

Munsee-Delaware Nation
Consolidated Financial Statements
For the Year Ended March 31, 2022

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Consolidated Financial Statements
For the Year Ended March 31, 2022

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Tel: (519) 432 5534
Fax: (519) 432 6544
Toll-free: (888) 275 4933
www.bdo.ca

BDO Canada LLP
633 Colborne Street
Suite 230
London ON N6B 2V3 Canada

Independent Auditor's Report

To the council of Munsee-Delaware Nation

Qualified Opinion

We have audited the consolidated financial statements of Munsee-Delaware Nation (the Nation), which comprise the consolidated statement of financial position as at March 31, 2022, the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2022, and its consolidated results of operations, its consolidated change 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 Nation has an investment in 1748960 Ontario Limited o/a Paradise Bingo which was accounted for as of March 31, 2021 under the modified equity method but did not meet the criteria of a government business enterprise. The Nation also controls Munsee-Delaware Nation Charity Association, a government not-for-profit organization, that was not consolidated for the year ended March 31, 2021. The predecessor auditor's opinion on the consolidated financial statements for the year ended March 31, 2021 was modified because of the effects of these departures from Canadian Public Sector accounting standards. As described in Note 2, this matter has been corrected in the current year in accordance with the requirements of PS 2020.31. As a result, our opinion on the consolidated financial statements for the year ended March 31, 2022 is qualified due to the effects of the matter on the comparability of the current year figures and the corresponding figures.

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

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 3 to the consolidated financial statements, which explains that certain comparative information presented for the year ended March 31, 2021 has been



restated. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements for the year ended March 31, 2021 (prior to the adjustments that were applied to restate certain comparative information explained in Note 3) were audited by another who expressed a qualified opinion on those statements on September 6, 2022 for the reason described in the Basis for Qualified Opinion section.

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 Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario
November 7, 2023

Munsee-Delaware Nation Consolidated Statement of Financial Position

March 31	2022	2021
		Restated (Note 3)
Financial Assets		
Cash	\$10,690,852	\$ 7,580,438
Trust funds in Ottawa (Note 4)	88,537	87,160
Accounts receivable (Note 5)	1,487,245	814,745
Due from related parties (Note 2)	-	193,763
	<u>\$ 12,266,634</u>	<u>\$ 8,676,106</u>
Liabilities		
Accounts payable and accrued liabilities (Note 10)	\$ 2,011,561	\$ 1,718,415
Deferred revenue (Notes 3 & 7)	5,405,800	4,064,485
Deposits	18,450	9,800
Long-term debt (Note 8)	<u>1,198,270</u>	<u>236,655</u>
	<u>8,634,081</u>	<u>6,029,355</u>
Net Financial Assets	<u>\$ 3,632,553</u>	<u>\$ 2,646,751</u>
Non-Financial Assets		
Capital assets (Note 9)	\$10,298,563	\$ 10,817,008
Prepaid expenses	<u>14,735</u>	<u>236,500</u>
	<u>10,313,298</u>	<u>11,053,508</u>
Accumulated Surplus (Note 11)	<u>\$ 13,945,851</u>	<u>\$ 13,700,259</u>

On behalf of Chief and Council:

_____ Chief

_____ Finance Coordinator

Munsee-Delaware Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2022 Budget	2022	2021
			Restated (Note 3)
Revenue			
Indigenous Services Canada	\$ 2,817,948	\$ 1,298,795	\$ 1,067,327
Health Canada	701,519	294,482	223,896
Canadian Mortgage and Housing Corporation	141,395	135,388	104,607
Province of Ontario	1,285,289	583,070	620,742
Southern First Nation Secretariat	420,565	241,305	114,076
Ontario First Nations Limited Partnership	450,000	389,554	672,077
Union of Ontario Indians	631,565	450,333	296,861
Stepping Stones	508,653	502,702	479,805
Kinomaadswin Education Body Inc.	4,065,182	1,266,610	1,157,692
Rental income	484,361	535,389	283,433
Interest income	45,000	41,131	36,064
Other income	247,270	780,904	46,237
	<u>11,798,747</u>	<u>6,519,663</u>	<u>5,102,817</u>
Expenses			
Administration and Governance - Schedule 1	3,036,143	3,388,031	2,331,814
Education - Schedule 2	1,862,142	1,129,048	1,166,727
Health and Social Services - Schedule 3	3,137,366	1,740,235	1,399,882
	<u>8,035,651</u>	<u>6,257,314</u>	<u>4,898,423</u>
Excess of revenue over expenses from operations before replacement reserve	3,763,096	262,349	204,394
Replacement reserve	-	12,960	8,378
	<u>3,763,096</u>	<u>275,309</u>	<u>212,772</u>
Annual surplus before the undernoted	3,763,096	275,309	212,772
Opening impact of consolidation (Note 2)	-	(29,717)	-
	<u>3,763,096</u>	<u>245,592</u>	<u>212,772</u>
Annual surplus for the year	3,763,096	245,592	212,772
Accumulated surplus, beginning of year (Note 11)	13,516,262	13,700,259	13,487,487
Accumulated surplus, end of year (Note 11)	<u>\$17,279,358</u>	<u>\$ 13,945,851</u>	<u>\$ 13,700,259</u>

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

Munsee-Delaware Nation

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2022 Budget	2022	2021
Annual surplus	\$ 3,763,096	\$ 245,592	\$ 212,772
Acquisition of tangible capital assets	-	(233,215)	(1,182,812)
Amortization of tangible capital assets	500,000	759,533	640,438
	<u>4,263,096</u>	<u>771,910</u>	<u>(329,602)</u>
Utilization of prepaid assets	<u>4,263,096</u>	<u>221,764</u>	<u>77,034</u>
Net change in financial assets	4,263,096	993,674	(252,568)
Net Financial Assets, Beginning of Year	13,516,262	2,646,751	2,899,319
Impact of consolidation (Note 2)	<u>-</u>	<u>(7,872)</u>	<u>-</u>
Net Financial Assets, End of Year	<u>\$17,779,358</u>	<u>\$ 3,632,553</u>	<u>\$ 2,646,751</u>

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

Munsee-Delaware Nation Consolidated Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Annual surplus	\$ 245,592	\$ 212,772
Items not affecting cash:		
Amortization	759,533	640,438
Opening impact of consolidation on surplus (Note 2)	29,717	-
	<u>1,034,842</u>	<u>853,210</u>
Changes in non-cash working capital:		
Accounts receivable	(672,499)	206,724
Deposits	8,650	3,000
Prepaid expenses	221,763	77,034
Accounts payable and accrued liabilities	293,157	797,600
Deferred revenue	1,341,315	1,208,050
	<u>2,227,228</u>	<u>3,145,618</u>
Cash flows from financing activities		
Advance of long-term debt	1,094,261	-
Repayment of long-term debt	(132,646)	(63,480)
Repayment of bank loan	-	(10,000)
Increase in funded reserves	-	(1,082)
Increase in trust funds in Ottawa	(1,377)	-
	<u>960,238</u>	<u>(74,562)</u>
Cash flows from capital activities		
Acquisition of tangible capital assets	(233,213)	(1,182,813)
Net book value of tangible capital assets brought in on consolidation (Note 2)	(7,872)	-
	<u>(241,085)</u>	<u>(1,182,813)</u>
Change in Cash	2,946,381	1,888,243
Cash, beginning of the year before the undernoted	7,580,438	5,692,195
Cash, beginning of the year impact of consolidation (Note 2)	164,033	-
Cash, beginning of the year	<u>7,744,471</u>	<u>5,692,195</u>
Cash, end of the year	<u>\$10,690,852</u>	<u>\$ 7,580,438</u>

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

Munsee-Delaware Nation Notes to Consolidated Financial Statements

March 31, 2022

1. Significant Accounting Policies

Nature of Business The Munsee-Delaware Nation is located in Muncey, Ontario. The elected government consists of a Chief and four members of Council. The organization manages and administers all political, social and economic programs of this Nation.

Reporting Entity The reporting entity includes the Nation and all entities that are controlled by the Nation.

All controlled entities are consolidated in the Nation's financial statements according to the Nation's percentage ownership except for entities that meet the definition of a business enterprise or a business partnership, which are included in the financial statements on a modified equity basis. Accounting policies of consolidated and proportionately consolidated entities are conformed to those of the Nation and inter-organizational balances and transactions are eliminated upon consolidation.

Entities fully consolidated in the Nation's financial statements include:

	% ownership
- 1748960 Ontario Limited o/a Paradise Bingo	100%
- Munsee-Delaware Nation Charity Association	100%

Under the modified equity method of accounting, only the Nation's investment in the entity and the 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 difference from those of the Nation's and inter-organizational balances and transactions are not eliminated.

Management's Responsibility These financial statements of the Nation are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for local government entities.

Basis of Presentation The financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities.

Munsee-Delaware Nation Notes to Consolidated Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued)

Revenue Recognition

Revenues are recognized in the period in which the transactions or events give rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenue in the 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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized in revenue when used for the specific purpose.

Investment income is recognized as revenue on an accrual basis.

Rental revenue and interest on loans is recognized when it is due in accordance with the respective agreements.

Tangible Capital Assets

Tangible capital assets have been recorded at cost and amortized over their useful lives. Amortization is computed using the following annual rates and methods:

	Method	Rate
CMHC Housing	Straight-line	25-30 years
Water treatment plant	Straight-line	20 years
Multiplex and royal homes	Straight-line	25 years
Buildings	Straight-line	40 years
Furniture and fixtures	Straight-line	10 years
Parking Lots	Straight-line	20 years
Machinery and equipment	Straight-line	10 years
Vehicles	Straight-line	10 years
Computer Hardware	Straight-Line	3 years
Roads	Straight-line	40 years
Signs	Straight-line	10 years

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

Munsee-Delaware Nation Notes to Consolidated Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued)

Management estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

Loans to Band Members Funding received for the purpose of building and renovating houses is recorded as revenue of a specific program. The commitment of the funds to a particular Nation member for the purchase of approved housing is recorded as an expenditure of the program and as a commitment to that Nation member. Commitments outstanding at the end of the year are reported as liabilities.

Agreements exist between the Council and the members regarding the terms of repayment of various expenses. The portion of the expenses determined to be repayable are recorded as loans due from the members on the Consolidated Statement of Financial Position.

Loans to band members are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. When the loss is known with sufficient precision and there is no realistic prospect of recovery, the loan receivable is reduced by the amount of the loss. Loans are reviewed on an annual basis by management.

Munsee-Delaware Nation Notes to Consolidated Financial Statements

March 31, 2022

2. Restatement

The Nation has an investment in 1748960 Ontario Limited o/a Paradise Bingo which was accounted for as of March 31, 2021 under the modified equity method but did not meet the criteria of a government business enterprise. The Nation also controls Munsee-Delaware Nation Charity Association, a government not-for-profit organization, that was not consolidated for the year ended March 31, 2021. This matter has been corrected in the current year in accordance with the requirements of PS 2020.31. The impact of this restatement is shown below:

	March 31, 2021 Balance	Effect of Consolidation	Revised Opening April 1, 2021 Balance
Cash	7,580,438	164,033	7,744,471
Tangible capital assets	10,817,008	7,872	10,824,880
Due from related parties	193,763	(193,763)	-
Accounts payable and accrued liabilities	(1,718,415)	(7,859)	(1,726,274)
Accumulated Surplus	(13,516,262)	29,717	(13,486,545)

3. Prior Period Error

The Nation has determined that deferred revenue was overstated for the year ended March 31, 2021. As a result, revenue was understated and accumulated surplus was understated as at March 31, 2021. The entity determined that a correction was required for the prior year. In addition to the corrections noted below, notes 7, 11 were corrected for this amendment.

	2021 (Restated)
Deferred revenue as previously reported	\$ 4,248,482
Correction to deferred revenue	(183,997)
Deferred revenue - Restated	<u>\$ 4,064,485</u>
Kinomaadswin Education Body Inc. revenue as previously reported	\$ 4,918,821
Correction to deferred revenue	183,997
Kinomaadswin Education Body Inc. revenue - Restated	<u>\$ 5,102,818</u>
Accumulated Surplus, end of year - as previously reported	\$13,516,262
Correction to revenue	183,997
Accumulated Surplus, end of year - Restated	<u>\$13,700,259</u>

Munsee-Delaware Nation
Notes to Consolidated Financial Statements

March 31, 2022

4. Trust Funds in Ottawa

	2022	2021
Revenue trust fund	\$ 83,397	\$ 82,020
Capital trust fund	5,140	5,140
	<u>\$ 88,537</u>	<u>\$ 87,160</u>

5. Accounts receivable

	2022	2021
Federal Government	\$ 548,861	\$ 428,585
Provincial Government programs	30,274	54,626
Other funders		
Kinomaadswin Education Body Inc.	42,976	1,009
Ontario First Nations Limited Partnership	284,707	-
Southern First Nations Secretariat	25,202	25,245
Stepping Stones	97,352	78,306
Anishinabek Nation	348,034	173,318
Other	109,839	53,656
	<u>\$ 1,487,245</u>	<u>\$ 814,745</u>

6. Loans to Band Members

	2022	2021
Loans		
Housing loans	\$ 356,117	\$ 382,645
Royal home loans	669,484	693,794
	1,025,601	1,076,439
Less: allowance for doubtful loans	<u>(1,025,601)</u>	<u>(1,076,439)</u>
	<u>\$ -</u>	<u>\$ -</u>

An allowance for doubtful accounts has been created to allow for loans which may not ultimately be collectible. Interest on the special loans has not been recorded as these loans may not ultimately be collectible.

Munsee-Delaware Nation
Notes to Consolidated Financial Statements

March 31, 2022

7. Deferred Revenue

	2022	(Restated) 2021
	<u>2022</u>	<u>2021</u>
Southern First Nations Secretariat	\$ 291,620	\$ 221,442
Indigenous Services Canada	2,054,684	1,215,537
Kinoomaadziwin Education Body	2,683,332	2,263,560
Ministry of Indigenous Affairs	69,118	41,037
Other	25,344	48,675
Anishinabek Nation	281,702	274,234
	<u>\$ 5,405,800</u>	<u>\$ 4,064,485</u>

Munsee-Delaware Nation Notes to Consolidated Financial Statements

March 31, 2022

8. Long-term Debt

	2022	2021
Residential Housing Loan by Canada and Mortgage Housing Corporation - 0.68%, repayable in blended monthly installments of \$2,634, due December 2023 - Phase 1	\$ 55,007	\$ 86,164
Residential Housing Loan by Canada and Mortgage Housing Corporation - 0.76%, repayable in blended monthly installments of 2,886, due August 2025 - Phase 2	116,858	150,491
Residential Housing Loan by Canada and Mortgage Housing Corporation - 1.12%, repayable in blended monthly installments of \$1,339, due October 2026 - Phase 3	345,519	-
Residential Housing Loan by Canada and Mortgage Housing Corporation - 1.30%, repayable in blended monthly installments of \$3,878, due April 2026 - Phase 4	599,324	-
COVID-19 Emergency Relief Loan from Tecumseh Community Development Corporation - 0%, repayable at various amounts as determined by the Nation, due December 2022. Loan is unsecured.	39,062	-
COVID-19 Emergency Relief Loan from Tecumseh Community Development Corporation - 0%, repayable at various amounts as determined by the Nation, due December 2023. Loan is unsecured.	26,875	-
COVID-19 Emergency Relief Loan from Tecumseh Community Development Corporation - 0%, repayable at various amounts as determined by the Nation, due December 2023. Loan is unsecured.	15,625	-
	<u>\$ 1,198,270</u>	<u>\$ 236,655</u>

Principal amounts due in the next five years are as follows:

2023	\$ 198,311
2024	109,707
2025	88,034
2026	507,228
2027	294,990
	<u>\$ 1,198,270</u>

The Residential Housing loans by Canada Mortgage and Housing Corporation are secured by a Ministerial Guarantee from Indigenous Services Canada.

Munsee-Delaware Nation
Notes to Consolidated Financial Statements

March 31, 2022

9. Tangible Capital Assets

	Land	CMHC Buildings	Water Treatment Plant	Multiplex and Royal Homes	Buildings	Furniture and Fixtures	Parking Lots	Machinery and Equipment	Vehicles	Computer Hardware	Roads	Signs	Construction in-progress	2022 Total
Cost, beginning of year	\$ 117,831	\$ 1,286,285	\$ 2,937,554	\$ 1,633,118	\$ 11,404,923	\$ 518,302	\$ 215,315	\$ 467,985	\$ 296,842	\$ 21,306	\$ 79,144	\$ 90,563	\$ 973,986	\$ 20,043,154
Additions	-	-	-	-	-	117,982	38,001	-	-	15,899	-	-	61,332	233,214
Transfer of CMHC units	-	1,035,318	-	-	-	-	-	-	-	-	-	-	(1,035,318)	-
Opening adjustment - consolidation (Note 2)	-	-	-	-	-	9,840	-	-	-	-	-	-	-	9,840
Cost, end of the year	117,831	2,321,603	2,937,554	1,633,118	11,404,923	646,124	253,316	467,985	296,842	37,205	79,144	90,563	-	20,286,208
Accumulated amortization, beginning of the year	-	1,049,630	582,807	447,479	5,935,523	485,423	127,344	349,550	94,301	21,306	47,488	85,295	-	9,226,146
Opening adjustment - consolidation	-	-	-	-	-	1,966	-	-	-	-	-	-	-	1,966
Amortization	-	168,756	146,878	65,325	285,122	19,180	10,766	18,525	25,201	8,745	1,979	9,056	-	759,533
Transfer of CMHC units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	1,218,386	729,685	512,804	6,220,645	506,569	138,110	368,075	119,502	30,051	49,467	94,351	-	9,987,645
Net carrying amount, end of year	\$ 117,831	\$ 1,103,217	\$ 2,207,869	\$ 1,120,314	\$ 5,184,278	\$ 139,555	\$ 115,206	\$ 99,910	\$ 177,340	\$ 7,154	\$ 29,677	\$ (3,788)	\$ -	\$ 10,298,563
														2021 Total
Cost, beginning of year	\$ 117,831	\$ 1,286,285	\$ 2,937,554	\$ 1,633,118	\$ 11,363,073	\$ 518,302	\$ 215,315	\$ 401,085	\$ 196,766	\$ 21,306	\$ 79,144	\$ 90,563	\$ -	\$ 18,860,342
Additions	-	-	-	-	41,850	-	-	66,900	100,076	-	-	-	973,986	1,182,812
Transfer of CMHC units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost, end of the year	117,831	1,286,285	2,937,554	1,633,118	11,404,923	518,302	215,315	467,985	296,842	21,306	79,144	90,563	973,986	20,043,154
Accumulated amortization, beginning of the year	-	986,150	435,929	382,154	5,650,401	478,680	116,578	325,625	67,137	21,306	45,509	76,239	-	8,585,708
Amortization	-	63,480	146,878	65,325	285,122	6,743	10,766	23,925	27,164	-	1,979	9,056	-	640,438
Transfer of CMHC units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	1,049,630	582,807	447,479	5,935,523	485,423	127,344	349,550	94,301	21,306	47,488	85,295	-	9,226,146
Net carrying amount, end of year	\$ 117,831	\$ 236,655	\$ 2,354,747	\$ 1,185,639	\$ 5,469,400	\$ 32,879	\$ 87,971	\$ 118,435	\$ 202,541	\$ -	\$ 31,656	\$ 5,268	\$ 973,986	\$ 10,817,008

Munsee-Delaware Nation

Notes to Consolidated Financial Statements

March 31, 2022

10. Accounts Payable and Accrued Liabilities

	2022	2021
Accounts payable	\$ 433,802	\$ 661,198
Repayable to funders	1,297,715	921,816
Accrued liabilities	280,044	135,401
	<u>\$ 2,011,561</u>	<u>\$ 1,718,415</u>

11. Accumulated Surplus

	2022	2021
		(Restated)
Operating reserves		
Investment in tangible capital assets	\$ 9,181,854	\$ 10,580,353
Unrestricted accumulated surplus - Nation	1,262,383	(147,213)
Unrestricted accumulated surplus - Bingo	(184,017)	-
Unrestricted accumulated surplus - Charity	111,368	-
Restricted reserves		
Trust Funds in Ottawa	88,537	87,160
CMHC	134,615	121,655
OFNLP - Gaming	3,351,111	3,058,304
	<u>\$ 13,945,851</u>	<u>\$ 13,700,259</u>

12. Defined Contribution Plan

During the year, the Nation made contributions of \$17,931 (2021 - \$20,312) to a defined contribution pension plan. The contributions matched contributions made by the employee during the same period up to a maximum of 5.50% (2021 3.75%).

13. Comparative Figures

Certain of the prior period's figures have been reclassified to conform to the presentation of the current period.

Munsee-Delaware Nation
Notes to Consolidated Financial Statements

March 31, 2022

14. Classification of Expenditure by Object (Type of Expense)

The consolidated statement of operations presents the expenditures by function. The following classifies the same expenditures by object.

	2022	2021
	<hr/>	<hr/>
Housing Replacement reserve	\$ 12,960	\$ 7,900
Amortization	759,533	640,438
Bad Debts	(50,838)	(32,533)
Bank Charges and interest	28,826	18,677
Other	402,312	-
COVID-19 Relief	75	2,118
Employee benefits	202,549	227,460
Equipment	7,600	25,523
Garbage collection and recycling	10,048	-
Honoraria		
Council	71,088	86,134
Staff	59,800	23,975
Infrastructure services	5,080	2,540
Insurance	109,683	99,376
Office administration	290,522	194,419
Professional services	366,236	289,713
Program Resources	654,607	463,912
Rent	26,616	8,413
Repairs and maintenance		
Buildings	205,837	183,493
Vehicles and equipment	149,592	137,102
CMHC enhanced	40,237	-
Salaries and wages	1,305,382	1,215,808
Social Assistance benefits	644,148	436,515
Student transportation	106,675	117,744
Training and professional development	2,810	1,000
Travel		
Community	6,650	6,023
Council	1,050	2,574
Staff	27,086	17,907
Tuition fees	659,156	608,871
Utilities	137,841	100,679
Program administration	14,153	12,642
	<hr/>	<hr/>
Total expenses by object	\$ 6,257,314	\$ 4,898,423

Munsee-Delaware Nation Notes to Consolidated Financial Statements

March 31, 2022

15. Budget

The budget adopted by the Nation was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while the Public Sector Accounting Standards now require full accrual basis. The budget figures did not include amortization expenses.

16. Segmented Information

Munsee-Delaware Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, capital, enterprises and other services.

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 that 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. Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Administration and Governance

The administration segment manages the administrative operations of the Nation. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment. This segment also manages the repairs and maintenance for the roads, bridges and community buildings and also manages infrastructure programs including facilities operations and maintenance, capital projects, water and waste water plant operations and other related activities. This segment also provides housing to members under CMHC programs and reports on the respective revenue and expenditures.

Education

The education segment provides elementary and secondary education instructional services and provides financial support to post-secondary students. It also manages the activities of the Nation's daycare program.

Health and Social Services

The health and social services segment provides a variety of health care programs and support to Nation members as well as administers the provision of social assistance to qualifying members.

Munsee-Delaware Nation Notes to Consolidated Financial Statements

March 31, 2022

17. Subsequent Event

On April 1, 2023, the Nation signed a Community Benefits Agreement with the City of Toronto. The purpose of the agreement is to foster a reconciliation between the City and the Nation with respect to the Greenlane Landfill site that neighbours Munsee-Delaware Nation's lands. The total amount to be provided to the Nation is \$2.5 million. The Nation will receive a lump sum payment of \$1.25 million by May 30, 2023 and will receive the remaining amount over a period of 13 years.

Munsee-Delaware Nation Consolidated Summary of Schedules

For the year ended March 31, 2022	Revenue	Expenses
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Schedule 1 - Administration and Governance	\$ 2,988,152	\$ 3,388,031
Schedule 2 - Education	1,600,288	1,129,048
Schedule 3 - Health and Social Services	1,931,223	1,740,235
Total	\$ 6,519,663	\$ 6,257,314

For the year ended March 31, 2021	Revenue	Expenses
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Schedule 1 - Administration and Governance	\$ 2,020,387	\$ 2,331,814
Schedule 2 - Education	1,552,642	1,166,727
Schedule 3 - Health and Social Services	1,529,789	1,399,882
Total	\$ 5,102,818	\$ 4,898,423

Munsee-Delaware Nation

Consolidated Schedule 1 - Administration and Governance

For the year ended March 31	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada	\$ 1,912,534	\$ 930,650	\$ 726,151
Ministry of Indigenous Affairs	85,000	85,000	84,427
Canada Mortgage Housing Corporation	141,395	135,388	104,607
Anishinabek Nation	117,370	125,491	64,227
Ontario First Nations Limited Partnership	450,000	389,554	672,077
Rental Income	535,389	535,389	301,433
Other	212,004	786,680	67,465
	<u>3,453,692</u>	<u>2,988,152</u>	<u>2,020,387</u>
Expenses			
Amortization	500,000	759,533	640,438
Bank charges and interest	14,500	28,827	18,677
Office and other	287,762	259,743	182,666
Professional fees	521,061	312,393	237,749
Program expense	275,380	476,325	46,835
Repairs and maintenance	493,657	346,124	298,250
Salaries and benefits	692,363	925,559	801,872
Social Assistance	21,800	14,743	6,616
Utilities	86,100	121,264	85,902
Administration	143,520	143,520	12,809
	<u>3,036,143</u>	<u>3,388,031</u>	<u>2,331,814</u>
Excess (deficiency) of revenue over expenses	<u>\$ 417,549</u>	<u>\$ (399,879)</u>	<u>\$ (311,427)</u>

Munsee-Delaware Nation Consolidated Schedule 2 - Education

For the year ended March 31	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada	\$ 57,900	\$ 57,900	\$ 76,320
Kinoomaadziwin Education Body	4,065,182	1,266,610	1,157,692
Ministry of Education	796,246	250,423	318,630
Other	70,266	25,355	-
	<u>4,989,594</u>	<u>1,600,288</u>	<u>1,552,642</u>
Expenses			
Office and other	68,500	49,173	40,729
Professional fees	28,500	14,550	7,106
Program expense	1,296,257	805,003	767,596
Repairs and maintenance	62,000	34,330	10,277
Salaries and benefits	381,885	206,030	331,211
Social assistance	15,000	9,000	-
Utilities	10,000	10,962	9,808
	<u>1,862,142</u>	<u>1,129,048</u>	<u>1,166,727</u>
Excess of revenue over expenses	<u>\$ 3,127,452</u>	<u>\$ 471,240</u>	<u>\$ 385,915</u>

Munsee-Delaware Nation
Consolidated Schedule 3 - Health and Social Services

For the year ended March 31	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada	\$ 847,514	\$ 390,663	\$ 238,432
Stepping Stones	523,592	517,641	497,764
Health Canada	701,519	294,482	234,137
Southern First Nations Secretariat	405,626	226,366	96,116
Ministry of Indigenous Affairs	132,077	21,922	101,957
Ministry of Community and Social Services	171,338	28,777	6,183
Ministry of Health	100,628	97,221	107,728
Anishinabek Nation	344,151	344,151	232,634
Other	10,000	10,000	14,838
	<u>3,236,445</u>	<u>1,931,223</u>	<u>1,529,789</u>
Expenses			
Office and other	168,448	195,470	92,195
Professional fees	28,700	26,628	44,858
Program expense	1,446,689	488,567	370,242
Repairs and maintenance	121,949	24,167	37,591
Salaries and benefits	870,376	507,231	420,293
Social assistance	495,704	492,556	429,734
Utilities	5,500	5,616	4,969
	<u>3,137,366</u>	<u>1,740,235</u>	<u>1,399,882</u>
Excess of revenue over expenses	<u>\$ 99,079</u>	<u>\$ 190,988</u>	<u>\$ 129,907</u>