

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

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For the year ended March 31, 2022

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Management's Responsibility for Financial Reporting

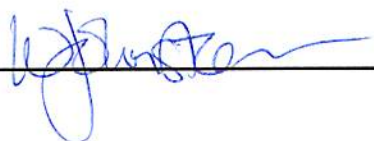
March 31, 2022

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible 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.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The external auditors, BDO Canada LLP, conduct an audit in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Serpent River First Nation and meet when required.


_____ Chief


_____ Director of Operations



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Independent Auditor's Report

To the Chief and Council of Serpent River First Nation

Opinion

We have audited the consolidated financial statements of Serpent River First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statement of operations, the consolidated statement of changes in net debt 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.

In our opinion, the accompanying consolidated 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, its consolidated change in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 First 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 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.

Independent Auditor's Report

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 First 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 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 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 First 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 First 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.

BAO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario

March 5, 2024

Serpent River First Nation

Consolidated Statement of Financial Position

March 31	2022	2021
Financial assets		
Cash (Note 2)	\$ 4,919,103	\$ 4,705,610
Accounts receivable (Note 3)	5,085,909	2,786,484
Inventory for resale	831,378	831,753
Trust Funds held by Federal Government (Note 4)	223,697	221,696
	<u>11,060,087</u>	<u>8,545,543</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	1,214,752	2,584,889
Due to funders (Note 6)	507,121	854,971
Deferred revenue (Note 7)	5,181,048	1,929,921
Long term debt (Note 8)	3,350,028	3,815,285
	<u>10,252,949</u>	<u>9,185,066</u>
Net financial assets (debt)	<u>807,138</u>	<u>(639,523)</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	21,858,887	22,342,651
Prepaid expenses and inventory of supplies	263,668	74,528
	<u>22,122,555</u>	<u>22,417,179</u>
Accumulated surplus (Note 9)	<u>\$ 22,929,693</u>	<u>\$ 21,777,656</u>

On behalf of Council:

 _____ Chief

 _____ Director of Operations

Serpent River First Nation Consolidated Statement of Operations

For the year ended March 31	2022	2021
Revenue		
Indigenous Services Canada	\$ 7,049,493	\$ 4,960,006
Province of Ontario	1,320,538	1,854,953
Government of Canada	484,408	1,451,823
OFNLP	568,103	937,810
North Shore Tribal Council	318,161	625,774
Interest	1,058	2,203
Rental	558,149	662,797
Residence, parent and user fees	94,547	104,390
Sales	7,320,668	5,235,624
Other revenue	1,627,010	1,255,226
Government of Canada Trust Funds	2,001	4,212
Recovery of prior years	55,455	(2,279)
	19,399,591	17,092,539
Expenses		
Niigaaniin project	94,937	483,719
Domicile	1,093,090	933,681
Community wellness	2,388,508	2,164,664
First Nation support funding	801,964	951,865
Community infrastructure	1,240,946	1,173,459
Education	2,696,708	2,375,313
Capital programs	596,243	802,782
Daycare	673,648	545,507
Other subsidized programs	371,119	251,619
First Nation operated enterprises	727,658	816,537
Economic Development Corporation	7,562,733	5,584,162
	18,247,554	16,083,308
Annual surplus	1,152,037	1,009,231
Accumulated surplus, beginning of year	21,777,656	20,768,425
Accumulated surplus, end of year	\$ 22,929,693	\$ 21,777,656

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

Serpent River First Nation

Consolidated Statement of Changes in Net Debt

For the year ended March 31	2022	2021
Annual surplus	\$ 1,152,037	\$ 1,009,231
Acquisition of tangible capital assets	(879,496)	(904,092)
Amortization of tangible capital assets	1,353,698	1,312,601
Loss on disposal of tangible capital assets	7,792	4,822
Proceeds on sale of tangible capital assets	1,770	-
Prepaid expenses and inventory of supplies	(189,140)	(45,611)
Net change in net debt	1,446,661	1,376,951
Net debt, beginning of year	(639,523)	(2,016,474)
Net financial assets (debt), end of year	\$ 807,138	\$ (639,523)

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

Serpent River First Nation

Consolidated Statement of Cash Flows

For the year ended March 31	2022	2021
Operating transactions		
Annual surplus	\$ 1,152,037	\$ 1,009,231
Items not involving cash		
Amortization	1,353,698	1,312,601
Loss on disposal of tangible capital assets	7,792	4,822
	<u>2,513,527</u>	<u>2,326,654</u>
Changes in non-cash working capital balances		
Accounts receivable	(2,299,425)	(1,250,346)
Inventory for resale	375	78,294
Funds held in trust with Government of Canada	(2,001)	(4,212)
Accounts payable	(1,370,137)	476,970
Deferred revenue	3,251,127	445,153
Due to funders	(347,850)	146,481
Prepaid expenses and inventory of supplies	(189,140)	(45,611)
	<u>1,556,476</u>	<u>2,173,383</u>
Capital transactions		
Acquisition of tangible capital assets	(879,496)	(904,092)
Proceeds on sale of tangible capital assets	1,770	-
	<u>(877,726)</u>	<u>(904,092)</u>
Financing transactions		
Advances of long term debt	159,201	-
Repayment of long term debt	(624,458)	(583,418)
Demand loan	-	(7,386)
	<u>(465,257)</u>	<u>(590,804)</u>
Net change in cash and equivalents	213,493	678,487
Cash and cash equivalents, beginning of year	4,705,610	4,027,123
Cash and cash equivalents, end of year	\$ 4,919,103	\$ 4,705,610

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

Serpent River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies

Accounting Principles	These consolidated financial statements of the Serpent River First Nation have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.																
Basis of Consolidation	<p>These financial statements reflect the assets, liabilities, revenues and expenses of all programs under the control of Chief and Council.</p> <p>All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.</p> <p>Under the modified equity method of accounting, only Serpent River First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation, and inter-organizational balances and transactions are not eliminated.</p> <p>Organizations consolidated include:</p> <ul style="list-style-type: none">- Serpent River First Nation Economic Development Corporation- Serpent River First Nation Non-Profit Housing																
Portfolio Investments	Portfolio investments are recorded at cost. They are written down where there has been a loss in value that is other than a temporary decline.																
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tr><td>Land improvements</td><td>10 to 20 years</td></tr><tr><td>Buildings</td><td>25 to 40 years</td></tr><tr><td>Housing</td><td>25 years</td></tr><tr><td>Machinery and equipment</td><td>10 to 20 years</td></tr><tr><td>Vehicles</td><td>5 years</td></tr><tr><td>Furniture and equipment</td><td>4 to 10 years</td></tr><tr><td>Power generating station</td><td>30 to 50 years</td></tr><tr><td>Infrastructure</td><td>10 to 100 years</td></tr></table>	Land improvements	10 to 20 years	Buildings	25 to 40 years	Housing	25 years	Machinery and equipment	10 to 20 years	Vehicles	5 years	Furniture and equipment	4 to 10 years	Power generating station	30 to 50 years	Infrastructure	10 to 100 years
Land improvements	10 to 20 years																
Buildings	25 to 40 years																
Housing	25 years																
Machinery and equipment	10 to 20 years																
Vehicles	5 years																
Furniture and equipment	4 to 10 years																
Power generating station	30 to 50 years																
Infrastructure	10 to 100 years																
Inventory	Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.																

Serpent River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies *(continued)*

Revenue Recognition

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis.

Government transfers are recognized as revenues 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 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.

Use of Estimates

The preparation of 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 at the date of the 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.

2. Cash

The First Nation has a Bank of Nova Scotia line of credit limit of \$750,000 at prime plus 1%. Of the \$750,000 limit, \$200,000 has been carved-out to be utilized by Serpent River First Nation Economic Development Corporation, of which \$154,889 was outstanding at March 31, 2022.

The First Nation has a Bank of Montreal demand loan limit of \$1,500,000 at prime plus 1%. On March 31, 2022, nothing was drawn on the loan.

Serpent River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

3. Accounts receivable

	2022	2021
Indigenous Services Canada	\$ 1,855,416	\$ 116,775
Province of Ontario	1,065,915	720,669
CMHC	181,886	180,550
North Shore Tribal Council / Niigaaniin	200,659	257,439
Ontario First Nations Limited Partnership	396,643	624,248
Due from members	931,676	859,467
Other	1,344,590	855,576
	5,976,785	3,614,724
Less: allowance for doubtfuls	(890,876)	(828,240)
	\$ 5,085,909	\$ 2,786,484

4. Trust Funds held by Federal Government

	March 31, 2021	Additions 2022	Withdrawals 2022	March 31, 2022
Revenue	\$ 115,325	\$ 2,001	\$ -	\$ 117,326
Capital	106,371	-	-	106,371
	\$ 221,696	\$ 2,001	\$ -	\$ 223,697

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

5. Accounts payable and accrued liabilities

	2022	2021
Trade payables	\$ 680,079	\$ 870,754
Elementary and Secondary tuition payables	458,008	1,623,649
Accrued wages and employee benefits payable	76,665	90,486
	\$ 1,214,752	\$ 2,584,889

Serpent River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

6. Due to funders

	2022	2021
Indigenous Services Canada	\$ 44,339	\$ 503,353
Province of Ontario	217,385	162,951
Union of Ontario Indians	245,397	188,667
	\$ 507,121	\$ 854,971

7. Deferred revenue and government transfers

	Balance March 31, 2021	Funding Received 2022	Revenue Recognized 2022	Balance March 31, 2022
Indigenous Services Canada	\$ 1,651,666	\$ 9,595,466	\$ 7,049,493	\$ 4,197,639
Health Canada	-	51,435	51,435	-
CMHC	-	432,973	432,973	-
Province of Ontario	-	1,920,538	1,320,538	600,000
North Shore Tribal Council	-	376,266	318,161	58,105
Other	278,255	10,216,584	10,169,535	325,304
Recovery of prior years	-	55,455	55,455	-
Government of Canada	-	-	-	-
Trust Funds	-	2,001	2,001	-
	\$ 1,929,921	\$ 22,650,718	\$ 19,399,591	\$ 5,181,048

Deferred revenue is broken down by program as follows:

	2022	2021
Social Assistance - Niigaaniin Project	\$ 58,105	\$ -
Band Support Funding - C&C ISC Covid	677,205	287,216
Band Support Funding - ISC Covid	-	16,153
Community Wellness - Family & Preservation	316,200	260,664
Community Wellness - Health Transfers	260,070	263,710
Community Wellness - Jordan's Principle	3,970	30,253
Community Wellness - Community Support	151,115	143,644
Community Wellness - Diabetes	39,717	15,975
Community Wellness - Mental Health	4,640	-
Capital Programs - Minor Capital	152,852	51,751
Capital Programs - Housing	287,761	-
Capital Programs - ISC Renovations	450,000	-
Capital Programs - Capital Water Project	558,272	671,128
Daycare - Early Childhood Development	62,789	15,587
Daycare - ELCC	174,189	134,611
Domicile	291,689	-
Other Subsidized - Bringing our Children Home	1,237,394	-
Community Infrastructure - Road Maintenance	-	39,229
Community Infrastructure - Fire Protection	388,121	-
Community Infrastructure - Community Buildings	66,959	-
	\$ 5,181,048	\$ 1,929,921

Serpent River First Nation
Notes to Consolidated Financial Statements

March 31, 2022

8. Long term debt

	2022	2021
Bank of Nova Scotia		
Prime plus 1.50% mortgage due in monthly payments of \$6,600 principal plus interest, maturing Aug 1, 2026 secured by general security agreement	264,000	343,200
Prime plus 1.00% loan due in monthly instalments of \$6,083 principal plus interest, maturing March 2023 secured by general security agreement	328,500	401,500
Canada Mortgage and Housing Corporation		
1.46% mortgage due in monthly instalments of \$1,981 including principal and interest, repaid during the year	-	23,585
0.71% mortgage due in monthly instalments of \$1,983 including principal and interest, maturing March 1, 2025, secured by Government of Canada guarantee	70,626	93,837
0.94% mortgage due in monthly instalments of \$2,588 including principal and interest, maturing December 1, 2025, secured by Government of Canada guarantee	114,381	144,395
0.30% mortgage due in monthly instalments of \$2,597 including principal and interest, maturing May 1, 2022, secured by Government of Canada guarantee	134,168	164,483
2.35% mortgage due in monthly instalments of \$2,869 including principal and interest, maturing July 1, 2023, secured by Government of Canada guarantee	190,063	219,668
1.44% mortgage due in monthly instalments of \$4,174 including principal and interest, repaid in full	-	41,449
0.79% mortgage due in monthly instalments of \$1,171 including principal and interest, maturing January 1, 2026, secured by Government of Canada guarantee	164,057	176,763
1.12% mortgage due in monthly instalments of \$2,291 including principal and interest, maturing October 1, 2026, secured by Government of Canada guarantee	358,148	382,287

Serpent River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

8. Long term debt (continued)

	<u>2022</u>	<u>2021</u>
Royal Bank of Canada		
3.52% mortgage due in monthly instalments of \$1,815 including principal and interest, maturing August 18, 2023, secured by Government of Canada guarantee	23,325	43,886
RBC Mortgage, repayable \$15,601 monthly including interest at 4.58%, maturing March 2030	1,252,281	1,378,971
RBC loan, repayable \$727 monthly including interest at 0%, secured by equipment, maturing April 2026	35,649	\$ -
RBC demand loan payable, \$1,943 monthly including interest at 3.99%, maturing March 2027	105,549	-
Other		
Waubetek Business Development Corporation mortgage, repayable \$2,887 monthly including interest at prime 7.45%, maturing December 2028	180,483	215,126
Capital lease payable, \$1,695 monthly payments, secured by machinery and equipment, payments including principal and interest at 7.96%, maturing August 2023	25,644	43,172
Ford Credit loan payable, \$642 monthly including principal and interest at 2.49%, maturing March 2024	15,011	22,242
John Deere loan payable, \$3,112 monthly including interest at 4.50%, maturing September 2024	88,143	120,721
	<u>\$ 3,350,028</u>	<u>\$ 3,815,285</u>

Assuming refinancing of mortgages under similar terms, principal payments due within the next five years are approximately as follows:

Year	Amount
2023	\$ 567,298
2024	547,800
2025	524,961
2026	433,743
2027	330,007
Thereafter	<u>946,219</u>
	<u>\$ 3,350,028</u>

Serpent River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

9. Accumulated surplus

	2022	2021
Reserves set aside for specific purposes by the First Nation		
Non-Profit Housing replacement reserve	\$ 787,564	\$ 368,412
Casino & gaming	4,757,218	4,200,111
Health transfers replacement reserve (MAR)	26,008	26,008
Health transfers	13,044	13,044
Quality of life	2,095	2,095
Band support funding	407,817	308,089
Niigaaniin	31,013	22,490
Education	1,296,935	494,701
Road maintenance	-	77,222
Water	125,355	59,619
Fire protection	87,394	87,394
Capital plan	35,520	35,520
Office complex	461,403	360,864
Food bank	133,077	101,739
Library	61,637	60,640
Lands research	26,793	11,660
Daycare	131,251	129,463
Daycare - fundraising	17,698	1,097
Domicile	14,390	14,390
Band housing	180,536	19,915
Reserves	8,596,748	6,394,473
Equity in tangible capital assets	18,508,859	18,527,366
Funds held in trust	223,695	221,694
Members' equity (deficit)	(4,399,609)	(3,365,877)
	\$ 22,929,693	\$ 21,777,656
Allocation of annual surplus (deficit):		
Reserves	\$ 2,202,275	\$ 1,558,159
Equity in tangible capital assets	(18,507)	170,089
Members' equity (deficit)	(1,033,732)	(723,229)
Funds held in trust	2,001	4,212
	\$ 1,152,037	\$ 1,009,231

Serpent River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

10. Pension plan costs

Employees are eligible to participate in a Registered Pension Plan, administered by London Life, with contribution levels determined by formula. Employer contributions totalled \$107,681 (2021 - \$87,126) during the current period and were fully expensed.

11. Contingencies

- (a) The First Nation has an agreement with the Bank of Montreal providing for an aggregate credit facility in the amount of \$2,400,000 under the First Nation on Reserve Loan Program for qualified members of Serpent River First Nation. As of March 31, 2022 the First Nation has not guaranteed any loans under this agreement.
 - (b) The First Nation has provided a guarantee in the amount of \$311,750 in favour of the Bank of Montreal on behalf of Robinson Huron Treaty Ojibewa (Anishinabe). This represents 4.3% of the total loan of \$7,250,000 being guaranteed by 21 participating First Nation Communities that are settlors and beneficiaries of the Robinson Huron Treaty Trust.
-

12. Funding reconciliation

Indigenous Services Canada funding per the financial statements	\$ 7,049,493
Add: Deferred revenue, end of year	4,197,639
Less: Deferred revenue, beginning of year	(1,651,666)
Less: Band Office Renovation Project	(450,000)
	<u>\$ 9,145,466</u>
 Indigenous Services Canada funding per funding confirmation	
Arrangement: 2122-ON-000028	\$ 7,462,020
Arrangement: 1718-ON-000004	<u>\$ 1,683,446</u>
	<u>\$ 9,145,466</u>

13. Comparative figures

Comparative figures presented in the financial statements have been reclassified to conform to the current year's presentation.

Serpent River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

14. Segmented information

The Serpent River First 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 management reporting purposes the First Nation's operations and activities are organized and reported by department. Departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Niigaaniin

The Niigaaniin (social assistance) department is responsible for administering assistance payments as well as providing services directed towards members.

Administration

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

Community infrastructure

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection and community buildings.

Education

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Capital

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

Medical and other health services

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

Enterprises

Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency. These activities could include income generated from renting out band-owned equipment, lease income, economic development and other projects from time to time.

Serpent River First Nation Notes to Consolidated Financial Statements

March 31, 2022

14. Segmented information (continued)

Other services

The First Nation provides a wide array of other services, including youth employment projects, library, daycare, housing activities, lands research and others.

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 as disclosed in the summary of significant accounting policies. For additional information see the Consolidated Schedule of Segment Disclosure - Service (Schedule 2).

15. Budget

The First Nation has not prepared a budget for the March 31, 2022 year-end, accordingly no budget figures have been presented for comparison purposes on the consolidated statements of operations and change in net debt.

Serpent River First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2022

	Land	Land Improve- ments	Building	Housing	Machinery and Equipment	Vehicles	Furniture and Equipment	Power Generating Station	Infra- structure	Construction in Progress	Total
Cost, beginning of year	\$ 180,001	\$ 636,123	\$ 11,295,227	\$ 12,856,093	\$ 1,054,269	\$ 642,583	\$ 1,272,565	\$ 352,986	\$ 16,219,140	\$ 493,585	\$ 45,002,572
Additions	-	-	88,717	26,499	-	247,396	203,827	-	313,057	-	879,496
Disposals	-	-	-	-	-	(2,100)	(26,886)	-	-	-	(28,986)
Capitalized construction	-	-	-	-	-	-	-	-	477,335	(477,335)	-
Cost, end of year	180,001	636,123	11,383,944	12,882,592	1,054,269	887,879	1,449,506	352,986	17,009,532	16,250	45,853,082
Accumulated amortization, beginning of year	-	490,281	5,049,502	10,402,673	490,606	494,321	749,488	258,855	4,724,195	-	22,659,921
Amortization	-	35,538	277,378	296,921	77,180	103,151	123,500	11,767	428,263	-	1,353,698
Disposals	-	-	-	-	-	(2,100)	(17,324)	-	-	-	(19,424)
Accumulated amortization, end of year	-	525,819	5,326,880	10,699,594	567,786	595,372	855,664	270,622	5,152,458	-	23,994,195
Net carrying amount, end of year	\$ 180,001	\$ 110,304	\$ 6,057,064	\$ 2,182,998	\$ 486,483	\$ 292,507	\$ 593,842	\$ 82,364	\$ 11,857,074	\$ 16,250	\$ 21,858,887

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

Serpent River First Nation
Schedule 1 - Consolidated Tangible Capital Assets (continued)

For the year ended March 31, 2021 (comparative figures)

	Land	Land Improve- ments	Buildings	Housing	Machinery and Equipment	Vehicles	Furniture and Equipment	Power Generating Station	Infra- structure	Construction in Progress	Total
Cost, beginning of year	\$ 180,001	\$ 636,123	\$ 11,291,227	\$ 12,856,093	\$ 1,032,017	\$ 755,375	\$ 1,078,682	\$ 352,986	\$ 16,049,862	\$ -	\$ 44,232,366
Additions	-	-	4,000	-	22,252	10,000	204,977	-	169,278	493,585	904,092
Disposals	-	-	-	-	-	(122,792)	(11,094)	-	-	-	(133,886)
Cost, end of year	180,001	636,123	11,295,227	12,856,093	1,054,269	642,583	1,272,565	352,986	16,219,140	493,585	45,002,572
Accumulated amortization, beginning of year	-	453,765	4,775,701	10,077,814	413,427	559,078	651,098	247,089	4,298,412	-	21,476,384
Amortization	-	36,516	273,801	324,859	77,179	58,035	104,662	11,766	425,783	-	1,312,601
Disposals	-	-	-	-	-	(122,792)	(6,272)	-	-	-	(129,064)
Accumulated amortization, end of year	-	490,281	5,049,502	10,402,673	490,606	494,321	749,488	258,855	4,724,195	-	22,659,921
Net carrying amount, end of year	\$ 180,001	\$ 145,842	\$ 6,245,725	\$ 2,453,420	\$ 563,663	\$ 148,262	\$ 523,077	\$ 94,131	\$ 11,494,945	\$ 493,585	\$ 22,342,651

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

Serpent River First Nation

Schedule 2 - Consolidated Segment Disclosure

For the year ended March 31, 2022

	Niigaaniin	Administration	Community Infrastructure	Education	Capital	Medical	Enterprises	Other	Consolidated Total
Revenue									
Indigenous Services Canada	\$ -	\$ 522,131	\$ 829,644	\$ 3,362,904	\$ 370,518	\$ 370,092	\$ 129,094	\$ 119,014	\$ 5,703,397
Province of Ontario	-	-	-	-	-	849,488	-	538,329	1,387,817
Government of Canada	-	-	-	127,110	110,805	1,270,422	322,168	-	1,830,505
Rental and user fees	-	-	27,046	-	-	51,561	558,133	15,940	652,680
Interest and other	96,054	289,021	7,716	200	136,744	974,005	7,380,170	1,009,835	9,893,745
Due (to) from funders	-	-	-	-	-	(118,548)	-	(5,460)	(124,008)
Recovery of prior years	29,306	-	-	8,490	-	-	-	17,659	55,455
	125,360	811,152	864,406	3,498,704	618,067	3,397,020	8,389,565	1,695,317	19,399,591
Expenses									
Salaries, wages and benefits	65,142	588,618	205,334	193,162	310,567	2,327,365	975,108	670,666	5,335,962
Materials, supplies and capital	10,409	234,049	117,255	8,182	69,229	403,758	6,292,749	140,930	7,276,561
Contracted services	3,198	244,673	385,877	207,169	89,880	215,662	320,921	140,741	1,608,121
Rents and financial expenses	-	9,412	13,625	-	52,487	24,958	118,308	422	219,212
External transfers and other	-	-	-	2,258,858	-	-	-	11,358	2,270,216
Travel and training	-	20,747	2,355	2,660	1,345	110,342	23,983	22,353	183,785
Amortization	9,438	19,813	485,034	238	61,341	206,287	537,732	33,814	1,353,697
Transfers between segments	6,750	(315,348)	31,466	26,439	11,394	193,226	21,590	24,483	-
	94,937	801,964	1,240,946	2,696,708	596,243	3,481,598	8,290,391	1,044,767	18,247,554
Excess (deficiency) of revenue over expenses	\$ 30,423	\$ 9,188	\$ (376,540)	\$ 801,996	\$ 21,824	\$ (84,578)	\$ 99,174	\$ 650,550	\$ 1,152,037

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

Serpent River First Nation
Schedule 2 - Consolidated Segment Disclosure (continued)

For the year ended March 31, 2021 (comparative figures)

	Niigaaniin	Administration	Community Infrastructure	Education	Capital	Medical	Enterprises	Other	Consolidated Total
Revenue									
Indigenous Services Canada	\$ -	\$ 815,917	\$ 470,057	\$ 2,702,138	\$ 451,556	\$ 236,855	\$ 213,278	\$ 78,378	\$ 4,968,179
Province of Ontario	25,316	-	529,471	-	-	823,974	-	538,504	1,917,265
Government of Canada	-	-	10,000	105,039	57,296	1,107,278	172,210	-	1,451,823
Rental and user fees	-	-	27,113	-	-	69,952	662,797	7,325	767,187
Interest and other	511,255	229,276	46,332	-	34,438	955,372	5,306,873	1,047,362	8,130,908
Due (to) from funders	-	-	-	(8,173)	-	(132,371)	-	-	(140,544)
Recovery of prior years	-	-	-	(12,661)	-	-	-	10,382	(2,279)
	536,571	1,045,193	1,082,973	2,786,343	543,290	3,061,060	6,355,158	1,681,951	17,092,539
Expenses									
Salaries, wages and benefits	134,667	722,356	238,536	177,765	288,573	2,039,651	848,665	539,502	4,989,715
Materials, supplies and capital	100,501	325,087	85,652	17,785	40,052	377,270	4,478,563	112,528	5,537,438
Contracted services	3,168	192,681	328,607	197,122	375,533	186,771	342,862	21,217	1,647,961
Rents and financial expenses	-	10,331	7,396	-	25,325	16,914	159,028	10,919	229,913
External transfers and other	225,892	-	-	1,951,041	-	-	-	57,551	2,234,484
Travel and training	772	9,146	3,368	1,361	1,173	84,736	27,120	3,520	131,196
Amortization	9,438	16,737	478,433	238	60,732	191,245	528,369	27,409	1,312,601
Transfers between segments	9,282	(324,474)	31,466	30,000	11,394	201,758	16,091	24,483	-
	483,720	951,864	1,173,458	2,375,312	802,782	3,098,345	6,400,698	797,129	16,083,308
Excess (deficiency) of revenue over expenses	\$ 52,851	\$ 93,329	\$ (90,485)	\$ 411,031	\$ (259,492)	\$ (37,285)	\$ (45,540)	\$ 884,822	\$ 1,009,231

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