bank charges and interest	-	-	379
Consulting	-	18,448	11,999
Contracted services	82,210	72,702	194,027
Insurance	12,500	-	3,291
Materials	500	5,092	1,251
Office supplies	-	174	260
Professional fees	-	12,274	15,569
Repairs and maintenance	23,334	16,178	38,556
Salaries and benefits	191,201	193,405	230,936
Supplies	6,000	43,800	115,519
Telephone	-	1,001	1,308
Travel	7,952	6,530	16,757
User fees	500	200	175
Utilities	240,600	297,613	291,040
	582,619	685,239	953,721
Surplus (deficit) before transfers	(214,086)	(261,100)	(389,248)
Transfers between segments			
Transfer from Ontario First Nations Limited Partnership	41,000	14,451	93,530
Surplus (deficit)	(173,086)	(246,649)	(295,718)

Northwest Angle #33 First Nation
Social Services
Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	60,214	1,847,080	207,017
Ministry of Community and Social Services	271,300	327,955	298,877
Anishinaabe Abinoojii Family Services	173,998	160,505	134,281
Shooniyaa Wa-Biitong	53,610	78,908	-
Miscellaneous	-	10,000	-
Ministry of Education	-	-	287,069
Grand Council Treaty #3	-	-	19,384
Deferred revenue - prior year (Note 9)	-	62,400	-
Deferred revenue - current year (Note 9)	-	(1,712,687)	(62,400)
	559,122	774,161	884,228
Expenses			
Administration	33,935	58,318	53,835
Bank charges and interest	-	61	115
Consulting	1,920	1,540	-
Contracted services	-	-	191,233
Emergency assistance	210,000	173,012	206,134
Honoraria	3,000	-	1,100
Insurance	-	-	1,851
Materials	10,768	-	51,194
Meetings	4,000	29,413	32,560
Office supplies	3,052	6,571	14,880
Professional fees	2,500	32,390	3,500
Program expense	20,000	47,692	24,942
Rent	21,000	21,000	10,500
Repairs and maintenance	5,594	-	-
Salaries and benefits	276,630	310,680	145,836
Supplies	17,975	35,923	7,306
Training	2,000	120	700
Travel	43,772	55,098	23,955
User fees	16,480	23,936	16,624
Utilities	3,200	3,345	-
	675,826	799,099	786,265
Surplus (deficit) before transfers	(116,704)	(24,938)	97,963
Transfers between segments			
Transfer from Ontario First Nations Limited Partnership	-	65,119	-
Surplus (deficit)	(116,704)	40,181	97,963