

**Anishinaabeg of Naongashiing  
First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2023**

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## Anishinaabeg of Naongashiing First Nation Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of Anishinaabeg of Naongashiing First Nation are the responsibility of management and have been approved by the Chief and Council of Anishinaabeg of Naongashiing First Nation.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Principles. Consolidated 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 consolidated financial statements are presented fairly, in all material respects.

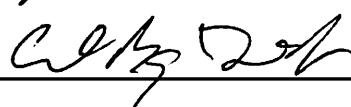
The First Nation maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately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

Anishinaabeg of Naongashiing First Nation 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.

The Council reviews the First Nation's consolidated financial statements and meets periodically with management, as well as the external auditors, 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 annual report, the consolidated financial statements and the external auditor's report.

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 have full and free access to the Council.

  
\_\_\_\_\_ Chief

  
\_\_\_\_\_ Councilor

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## Independent Auditor's Report

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To Chief and Council of Anishinaabeg of Naongashiing First Nation

### Opinion

We have audited the consolidated financial statements of Anishinaabeg of Naongashiing First Nation and its enterprises (the Group), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of operations, the consolidated statement of changes in accumulated surplus, the consolidated statement of changes in net debt and the consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated results of operations, its consolidated changes in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group 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 Group 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.

*BDO CANADA LLP*

Chartered Professional Accountants, Licensed Public Accountants

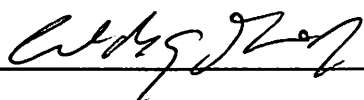
Fort Frances, Ontario  
September 5, 2023

## Anishinaabeg of Naongashiing First Nation Consolidated Statement of Financial Position

March 31	2023	2022
<b>Financial assets</b>		
Cash and cash equivalents (Note 1)	\$ 2,530,209	\$ 4,480,251
Accounts and loans receivable (Note 2)	1,814,483	1,484,443
Portfolio investments (Note 3)	336,251	326,264
	<u>4,680,943</u>	<u>6,290,958</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	764,134	1,716,696
Deferred revenue (Note 6)	2,075,250	3,064,894
Long-term debt (Note 4)	2,481,289	2,715,093
	<u>5,320,673</u>	<u>7,496,683</u>
<b>Net debt</b>	<u>(639,730)</u>	<u>(1,205,725)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 9)	20,745,361	19,220,550
Inventory	176,632	140,332
	<u>20,921,993</u>	<u>19,360,882</u>
<b>Accumulated surplus</b>	<u>20,282,263</u>	<u>18,155,157</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus (Note 7)	20,272,276	18,155,157
Accumulated remeasurement gains	9,987	-
	<u>\$ 20,282,263</u>	<u>\$ 18,155,157</u>

Approved on Behalf of Council:

  
\_\_\_\_\_ Chief

  
\_\_\_\_\_ Councilor



# Anishinaabeg of Naongashiing First Nation

## Consolidated Statement of Operations

March 31	2023	2022
<b>Revenue</b>		
Indigenous Services Canada (Note 11)	\$ 6,147,680	\$ 8,837,844
Fort Frances Tribal Area Health Authority	170,239	230,973
Rental - housing/equipment	206,615	243,761
Ministry of Community and Social Services	359,674	184,874
Ministry of Indigenous Affairs	-	176,185
CMHC (Note 12)	333,200	201,137
Other	1,799,906	941,226
Resource revenue	812,615	662,908
Shooniyaa Wa-Biitong	82,500	83,160
Casino Rama revenue	511,898	357,808
Weechi-It-Te-Win	988,327	1,049,145
Ministry of Health	128,512	150,748
Keniis Development Corporation	2,042,637	1,835,943
	<b>13,583,803</b>	<b>14,955,712</b>
<b>Expenses</b>		
Education	1,477,619	1,263,349
Welfare	540,769	450,453
Band Support/Administration	2,119,833	1,817,000
Operations and Maintenance	595,919	476,505
Economic Development	288,781	198,238
Water Treatment Plant	562,534	357,774
Capital	5,000	8,131
Summer Student Employment	11,988	33,322
National Child Benefit Program	131,121	28,483
New Relationship Fund	-	5,405
Community Care	1,249,704	1,361,023
Health Programs	64,330	66,827
Health Canada Integrated Services	532,322	340,311
Aboriginal Healing and Wellness	74,203	75,758
CMHC Rental Housing	341,686	413,425
CMHC Housing Renovations	26,292	-
Casino Rama	406,262	319,826
Keniis Development Corporation	2,081,738	1,839,419
Land Management	229,832	271,505
Multi-Unit Housing	78,231	-
Flood Claim	79,362	33,370
New Gold IBA	187,656	149,680
Youth Engagement & Planning	-	18,804
Grand Council Treaty #3 Programs	53,580	66,810
Learning Centre	-	32,712
FN CFS Capacity Development	125,518	41,117
Storage Facility	-	865
Medicine Camp Program	12,000	28,500
Band Housing Projects	135,853	-
	<b>11,412,133</b>	<b>9,698,612</b>
<b>Annual surplus before other items</b>	<b>2,171,670</b>	<b>5,257,100</b>
<b>Other Items</b>		
Ministry of Indigenous Affairs funding recovery	(54,551)	-
<b>Annual surplus</b>	<b>\$ 2,117,119</b>	<b>\$ 5,257,100</b>

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

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## Anishinaabeg of Naongashiing First Nation Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2023	2022
Accumulated surplus, beginning of year	\$ 18,155,157	\$ 12,898,057
Annual surplus	<u>2,117,119</u>	<u>5,257,100</u>
Accumulated surplus, end of year	<u>\$ 20,272,276</u>	<u>\$ 18,155,157</u>

## Anishinaabeg of Naongashiing First Nation Consolidated Statement of Remeasurement Gains

For the year ended March 31	2023	2022
Accumulated remeasurement gains, beginning of year	\$ -	\$ -
Unrealized gains attributable to:		
Portfolio investments	9,987	-
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments	-	-
Accumulated remeasurement gains, end of year	\$ 9,987	\$ -



## Anishinaabeg of Naongashiing First Nation Consolidated Statement of Changes in Net Debt

For the year ended March 31	2023	2022
Annual surplus	\$ 2,117,119	\$ 5,257,100
Acquisition of tangible capital assets	(3,127,545)	(5,321,760)
Disposition of tangible capital assets	530,022	3,540
Amortization of tangible capital assets	1,072,712	876,536
	<u>592,308</u>	<u>815,416</u>
Use (acquisition) of prepaid expenses	-	3,543
Use (acquisition) of inventories	(36,300)	(67,906)
	<u>(36,300)</u>	<u>(64,363)</u>
Increase in net debt excluding net remeasurement gains	556,008	751,053
Net remeasurement gains	9,987	-
Changes in net debt	<u>565,995</u>	<u>751,053</u>
Net debt, beginning of year	(1,205,725)	(1,956,778)
Net debt, end of year	<u>\$ (639,730)</u>	<u>\$ (1,205,725)</u>

## Anishinaabeg of Naongashiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2023	2022
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 2,117,119	\$ 5,257,100
Remeasurement gain	9,987	-
Item not affecting cash		
Amortization of tangible capital assets	1,072,712	876,536
	<u>3,199,818</u>	<u>6,133,636</u>
 Changes in non-cash working capital		
Accounts and loans receivable	(330,040)	(416,683)
Prepaid expense	-	3,543
Inventories	(36,300)	(67,906)
Accounts payable	(952,562)	1,215,677
Deferred revenue	(989,644)	1,353,944
	<u>(2,308,546)</u>	<u>2,088,575</u>
	<u>891,272</u>	<u>8,222,211</u>
 <b>Cash flows from capital activities</b>		
Disposition of tangible capital assets	530,022	3,540
Acquisition of tangible capital assets	(3,127,545)	(5,321,760)
	<u>(2,597,523)</u>	<u>(5,318,220)</u>
 <b>Cash flows from investing activities</b>		
Acquisition of investments	(9,987)	(19,760)
 <b>Cash flows from financing activities</b>		
Repayment of long-term debt	(233,804)	(190,469)
 <b>Net change in cash and cash equivalents</b>	<u>(1,950,042)</u>	<u>2,693,762</u>
 <b>Cash and cash equivalents, beginning of year</b>	<u>4,480,251</u>	<u>1,786,489</u>
 <b>Cash and cash equivalents, end of year</b>	<u>\$ 2,530,209</u>	<u>\$ 4,480,251</u>

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## **Anishinaabeg of Naongashiing First Nation Summary of Significant Accounting Policies**

**March 31, 2023**

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### **Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, and include all Organizations, operations and activities that are:

- 1) accountable for the administration of their financial affairs and resources directly to the First Nation; and
- 2) owned or controlled by the First Nation.

This includes all aspects of Band operations including provision of social, educational, administration and operational services.

### **Government Transfers**

Government transfers, which include legislative grants, are recognized as revenue in the consolidated 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. When transfer stipulations give rise to a liability, government transfers are recognized as deferred revenue and recognized as revenue when the stipulations are settled.

### **Basis of Consolidation**

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all government Organizations which are owned or controlled by the First Nation. All interfund assets, liabilities, revenues and expenditures have been eliminated on consolidation.

The following government Organization owned or controlled by the First Nation has been consolidated:

Kenis Development Corporation

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## Anishinaabeg of Naongashiing First Nation Summary of Significant Accounting Policies

March 31, 2023

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### Cash and Cash Equivalents

Management considers all highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.

### Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Contributed tangible capital assets are recorded at fair value at the time of contribution, with a corresponding amount recorded as revenue. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the First Nation, forests, water, and other natural resources are not recognized as tangible capital assets.

### Amortization

Amortization is calculated on the cost of the tangible capital assets on a straight-line basis over the following number of years:

Buildings	25 years
Roads, sewer and water	10 - 50 years
Vehicles and equipment	5 years
Computers	3 - 5 years

### Long-term Loans Receivable

Loans are carried at the unpaid principal less allowances for doubtful loans.

### Allowance for Doubtful Loans

The First Nation maintains specific allowances for doubtful loans that reduce the carrying value of loans identified as impaired to their estimated realizable amounts.

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## **Anishinaabeg of Naongashiing First Nation Summary of Significant Accounting Policies**

**March 31, 2023**

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### **Portfolio Investments**

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

### **Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Rentals and other fees are recognized in the month that the related unit is rented or the fee for service is provided. An allowance is recorded based on the historical level of collection.

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## **Anishinaabeg of Naongashiing First Nation Summary of Significant Accounting Policies**

**March 31, 2023**

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### **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 at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements and could result in adjustments to estimated accruals/payables.

The estimates used in the preparation of these consolidated financial statements are the useful lives of property, plant and equipment and accrued liabilities.

## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 1. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Anishinaabeg of Naongashiing First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by Canada Deposit Insurance Corporation or as otherwise approved by Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Capital Improvement Fund. Cash and cash equivalents is comprised of the following:

	2023	2022
Internally restricted Reserves	\$ 452,234	\$ 423,001
Unrestricted Operating Kenis Development Corporation	2,041,966 36,009	4,029,164 28,086
	<u>2,077,975</u>	<u>4,057,250</u>
Total cash and cash equivalents	<u>\$ 2,530,209</u>	<u>\$ 4,480,251</u>

### 2. Accounts and Loans Receivable

	2023	2022
Accounts receivable	\$ 2,541,578	\$ 2,157,410
Advances to Band members	136,258	82,397
	<u>2,677,836</u>	<u>2,239,807</u>
Allowance for doubtful accounts	(863,353)	(755,364)
	<u>\$ 1,814,483</u>	<u>\$ 1,484,443</u>



## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 3. Portfolio Investments

	2023	2022
At cost or amortized cost:		
Miitigoog Limited Partnership	\$ 10,333	\$ 10,333
At fair value:		
Marketable securities	325,918	315,931
	<u>\$ 336,251</u>	<u>\$ 326,264</u>

Portfolio investments are valued at fair market value. The fair market value of the marketable securities at March 31, 2023, was \$325,918 (2022 - \$337,133). The carrying value of the marketable securities at March 31, 2023 was \$317,876 (2022 - \$315,931). The securities are traded on an exchange.

## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 4. Long-term Debt

	2023	2022
CMHC mortgage with interest at 0.79%, repayable in monthly installments of \$3,722 principal and interest, maturing January 2026	\$ 484,092	\$ 524,766
CMHC mortgage with interest at 1.06%, repayable in monthly installments of \$3,214 principal and interest, maturing July 2025	88,861	126,277
CMHC mortgage with interest at 3.70%, repayable in monthly installments of \$2,107 principal and interest, maturing December 2027	197,979	216,943
CMHC mortgage with interest at 1.01%, repayable in monthly installments of \$2,151 principal and interest, maturing August 2026	310,524	333,076
CMHC mortgage with interest at 1.01%, repayable in monthly installments of \$2,867 principal and interest, maturing August 2026	416,556	446,601
CMHC mortgage with interest at 1.22%, repayable in monthly installments of \$2,676 principal and interest, maturing May 2026	495,008	520,919
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2023 or when litigation is settled, whichever comes first	173,652	173,652
RBC demand loan with interest at 3.67%, repayable in monthly installments of \$3,837 principal and interest, maturing October 2026	154,326	193,929
Keniis Development Corporation mortgage payable to RBC at 8.45%, repayable in monthly installments of \$1,553 principal plus interest, maturing November 2023	160,291	178,930
Carried forward	<u>\$ 2,481,289</u>	<u>\$ 2,715,093</u>

## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 4. Long-term Debt (continued)

Mortgages are secured by a first charge mortgage against rental properties and Ministerial Guarantees from Indigenous Services Canada.

Principal repayments required over the next five years and thereafter are as follows:

	Principal Repayments	Interest	Total
2024	\$ 488,699	\$ 39,186	\$ 527,885
2025	283,979	25,612	309,591
2026	199,387	21,782	221,169
2027	170,788	18,276	189,064
2028	146,306	15,962	162,268
Thereafter	1,192,130	61,276	1,253,406
	<u>\$ 2,481,289</u>	<u>\$ 182,094</u>	<u>\$ 2,663,383</u>

	2023	2022
Interest expense for the year on long-term debt	<u>\$ 52,325</u>	<u>\$ 52,751</u>

## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 5. Related Party Transactions

The First Nation owns 16.67% of Miitigoog Limited Partnership. During the fiscal year, the First Nation recorded \$NIL of revenue relating to referral fees from the Corporation.

### 6. Deferred Revenue

	Balance March 31, 2022	Funding Received 2023	Revenue Recognized 2023	Balance March 31, 2023
FFTAHA	\$ 22,409	\$ 164,380	\$ 170,239	\$ 16,550
ISC	2,107,840	4,613,965	5,581,908	1,139,897
ISC/Health Canada	809,488	549,931	565,773	793,646
Shooniyaa Wa-Biitong	125,157	82,500	82,500	125,157
	<u>\$ 3,064,894</u>	<u>\$ 5,410,776</u>	<u>\$ 6,400,420</u>	<u>\$ 2,075,250</u>

### 7. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2023	2022
Investment in tangible capital assets		
Tangible capital assets	\$ 19,395,285	\$ 18,362,973
Debt relating to tangible capital assets	(2,147,346)	(2,362,511)
Total investment in tangible capital assets	17,247,939	16,000,462
Operations surplus	1,093,988	897,747
Reserve funds (Note 8)	583,179	451,429
Equity in enterprises	1,357,157	805,519
	<u>\$ 20,282,263</u>	<u>\$ 18,155,157</u>

## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 8. Replacement Reserve

	18-187-047 /001-2	9 Unit (2010) 19-446-541/001	6 Unit (2007) 19-446-541/002	8 Unit (2009) 19-446-541/003	5 Unit (2011) 19-446-541/004	4 Unit (2011) 19-446-541/005	4 Unit (2015) 19-466-541/006	Total
Balance March 31, 2021	\$ 6,682	\$ 131,046	\$ 62,004	\$ 87,670	\$ 57,694	\$ 47,501	\$ 29,588	\$ 422,185
Allocation to reserve funds	3,500	7,650	6,000	9,600	6,175	4,940	5,120	42,985
Expenditures	(2,762)	(1,222)	(4,342)	(1,073)	(3,518)	(824)	-	(13,741)
Balance March 31, 2022	7,420	137,474	63,662	96,197	60,351	51,617	34,708	451,429
Allocation to reserve funds	-	7,650	6,000	9,600	6,175	4,940	5,120	39,485
Special Contribution	-	103,500	-	-	-	-	-	103,500
Expenditures	(7,420)	-	(1,989)	(1,826)	-	-	-	(11,235)
Balance March 31, 2023	\$ -	\$ 248,624	\$ 67,673	\$ 103,971	\$ 66,526	\$ 56,557	\$ 39,828	\$ 583,179

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$583,179. The amount held in a restricted bank account in relation to this reserve is \$451,417; therefore, the reserve is under funded by \$131,762 as of March 31, 2023.

**Anishinaabeg of Naongashiing First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2023

**9. Tangible Capital Assets**

	<b>2023</b>						
	Land	Buildings	Vehicles and equipment	Computers	Roads, sewer and water	Assets under construction	Total
Cost, beginning of year	\$ 50,000	\$ 20,061,842	\$ 1,853,063	\$ 177,400	\$ 2,717,588	\$ 5,370,598	\$30,230,491
Additions	-	511,385	273,722	-	55,000	2,287,438	3,127,545
Disposals	-	(500,585)	(29,437)	-	-	-	(530,022)
Capitalized construction	-	1,558,991	-	-	6,051,480	(7,610,471)	-
Cost, end of year	50,000	21,631,633	2,097,348	177,400	8,824,068	47,565	32,828,014
Accumulated amortization, beginning of year	-	8,729,207	1,145,576	134,757	1,000,401	-	11,009,941
Amortization	-	636,259	233,722	8,615	194,116	-	1,072,712
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	9,365,466	1,379,298	143,372	1,194,517	-	12,082,653
Net carrying amount, end of year	\$ 50,000	\$ 12,266,167	\$ 718,050	\$ 34,028	\$ 7,629,551	\$ 47,565	\$20,745,361

**Anishinaabeg of Naongashiing First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2023**

**9. Tangible Capital Assets (continued)**

	<b>2022</b>						
	Land	Buildings	Vehicles and equipment	Computers	Roads, sewer and water	Assets under construction	Total
Cost, beginning of year	\$ 50,000	\$ 19,395,501	\$ 1,785,199	\$ 162,964	\$ 2,717,588	\$ 908,830	<b>\$25,020,082</b>
Additions	-	256,976	179,215	14,436	-	4,871,133	<b>5,321,760</b>
Disposals	-	-	(111,351)	-	-	-	<b>(111,351)</b>
Capitalized construction	-	409,365	-	-	-	(409,365)	<b>-</b>
Cost, end of year	50,000	20,061,842	1,853,063	177,400	2,717,588	5,370,598	<b>30,230,491</b>
Accumulated amortization, beginning of year	-	8,137,534	1,052,266	119,701	931,715	-	<b>10,241,216</b>
Amortization	-	591,673	201,121	15,056	68,686	-	<b>876,536</b>
Disposals	-	-	(107,811)	-	-	-	<b>(107,811)</b>
Accumulated amortization, end of year	-	8,729,207	1,145,576	134,757	1,000,401	-	<b>11,009,941</b>
Net carrying amount, end of year	\$ 50,000	\$ 11,332,635	\$ 707,487	\$ 42,643	\$ 1,717,187	\$ 5,370,598	<b>\$19,220,550</b>



## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 10. Government Transfers

	2023			2022		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Indigenous Services Canada	\$ 5,121,342	\$ 1,026,338	\$ 6,147,680	\$ 2,956,984	\$ 5,880,860	\$ 8,837,844
Canada Mortgage and Housing Corporation	333,200	-	333,200	201,137	-	201,137
	<b>\$ 5,454,542</b>	<b>\$ 1,026,338</b>	<b>\$ 6,480,880</b>	<b>\$ 3,158,121</b>	<b>\$ 5,880,860</b>	<b>\$ 9,038,981</b>
Provincial government transfers:						
Ministry of Community and Social Services	\$ 359,674	\$ -	\$ 359,674	\$ 184,874	\$ -	\$ 184,874
Ministry of Indigenous Affairs	(54,551)	-	(54,551)	176,185	-	176,185
Other provincial transfers	227,678	-	227,678	194,740	-	194,740
	<b>\$ 532,801</b>	<b>\$ -</b>	<b>\$ 532,801</b>	<b>\$ 555,799</b>	<b>\$ -</b>	<b>\$ 555,799</b>

## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

**March 31, 2023**

### 11. Indigenous Services Canada Funding Reconciliation

	2023	2022
ISC revenue per funding confirmation	\$ 5,163,895	\$ 10,083,224
Deferred revenue, beginning of year	2,917,328	1,671,948
Deferred revenue, end of year	(1,933,543)	(2,917,328)
ISC revenue per the consolidated statement of operations	<u>\$ 6,147,680</u>	<u>\$ 8,837,844</u>

### 12. Federal Assistance Payments

The CMHC projects have received federal assistance through CMHC pursuant to Section 56.1 of the National Housing Act to enable the project to provide housing to low income individuals.

	2023	2022
Subsidy	\$ 306,908	\$ 201,137
Home Adaptations for Seniors' Independence (HASI)	26,292	-
CMHC revenue per the consolidated statement of operations	<u>\$ 333,200</u>	<u>\$ 201,137</u>

### 13. Expenses by Object

	2023	2022
Salaries, wages and employee benefits	\$ 3,278,332	\$ 3,122,886
Materials and supplies	5,658,892	4,572,495
Contracted services	824,262	768,857
Rent and financial expenses	291,524	241,672
Travel	380,034	182,923
Amortization	979,089	809,779
	<u>\$ 11,412,133</u>	<u>\$ 9,698,612</u>

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# Anishinaabeg of Naongashiing First Nation

## Notes to Consolidated Financial Statements

March 31, 2023

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### 14. Segmented Information

Anishinaabeg of Naongashiing First Nation is a First Nation government that provides a wide range of services to the members of its community. For management reporting purposes the First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following significant segments have been identified and as such are separately disclosed:

#### Education

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

#### Operations and Maintenance

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

#### Welfare

This segment contains activities that provides financial support or support by other means to Band Members that is aimed at developing both the individual as well as the community.

#### Band Support

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

#### Capital

This department is responsible for all capital asset activities occurring on the First Nation during the year, including housing construction and renovations.

#### Other Services

The First Nation provides a wide array of other services, including youth employment projects, economic development, housing activities and others.

For each reported segment, revenues and expenses include 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, including transfers and have been apportioned based on a percentage of budgeted expenses.

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

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## **Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements**

**March 31, 2023**

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### **15. Budgeted Information**

Section 1201, Financial Statement Presentation, of the CPA Canada Public Sector Accounting Board Handbook requires the disclosure of budgeted information. The First Nation has not prepared or approved consolidated budgets. As a result, the First Nation was unable to present budgeted information on the consolidated financial statements for the year ended March 31, 2023.

**Anishinaabeg of Naongashiing First Nation  
2023 Segment Disclosure**

<b>March 31, 2023</b>	<b>Band Support</b>	<b>Operations and Maintenance</b>	<b>Education</b>	<b>Welfare</b>	<b>Capital</b>	<b>Other</b>	<b>Total</b>
<b>Revenue</b>							
ISC	\$ 309,609	\$ 559,964	\$ 1,683,299	\$ 143,070	\$ 241,606	\$ 3,210,132	\$ 6,147,680
Canada	-	-	-	-	-	333,200	333,200
Ontario	-	99,166	-	488,186	-	(54,551)	532,801
Casino Rama	-	-	-	-	-	511,898	511,898
Other Aboriginal Organizations	-	-	-	12,462	-	1,228,604	1,241,066
Interest, rentals and other	618,832	8,085	-	-	-	4,135,690	4,762,607
Administration	556,404	(20,000)	-	(50,040)	(23,661)	(462,703)	-
Transfers	772,409	(261,773)	(72,844)	(52,909)	(212,945)	(171,938)	-
	<u>2,257,254</u>	<u>385,442</u>	<u>1,610,455</u>	<u>540,769</u>	<u>5,000</u>	<u>8,730,332</u>	<u>13,529,252</u>
<b>Expenses</b>							
Salaries, wages and benefits	669,619	123,895	296,515	91,094	-	2,097,209	3,278,332
Materials, supplies and capital	1,039,374	261,547	381,299	430,025	5,000	3,541,647	5,658,892
Contracted services	-	-	790,950	-	-	33,312	824,262
Rent and financial expenses	252,485	-	-	1,153	-	37,886	291,524
Travel	160,862	-	8,854	18,497	-	191,821	380,034
Amortization	35,733	210,477	-	-	-	732,879	979,089
	<u>2,158,073</u>	<u>595,919</u>	<u>1,477,618</u>	<u>540,769</u>	<u>5,000</u>	<u>6,634,754</u>	<u>11,412,133</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 99,181</b>	<b>\$ (210,477)</b>	<b>\$ 132,837</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,095,578</b>	<b>\$ 2,117,119</b>

**Anishinaabeg of Naongashiing First Nation  
2022 Segment Disclosure**

<b>March 31, 2022</b>	<b>Band Support</b>	<b>Operations and Maintenance</b>	<b>Education</b>	<b>Welfare</b>	<b>Capital</b>	<b>Other</b>	<b>Total</b>
<b>Revenue</b>							
ISC	\$ 448,639	\$ 320,964	\$ 1,393,522	\$ 132,393	\$ 232,724	\$ 6,309,602	\$ 8,837,844
Canada	-	-	-	-	-	201,137	201,137
Ontario	-	27,100	-	335,622	-	193,077	555,799
Casino Rama	-	-	-	-	-	357,808	357,808
Other Aboriginal Organizations	8,000	-	-	62,462	-	1,292,816	1,363,278
Interest, rentals and other	193,775	8,085	-	-	-	3,437,986	3,639,846
Administration	1,102,219	(5,039)	-	(40,572)	(113,352)	(943,256)	-
Transfers	150,229	5,364	-	(39,452)	(111,241)	(4,900)	-
	<u>1,902,862</u>	<u>356,474</u>	<u>1,393,522</u>	<u>450,453</u>	<u>8,131</u>	<u>10,844,270</u>	<u>14,955,712</u>
<b>Expenses</b>							
Salaries, wages and benefits	655,276	96,822	149,489	148,247	657	2,072,395	3,122,886
Materials, supplies and capital	883,664	200,324	337,373	293,206	7,474	2,850,454	4,572,495
Contracted services	-	-	768,857	-	-	-	768,857
Rent and financial expenses	204,908	276	-	1,029	-	35,459	241,672
Travel	39,790	-	7,630	7,971	-	127,532	182,923
Amortization	33,362	179,083	-	-	-	597,334	809,779
	<u>1,817,000</u>	<u>476,505</u>	<u>1,263,349</u>	<u>450,453</u>	<u>8,131</u>	<u>5,683,174</u>	<u>9,698,612</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 85,862</b>	<b>\$ (120,031)</b>	<b>\$ 130,173</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,161,096</b>	<b>\$ 5,257,100</b>