

Sachigo Lake First Nation
Financial Statements
For the year ended March 31, 2022

Sachigo Lake First Nation
Financial Statements
For the year ended March 31, 2022

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Management's Responsibility for Financial Reporting

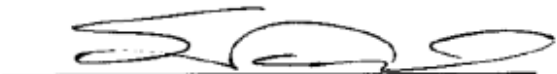
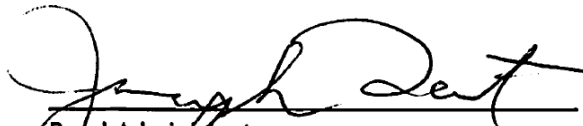
The accompanying financial statements of Sachigo Lake First Nation are the responsibility of management and have been approved by the Chief and Council.

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, MNP LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. MNP 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

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, 2022, and the statements of operations and accumulated surplus, changes in net financial assets (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, 2022, 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, 2022. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2021 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.

Other Matter

The financial statements of Sachigo Lake First Nation for the year ended March 31, 2021 were audited by another auditor who expressed a qualified opinion on those statements on June 7, 2022 for the reasons described in the Basis for Qualified Opinion paragraph.

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.

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.

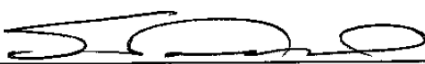
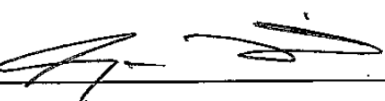
Thunder Bay, Ontario
March 7, 2025

MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

Sachigo Lake First Nation Statement of Financial Position

March 31	2022	2021
Financial assets		
Cash (Note 2)	\$ 17,677,715	\$ 13,750,422
Accounts receivable (Note 3)	1,111,274	844,013
Due from government and government organizations (Note 4)	3,890,653	1,596,177
Inventory for resale	644,261	445,086
Trust funds held by federal government (Note 12)	114,577	102,141
	<u>23,438,480</u>	<u>16,737,839</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	5,639,629	3,799,573
Due to government and government organizations (Note 6)	949,955	720,305
Deferred revenue (Note 7)	14,283,561	10,955,115
Debt (Note 8)	1,304,489	1,655,672
Obligation under capital lease (Note 9)	326,600	87,712
	<u>22,504,234</u>	<u>17,218,377</u>
Net financial assets (debt)	<u>934,246</u>	<u>(480,538)</u>
Non-financial assets		
Tangible capital assets (Note 10)	59,583,785	42,244,682
Prepaid expenses	500,636	286,681
	<u>60,084,421</u>	<u>42,531,363</u>
Accumulated surplus (Note 11)	<u>\$ 61,018,667</u>	<u>\$ 42,050,825</u>

Approved on behalf of the Band Council:

Sachigo Lake First Nation

Statement of Operations and Accumulated Surplus

For the year ended March 31	2022	2021
Revenue		
Federal government transfers (Note 7)	\$ 32,434,069	\$ 20,481,489
Provincial government transfers (Note 7)	1,845,373	2,087,709
Accommodations	1,255,944	322,486
Fuel sales	2,125,068	1,700,398
Gravel sales	459,393	187,809
Hydro One	75,382	80,951
Insurance proceeds	206,000	-
Nishnawbe Aski Nation	392,423	397,430
Northern Nishnawbe Education Council	152,964	107,064
Ontario First Nations (2008) Limited Partnership	719,707	1,189,116
Other	1,878,388	1,316,428
Rental	675,936	235,693
Sale of goods	227,279	96,230
Sioux Lookout Area Aboriginal Employment & Training Initiatives Organization	298,132	167,015
Sioux Lookout First Nations Health Authority	122,089	32,295
Windigo First Nations Council	100,000	396,705
	<u>42,968,147</u>	<u>28,798,818</u>
Expenses		
Band support	4,714,557	3,752,983
Community funds	1,023,965	745,494
Economic development	1,402,658	1,164,158
Education and training	5,445,556	4,242,420
Health	3,433,379	3,709,144
Housing and infrastructure	6,199,982	4,893,853
Social services	1,780,208	1,953,548
	<u>24,000,305</u>	<u>20,461,600</u>
Annual surplus	18,967,842	8,337,218
Accumulated surplus, beginning of year	42,050,825	33,713,607
Accumulated surplus, end of year	\$ 61,018,667	\$ 42,050,825

Sachigo Lake First Nation
Statement of Changes in Net Financial Assets (Debt)

For the year ended March 31	2022	2021
Annual surplus	\$ 18,967,842	\$ 8,337,218
Acquisition of tangible capital assets	(19,969,403)	(9,944,783)
Amortization of tangible capital assets	2,630,300	2,509,562
Change in prepaid expenses	(213,955)	54,567
Net change	1,414,784	956,564
Net debt, beginning of year	(480,538)	(1,437,102)
Net financial assets (debt), end of year	\$ 934,246	\$ (480,538)

Sachigo Lake First Nation Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Annual surplus	\$ 18,967,842	\$ 8,337,218
Item not involving cash:		
Amortization	2,630,300	2,509,562
Changes in non-cash working capital balances		
Accounts receivable	(267,261)	335,457
Due from government and government organizations	(2,294,476)	(1,048,027)
Inventory	(199,175)	(51,883)
Accounts payable and accrued liabilities	1,840,056	(1,470,305)
Due to government and government organizations	229,650	94,222
Deferred revenue	3,328,446	3,337,228
Prepaid expenses	(213,955)	54,567
	<u>24,021,427</u>	<u>12,098,039</u>
Cash used in capital activities		
Acquisition of tangible capital assets	<u>(19,969,403)</u>	<u>(9,944,783)</u>
Cash used in financing activities		
Repayment of debt	(351,183)	(838,495)
Advances of obligations under capital lease	326,600	-
Repayment of obligation under capital lease	<u>(87,712)</u>	<u>(80,828)</u>
	<u>(112,295)</u>	<u>(919,323)</u>
Cash used in investment activities		
Increase in trust assets	<u>(12,436)</u>	<u>(5,851)</u>
Increase in cash during the year	3,927,293	1,228,082
Cash, beginning of year	<u>13,750,422</u>	<u>12,522,340</u>
Cash, end of year	<u>\$ 17,677,715</u>	<u>\$ 13,750,422</u>

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2022

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, 2022

1. Significant Accounting Policies (cont'd)

Leased Tangible Capital Assets	<p>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.</p> <p>Amortization is provided on a straight-line basis as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Heavy equipment</td><td style="text-align: right;">10 years</td></tr> </table>	Heavy equipment	10 years
Heavy equipment	10 years		
Revenue Recognition	<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>		
Inventory for Resale	<p>Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on a weighted average basis.</p>		
Use of Estimates	<p>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.</p>		

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2022

2. Cash

	2022	2021
Canadian Imperial Bank of Commerce - Sioux Lookout		
Administration	\$ 11,352,740	\$ 8,032,714
Community Funds	560,134	392,335
Savings	469,539	384,567
New Store	545,582	454,960
Echoing Lake Camp	64,363	34,868
Winter Roads	(62,213)	(114,238)
Post Office	450,580	86,755
Internet Services	21,832	10,970
Economic Development	276,689	266,319
Business Centre	41,210	27,563
Health	169,998	(229,530)
Education	690,723	753,780
Social Services	(39,587)	(108,908)
Water Treatment Plant - Operating	539,772	2,833,565
Water Treatment Plant - Holdback	1,820,969	373,843
New Police Detachment - Holdback	770,908	546,383
Guaranteed investment certificate	4,476	4,476
	\$ 17,677,715	\$ 13,750,422

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% (4.2% per annum at March 31, 2022). At March 31, 2022, the First Nation has utilized \$Nil (2021 - \$39,450) 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

	2022	2021
Band member loans and advances	\$ 15,716	\$ 15,717
Canada Post	94,069	85,337
Nishnawbe Aski Nation	78,632	67,549
Northern Nishnawbe Education Council	38,241	65,772
Other	392,700	97,678
Penn-co Construction Inc.	130,377	116,579
Perron Contracting	167,906	-
Police detachment project	-	153,800
Sioux Lookout Area Aboriginal Management Board	147,722	122,838
Sioux Lookout First Nations Health Authority	-	54,000
Tikinagan Child & Family Services	1,468	20,300
Windigo First Nations Council	44,443	44,443
	\$ 1,111,274	\$ 844,013

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2022

4. Due from Government and Government Organizations

	2022	2021
Federal government		
Indigenous Services Canada	\$ 3,502,764	\$ 957,933
Canada Mortgage and Housing Corporation	35,883	35,883
Canada Revenue Agency - public service bodies' rebates	176,344	103,887
Public Safety Canada	-	352,204
Provincial government		
Ministry of Children, Community and Social Services	11,535	75,359
Ministry of Health and Long-Term Care	65,037	50,411
Ministry of Heritage, Sport, Tourism & Culture Industries	63,000	12,000
Ministry of Indigenous Affairs	8,500	8,500
Ministry of Northern Development, Mines, Natural Resources and Forestry	27,590	-
	\$ 3,890,653	\$ 1,596,177

5. Accounts Payable and Accrued Liabilities

	2022	2021
Trade payables and other accrued liabilities	\$ 1,353,906	\$ 465,900
Capital project payables	3,968,409	3,053,772
Windigo First Nations Council	281,801	264,116
WSIB	35,513	15,785
	\$ 5,639,629	\$ 3,799,573

6. Due to Government and Government Organizations

	2022	2021
Federal government		
Indigenous Services Canada	\$ 453,206	\$ 444,133
Receiver General for Canada	16,028	19,880
Provincial government		
Ministry of Health and Long-Term Care	208,801	145,732
Ministry of Indigenous Affairs	271,920	110,560
	\$ 949,955	\$ 720,305

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2022

7. Deferred Revenue and Government Transfers

	Balance March 31, 2021	Funding Received	Revenue Recognized	Funding Recoveries/ Repayable Funding	Balance March 31, 2022
Federal					
Indigenous Services Canada	\$ 10,518,808	\$ 29,172,078	\$ 31,957,663	\$ 9,075	\$ 7,724,148
Canada Mortgage and Housing Corporation	-	6,554,399	313,906	-	6,240,493
FEDNOR	-	162,500	162,500	-	-
Total Federal	10,518,808	35,888,977	32,434,069	9,075	13,964,641
Provincial					
Ministry of Children, Community and Social Services	-	1,272,899	1,272,899	-	-
Ministry of Indigenous Affairs	-	223,610	62,250	161,360	-
Ministry of Energy, Northern Development and Mines	-	110,361	110,361	-	-
Ministry of Health and Long Term Care	-	265,898	202,829	63,069	-
Ministry of Heritage, Sport, Tourism & Culture Industries	45,995	181,723	177,021	-	50,697
Ministry of Transportation	-	20,013	20,013	-	-
Total Provincial	45,995	2,074,504	1,845,373	224,429	50,697
Other Deferred Revenue					
Sioux Lookout First Nations Health Authority	370,312	-	122,089	-	248,223
Tourism	20,000	52,000	52,000	-	20,000
	390,312	52,000	174,089	-	268,223
	\$ 10,955,115	\$ 38,015,481	\$ 34,453,531	\$ 233,504	\$ 14,283,561

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2022

7. Deferred Revenue (cont'd)

Deferred revenue is broken down by program as follows:

	2022	2021
Indigenous Services Canada		
Aboriginal Diabetes Initiative	\$ 9,991	\$ 42,437
Aboriginal Head Start on Reserve	459,107	277,411
Capital Investment - Health	116,506	130,860
Capital Planning Study	50,000	-
Child and Family Services	197,723	212,187
Choose Life	-	223,021
Community Health Promotion - X-ray After Hours	99,692	73,346
Community Infrastructure	984,342	433,472
COVID-19	649,450	625,599
COVID-19 - Health	489,186	-
COVID-19 - Social Services	170,512	49,115
CWB Jurisdiction Initiatives	920,188	853,623
Diesel Generation Station Upgrade	-	500,000
Drinking water and wastewater	10,000	-
Education	369,286	-
Education - Plan, Design & Construction	7,779	2,158,418
Federal Tobacco Control Strategy	23,945	16,371
First Nations Water & Wastewater Action Plan	1,365,556	4,589,915
Mental Wellness	89,012	41,597
Nutrition North Canada	25,931	-
O&M Education	962,925	62,593
SATF - Arena	13,500	-
SATF - Echoing Lake	18,000	-
Service delivery	52,905	-
Skills Link Program	329,388	39,981
Teacherages	-	148,083
Traditional Healer	8,811	8,811
Winter Road	300,413	31,968
Ministry of Heritage, Sport, Tourism and Culture Industries		
After School Program	50,697	45,995
Canada Mortgage & Housing Corporation		
Rapid housing initiative	6,240,493	-
Sioux Lookout First Nations Health Authority		
Safe House	228,658	316,312
Harm Reduction / STBBI	19,565	54,000
Tourism - Echoing Lake	20,000	20,000
	\$14,283,561	\$ 10,955,115

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2022

8. Debt

	2022	2021
<u>Canada Imperial Banking Corporation (CIBC)</u>		
Demand instalment loan payable in monthly instalments of \$7,487 plus interest of prime plus 1.5% (4.2% at year-end) and maturing March 2023. Secured by a general security agreement and by a Band Council Resolutions confirming borrowings	\$ 89,844	\$ 179,688
Demand instalment loan payable in monthly instalments of \$3,375 plus interest at the bank's prime lending rate plus 1.5% (4.2% at year-end) and maturing November 2025. Secured by a general security agreement and a Band Council Resolution confirming borrowings	148,500	189,000
Demand instalment loan payable in monthly instalments of \$2,500 plus interest of prime plus 1.5% (4.2% at year-end) and maturing March 2023. Secured by a general security agreement and a Band Council Resolution confirming borrowings	30,000	60,000
Demand instalment loan payable in monthly instalments of \$12,606 plus interest of prime plus 1.5% (4.2% at year-end) and maturing February 2024. Secured by a general security agreement and a Band Council Resolution confirming borrowings	289,930	441,202
<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	14,272	29,072
<u>Canada Mortgage and Housing Corporation (CMHC)</u>		
Mortgage payable in monthly instalments of \$3,720 including interest at 2.68%, maturing October 2043	731,943	756,710
	\$ 1,304,489	\$ 1,655,672

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2022

8. Debt (cont'd)

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

2023	\$ 351,300
2024	205,200
2025	67,300
2026	54,500
2027	28,200
Thereafter	<u>597,989</u>
	<u><u>\$ 1,304,489</u></u>

9. Obligation Under Capital Lease

	<u>2022</u>	<u>2021</u>
CAT Financial, 5.7%, repayable in monthly instalments of \$7,589 including interest, maturing February 2026, secured by specific heavy equipment	<u>\$ 326,600</u>	<u>\$ -</u>
Obligation under capital lease for heavy equipment	<u>-</u>	<u>87,712</u>
	<u><u>\$ 326,600</u></u>	<u><u>\$ 87,712</u></u>

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

2023	\$ 98,661
2024	91,072
2025	91,072
2026	<u>83,482</u>
	364,287
Less: amounts representing interest	<u>(37,687)</u>
	<u><u>\$ 326,600</u></u>

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

March 31

10. Tangible Capital Assets

	2022									
	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	\$ 2,142,789	\$ 182,984	\$ 2,304,051	\$ 1,579,079	\$ 400,000	\$ 5,094,015	\$ 386,191	\$ 21,039,572	\$ 96,781,789
Additions	3,878,882	243,209	-	-	429,096	-	1,357,328	-	14,060,888	19,969,403
Transfer	7,912,745	-	-	-	-	-	-	-	(7,912,745)	-
Cost, end of year	75,444,735	2,385,998	182,984	2,304,051	2,008,175	400,000	6,451,343	386,191	27,187,715	116,751,192
Accumulated amortization, beginning 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
Amortization	1,846,828	113,424	-	24,842	200,906	-	405,681	38,619	-	2,630,300
Accumulated amortization, end of year	47,981,680	1,945,120	182,984	2,131,005	1,498,704	400,000	2,815,509	212,405	-	57,167,407
Net carrying amount, end of year	\$ 27,463,055	\$ 440,878	\$ -	\$ 173,046	\$ 509,471	\$ -	\$ 3,635,834	\$ 173,786	\$ 27,187,715	\$ 59,583,785

Sachigo Lake First Nation Notes to Financial Statements

March 31

10. Tangible Capital Assets (cont'd)

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	9,944,783
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

Construction-in-progress consists of buildings, as well as infrastructure and housing.

Sachigo Lake First Nation Notes to Financial Statements

March 31, 2022

11. Accumulated Surplus

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

	2022	2021
Investment in tangible capital assets	\$ 57,952,696	\$ 40,501,298
Unrestricted surplus	3,065,971	1,549,527
	<u>\$ 61,018,667</u>	<u>\$ 42,050,825</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, 2022

15. 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, 2022

15. Segmented Information (cont'd)

For the year ended March 31	Band Support	Community Funds	Housing & Infrastructure	Health	Education & Training Social Services	Economic Development	Total 2022	
Revenue								
Federal government transfers	\$ 4,986,889	\$ -	\$ 18,002,967	\$ 3,446,626	\$ 5,494,472	\$ 442,695	\$ 60,420	\$ 32,434,069
Provincial government transfers	188,940	-	110,361	-	125,298	1,420,774	-	1,845,373
OFNLP	-	719,707	-	-	-	-	-	719,707
Other	4,153,286	307,733	757,096	219,585	980,121	1,400	1,549,777	7,968,998
	9,329,115	1,027,440	18,870,424	3,666,211	6,599,891	1,864,869	1,610,197	42,968,147
Expenses								
Amortization	38,097	100,121	2,286,791	107,240	77,142	-	20,909	2,630,300
Contracted services	94,660	-	153,642	38,959	-	19,060	1,108	307,429
Honorariums	-	-	8,000	38,085	73,100	-	-	119,185
Interest & bank charges	7,039	126	54,735	2,457	2,385	2,105	15,952	84,799
Materials & supplies	2,840,466	923,718	1,421,935	1,179,413	3,383,669	1,484,824	937,550	12,171,575
Rent	58,494	-	27,994	-	700	-	-	87,188
Repairs & maintenance	-	-	184	7,500	-	-	13,213	20,897
Programming	148,920	-	-	-	-	-	-	148,920
Travel	15,635	-	4,207	32,888	15,553	7,785	1,631	77,699
Utilities & telephone	99,683	-	817,256	205,111	7,655	-	107,674	1,237,379
Wages & benefits	1,411,563	-	1,425,238	1,821,726	1,885,352	266,434	304,621	7,114,934
	4,714,557	1,023,965	6,199,982	3,433,379	5,445,556	1,780,208	1,402,658	24,000,305
Annual surplus (deficit)	\$ 4,614,558	\$ 3,475	\$ 12,670,442	\$ 232,832	\$ 1,154,335	\$ 84,661	\$ 207,539	\$ 18,967,842

Sachigo Lake First Nation
Notes to Consolidated Financial Statements

March 31, 2021

15. 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	\$ 1,891,130	\$ -	\$ 11,043,671	\$ 3,172,380	\$ 3,934,405	\$ 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
	4,520,110	1,532,898	11,810,286	3,350,488	4,417,231	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 and 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)	\$ 767,127	\$ 787,404	\$ 6,916,433	\$ (358,656)	\$ 174,811	\$ (33,654)	\$ 83,753	\$ 8,337,218