

Couchiching First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2021

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## Couchiching First Nation Management's Responsibility for Financial Reporting

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

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. 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.

Couchiching 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.

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
 _____ Councilor	 _____ Councilor



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## Independent Auditor's Report

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To Chief and Council of Couchiching First Nation

### Qualified Opinion

We have audited the consolidated financial statements of Couchiching First Nation and its entities (the Group), which comprise the consolidated statement of financial position as at March 31, 2021, 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, except for the possible effects of the matters 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 Group as at March 31, 2021, 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 Qualified Opinion

The consolidated financial statements include investments in government business enterprises as described in Note 6 to the consolidated financial statements. The financial information for the majority of these investments has not been audited. As a result we are not able to determine if adjustments might be necessary to financial assets as at March 31, 2021 and 2020, other income (expenses), annual surplus for the years ended March 31, 2021 and 2020 and accumulated surplus as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion of the consolidated financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

The Group has not proportionately consolidated the financial statements of the Agency One Trust that was created in 2020 year, this constitutes a departure from Canadian public sector accounting standards. Under Canadian public sector accounting standards the Trust should have been proportionately consolidated as the Group has shared controlled of the Trust. The effects on the consolidated financial statements of the failure to proportionately consolidate have not been determined.

Additionally, the Group is entitled to annual income distributions from the Trust. Management has decided to book this on a cash basis instead of an accrual basis, which constitutes a departure from Canadian public sector accounting standards. Revenue should be increased by \$115,648 for the year ended March 31, 2021 (2020 - \$118,143), receivables should be increased by \$233,791 as of March 31, 2021 (2020 - \$118,143) and accumulated surplus should be increased by \$233,791 as of March 31, 2021 (2020 - \$118,143).

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 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 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

January 19, 2024

## Couchiching First Nation Consolidated Statement of Financial Position

March 31	2021	2020
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 4,585,204	\$ 2,501,071
Accounts and loans receivable (Note 3)	4,049,698	2,435,820
Trust funds held by federal government (Note 4)	200,868	197,052
Trust funds held by Rainy River District First Nations Trust	172,924	139,223
Portfolio investments, at cost (Note 5)	263,935	261,430
Government business enterprises and partnerships (Note 6)	1,833,297	1,278,882
	<u>11,105,926</u>	<u>6,813,478</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,917,151	1,827,022
Deferred revenue (Note 7)	5,256,493	2,201,524
Long-term debt (Note 8)	7,942,910	8,487,742
	<u>15,116,554</u>	<u>12,516,288</u>
<b>Net debt</b>	<u>(4,010,628)</u>	<u>(5,702,810)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 11)	15,820,275	16,956,789
Tangible capital assets under construction (Note 11)	597,847	470,103
Prepaid expense	6,946	6,946
Inventory	59,705	36,677
	<u>16,484,773</u>	<u>17,470,515</u>
<b>Accumulated surplus (Note 10)</b>	<u>\$ 12,474,145</u>	<u>\$ 11,767,705</u>

Approved on behalf of Council

 _____ Chief	 _____ Councilor
 _____ Councilor	 _____ Councilor

  
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## Couchiching First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2021	2020
	(Note 15)		
Revenue			
Indigenous Services Canada (Note 14)	\$10,386,642	\$ 9,113,627	\$ 8,826,354
Health Canada	1,498,386	1,128,550	997,907
Canada Mortgage and Housing Corporation	-	325,568	275,463
Ministry of Community and Social Services	-	611,920	860,274
Ministry of Indigenous Relations and Reconciliation	164,643	164,643	164,800
Ministry of Education	590,598	454,784	447,500
Other provincial revenue	142,055	122,454	425,502
Ontario First Nations Limited Partnership	450,442	1,347,195	1,375,672
Weechi-It-Te-Win Family Services Inc.	1,184,488	1,187,899	954,984
Bingo	-	1,199,631	2,994,387
Miscellaneous programs	1,321,562	938,549	464,571
Rentals and fees	20,000	187,365	502,708
Interest and investment income	500,000	737,811	727,336
Fort Frances Tribal Area Health Authority	186,625	185,937	200,723
Shooniyaa Wa-Biitong	412,204	553,468	362,988
Heron Landing Golf Course	-	475,555	297,533
	<u>16,857,645</u>	<u>18,734,956</u>	<u>19,878,702</u>
Expenses			
Band support/administration	2,152,242	1,757,248	1,313,795
Education	6,654,939	5,980,752	5,921,957
Social	-	950,451	1,097,611
Capital maintenance	1,368,421	2,057,834	2,392,161
Day Care	893,510	867,979	733,243
Health	1,487,552	1,058,916	1,093,940
Economic and social development	2,592,067	2,198,388	2,121,018
Housing	-	901,889	930,093
Ontario First Nations Limited Partnership	107,100	204,504	335,326
Pow wow	-	342	155,650
Bingo	-	1,356,244	3,021,946
Housing relocation program	-	2	221,087
Heron Landing Golf Course	-	874,619	638,425
Wasaw Entities	-	-	88,000
	<u>15,255,831</u>	<u>18,209,168</u>	<u>20,064,252</u>
Annual surplus (deficit), before other item	1,601,814	525,788	(185,550)
Net income (loss) from government business enterprises	-	180,652	(963,120)
Annual surplus (deficit)	<u>\$ 1,601,814</u>	<u>\$ 706,440</u>	<u>\$ (1,148,670)</u>

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



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Couchiching First Nation

Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2021	2020
Accumulated surplus, beginning of year	\$11,767,705	\$ 12,916,375
Annual surplus (deficit)	<u>706,440</u>	<u>(1,148,670)</u>
Accumulated surplus, end of year	<u>\$12,474,145</u>	<u>\$ 11,767,705</u>

## Couchiching First Nation Consolidated Statement of Changes in Net Debt

For the year ended March 31	Budget	2021	2020
	(Note 15)		
Annual surplus (deficit)	\$ 1,601,814	\$ 706,440	\$ (1,148,670)
Acquisition of tangible capital assets	(1,001,355)	(277,388)	(554,235)
Amortization of tangible capital assets	-	1,286,158	1,406,637
	600,459	1,715,210	(296,268)
Use of prepaid expenses and inventory	-	(23,028)	115,855
Net change in net debt	600,459	1,692,182	(180,413)
Net debt, beginning of year	(5,702,810)	(5,702,810)	(5,522,397)
Net debt, end of year	\$ (5,102,351)	\$ (4,010,628)	\$ (5,702,810)

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

## Couchiching First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Annual surplus (deficit)	\$ 706,440	\$ (1,148,670)
Loss from government business enterprises	(180,652)	963,120
Adjustments for		
Amortization of tangible capital assets	1,286,158	1,406,637
Loss (gain) on disposal of tangible capital assets	-	(5,405)
	<u>1,811,946</u>	<u>1,215,682</u>
Changes in non-cash working capital		
Accounts and loans receivable	(1,613,878)	(535,581)
Inventory	(23,028)	15,610
Prepaid expense	-	100,245
Trust funds	(37,517)	(38,131)
Accounts payable	90,129	26,410
Deferred revenue	<u>3,054,969</u>	<u>470,359</u>
	<u>1,470,675</u>	<u>38,912</u>
	<u>3,282,621</u>	<u>1,254,594</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(277,388)	(554,235)
Proceeds from disposal of tangible capital assets	-	5,405
	<u>(277,388)</u>	<u>(548,830)</u>
Cash flows from investing activities		
Advances to affiliated Companies	(373,763)	(1,796,088)
Disposal of portfolio investments	(2,505)	1,725,762
	<u>(376,268)</u>	<u>(70,326)</u>
Cash flows from financing activities		
Repayment of long-term debt	(544,832)	(763,696)
Net increase (decrease) in cash and cash equivalents	2,084,133	(128,258)
Cash and cash equivalents, beginning of year	<u>2,501,071</u>	<u>2,629,329</u>
Cash and cash equivalents, end of year	<u>\$ 4,585,204</u>	<u>\$ 2,501,071</u>

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

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## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 1. Summary of Significant Accounting Policies

#### Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Chartered Professional Accountants of Canada Public Sector Accounting Handbook, 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 the provision of social, educational, administration and operational services, as well as, the 100% proportionate consolidation of other government organizations which include:

1489820 Ontario Limited o/a Heron Landing Golf Course.

Other long-term investments are reflected at cost as disclosed in Note 5.

Government business enterprises are separate legal entities which do not rely on the government for funding. The First Nation's government business enterprises consist of investments in:

2174911 Ontario Ltd. o/a Wasaw Enterprises  
1486244 Ontario Ltd.  
Wasaw Projects Inc.  
Wasaw Construction Inc.  
Wasaw Food Services Inc.  
Five Mile Dock Services Ltd.  
Wasaw NL Cottages GP Inc.  
Wasaw Development GP Inc.  
Wasaw Construction, LP  
Wasaw Food Services, LP  
Wasaw Development, LP  
Wasaw NL Cottages, LP

These investments are accounted for using the modified equity basis of accounting as disclosed in Note 6 to these consolidated financial statements. Under the modified equity method of accounting, only the First Nation's investment in the entity and the First Nation's portion of the entity's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the entity that are different from those of the First Nation and inter-organizational balances and transactions are not eliminated.

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## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 1. Summary of Significant Accounting Policies (continued)

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. 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, on a straight-line basis over the following number of years:

Buildings	25 years
Equipment and vehicles	5 years
Golf course	25 years
Infrastructure	25 to 50 years

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

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## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 1. Summary of Significant Accounting Policies (continued)

Investments	Other investments (where control does not exist) are accounted for following the cost method of accounting. Under this method, the investment is recorded at cost and earnings from the investment are recognized only to the extent received or receivable.
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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.
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Government transfers, which include legislative grants, are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

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 is 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.

Interest income is recognized in accordance with terms of the related instrument.

Bingo revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues.

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## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 1. Summary of Significant Accounting Policies (continued)

Trust Funds Held by ISC      Trust funds are held in trust by ISC. Revenue on trust funds is recognized in accordance with terms of the related instrument.

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.

The estimates used in the preparation of these consolidated financial statements are the useful lives of tangible capital assets and accrued liabilities.

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### 2. Cash and Cash Equivalents

Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$52,330 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 (CDIC) or as may otherwise be approved by CDIC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are charged to interest first and then principal. Cash and cash equivalents is comprised of the following:

	2021	2020
Externally restricted		
CMHC replacement reserve - term deposits	\$ 321,870	\$ 291,946
Unrestricted	4,263,334	2,209,125
	<u>\$ 4,585,204</u>	<u>\$ 2,501,071</u>

## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 3. Accounts and Loans Receivable

	2021	2020
Loans receivable	\$ 178,466	\$ 186,394
Housing loans	65,609	47,803
Accounts receivable	4,030,506	2,378,692
Rents receivable	2,449,779	2,392,336
	6,724,360	5,005,225
Allowance for doubtful accounts	(2,674,662)	(2,569,405)
	<u>\$ 4,049,698</u>	<u>\$ 2,435,820</u>

### 4. Trust Funds Held by Federal Government

	March 31, 2020	Additions 2021	Withdrawals 2021	March 31, 2021
Revenue	\$ 92,399	\$ 3,816	\$ -	\$ 96,215
Capital	104,653	-	-	104,653
	<u>\$ 197,052</u>	<u>\$ 3,816</u>	<u>\$ -</u>	<u>\$ 200,868</u>

Trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.



## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 5. Portfolio Investments, at cost

	2021	2020
Securities	\$ 208,021	\$ 205,716
Agency One LP	100	-
Agency One GP	100	-
Investment in Rainy Lake Tribal Development Corporation		35,714
35,714		
Investment in Wound Care Centre	20,000	20,000
	<u>\$ 263,935</u>	<u>\$ 261,430</u>

The First Nation's security investments have a market value of \$208,021 (2020 - \$205,716).

### 6. Government Business Enterprises, at modified equity

2174911 Ontario Ltd. o/a Wasaw Enterprises

2174911 Ontario Ltd. o/a Wasaw Enterprises is a Corporation that was created for the purpose of economic development opportunities.

Wasaw Food Services Inc.

Wasaw Food Services Inc. is a Corporation that was created for the purpose of holding partnership units in Wasaw Food Services, LP.

Wasaw Food Services, LP

Wasaw Food Services, LP is a limited partnership that was created for the purpose of providing catering services.

Wasaw Construction Inc.

Wasaw Construction Inc. is a Corporation that was created for the purpose of holding partnership units in Wasaw Construction, LP.

Wasaw Construction, LP

Wasaw Construction, LP is a limited partnership that was created for the purpose of carrying on the business of construction and general contracting.

Wasaw NL Cottages GP Inc.

Wasaw NL Cottages GP Inc. is a Corporation that was created for the purpose of holding partnership units in Wasaw NL Cottages, LP.

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## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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6. Government Business Enterprises, at modified equity (continued)

Wasaw NL Cottages, LP

Wasaw NL Cottages, LP is a limited partnership that was created for the purpose of the real estate business around Nickel Lake.

Wasaw Development GP Inc.

Wasaw Development GP Inc. is a Corporation that was created for the purpose of holding partnership units in Wasaw Development, LP. This Corporation is currently inactive and Couchiching First Nation's investment in Wasaw Development GP Inc. is a nominal value until the Corporation becomes active.

Wasaw Development, LP

Wasaw Development, LP is a limited partnership that was created for the purpose of holding real estate properties.

Wasaw Projects Inc.

Wasaw Projects Inc. is a Corporation that was created for the purpose of economic development opportunities.

Five Mile Dock Services Ltd.

Five Mile Dock Services Ltd. is a Corporation that was created for the purpose of providing services to the Five Mile dock and landing. This Corporation is currently inactive and Couchiching First Nation's investment in Five Mile Dock Services Ltd. is a nominal value until the Corporation becomes active.

1486244 Ontario Ltd.

1486244 Ontario Ltd. is a Corporation that was created for the purpose of holding real estate properties.

Couchiching First Nation  
Notes to Consolidated Financial Statements

March 31, 2021

6. Government Business Enterprises, at modified equity (continued)

	Wasaw Development, LP	Wasaw Projects Inc.	1486244 Ontario Ltd.	2174911 Ontario Ltd.	Wasaw NL Cottages GP Inc.	Wasaw NL Cottages, LP	Wasaw Food Services Inc.	Wasaw Food Services, LP	Wasaw Construction Inc.	Wasaw Construction, LP	Total
Percentage ownership	99%	100%	100%	100%	100%	99%	100%	99%	100%	99%	
Carrying value, March 31, 2019	\$ 187,050	\$ 22,410	\$ 22,000	\$ (389,484)	\$ (15)	\$ 453,743	\$ (2,892)	\$ (258,684)	\$ 1,354	\$ 410,432	\$ 445,914
Contributions/distributions	-	-	60	99,117	-	-	-	100,000	-	1,596,911	1,796,088
Share of net income (loss)	(2,730)	(477)	(60)	(83,215)	-	(1,802)	(1,786)	(115,024)	(7,629)	(750,397)	(963,120)
Carrying value, March 31, 2020	184,320	21,933	22,000	(373,582)	(15)	451,941	(4,678)	(273,708)	(6,275)	1,256,946	1,278,882
Contributions/distributions	-	-	197	138,000	17	-	-	59,224	-	176,325	373,763
Share of net income (loss)	(2,814)	(657)	-	46,828	-	(2,539)	(657)	46,595	802	93,094	180,652
Carrying value, March 31, 2021	\$ 181,506	\$ 21,276	\$ 22,197	\$ (188,754)	\$ 2	\$ 449,402	\$ (5,335)	\$ (167,889)	\$ (5,473)	\$ 1,526,365	\$ 1,833,297
Balance comprised of:											
Shares/partners contributions	\$ 187,050	\$ 100	\$ 37,119	\$ (198,179)	\$ 1	\$ 457,950	\$ 100	\$ 353,027	\$ 100	\$ 1,773,336	\$ 2,610,604
Share of cumulative net earnings	(5,544)	21,176	(14,922)	9,425	1	(8,548)	(5,435)	(520,916)	(5,573)	(246,971)	(777,307)
	\$ 181,506	\$ 21,276	\$ 22,197	\$ (188,754)	\$ 2	\$ 449,402	\$ (5,335)	\$ (167,889)	\$ (5,473)	\$ 1,526,365	\$ 1,833,297

# Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

## 6. Government Business Enterprises, at modified equity (continued)

	Wasaw Development, LP	Wasaw Projects Inc.	1486244 Ontario Ltd.	2174911 Ontario Ltd.	Wasaw NL Cottages GP Inc.	Wasaw NL Cottages, LP	Wasaw Food Services Inc.	Wasaw Food Services, LP	Wasaw Construction Inc.	Wasaw Construction, LP
Financial position										
Current assets	\$ -	\$ 21,276	\$ -	\$ 238,103	\$ 101	\$ -	\$ -	\$ 85,351	\$ 100	\$ 941,210
Long-term assets	191,451	-	22,197	5,475	-	464,552	-	11,627	-	2,714,035
	191,451	21,276	22,197	243,578	-	464,552	-	96,978	100	3,655,245
Current liabilities	9,944	-	37,109	234,135	-	-	-	174,208	-	146,464
Long-term liabilities	-	-	-	-	115	10,812	5,335	94,328	5,473	1,987,107
	9,944	-	37,109	234,135	115	10,812	5,335	268,536	5,473	2,133,571
Share capital/partnership units	100	100	10	1	1	462,288	100	101	100	101
Net equity (deficit), end of year	181,407	21,176	(14,922)	9,442	(15)	(8,548)	(5,435)	(171,659)	(5,473)	1,521,573
	181,507	21,276	(14,912)	9,443	(14)	453,740	(5,335)	(171,558)	(5,373)	1,521,674
	\$ 191,451	\$ 21,276	\$ 22,197	\$ 243,578	\$ 101	\$ 464,552	\$ -	\$ 96,978	\$ 100	\$ 3,655,245
Results of operations										
Revenues	\$ -	\$ -	\$ -	\$ 106,000	\$ -	\$ -	\$ -	\$ 257,292	\$ 1,459	\$ 4,109,042
Operating expenses	2,814	657	-	59,154	-	2,539	657	210,231	657	4,015,017
Net income (loss)	(2,814)	(657)	-	46,846	-	(2,539)	(657)	47,061	802	94,025
Net equity (deficit), beginning of year	184,221	21,833	(14,922)	(37,404)	(15)	(6,009)	(4,778)	(277,944)	(6,275)	1,250,164
Dividends/distributions	-	-	-	-	-	-	-	59,224	-	177,384
Net equity (deficit), end of year	\$ 181,407	\$ 21,176	\$ (14,922)	\$ 9,442	\$ (15)	\$ (8,548)	\$ (5,435)	\$ (171,659)	\$ (5,473)	\$ 1,521,573

## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 7. Deferred Revenue

	2020	Funding received 2021	Revenue recognized 2021	2021
Federal Government				
ISC				
Covid-19	\$ -	\$ 857,119	\$ 553,758	\$ 303,361
Wastewater Systems	-	553,504	429,224	124,280
Fire Protection	-	91,336	86,896	4,440
Minor Capital	-	457,597	339,847	117,750
Home Renovation Program	76,836	-	2	76,834
Housing Renovations	58,150	349,359	49,659	357,850
LEDSP	63,821	234,096	81,578	216,339
Skills link program	-	82,127	-	82,127
Education	1,159,606	6,628,287	5,899,406	1,888,487
Prev/least disruptive measures	569,764	374,335	85,197	858,902
Employment and Social Development Canada	6,170	-	-	6,170
Health Canada	66,440	941,341	419,380	588,401
Provincial Government				
Ministry of Health	-	105,970	-	105,970
Ministry of Attorney General	13,758	100,000	92,703	21,055
Ministry of Indigenous Affairs	-	162,837	-	162,837
Other				
Shooniyaa	-	190,806	110,172	80,634
Weechi-It-Te-Win				
Community Care	60,953	1,131,233	990,286	201,900
Jordan's Principle	7,651	-	-	7,651
Federal Immediate	51,699	17,500	69,199	-
Prepaid rent	10,756	-	-	10,756
Healthy Babies Healthy Children	9,085	51,771	51,083	9,773
Family Well-Being	46,835	181,754	197,613	30,976
	<u>\$ 2,201,524</u>	<u>\$ 12,510,972</u>	<u>\$ 9,456,003</u>	<u>\$ 5,256,493</u>

Revenue is deferred when the First Nation has not met the stipulations that the funding is to be expended on programs as outlined in the funding agreement.

## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 8. Long-term Debt

	2021	2020
CMHC mortgage payable, repayable in monthly installments of \$4,569 including interest at 2.11%, maturing December 1, 2033.	\$ 613,334	\$ 654,564
CMHC mortgage payable, repayable in monthly installments of \$2,901 including interest at 1.04%, maturing October 1, 2035.	470,523	500,617
CMHC mortgage payable, repayable in monthly installments of \$15,171 including interest at 1.09%, matured August 1, 2019.	-	(15,352)
CMHC mortgage payable, repayable in monthly installments of \$3,375 including interest at 2.39%, maturing January 1, 2033.	417,422	447,631
CMHC mortgage payable, repayable in monthly installments of \$4,156 including interest at 1.12%, maturing December 1, 2024.	182,870	230,607
Industrial Alliance Mortgage, repayable in monthly installments of \$5,986 including interest at 3.50%, maturing June 1, 2021.	17,855	87,749
CMHC mortgage payable, repayable in monthly installments of \$5,198 including interest at 1.87%, maturing May 1, 2044.	996,049	1,036,221
Global settlement specific claim, non-interest bearing, secured by promissory note, maturing March 31, 2023, or when claim is settled, whichever comes first.	142,299	142,299
Carried forward	<u>\$ 2,840,352</u>	<u>\$ 3,084,336</u>

## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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

	2021	2020
Carried forward	\$ 2,840,352	\$ 3,084,336
Royal Bank demand loan, repayable in monthly payments of \$41,240 including interest at 4.78%.	4,696,058	4,978,906
BMO term loan, repayable in monthly installments of \$1,500 plus interest at 5.04%, maturing November 2024.	406,500	424,500
	<u>\$ 7,942,910</u>	<u>\$ 8,487,742</u>

The above noted mortgages are secured by a first charge mortgage against the respective rental property and Ministerial Guarantees from Indigenous Services Canada. The other loans are secured by a specific lien against the assets purchased with the proceeds.

Payments of principal required over the next five years and thereafter are as follows:

	Principal Repayments	Interest	Total
2022	\$ 524,256	\$ 238,873	\$ 763,129
2023	520,964	223,299	744,263
2024	678,316	207,338	885,654
2025	873,390	185,194	1,058,584
2026	499,394	157,828	657,222
Thereafter	4,846,590	655,824	5,502,414
	<u>\$ 7,942,910</u>	<u>\$ 1,668,356</u>	<u>\$ 9,611,266</u>

	2021	2020
Interest expense for the year on long-term debt	<u>\$ 245,375</u>	<u>\$ 327,191</u>

Couchiching First Nation  
Notes to Consolidated Financial Statements

March 31, 2021

9. Government Transfers

	2021			2020		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Indigenous Services Canada	\$ 9,113,627	\$ -	\$ 9,113,627	\$ 8,653,412	\$ 172,942	\$ 8,826,354
Health Canada	1,128,550	-	1,128,550	997,907	-	997,907
Canada Mortgage and Housing Corporation	325,568	-	325,568	275,463	-	275,463
	<u>\$10,567,745</u>	<u>\$ -</u>	<u>\$10,567,745</u>	<u>\$ 9,926,782</u>	<u>\$ 172,942</u>	<u>\$ 10,099,724</u>
Provincial government transfers:						
Ministry of Community and Social Services	\$ 611,920	\$ -	\$ 611,920	\$ 860,274	\$ -	\$ 860,274
Ministry of Indigenous Relations and Reconciliation	164,643	-	164,643	164,800	-	164,800
Ministry of Education	454,784	-	454,784	447,500	-	447,500
Other provincial transfers	122,454	-	122,454	313,153	112,349	425,502
	<u>\$ 1,353,801</u>	<u>\$ -</u>	<u>\$ 1,353,801</u>	<u>\$ 1,785,727</u>	<u>\$ 112,349</u>	<u>\$ 1,898,076</u>



## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 10. Accumulated Surplus

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

	2021	2020
Investment in tangible capital assets		
Tangible capital assets	\$16,418,122	\$ 17,426,892
Debt relating to tangible capital assets	(3,104,553)	(3,366,536)
Total investment in tangible capital assets	13,313,569	14,060,356
Operations	(3,523,896)	(4,357,490)
Equity in trusts	200,868	197,052
Equity in enterprises	1,833,298	1,278,882
Equity in long term receivables	52,372	34,655
	2,086,538	1,510,589
Replacement reserves	597,934	554,250
	\$12,474,145	\$ 11,767,705

Couchiching First Nation  
Notes to Consolidated Financial Statements

March 31, 2021

11. Tangible Capital Assets

	2021					
	Land	Buildings and housing	Infrastructure	Equipment and vehicles	Golf course	Total
Cost, beginning of year	\$ 64,000	\$ 27,369,977	\$ 8,275,731	\$ 2,613,300	\$ 3,495,093	\$ 41,818,101
Additions	-	-	-	149,644	-	149,644
Disposals	-	-	-	-	-	-
Cost, end of year	64,000	27,369,977	8,275,731	2,762,944	3,495,093	41,967,745
Accumulated amortization, beginning of year	-	15,311,502	4,814,886	2,391,041	2,343,883	24,861,312
Amortization	-	910,886	153,752	81,716	139,804	1,286,158
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	-	16,222,388	4,968,638	2,472,757	2,483,687	26,147,470
Net carrying amount, end of year	\$ 64,000	\$ 11,147,589	\$ 3,307,093	\$ 290,187	\$ 1,011,406	\$ 15,820,275

The net book value of the tangible assets not being amortized because they are under construction is \$597,847 (2020 - \$470,103). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position. This relates to the new 8-plex building and roundhouse.

Couchiching First Nation  
Notes to Consolidated Financial Statements

March 31, 2021

11. Tangible Capital Assets (continued)

	2020					
	Land	Buildings and housing	Infrastructure	Equipment and vehicles	Golf course	Total
Cost, beginning of year	\$ 64,000	\$ 26,054,637	\$ 8,220,076	\$ 2,491,753	\$ 3,495,093	\$ 40,325,559
Additions	-	1,315,340	55,655	121,547	-	1,492,542
Disposals	-	-	-	-	-	-
Cost, end of year	64,000	27,369,977	8,275,731	2,613,300	3,495,093	41,818,101
Accumulated amortization, beginning of year	-	14,371,492	4,597,066	2,282,038	2,204,079	23,454,675
Amortization	-	940,010	217,820	109,003	139,804	1,406,637
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	-	15,311,502	4,814,886	2,391,041	2,343,883	24,861,312
Net carrying amount, end of year	\$ 64,000	\$ 12,058,475	\$ 3,460,845	\$ 222,259	\$ 1,151,210	\$ 16,956,789

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## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 12. Pension Plan

The First Nation has a defined contribution pension plan for full-time employees. The First Nation matches employee contributions at 5% or 8.425% of the employee salary. As a defined contribution pension plan, the First Nation has no further liability or obligation for future contributions to fund future benefits to plan members. The First Nation has contributed \$113,005 (2020 - \$99,832) to the pension plan during the year.

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### 13. 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. The amount of assistance received in 2021 was \$325,569 (\$268,833 in 2020).

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### 14. ISC Funding Reconciliation

	2021	2020
ISC revenue per funding confirmation	\$11,139,462	\$ 9,144,714
Deferred revenue, beginning of year	1,928,176	1,612,859
Deferred revenue, end of year	(4,030,370)	(1,928,176)
Estimated recovery of current year funding	(4,987)	(3,043)
Recovery of prior years' funding	81,346	-
ISC revenue per the consolidated financial statements	<u>\$ 9,113,627</u>	<u>\$ 8,826,354</u>

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## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 15. Budget

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated recovering deficits, expensed mortgage repayments and transfers. In addition, the budget did not include amortization expense. As a result, the budget figures presented in the consolidated statement of operations represent the Financial Plan adopted by Council, with adjustments as follows:

	<u>2021</u>
Financial Plan (budget) surplus for the year	\$ 969,507
Add:	
Mortgage repayments	544,831
Transfers	<u>87,476</u>
Budget surplus per consolidated statement of operations	<u>\$ 1,601,814</u>

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## Couchiching First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 16. Segmented Information

Couchiching 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

Education services include activities that provide education to Band members for primary and secondary schooling and sponsorship to attend post-secondary institutions.

#### Capital

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

#### Social Services

This segment contains activities that provide 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

This segment contains activities that are necessary for the management and governance of the First Nation Organization.

#### Operations and Maintenance

This segment contains all activities that relate to the maintenance of land, buildings and infrastructure of the First Nation.

#### Other Services

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

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### 17. Comparative Figures

The comparative amounts presented in the consolidated financial statements have been reclassified to conform to the current year's presentation.

Couchiching First Nation  
2021 Segment Disclosure

For the year ended March 31, 2020	Band Support	Operations and Maintenance	Education	Social Services	Minor Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 959,992	\$ 987,615	\$ 5,980,753	\$ 354,812	\$ 339,847	\$ 490,608	\$ 9,113,627
Canada	-	-	-	-	-	1,482,950	1,482,950
Ontario	-	-	-	635,648	-	718,153	1,353,801
Casino Rama	-	-	-	-	-	1,347,195	1,347,195
Trust income	-	-	-	-	-	47,000	47,000
Other Aboriginal Organizations	438,428	-	-	-	-	2,036,503	2,474,931
Interest, rentals and other	530,856	19,475	-	10,640	-	2,354,481	2,915,452
Administration	430,844	-	-	(37,043)	(45,760)	(348,041)	-
Transfers	(51,200)	-	-	-	-	51,200	-
	2,308,920	1,007,090	5,980,753	964,057	294,087	8,180,049	18,734,956
Expenditures							
Salaries, wages and benefits	507,163	161,856	479,265	309,245	61,915	2,905,951	4,425,395
Materials, supplies and capital	915,344	787,599	5,501,170	640,991	2,352	4,320,169	12,167,625
Rents and financial expenses	117,820	-	-	-	176,997	37,671	332,488
Travel	(760)	-	317	216	-	(2,270)	(2,497)
Amortization	217,676	540,547	-	-	-	527,934	1,286,157
	1,757,243	1,490,002	5,980,752	950,452	241,264	7,789,455	18,209,168
Excess (deficiency) of revenue over expenditures	\$ 551,677	\$ (482,912)	\$ 1	\$ 13,605	\$ 52,823	\$ 390,594	\$ 525,788

Couchiching First Nation  
2020 Segment Disclosure

For the year ended March 31, 2020	Band Support	Operations and Maintenance	Education	Social Services	Minor Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 430,177	\$ 727,393	\$ 5,921,959	\$ 129,257	\$ 458,543	\$ 1,159,025	\$ 8,826,354
Canada	-	-	-	-	6,630	1,285,019	1,291,649
Ontario	-	121,179	-	972,375	-	804,522	1,898,076
Casino Rama	-	-	-	-	-	1,375,672	1,375,672
Other Aboriginal Organizations	-	-	-	-	-	1,543,695	1,543,695
Interest, rentals and other	720,103	19,376	-	100,406	-	4,103,371	4,943,256
Administration	302,579	-	-	(46,063)	(1,220)	(255,296)	-
Transfers	-	151,667	-	-	-	(151,667)	-
	1,452,859	1,019,615	5,921,959	1,155,975	463,953	9,864,341	19,878,702
Expenditures							
Salaries, wages and benefits	446,283	156,590	536,765	295,783	64,857	2,689,311	4,189,589
Materials, supplies and capital	538,024	749,665	5,380,580	780,785	52,903	6,501,361	14,003,318
Rents and financial expenses	25,232	-	-	6	244,251	22,277	291,766
Travel	71,529	-	4,612	21,037	-	75,764	172,942
Amortization	232,727	635,083	-	-	-	538,827	1,406,637
	1,313,795	1,541,338	5,921,957	1,097,611	362,011	9,827,540	20,064,252
Excess (deficiency) of revenue over expenditures	\$ 139,064	\$ (521,723)	\$ 2	\$ 58,364	\$ 101,942	\$ 36,801	\$ (185,550)