



**Rainy River First Nations  
Consolidated Financial Statements  
For the year ended March 31, 2023**

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For the year ended March 31, 2023**

**Contents**

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## Rainy River First Nations Management's Responsibility for the Consolidated Financial Statements

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The accompanying consolidated financial statements of Rainy River First Nations and all the information in the consolidated financial statements are the responsibility of management and have been approved by Chief and Council of Rainy River First Nations.

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 Nations' assets are appropriately accounted for and adequately safeguarded.

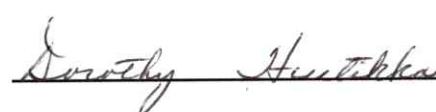
The Rainy River First Nations' Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council reviews the First Nations' 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 MNP LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. MNP LLP have full and free access to the Council.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Karen Otto-Bonbay  
Councilor

  
\_\_\_\_\_  
Dorothy Hurlburt  
Councilor

To the Management and Chief and Council of Rainy River First Nations:

## Opinion

We have audited the consolidated financial statements of Rainy River First Nations and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of operations, the consolidated statement of changes in accumulated operating surplus, the consolidated statement of remeasurement gains and losses, the consolidated statement of changes in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

The consolidated financial statement for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on February 27, 2024.

## 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 accounting standards for private enterprises, 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.

Fort Frances, Ontario

May 6, 2025

**MNP LLP**

Chartered Professional Accountants

Licensed Public Accountants

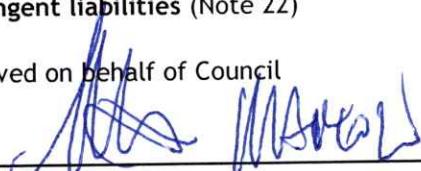
**MNP**

## Rainy River First Nations Consolidated Statement of Financial Position

March 31	2023	2022
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$19,242,054	\$ 26,126,002
Portfolio investments (Note 4)	19,043,587	9,770,090
Accounts and loans receivable (Note 5)	2,045,289	1,548,288
Amounts due from government organizations (Note 6)	1,251,296	733,559
Amounts due from related parties (Note 7)	892,234	1,661,226
Trust funds held by federal government (Note 8)	-	4,483
Trust funds held by Rainy River District First Nations Trust	238,085	199,273
Government business enterprises and business partnerships (Note 9)	<u>22,159,279</u>	<u>17,395,845</u>
	<u>64,871,824</u>	<u>57,438,766</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,048,676	1,489,012
Amounts due to government organizations (Note 10)	27,440	62,416
Deferred revenue (Note 11)	6,061,514	6,228,062
Long-term debt (Note 12)	16,398,269	15,206,575
Asset retirement obligations (Note 13)	<u>995,320</u>	-
	<u>24,531,219</u>	<u>22,986,065</u>
<b>Net financial assets (Page 9)</b>	<u>40,340,605</u>	<u>34,452,701</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 16)	27,292,295	26,722,674
Inventory	9,738	9,267
Prepaid expense	<u>51,289</u>	<u>8,102</u>
	<u>27,353,322</u>	<u>26,740,043</u>
<b>Accumulated surplus</b>	<u>\$67,693,927</u>	<u>\$ 61,192,744</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus (Note 15)	\$69,310,511	\$ 61,192,744
Accumulated remeasurement losses	<u>(1,616,584)</u>	-
	<u>\$67,693,927</u>	<u>\$ 61,192,744</u>

### Contingent liabilities (Note 22)

Approved on behalf of Council

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Karen (Lits-Bombay) Councilor

  
\_\_\_\_\_  
Dorothy Hulekka Councilor

# Rainy River First Nations Consolidated Statement of Operations

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>		
Indigenous Services Canada (Note 19)	\$ 6,396,485	\$ 5,522,043
Health Canada	834,741	729,611
Canada Mortgage and Housing Corporation	151,512	912,470
Other federal grant revenue	253,974	116,268
Ontario First Nations Limited Partnership	739,237	514,921
Ministry of Community and Social Services	384,658	461,515
Ministry of Indigenous Affairs	149,940	119,858
Ministry of Education	43,184	43,184
Other provincial grant revenue	300,150	164,401
Weechi-It-Te-Win Family Services Inc.	1,078,975	1,046,726
Fort Frances Tribal Area Health Authority	177,213	319,325
Shooniyyaa Wa-Biitong	104,799	105,851
Grand Council Treaty #3	1,054,561	495,789
Resource revenue	2,288,847	2,159,723
Miscellaneous programs	1,093,592	307,286
Housing rentals	323,595	335,903
Management fees from affiliated companies	481,226	611,669
Portfolio investment income	583,625	496,096
Rainy River First Nations Trust	2,844,022	2,748,691
Income from investments in government business enterprises and business partnerships (Note 9)	5,539,588	5,874,355
Income on trusts	38,812	89,339
Interest	696,241	95,802
Gain (loss) on disposal of tangible capital assets	-	(56,494)
	<b>25,558,977</b>	<b>23,214,332</b>
<b>Expenses</b>		
Band support and administration	2,472,722	2,573,941
Education	3,378,801	3,195,401
Economic development	1,810,821	1,627,743
Health services	1,934,580	1,261,820
Community development	1,589,196	1,816,091
Family and community services	1,541,024	1,031,528
Capital maintenance	362,307	264,033
Social services	476,513	470,347
Operations and maintenance	828,429	688,862
Housing	815,673	833,309
Water treatment	282,310	168,056
Waste water	50,534	71,185
Trust implementation	107,729	134,837
Cultural	803,391	548,828
Summer students	94,563	137,392
	<b>16,548,593</b>	<b>14,823,373</b>
<b>Annual surplus</b>	<b>\$ 9,010,384</b>	<b>\$ 8,390,959</b>

## Absence of Approved Budget (Note 20)

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**Rainy River First Nations  
Consolidated Statement of Changes in  
Accumulated Operating Surplus**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
Accumulated operating surplus, beginning of year	\$ 61,192,744	\$ 52,801,785
Annual operating surplus	9,010,384	8,390,959
Change in accounting policy (Note 2)	<u>(892,617)</u>	-
Accumulated operating surplus, end of year	<u>\$ 69,310,511</u>	\$ 61,192,744
 <b>Absence of Approved Budget (Note 20)</b>		

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**Rainy River First Nations**  
**Consolidated Statement of Remeasurement Gains or Losses**

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
Accumulated remeasurement gains (losses), beginning of year	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	<u>(1,616,584)</u>	<u>-</u>
Accumulated remeasurement gains (losses), end of year	<u>\$ (1,616,584)</u>	<u>\$ -</u>

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## Rainy River First Nations Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31	2023	2022
Annual surplus (Page 6)	\$ 9,010,384	\$ 8,390,959
Acquisition of tangible capital assets	(1,613,481)	(952,406)
Proceeds on disposal of tangible capital assets	-	92,930
Amortization of tangible capital assets	1,108,283	1,196,548
Loss on disposal of tangible capital assets	-	56,494
Change in accounting policy (Note 2)	<u>(957,040)</u>	-
	<u>7,548,146</u>	8,784,525
Use (acquisition) of inventory	(471)	272
Use (acquisition) of prepaid expenses	<u>(43,187)</u>	24,813
	<u>(43,658)</u>	25,085
Net change in net financial assets excluding net remeasurement gains (losses)	7,504,488	8,809,610
Net remeasurement gains (losses)		
Portfolio investments	<u>(1,616,584)</u>	-
Net change in net financial assets	5,887,904	8,809,610
Net financial assets, beginning of year	<u>34,452,701</u>	25,643,091
Net financial assets, end of year	<u>\$ 40,340,605</u>	\$ 34,452,701
Absence of Approved Budget (Note 20)		

## Rainy River First Nations Consolidated Statement of Cash Flows

For the year ended March 31	2023	2022
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 9,010,384	\$ 8,390,959
Adjustments for		
Amortization of tangible capital assets	1,108,283	1,196,548
Net income from government business enterprises	(5,539,587)	(5,874,355)
Loss on disposal of tangible capital assets	-	56,494
Net remeasurement gains (losses)	(1,616,584)	-
Accretion of asset retirement obligations	<u>38,281</u>	<u>-</u>
	<u><b>3,000,777</b></u>	<u><b>3,769,646</b></u>
 Changes in non-cash working capital		
Accounts receivable	(497,001)	96,925
Amounts due from government organizations	(517,737)	(574,598)
Inventory	(471)	272
Prepaid expense	(43,187)	24,813
Trust funds	(34,329)	(33,925)
Accounts payable	(440,337)	550,966
Amounts due to government organizations	(34,976)	(7,913)
Deferred revenue	<u>(166,548)</u>	<u>2,952,612</u>
	<u><b>(1,734,586)</b></u>	<u><b>3,009,152</b></u>
	<u><b>1,266,191</b></u>	<u><b>6,778,798</b></u>
 <b>Cash flows from capital activities</b>		
Purchase of tangible capital assets	(1,613,481)	(952,406)
Proceeds from disposal of tangible capital assets	<u>-</u>	<u>92,930</u>
	<u><b>(1,613,481)</b></u>	<u><b>(859,476)</b></u>
 <b>Cash flows from investing activities</b>		
Repayment from (advances to) affiliated companies	768,992	(1,050,896)
Distributions from (purchase of equity in) affiliated companies	776,153	1,002,911
Withdrawal (purchase) of portfolio investments	<u>(9,273,497)</u>	<u>2,140,910</u>
	<u><b>(7,728,352)</b></u>	<u><b>2,092,925</b></u>
 <b>Cash flows from financing activities</b>		
Proceeds (repayment) of long-term debt	<u>1,191,694</u>	<u>1,461,491</u>
 <b>Net (decrease) increase in cash and cash equivalents</b>	<u><b>(6,883,948)</b></u>	<u><b>9,473,738</b></u>
 <b>Cash and cash equivalents, beginning of year</b>	<u><b>26,126,002</b></u>	<u><b>16,652,264</b></u>
 <b>Cash and cash equivalents, end of year</b>	<u><b>\$ 19,242,054</b></u>	<u><b>\$ 26,126,002</b></u>

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## Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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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 (CPA) 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 proportionate consolidation of Other Government Organizations. Accounting policies of consolidated and proportionately consolidated entities are conformed to those of the First Nation and inter-organizational balances and transactions are eliminated upon consolidation. Other Government Organizations include:

Manitou Community Holdings Trust  
Manitou Business Management Trust  
Manitou Holdings Limited Partnership  
Manitou Mounds Inc.  
Rainy River First Nations Community Trust  
Rainy River First Nations Development Corporation  
Rainy River First Nations Power Corporation  
Wildland Enterprises Ltd.  
Ziibi Anishinaabe Investments Inc.

The First Nations' government business enterprises consist of investments in:

Little Fork Land Holdings Limited Partnership (LP)  
Enterprises held through Manitou Community Holdings Trust  
Enterprises held through Manitou Business Management Trust

These investments are accounted for using the modified equity basis of accounting as disclosed in Note 9 to these consolidated financial statements.

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# Rainy River First Nations Notes to Consolidated Financial Statements

March 31, 2023

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

### Basis of Accounting

(continued)

Business partnerships are contractual arrangements between the government reporting entity and a party or parties outside of the government reporting entity. The First Nations' government business partnerships consist of partnership units held in:

Aazhogan Limited Partnership  
Onikaajigan Construction, LP  
Rainy River First Nations Solar Limited Partnership

These investments are accounted for using the modified equity basis of accounting.

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.

These consolidated financial statements do not include a related charitable foundation, the resources of which cannot be accessed by the First Nation (Note ).

### Cash and Cash Equivalents

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

### Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. 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, and 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.

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# Rainy River First Nations Notes to Consolidated Financial Statements

March 31, 2023

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

<b>Amortization</b>	Amortization is calculated on the cost of tangible capital assets, on a straight-line basis over the following number of years:
Buildings	25 years
Equipment and vehicles	5 years
Computers	3 years
Manitou Mounds Project	25 years
Infrastructure	30 to 40 years
<b>Program Surpluses</b>	Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements. The First Nation assesses program surplus' at year-end and recognizes a liability for program funding expected to be recovered by the contributing agency.
<b>Trust Funds</b>	Trust funds are held in trust by ISC. Revenue on trust funds is recognized in accordance with terms of the related instrument.
<b>Financial Instruments</b>	<p>Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.</p> <p>Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.</p> <p>For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.</p> <p>All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.</p>

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# Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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

**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.

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.

**Measurement Uncertainty** Estimates are used to accrue revenues and expenditures in circumstances where the actual accrued revenues 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** 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.

The estimates used in the preparation of these consolidated financial statements are the allowance for doubtful accounts receivable, the useful lives of tangible capital assets and accrued liabilities.

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# Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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

### Asset Retirement

#### Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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## 2. Change in Accounting Policy

Effective April 1, 2022, the First Nation adopted new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standard requires recognition of Asset Retirement Obligations when there is a legal obligation to incur retirement costs. This change in accounting policy has been applied using prospective application. The impact of adoption of this standard was as follows:

Increase in tangible capital assets	\$ 64,423
Increase in asset retirement obligation liabilities	<u>(957,040)</u>
Decrease in accumulated surplus	<u>(892,617)</u>

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## 3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following:

	2023	2022
Unrestricted bank account balances	\$ 17,509,425	\$ 24,551,420
Externally restricted bank account balances		
Bank account restricted for the future repayment of the Solar Project Loan (Note 12)	1,283,649	1,262,290
Bank account restricted as security for First Nations Financing Authority Loan (Note 12)	448,980	312,292
	<u>\$ 19,242,054</u>	<u>\$ 26,126,002</u>

The First Nation has an approved unsecured operating line of credit with the Canadian Imperial Bank of Commerce (CIBC) in the amount of \$200,000, with interest at the CIBC prime rate (6.70% as at March 31, 2023) minus 1%. The line of credit was unutilized as at March 31, 2023.

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## Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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### 4. Portfolio Investments

	2023	2022
<b>At cost or amortized cost:</b>		
CMHC replacement reserve - term deposits. Guaranteed investment certificates (GIC's) with interest rates from 1.21% to 3.40% and maturity dates from April 11, 2023, to April 1, 2024	\$ 564,539	\$ 552,540
Fixed income investments - Guaranteed investment certificates (GIC's) with interest rates from 5.15% to 5.20%. Maturing on March 13, 2024.	7,017,780	-
Investment in Senic River Mall Inc.	10	10
Investment in Rainy Lake Tribal Resource Management	7,035	7,035
Investment in Indigenous Diabetes Wound Care	20,000	20,000
Investment in Boundary Waters Forest Management Corp.	43	43
Investment in Landmark Inn LP	162,035	162,035
Investment in Landmark Inn GP Inc.	12	12
Investment in Landmark Leasing Corporation	49,532	49,532
Investment in Rainy Lake Tribal Development Corporation	25,882	25,882
	<hr/>	<hr/>
	7,846,868	817,089
 <b>At fair value</b>		
New Gold Inc. (quoted market value at March 31, 2022, of \$1,409,468).	912,739	1,862,733
Other Canadian equity investments (quoted market value at March 31, 2022, of \$5,707,837).	8,230,598	5,593,544
American equity investments (quoted market value at March 31, 2022, of \$838,205).	869,188	802,842
Foreign equity investments (quoted market value at March 31, 2022, of \$543,191).	665,801	596,931
Global infrastructure mutual funds (quoted market value at March 31, 2022, of \$97,537).	104,105	96,951
Money market funds	414,288	-
	<hr/>	<hr/>
	11,196,719	8,953,001
	<hr/>	<hr/>
	<b>\$ 19,043,587</b>	<b>\$ 9,770,090</b>

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## Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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**5. Accounts and Loans Receivable**

	2023	2022
Loans receivable	\$ 32,297	\$ 32,897
Housing loans	29,961	29,961
Accounts receivable	2,045,289	1,548,288
Rents receivable	480,284	439,910
	<hr/>	<hr/>
	2,587,831	2,051,056
Allowance for doubtful accounts	<hr/>	<hr/>
	542,542	502,768
	<hr/>	<hr/>
	\$ 2,045,289	\$ 1,548,288

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**6. Amounts Due from Governmental Organizations**

	2023	2022
Federal Government		
Indigenous Services Canada	\$ 683,087	\$ 601,117
Health Canada	42,666	-
Canada Mortgage and Housing Corporation	10,938	12,640
Fisheries and Oceans Canada	23,347	-
Provincial Government		
Ministry of Community and Social Services	-	92,945
Ministry of Aboriginal Affairs	8,500	21,250
Ministry of Health and Long-Term Care	1,878	5,607
Ontario First Nations Limited Partnership (OFNLP)	<hr/>	<hr/>
	480,880	-
	<hr/>	<hr/>
	\$ 1,251,296	\$ 733,559

# Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

## 7. Amounts Due from Related Parties

	Payment Terms	Interest Rate	2023	2022
Manitou Mounds Foundation	unspecified	unspecified	\$ 218,002	\$ 26,257
Manitou Forest Products Limited	unspecified	unspecified	405,652	405,652
Rainy Lake Tribal Development Corporation	unspecified	unspecified	5,973	5,973
Senic River Mall Inc.	unspecified	unspecified	117,962	118,962
Solar General Partnership, Inc.	unspecified	unspecified	(51)	(51)
Long Sault Lumber Co. Ltd.	unspecified	unspecified	550,348	510,085
Ziibi Anishinaabe Investments Inc.	unspecified	unspecified	-	1,000,000
			<b>1,297,886</b>	<b>2,066,878</b>
Allowance for doubtful advances			<b>405,652</b>	<b>405,652</b>
			<b>\$ 892,234</b>	<b>\$ 1,661,226</b>

During the year, the First Nation received management fees from related parties of \$481,226 (\$611,669 in 2022) comprised of \$409,226 from Manitou Forest Products Limited (\$557,919 in 2022), and \$72,000 from Aazhogan LP (\$53,749 in 2022).

### Manitou Mounds Foundation

The First Nation exercises significant influence over the Manitou Mounds Foundation since the Foundation's Board of Directors consist of the First Nations' Chief and Councilors. The Foundation was established to raise funds for the purpose of making gifts to qualified donees, specifically for the preservation, maintenance and development of the ancestral burial grounds of the First Nation. The Foundation is incorporated under the laws of the Province of Ontario and is a registered Charity under the Income Tax Act. Net assets of the Foundation as at March 31, 2023, amount to \$114,828 (2022 - \$111,092) including amounts due to (from) Rainy River First Nations of \$218,002 (2022 - \$26,257).

### Rainy River First Nations Trust

The Rainy River First Nations Trust was established to hold the proceeds of the First Nations' land claims settlement for the benefit of the community. The Trust was created under the laws of the Province of Ontario. Net assets of the Trust as at December 31, 2022, amount to \$79,697,725 (\$89,848,169 in 2021). During the year ended March 31, 2023, the First Nation received grants of \$2,844,022 (\$2,748,691 in 2022) from the Trust.

The net assets and results from operations of Manitou Mounds Foundation and Rainy River First Nations Trust are not included in the consolidated financial statements of the First Nation. Separate financial statements of the Foundation and the Trust are available upon request.

### Manitou Mounds Inc.

Rainy River First Nations has provided operating grants to Manitou Mounds Inc. of \$7,394,213 since inception of the facility, including \$256,063 in the current year.

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## Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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### **8. Trust Funds Held by Federal Government**

	March 31, 2022	Additions 2023	Withdrawals 2023	March 31, 2023
Revenue	\$ 4,483	\$ -	\$ (4,483)	\$ -

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.

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### **9. Government Business Enterprises and Business Partnerships, at modified equity**

#### **Onikaajigan Construction, LP**

Onikaajigan Construction, LP is a business partnership that was created for the purpose of carrying on the business of construction and general contracting. Subsequent to year-end, the First Nation has provided notice to the other partners of its intent to withdraw from the partnership, which will result in the dissolution of Onikaajigan Construction, LP in accordance with the partnership agreement.

#### **Aazhogan Limited Partnerships**

Aazhogan Limited Partnerships are a group of business partnerships that were created for the purpose of the purchase and operation of an international bridge. They include Aazhogan Limited LP and Aazhogan US, LP.

#### **Rainy River First Nations Solar Limited Partnership**

Rainy River First Nations Solar Limited Partnership is a business partnership that was created for the purpose of the construction and operation of three ground mounted photovoltaic systems designed to supply usable power for the Ontario Power Authority.

#### **Little Fork Land Holdings, LP**

Little Fork Land Holdings, LP is a government business enterprise that was created for the purpose of carrying on the business of real estate rental.

#### **Manitou Community Holdings Trust**

Manitou Community Holdings Trust was created for purposes of managing investments for the benefit of Rainy River First Nations.

#### **Manitou Business Management Trust**

Manitou Business Management Trust was created for purposes of managing investments for the benefit of Rainy River First Nations.

# Rainy River First Nations

## Notes to Consolidated Financial Statements

March 31, 2023

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

	Onikaajigan Construction, LP	Aazhogan Limited Partnerships	Rainy River First Nations Solar Limited Partnership	Little Fork Land Holdings, LP	Manitou Community Holdings Trust	Manitou Business Management Trust Investments	Total
<b>Percentage ownership</b>	<b>44.99%</b>	<b>50%</b>	<b>51%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
Carrying value, March 31, 2021	\$ 176,904	\$ 16,825	\$ 9,354,800	\$ 1,269,414	\$ 1,703,000	\$ 3,458	\$ 12,524,401
Purchase of shares/units/partners capital	-	3,254,741	-	-	-	-	3,254,741
Dividends/distributions/return of partners capital	-	-	(4,123,787)	(133,865)	-	-	(4,257,652)
Share of net income (loss)	(13,105)	(79,783)	3,331,575	133,865	2,487,210	14,593	5,874,355
Carrying value, March 31, 2022	163,799	3,191,783	8,562,588	1,269,414	4,190,210	18,051	17,395,845
Purchase of shares/units/partners capital	-	2,347,127	-	-	2,000,000	-	4,347,127
Dividends/distributions/return of partners capital	-	-	(2,976,257)	(147,023)	(2,000,000)	-	(5,123,280)
Share of net income (loss)	(3,747)	(145,713)	3,087,997	118,359	2,424,573	58,118	5,539,587
Carrying value, March 31, 2023	<b>\$ 160,052</b>	<b>\$ 5,393,197</b>	<b>\$ 8,674,328</b>	<b>\$ 1,240,750</b>	<b>\$ 6,614,783</b>	<b>\$ 76,169</b>	<b>\$ 22,159,279</b>
Balance comprised of:							
Shares/partners contributions	\$ 4,499	\$ 5,654,251	\$ 51	\$ 519,569	\$ 714,722	\$ 400	\$ 6,893,492
Share of cumulative net earnings	\$ 155,553	\$ (261,054)	\$ 8,674,277	\$ 721,181	\$ 5,900,061	\$ 75,769	\$ 15,265,787
	<b>\$ 160,052</b>	<b>\$ 5,393,197</b>	<b>\$ 8,674,328</b>	<b>\$ 1,240,750</b>	<b>\$ 6,614,783</b>	<b>\$ 76,169</b>	<b>\$ 22,159,279</b>

# Rainy River First Nations

## Notes to Consolidated Financial Statements

March 31, 2023

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

	Onikaajigan Construction LP	Aazhogan Limited Partnerships	Rainy River First Nations Solar Limited Partnership	Little Fork Land Holdings, LP	Manitou Community Holdings Trust Investments	Manitou Business Management Trust Investments
Financial position						
Current assets	\$ 354,429	\$ 660,708	\$ 16,437,965	\$ -	\$ 5,441,234	\$ 145,765
Long-term assets	-	5,733,678	93,007,332	1,240,750	4,903,906	669,485
	<b>354,429</b>	<b>6,394,386</b>	<b>109,445,297</b>	<b>1,240,750</b>	<b>10,345,140</b>	<b>815,250</b>
Current liabilities	831	501,773	8,263,419	-	1,489,349	71,711
Long-term liabilities	-	6,414,722	79,981,584	-	2,241,008	667,270
	<b>831</b>	<b>6,916,495</b>	<b>88,245,003</b>	<b>-</b>	<b>3,730,357</b>	<b>738,981</b>
Share capital	-	-	-	-	714,722	400
Net equity (deficit), end of year	353,598	(522,109)	21,200,294	1,240,750	5,900,061	76,269
	<b>353,598</b>	<b>(522,109)</b>	<b>21,200,294</b>	<b>1,240,750</b>	<b>6,614,783</b>	<b>76,669</b>
	<b>\$ 354,429</b>	<b>\$ 6,394,386</b>	<b>\$ 109,445,297</b>	<b>\$ 1,240,750</b>	<b>\$ 10,345,140</b>	<b>\$ 815,650</b>
Results of operations						
Revenues	\$ 2,972	\$ 1,658,390	\$ 19,613,831	\$ 149,160	\$ 9,713,376	\$ 908,986
Operating expenses	11,300	1,949,816	13,559,066	30,801	7,288,803	850,868
Net income (loss)	(8,328)	(291,426)	6,054,765	118,359	2,424,573	58,118
Net equity, beginning of year	362,436	(230,683)	21,582,328	1,269,414	3,475,488	18,151
Dividends/distributions	(510)	-	(6,436,799)	(147,023)	-	-
Net equity (deficit), end of year	<b>\$ 353,598</b>	<b>\$ (522,109)</b>	<b>\$ 21,200,294</b>	<b>\$ 1,240,750</b>	<b>\$ 5,900,061</b>	<b>\$ 76,269</b>

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**Rainy River First Nations**  
**Notes to Consolidated Financial Statements**

**March 31, 2023**

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**10. Amounts Due to Governmental Organizations**

	<b>2023</b>	<b>2022</b>
Federal government - HST	27,440	37,416
Ministry of Community and Social Services	-	25,000
	<b>\$ 27,440</b>	<b>\$ 62,416</b>

# Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

## 11. Deferred Revenue

	2022	Funding received 2023	Revenue recognized 2023	2023	
				2023	2023
<b>Federal Government</b>					
ISC					
New construction	\$ 368,400	\$ 245,600	\$ -	\$ 614,000	
Wastewater Lift Station	694,026	114,020	-	808,046	
Community Business Fund	8,008	-	(8,008)	-	
COVID-19 funding	320,391	114,723	-	435,114	
First Nations Land					
Management, Land Survey and LEDSP	523,206	283,313	(531,725)	274,794	
Water Treatment Plant	158,692	202,921	(361,613)	-	
Education-Training-Building Capacity	-	98,752	-	98,752	
Child and Family Services	655,045	1,300,120	(566,054)	1,389,111	
Highway Development Plan	50,733	-	-	50,733	
UND RIP	-	270,000	(25,161)	244,839	
Professional and Institutional Development (P&ID) program	-	50,000	-	50,000	
First Nations and Inuit Youth Employment Strategy	42,435	-	(413)	42,022	
Health Canada					
COVID-19	98,957	-	-	98,957	
Jordan's Principal Medical transportation	113,407	105,138	(218,545)	-	
CMHC - Rapid Housing	44,285	98,846	(103,257)	39,874	
Heritage Canada	90,012	106,050	(140,079)	55,983	
<b>Provincial Government</b>					
MCSS - Social Services	99,808	479,309	(384,658)	194,459	
Ministry of Health - Home and Community Care Enhancements	88,928	97,299	(95,443)	90,784	
Ministry of Indigenous Affairs - COVID-19	79,660	-	(64,939)	14,721	
Ontario Arts Council	-	-	-	-	
Ontario Trillium Foundation	210,686	22,700	(194,080)	39,306	
<b>Other</b>					
Rainy River First Nations Trust					
Land claims	78,717	141,492	(122,729)	97,480	
Trust projects	1,997,647	1,756,019	(2,717,376)	1,036,290	
Land use	29,169	-	(29,169)	-	
Other deferred revenue -					
Watershed program	18,113	44,356	-	62,469	
Language Table	24,020	-	-	24,020	
Shooniyaa - Day Care Facility	106,250	-	(41,888)	64,362	
Grand Council Treaty #3					
Customary Care Code	117,714	34,184	-	151,898	
Various projects	126,784	26,312	(69,596)	83,500	
Manitou Mounds Foundation	82,969	176,392	(259,361)	-	
	\$ 6,228,062	\$ 5,767,546	\$ (5,934,094)	\$ 6,061,514	

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## Rainy River First Nations Notes to Consolidated Financial Statements

March 31, 2023

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### 12. Long-term Debt

	2023	2022
CMHC mortgage (new 10 unit), repayable in monthly installments of \$4,796 including interest at 3.77%, maturing March 1, 2027.	\$ 214,140	\$ 264,147
CMHC mortgage payable - 20051488003, repayable in monthly installments of \$4,667 including interest at 2.48%, maturing June 1, 2033.	507,807	550,821
CMHC mortgage payable - 20051488002, repayable in monthly installments of \$3,452 including interest at 3.24%, maturing June 1, 2032.	331,916	362,966
CMHC mortgage payable - 10618932004, repayable in monthly installments of \$4,353 including interest at 1.30%, matured and fully repaid April 1, 2022.	-	4,304
CIBC demand loan, repayable in monthly installments of \$1,392 plus interest at prime minus 1% (1.45% effective rate), maturing September 1, 2025.	41,720	58,424
CIBC demand loan, repayable in monthly installments of \$552 plus interest at prime minus 1% (1.45% effective rate), matured and fully repaid November 1, 2022.	-	2,746
First Nations Finance Authority term loan, repayable in annual principal installments of \$142,173. Interest payable semi-annually at a rate of 3.06%. Matures June 1, 2032. Secured by specific revenue streams of the First Nation as well as cash that the First Nation has set aside in a debt reserve fund that is restricted towards paying down this loan. The restricted cash set aside at March 31, 2022 was \$329,531 and is included in cash and cash equivalents (Note 3).	<u>6,086,999</u>	<u>6,229,882</u>
Carried forward	<u>\$ 7,182,582</u>	<u>\$ 7,473,290</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.

## Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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

	2023	2022
Carried forward	<u>\$ 7,182,582</u>	<u>\$ 7,473,290</u>
First Nations Finance Authority interim financing loan, repayable on demand. Interest payable semi-annually at rates between 2.50% and 6.00%. Secured by specific revenue streams of the First Nation as well as cash that the First Nation has set aside in a debt reserve fund that is restricted towards paying down this loan. The restricted cash set aside at March 31, 2023 was \$119,449 and is included in cash and cash equivalents (Note 3).	2,315,800	-
Solar Project Loan - Due to Toronto Dominion Bank, interest only payments paid monthly for the first 15 months at the rate of 3.24% per annum followed by fixed payments of principal (as determined by repayment schedule) plus interest, paid semi-annually beginning on August 15, 2016, maturing February 15, 2030. Secured by cash that the First Nation has set aside in a debt reserve account that is restricted towards paying down this loan. The restricted cash set aside at March 31, 2023 was \$1,283,649 and is included in cash and cash equivalents (Note 3).	6,899,887	7,733,285
	<u><b>\$ 16,398,269</b></u>	<u><b>\$ 15,206,575</b></u>

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

	Principal Repayments	Interest	Total
2024	\$ 3,570,907	\$ 537,429	\$ 4,108,336
2025	1,149,600	405,331	1,554,931
2026	1,381,855	370,101	1,751,956
2027	1,284,601	330,375	1,614,976
2028	1,354,936	292,822	1,647,758
Thereafter	<u>7,656,370</u>	<u>957,820</u>	<u>8,614,190</u>
	<u><b>\$ 16,398,269</b></u>	<u><b>\$ 2,893,878</b></u>	<u><b>\$ 19,292,147</b></u>

	2023	2022
Interest expense for the year on long-term debt	<u>\$ 557,279</u>	<u>\$ 431,448</u>

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## Rainy River First Nations Notes to Consolidated Financial Statements

March 31, 2023

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### 13. Asset Retirement Obligations

The First Nation's financial statements include asset retirement obligations for the closure and post closure costs of the First Nation's solid waste landfill, decommissioning costs of the First Nation's water wells, decommissioning of a buried fuel tank, and abatement of asbestos within certain properties owned by the First Nation. The related asset retirement costs are being amortized on a straight line basis.

The liability for the landfill has been estimated using a net present value technique with a discount rate of 4%. It is estimated that the liability will be settled in 7 years. The estimated total undiscounted future expenditures are \$1,337,445, which are to be incurred over 25 years, with an estimated time frame from the year 2030 to the year 2055.

The liability for the water wells has been estimated using a net present value technique with a discount rate of 4%. The estimated total undiscounted future expenditures are \$63,992, which are to be incurred over the next 52 years. It is estimated that the liability will be settled in the year 2075.

The liability for the buried fuel tank has been estimated using a net present value technique with a discount rate of 4%. The estimated total undiscounted future expenditures are \$15,216, which are to be incurred over the next 17 years. It is estimated that the liability will be settled in the year 2040.

The liability for the abatement of asbestos has been estimated using a net present value technique with a discount rate of 4%. The estimated total undiscounted future expenditures are \$303,197, which are to be incurred over the next 4 years. It is estimated that the liability will be settled in the year 2027.

The carrying amount of the liabilities are as follows:

	Landfill	Wells	Fuel Tank	Asbestos	Total
Asset retirement obligation as at March 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -
Increase due adoption of PS 3280 asset retirement obligations	823,083	13,802	7,511	112,643	957,039
Increase due to accretion expense	<u>32,923</u>	<u>552</u>	<u>300</u>	<u>4,506</u>	<u>38,281</u>
Asset retirement obligation as at March 31, 2023	<u><u>\$ 856,006</u></u>	<u><u>\$ 14,354</u></u>	<u><u>\$ 7,811</u></u>	<u><u>\$ 117,149</u></u>	<u><u>\$ 995,320</u></u>

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## Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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### 14. Government Transfers

	2023			2022		
	Operating	Capital	Total	Operating	Capital	Total
<b>Federal government transfers:</b>						
Indigenous Services Canada	\$ 6,895,799	\$ (499,314)	\$ 6,396,485	\$ 4,931,919	\$ 590,124	\$ 5,522,043
Health Canada	834,741	-	834,741	729,611	-	729,611
Canada Mortgage and Housing Corporation	151,512	-	151,512	912,470	-	912,470
Other federal transfers	253,974	-	253,974	116,268	-	116,268
	<b>\$ 8,136,026</b>	<b>\$ (499,314)</b>	<b>\$ 7,636,712</b>	<b>\$ 6,690,268</b>	<b>\$ 590,124</b>	<b>\$ 7,280,392</b>
<b>Provincial government transfers:</b>						
Ministry of Community and Social Services	\$ 384,658	\$ -	\$ 384,658	\$ 461,515	\$ -	\$ 461,515
Ministry of Indigenous Affairs	149,940	-	149,940	119,858	-	119,858
Ministry of Education	43,184	-	43,184	43,184	-	43,184
Other provincial transfers	300,150	-	300,150	164,401	-	164,401
	<b>\$ 877,932</b>	<b>\$ -</b>	<b>\$ 877,932</b>	<b>\$ 788,958</b>	<b>\$ -</b>	<b>\$ 788,958</b>

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## Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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### 15. Accumulated Operating Surplus

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

	2023	2022
Investment in tangible capital assets		
Tangible capital assets	\$ 27,292,295	\$ 26,722,674
Debt relating to tangible capital assets	<u>(4,711,889)</u>	<u>(4,948,973)</u>
Total investment in tangible capital assets	<u>22,580,406</u>	21,773,701
Operational surplus	33,732,935	29,719,887
Asset retirement obligations	(995,320)	-
Equity in trusts	-	4,483
Equity in enterprises	<u>10,921,877</u>	7,450,534
	<u>66,239,898</u>	58,948,605
Reserves and reserve funds		
New financial relationship (NFR) reserve fund	647,805	585,141
CMHC replacement reserve funds	351,954	423,037
Reserve for professional development	85,487	75,232
Reserve for forestry and mining	1,395,459	1,160,729
FNLM reserve fund	<u>589,908</u>	-
	<u>3,070,613</u>	2,244,139
	<b><u>\$ 69,310,511</u></b>	<b><u>\$ 61,192,744</u></b>

**Rainy River First Nations  
Notes to Consolidated Financial Statements**

**March 31, 2023**

**16. Tangible Capital Assets**

	<b>2023</b>						
	Land	Buildings and housing	Infrastructure	Equipment and Vehicles	Manitou Mounds Project	Computers	Total
Cost, beginning of year	\$ 10,624,260	\$ 24,870,627	\$ 6,551,191	\$ 4,126,583	\$ 2,164,345	\$ 160,437	<b>\$ 48,497,443</b>
Additions	-	935,140	282,358	51,050	344,933	-	1,613,481
Disposals	-	-	-	-	-	-	-
Adjustments on adoption of PS 3280 - Asset Retirement Obligations	-	26,392	280,322	-	-	-	306,714
Cost, end of year	<b>10,624,260</b>	<b>25,832,159</b>	<b>7,113,871</b>	<b>4,177,633</b>	<b>2,509,278</b>	<b>160,437</b>	<b>50,417,638</b>
Accumulated amortization, beginning of year	-	11,251,795	4,672,777	3,834,643	1,855,117	160,437	21,774,769
Amortization	-	708,078	141,332	159,456	99,417	-	1,108,283
Disposals	-	-	-	-	-	-	-
Adjustments on adoption of PS 3280 - Asset Retirement Obligations	-	19,392	222,899	-	-	-	242,291
Accumulated amortization, end of year	-	11,979,265	5,037,008	3,994,099	1,954,534	160,437	23,125,343
Net carrying amount, end of year	<b>\$ 10,624,260</b>	<b>\$ 13,852,894</b>	<b>\$ 2,076,863</b>	<b>\$ 183,534</b>	<b>\$ 554,744</b>	<b>\$</b>	<b>\$ 27,292,295</b>

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**Rainy River First Nations**  
**Notes to Consolidated Financial Statements**

**March 31, 2023**

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

	<b>2022</b>						
	Land	Buildings and housing	Infrastructure	Equipment and Vehicles	Manitou Mounds Project	Computers	Total
Cost, beginning of year	\$ 10,624,260	\$ 24,292,603	\$ 6,346,609	\$ 4,126,583	\$ 2,164,345	\$ 160,437	<b>\$ 47,714,837</b>
Additions	-	747,824	204,582	-	-	-	<b>952,406</b>
Disposals	-	(169,800)	-	-	-	-	<b>(169,800)</b>
Cost, end of year	10,624,260	24,870,627	6,551,191	4,126,583	2,164,345	160,437	<b>48,497,443</b>
Accumulated amortization, beginning of year	-	10,517,785	4,528,908	3,618,506	1,772,961	160,437	<b>20,598,597</b>
Amortization	-	754,386	143,869	216,137	82,156	-	<b>1,196,548</b>
Disposals	-	20,376	-	-	-	-	<b>(20,376)</b>
Accumulated amortization, end of year	-	11,251,795	4,672,777	3,834,643	1,855,117	160,437	<b>21,774,769</b>
Net carrying amount, end of year	<b>\$ 10,624,260</b>	<b>\$ 13,618,832</b>	<b>\$ 1,878,414</b>	<b>\$ 291,940</b>	<b>\$ 309,228</b>	<b>\$ -</b>	<b>\$ 26,722,674</b>

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## Rainy River First Nations Notes to Consolidated Financial Statements

March 31, 2023

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### 17. 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.

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### 18. 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 2023 was \$95,336 (\$206,240 in 2022).

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### 19. ISC Funding Reconciliation

Total funding as per ISC funding confirmation	\$ 7,582,960
Adjustment for changes in deferred revenue	<u>(1,186,475)</u>
ISC revenue	<u>\$ 6,396,485</u>

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### 20. Absence of Approved Budget

In the fiscal year ending March 31, 2023, Rainy River First Nations did not have an approved budget. The First Nation was therefore unable to present budget-to-actual comparisons in its consolidated financial statements.

The absence of an approved budget has implications for the financial management and operations of the First Nation. Specifically, it limits the ability to monitor and control expenditures effectively, which could lead to variances in actual spending that are not guided by predetermined budgetary constraints. To mitigate the risks associated with the absence of an approved budget, Rainy River First Nations Chief and Council were directly involved in the oversight and monitoring of financial activities during this period, including direct involvement in the review and approval of expenditures and cash disbursements.

Rainy River First Nations acknowledges that the absence of an approved budget is not in alignment with the typical requirements of Canadian public sector accounting standards. The First Nation is taking steps to address this and ensure compliance in future periods.

Despite the challenges posed by the absence of an approved budget, Rainy River First Nations has made every effort to manage public resources responsibly during the fiscal year. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, and every effort has been made to provide a true and fair view of the First Nation's financial position and performance.

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## Rainy River First Nations Notes to Consolidated Financial Statements

**March 31, 2023**

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### **21. Expenses by Object**

	<b>2023</b>	<b>2022</b>
Salaries, wages and employee benefits	\$ 4,499,434	\$ 4,274,541
Materials and supplies	9,576,762	7,999,964
Rents and financial expenses	1,102,653	1,203,238
Travel	261,462	149,082
Amortization	<u>1,108,282</u>	<u>1,196,548</u>
	<b><u>\$ 16,548,593</u></b>	<b><u>\$ 14,823,373</u></b>

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### **22. Contingent Liabilities**

The First Nation, in the course of its operations, is subject to lawsuits. As a policy, the First Nation will accrue for losses in instances where it is probable the liabilities will be incurred and where such liabilities can be reasonably estimated.

The First Nation has no reason to believe that there are any lawsuits which will have a significant impact on the First Nations' financial position.

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### **23. Uncertainty Due to COVID-19**

As the impact of COVID-19 continues, there could be further impact on the First Nation, its funders, employees and and its suppliers. Management and Chief and Council are actively monitoring the effects of the global pandemic on the First Nations' financial condition, liquidity, investments, operations, suppliers, industry and workforce. Management does not anticipate any declines in revenue as their primary source of funding is Indigenous Services Canada. Funding from the federal and provincial levels of government are expected to continue as normally scheduled. However, given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the First Nation is not able to fully estimate the effects of COVID-19 on its future results of operations, financial condition and liquidity at this time.

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### **24. Comparative Figures**

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

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## Rainy River First Nations Notes to Consolidated Financial Statements

March 31, 2023

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### 25. Segmented Information

Rainy River First Nations is a First Nation government that provides a wide range of services to the members of its community. For management reporting purposes the First Nations' 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, aimed at developing both the individual as well as the community.

#### Band Government

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.

**Rainy River First Nations  
2023 Segment Disclosure**

For the year ended March 31, 2023	Operations						Total
	Band	Support	Maintenance	Education	Social Services	Minor Capital	
<b>Revenue</b>							
ISC	\$ 558,162	\$ 365,241	\$ 2,731,593	\$ 184,518	\$ 626,354	\$ 1,930,617	\$ 6,396,485
Canada	-	-	-	-	-	1,240,227	1,240,227
Ontario	-	-	-	384,658	-	493,274	877,932
Casino Rama	-	-	-	-	-	739,237	739,237
Trust income	-	-	-	-	-	2,844,023	2,844,023
Other Aboriginal Organizations	-	-	-	-	-	2,373,660	2,373,660
Interest, rentals and other	1,460,849	125	-	-	-	9,626,439	11,087,413
Administration	(25,063)	-	-	(30,000)	-	55,063	-
Transfers	-	420,388	431,399	-	723,077	(1,574,864)	-
	<b>1,993,948</b>	<b>785,754</b>	<b>3,162,992</b>	<b>539,176</b>	<b>1,349,431</b>	<b>17,727,676</b>	<b>25,558,977</b>
<b>Expenditures</b>							
Salaries, wages and benefits	992,731	232,644	684,863	61,833	-	2,527,363	4,499,434
Materials, supplies and capital	509,662	446,371	2,401,577	414,279	388,637	5,416,236	9,576,762
Rents and financial expenses	381,810	-	-	-	-	720,843	1,102,653
Travel	135,802	-	76,552	400	-	48,708	261,462
Amortization	452,715	149,413	-	-	29,314	476,840	1,108,282
	<b>2,472,720</b>	<b>828,428</b>	<b>3,162,992</b>	<b>476,512</b>	<b>417,951</b>	<b>9,189,990</b>	<b>16,548,593</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (478,772)</b>	<b>\$ (42,674)</b>	<b>\$ -</b>	<b>\$ 62,664</b>	<b>\$ 931,480</b>	<b>\$ 8,537,686</b>	<b>\$ 9,010,384</b>

## Rainy River First Nations 2022 Segment Disclosure

For the year ended March 31, 2022	Operations						Total
	Band	Support	Maintenance	Education	Social Services	Minor Capital	
<b>Revenue</b>							
ISC	\$ 514,865	\$ 355,994	\$ 2,664,047	\$ 166,446	\$ 361,204	\$ 1,459,487	\$ 5,522,043
Canada	-	9,128	-	-	655,475	1,122,686	1,787,289
Ontario	-	-	-	461,516	-	327,442	788,958
Casino Rama	-	-	-	-	-	514,921	514,921
Trust income	-	-	-	-	-	2,748,692	2,748,692
Other Aboriginal Organizations	-	-	-	-	-	1,967,691	1,967,691
Interest, rentals and other	671,495	-	-	-	-	9,213,243	9,884,738
Administration	793,820	-	(346,230)	(17,016)	-	(430,574)	-
Transfers	-	176,060	984,916	(112,433)	(138,025)	(910,518)	-
	1,980,180	541,182	3,302,733	498,513	878,654	16,013,070	23,214,332
<b>Expenditures</b>							
Salaries, wages and benefits	1,007,777	237,324	691,356	66,698	-	2,271,386	4,274,541
Materials, supplies and capital	330,477	303,856	2,257,383	403,524	108,024	4,596,700	7,999,964
Rents and financial expenses	730,440	-	-	-	-	472,798	1,203,238
Travel	58,106	-	52,735	125	-	38,116	149,082
Amortization	447,139	147,681	-	-	42,121	559,607	1,196,548
	2,573,939	688,861	3,001,474	470,347	150,145	7,938,607	14,823,373
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (593,759)</b>	<b>\$ (147,679)</b>	<b>\$ 301,259</b>	<b>\$ 28,166</b>	<b>\$ 728,509</b>	<b>\$ 8,074,463</b>	<b>\$ 8,390,959</b>