

Naicatchewenin First Nation
Consolidated Financial Statements
For the year ended March 31, 2022

**Naicatchewenin First Nation
Consolidated Financial Statements
For the year ended March 31, 2022**

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Naicatchewenin First Nation Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Naicatchewenin First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of Naicatchewenin First Nation.

The consolidated financial statements have been prepared by management in accordance with 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.

Naicatchewenin 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 has full and free access to the Council.

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Wayne Smith _____ Chief
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Rhonda Smith _____ Councilor
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 607 Portage Ave
 Fort Frances, Ontario
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Independent Auditor's Report

To Chief and Council of Naicatchewenin First Nation

Qualified Opinion

We have audited the consolidated financial statements of Naicatchewenin First Nation and its subsidiaries (the Group), which comprise the Consolidated Statement of Financial Position as at March 31, 2022, and the Consolidated Statement of Operations, the Consolidated Statement of Changes in Accumulated Surplus, the Consolidated Statement of Changes in Net Financial Assets 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, 2022, and its consolidated results of operations, its consolidated changes in net financial assets, 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 an investment in NDC LP, a government business enterprise, as described in Note 4 to the consolidated financial statements. Canadian public sector accounting standards require government business enterprises to follow International Financial Reporting Standards which require certain equity investments held by NDC LP to be recorded at fair value. NDC LP has applied Canadian accounting standards for private enterprises and has recorded its equity investments at cost. We have been unable to obtain fair value measurements for NDC LP's equity investments and accordingly were not able to determine whether any adjustments might be necessary to financial assets and accumulated surplus as at March 31, 2022 and March 31, 2021, and income from investments in government business enterprises and partnerships and annual surplus for the years ended March 31, 2022 and March 31, 2021. Our audit opinion on the consolidated financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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
September 13, 2024

Naicatchewenin First Nation Consolidated Statement of Financial Position

March 31	2022	2021
Financial assets		
Cash and cash equivalents (Note 1)	\$19,877,535	\$ 17,268,231
Short-term investments	20,200	20,200
Accounts and loans receivable (Note 2)	3,391,331	2,672,839
Investments held in trust (Note 5)	277,814	243,195
Portfolio investments (Note 3)	17,145,725	16,146,828
Government business enterprises and partnerships (Note 4)	<u>7,721,150</u>	<u>8,968,583</u>
	<u>48,433,755</u>	<u>45,319,876</u>
Liabilities		
Accounts payable and accrued liabilities	2,040,809	3,006,895
Deferred revenue (Note 6)	9,790,190	9,450,302
Long-term debt (Note 7)	<u>2,402,652</u>	<u>2,293,870</u>
	<u>14,233,651</u>	<u>14,751,067</u>
Net assets	<u>34,200,104</u>	<u>30,568,809</u>
Non-financial assets		
Tangible capital assets (Note 11)	22,620,755	19,577,626
Prepaid expense	<u>24,049</u>	-
	<u>22,644,804</u>	<u>19,577,626</u>
Accumulated surplus (Note 10)	<u>\$56,844,908</u>	<u>\$ 50,146,435</u>

Approved on behalf of Council:

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Wayne Smith

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Signed by:

Rhonda Smith

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Chief

Councilor

Councilor

Naicatchewenin First Nation Consolidated Statement of Operations

March 31	Budget	2022	2021
(Note 17)			
Revenue			
Indigenous Services Canada (Note 14)	\$ 2,957,645	\$ 7,240,535	\$ 12,790,340
Health Canada (Note 14)	1,555,671	577,421	1,057,365
Canada Mortgage and Housing Corporation	17,000	169,939	207,782
Employment and Social Development Canada	-	-	25,000
Ministry of Children, Community and Social Services	353,964	575,674	586,661
Ministry of Indigenous Affairs	312,226	412,472	299,255
Ministry of Health and Long-Term Care	214,875	27,558	26,388
Ministry of Education	5,053	193,171	199,527
Ministry of Infrastructure	-	67,190	3,615
Ontario First Nations Limited Partnership	729,956	359,269	330,320
Weechi-It-Te-Win Family Services Inc.	928,415	895,104	728,244
Independent Electricity System Operator	98,000	-	-
Giishkaandago'lkwe Health Services	165,904	59,383	66,639
Shooniyaa Wa-Biitong	132,606	163,811	47,580
Income/(loss) from investments in government business enterprises and partnerships	-	(526,574)	2,178,010
Rentals and fees	192,315	229,268	222,483
Trust and resource revenue	-	2,504,838	2,305,177
Other	956,066	2,634,062	1,045,305
	8,619,696	15,583,121	22,119,691
Expenses			
Education	1,754,363	1,866,574	1,785,921
Welfare	282,698	745,893	635,462
Band support/administration	409,303	971,203	922,598
O&M programs	562,302	933,132	812,852
Minor capital	17,000	118,802	95,654
Medical transportation	80,047	44,013	56,421
Summer student	29,780	24,087	19,651
Day care	-	59,463	62,339
Weechi-It-Te-Win community care	598,730	685,364	557,007
New Relationship Fund	14,754	132,375	42,500
Band housing	99,107	342,241	122,056
Ontario First Nations Limited Partnership	121,527	263,518	105,349
Giishkaandago'lkwe Health Services	15,176	45,827	49,757
Water and sewer	34,855	273,242	177,787
Flood Claim and Burditt Dam	16,050	96,843	172,614
Corrections officer	7,502	1,816	2,071
CMHC rental housing	389,454	206,475	306,138
Health Canada	406,149	309,281	435,061
Indigenous community capital grants program	-	-	50,000
Investments	-	826,932	577,200
Water treatment plant	-	-	1,000
Heritage Fund	691	-	-
Family Well Being	117,768	112,804	56,556
Community Based Prevention Services	372,825	227,236	626,632
The Journey Together	15,000	193,171	142,874
MHLTC Community Services	-	141,754	96,885
Jordan's Principle	70,010	150,853	340,390
Anishinabemowin Ojibway Language	6,825	-	31,325
Elder Land Based Research	57,946	-	-
TLE Claim	-	111,749	108,009
Wound Care Centre of Excellence	-	-	3,368
On Reserve Housing	167,543	-	-
	5,647,405	8,884,648	8,395,477
Annual surplus	\$ 2,972,291	\$ 6,698,473	\$ 13,724,214

Naicatchewenin First Nation
Consolidated Statement of Changes in Accumulated Surplus

March 31	Budget	2022	2021
(Note 17)			
Accumulated surplus, beginning of year	\$50,146,435	\$50,146,435	\$ 36,422,221
Annual surplus	<u>2,972,291</u>	<u>6,698,473</u>	<u>13,724,214</u>
Accumulated surplus, end of year	<u>\$53,118,726</u>	<u>\$56,844,908</u>	<u>\$ 50,146,435</u>

Naicatchewenin First Nation
Consolidated Statement of Changes in Net Financial Assets

March 31	Budget	2022	2021
(Note 17)			
Annual surplus	\$ 2,972,291	\$ 6,698,473	\$ 13,724,214
Acquisition of tangible capital assets	(1,042,897)	(4,883,964)	(11,476,421)
Tangible capital assets added from construction in progress	865,965	865,965	493,511
Disposal of tangible capital assets	-	-	22,530
Amortization of tangible capital assets	864,956	974,870	864,956
	<hr/>	<hr/>	<hr/>
	3,660,315	3,655,344	3,628,790
Acquisition of prepaid expenses	-	(24,049)	-
<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	3,660,315	3,631,295	3,628,790
Net assets, beginning of year	<hr/>	30,568,809	30,568,809
Net assets, end of year	\$34,229,124	\$34,200,104	\$ 30,568,809

Naicatchewenin First Nation Consolidated Statement of Cash Flows

March 31	2022	2021
Cash flows from operating activities		
Annual surplus	\$ 6,698,473	\$ 13,724,214
Items not affecting cash		
Loss on disposal of tangible capital assets	-	7,530
Amortization of tangible capital assets	974,870	864,956
Net income from government business enterprises	526,574	(2,178,010)
Impairment losses net of recoveries	<u>68,077</u>	-
	<u>8,267,994</u>	<u>12,418,690</u>
Changes in non-cash working capital		
Accounts and loans receivable	(718,492)	(1,270,457)
Trust funds	(34,619)	(35,179)
Prepaid expense	(24,049)	-
Accounts payable and accrued liabilities	(966,086)	1,936,198
Deferred revenue	339,888	(64,438)
Short-term investments	<u>-</u>	<u>(20,200)</u>
	<u>(1,403,358)</u>	<u>545,924</u>
	<u>6,864,636</u>	<u>12,964,614</u>
Cash flows from capital activities		
Proceeds from disposal of tangible capital assets	-	15,000
Purchase of capital assets	<u>(4,017,999)</u>	<u>(10,982,910)</u>
	<u>(4,017,999)</u>	<u>(10,967,910)</u>
Cash flows from investing activities		
Receipt of capital from subsidiaries	721,059	2,212,601
Purchase of investments	(1,936,122)	(3,343,844)
Proceeds from sale of investments	<u>868,948</u>	-
	<u>(346,115)</u>	<u>(1,131,243)</u>
Cash flows from financing activities		
Advances of long-term debt	229,481	110,599
Repayment of long-term debt	<u>(120,699)</u>	<u>(157,351)</u>
	<u>108,782</u>	<u>(46,752)</u>
Net change in cash and cash equivalents	2,609,304	818,709
Cash and cash equivalents, beginning of year	<u>17,268,231</u>	<u>16,449,522</u>
Cash and cash equivalents, end of year	<u>\$19,877,535</u>	<u>\$ 17,268,231</u>
Supplementary information		
Interest received	\$ 121,834	\$ 116,984
Interest paid	<u>\$ 35,382</u>	<u>\$ 37,726</u>

Naicatchewenin First Nation Summary of Significant Accounting Policies

March 31, 2022

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 provision of social, educational, administration and operational services, as well as the results of First Nation enterprises on a modified equity basis as disclosed in Note 4 to these consolidated financial statements.

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 an investment in NDC LP. Business partnerships are contractual arrangements between the government reporting entity and a party or parties outside of the government reporting entity. The First Nation's business partnerships consist of investments in Myguard Security Group LP, Onikaajigan Construction, LP, and Anokiigamig Construction LP. These investments are accounted for using the modified equity basis of accounting.

Other long-term investments are reflected at cost as disclosed in Note 3.

The First Nation owns 100% of the common shares of Naicatchewenin Development Corporation. This Corporation is classified as an other government organization and has been fully consolidated.

Cash and Cash Equivalents

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

Naicatchewenin First Nation Summary of Significant Accounting Policies

March 31, 2022

Tangible Capital Assets	<p>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. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.</p> <p>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.</p>										
Amortization	<p>Amortization is calculated on the cost, net of contributions on a straight-line basis over the following number of years:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Buildings</td><td style="width: 40%;">25 years</td></tr> <tr> <td>Equipment</td><td>5 years</td></tr> <tr> <td>Vehicles</td><td>5 years</td></tr> <tr> <td>Computers</td><td>5 years</td></tr> <tr> <td>Infrastructure</td><td>10 - 50 years</td></tr> </table>	Buildings	25 years	Equipment	5 years	Vehicles	5 years	Computers	5 years	Infrastructure	10 - 50 years
Buildings	25 years										
Equipment	5 years										
Vehicles	5 years										
Computers	5 years										
Infrastructure	10 - 50 years										
Program Surplus	<p>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 prior year funding.</p>										
Investments	<p>The modified equity method of accounting is used to account for investments in the First Nation's business enterprises and partnerships which the First Nation controls or shares control over. Under this method, the investment is initially recorded at cost and the carrying value is adjusted annually thereafter to include the First Nation's pro rata share of post acquisition earnings.</p> <p>Portfolio 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. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.</p>										

Naicatchewenin First Nation Summary of Significant Accounting Policies

March 31, 2022

Replacement Reserves	The replacement reserve accounts are funded by an annual allocation based on amounts specified in agreements with Canada Mortgage and Housing Corporation.
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.
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 non-government 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 the service is performed.
Financial Instruments	The First Nation's financial instruments consist of cash and cash equivalents, accounts and loans receivable, investments, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise noted.
Trust Funds	Trust funds are held in trust by Indigenous Services Canada (ISC) and Rainy River District First Nations Trust. Revenue on trust funds is recognized in accordance with the terms of the related instrument.

Naicatchewenin First Nation Summary of Significant Accounting Policies

March 31, 2022

Measurement Uncertainty	Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.
Use of Estimates	<p>The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles 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.</p> <p>The estimates used in the preparation of these consolidated financial statements are the allowance for doubtful accounts receivable, impairment losses on portfolio investments, certain accrued government funding receivable, the useful lives of tangible capital assets and accrued liabilities.</p>

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

1. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), Naicatchewenin 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 the 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 are comprised of the following:

	2022	2021
Externally restricted		
CMHC replacement reserve	\$ 247,095	\$ 245,250
Funding agreements	9,790,190	9,450,302
Internally restricted		
Capital replacement reserves	115,093	115,093
Heritage and education funds	172,300	147,300
Resource revenue sharing reserve	364,104	-
Unrestricted		
Operating	<u>9,188,753</u>	<u>7,310,286</u>
Total cash and cash equivalents	<u><u>\$19,877,535</u></u>	<u><u>\$ 17,268,231</u></u>

2. Accounts and Loans Receivable

	2022	2021
Accounts receivable	\$ 1,094,912	\$ 1,625,311
Rents receivable	156,597	129,502
Advances to Band members	76,901	71,704
Due from Federal government	1,665,146	393,523
Due from Provincial government	494,796	521,604
	<u>3,488,352</u>	<u>2,741,644</u>
Allowance for doubtful accounts	<u>(97,021)</u>	<u>(68,805)</u>
	<u><u>\$ 3,391,331</u></u>	<u><u>\$ 2,672,839</u></u>

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

3. Portfolio Investments

	2022	2021
Portfolio investments held at CIBC Wood Gundy		
Cash and cash equivalents - Canadian	\$ 574,835	\$ 30,280
Cash and cash equivalents - US	1,049,012	16,600
Fixed income	-	11,412,704
New Gold Inc. equity	1,100,377	1,100,377
Other Canadian equity and mutual funds	12,884,061	607,739
US equity	1,171,092	2,504,863
Global equity	227,338	209,798
Aleafia Health Inc. common stock	150,000	150,000
Landmark Inn Limited Partnership	162,035	-
Landmark Inn Leasing Corporation	49,532	-
Landmark Inn General Partner Ltd.	1	-
Rainy Lake Tribal Development Corporation	-	100,000
Rainy Lake Tribal Resource Management	7,035	7,035
Nanicost Ltd.	7,389	7,389
Boundary Waters Forest Management	43	43
	<hr/>	<hr/>
Investment valuation allowance	17,382,750	16,146,828
	(237,025)	-
	<hr/>	<hr/>
	17,145,725	16,146,828

Portfolio investments are valued at cost. The fair market value of the investments held at CIBC Wood Gundy is \$16,115,503 (2021 - \$15,816,934).

The fair market value of the common stock in Aleafia Health Inc. is \$33,175 (2021 - \$174,158). Aleafia Health Inc. entered creditor protection subsequent to year-end on July 25, 2023, and therefore this investment is considered impaired and the full cost of \$150,000 has been included in the investment valuation allowance.

The fair market values of all other investments approximate their costs.

4. Government Business Enterprises and Partnerships, at modified equity

Myguard Security Group LP

Myguard Security Group LP is a partnership that was created for the purpose of pursuing mine security contracts and other business opportunities as agreed upon pursuant to the terms of the Limited Partnership Agreement.

NDC LP

NDC LP is a limited partnership that was created for the purpose of developing business activities for Naicatchewenin First Nation. Activities include forestry, consulting and a significant portfolio of ventures.

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

4. Government Business Enterprises and Partnerships, at modified equity (continued)

Ozaanaman Engineering, LP

Ozaanaman Engineering, LP is a limited partnership that was created for the purpose of carrying on the business of engineering and consulting. This limited partnership was dissolved during the prior year.

Onikaajigan Construction, LP

Onikaajigan Construction, LP is a limited partnership that was created for the purpose of carrying on the business of construction and general contracting. Proceedings to dissolve Onikaajigan Construction, LP are in process as of the audit report date, and the length of time required for the orderly dissolution of the partnership cannot currently be estimated.

Anokiigamig Construction LP

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

**Naicatchewenin First Nation
Notes to Consolidated Financial Statements**

March 31, 2022

4. Government Business Enterprises and Partnerships, at modified equity (continued)

	Agency One LP	Myguard Security Group LP	NDC LP	Ozaanaman Engineering, LP	Onikaajigan Construction, LP	Anokiigamig Construction LP	
Percentage ownership	24.99%	33%	99.99%	40%	44.99%	69%	Total
Carrying value, March 31, 2020	\$ -	\$ 183,914	\$ 5,942,539	\$ (872)	\$ 1,302,128	\$ 1,575,465	\$ 9,003,174
Share of net income (loss)	-	188,407	1,166,148	872	(25,660)	848,243	2,178,010
Changes in capital	-	-	(65,626)	-	(1,097,044)	(1,049,931)	(2,212,601)
Carrying value, March 31, 2021	-	372,321	7,043,061	-	179,424	1,373,777	8,968,583
Purchase of shares	200	-	-	-	-	-	200
Share of net income (loss)	96,512	170,389	(1,435,684)	-	(13,105)	655,314	(526,574)
Changes in capital	190,542	-	(211,601)	-	-	(700,000)	(721,059)
Carrying value, March 31, 2022	\$ 287,254	\$ 542,710	\$ 5,395,776	\$ -	\$ 166,319	\$ 1,329,091	\$ 7,721,150

Naicatchewenin First Nation

Notes to Consolidated Financial Statements

March 31, 2022

4. Government Business Enterprises and Partnerships, at modified equity (continued)

	Agency One LP	Myguard Security Group LP	NDC LP	Onikaajigan Construction, LP	Anokiigamig Construction LP	2022 Total	2021 Total
Financial position							
Current assets	\$ 186,267	\$ 477,152	\$ 4,392,505	\$ 363,131	\$ 4,121,288	\$ 9,540,343	\$ 10,214,032
Long-term assets	12,052	794,447	1,159,078	530,000	117,619	2,613,196	2,338,123
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Current liabilities	\$ 198,319	\$ 1,271,599	\$ 5,551,583	\$ 893,131	\$ 4,238,907	\$ 12,153,539	\$ 12,552,155
Long-term liabilities	\$ 133,044	\$ 18,454	\$ 130,310	\$ -	\$ 2,222,134	\$ 2,503,942	\$ 1,690,451
	-	-	20,834	530,695	130,510	682,039	698,655
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	133,044	18,454	151,144	530,695	2,352,644	3,185,981	2,389,106
Share capital	401	1,000	2,309,796	10,000	100	2,321,297	2,320,896
Net equity, end of year	64,874	1,252,145	3,090,643	352,436	1,886,163	6,646,261	7,842,153
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	65,275	1,253,145	5,400,439	362,436	1,886,263	8,967,558	10,163,049
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 198,319	\$ 1,271,599	\$ 5,551,583	\$ 893,131	\$ 4,238,907	\$ 12,153,539	\$ 12,552,155
Results of operations						2022	2021
Revenues	\$ 117,000	\$ 493,592	\$ 1,354,228	\$ 10,437	\$ 11,913,768	\$ 13,889,025	\$ 15,725,112
Operating expenses	225,124	7,255	2,789,912	39,566	10,964,037	14,025,894	12,582,951
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income (loss)	(108,124)	486,337	(1,435,684)	(29,129)	949,731	(136,869)	3,142,161
Contributions (distributions)	172,998	-	(210,059)	(1,515)	(1,020,447)	(1,059,023)	(4,042,025)
Net equity, beginning of year	-	765,808	4,736,386	383,080	1,956,879	7,842,153	8,742,017
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net equity end of year	\$ 64,874	\$ 1,252,145	\$ 3,090,643	\$ 352,436	\$ 1,886,163	\$ 6,646,261	\$ 7,842,153

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

4. Government Business Enterprises and Partnerships, at modified equity (continued)

Naicatchewenin First Nation has entered into an agreement with Canadian Imperial Bank of Commerce to guarantee the debts of NDC LP. As at March 31, 2022, the amount of these debts are \$NIL.

5. Investments Held in Trust

	Balance March 31, 2021	Additions 2022	Withdrawals 2022	Balance March 31, 2022
Held by Federal Government				
Capital	\$ 17,762	\$ -	\$ -	\$ 17,762
Revenue	60,056	702	-	60,758
	77,818	702	-	78,520
Held by Rainy River District First Nations Trust	165,377	33,917	-	199,294
	\$ 243,195	\$ 34,619	\$ -	\$ 277,814

Held by Federal Government

The 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.

Held by Rainy River District First Nations Trust

The trust funds arise from monies derived from a resource sharing agreement. The monies are intended to fund educational and training initiatives within the First Nation community.

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

6. Deferred Revenue

	Balance March 31, 2021	Funding Received 2022	Revenue Recognized 2022	Balance March 31, 2022
Federal Government				
Health Services	\$ 470,818	\$ 711,326	\$ 297,515	\$ 884,629
Medical Transportation	74,430	88,824	32,130	131,124
FedNor	-	80,000	-	80,000
Water Treatment Plant	4,368,319	577,091	3,541,402	1,404,008
Governance	44,106	-	-	44,106
On Reserve Housing	116,897	339,085	128,358	327,624
Youth Employment	55,248	79,305	14,160	120,393
Community Based				
Prevention Services	386,021	523,394	193,278	716,137
Education	959,625	2,909,187	1,811,610	2,057,202
Jordan's Principle - Mental				
Health	730,175	580,550	158,027	1,152,698
Water and Sewer	112,344	308,504	273,242	147,606
Ontario Works	103,089	243,842	188,690	158,241
Operations & Maintenance	21,567	502,398	352,339	171,626
Minor Capital	-	569,557	268,202	301,355
Other				
The Journey Together	179,499	123,684	193,171	110,012
Weechi-It-Te-Win	114,794	627,909	742,703	-
Capital Grants Program	-	67,505	-	67,505
New Relationship Fund	42,500	85,000	127,500	-
Family Well Being	117,648	168,000	152,401	133,247
MHLTC Community Services	104,880	92,627	27,558	169,949
Day Care	195,133	3,273	59,389	139,017
Giishkaandago'lkwe				
Health Services	170,207	158,063	50,375	277,895
OFNLP	1,020,252	375,604	359,269	1,036,587
Custom Care	62,750	96,479	-	159,229
	\$ 9,450,302	\$ 9,311,207	\$ 8,971,319	\$ 9,790,190

Health Services

Health Canada advances the First Nation funding for public and mental health support, healthy child development, home community care, nursing and other various health services. This funding must be spent on eligible expenses within these programs.

Medical Transportation

Health Canada advances the First Nation funding for the transportation of patients to receive health care. This funding must be spent on transporting patients.

FedNor

FedNor advances the First Nation funding for the construction of a Cultural and Learning Centre. This funding must be spent on the development and construction of the facility.

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

6. Deferred Revenue (continued)

Water Treatment Plant

Indigenous Services Canada advances the First Nation funding for the construction of a new water treatment plant. This funding must be spent on its construction.

Governance

Indigenous Services Canada advances the First Nation funding for leadership and governance capacity development. This funding must be spent developing capacity for the First Nation.

On Reserve Housing

Indigenous Services Canada advances the First Nation funding to help provide more and better quality housing. This funding must be spent on eligible housing expenditures.

Youth Employment

Indigenous Services Canada advances the First Nation funding for the employment of First Nation youth and students. This funding must be spent on salaries for eligible youth.

Community Based Prevention Services

Indigenous Services Canada advances the First Nation funding for culturally appropriate prevention and protection services for First Nation children and families. This funding must be spent on programs for prevention services on the First Nation.

Education

Indigenous Services Canada advances the First Nation funding for education programs including special education, student support, instructional support and transportation. This funding must be spent on education programs for students.

Jordan's Principle - Mental Health

Health Canada advances the First Nation funding for a mental health clinician. This funding must be used to fund a mental health clinician position for the First Nation.

Water and Sewer

Indigenous Services Canada advances the First Nation funding for improving water and wastewater systems. This funding must be spent on related expenses.

Ontario Works

Indigenous Services Canada advances the First Nation funding for providing social assistance to the community. This funding must be spent on related expenses.

Operations & Maintenance

Indigenous Services Canada advances the First Nation funding to support community infrastructure. This funding must be spent on related expenses.

Minor Capital

Indigenous Services Canada advances the First Nation funding for capital purchases and construction projects. This funding must be spent on related expenses.

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

6. Deferred Revenue (continued)

The Journey Together

The Ministry of Education advances the First Nation funding for culturally relevant early years programs on the First Nation. This funding must be spent on related expenses.

Weechi-It-Te-Win

Weechi-It-Te-Win Family Services advances the First Nation funding to deliver multiple programs including Community Care, Family Counsellor and Devotion. This funding must be used for eligible costs of delivering these services.

Capital Grants Program

The Ministry of Indigenous Affairs advances the First Nation funding for the design of a Cultural and Learning Centre. This funding must be used on the design of the facility.

New Relationship Fund

The Ministry of Indigenous Affairs advances the First Nation funding to promote land and resource opportunities. This funding must be used for delivering this program.

Family Well Being

Weechi-It-Te-Win Family Services advances the First Nation flow through funding from the Ministry of Children and Youth Services to support reducing violence in families, reducing the youth in child welfare and justice systems, and improving overall health and well-being of the community. This funding must be used to achieve these outcomes.

MHLTC Community Services

The Ministry of Health and Long-Term Care advances the First Nation funding to provide community support services, homemaking services, personal support services and professional services in the community. This funding must be used to provide these services.

Day Care

Shooniyaa Wa-Biitong advances the First Nation funding for child care initiatives. This funding must be used to provide child care in the community.

Giishkaandago'lkwe Health Services

Giishkaandago'lkwe Health Services advances the First Nation funding for a community wellness worker, gender-based violence strategy, and healthy babies programs. This funding must be used for eligible costs under these programs.

OFNLP

Ontario First Nations Limited Partnership advances the First Nation funding in relation to community development, health, education, economic development and cultural development. This funding must be spent on expenditures that fall into these categories.

Custom Care

Grand Council Treaty #3 advances the First Nation funding for Abinoojii Inakonigewin customary care code development. This funding must be spent on code development.

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

7. Long-term Debt

	2022	2021
CMHC mortgage with interest at 1.88%, repayable in monthly instalments of \$3,221 principal and interest, maturing February 1, 2032.	349,560	382,076
CMHC mortgage with interest at 2.52%, repayable in monthly instalments of \$3,072 principal and interest, maturing August 1, 2033.	365,663	392,989
CMHC mortgage with interest at 2.52%, repayable in monthly instalments of \$6,145 principal and interest, maturing August 1, 2033.	731,328	785,980
CMHC mortgage with interest at 1.12%, repayable in monthly instalments of \$641 principal and interest, maturing October 1, 2041.	135,158	141,363
ISC loan, interest free, repayable in full upon settlement of the related flooding claim.	418,363	418,363
ISC loan, interest free, repayable in full upon settlement of the related land claim.	156,880	156,880
ISC loan, interest free, repayable in full upon settlement of the related flooding claim.	16,219	16,219
	<hr/> 2,173,171	<hr/> 2,293,870
CMHC advance for new construction. Total approved \$719,250, remainder to be released and repayments commence on completion and successful inspection, expected within one year of balance sheet date.	229,481	-
	<hr/> \$ 2,402,652	<hr/> \$ 2,293,870

Mortgages are secured by a first charge mortgage against rental properties with carrying amounts of \$1,544,317 (2021 - \$1,710,928) and Ministerial Guarantees from ISC.

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

	Principal	Interest	Total
2023	\$ 122,493	\$ 34,455	\$ 156,948
2024	125,316	31,632	156,948
2025	128,206	28,742	156,948
2026	131,165	25,783	156,948
2027	134,193	22,755	156,948
Thereafter	<hr/> 1,531,798	<hr/> 72,566	<hr/> 1,604,364
	<hr/> \$ 2,173,171	<hr/> \$ 215,933	<hr/> \$ 2,389,104

	2022	2021
Interest expense for the year on long-term debt	<hr/> \$ 35,382	<hr/> \$ 37,726

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

8. Replacement Reserves

	CMHC 7-Unit #19 446 624-1	CMHC Duplex #19 446 624-2	CMHC 9-Unit #19 446 624-3	CMHC 10-Unit #19 446 624-4	CMHC 1-Unit #19 446 624-5	Capital Replacement	Total
Balance March 31, 2020	\$ 35,010	\$ 69,053	\$ 41,814	\$ 104,450	\$ 4,151	\$ 141,254	\$ 395,732
Expenditures for the year	(3,443)	(3,420)	(4,659)	(21,663)	(735)	(26,161)	(60,081)
Allocation to restricted funds	3,471	10,000	8,000	12,000	1,305	-	34,776
Interest	274	541	328	819	33	-	1,995
Balance March 31, 2021	35,312	76,174	45,483	95,606	4,754	115,093	372,422
Expenditures for the year	-	(22,279)	(2,761)	(5,521)	(900)	-	(31,461)
Allocation to restricted funds	-	10,000	8,000	12,000	1,305	-	31,305
Interest	253	547	326	686	34	-	1,846
Balance March 31, 2022	<u>\$ 35,565</u>	<u>\$ 64,442</u>	<u>\$ 51,048</u>	<u>\$ 102,771</u>	<u>\$ 5,193</u>	<u>\$ 115,093</u>	<u>\$ 374,112</u>

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$259,019. The amount held in a restricted bank account in relation to this reserve is \$247,095; therefore, the reserve is underfunded by \$11,924 as of March 31, 2022.

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

9. Government Transfers

	2022			2021		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Indigenous Services Canada	\$ 3,430,931	\$ 3,809,604	\$ 7,240,535	\$ 3,012,582	\$ 9,777,758	\$ 12,790,340
Health Canada	577,421	-	577,421	997,837	59,528	1,057,365
Canada Mortgage and Housing Corporation	169,939	-	169,939	207,782	-	207,782
Employment and Social Development Canada	-	-	-	25,000	-	25,000
	\$ 4,178,291	\$ 3,809,604	\$ 7,987,895	\$ 4,243,201	\$ 9,837,286	\$ 14,080,487
Provincial government transfers:						
Ministry of Children, Community and Social Services	\$ 575,674	\$ -	\$ 575,674	\$ 586,661	\$ -	\$ 586,661
Ministry of Community Safety and Correctional Services	9,002	-	9,002	9,002	-	9,002
Ministry of Indigenous Affairs	412,472	-	412,472	299,255	-	299,255
Ministry of Health and Long-Term Care	27,558	-	27,558	26,388	-	26,388
Ministry of Education	193,171	-	193,171	199,527	-	199,527
Ministry of Infrastructure	-	67,190	67,190	3,615	-	3,615
	\$ 1,217,877	\$ 67,190	\$ 1,285,067	\$ 1,124,448	\$ -	\$ 1,124,448

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

10. Accumulated Surplus

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

	2022	2021
Investment in tangible capital assets		
Tangible capital assets	\$22,620,755	\$ 19,577,626
Debt relating to tangible capital assets	<u>(1,811,190)</u>	<u>(1,702,408)</u>
Total investment in tangible capital assets	20,809,565	17,875,218
Operations	27,325,157	22,705,093
Equity in trusts and enterprises	<u>7,799,670</u>	<u>9,046,402</u>
	<u>55,934,392</u>	<u>49,626,713</u>
Reserves and reserve funds		
Education reserve	172,300	147,300
Resource revenue sharing reserve	364,104	-
Replacement reserves	<u>374,112</u>	<u>372,422</u>
	<u>910,516</u>	<u>519,722</u>
	<u><u>\$56,844,908</u></u>	<u><u>\$ 50,146,435</u></u>

Naicatchewenin First Nation
Notes to Consolidated Financial Statements

March 31, 2022

11. Tangible Capital Assets

	2022						
	Buildings and housing	Infrastructure	Vehicles	Equipment	Computers	Construction in progress	Total
Cost, beginning of year	\$ 14,922,765	\$ 7,310,507	\$ 1,248,059	\$ 921,738	\$ 20,377	\$ 10,868,405	\$ 35,291,851
Additions	1,227,987	120,000	-	-	5,339	3,530,638	4,883,964
Disposals	-	-	-	-	-	(865,965)	(865,965)
Cost, end of year	16,150,752	7,430,507	1,248,059	921,738	25,716	13,533,078	39,309,850
Accumulated amortization, beginning of year	9,392,477	4,875,389	874,087	551,895	20,377	-	15,714,225
Amortization	540,287	172,107	153,173	106,634	2,669	-	974,870
Accumulated amortization, end of year	9,932,764	5,047,496	1,027,260	658,529	23,046	-	16,689,095
Net carrying amount, end of year	<u>\$ 6,217,988</u>	<u>\$ 2,383,011</u>	<u>\$ 220,799</u>	<u>\$ 263,209</u>	<u>\$ 2,670</u>	<u>\$ 13,533,078</u>	<u>\$ 22,620,755</u>

The construction in progress is not being amortized because the tangible capital assets are under construction. The construction in progress balance includes a new water treatment plant and a water and wastewater project for various infrastructure upgrades.

**Naicatchewenin First Nation
Notes to Consolidated Financial Statements**

March 31, 2022

11. Tangible Capital Assets (continued)

	2021						
	Buildings and housing	Infrastructure	Vehicles	Equipment	Computers	Construction in progress	Total
Cost, beginning of year	\$ 14,263,479	\$ 7,310,507	\$ 1,126,277	\$ 674,546	\$ 20,377	\$ 951,305	\$24,346,491
Additions	659,286	-	159,332	247,192	-	10,410,611	11,476,421
Disposals	-	-	(37,550)	-	-	(493,511)	(531,061)
Cost, end of year	14,922,765	7,310,507	1,248,059	921,738	20,377	10,868,405	35,291,851
Accumulated amortization, beginning of year	8,916,505	4,715,084	709,785	502,538	20,377	-	14,864,289
Amortization	475,972	160,305	179,322	49,357	-	-	864,956
Disposals	-	-	(15,020)	-	-	-	(15,020)
Accumulated amortization, end of year	9,392,477	4,875,389	874,087	551,895	20,377	-	15,714,225
Net carrying amount, end of year	<u>\$ 5,530,288</u>	<u>\$ 2,435,118</u>	<u>\$ 373,972</u>	<u>\$ 369,843</u>	<u>\$ -</u>	<u>\$ 10,868,405</u>	<u>\$19,577,626</u>

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

12. Pension Plan

The First Nation has a defined contribution pension plan for full-time employees. The First Nation matches employee contributions at 3% 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.

13. Comparative Figures

The prior year's figures have been restated to conform to current year's financial statement presentation and new ISC requirements.

14. Indigenous Services Canada Funding Reconciliation

	2022	2021
ISC revenue per funding confirmation	\$ 6,514,654	\$ 10,939,455
Deferred revenue, beginning of year	6,167,216	8,019,611
Deferred revenue, end of year	(5,448,298)	(6,167,216)
Recovery of prior years' funding	(4,295)	(1,510)
Change in estimated funding recovery	<u>11,258</u>	-
	<hr/>	<hr/>
ISC revenue per the consolidated financial statements	<u>\$ 7,240,535</u>	<u>\$ 12,790,340</u>
	<hr/>	<hr/>
	2022	2021
Health Canada (HC) revenue per funding confirmation	\$ 1,470,449	\$ 1,952,440
Deferred revenue, beginning of year	1,275,423	380,348
Deferred revenue, end of year	<u>(2,168,451)</u>	<u>(1,275,423)</u>
	<hr/>	<hr/>
HC revenue per the consolidated financial statements	<u>\$ 577,421</u>	<u>\$ 1,057,365</u>

15. 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 2022 was \$169,939 (2021 - \$207,782).

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

16. Expenditure by Object

	2022	2021
Salaries, wages and employee benefits	\$ 2,619,729	\$ 2,238,309
Materials and supplies	3,180,605	3,384,386
Contracted services	1,530,835	1,585,278
Rents and financial expenses	508,405	297,879
Travel	70,204	24,669
Amortization	<u>974,870</u>	<u>864,956</u>
	<u><u>\$ 8,884,648</u></u>	<u><u>\$ 8,395,477</u></u>

17. Budget Information

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated recovering deficits. 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 Chief and Council, with adjustments as follows:

	2022
Financial Plan (budget) surplus for the year	\$ 2,433,310
Add:	
Capital expenditures	1,042,897
Transfers	361,040
Less:	
Amortization	<u>(864,956)</u>
Budget surplus per consolidated statement of operations	<u><u>\$ 2,972,291</u></u>

18. Segmented Information

Naicatchewenin 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:

Medical and Other Health Services

The community wellness department provides a diverse bundle of services directed towards the well-being of members including such activities as long-term care, medical transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

Naicatchewenin First Nation Notes to Consolidated Financial Statements

March 31, 2022

18. Segmented Information (continued)

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.

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 and community buildings.

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.

Welfare

The welfare department oversees the administration of the Ontario Works program of the Ministry of Children, Community and Social Services, which provides financial and employment assistance to community members in financial need.

Capital

The capital 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. This segment includes \$(526,574) (2021 - \$2,178,010) of income from government business enterprises and business partnerships accounted for under the modified equity method.

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.

**Naicatchewenin First Nation
Notes to Consolidated Financial Statements**

For the year ended March 31, 2022	Operations						Other	Total
	Health	Band Support	Maintenance	Education	Welfare	Capital		
Revenue								
ISC	\$ 107,263	\$ 525,876	\$ 352,339	\$ 1,818,574	\$ 200,219	\$ 268,202	\$ 3,968,062	\$ 7,240,535
Canada	577,421	-	-	-	-	-	169,939	747,360
Ontario	148,260	-	-	-	575,674	67,191	493,942	1,285,067
OFNLP	-	-	-	-	-	-	359,269	359,269
Other Aboriginal Organizations	982,464	115,306	-	-	-	-	555,179	1,652,949
Interest, rentals and other	48,354	237,805	2,455	52,389	-	-	3,956,938	4,297,941
Administration	(166,529)	377,122	-	(18,660)	(30,000)	-	(161,933)	-
Transfers	(9,496)	4,243,938	31,819	-	-	(139,561)	(4,126,700)	-
	1,687,737	5,500,047	386,613	1,852,303	745,893	195,832	5,214,696	15,583,121
Expenditures								
Salaries, wages and benefits	1,018,590	525,066	62,536	361,993	209,146	91,681	350,717	2,619,729
Materials, supplies and capital	608,075	360,017	217,217	84,705	529,137	27,121	1,354,333	3,180,605
Contracted services	2,535	115	-	1,354,812	-	-	173,373	1,530,835
Rents and financial expenses	23,000	62,109	104,281	-	-	-	319,015	508,405
Travel	27,176	26,074	123	5,178	7,610	-	4,043	70,204
Amortization	37,756	35,311	548,974	59,887	-	-	292,942	974,870
	1,717,132	1,008,692	933,131	1,866,575	745,893	118,802	2,494,423	8,884,648
Excess (deficiency) of revenue over expenditures	\$ (29,395)	\$ 4,491,355	\$ (546,518)	\$ (14,272)	-	\$ 77,030	\$ 2,720,273	\$ 6,698,473

**Naicatchewenin First Nation
Notes to Consolidated Financial Statements**

For the year ended March 31, 2021	Operations								Total
	Health	Band Support	Maintenance	Education	Welfare	Capital	Other		
Revenue									
ISC	\$ 583,895	\$ 301,704	\$ 131,626	\$ 1,629,747	\$ 78,801	\$ 232,112	\$ 9,832,455	\$ 12,790,340	
Canada	1,057,365	-	-	-	-	40,000	207,782	1,305,147	
Ontario	69,229	-	3,615	31,325	586,661	10,000	689,411	1,390,241	
OFNLP	-	-	-	-	-	-	330,320	330,320	
Exchange loss	-	(790,824)	-	-	-	-	-	(790,824)	
Other Aboriginal Organizations	1,067,089	48,218	-	-	-	-	5,612	1,120,919	
Interest, rentals and other	61,674	906,328	7,819	114,946	-	-	4,882,781	5,973,548	
Administration	(114,487)	301,431	-	(18,660)	(30,000)	-	(138,284)	-	
Transfers	(547,137)	1,778,284	193,310	-	-	9,408,188	(10,832,645)	-	
	2,177,628	2,545,141	336,370	1,757,358	635,462	9,690,300	4,977,432	22,119,691	
Expenditures									
Salaries, wages and benefits	853,918	459,991	55,947	287,921	226,221	85,501	268,810	2,238,309	
Materials, supplies and capital	1,297,174	316,648	181,593	50,755	408,226	10,153	1,119,837	3,384,386	
Contracted services	6,959	-	-	1,416,737	-	50,000	111,582	1,585,278	
Rents and financial expenses	25,168	93,774	95,053	-	-	-	83,884	297,879	
Travel	4,299	16,874	162	1,946	1,015	-	373	24,669	
Amortization	34,558	35,311	480,097	59,887	-	-	255,103	864,956	
	2,222,076	922,598	812,852	1,817,246	635,462	145,654	1,839,589	8,395,477	
Excess (deficiency) of revenue over expenditures	\$ (44,448)	\$ 1,622,543	\$ (476,482)	\$ (59,888)	-	\$ 9,544,646	\$ 3,137,843	\$ 13,724,214	