

Consolidated Financial Statements of

**ZHIIBAAHAASING FIRST NATION**

And Independent Auditor's Report thereon

Year ended March 31, 2022

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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

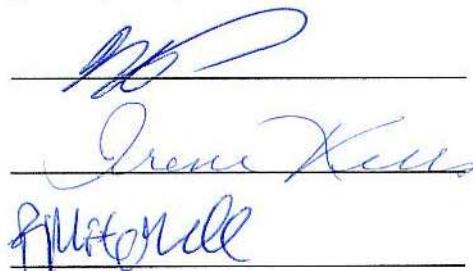
The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically to discuss and to review the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.



A handwritten signature in blue ink, appearing to read "Irene Keewatinny", is written over three horizontal lines. The signature is fluid and cursive, with "Irene" on the top line, "Keewatinny" on the middle line, and a surname on the bottom line.



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## INDEPENDENT AUDITOR'S REPORT

To the Members of Zhiibaahaasing First Nation

### *Opinion*

We have audited the consolidated financial statements of Zhiibaahaasing First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and its consolidated results of operations and accumulated surplus and its consolidated cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



### ***Responsibility of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First 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 First Nation or to cease operations or has no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 the 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 risk of material misstatement of the 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, internal 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 purposes of expressing an opinion on the effectiveness of the First Nation's internal control.



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- 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 the events or conditions that may cast significant doubt on the First 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 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 First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
March 4, 2024

# ZHIIBAAHAASING FIRST NATION

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Year ended March 31, 2022

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## **Consolidated Financial Statements**

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# ZHIIBAAHAASING FIRST NATION

Exhibit A - Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 4,167,003	\$ 940,917
Restricted cash (note 2)	189,157	135,318
Accounts receivable (note 3)	1,643,742	2,369,092
Consolidated revenue trust fund (note 4)	46,342	45,928
Investments in Government Business Partnerships (note 5)	46,330	36,712
	<u>6,092,574</u>	<u>3,527,967</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	533,213	434,080
Deferred revenue (note 7)	4,480,335	1,746,645
Long-term debt (note 8)	486,026	458,853
	<u>5,499,574</u>	<u>2,639,578</u>
<b>Net assets</b>	<b>593,000</b>	<b>888,389</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 9)	6,852,409	6,149,533
Prepaid expenses	19,097	50,520
	<u>6,871,506</u>	<u>6,200,053</u>
Contingent liabilities (note 10)		
<b>Accumulated surplus (note 11)</b>	<b>\$ 7,464,506</b>	<b>\$ 7,088,442</b>

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

Chief



Councilor



Councilor



# ZHIIBAAHAASING FIRST NATION

## Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
<b>Revenue:</b>		
Federal funding (note 12)	\$ 1,154,973	\$ 2,400,209
Provincial funding	13,528	-
Kinoomaadziwin Education Body	514,291	449,511
Government Business Enterprises	130,851	240,133
Other	1,027,454	1,119,039
Rental	105,746	104,617
	<hr/> 2,946,843	<hr/> 4,313,509
<b>Expenses:</b>		
Band Government	370,779	329,769
Medical Transportation	97,579	79,830
Community Health Services	633,120	635,422
Education	510,416	449,008
Band Housing	74,248	98,131
Public Works and Facilities	478,050	342,954
Employment and Economic Development	183,848	65,837
Equipment Rental	27,394	17,943
Social Housing	63,486	55,927
Community Property	131,859	84,332
	<hr/> 2,570,779	<hr/> 2,159,153
<b>Excess of revenue over expenses</b>	<b>376,064</b>	<b>2,154,356</b>
<b>Accumulated surplus, beginning of year</b>	<b>7,088,442</b>	<b>4,934,086</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 7,464,506</b>	<b>\$ 7,088,442</b>

See accompanying notes to consolidated financial statements.

# ZHIIBAAHAASING FIRST NATION

## Exhibit C - Consolidated Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Excess of revenue over expenses	\$ 376,064	\$ 2,154,356
Acquisition of tangible capital assets	(1,048,849)	(1,917,902)
Amortization of tangible capital assets	300,740	260,200
Loss on disposal of tangible capital assets	20,233	-
Proceeds on sale of tangible capital assets	25,000	-
	<u>(326,812)</u>	<u>496,654</u>
Use of prepaid expenses	31,423	3,196
Change in net financial (debt) assets	(295,389)	499,850
Net assets, beginning of year	888,389	388,539
Net assets, end of year	<u>\$ 593,000</u>	<u>\$ 888,389</u>

See accompanying notes to consolidated financial statements.

# ZHIIBAAHAASING FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
<b>Cash flows from operating activities:</b>		
Excess of revenue over expenses	\$ 376,064	\$ 2,154,356
<b>Adjustments for:</b>		
Amortization of tangible capital assets	300,740	260,200
Loss on disposal of property, plant and equipment	20,233	-
	<u>697,037</u>	<u>2,414,556</u>
<b>Changes in non-cash working capital:</b>		
Decrease (increase) in accounts receivable	725,350	(1,644,719)
Decrease in prepaid expenses	31,423	3,196
Increase in accounts payable and accrued liabilities	99,133	93,344
Increase in deferred revenue	<u>2,733,690</u>	<u>350,881</u>
	<u>4,286,633</u>	<u>1,217,258</u>
<b>Cash flows from financing activities:</b>		
Proceeds of long term debt	71,000	-
Principal repayments on long-term debt	<u>(43,827)</u>	<u>(40,810)</u>
	<u>27,173</u>	<u>(40,810)</u>
<b>Cash flows from investing activities:</b>		
Purchase of tangible capital assets	(1,048,849)	(1,917,902)
Increase in investment in U.C.C.M Building LP	(9,618)	(6,108)
Increase in consolidated revenue trust fund	(414)	(873)
Proceeds from disposal of tangible capital asset	<u>25,000</u>	<u>-</u>
	<u>(1,033,881)</u>	<u>(1,924,883)</u>
<b>Net increase (decrease) in cash</b>	<b>3,279,925</b>	<b>(748,435)</b>
<b>Cash, beginning of year</b>	<b>1,076,235</b>	<b>1,824,670</b>
<b>Cash, end of year</b>	<b>\$ 4,356,160</b>	<b>\$ 1,076,235</b>
<b>Cash is comprised of the following items:</b>		
Cash	\$ 4,167,003	\$ 940,917
Restricted cash	189,157	135,318
	<u>\$ 4,356,160</u>	<u>\$ 1,076,235</u>

See accompanying notes to consolidated financial statements.

# ZHIIBAAHAASING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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Zhiibaahaasing First Nation (the “First Nation”), located on Manitoulin Island, administers programs and provides services on behalf of its members.

### **1. Significant accounting policies:**

These consolidated financial statements (the “financial statements”) of the First Nation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

(a) Reporting entity:

(i) Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the First Nation and are owned and controlled by the First Nation.

All interdepartmental and inter-organizational assets and liabilities, revenues and expenses have been eliminated.

(ii) Investment in Government Business Partnerships:

Government Business Partnerships are accounted for using the modified equity method. Government Business Partnerships include the following organizations:

- U.C.C.M Building Material Supply Limited Partnership and U.C.C.M Building Material Supply Partnership Inc. (“UCCMLP”).
- M’Nidoo M’Nising Power General Partners Inc. and M’Nidoo M’Nising Power Limited Partnership (“MMPLP”).

Under the modified equity method, the accounting principles are not adjusted to conform with those of the First Nation and inter-organization transactions and balances are not eliminated.

(b) Basis of accounting:

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# ZHIIBAAHAASING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 1. Significant accounting policies (continued):

#### (e) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Estimated Life – Years
Buildings and band housing	10 - 50 years
Infrastructure	10 - 40 years
Land improvements	10 – 15 years
Water treatment plant	40 years
Machinery and equipment	5 - 15 years
Furniture, computers and fixtures	4 - 10 years

- (i) Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.
- (ii) Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

#### (f) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

#### (g) Consolidated revenue trust funds:

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 and are subject to audit by the office of the Auditor General of Canada.

Funds held by the Government of Canada on behalf of the First Nation are included on the consolidated statement of financial position.

#### (h) Prior year funding adjustments:

The First Nation has entered into accountable contribution agreements with several funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year which the adjustments are made.

# ZHIIBAAHAASING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 2. Restricted cash:

In accordance with the operating agreements between the First Nation and Canada Mortgage and Housing Corporation (“CMHC”), the First Nation is required to set aside funding to maintain a replacement and surplus reserve bank account. As of the fiscal year end, the First Nation was required to have set aside \$213,672 (2021 - \$199,793), cash in the amount of \$189,157 (2021 - \$135,318) is restricted for this purpose.

### 3. Accounts receivable:

	2022	2021
Indigenous Services Canada (“ISC”)	\$ 914,876	\$ 1,539,756
Ontario First Nation Limited Partnership	214,550	335,579
Canada Mortgage and Housing Corporation	2,714	82,452
Others	511,602	411,305
	<b>\$ 1,643,742</b>	<b>\$2,369,092</b>

### 4. Consolidated revenue trust fund:

	Revenue	Capital	2022	2021
Balance, beginning of year	\$ 22,142	\$ 23,786	\$ 45,928	\$ 45,055
Interest	414	—	414	873
Balance, end of year	<b>\$ 22,556</b>	<b>\$ 23,786</b>	<b>\$ 46,342</b>	<b>\$ 45,928</b>

### 5. Investments in Government Business Partnerships:

The First Nation has a 14.28% equity interest in UCCMLP and a 16.66% equity interest in MMPLP. These organizations are government business partnerships of the First Nation and are accounted for on the modified equity method in these consolidated financial statements.

The investments in Government Business Partnerships consists of the following:

	MMPLP	UCCMLP	2022	2021
Balance, at beginning of year	\$ 2	\$ 36,710	\$ 36,712	\$ 30,604
Share of earnings	158,726	9,618	168,344	57,690
Provision for impairment	(158,726)	—	(158,726)	(51,582)
Balance, end of year	<b>\$ 2</b>	<b>\$ 46,328</b>	<b>\$ 46,330</b>	<b>\$ 36,712</b>

# ZHIIBAAHAASING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 6. Line of credit:

Under its credit agreement, the First Nation has a demand operating facility to a maximum of \$100,000, bearing interest at prime plus 2.5% (2021 – prime plus 2.5%).

Borrowings under the credit facility are secured by a general security agreement and an assignment of fire insurance.

The balance on the line of credit at March 31, 2022 is \$Nil (2021 - \$Nil).

### 7. Deferred revenue:

	2022	2021
Indigenous Services Canada (“ISC”)	\$ 2,032,710	\$ 928,463
Union of Ontario Indians	193,071	42,421
Kinoomaadziwin Education Body	995,454	775,761
Canadian Mortgage and Housing Corporation	1,259,100	–
	<hr/> <b>\$ 4,480,335</b>	<hr/> <b>\$1,746,645</b>

### 8. Long-term debt:

	2022	2021
Mortgage payable to CMHC in monthly payments of \$593 including interest at 1.67%, due February 2029	\$ 46,528	\$ 52,822
Mortgage payable to CMHC in monthly payments of \$1,439 including interest at 0.71%, due March 2035	214,584	230,286
Mortgage payable to CMHC in monthly payments of \$498 including interest at 0.71%, due September 2030	49,300	54,908
Mortgage payable to CMHC in monthly payments of \$511 including interest at 0.76%, due December 2040	107,300	112,607
Loan payable to Toronto Dominion loan, in monthly payments of \$764 including interest of 4.58%, matured on February 1, 2022	–	8,230
Loan payable to Toronto Dominion loan, in monthly payments of \$1,439 including interest of 4.91%, due September 1, 2026	68,314	–
	<hr/> <b>\$ 486,026</b>	<hr/> <b>\$ 458,853</b>

Scheduled principal repayments are estimated as follows:

2023	\$ 47,395
2024	48,416
2025	49,475
2026	50,562
2027	41,795
Thereafter	248,383

# ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 9. Tangible capital assets:

Cost	Balance at March 31, 2021	Additions	Disposals	Balance at March 31, 2022
Buildings	\$ 944,349	\$ -	\$ -	\$ 944,349
Land improvement	25,225	144,888	-	170,113
Water treatment plant	1,243,944	256,538	-	1,500,482
Band housing	3,134,447	318,363	-	3,452,810
Infrastructure	852,303	-	-	852,303
Machinery and equipment	1,295,150	327,322	(92,000)	1,530,472
Computers	23,635	1,738	-	25,373
Assets under construction	1,897,853	-	-	1,897,853
<b>Total</b>	<b>\$ 9,416,906</b>	<b>\$ 1,048,849</b>	<b>\$ (92,000)</b>	<b>\$ 10,373,755</b>

Accumulated Amortization	Balance at March 31, 2021	Disposals	Amortization	Balance at March 31, 2022
Buildings	\$ 538,353	\$ -	\$ 29,537	\$ 567,890
Land improvement	2,899	-	8,276	11,175
Water treatment plant	228,598	-	31,099	259,697
Band housing	1,106,614	-	96,411	1,203,025
Infrastructure	532,217	-	20,946	553,163
Machinery and equipment	835,057	(46,767)	114,296	902,586
Computers	23,635	-	175	23,810
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 3,267,373</b>	<b>\$ (46,767)</b>	<b>\$ 300,740</b>	<b>\$ 3,521,346</b>

	Net book value, March 31, 2021	Net book value, March 31, 2022
Buildings	\$ 405,996	\$ 376,459
Land improvement	22,326	158,938
Water treatment plant	1,015,346	1,240,785
Band housing	2,027,833	2,249,785
Infrastructure	320,086	299,140
Machinery and equipment	460,093	627,886
Computers	-	1,563
Assets under construction	1,897,853	1,897,853
<b>Total</b>	<b>\$ 6,149,533</b>	<b>\$ 6,852,409</b>

# ZHIIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 9. Tangible capital assets (continued):

Cost	Balance at March 31, 2020	Transfer	Additions	Balance at March 31, 2021
Buildings	\$ 944,349	\$ -	\$ -	\$ 944,349
Land improvement	15,125	-	10,100	25,225
Water treatment plant	1,243,944	-	-	1,243,944
Band housing	3,134,447	-	-	3,134,447
Infrastructure	602,404	-	249,899	852,303
Machinery and equipment	1,170,290	-	124,860	1,295,150
Computers	23,635	-	-	23,635
Assets under construction	364,810	-	1,533,043	1,897,853
<b>Total</b>	<b>\$ 7,499,004</b>	<b>\$ -</b>	<b>\$ 1,917,902</b>	<b>\$ 9,416,906</b>

Accumulated Amortization	Balance at March 31, 2020	Disposals	Amortization	Balance at March 31, 2021
Buildings	\$ 507,222	\$ -	\$ 31,131	\$ 538,353
Land improvement	882	-	2,017	2,899
Water treatment plant	197,499	-	31,099	228,598
Band housing	1,027,855	-	78,759	1,106,614
Infrastructure	518,016	-	14,201	532,217
Machinery and equipment	732,064	-	102,993	835,057
Computers	23,635	-	-	23,635
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 3,007,173</b>	<b>\$ -</b>	<b>\$ 260,200</b>	<b>\$ 3,267,373</b>

	Net book value, March 31, 2020	Net book value, March 31, 2021
Buildings	\$ 437,127	\$ 405,996
Land improvement	14,243	22,326
Water treatment plant	1,046,445	1,015,346
Band housing	2,106,592	2,027,833
Infrastructure	84,388	320,086
Machinery and equipment	438,226	460,093
Computers	-	-
Assets under construction	364,810	1,897,853
<b>Total</b>	<b>\$ 4,491,831</b>	<b>\$ 6,149,533</b>

# ZHIIBAAHAASING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 10. Contingent liabilities:

In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the “Trust”), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$426,000 (2021 - \$174,000). As of March 31, 2022, its proportion outstanding loan balance of part of the Trust is \$300,755 (2021 - \$173,190).

The loan guarantee is secured by an assignment of the First Nation’s distributions from Ontario First Nation Limited Partnership.

### 11. Accumulated surplus:

Accumulated surplus consists of individual program surplus and reserves as follows:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 6,411,621	\$ 5,690,680
Operations	(32,367)	612,248
	6,379,254	6,302,928
Reserve funds set aside for specific purpose by Council:		
CMHC Section 95 Replacement Reserve	68,706	64,186
Consolidated revenue trust fund	46,342	45,928
Ontario First Nation Limited Partnership	970,204	675,400
	1,085,252	785,514
	<u>\$ 7,464,506</u>	<u>\$ 7,088,442</u>

### 12. Federal funding:

	2022	2021
Indigenous Services Canada, per confirmation	\$ 2,036,689	\$ 2,527,469
Deferred revenue, beginning of year	928,463	768,147
MT Vans revenue recognized in 2019	–	–
Deferred revenue, end of year	(2,032,703)	(928,463)
Indigenous Services Canada	932,449	2,367,153
Canada Mortgage and Housing Corporation	1,481,624	33,056
Deferred revenue, end of year	(1,259,100)	–
Canada Mortgage and Housing Corporation	222,524	33,056
	<u>\$ 1,154,973</u>	<u>\$ 2,400,209</u>

# ZHIIBAAHAASING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### **13. Comparative information:**

Certain 2021 comparative information have been reclassified to conform to the presentation adopted in 2022.

### **14. Financial risk:**

#### **(a) Other risk:**

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the First Nation's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect to the First Nation's business is not known at this time.

### **15. Segmented information:**

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band government, community health services, education, band housing, public works and facilities, employment and economic development, community property and business enterprises. For management reporting purposes the First Nation's operations and activities are organized and reported by programs. Programs were created for the purposes of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these programs. Certain functional areas that have been separately disclosed in the segmented information, along with the services they provide.

#### **Band Government**

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

#### **Medical Transportation and Community Health Services**

The medical and community services department provides medical transportation and delivers other programming designed to enhance the health and wellness of members.

# ZHIIBAAHAASING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### **15. Segmented information (continued):**

#### **Education**

The education department provides student transportation and manages the education requirements of the First Nation's members.

#### **Band and Social Housing**

The band and social housing department manages the various on-reserve housing operations of the First Nation including CMHC housing.

#### **Public Works and Facilities**

The infrastructure or public works department provides the First Nation with support services for the repair and maintenance of all First Nation owned assets including buildings, roads, water systems and equipment. In addition, the department arranges for fire protection services to be provided to the First Nation.

#### **Employment and Economic Development**

The community development department is responsibility for identifying economic development and employment opportunities for the First Nation

#### **Community Property**

The community property department provides services for the longevity of the First Nation through the acquisition and development of equipment, roads and housing. Revenue and expenses included in this department are generally long-term in nature, capitalized in the accounts of the First Nation and amortized over their useful life.

#### **Business Enterprises and Other**

Business ventures undertaken by the First Nation are managed through the business enterprise department of the First Nation.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on the 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 financial statements as disclosed in the summary of significant accounting policies.

# ZHIBAAHSING FIRST NATION

Notes to Consolidated Financial Statements

Note 15 - Segmented Information (continued)

Year ended March 31, 2022

	Band Government	Band Community Health Services	Band and Social Housing	Public Works and Facilities	Employment and Economic Development	Community Property	Business Enterprises and Other	2022 Total	
Revenue	\$ 295,538	\$ 798,528	\$ 514,291	\$ 123,005	\$ 395,467	\$ 192,762	\$ 301,769	\$ 325,483	\$ 2,946,843
Expenses:									
Salaries, wages and benefits	220,013	223,270	43,600	47,084	134,177	79,446	—	—	
Materials, supplies, rentals and general	128,572	317,407	20,259	31,334	184,460	251,297	312,900	12,190	
Contractual and professional services	141,575	11,461	97,530	6,908	30,415	9,814	275,393	142,419	
Travel	65,730	107,772	6,908	920	9,603	3,966	180	—	
Interest on long-term debt	—	—	179	3,593	—	—	—	195,079	
Other	2,362	10,891	273,055	—	20,233	—	—	3,772	
Administration (recovery)	(178,915)	76,415	72,000	—	30,500	—	—	307,877	
Investment in tangible capital assets	(17,857)	(136,392)	(7,622)	(25,614)	(10,379)	(166,429)	(535,939)	(142,419)	
Amortization of tangible capital assets	9,299	119,875	4,507	80,417	79,041	5,754	79,325	(1,042,651)	
	370,779	730,699	510,416	137,734	478,050	183,848	131,859	21,394	
Excess (deficiency) of revenue over expenses	\$ (75,241)	\$ 67,829	\$ 3,875	\$ (14,729)	\$ (82,583)	\$ 8,914	\$ 169,910	\$ 298,089	
								\$ 376,064	

# ZHIBAAHAASING FIRST NATION

Notes to Consolidated Financial Statements

## Note 15 - Segmented Information (continued)

Year ended March 31, 2022

	Band Government	Band and Community Health Services	Band and Social Housing	Public Works and Facilities	Employment and Economic Development	Community Property	Business Enterprises and Other	2021 Total
Revenue	\$ 265,235	\$ 870,645	\$ 449,511	\$ 112,290	\$ 234,650	\$ 254,680	\$ 1,610,355	\$ 516,143
Expenses:								\$ 4,313,509
Salaries, wages and benefits	283,447	279,559	-	33,106	84,125	14,547	-	698,784
Materials, supplies, rentals and general	182,197	327,813	7,805	21,146	117,744	32,611	475,600	1,176,112
Contractual and professional services	43,774	9,274	85,039	15,835	24,589	18,679	1,384,954	1,582,144
Travel	46,080	74,519	150	-	20,330	-	-	141,079
Interest on long-term debt	-	-	591	4,835	-	-	-	5,426
Other	2,985	-	210,343	-	23,875	-	-	213,308
Administration (recovery)	(241,427)	80,552	137,000	-	(8,070)	-	(1,829,112)	-
Investment in tangible capital assets	-	(80,720)	24,255	8,080	79,136	80,361	52,890	(1,917,902)
Amortization of tangible capital assets	8,733	329,769	715,252	449,008	154,058	342,954	65,837	6,747
Excess (deficiency) of revenue over expenses	\$ (64,534)	\$ 155,393	\$ 503	\$ (41,768)	\$ (108,304)	\$ 188,843	\$ 1,526,023	\$ 498,200
								\$ 2,154,356