
KITCHENUHMAYKOOSIB INNINUWUG
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

KITCHENUHMAYKOOSIB INNINUWUG

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MARCH 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Kitchenuhmaykoosib Inninuwig are the responsibility of management and have been approved by Chief and Council.

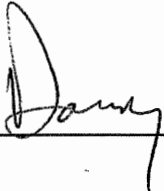
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

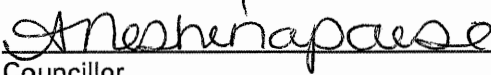
Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to the financial management of Kitchenuhmaykoosib Inninuwig and meet when required.



Chief



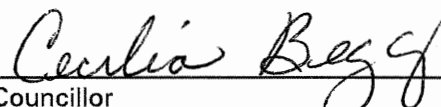
Councillor



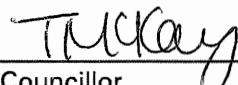
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Councillor



Councillor



Councillor



Councillor

Councillor

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Kitchenuhmaykoosib Inninuwug

Opinion

We have audited the accompanying consolidated financial statements of Kitchenuhmaykoosib Inninuwug, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, consolidated statement of change in net assets (debt) 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Kitchenuhmaykoosib Inninuwug as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We have conducted our audit in accordance with Canadian public sector accounting standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Kitchenuhmaykoosib Inninuwug in accordance with the ethical requirements that are relevant to our audit of the 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 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 Kitchenuhmaykoosib Inninuwug'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 Kitchenuhmaykoosib Inninuwug or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Kitchenuhmaykoosib Inninuwug's financial reporting process.

(continued.....)

Auditor's Responsibility 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 these 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 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 Kitchenuhmaykoosib Inninuwug'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 Kitchenuhmaykoosib Inninuwug'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 Kitchenuhmaykoosib Inninuwug 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.

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.

Baker Tilly HMA LLP

Chartered Professional Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2022

2021

FINANCIAL ASSETS

Cash	\$ 36,868,322	\$ 33,045,738
Restricted cash (Note 2)	121,742	47,646
Accounts receivable (Note 3)	6,379,583	1,677,064
Investments (Note 4)	<u>5,459,590</u>	<u>4,654,948</u>
Total financial assets	<u>48,829,237</u>	<u>39,425,396</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 5)	11,048,211	4,614,752
Deferred revenue (Note 6)	37,078,170	31,594,606
Replacement reserve	450,587	407,587
Long-term debt (Note 7)	<u>2,580,050</u>	<u>2,884,314</u>
Total liabilities	<u>51,157,018</u>	<u>39,501,259</u>
Net debt	<u>(2,327,781)</u>	<u>(75,863)</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 8)	74,714,416	53,261,440
Inventory	716,547	210,286
Prepaid expenses	<u>166,442</u>	<u>9,000</u>
Total non-financial assets	<u>75,597,405</u>	<u>53,480,726</u>
Accumulated surplus	<u>\$ 73,269,624</u>	<u>\$ 53,404,863</u>

Contingent liabilities (Note 10)

Approved by Chief and Council

Chief

Councillor

Councillor

Councillor

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
REVENUE		
Indigenous Services Canada	\$ 42,873,000	\$ 40,491,975
Health Canada	11,214,530	9,780,462
Canada Mortgage Housing Corporation	522,609	3,313,231
Canada Post	586,324	578,229
Province of Ontario	3,372,706	1,207,640
Other revenue	10,515,284	9,805,467
Ontario First Nation Limited Partnership	876,620	1,442,032
Sioux Lookout Area Aboriginal Management Board	162,452	285,716
Deferred from prior year	31,594,606	16,542,634
Deferred to following year	<u>(37,078,170)</u>	<u>(31,594,606)</u>
	<u>64,639,961</u>	<u>51,852,780</u>
EXPENDITURES		
Band Support and Administration	11,050,944	14,035,851
Lands and Environment	334,221	388,796
Public Works	5,374,721	3,611,482
Education	6,759,272	8,365,041
Housing	1,144,755	1,167,829
Capital Projects	1,708,833	4,485,767
Social Economics and Development	1,237,433	1,461,062
Health Care	8,998,245	8,396,535
Economic Development	113,500	112,700
First Nation program	6,645,995	4,442,665
Equay Wuk Women's Shelter	<u>1,407,281</u>	<u>1,290,399</u>
	<u>44,775,200</u>	<u>47,758,127</u>
ANNUAL SURPLUS (DEFICIT)	19,864,761	4,094,653
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>53,404,863</u>	<u>49,310,210</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 73,269,624</u>	<u>\$ 53,404,863</u>

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS (DEBT)

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
Annual surplus (deficit)	\$ <u>19,864,761</u>	\$ <u>4,094,653</u>
Acquisition of tangible capital assets and construction in progress	(<u>23,273,540</u>)	(<u>7,061,883</u>)
Disposition of tangible capital assets		10,800
Amortization of tangible capital assets	<u>1,820,564</u>	<u>1,397,041</u>
	(<u>21,452,976</u>)	(<u>5,654,042</u>)
Acquisition of inventory	(<u>716,547</u>)	(<u>210,286</u>)
Acquisition of prepaid expenses	(<u>166,442</u>)	(<u>9,000</u>)
Use of prepaid expenses	<u>9,000</u>	
Use of inventory	<u>210,286</u>	<u>222,079</u>
	(<u>663,703</u>)	<u>2,793</u>
CHANGE IN NET ASSETS FOR YEAR	(<u>2,251,918</u>)	(<u>1,556,596</u>)
NET ASSETS (DEBT), <i>beginning of year</i>	(<u>75,863</u>)	<u>1,480,733</u>
NET DEBT, <i>end of year</i>	\$ (<u>2,327,781</u>)	\$ (<u>75,863</u>)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding and other sources	\$ 64,616,364	\$ 66,214,863
Cash paid to suppliers and employees	(37,141,880)	(49,372,929)
	<u>27,474,484</u>	<u>16,841,934</u>
<i>INVESTING ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(23,273,540)	(7,061,883)
Proceeds from disposition of tangible capital assets		10,800
Acquisition of long term investments	<u>-</u>	(333,000)
	<u>(23,273,540)</u>	<u>(7,384,083)</u>
<i>FINANCING ACTIVITIES</i>		
Advances of long-term debt	(304,264)	
Repayment of long-term debt	<u>-</u>	(295,419)
	<u>(304,264)</u>	<u>(295,419)</u>
NET INCREASE IN CASH DURING YEAR	3,896,680	9,162,432
CASH, <i>beginning of year</i>	<u>33,093,384</u>	<u>23,930,952</u>
CASH, <i>end of year</i>	\$ <u>36,990,064</u>	\$ <u>33,093,384</u>
CASH COMPRISED OF		
Cash	36,868,322	33,045,738
Restricted cash	<u>121,742</u>	<u>47,646</u>
	\$ <u>36,990,064</u>	\$ <u>33,093,384</u>

KITCHENUHMAYKOOSIB INNINUWUG

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, as defined by the Chartered Professional Accountants of Canada Public Sector Accounting Handbook, which encompasses the following principles:

REPORTING ENTITY

The Kitchenuhmaykoosib Inninuwig ("The Nation") reporting entity includes the Kitchenuhmaykoosib Inninuwig Nation government and all related entities which are accountable to The Nation and are either owned or controlled by The Nation.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

- Kitchenuhmaykoosib Inninuwig Band
- Kitchenuhmaykoosib Inninuwig First Nation Program
- Kitchenuhmaykoosib Inninuwig Equay Wuk Shelter
- Nu-Mah-Koos Non-Profit Building Development Corporation.
- Pe-Tay-Ka-Win Development Corporation and its subsidiary companies

Incorporated and unincorporated business entities which are owned and controlled by The Nation but which are not dependent on The Nation for their continuing operations are included in the consolidated financial statements using the modified equity method. The financial information for these entities included in the financial statements is for the year ended December 31, 2021. These include:

- Wasaya Group 49%
- Wasaya Partnership 51%
- Happy Time Real Estate Holdings LP 16.66%

ASSET CLASSIFICATION

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, construction in progress and prepaid expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

INVESTMENTS

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. The Nation investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for The Nation's share of the commercial enterprises' income or loss less dividends.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**INVENTORY*

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

NET ASSETS (DEBT)

The Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net assets (debt) of The Nation is determined by its liabilities less its financial assets. Net assets (debt) combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Social housing assets acquired under Canada Mortgage and Housing Corporation ("C.M.H.C.") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Tangible capital assets are amortized annually using the straight line method (except where noted) at rates intended to amortize the cost of the assets over their estimated useful lives. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Infrastructure	4%
Buildings	20%
Housing	5%
Equipment	20%
Vehicles	20%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

SEGMENTS

The Nation conducts its business through ten reportable segments. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

REVENUE RECOGNITION

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**FINANCIAL INSTRUMENTS*

Financial instruments include cash, accounts receivable, investments, accounts payable and accrued liabilities and long term debt. Unless otherwise stated, it is management's opinion that the Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of The Nation's financial assets and liabilities approximates their fair value.

FAIR VALUE

Due to the short term nature of all financial instruments other than long-term debt and investments, the carrying value as presented in the financial statements is a reasonable estimate of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long-term investments and debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

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 certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

2. RESTRICTED CASH

C.M.H.C. Replacement Reserve

As required, as part of the Nation's Canada Mortgage and Housing Corporation ("C.M.H.C.") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with C.M.H.C., the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. At March 31, 2022, \$109,963 (2021 - \$35,972) had been deposited into separate accounts leaving an unfunded balance of \$340,624 (2021 - \$377,150)

Ottawa Trust Fund

The Ottawa Trust Fund arises 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to The Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of The Nation's Council.

	2 0 2 2	2 0 2 1
CMHC Replacement Reserve account	\$ <u>109,963</u>	\$ <u>35,972</u>
Ottawa Trust Fund		
Balance, beginning of year	11,674	11,453
Interest	<u>105</u>	<u>221</u>
Balance, end of year	<u>11,779</u>	<u>11,674</u>
	\$ <u>121,742</u>	\$ <u>47,646</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

3. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
First Nation School Formula	\$ 734,002	\$
Roads and Bridges	620,205	
Community Buildings	537,740	
Construction	437,000	
Planning Design and Construction	146,045	105,825
Water Systems	109,436	
Wastewater Systems	103,537	
B17 P2 Energy Systems	100,000	
Skills Link Program	67,725	
Capacity Innovation Housing	44,389	44,389
Special Services	38,965	
Construction	36,318	36,318
First Nation Water and Wastewater Action Plan Water > \$1.5M	30,000	30,000
Fire Protection	27,343	
Education Planning Design and Construction	5,259	
Planning/Risk Management		75,000
Municipal Services	-	30,000
	<u>3,037,964</u>	<u>321,532</u>
Health Canada	256,874	244,200
Province of Ontario	1,851,434	
Independent Electricity System Operator	240,325	
Independent First Nation	83,067	
Replacement Reserve	450,587	407,587
Other sources	<u>459,332</u>	<u>703,745</u>
	<u>\$ 6,379,583</u>	<u>\$ 1,677,064</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

4. INVESTMENTS

	2 0 2 2	2 0 2 1
Wasaya Group of Companies	\$ 5,126,590	\$ 4,321,948
Happy Time Real Estate Holdings LP	<u>333,000</u>	<u>333,000</u>
	<u>\$ 5,459,590</u>	<u>\$ 4,654,948</u>

Wasaya Group of companies investment represent The Nation investment in Wasaya Airway Limited Partnership with principal activities include commercial aircraft operations and Wasaya Petroleum Limited Partnership with principal activities of selling and arrange deliveries of petroleum products with ownership of 51% and Wasaya Group Incorporation as holding company by 49%.

Happy Time Real Estate Holding LP represents The Nation 16.66% ownership for the AVID-FN Motel One LP in Thunder Bay, Ontario. The principal activities will be daily operations including check in/out, housekeeping, maintenance, facility management and food/beverages vending services. This Motel is owned by six First Nation to handles the majority First Nation travels need. The grand opening is expected in July 2024.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 2	2 0 2 1
Canada Mortgage Housing Corporation accountable advance	\$ 526,000	\$ 526,000
Trade and other payables	<u>10,522,211</u>	<u>4,088,752</u>
	<u>\$ 11,048,211</u>	<u>\$ 4,614,752</u>

During the 2020 year C.M.H.C. approved a loan for an amount of \$1,052,000 for the construction of a 4 unit housing project. As per the term of the loan, C.M.H.C. has released \$526,000 as at year end March 31, 2020 as half advance payment. The remaining balance will be released upon receiving ministerial guarantee. As per C.M.H.C., the total loan amount has not been fully released and is not under repayment as at March 31, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

6. DEFERRED REVENUE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
Capital School Construction	\$ 4,052,504	\$ 21,440,891
Education Consolidated Funding	4,096,572	747,031
COVID-19 - Emergency Fund	4,424,649	252,927
Consolidated Tikinagan Child Family Services Law	2,629,456	228,496
Water System	994,198	570,154
School Emergencies COVID-19	980,425	198,184
Teacherage Operation and Maintenance		133,572
Winter Road	125,804	26,319
Income Assistance Service Delivery	95,221	95,221
Vulnerable Systems	60,300	101,836
Road and Bridges	566,483	15,259
Child and Family Advocacy Band Rep	1,624,196	1,041,253
Planning/Risk Management		75,000
Waste Water System Operation and Management	1,170,630	880,318
Waste Water Contribution	119,000	119,000
Planning Design and Construction	461,683	591,637
First Nation Water and Wastewater Action Plan Water > \$1.5M	150,000	150,000
Q34X-001 Acquisition and Construction Water < \$1.5M	108,395	108,395
Q34X-002 Acquisition and Construction Water < \$1.5M	451,755	462,355
Q351-001 Acquisition and Construction Waste Water < \$1.5M	370,472	370,472
Skills Link Program	67,725	
Special Education High Cost	225,000	
Fire Protection	25,792	
Fire Training	3,984	
Acquisition and Construction Sewer System Upgrades	343,850	
Wastewater > \$1.5M System Repairs and Upgrade	204,054	
Energy Systems B17 P2	511,273	
Fuel - Assets and Diesel Generation Site	2,000	
Water and Wastewater over \$1.5M KI School Project Revenue	5,157,659	
Water and Wastewater over \$1.5M Upgrades and Repairs Revenue	1,059,512	
Housing Construction 2 Units	322,977	-
	<u>30,405,569</u>	<u>27,608,320</u>
Health Canada		
Nursing Station Project	149,544	149,544
Allied funding	200,281	
Jordan's Principal Suicide Prevention		127,870
Jordan's Principal - Special Needs	105,586	105,586
Safe House	770,531	561,609
Community Facilities O&M		13,224
Building Healthy Communities	88,004	9,442
Brighter Futures	57,386	29,246
Aboriginal Diabetes Initiative	100,323	33,726
Health sub total carry forward	<u>1,471,655</u>	<u>1,030,247</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

6. DEFERRED REVENUE *(continued)*

	2 0 2 2	2 0 2 1
Health sub total brought forward	1,471,655	1,030,247
Healthy Child Development		1,020
NNADAP	144,610	15,897
Jordan's Principle - Service Coordination		46,600
Home and Community Care	8,352	8,352
Communicable Disease Contract and Management	434,649	31,969
Nutrition North Canada	33,655	
Health Canada Suicide Prevention	21,355	
Communicable Disease Control	140	
Drinking Water	9,000	
Canadian Prenatal Nutrition Program	10,685	
Jordan Principal Healthy Child Development	90,000	
Jordan Principal Medical Supplies and Equipment	67,500	
Jordan Principal Cultural Act and Supplies	128,579	
Clinical Client Care	130,833	
Mental Wellness - Prescription Drug Abuse	140,400	
Mental Wellness Expanded Trauma Health Support	96,803	
Home and Community Care - Hospice Like Space	63,327	
Tobacco Control Strategy	13,509	
Tuberculosis Preventive Promotion and Education	3,615	
HIV/AIDS	10,413	-
	<u>2,879,080</u>	<u>1,134,085</u>
Other Programs	<u>3,793,521</u>	<u>2,852,201</u>
	<u>\$ 37,078,170</u>	<u>\$ 31,594,606</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

7. LONG-TERM DEBT

	2 0 2 2	2 0 2 1
John Deere Financial, 2.90%, repayable in monthly installments of \$4,826 (including interest), secured by equipment purchased, due March 2023.	\$ 57,296	\$ 112,643
John Deere Financial, repayable in monthly installments of \$7,179 (including interest) due March 2023.	83,484	163,263
C.M.H.C. mortgage, 1.87%, repayable in monthly installments of \$3,049 (including interest), due March 2029, secured by Ministerial Guarantee.	239,984	271,781
C.M.H.C. mortgage, 2.49%, repayable in monthly installments of \$2,352 (including interest), due January 2033, secured by Ministerial Guarantee.	267,915	289,212
C.M.H.C. mortgage, 1.69%, repayable in monthly installments of \$6,791 (including interest), due August 2039, secured by Ministerial Guarantee.	1,229,298	1,289,534
C.M.H.C. mortgage, 2.49%, repayable in monthly installments of \$6,163 (including interest), due January 2033 secured by Ministerial Guarantee and assignment of fire insurance.	<u>702,073</u>	<u>757,881</u>
	<u>\$ 2,580,050</u>	<u>\$ 2,884,314</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions, assuming long-term debt subject to refinancing is reviewed are estimated to be as follows:

March 31, 2023	\$ 312,977
2024	176,421
2025	179,849
2026	183,650
2027	187,534
Thereafter	<u>1,539,619</u>
	<u>\$ 2,580,050</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

8. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Adjustments	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Adjustments	Closing Balance	Total	Total
									2 0 2 2	2 0 2 1
Construction in progress (Note 9)	\$ 24,020,027	\$ 21,672,841	\$ -	\$ 45,692,868	\$ -	\$ -	\$ -	\$ -	\$ 45,692,868	\$ 24,020,027
Infrastructure	35,728,791			35,728,791	12,681,435	859,541		13,540,976	22,187,815	23,047,356
Buildings	473,803			473,803	61,918	5,541		67,459	406,344	411,885
Housing	5,825,321			5,825,321	3,129,740	169,137		3,298,877	2,526,444	2,695,581
Equipment	3,975,957	890,858		4,866,815	2,043,530	484,873		2,528,403	2,338,412	1,932,427
Vehicles	3,289,117	709,841	-	3,998,958	2,134,953	301,472	-	2,436,425	1,562,533	1,154,164
	<u>\$ 73,313,016</u>	<u>\$ 23,273,540</u>	<u>\$ -</u>	<u>\$ 96,586,556</u>	<u>\$ 20,051,576</u>	<u>\$ 1,820,564</u>	<u>\$ -</u>	<u>\$ 21,872,140</u>	<u>\$ 74,714,416</u>	<u>\$ 53,261,440</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. CONSTRUCTION IN PROGRESS

	2 0 2 2	2 0 2 1
Nursing station project	\$ 75,095	\$ 75,095
School project	42,779,281	22,911,280
Rapid housing project	2,287,469	1,033,652
Housing 2 units	<u>551,023</u>	<u>-</u>
	<u>\$ 45,692,868</u>	<u>\$ 24,020,027</u>

10. CONTINGENT LIABILITIES

The Nation has signed agreements with various government bodies for funding of programs which may require that surpluses be returned. If any amounts become repayable, they will be accounted for in the year of determination.

11. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 2	2 0 2 1
Agreement: #1718-ON-000029	\$ <u>54,087,530</u>	\$ <u>50,272,437</u>
REVENUE AS PER STATEMENT OF OPERATION (Statement 2)		
Indigenous Service Canada	\$ 42,873,000	\$ 40,491,975
Health Canada	\$ <u>11,214,530</u>	\$ <u>9,780,462</u>
	<u>\$ 54,087,530</u>	<u>\$ 50,272,437</u>

12. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

13. RELATED PARTY TRANSACTIONS

In the normal course of business the Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the Nation and related parties, aggregate revenue and expenditures derived from related parties is not determinable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

14. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 2	2 0 2 1
Administration fees	\$ 1,835,633	\$ 2,101,043
Amortization	1,820,564	1,397,041
Bad debts	1,072,842	1,401,900
Bank and interest charges	25,020	23,608
Contributions	1,164,333	2,344,027
Income assistance	76,440	129,657
Office	1,607,930	1,741,099
Professional fees	3,055,289	4,210,758
Program costs	10,403,932	12,528,525
Rent	73,006	110,337
Repairs and maintenance	1,317,142	1,606,903
Salaries and benefits	15,466,627	14,547,847
Travel	4,817,425	3,211,568
Utilities	1,830,983	1,907,708
Workshops and training	<u>208,034</u>	<u>496,106</u>
	<u>\$ 44,775,200</u>	<u>\$ 47,758,127</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

15. SEGMENT DISCLOSURE

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies in Note 1. The segment results for the year are as follows:

	Band Support and Administration		Lands and Environment		Public Works		Education		Housing	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues										
Federal Government										
ISC	\$ 9,848,850	\$ 8,367,587	\$	\$	\$ 5,310,257	\$ 4,168,942	\$ 12,252,169	\$ 9,046,013	\$ 874,000	\$
Health Canada	2,764,417	1,445,269						405,380		
CMHC									522,609	3,313,231
Other	5,280,077	3,672,877	546,018	458,312	1,136,370	830,298	360,253	607,605	360,926	644,673
Deferred from prior year	1,356,784	889,884	422,035	351,313	2,552,272	925,173	1,078,787		2,279,138	
Deferred to following year										
	<u>(7,227,291)</u>	<u>(1,356,784)</u>	<u>(706,240)</u>	<u>(422,035)</u>	<u>(4,484,416)</u>	<u>(2,552,272)</u>	<u>(5,446,866)</u>	<u>(1,078,787)</u>	<u>(1,620,482)</u>	<u>(2,279,138)</u>
Total revenue	<u>12,022,837</u>	<u>13,018,833</u>	<u>261,813</u>	<u>387,590</u>	<u>4,514,483</u>	<u>3,372,141</u>	<u>8,244,343</u>	<u>8,980,211</u>	<u>2,416,191</u>	<u>1,678,766</u>
Expenses										
Amortization	1,618,540	1,204,989							169,137	165,786
Other	6,344,028	9,862,126	92,030	168,294	3,834,166	2,333,653	2,597,517	4,030,823	923,301	948,316
Salaries and benefits	<u>3,088,376</u>	<u>2,968,736</u>	<u>242,191</u>	<u>220,502</u>	<u>1,540,555</u>	<u>1,277,829</u>	<u>4,161,755</u>	<u>4,334,218</u>	<u>52,317</u>	<u>53,727</u>
Total expenses	<u>11,050,944</u>	<u>14,035,851</u>	<u>334,221</u>	<u>388,796</u>	<u>5,374,721</u>	<u>3,611,482</u>	<u>6,759,272</u>	<u>8,365,041</u>	<u>1,144,755</u>	<u>1,167,829</u>
Surplus (Deficit)	<u>\$ 971,893</u>	<u>\$ (1,017,018)</u>	<u>\$ (72,408)</u>	<u>\$ (1,206)</u>	<u>\$ (860,238)</u>	<u>\$ (239,341)</u>	<u>\$ 1,485,071</u>	<u>\$ 615,170</u>	<u>\$ 1,271,436</u>	<u>\$ 510,937</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021
15. SEGMENT DISCLOSURE (continued)

	Capital Projects		Socio-Economic and Development		Health Care		KI Economic Development		First Nation Program	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues										
Federal Government										
ISC	\$ 9,879,460	\$ 17,124,693	\$	\$	\$	\$ 8,221	\$ 112,700	\$ 112,700	\$ 3,296,789	\$ 346,061
Health Canada				335,544	8,450,113	7,594,269				
CMHC										
Other	794	11,325	684,869	1,173,478	1,228,970	903,220			5,521,075	4,524,954
Deferred from prior year	22,359,364	13,138,505	27,954		1,289,776	1,196,048			228,496	41,711
Deferred to following year	(11,454,930)	(22,359,364)	(112,076)	(27,954)	(3,031,323)	(1,289,776)	-	-	(2,994,546)	(228,496)
Total revenue	<u>20,784,688</u>	<u>7,915,159</u>	<u>600,747</u>	<u>1,481,068</u>	<u>7,937,536</u>	<u>8,411,982</u>	<u>112,700</u>	<u>112,700</u>	<u>6,051,814</u>	<u>4,684,230</u>
Expenses										
Amortization										
Other	1,111,561	4,006,674	587,435	933,146	4,790,981	4,433,352	113,500	112,700	6,380,222	4,347,933
Salaries and benefits	<u>597,272</u>	<u>479,093</u>	<u>649,998</u>	<u>527,916</u>	<u>4,207,264</u>	<u>3,963,183</u>	-		<u>265,773</u>	<u>94,732</u>
Total expenses	<u>1,708,833</u>	<u>4,485,767</u>	<u>1,237,433</u>	<u>1,461,062</u>	<u>8,998,245</u>	<u>8,396,535</u>	<u>113,500</u>	<u>112,700</u>	<u>6,645,995</u>	<u>4,442,665</u>
Surplus (Deficit)	<u>\$ 19,075,855</u>	<u>\$ 3,429,392</u>	<u>\$ (636,686)</u>	<u>\$ 20,006</u>	<u>\$ (1,060,709)</u>	<u>\$ 15,447</u>	<u>\$ (800)</u>	<u>\$ -</u>	<u>\$ (594,181)</u>	<u>\$ 241,565</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021
15. SEGMENT DISCLOSURE (continued)

	Equay Wuk Women's Shelter		TOTAL	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues				
Federal Government				
ISC	\$ 1,298,775	\$ 1,317,758	\$ 42,873,000	\$ 40,491,975
Health Canada			11,214,530	9,780,462
CMHC			522,609	3,313,231
Other	394,034	492,342	15,513,386	13,319,084
Deferred from prior year			31,594,606	16,542,634
Deferred to following year	-	-	(37,078,170)	(31,594,606)
Total revenue	<u>1,692,809</u>	<u>1,810,100</u>	<u>64,639,961</u>	<u>51,852,780</u>
Expenses				
Amortization	32,887	26,266	1,820,564	1,397,041
Other	713,268	636,222	27,488,009	31,813,239
Salaries and benefits	<u>661,126</u>	<u>627,911</u>	<u>15,466,627</u>	<u>14,547,847</u>
Total expenses	<u>1,407,281</u>	<u>1,290,399</u>	<u>44,775,200</u>	<u>47,758,127</u>
Surplus (Deficit)	<u>\$ 285,528</u>	<u>\$ 519,701</u>	<u>\$ 19,864,761</u>	<u>\$ 4,094,653</u>