

Sachigo Lake First Nation
Financial Statements
For the year ended March 31, 2021

**Sachigo Lake First Nation
Financial Statements
For the year ended March 31, 2021**

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Management's Responsibility for Financial Reporting

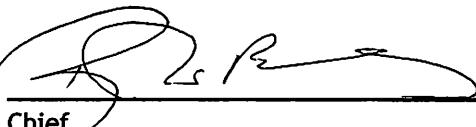
The accompanying financial statements of Sachigo Lake First Nation are the responsibility of management and have been approved by the Chief and Council.

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

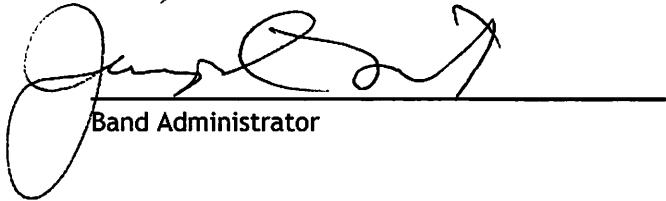
The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

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

On behalf of Sachigo Lake First Nation:



Chief



Band Administrator

Independent Auditor's Report

To the Members of
Sachigo Lake First Nation

Qualified Opinion

We have audited the financial statements of Sachigo Lake First Nation (the First Nation), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Section 1201, Financial Statement Presentation, of the CPA Canada Public Sector Accounting Handbook requires the disclosure of budgeted information. The First Nation has not prepared or approved consolidated budgets. As a result, no budgeted information has been presented on the financial statements for the year ended March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the effects of this departure from Canadian public sector accounting standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

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

Independent Auditor's Report (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
June 7, 2022

Sachigo Lake First Nation
Statement of Financial Position

March 31	2021	2020
Financial assets		
Cash (Note 2)	\$ 13,750,422	\$ 12,522,340
Accounts receivable (Note 3)	844,013	1,179,470
Due from government and government organizations (Note 4)	1,596,177	548,150
Inventory for resale	445,086	393,203
Trust funds held by federal government (Note 12)	<u>102,141</u>	<u>96,290</u>
	<u>16,737,839</u>	<u>14,739,453</u>
Financial liabilities		
Accounts payable and accrued liabilities (Note 5)	3,799,573	5,269,878
Due to government and government organizations (Note 6)	720,305	626,083
Deferred revenue (Note 7)	10,955,115	7,617,887
Debt (Note 8)	1,655,672	2,494,167
Obligation under capital lease (Note 9)	<u>87,712</u>	<u>168,540</u>
	<u>17,218,377</u>	<u>16,176,555</u>
Net debt	<u>(480,538)</u>	<u>(1,437,102)</u>
Non-financial assets		
Tangible capital assets (Note 10)	42,244,682	34,809,461
Prepaid expenses	<u>286,681</u>	<u>341,248</u>
	<u>42,531,363</u>	<u>35,150,709</u>
Accumulated surplus (Note 11)	<u>\$ 42,050,825</u>	<u>\$ 33,713,607</u>

Approved on behalf of the Band Council:



Two handwritten signatures are shown, one in black ink and one in blue ink, both appearing to be signatures of band council members. They are placed over a horizontal line.

Sachigo Lake First Nation
Statement of Operations and Accumulated Surplus

<u>For the year ended March 31</u>	<u>2021</u>	<u>2020</u>
Revenue		
Federal government transfers	\$ 20,481,489	\$ 17,750,478
Provincial government transfers	2,087,709	1,935,922
Fuel sales	1,700,398	1,794,957
Hydro One	80,951	97,640
Nishnawbe Aski Nation	397,430	364,601
Northern Nishnawbe Education Council	107,064	82,584
Ontario First Nations (2008) Limited		
Partnership	1,189,116	1,226,822
Other	1,912,736	2,669,920
Rental	205,132	221,820
Sioux Lookout Area Aboriginal Employment &		
Training Initiatives Organization	167,015	141,210
Sioux Lookout First Nations Health Authority	52,295	-
Tourism	20,778	143,709
Windigo First Nations Council	396,705	-
	<u>28,798,818</u>	<u>26,429,663</u>
Expenses		
Band support	3,752,983	3,493,742
Community funds	745,494	619,680
Economic development	1,164,158	1,035,768
Education and training	4,242,420	3,752,693
Health	3,709,144	2,740,796
Housing and infrastructure	4,893,853	4,998,820
Social services	1,953,548	1,627,575
	<u>20,461,600</u>	<u>18,269,074</u>
Annual surplus	8,337,218	8,160,589
Accumulated surplus, beginning of year	33,713,607	25,553,018
Accumulated surplus, end of year	\$ 42,050,825	\$ 33,713,607

Sachigo Lake First Nation
Statement of Changes in Net Debt

<u>For the year ended March 31</u>	<u>2021</u>	<u>2020</u>
Annual surplus	\$ 8,337,218	\$ 8,160,589
Acquisition of tangible capital assets	(9,944,783)	(11,057,286)
Amortization of tangible capital assets	2,509,562	2,721,686
Change in prepaid expenses	<u>54,567</u>	<u>(335,151)</u>
Net change in net debt	<u>956,564</u>	<u>(510,162)</u>
Net debt, beginning of year	<u>(1,437,102)</u>	<u>(926,940)</u>
Net debt, end of year	\$ (480,538)	\$ (1,437,102)

Sachigo Lake First Nation
Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Annual surplus	\$ 8,337,218	\$ 8,160,589
Item not involving cash:		
Amortization	2,509,562	2,721,686
Changes in non-cash working capital balances		
Accounts receivable	335,457	(662,130)
Due from government and government organizations	(1,048,027)	324,540
Inventory	(51,883)	20,869
Prepaid expenses	54,567	(335,151)
Accounts payable and accrued liabilities	(1,470,305)	2,030,826
Due to government and government organizations	94,222	167,305
Deferred revenue	<u>3,337,228</u>	<u>5,569,122</u>
	<u>12,098,039</u>	<u>17,997,656</u>
Cash used in capital activities		
Acquisition of tangible capital assets	<u>(9,944,783)</u>	<u>(11,057,286)</u>
Cash used in financing activities		
Repayment of debt	(838,495)	(867,480)
Advances of debt	-	758,212
Repayment of obligation under capital lease	<u>(80,828)</u>	<u>(76,549)</u>
	<u>(919,323)</u>	<u>(185,817)</u>
Cash used in investment activities		
Increase in trust assets	<u>(5,851)</u>	<u>(9,000)</u>
Increase in cash during the year	1,228,082	6,745,553
Cash, beginning of year	<u>12,522,340</u>	<u>5,776,787</u>
Cash, end of year	<u>\$ 13,750,422</u>	<u>\$ 12,522,340</u>

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies

Basis of Accounting	These financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.
Reporting Entity	The Sachigo Lake First Nation reporting entity includes only the Sachigo Lake First Nation government.
Cash and Cash Equivalents	Cash and cash equivalents consist of bank balances, cash on hand, guaranteed investment certificates and revolving lines of credit.
Tangible Capital Assets	Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.
	Amortization is provided for on a straight-line basis as follows:
Buildings	20 years
Equipment	5 years
Computers	2 years
Infrastructure and housing	25 years
Vehicles	3 years
Airplanes	4 years
Heavy equipment	10 years

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value. During the year, there were no such transfers from related parties.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the asset is available to be put into service.

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies (cont'd)

Leased Tangible Capital Assets	Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease.		
Revenue Recognition	<p>Amortization is provided on a straight-line basis as follows:</p> <table> <tr> <td>Heavy equipment</td> <td>10 years</td> </tr> </table> <p>Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis.</p> <p>Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.</p> <p>Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.</p> <p>Revenue is recorded for fuel sales upon the purchase of fuel by customers.</p>	Heavy equipment	10 years
Heavy equipment	10 years		
Inventory for Resale	Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on a weighted average basis.		
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The principal estimates used in the preparation of these financial statements is the useful lives of tangible capital assets, allowance for doubtful accounts, deferred revenue and accrued liabilities. Actual results could differ from those estimates.		

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2021

2. Cash

	2021	2020
Canadian Imperial Bank of Commerce - Sioux Lookout		
Administration	\$ 8,032,714	\$ 511,665
Community Funds	392,335	8,650
Savings	384,567	265,422
New Store	454,960	356,209
Echoing Lake Camp	34,868	27,344
Winter Roads	(114,238)	(5,988)
Post Office	86,755	73,151
Internet Services	10,970	4,775
Economic Development	266,319	242,519
Business Centre	27,563	37,359
Health	(229,530)	328,955
Education	753,780	569,644
Social Services	(108,908)	(12,287)
Water Treatment Plant - Operating	2,833,565	9,413,010
Water Treatment Plant - Holdback	373,843	200,798
New Police Detachment - Holdback	546,383	496,638
Guaranteed investment certificate	4,476	4,476
	<hr/> <u>\$ 13,750,422</u>	<hr/> <u>\$ 12,522,340</u>

The First Nation has several overdraft lines of credit totaling \$395,000 which are due on demand and bear interest rates of prime plus 1.5% (3.95% per annum at March 31, 2021). At March 31, 2021, the First Nation has utilized \$39,450 (2020 - \$NIL) on these lines of credit. The remaining bank indebtedness was caused by issued outstanding items. The overdraft lines of credit are supported by a Band Council Resolution and a general security agreement.

3. Accounts Receivable

	2021	2020
Band member loans and advances	\$ 15,717	\$ 15,717
Canada Post	85,337	91,280
Nishnawbe Aski Nation	67,549	76,175
Northern Nishnawbe Education Council	65,772	-
Other	97,678	226,298
Penn-co Construction Inc.	116,579	579,603
Police detachment project	153,800	-
Sioux Lookout Area Aboriginal Management Board	122,838	33,012
Sioux Lookout First Nations Health Authority	54,000	-
Tikinagan Child & Family Services	20,300	5,743
Windigo First Nations Council	44,443	151,642
	<hr/> <u>\$ 844,013</u>	<hr/> <u>\$ 1,179,470</u>

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2021

4. Due from Government and Government Organizations

	2021	2020
Federal government		
Indigenous Services Canada	\$ 957,933	\$ 318,672
Canada Mortgage and Housing Corporation	35,883	35,883
Canada Revenue Agency - public service bodies' rebates	103,887	85,968
Public Safety Canada	352,204	-
Provincial government		
Ministry of Children, Community and Social Services	75,359	61,713
Ministry of Health and Long-Term Care	50,411	-
Ministry of Heritage, Sport, Tourism & Culture Industries	12,000	-
Ministry of Indigenous Affairs	8,500	8,500
Ministry of Transportation Ontario	-	37,414
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	\$ 1,596,177	\$ 548,150
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5. Accounts Payable and Accrued Liabilities

	2021	2020
Trade payables and other accrued liabilities	\$ 465,900	\$ 269,979
Capital project payables	3,053,772	4,753,248
Windigo First Nations Council	264,116	237,470
WSIB	15,785	9,181
	<hr/>	<hr/>
	\$ 3,799,573	\$ 5,269,878
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6. Due to Government and Government Organizations

	2021	2020
Federal government		
Indigenous Services Canada	\$ 444,133	\$ 435,133
Receiver General for Canada	19,880	12,466
Provincial government		
Ministry of Health and Long-Term Care	145,732	116,563
Ministry of Indigenous Affairs	110,560	61,921
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	\$ 720,305	\$ 626,083
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Sachigo Lake First Nation
Notes to Financial Statements

March 31, 2021

7. Deferred Revenue and Government Transfers

	Balance March 31, 2020	Funding Received	Revenue Recognized	Funding Recoveries/ Repayable Funding	Balance March 31, 2021
Federal					
Indigenous Services Canada	\$ 7,474,673	\$ 22,532,995	\$ 19,479,860	\$ 9,000	\$ 10,518,808
Canada Mortgage and Housing Corporation	-	47,956	47,956	-	-
Public Safety Canada	143,214	810,459	953,673	-	-
Total Federal	7,617,887	23,391,410	20,481,489	9,000	10,518,808
Provincial					
Ministry of Children, Community and Social Services	-	1,468,639	1,468,639	-	-
Ministry of Indigenous Affairs	-	219,917	171,278	48,639	-
Ministry of Energy, Northern Development and Mines	-	110,361	110,361	-	-
Ministry of Health and Long Term Care	-	289,576	198,110	91,466	-
Ministry of Heritage, Sport, Tourism & Culture Industries	-	185,316	139,321	-	45,995
Total Provincial	-	2,273,809	2,087,709	140,105	45,995
Other Deferred Revenue					
Sioux Lookout First Nations Health Authority	-	422,607	52,295	-	370,312
Tourism	-	40,778	20,778	-	20,000
	-	463,385	73,073	-	390,312
	\$ 7,617,887	\$ 26,128,604	\$ 22,642,271	\$ 149,105	\$ 10,955,115

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2021

7. Deferred Revenue (cont'd)

Deferred revenue is broken down by program as follows:

	2021	2020
Indigenous Services Canada		
Aboriginal Head Start on Reserve	\$ 277,411	\$ 133,716
Capital Investment	130,860	-
Child and Family Services	1,065,810	751,739
Community Infrastructure	433,472	122,450
Construction (Capital Housing)	-	195,762
COVID-19	625,599	-
COVID-19 - Social Services	49,115	-
Diesel Generation Station Upgrade	500,000	-
Education - Plan, Design & Construction	2,158,418	210,000
First Nations Water & Wastewater Action Plan	4,589,915	5,649,716
Skills Link Program	39,981	22,343
Aboriginal Diabetes Initiative	42,437	10,178
Aboriginal Diabetes Initiative - Reinvestment	-	32,267
Building Healthy Communities	41,597	-
Canada Prenatal Nutrition	-	13,563
Choose Life	223,021	98,672
Community Health Promotion	-	3,098
Community Health Promotion - X-ray After Hours	73,346	50,000
Federal Tobacco Control Strategy	16,371	6,944
Healthy Child Development	-	12,511
O&M Education	62,593	-
Teacherages	148,083	-
National Native Alcohol & Drug Abuse Program	-	75,303
Winter Road	31,968	-
Traditional Healer	8,811	-
Nutrition North Canada	-	10,523
Suicide Prevention	-	75,888
Ministry of Heritage, Sport, Tourism and Culture		
Industries		
After School Program	45,995	-
Public Safety Canada		
Police detachment	-	143,214
Sioux Lookout First Nations Health Authority		
Safe House	316,312	-
Harm Reduction / STBBI	54,000	-
Tourism - Echoing Lake	20,000	-
	<hr/> \$10,955,115	<hr/> \$ 7,617,887

**Sachigo Lake First Nation
Notes to Financial Statements**

March 31, 2021

8. Debt	2021	2020
<u>Canada Imperial Banking Corporation (CIBC)</u>		
Demand instalment loan payable in monthly instalments of \$7,487 plus interest of prime plus 1.5% (3.95% at year-end) and maturing March 2023. Secured by a general security agreement and by a Band Council Resolutions confirming borrowings.	\$ 179,688	\$ 269,532
Demand instalment loan payable in monthly instalments of \$3,375 plus interest at the bank's prime lending rate plus 1.5% (3.95% at year-end) and maturing November 2025. Secured by a general security agreement and a Band Council Resolution confirming borrowings.	189,000	229,500
Demand instalment loan payable in monthly instalments of \$2,500 plus interest of prime plus 1.5% (3.95% at year-end) and maturing March 2023. Secured by a general security agreement and a Band Council Resolution confirming borrowings.	60,000	90,000
Demand instalment loan payable in monthly instalments of \$12,606 plus interest of prime plus 1.5% (3.95% at year-end) and maturing February 2024. Secured by a general security agreement and a Band Council Resolution confirming borrowings.	441,202	592,474
Demand instalment loans	-	488,680
<u>Daimler Truck Financial</u>		
Loan payable in monthly instalments of \$1,332 including interest of 5.31% and maturing February 2023. Secured by automotive equipment.	29,072	43,109
<u>Canada Mortgage and Housing Corporation (CMHC)</u>		
Mortgage payable in monthly instalments of \$3,720 including interest at 2.68%, maturing October 2023	756,710	780,872
	<hr/>	<hr/>
	\$ 1,655,672	\$ 2,494,167

**Sachigo Lake First Nation
Notes to Financial Statements**

March 31, 2021

8. Debt (cont'd)

Anticipated annual principal payments, assuming repayment is not demanded and continues as scheduled, due in the next five years and thereafter are as follows:

2022	\$ 351,100
2023	351,200
2024	886,100
2025	40,500
2026	<u>26,772</u>
	<u><u>\$ 1,655,672</u></u>

9. Obligation Under Capital Lease

	2021	2020
Obligation under a capital lease for heavy equipment, blended monthly payments of \$7,334, with interest at the rate of 5.45%, maturing February 2023, secured by specific equipment	<u>\$ 87,712</u>	<u>\$ 168,540</u>

Future minimum lease payments under capital lease for subsequent years are as follows:

2022	\$ 90,382
Less: amounts representing interest	<u>(2,670)</u>
	<u><u>\$ 87,712</u></u>

Sachigo Lake First Nation
Notes to Financial Statements

March 31

10. Tangible Capital Assets

	2021									
	Buildings	Equipment	Computers	Infrastructure and Housing	Vehicles	Airplanes	Heavy Equipment	Asset Under Capital Lease Obligation	Construction in Progress	Total
Cost, beginning of year	\$ 63,653,108	\$ 1,983,722	\$ 182,984	\$ 2,304,051	\$ 1,328,503	\$ 400,000	\$ 4,737,435	\$ 386,191	\$ 11,861,012	\$ 86,837,006
Additions	159,067	-	-	250,576	-	356,580	-	9,178,560	9,178,560	9,944,783
Cost, end of year	63,653,108	2,142,789	182,984	2,304,051	1,579,079	400,000	5,094,015	386,191	21,039,572	96,781,789
Accumulated amortization, beginning of year	44,292,320	1,773,301	182,984	2,078,321	1,142,333	400,000	2,023,119	135,167	-	52,027,545
Amortization	1,842,532	58,395	-	27,842	155,465	-	386,709	38,619	-	2,509,562
Accumulated amortization, end of year	46,134,852	1,831,696	182,984	2,106,163	1,297,798	400,000	2,409,828	173,786	-	54,537,107
Net carrying amount, end of year	\$ 17,518,256	\$ 311,093	-	\$ 197,888	\$ 281,281	-	\$ 2,684,187	\$ 212,405	\$ 21,039,572	\$ 42,244,682

Sachigo Lake First Nation
Notes to Financial Statements

March 31

10. Tangible Capital Assets (cont'd)

	2020									
	Buildings	Equipment	Computers	Infrastructure and Housing	Vehicles	Airplanes	Heavy Equipment	Asset Under Capital Lease Obligation	Construction in Progress	Total
Cost, beginning of year	\$ 61,720,079	\$ 1,948,947	\$ 182,984	\$ 2,240,000	\$ 1,278,454	\$ 400,000	\$ 3,791,015	\$ 386,191	\$ 3,832,050	\$ 75,779,720
Additions	823,573	34,775	-	64,051	50,049	-	946,420	-	9,138,418	11,057,286
Transfer	1,109,456	-	-	-	-	-	-	-	(1,109,456)	-
Cost, end of year	63,653,108	1,983,722	182,984	2,304,051	1,328,503	400,000	4,737,435	386,191	11,861,012	86,837,006
Accumulated amortization, beginning of year	42,238,468	1,721,796	176,510	2,048,640	956,545	400,000	1,667,352	96,548	-	49,305,859
Amortization	2,053,852	51,505	6,474	29,681	185,788	-	355,767	38,619	-	2,721,686
Accumulated amortization, end of year	44,292,320	1,773,301	182,984	2,078,321	1,142,333	400,000	2,023,119	135,167	-	52,027,545
Net carrying amount, end of year	\$ 19,360,788	\$ 210,421	-	\$ 225,730	\$ 186,170	-	\$ 2,714,316	\$ 251,024	\$ 11,861,012	\$ 34,809,461

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$21,039,572 (2020 - \$11,861,012).

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2021

11. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2021	2020
Investment in tangible capital assets	\$ 40,501,298	\$ 32,635,433
Unrestricted surplus	<u>1,549,527</u>	<u>1,078,174</u>
	<u><u>\$ 42,050,825</u></u>	<u><u>\$ 33,713,607</u></u>

12. Trust Funds Held by Federal Government

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

13. Comparative Figures

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

14. Impact of COVID-19 Pandemic

As the impacts of COVID-19 in Canada and around the world continue, there could be further impacts on the First Nation. To offset any negative financial impacts, funding has been provided by the Federal and Provincial governments through a variety of grants. The community has experienced lockdowns and travel restrictions on a periodic basis when local breakouts have occurred or regional case counts have surged. These restrictions have slowed down the progress of capital projects significantly, as well as making it difficult to run certain programs which has resulted in surpluses that have needed to be deferred. Funders have provided increased flexibility and allowed revenue to be deferred to future years.

Given the dynamic nature of these circumstances and the duration of the disruption, the related financial impact cannot be reasonably estimated at this time. The First Nation's ability to continue to service debt and meet other obligations as they come due is dependent on the continued support of Indigenous Services Canada and all the other various funders of the First Nation.

**Sachigo Lake First Nation
Notes to Financial Statements**

March 31, 2021

15. Indigenous Services Canada

	2021	2020
Funding per ISC confirmation	\$ 22,532,995	\$ 20,442,654
<u>Transfer from deferred revenue</u>	7,474,673	1,669,408
<u>Transfer to deferred revenue</u>		
Q22K - Aboriginal Head Start on Reserve	(277,411)	(133,716)
Q35N - First Nations Water & Wastewater		
Action Plan	(4,589,915)	(5,649,716)
Q36O - Education Plan, Design & Construction	(2,158,418)	(210,000)
Q3AA - Construction	-	(195,762)
Q3BG - Fire Protection	-	(45,133)
Q3BN - Training - Fire Protection	-	(9,997)
Q35B - Water Systems	-	(67,320)
Q221 - Aboriginal Diabetes Initiative	(42,437)	(10,178)
KC01 - Aboriginal Diabetes Initiative - Re-investment	-	(32,267)
Q226 - Federal Tobacco Control Strategy	(16,371)	(6,944)
Q216 - National Native Alcohol & Drug Abuse		
Program	-	(75,303)
Q3F9 - Energy Systems	(500,000)	-
Q22G - Canada Prenatal Nutrition	-	(13,563)
Q207 - Jordan's Principle - Suicide Prevention	(223,021)	(98,672)
Q227 - CHP - X-Ray After Hours	(73,346)	(50,000)
Q22N - Community Health Promotion	-	(3,098)
Q22N - Healthy Child Development	-	(12,511)
Q224 - Nutrition North Canada	-	(10,523)
Q213 - Suicide Prevention	-	(75,888)
Q26G - Skill Link Program	(39,981)	(22,343)
NPD7 - Prev/Least Disruptive Meas /		
Q2BW - Community Based Initiative /		
Q2C0 - Operations - CFS	(1,065,810)	(751,739)
Q370 - Schools O&M	(62,593)	-
Q371 - Teacherage/Resi/Grp Home	(148,083)	-
Community Infrastructure	(433,472)	-
Q21G - Mental Wellness	(41,597)	-
Q01T - MHC - Traditional Healer	(8,811)	-
Q300 - Capital Investments	(130,860)	-
Q3BH - Roads and Bridges (Winter Road)	(31,968)	-
Q29W - Basic Needs (COVID-19)	(49,115)	-
COVID-19	(625,599)	-
<u>Repayable</u>		
Q01T - MHC - Traditional Healer	-	(8,811)
Q302 - Community Facilities O&M (Security)	-	(5,055)
Q2AO - Social Ass. Empl & Training (Arena)	(9,000)	-
Revenue recognized	\$ 19,479,860	\$ 14,623,523

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2021

16. Segmented Information

Sachigo Lake First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The activities can be categorized into segments. The following segments have been identified and as such are separately disclosed.

Band Support

Band support contains activities that are needed to run the Sachigo Lake First Nation organization.

Community Funds

Community funds contains activities of all other programs including funding from Ontario First Nations (2008) Limited Partnership.

Housing and Infrastructure

Housing and infrastructure contains all the activities that provide maintenance to the community and its infrastructure including road maintenance, sewer and water, community buildings and public utilities. It also contains all activities that relate to the maintenance of the First Nation's buildings and land and the provision of housing and repairs and maintenance to band members' housing.

Health

Health contains activities that provide medical services to band members. Furthermore, the community wellness department provides a diverse bundle of services directed towards transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

Education & Training

Education & training contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Social Services

Social services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community.

Economic Development

Economic Development contains all activities that provide economic support for the community including the motel, business centre, fuel sales and more.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are as follows:

Sachigo Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2021

16. Segmented Information (cont'd)

For the year ended March 31	Band Support	Community Funds	Housing & Infrastructure	Health	Education & Training	Social Services	Economic Development	Total 2021
Revenue								
Federal government transfers	\$ 1,959,602	\$ -	\$ 10,997,541	\$ 3,172,380	\$ 3,912,063	\$ 340,111	\$ 99,792	\$ 20,481,489
Provincial government transfers	315,448	-	110,361	-	84,005	1,577,895	-	2,087,709
OFNLP	-	1,189,116	-	-	-	-	-	1,189,116
Other	2,313,532	343,782	656,254	178,108	398,821	1,888	1,148,119	5,040,504
	4,588,582	1,532,898	11,764,156	3,350,488	4,394,889	1,919,894	1,247,911	28,798,818
Expenses								
Amortization	22,962	102,631	2,260,594	55,379	56,273	-	11,723	2,509,562
Contracted services	145,528	-	107,476	2,971	-	3,100	1,977	261,052
Honorariums	8,000	3,482	2,000	33,048	76,357	-	-	122,887
Interest & bank charges	12,669	316	58,129	1,582	3,643	1,754	17,257	95,350
Materials & supplies	2,057,245	639,065	841,290	1,811,714	2,274,263	1,723,720	769,593	10,116,890
Rent	70,022	-	10,146	97	2,063	-	250	82,578
Repairs & maintenance	-	-	260	5,527	-	-	17,336	23,123
Training	-	-	-	12,971	1,625	2,595	7,637	24,828
Travel	8,177	-	4,926	27,617	-	3,600	970	45,290
Utilities & telephone	100,689	-	509,686	183,100	13,161	-	57,227	863,863
Wages & benefits	1,327,691	-	1,099,346	1,575,138	1,815,035	218,779	280,188	6,316,177
	3,752,983	745,494	4,893,853	3,709,144	4,242,420	1,953,548	1,164,158	20,461,600
Annual surplus (deficit)	\$ 835,599	\$ 787,404	\$ 6,870,303	\$ (358,656)	\$ 152,469	\$ (33,654)	\$ 83,753	\$ 8,337,218

Sachigo Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2020

16. Segmented Information (cont'd)

For the year ended March 31	Band Support	Community Funds	Housing & Infrastructure	Health	Education & Training	Social Services	Economic Development	Total 2020
Revenue								
Federal government transfers	\$ 706,254	\$ -	\$ 10,991,945	\$ 2,504,390	\$ 3,417,789	\$ 77,500	\$ 52,600	\$ 17,750,478
Provincial government transfers	107,946	-	144,560	(18,333)	130,000	1,562,015	9,734	1,935,922
OFNLP	-	1,226,822	-	-	-	-	-	1,226,822
Other	3,230,232	233,505	356,464	215,515	446,963	3,209	1,030,553	5,516,441
	4,044,432	1,460,327	11,492,969	2,701,572	3,994,752	1,642,724	1,092,887	26,429,663
Expenses								
Amortization	48,178	100,482	2,435,235	57,938	67,634	-	12,219	2,721,686
Contracted services	80,017	-	7,019	70,251	1,662	122	2,508	161,579
Honorariums	1,600	13,925	-	62,119	74,761	-	-	152,405
Insurance	46,151	-	-	14,400	-	-	-	60,551
Interest & bank charges	72,621	6,237	93,696	1,630	5,284	1,757	13,474	194,699
Materials & supplies	1,864,444	499,036	621,440	869,980	1,895,957	1,358,839	632,742	7,742,438
Rent	44,232	-	11,320	493	5,990	-	100	62,135
Repairs & maintenance	-	-	72,319	10,980	-	-	30,296	113,595
Training	-	-	4,764	13,722	30,161	21,673	-	70,320
Travel	43,519	-	8,920	98,999	79,288	10,454	9,870	251,050
Utilities & telephone	89,398	-	813,193	161,636	11,709	-	75,177	1,151,113
Wages and benefits	1,203,582	-	930,914	1,378,648	1,580,247	234,730	259,382	5,587,503
	3,493,742	619,680	4,998,820	2,740,796	3,752,693	1,627,575	1,035,768	18,269,074
Annual surplus (deficit)	\$ 550,690	\$ 840,647	\$ 6,494,149	\$ (39,224)	\$ 242,059	\$ 15,149	\$ 57,119	\$ 8,160,589