
KITCHENUHMAKOOOSIB INNINUWUG
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

KITCHENUHMAKOOSIB INNINUWUG

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MARCH 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Kitchenuhmaykoosib Inninuwug 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 Inninuwug and meet when required.

John Nomi
Chief

Councillor

Sheshinapaiso
Councillor

TICKAY
Councillor

Councillor

Councillor

Bob Le
Councillor

Sean PJ
Councillor

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INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Kitchenuhmaykoosib Innuuwig

Opinion

We have audited the accompanying consolidated financial statements of Kitchenuhmaykoosib Innuuwig, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, consolidated statement of change in net 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 Kitchenuhmaykoosib Innuuwig as at March 31, 2023, and its consolidated statements of operations and accumulated surplus, consolidated statement of change in net debt, and its consolidated statement of 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 generally accepted auditing 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 Innuuwig 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 Innuuwig'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 Innuuwig or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Kitchenuhmaykoosib Innuuwig'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.

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

Winnipeg, Manitoba
August 29, 2025

 **bakertilly**

KITCHENUHMAKOOSIB INNINUWUG

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2023 2022

FINANCIAL ASSETS

Unrestricted cash	\$ 35,367,727	\$ 36,868,322
Restricted cash (Note 4)	156,998	121,742
Accounts receivable (Note 5)	13,788,655	6,379,583
Investments (Note 6)	<u>5,217,172</u>	<u>5,459,590</u>
Total financial assets	<u>54,530,552</u>	<u>48,829,237</u>

LIABILITIES

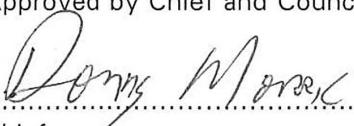
Accounts payable and accrued liabilities (Note 7)	8,791,282	11,048,211
Deferred revenue (Note 8)	41,617,001	37,078,170
Replacement reserve (Note 9)	488,052	450,587
Long-term debt (Note 10)	<u>4,585,271</u>	<u>2,580,050</u>
Total liabilities	<u>55,481,606</u>	<u>51,157,018</u>
Net debt	(951,054)	(2,327,781)

NON-FINANCIAL ASSETS

Tangible capital assets (Note 11)	93,601,167	74,714,416
Inventory	995,064	716,547
Prepaid expenses	<u>154,425</u>	<u>166,442</u>
Total non-financial assets	<u>94,750,656</u>	<u>75,597,405</u>
Accumulated surplus	\$ <u>93,799,602</u>	\$ <u>73,269,624</u>

Contingent liabilities (Note 13)

Approved by Chief and Council


Donny Morris

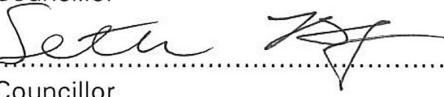
Chief


Tuckay

Councillor


Peter Lee

Councillor


Seth K

Councillor

KITCHENUHMAKOOSIB INNINUWUG

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2023	2022
REVENUE			
Indigenous Services Canada	\$ 52,212,781	\$ 42,873,000	
Health Canada	13,645,501	11,214,530	
Canada Mortgage and Housing Corporation	250,426	522,609	
Canada Post	337,963	586,324	
Province of Ontario	2,269,961	4,056,424	
Other revenue	15,077,296	9,831,566	
Ontario First Nations Limited Partnership	1,231,644	876,620	
Sioux Lookout Area Aboriginal Management Board	175,603	162,452	
Deferred revenue from prior year	37,078,170	31,594,606	
Deferred revenue to following year	<u>(41,617,001)</u>	<u>(37,078,170)</u>	
	<u>80,662,344</u>	<u>64,639,961</u>	
EXPENDITURES			
Band Support and Administration	14,994,072	11,050,945	
Education	9,955,969	6,759,272	
Public Works	7,369,635	5,374,721	
Capital Projects	3,075,545	1,708,833	
Lands and Environment	463,149	334,221	
Economic Development	132,171	201,284	
Health	14,977,052	8,998,245	
Housing	459,380	1,056,970	
Socio Economics and Development	6,265,414	6,645,995	
First Nation program	1,060,607	1,237,433	
Equay Wuk Women's Shelter	<u>(1,379,372)</u>	<u>1,407,281</u>	
	<u>60,132,366</u>	<u>44,775,200</u>	
ANNUAL SURPLUS			
	20,529,978	19,864,761	
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>73,269,624</u>	<u>73,269,624</u>	<u>53,404,863</u>
ACCUMULATED SURPLUS, <i>end of year</i>	\$ <u>73,269,624</u>	\$ <u>93,799,602</u>	\$ <u>73,269,624</u>

KITCHENUHMAKOOSIB INNINUWUG

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2023	2022
Annual surplus	\$ _____ -	\$ <u>20,529,978</u>	\$ <u>19,864,761</u>
Acquisition of tangible capital assets and construction in progress		(<u>24,322,433</u>)	(<u>23,273,540</u>)
Disposition of capital assets		<u>8,448</u>	
Amortization of tangible capital assets	<u>_____ -</u>	<u>5,427,234</u>	<u>1,820,564</u>
	<u>_____ -</u>	<u>(18,886,751)</u>	<u>(21,452,976)</u>
Acquisition of fuel inventory		(<u>995,064</u>)	(<u>716,547</u>)
Acquisition of prepaid expenses		(<u>154,425</u>)	(<u>166,442</u>)
Use of prepaid expenses		<u>166,442</u>	<u>9,000</u>
Use of fuel inventory	<u>_____ -</u>	<u>716,547</u>	<u>210,286</u>
	<u>_____ -</u>	<u>(266,500)</u>	<u>(663,703)</u>
CHANGE IN NET DEBT FOR YEAR		<u>1,376,727</u>	(<u>2,251,918</u>)
NET DEBT, <i>beginning of year</i>	<u>(2,327,781)</u>	<u>(2,327,781)</u>	<u>(75,863)</u>
NET DEBT, <i>end of year</i>	<u>\$ (2,327,781)</u>	<u>\$ (951,054)</u>	<u>\$ (2,327,781)</u>

KITCHENUHMAKOOSIB INNINUWUG

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2023	2022
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding and other sources	\$ 77,792,103	\$ 64,616,364
Cash paid to suppliers and employees	(57,191,096)	(37,141,880)
	<u>20,601,007</u>	<u>27,474,484</u>
<i>INVESTING ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(24,322,433)	(23,273,540)
Proceeds from disposition of tangible capital assets	8,448	
Proceeds from investments	<u>242,418</u>	<u>-</u>
	<u>(24,071,567)</u>	<u>(23,273,540)</u>
<i>FINANCING ACTIVITIES</i>		
Acquisition of long-term debt	2,347,342	
Repayment of bank loan	(342,121)	(304,264)
NET INCREASE (DECREASE) IN CASH DURING YEAR	(1,465,339)	3,896,680
CASH, <i>beginning of year</i>	<u>36,990,064</u>	<u>33,093,384</u>
CASH, <i>end of year</i>	<u>\$ 35,524,725</u>	<u>\$ 36,990,064</u>
CASH COMPRISED OF		
Unrestricted cash	35,367,727	36,868,322
Restricted cash	<u>156,998</u>	<u>121,742</u>
	<u>\$ 35,524,725</u>	<u>\$ 36,990,064</u>

KITCHENUHMAKOOSIB INNINUWUG

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

1. NATURE OF OPERATIONS

The Kitchenuhmaykoosib Inninuwug ("the Nation") is located in the province of Ontario and provides various services to its members.

The Nation reporting entity includes all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

2. 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 Nation reporting entity includes the Kitchenuhmaykoosib Inninuwug Nation government and all related entities which are accountable to The Nation and are either owned or controlled by The Nation.

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation.

- Kitchenuhmaykoosib Inninuwug Band Admin Support and Administration
- Kitchenuhmaykoosib Inninuwug Lands and Environment
- Kitchenuhmaykoosib Inninuwug Public Works
- Kitchenuhmaykoosib Inninuwug Housing
- Kitchenuhmaykoosib Inninuwug Capital Projects
- Kitchenuhmaykoosib Inninuwug Education
- Kitchenuhmaykoosib Inninuwug Socio Economics and Development
- Kitchenuhmaykoosib Inninuwug First Nation Program
- Kitchenuhmaykoosib Inninuwug Equay Wuk Shelter

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, 2022. These include:

- Wasaya Group 8%
- Wasaya Partnership 7%
- Happy Time Real Estate 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2023****2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******CASH UNRESTRICTED***

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

RESTRICTED CASH

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

INVESTMENTS

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. The Nation invest in various commercial enterprises which 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.

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.

NON-FINANCIAL ASSETS

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods.

These assets do not normally provide resources to discharge the liabilities of the Nation unless they are sold.

LONG-LIVED ASSETS

Long-lived assets consist of tangible capital assets.

Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount.

Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value.

Any impairment is included in the statement of operations and accumulated surplus for the year in which the asset becomes impaired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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

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 ("CMHC") 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 eleven reportable segments as identified in Note 22.

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.

For each segment separately reported, the segment revenue and expenditures represent both 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the basis of presentation and summary of significant accounting policies.

ASSET RETIREMENT OBLIGATION

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at management's best estimate at the present fair value of the estimated future cash flows required to settle the retirement obligation. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

REVENUErecognition

Revenue is recognized in the year in which the transactions or events occurred that gave rise to the revenue.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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

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.

FINANCIAL INSTRUMENTS

Measurement

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.

Transaction Cost

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the statement of operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the statement of operations when received.

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, 2023

3. CHANGE IN ACCOUNTING POLICY

ASSET RETIREMENT OBLIGATIONS

On April 1, 2022, the Nation adopted the PSAS Section (PS 3280) "Asset Retirement Obligations". The new standard includes the requirement for the recognition, measurement, presentation and disclosure of asset retirement obligations and is effective for year beginning on or after April 1, 2022. There was no significant impact on these consolidated financial statements as a result of the adoption of this standard as no legal or constructive obligations were identified.

FINANCIAL INSTRUMENTS

On April 1, 2022, the Nation adopted the PSAS Section (PS 3450) "Financial Instruments". The new standard establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. There was no significant impact on these consolidated financial statements as a result of the adoption of these standards.

As part of the adoption of PSAS 3450, on April 1, 2022, the Nation was also required to adopt PSAS Section (PS 3041) "Portfolio Investments" which has removed the distinction between temporary and portfolio investments, PSAS Section (PS 2601) "Foreign Currency Translation" which requires unrealized gains and losses to be presented on the statement of re-measurement gains and losses and PSAS Section (PS 1201) "Financial Statement Presentation" which requires a new statement of remeasurement gains and losses separate from the statement of operations. The adoption of these standards or amendments had no significant impact on the Nation's consolidated financial statements and there are no remeasurement gains and losses, so no statement has been presented.

4. RESTRICTED CASH

CMHC 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 CMHC, 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 CMHC from time to time. At March 31, 2023, \$144,921 (2022 - \$109,963) had been deposited into separate accounts leaving an unfunded balance of \$343,130 (2022 - \$340,624).

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

4. RESTRICTED CASH *(continued)*

	2 0 2 3	2 0 2 2
CMHC Replacement Reserve account	\$ <u>144,921</u>	\$ <u>109,963</u>
Ottawa Trust Fund		
Balance, beginning of year	11,779	11,674
Interest	<u>298</u>	<u>105</u>
Balance, end of year	<u>12,077</u>	<u>11,779</u>
	<u><u>\$ 156,998</u></u>	<u><u>\$ 121,742</u></u>

5. ACCOUNTS RECEIVABLE

	2 0 2 3	2 0 2 2
Indigenous Services Canada		
First Nation School Formula	\$ 472,977	\$ 734,002
Roads and Bridges		620,205
Community Buildings		537,740
Construction	437,000	437,000
Planning Design and Construction	105,502	146,045
Water Systems		109,436
Wastewater Systems		103,537
B17 P2 Energy Systems		100,000
Skill Link Program		67,725
Capacity Innovation Housing		44,389
Special Services	38,780	38,965
Construction	7,094,858	36,318
FNWWAP Water > \$1.5M	30,000	30,000
Fire Protection		27,343
Education Planning Design and Construction	5,456	5,259
Asset Management Plan	3,000	
Band Support Funding	47,596	
KI Agreement - Initial Start-up	<u>2,500,000</u>	-
Subtotal	<u>10,735,169</u>	3,037,964
Health Canada		256,874
Province of Ontario	338,906	1,851,434
Independent Electricity System Operator	125,325	240,325
Independent First Nation	402,982	83,067
Replacement Reserve	451,917	450,587
Other sources	<u>1,734,356</u>	<u>459,332</u>
	<u><u>\$ 13,788,655</u></u>	<u><u>\$ 6,379,583</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

6. INVESTMENTS

	2 0 2 3	2 0 2 2
Wasaya Group of Companies	\$ 4,910,150	\$ 5,126,590
Happy Time Real Estate Holdings LP	<u>307,022</u>	<u>333,000</u>
	<u><u>\$ 5,217,172</u></u>	<u><u>\$ 5,459,590</u></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 7% and Wasaya Group Incorporation as holding company by 8%.

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 or out, housekeeping, maintenance, facility management and food and beverages vending services. This motel is owned by the six First Nations to handles the majority travels needs.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 3	2 0 2 2
CMHC accountable advances	\$ 544,183	\$ 526,000
Trade and other payables	<u>8,247,099</u>	<u>10,522,211</u>
	<u><u>\$ 8,791,282</u></u>	<u><u>\$ 11,048,211</u></u>

During the 2020 year CMHC 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, CMHC has released \$544,183 as at year end March 31, 2023, as half advance payment. The remaining balance will be released upon receiving ministerial guarantee. As per CMHC, the total loan amount has not been fully released and is not under repayment as at March 31, 2023.

8. DEFERRED REVENUE

	Balance, beginning of year	Funding received 2023	Revenue recognized 2023	Balance, end of year
Indigenous Services Canada				
Child and Family Advocacy				
Band Rep	\$ 1,624,196	\$ 2,327,794	\$ 1,624,196	\$ 2,327,794
Child and Family Services - Prevention		1,971,996		1,971,996
COVID-19 Emergency Fund	4,424,649	2,200,831	4,424,649	2,200,831
Education Consolidated Funding	4,096,572	4,407,534	4,096,572	4,407,534
Skills Link Program	67,725		67,725	
Special Education High Cost	225,000		225,000	
School Emergencies COVID-19	980,425	198,184	980,425	198,184
Fire Protection	25,792		25,792	
Fire Training	3,984	11,716	3,984	11,716
Subtotal carry forward	<u>\$ 11,448,343</u>	<u>\$ 11,118,055</u>	<u>\$ 11,448,343</u>	<u>\$ 11,118,055</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

8. DEFERRED REVENUE *(continued)*

	Balance, beginning of year	Funding received 2023	Revenue recognized 2023	Balance, end of year
Subtotal carry forward from previous page	\$ 11,448,343	\$ 11,118,055	\$ 11,448,343	11,118,055
Roads and Bridges	566,483	2,814	566,483	2,814
Q34X-001 Acquisition and Construction Water - < \$1.5M	108,395		108,395	
Q34X-002 Acquisition and Construction Water - < \$1.5M	451,755	252,951	451,755	252,951
Q351-001 Acquisition and Construction -Wastewater - < \$1.5M	370,472		370,472	
Acquisition and Construction				
Sewer System Upgrades	343,850		343,850	
Wastewater System Operation and Management	1,170,630	1,694,084	1,170,630	1,694,084
Wastewater Contribution	119,000	119,000	119,000	119,000
Wastewater > \$1.5M System				
Repairs and Upgrade	204,054		204,054	
Water Systems	994,198	561,002	994,198	561,002
Winter Road	125,804		125,804	
Capital School Construction	4,052,504		4,052,504	
First Nation Water and Wastewater Action Plan Water > \$1.5M	150,000	120,628	150,000	120,628
Vulnerable Systems	60,300		60,300	
Planning Design and Construction	461,683		461,683	
Energy Systems B17 P2	511,273	118,623	511,273	118,623
Fuel - Assets and Diesel Generation Site	2,000		2,000	
Water and Wastewater over \$1.5M KI School Project	5,157,659		5,157,659	
Water and Wastewater over \$1.5M Upgrades and Repairs	1,059,512		1,059,512	
Income Assistance Service Delivery	95,221	95,221	95,221	95,221
Housing Construction 2 Units	322,977		322,977	
Consolidated Tikinagan Child Family Services Law	2,629,456	3,268,187	2,629,456	3,268,187
ESE Implementation/Expansion		6,348		6,348
Energy System		3,191,195	2,101,154	1,090,041
Water Under \$1.5M		987,714	775,903	211,811
Wastewater Over \$1.5M - Wastewater System		435,509		435,509
Undrip Engagement		110,000	87,799	22,201
Asset Management Plan		30,000		30,000
Subtotal carry forward	<u>\$ 30,405,569</u>	<u>\$ 22,111,331</u>	<u>\$ 33,370,425</u>	<u>19,146,475</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

8. DEFERRED REVENUE *(continued)*

	Balance, beginning of year	Funding received 2023	Revenue recognized 2023	Balance, end of year
Subtotal carry forward	\$ 30,405,569	\$ 22,111,331	\$ 33,370,425	19,146,475
First Nation Child and Family Services Capital		3,416,714	774,710	2,642,004
Design and Construction		6,395,385		6,395,385
Water under \$1.5M - Backup Power Project		628,336		628,336
Water Feasibility Study Under \$1.5M		55,000		55,000
Water over \$1.5M - KI School Project Revenue		5,261,031		5,261,031
KI Equaygamik	<u>-</u>	<u>3,721,447</u>	<u>2,369,714</u>	<u>1,351,733</u>
	<u>30,405,569</u>	<u>41,589,244</u>	<u>36,514,849</u>	<u>35,479,964</u>
Health Canada				
Allied Funding	200,281		200,281	
Nutrition North Canada	33,655	67,810	33,655	67,810
Health Canada Suicide Prevention	21,355	29,248	21,355	29,248
Communicable Disease Control	140		140	
Drinking Water	9,000	9,000	9,000	9,000
Canadian Prenatal Nutrition Program	10,685	18,316	10,685	18,316
Jordan's Principle		323,594		323,594
Jordan's Principle Healthy Child Development	90,000		90,000	
Jordan's Principle Medical Supplies and Equipment	67,500		67,500	
Jordan's Principle Cultural Act and Supplies	128,579		128,579	
Clinical Client Care	130,833	130,833	130,833	130,833
Mental Wellness - Prescription Drug Abuse	140,400	201,048	140,400	201,048
Mental Wellness Expanded Trauma Health Support	96,803	96,803	96,803	96,803
Building Healthy Communities	88,004	88,004	88,004	88,004
Brighter Futures	57,386		57,386	
National Native Alcohol and Drug Abuse Program	144,610	274,704	144,610	274,704
Aboriginal Diabetes Initiative	100,323	59,348	100,323	59,348
Home and Community Care-Hospice like space	63,327	10,391	63,327	10,391
Tobacco Control Strategy	13,509	27,018	13,509	27,018
Home and Community Care	8,352		8,352	
Tuberculosis Preventive Promotion and Education	3,615		3,615	
HIV/AIDS	<u>10,413</u>		<u>10,413</u>	
Subtotal carry forward	\$ 1,418,770	\$ 1,336,117	\$ 1,418,770	1,336,117

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

8. DEFERRED REVENUE *(continued)*

	Balance, beginning of year	Funding received 2023	Revenue recognized 2023	Balance, end of year
Subtotal carry forward from previous page	\$ 1,418,770	\$ 1,336,117	\$ 1,418,770	1,336,117
Jordan's Principle - Special Needs	105,584		105,584	
Safe House	770,531		770,531	
Nursing Station Project	149,544		149,544	
Communicable Disease Control and Management	434,649	445,299	434,649	445,299
Healthy Child Development		33,664		33,664
Mental Wellness Papal Visit Revenue		52,332		52,332
EPHS-DR Water and Wastewater		9,000		9,000
Jordan's Principle Healthy Child Development		90,000		90,000
Jordan's Principle Medical Supplies and Equipment		67,500		67,500
Jordan's Principle Cultural Act and Supplies		128,579		128,579
Jordan's Principle - Special Needs		213,088		213,088
Safe House		488,102		488,102
Indigenous Early Learning and Child Safe Start - Aboriginal Head Start on Revenue Minor Projects		10,000		10,000
Child and Youth Program	<u>-</u>	<u>41,337</u>	<u>-</u>	<u>41,337</u>
	<u>2,879,078</u>	<u>2,915,018</u>	<u>2,879,078</u>	<u>2,915,018</u>
Other Programs				
Independent First Nation Youth Cultural	42,640		42,640	
Independent First Nation Youth Life Promotions		130,745		130,745
IESO - Education Capacity Building	14,129		14,129	
IESO - Indigenous Energy Projects Solar	145,630		145,630	
IESO - Community Energy Champion	131,319	131,319	131,319	131,319
Harvesters Program	9,404	9,404	9,404	9,404
KI Policing Infrastructure Project	621,583		621,583	
Sawmill Project	13,458		13,458	
Work At Height Safety Association	77,144		77,144	
Land and Environment	<u>396,011</u>	<u>104,724</u>	<u>396,011</u>	<u>104,724</u>
Subtotal carry forward	<u>\$ 1,451,318</u>	<u>\$ 376,192</u>	<u>\$ 1,451,318</u>	<u>376,192</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

8. DEFERRED REVENUE *(continued)*

	Balance, beginning of year	Funding received 2023	Revenue recognized 2023	Balance, end of year
Subtotal carry forward from previous page	\$ 1,451,318	\$ 376,192	\$ 1,451,318	376,192
Revitalization Indigenous Legal Systems	44,319	44,319	44,319	44,319
Indigenous Protected Area Watershed - IBCC	85,000	85,000	85,000	85,000
Indigenous Protected Area Watershed - Metcalf	71,591	70,626	71,591	70,626
KI Permits	14,098	14,098	14,098	14,098
Crisis Team	93,343	217,172	93,343	217,172
Healthy Babies Healthy Children	117,898	203,144	117,898	203,144
Health and Long Term Care	141,285	284,463	141,285	284,463
Aboriginal Language Initiative	17,323	30,112	17,323	30,112
KI Preparation Homecoming	94,753	124,270	94,753	124,270
KI Rapid Housing Program CMHC	1,297,505	947,994	1,297,505	947,994
KI Family Law - System Planning Funding	365,090		365,090	
Ontario First Nations Limited Rehabilitation Nanook Bridge		722,997		722,997
		101,632		101,632
	<u>3,793,523</u>	<u>3,222,019</u>	<u>3,793,523</u>	<u>3,222,019</u>
	<u>\$ 37,078,170</u>	<u>\$ 47,726,281</u>	<u>\$ 43,187,450</u>	<u>\$ 41,617,001</u>

9. REPLACEMENT RESERVE

	2023	2022
Balance, beginig of the year	\$ 450,587	\$ 413,122
Annual allocation to replacement reserve:		
Elder care home - 7 units	7,000	7,000
New family housing - 7 units	7,000	7,000
New family housing - 11 units	11,000	11,000
New family housing - 9 units	12,465	12,465
Subtotal	<u>37,465</u>	<u>37,465</u>
	<u>\$ 488,052</u>	<u>\$ 450,587</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

10. LONG-TERM DEBT

	2 0 2 3	2 0 2 2
John Deere Financial, 8.99%, repayable in monthly installments of \$10,109 (including interest), secured by equipment purchased, due March 2028.	\$ 487,111	\$
John Deere Financial, 6.40%, repayable in monthly installments of \$9,685 (including interest), secured by equipment purchased, due February 2028.	489,161	
John Deere Financial, 6.40%, repayable in monthly installments of \$4,469 (including interest), secured by equipment purchased, due February 2028.	225,702	
John Deere Financial, 6.40%, repayable in monthly installments of \$5,484 (including interest), secured by equipment purchased, due February 2028.	276,964	
John Deere Financial, 6.40%, repayable in monthly installments of \$11,535 (including interest), secured by equipment purchased, due February 2028.	582,567	
John Deere Financial, 5.75%, repayable in monthly installments of \$5,014 (including interest), secured by equipment purchased, due February 2028.	257,186	
John Deere Financial, 2.90%, repayable in monthly installments of \$4,826 (including interest), secured by equipment purchased, due March 2023.	57,296	
John Deere Financial, repayable in monthly installments of \$7,179 (including interest) due March 2023.	83,484	
C.M.H.C. mortgage, 1.87%, repayable in monthly installments of \$3,049 (including interest), due March 2029, secured by Ministerial Guarantee.	207,589	239,984
C.M.H.C. mortgage, 2.49%, repayable in monthly installments of \$2,352 (including interest), due January 2033, secured by Ministerial Guarantee.	246,085	267,915
C.M.H.C. mortgage, 1.69%, repayable in monthly installments of \$6,791 (including interest), due August 2039, secured by Ministerial Guarantee.	1,168,039	1,229,298
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>644,867</u>	<u>702,073</u>
	<u><u>\$ 4,585,271</u></u>	<u><u>\$ 2,580,050</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2023**

10. LONG-TERM DEBT *(continued)*

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, 2024	\$ 585,004
2025	617,598
2026	652,367
2027	689,471
2028	692,961
Thereafter	<u>1,347,870</u>
	<u>\$ 4,585,271</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

11. 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 3	2 0 2 2
Construction in progress <i>(Note 12)</i>	\$ 46,028,151	\$ 17,393,975	\$ 63,422,126	\$ 36,443,981	\$ 13,540,976	\$ 3,882,884	\$ 17,423,860	\$ 63,422,126	\$ 46,028,151	
Infrastructure	35,728,791	715,190		138,520	67,459	5,542	73,001	19,020,121	22,187,815	
Buildings	138,520			5,825,321	3,298,877	172,688	3,471,565	65,519	71,061	
Housing	5,825,321			7,174,335	2,528,403	700,181	3,228,584	2,353,756	2,526,444	
Equipment	4,866,815	2,307,520		7,820,469	2,436,425	665,939	75,789	3,945,751	2,338,412	
Vehicles	3,998,958	3,905,748	84,237					4,793,894	1,562,533	
	<u>\$ 96,586,556</u>	<u>\$ 24,322,433</u>	<u>\$ 84,237</u>	<u>\$ 120,824,752</u>	<u>\$ 21,872,140</u>	<u>\$ 5,427,234</u>	<u>\$ 75,789</u>	<u>\$ 27,223,585</u>	<u>\$ 93,601,167</u>	<u>\$ 74,714,416</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2023****12. CONSTRUCTION IN PROGRESS**

	2 0 2 3	2 0 2 2
Nursing station project	\$ 75,095	\$ 75,095
School project	53,714,891	42,779,281
Rapid housing project	2,636,980	2,287,469
Housing - 2 units	551,023	551,023
Renovations - Women Shelter	1,329,183	335,283
Lagoon repair project	1,325,488	
Former school renovation - east wing	454,737	
KI generator replacement	731,000	
Wapekeka School	2,101,154	
Former school renovation - east wing (OMI)	319,973	
Nanook Bridge Rehabilitation	<u>182,602</u>	-
	<u>\$ 63,422,126</u>	<u>\$ 46,028,151</u>

13. CONTINGENT LIABILITIES

The Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs.

In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their funding agreements.

At this time, it was not yet determined to what extent any funding amounts related to the fiscal year ended March 31, 2023, might be recovered.

For accounting purposes, any amounts assessed or claims paid will be accounted for in the year of determination.

14. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 3	2 0 2 2
Agreement: #2021-ON-000023	<u>\$ 65,858,282</u>	<u>\$ 54,087,530</u>
Indigenous Service Canada (statement 2)	<u>\$ 52,212,781</u>	<u>\$ 42,873,000</u>
Health Canada (statement 2)	<u>\$ 13,645,501</u>	<u>\$ 11,214,530</u>
	<u>\$ 65,858,282</u>	<u>\$ 54,087,530</u>

15. ECONOMIC DEPENDENCE

The Nation receives a majority of its revenue from Indigenous Services Canada (ISC) and Health Canada, pursuant to funding arrangements with the Government of Canada.

The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by the funding arrangements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2023****16. 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.

17. BUDGET INFORMATION

Section 1202, Financial Statement Presentation, of the Chartered Professional Accountants of Canada Public Sector Accounting Board Handbook requires the disclosure of the budgeted information. The Nation has not prepared or approved consolidated budgets. As a result, the Nation was unable to present budgeted information on the consolidated financial statements for the year ended March 31, 2023.

18. ACCUMULATED SURPLUS

	2 0 2 3	2 0 2 2
Accumulated (deficit) from operations	\$ (788,673)	\$ (4,676,735)
Equity in tangible capital asset and construction in progress	89,015,896	72,134,366
Equity in long-term investment	5,217,172	5,459,590
Ottawa Trust Fund	12,077	11,779
Replacement reserve required allocation	<u>343,130</u>	<u>340,624</u>
	<u>\$ 93,799,602</u>	<u>\$ 73,269,624</u>

19. FINANCIAL INSTRUMENTSManagement of risks arising from financial instruments

The Nation's principal financial liabilities comprise of trade and other payables, loans and borrowings. The main purpose of these financial liabilities is to finance and support the Nation's operations. The Nation has trade and other receivables, cash, and restricted cash that are derived directly from its operations. It also holds deposits and investments in government business partnerships as part of its investing activities.

The Nation's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest risk) and fair value risk. The Nation's overall management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Nation's financial performance. Risk management is the responsibility of the financial management team who have the appropriate skills, experience, and supervision. The financial management team identify, evaluate, and, where appropriate, mitigate financial risks. Material risks are monitored and are discussed regularly with Chief and Council.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

19. FINANCIAL INSTRUMENTS *(continued)*

The risks associated with the Nation's financial instruments are as follows:

CREDIT RISK

Credit risk arises from the potential that a counter party will fail to perform its obligations.

The Nation is exposed to credit risk from the possibility that parties may default on their financial obligations, or if the government fails to meet its obligations in accordance with agreed terms. The Nation considers a financial asset in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents, restricted cash, and portfolio investments are subject to credit risk however it is substantially reduced from these assets being held by low-risk institutions such as governments, and high-credit quality financial institutions that have been graded by third party agencies.

The credit risk associated with balances outstanding is minimized as the larger part of the balances would be from provincial and federal government funding, the Nation partners, and parties that sustain a good relationship with the organization. Security arrangements to secure funding are also arranged through multi year agreements between the government and the Nation. Additionally, accounts receivable is measured at amortized cost and analyzed by means of aging analysis. The maximum exposure to credit risk is represented by the carrying value of financial assets in the balance sheet.

LIQUIDITY RISK

Liquidity risk is the risk that the Nation will not be able to provide sufficient cash and cash equivalents to meet its financial obligations when they come due. The Nation meets its liquidity requirements by preparing cash flows from operations, anticipating investing and financing activities, and holding assets that can be readily converted into cash. As of year-end March 31, 2023, the Nation does not have sufficient assets from cash and cash equivalents and accounts receivable to cover the total outstanding accounts payable, deferred revenue, and demand loan payable, respectively. The Nation has investments that are not readily convertible into cash, as well as no credit facilities available to meet temporary fluctuations in cash requirements. To address the potential liquidity risk, management is actively working with evaluating new economic development initiatives.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk, and equity price risk.

FOREIGN CURRENCY RISK

Foreign currency risk refers to the changes in cash flows or fair values as a result of fluctuations in the value of various foreign currencies and exposure. The functional currency of the Nation is the Canadian dollar. The Nation does not engage in significant foreign currency transactions, nor does it hold any foreign investments; therefore, foreign currency risk is minimal and the Nation has not entered into any foreign exchange hedging contracts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

19. FINANCIAL INSTRUMENTS *(continued)*

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Nation's exposure to rate risk primarily stems from holdings of debt instruments with a variable rate component.

EQUITY RISK

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market price of equity instruments. The Nation has investments in government business partnerships that are accounted for using the equity method however, equity price risk is minimal as these are privately held entities.

FAIR VALUE

The Nation accounts for its portfolio investments at fair value. Financial instruments reported at fair value are then categorized under a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that management has the ability to access at the measurement date
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are not observable. There is little if any market activity. Inputs into the determination of fair value require significant judgement or estimation.

All financial instruments accounted for at fair value on the statement of financial position are Level 1.

20. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified where necessary to conform to the financial statement presentation adopted for the current year.

21. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, increased or reduced funding availability, increased or decreased demand for services, increased government regulations or interventions, all of which may negatively impact the financial conditions or results of operations of the Nation..

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2023****22. EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	2 0 2 3	2 0 2 2
Administration fees	\$ 1,660,318	\$ 1,835,633
Amortization	5,427,234	1,820,564
Bad debts	1,791,391	1,072,842
Bank and interest charges	90,259	25,020
Community contributions	1,420,234	1,164,333
Income assistance	468,865	76,440
Office	1,600,423	1,607,928
Professional fees	5,596,500	3,055,289
Program expenditures	12,267,452	10,403,934
Rent	531,200	73,006
Repairs and maintenance	2,800,083	1,317,142
Salaries and benefits	17,210,459	15,466,627
Social assistance	109,751	
Travel	5,701,680	4,817,425
Utilities	2,919,551	1,830,983
Workshops and training	<u>536,966</u>	<u>208,034</u>
	<u>\$ 60,132,366</u>	<u>\$ 44,775,200</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

22. 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		Education		Public Works		Capital		Lands and Environment	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues										
Federal Government										
ISC	\$ 7,796,843	\$ 9,848,851	\$ 11,111,239	\$ 12,252,169	\$ 5,719,627	\$ 5,310,257	\$ 21,925,860	\$ 9,879,459	\$ 50,000	\$
Health Canada		2,764,417								
CMHC										
Other	4,082,493	5,280,075	292,715	360,253	2,457,278	1,136,370	300,052	796	168,098	546,018
Deferred revenue from prior year	7,227,291	1,356,784	5,446,866	1,078,787	4,484,416	2,552,272	11,454,930	22,359,364	706,240	422,035
Deferred revenue to following year	(6,641,344)	(7,227,291)	(4,605,718)	(5,446,866)	(3,324,903)	(4,484,416)	(16,413,013)	(11,454,930)	(436,188)	(706,240)
Total revenue	<u>12,465,283</u>	<u>12,022,836</u>	<u>12,245,102</u>	<u>8,244,343</u>	<u>9,336,418</u>	<u>4,514,483</u>	<u>17,267,829</u>	<u>20,784,689</u>	<u>488,150</u>	<u>261,813</u>
Expenses										
Amortization	5,232,765	1,618,540								
Other	6,500,252	6,344,029	4,754,388	2,597,517	5,608,809	3,834,166	2,628,370	1,111,561	326,940	92,030
Salaries and benefits	<u>3,261,055</u>	<u>3,088,376</u>	<u>5,201,581</u>	<u>4,161,755</u>	<u>1,760,826</u>	<u>1,540,555</u>	<u>447,175</u>	<u>597,272</u>	<u>136,209</u>	<u>242,191</u>
Total expenses	<u>14,994,072</u>	<u>11,050,945</u>	<u>9,955,969</u>	<u>6,759,272</u>	<u>7,369,635</u>	<u>5,374,721</u>	<u>3,075,545</u>	<u>1,708,833</u>	<u>463,149</u>	<u>334,221</u>
Surplus (Deficit)	<u><u>\$ (2,528,789)</u></u>	<u><u>\$ 971,891</u></u>	<u><u>\$ 2,289,133</u></u>	<u><u>\$ 1,485,071</u></u>	<u><u>\$ 1,966,783</u></u>	<u><u>\$ (860,238)</u></u>	<u><u>\$ 14,192,284</u></u>	<u><u>\$ 19,075,856</u></u>	<u><u>\$ 25,001</u></u>	<u><u>\$ (72,408)</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

22. SEGMENT DISCLOSURE (continued)

	Economic Development		Health		Housing		Socio Economics and Development		First Nation Program	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues										
Federal Government										
ISC	\$ 112,700	\$ 986,700	\$ 13,645,501	\$ 8,450,113	\$ 250,426	\$ 522,609	\$ 2,561,719	\$ 3,296,789	\$	\$
Health Canada										
CMHC										
Other	78,072	169,733	1,747,108	1,228,970	187,083	191,193	7,723,111	5,521,075	976,532	684,869
Deferred revenue from prior year										
Deferred revenue to following year	322,977		3,031,323	1,289,776	1,297,505	2,279,138	2,994,546	228,496	112,076	27,954
Total revenue	<u>-</u>	<u>(322,977)</u>	<u>(4,473,539)</u>	<u>(3,031,323)</u>	<u>(947,994)</u>	<u>(1,297,505)</u>	<u>(3,268,187)</u>	<u>(2,994,546)</u>	<u>(154,382)</u>	<u>(112,076)</u>
Total revenue	<u>513,749</u>	<u>833,456</u>	<u>13,950,393</u>	<u>7,937,536</u>	<u>787,020</u>	<u>1,695,435</u>	<u>10,011,189</u>	<u>6,051,814</u>	<u>934,226</u>	<u>600,747</u>
Expenses										
Amortization										
Other										
Salaries and benefits	132,171	201,284	10,446,250	4,790,981	172,689	169,137	5,704,140	6,380,222	406,013	587,435
	<u>-</u>	<u>-</u>	<u>4,530,802</u>	<u>4,207,264</u>	<u>286,691</u>	<u>835,516</u>	<u>561,274</u>	<u>265,773</u>	<u>654,594</u>	<u>649,998</u>
Total expenses	<u>132,171</u>	<u>201,284</u>	<u>14,977,052</u>	<u>8,998,245</u>	<u>459,380</u>	<u>1,056,970</u>	<u>6,265,414</u>	<u>6,645,995</u>	<u>1,060,607</u>	<u>1,237,433</u>
Surplus (Deficit)	<u>\$ 381,578</u>	<u>\$ 632,172</u>	<u>\$ (1,026,659)</u>	<u>\$ (1,060,709)</u>	<u>\$ 327,640</u>	<u>\$ 638,465</u>	<u>\$ 3,745,775</u>	<u>\$ (594,181)</u>	<u>\$ (126,381)</u>	<u>\$ (636,686)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 202322. SEGMENT DISCLOSURE *(continued)*

	Women Shelter		TOTAL	
	<u>2 0 2 3</u>	<u>2 0 2 2</u>	<u>2 0 2 3</u>	<u>2 0 2 2</u>
Revenues				
Federal Government				
ISC	\$ 2,934,793	\$ 1,298,775	\$ 52,212,781	\$ 42,873,000
Health Canada			13,645,501	11,214,530
CMHC			250,426	522,609
Other	1,079,925	394,034	19,092,467	15,513,386
Deferred revenue from prior year			37,078,170	31,594,606
Deferred revenue to following year	(1,351,733)	-	(41,617,001)	(37,078,170)
Total revenue	<u>2,662,985</u>	<u>1,692,809</u>	<u>80,662,344</u>	<u>64,639,961</u>
Expenses				
Amortization	21,780	32,887	5,427,234	1,820,564
Other	700,649	713,268	37,494,673	27,488,009
Salaries and benefits	<u>656,943</u>	<u>661,126</u>	<u>17,210,459</u>	<u>15,466,627</u>
Total expenses	<u>1,379,372</u>	<u>1,407,281</u>	<u>60,132,366</u>	<u>44,775,200</u>
Surplus	\$ <u>1,283,613</u>	\$ <u>285,528</u>	\$ <u>20,529,978</u>	\$ <u>19,864,761</u>