

Deer Lake First Nation
Consolidated Financial Statements
March 31, 2022

Deer Lake First Nation
Consolidated Financial Statements - Table of Contents
For the year ended March 31, 2022

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Management's Responsibility

To the Members of Deer Lake First Nation:

The accompanying consolidated financial statements of Deer Lake First Nation (the "First Nation") are the responsibility of management and have been approved by the Chief and Council of the First Nation.

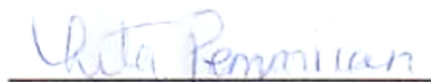
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Deer Lake First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Chief and Council on behalf of the Members, to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

January 12, 2023



Band Administrator

MNP LLP

True North Square

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To the Members of Deer Lake First Nation:

Opinion

We have audited the consolidated financial statements of Deer Lake First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, consolidated changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, Manitoba

January 12, 2023


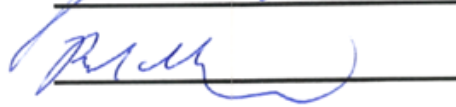

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Deer Lake First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash	23,930,175	18,549,960
Accounts receivable (Note 3)	5,065,551	2,469,396
Investments (Note 4)	269,034	267,009
Restricted cash (Note 5)	602,507	565,670
	29,867,267	21,852,035
Liabilities		
Accounts payable and accruals (Note 6)	4,102,296	2,577,545
Deferred revenue (Note 7)	20,904,785	15,582,991
Long-term debt (Note 8)	2,210,905	2,724,780
	27,217,986	20,885,316
Net financial assets	2,649,281	966,719
Contingencies (Note 9)		
Non-financial assets		
Tangible capital assets (Schedule 1)	17,976,307	17,702,924
Inventories held for use (Note 10)	717,552	833,502
Prepaid expenses	449,980	495,085
	19,143,839	19,031,511
Accumulated surplus (Note 11)	21,793,120	19,998,230




Approved on behalf of Chief and Councillor

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Deer Lake First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	<i>Schedules</i>	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Revenue				
Indigenous Services Canada (Note 12)		42,731,880	26,627,837	24,597,625
Ontario First Nations Limited Partnership (Note 13)		1,155,821	782,795	1,293,006
Ministry of Community and Social Services		2,369,900	2,400,871	2,470,560
Nishnawbe Aski Nation		-	520,362	462,271
Ministry of Health and Long Term Care		-	297,521	359,003
Sioux Lookout Area Aboriginal Management Board		-	228,437	496,125
Canada Mortgage and Housing Corporation		-	386,415	6,723,976
Additional government funding		-	1,834,057	1,042,063
Recovery of government funding		-	-	(89,262)
Rent		160,260	625,424	539,520
Interest income		-	2,463	7,359
Other revenue		19,960,705	3,126,538	1,700,567
Revenue deferred from prior year (Note 7)		-	15,582,991	3,043,581
Revenue deferred to subsequent year (Note 7)		-	(20,904,785)	(15,582,991)
		66,378,566	31,510,926	27,063,403
Segment expenses				
Arena	4	98,115	85,243	62,571
Band Housing	5	3,724,302	1,749,721	1,258,416
Capital	6	9,926,906	138	-
CMHC Housing	7	458,212	419,121	413,925
Deer Cable	8	561,838	293,914	270,877
Educational Services	9	19,004,704	6,799,336	6,795,987
Economic Development	10	638,489	148,774	163,826
First Nations Management	11	2,095,345	7,124,499	7,029,004
Health Services	12	6,772,225	3,752,371	3,746,749
Ontario First Nations Limited Partnership	13	1,155,821	956,825	1,082,360
Operating Programs	14	11,695,815	2,031,734	2,194,114
Public Works	15	4,751,598	2,844,508	2,883,515
Social Services	16	4,983,706	3,509,852	3,559,911
Total segment expenses (Schedule 2)		65,867,076	29,716,036	29,461,255
Surplus (deficit)		511,490	1,794,890	(2,397,852)
Accumulated surplus, beginning of year		19,998,230	19,998,230	22,396,082
Accumulated surplus, end of year		20,509,720	21,793,120	19,998,230

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

Deer Lake First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Annual surplus (deficit)	511,490	1,794,890	(2,397,852)
Purchases of tangible capital assets	-	(5,577,840)	(2,711,671)
Amortization	-	5,304,457	5,677,824
Change in inventories held for use	-	115,950	182,246
Change in prepaid expenses	-	45,105	(20,693)
Increase in net financial assets	511,490	1,682,562	729,854
Net financial assets, beginning of year	966,719	966,719	236,865
Net financial assets, end of year	1,478,209	2,649,281	966,719

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

Deer Lake First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	1,794,890	(2,397,852)
Non-cash items		
Amortization	5,304,457	5,677,824
	7,099,347	3,279,972
Changes in working capital accounts		
Accounts receivable	(2,596,155)	(1,447,763)
Accounts payable and accruals	1,524,751	725,392
Deferred revenue	5,321,794	12,539,410
Inventories held for use	115,950	182,246
Prepaid expenses	45,105	(20,693)
	11,510,792	15,258,564
Financing activities		
Advances of long-term debt	-	455,590
Repayment of long-term debt	(513,875)	(509,214)
	(513,875)	(53,624)
Capital activity		
Purchases of tangible capital assets	(5,577,840)	(2,711,671)
Investing activities		
Change in investments	(2,025)	71,739
Change in restricted cash	(36,837)	(35,775)
	(38,862)	35,964
Increase in cash	5,380,215	12,529,233
Cash, beginning of year	18,549,960	6,020,727
Cash, end of year	23,930,175	18,549,960

1. Operations

Deer Lake First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Deer Lake First Nation includes the First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation. The First Nation is exempt from Income Tax.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity consolidated

The Deer Lake First Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. The consolidated financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following departments:

- | | |
|--------------------------------------|-------------------------------------------------------|
| • Deer Lake First Nations Management | • Deer Lake Ontario First Nations Limited Partnership |
| • Deer Lake Arena | • Deer Lake CMHC Housing |
| • Deer Cable | • Deer Lake Health Services |
| • Deer Lake Capital | • Deer Lake Educational Services |
| • Deer Lake Band Housing | • Deer Lake Economic Development |
| • Deer Lake Public Works | • Deer Lake Social Services |
| • Deer Lake Operating Programs | |

All inter-entity balances have been eliminated on consolidation.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses and inventories held for use.

Cash

Cash include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

2. Significant accounting policies *(Continued from previous page)*

Investments

Portfolio investments

Portfolio investments which are owned by Deer Lake First Nation but not controlled by the First Nation are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Other investments

Other investments include investments in Guaranteed Investment Certificates held with the First Nation's financial institution.

Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position as part of restricted cash.

- The capital trust is derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- The revenue trust is generated primarily through land leasing transactions or interest earned on deposits held in trust.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

Amortization

Tangible capital assets are amortized annually using the straight-line method at the following rates which are intended to amortize the cost of the assets over their estimated useful lives

	Years
Automotive	5
Equipment	4
Housing	5 - 15
Infrastructure	15 - 25
CMHC housing	25

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 First 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 is measured as the amount by which the asset's carrying amount exceeds the residual value of the asset's service potential to the First Nation. Any impairment is included in operations for the year.

Inventories held for use

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

2. Significant accounting policies *(Continued from previous page)*

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

Revenue recognition

Government transfers

Government transfer revenue, including, but not limited to, Indigenous Services Canada and Canada Mortgage and Housing Corporation funding, is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Ontario First Nations Limited Partnership

Revenue from Ontario First Nations Limited Partnership is recognized in the period in which the revenue was earned.

Other revenue

Rent and resident fees is recorded in the year it is earned.

Investment and interest revenue is recognized on an accrual basis in the year that it is earned, and included in other revenue.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Provisions are made for slow moving and obsolete inventory. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

2. Significant accounting policies *(Continued from previous page)*

Segments

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

For each reported segment, revenue and expenses represent amounts that are directly attributable to the segment. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

Arena - activities include providing sporting programs for youth and adults in the area.

Band Housing - activities include the management and maintenance of non-CMHC houses for community members.

Capital - activities include the planning, managing and delivery of large scale infrastructure projects to the community.

CMHC Housing - activities include the management and maintenance of CMHC houses for community members.

Deer Cable - provides cable, phone and internet services to the community.

Educational Services - activities include overseeing many aspects of educational opportunities for its members at all levels of learning both within the community and externally.

Economic Development - activities to increase economic opportunities for the community.

First Nations Management - activities include the governance function relating to decisions that define expectations, grant power or verify performance.

Health Services - activities include the delivery of health services to the community.

Ontario First Nations Limited Partnership - activities include revenue received as part of a settlement with the government of the Province of Ontario over gaming revenue generated on First Nation territory and the allocation of that funding to programs based on the agreement.

Operating Programs - activities include planning, managing and delivery of various projects/programs such as employment, infrastructure, repairs and maintenance, and training.

Public Works - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.

Social Services - activities include satisfying the economic, social or health related needs of members of the community who require assistance.

Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. As a defined contribution pension plan, the First Nation's contributions to the pension plans are expensed as incurred and the First Nation has no further liability or obligation for contributions to fund future benefits to plan members.

Deer Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

3. Accounts receivable

	2022	2021
Trade and other receivable	2,598,300	1,751,714
Indigenous Services Canada	3,069,197	1,445,840
Ministry of Health	105,615	-
Members	111,013	111,656
Nishnawbe Aski Nation	70,568	92,598
Ministry of Northern Development and Mines	34,685	34,685
Canada Mortgage and Housing Corporation	72,253	72,254
Harmonized Sales Tax receivable	3,500	1,206
	6,065,131	3,509,953
Less: Allowance for doubtful accounts	999,580	1,040,557
	5,065,551	2,469,396

The allowance for doubtful accounts pertains to trade and other receivables and amounts due from members.

4. Investments

	2022	2021
Guaranteed Investment Certificates		
Matures April 25, 2022, interest bearing at 0.30% per annum	108,964	107,725
Matures April 29, 2022, interest bearing at 0.30% per annum	23,536	23,268
Matures May 2, 2022, interest bearing at 0.30% per annum	10,195	10,070
Matures May 26, 2022, interest bearing at 0.40% per annum	1,499	1,480
Matures March 30, 2023, interest bearing at 1.00% per annum	117,375	117,024
Matures March 29, 2022, interest bearing at 1.00% per annum	7,440	7,417
	269,009	266,984
Portfolio investments - measured at cost		
First Nations Limited Partnership - 1 unit constituting 4.55% interest	10	10
2472881 Ontario Inc. - 1 share, 4.55% interest	10	10
NCC Development Limited Partnership - 1 unit, 16.67% interest	1	1
NCC Development Corporation - 1 share, 16.67% interest	1	1
OFN Asset Management GP Corporation - 1 share, 0.77% interest	1	1
Ontario First Nations Sovereign Wealth Limited Partnership - 1 unit, 0.77% interest	1	1
Ontario First Nations Limited Partnership - 1 unit constituting 0.77% interest	1	1
	25	25
	269,034	267,009

In the normal course of operations, the First Nation renews its Guaranteed Investment Certificates as they come due at terms available at the renewal date.

Deer Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

5. Restricted cash

	2022	2021
Ottawa Trust Funds	48,110	47,362
CMHC replacement reserve bank balance	554,397	518,308
	602,507	565,670

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 similarly 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 when collection is reasonably assured. Trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with consent of the First Nation's Chief and Council.

Capital trust	\$1,884 (2021 - \$1,884); interest revenue - \$nil (2021 - \$nil)
Revenue trust	\$46,226 (2021 - \$45,478); interest revenue - \$748 (2021 - \$563)

CMHC replacement reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. 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, 2022, the replacement reserve is under funded by \$187 (under funded by \$138 in 2021).

CMHC operating surplus reserve

Under the terms of the agreements with CMHC, excess federal assistance payments received may be retained in an operating surplus reserve. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants. The reserve has not been funded in a separate interest bearing account at March 31, 2022 or 2021.

6. Accounts payable and accruals

	2022	2021
Trade accounts payable	3,966,118	2,027,345
Accrued salaries and benefits	46,695	460,717
Indigenous Services Canada	89,483	89,483
	4,102,296	2,577,545

Deer Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	2022	2021
Indigenous Services Canada	14,201,110	8,428,819
Canadian Mortgage and Housing Corporation	4,788,866	6,466,000
Keewatinook Okimakanak	772,998	397,431
Province of Ontario	312,325	102,757
Nishnawbe Aski Nation	171,550	70,897
Fisheries and Oceans Canada	141,059	-
Other	516,877	117,087
	20,904,785	15,582,991

8. Long-term debt

	2022	2021
Phase 1 - Mortgage payable to CMHC in monthly payments of \$3,123 including interest at 0.69% per annum, renewal and maturity date of December 2024, secured by a Ministerial guarantee and assignment of fire insurance.	102,040	138,669
Phase 2 - Mortgage payable to CMHC in monthly payments of \$3,629 including interest at 2.35% per annum, renewal date of July 2023, maturity date of April 2028, secured by a Ministerial guarantee and assignment of fire insurance.	246,724	284,026
Phase 3 - Mortgage payable to CMHC in monthly payments of \$5,270 including interest at 0.70% per annum, renewal date of September 2025, maturity date of February 2030, secured by a Ministerial guarantee and assignment of fire insurance.	486,926	546,539
Phase 4 - Mortgage payable to CMHC in monthly payments of \$2,263 including interest at 0.73% per annum, renewal date of July 2025, maturity date of April 2034, secured by a Ministerial guarantee and assignment of fire insurance.	314,017	338,786
Phase 5 - Mortgage payable to CMHC in monthly payments of \$1,151 including interest at 0.68% per annum, renewal date of October 2025, maturity date of July 2035, secured by a Ministerial guarantee and assignment of fire insurance.	175,948	188,514
Phase 6 - Mortgage payable to CMHC in monthly payments of \$4,650 including interest at 2.49% per annum, renewal date of May 2023, maturity date of February 2038, secured by a Ministerial guarantee and assignment of fire insurance.	733,387	770,517
Loan payable in annual installments of \$151,863 plus interest paid monthly at prime plus 1.50% per annum, maturity date of January 2023.	151,863	303,727
Equipment loan payable in annual installments of \$99,083 plus interest at prime plus 1.50% per annum, maturity date of March 2022. Secured by equipment with a net book value of \$nil (2021 - \$78,087).	-	99,083
Equipment loan payable in monthly installments of \$2,517 including interest of 5.30% per annum, maturity date of February 2023. Secured by equipment with a net book value of \$28,400 (2021 - \$56,800).	-	54,919
	2,210,905	2,724,780

Deer Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

8. Long-term debt *(Continued from previous page)*

As at March 31, 2022, the prime rate was 2.70% (2021 - 2.45%).

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2023	362,498
2024	213,444
2025	206,929
2026	181,565
2027	184,274

9. Contingencies

The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. As at March 31, 2022 the First Nation management believes they are in compliance with the terms and conditions of the agreements.

10. Inventories held for use

	2022	2021
Materials	222,164	373,369
Fuels	495,388	460,133
	717,552	833,502

11. Accumulated surplus

	2022	2021
Ottawa Trust Funds	48,110	47,362
Investment in tangible capital assets	15,765,402	14,978,144
CMHC replacement reserve required balance	554,584	518,446
CMHC operating fund reserve required balance	115,128	177,562
Equipment replacement reserves	83,680	83,680
Internally restricted for capital construction	377,362	-
Operating surplus	4,848,854	4,193,036
	21,793,120	19,998,230

During the year an amount of \$377,362 (2021 - \$nil) was included in accumulated surplus which has been internally restricted for future capital purposes.

Deer Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

12. Reconciliation of funding from Indigenous Services Canada

	2022	2021
Indigenous Services Canada funding per confirmation	26,627,837	24,340,636
CRKOR Enhanced Funding not on confirmation	-	256,989
Indigenous Services Canada funding per financial statements	26,627,837	24,597,625

13. Ontario First Nations Limited Partnership

Based on the agreement between the Province of Ontario and Ontario First Nations Limited Partnership ("OFNLP"), the Province of Ontario shall pay to OFNLP twelve monthly payments equal to one-twelfth of 1.70% of the aggregate provincial gross gaming revenue. The use of these funds, according to agreements, is restricted to expenditures supporting community development, health, education, cultural development and economic development.

14. Operating facility

The First Nation has available total credit facilities of \$230,000 by way of revolving lines of credit bearing interest at prime plus 1.50% per annum, repayable on demand. The facilities are secured by first interest in all present and future acquired personal property of the First Nation, Band Council Resolutions ("BCRs") supporting the facilities, and BCRs directing all present and future Indigenous Services Canada funding directly to the CIBC branch in Sioux Lookout, Ontario, for deposit to the First Nation's bank accounts. No amounts were outstanding on these facilities at March 31, 2022 and 2021.

The prime rate at March 31, 2022 was 2.70% (2021 - 2.45%).

15. Economic dependence

Deer Lake First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

16. Budget information

The disclosed budget information has been approved by the Chief and Council of Deer Lake First Nation.

17. Compliance with laws and regulations

First Nations Financial Transparency Act

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2022. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

Provision for site rehabilitation

The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance. As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the First Nation is bound by environmental laws of The Ontario Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

18. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Deer Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Automotive</i>	<i>Equipment</i>	<i>Housing</i>	<i>Infrastructure</i>	<i>CMHC Housing</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	3,588,806	4,091,967	33,464,769	89,448,793	4,703,671	135,298,006
Acquisition of tangible capital assets	459,804	326,875	549,500	-	-	1,336,179
Balance, end of year	4,048,610	4,418,842	34,014,269	89,448,793	4,703,671	136,634,185
Accumulated amortization						
Balance, beginning of year	2,593,472	3,494,006	30,304,574	78,959,938	2,753,063	118,105,053
Annual amortization	599,413	360,499	279,305	3,877,094	188,146	5,304,457
Balance, end of year	3,192,885	3,854,505	30,583,879	82,837,032	2,941,209	123,409,510
Net book value of tangible capital assets	855,725	564,337	3,430,390	6,611,761	1,762,462	13,224,675
2021 Net book value of tangible capital assets	995,334	597,962	3,160,195	10,488,855	1,950,607	17,194,974

Deer Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Construction in progress</i>	<i>2022</i>	<i>2021</i>
Cost				
Balance, beginning of year	135,298,006	509,971	135,807,977	133,096,307
Acquisition of tangible capital assets	1,336,179	4,241,661	5,577,840	2,711,671
Balance, end of year	136,634,185	4,751,632	141,385,817	135,807,978
Accumulated amortization				
Balance, beginning of year	118,105,053	-	118,105,053	112,427,230
Annual amortization	5,304,457	-	5,304,457	5,677,824
Balance, end of year	123,409,510	-	123,409,510	118,105,054
Net book value of tangible capital assets	13,224,675	4,751,632	17,976,307	17,702,924
2021 Net book value of tangible capital assets	17,194,974	509,971	17,702,924	

Deer Lake First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2022

	2022	2021
Consolidated expenses by object		
Amortization	5,304,457	5,677,824
Bad debts (recovery)	(22,715)	283,965
Bank charges and interest	27,188	23,586
Fuel	356,678	415,951
Furniture and equipment	7,485	117,013
Honouraria	985,259	1,012,487
Insurance	571,042	478,238
Interest on long-term debt	46,449	63,786
Office expenses	809,123	560,804
Professional fees	662,502	491,215
Program expense	2,431,668	2,336,586
Repairs and maintenance	1,307,800	1,920,240
Salaries and benefits	10,736,747	9,948,814
Social assistance	2,905,617	2,668,505
Supplies	960,329	967,618
Telephone	175,584	243,265
Training	369,839	304,212
Travel	720,835	414,309
Utilities	1,006,513	1,218,364
Vehicle	353,636	314,473
	29,716,036	29,461,255

Deer Lake First Nation

Schedule 3 - Consolidated Summary Schedule of Segment Operations

For the year ended March 31, 2022

	<i>Schedule Number</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Transfers From (To)</i>	<i>2022 Surplus (Deficit)</i>	<i>2021 Surplus (Deficit)</i>
Segments						
Arena	4	-	85,243	-	(85,243)	(62,571)
Band Housing	5	1,660,245	1,749,721	105,814	16,338	55,746
Capital	6	1,677,402	138	600,000	2,277,264	-
CMHC Housing	7	257,915	419,121	-	(161,206)	(155,949)
Deer Cable	8	389,458	293,914	3,601	99,145	(221)
Educational Services	9	8,406,970	6,799,336	(467,428)	1,140,206	533,030
Economic Development	10	195,455	148,774	-	46,681	15,463
First Nations Management	11	1,564,476	7,124,499	288,777	(5,271,246)	(5,565,460)
Health Services	12	4,002,360	3,752,371	(174,317)	75,672	670,228
Ontario First Nations Limited Partnership	13	782,795	956,825	169,886	(4,144)	-
Operating Programs	14	3,561,266	2,031,734	(126,742)	1,402,790	1,064,472
Public Works	15	5,063,815	2,844,508	(74,591)	2,144,716	1,004,210
Social Services	16	3,948,769	3,509,852	(325,000)	113,917	43,200
Total		31,510,926	29,716,036	-	1,794,890	(2,397,852)

Deer Lake First Nation
Arena

Schedule 4 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Expenses		
Bank charges and interest	139	114
Insurance	66,115	53,661
Repairs and maintenance	10,952	3,373
Utilities	8,037	5,423
	85,243	62,571
Deficit	(85,243)	(62,571)

Deer Lake First Nation
Band Housing
Schedule 5 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	1,482,902	1,468,825
Sioux Lookout Area Aboriginal Management Board	60,331	116,838
Canada Mortgage and Housing Corporation	128,500	-
Nishnawbe Aski Nation	6,200	-
Rent	100,647	-
Other revenue	23,332	427,398
Revenue deferred from prior year	568,116	-
Revenue deferred to subsequent year	(709,783)	(568,116)
	1,660,245	1,444,945
Expenses		
Bad debts	-	39,621
Bank charges and interest	1,344	1,295
Insurance	229,745	214,084
Office expenses	1,805	6,294
Professional fees	14,467	24,245
Program expense	657,941	82,284
Repairs and maintenance	151,640	357,636
Salaries and benefits	636,117	462,333
Telephone	1,514	1,406
Utilities	26,929	40,362
Vehicle	28,219	28,856
	1,749,721	1,258,416
Surplus (deficit) before transfers	(89,476)	186,529
Transfers between segments	105,814	(130,783)
Surplus	16,338	55,746

Deer Lake First Nation
Capital

Schedule 6 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Canada Mortgage and Housing Corporation	-	6,466,000
Indigenous Services Canada	1,850,906	-
Other revenue	268	-
Revenue deferred from prior year	6,466,000	-
Revenue deferred to subsequent year	(6,639,772)	(6,466,000)
	1,677,402	-
Expenses		
Bank charges and interest	138	-
Surplus before transfers	1,677,264	-
Transfers between segments	600,000	-
Surplus	2,277,264	-

Deer Lake First Nation
CMHC Housing
Schedule 7 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Canada Mortgage and Housing Corporation	257,915	257,976
Expenses		
Amortization	208,009	203,681
Bank charges and interest	188	286
Insurance	104,360	96,574
Interest on long-term debt	32,788	38,208
Professional fees	18,800	18,800
Repairs and maintenance	38,526	38,526
Salaries and benefits	1,600	3,000
Utilities	14,850	14,850
	419,121	413,925
Deficit	(161,206)	(155,949)

Deer Lake First Nation
Deer Cable
Schedule 8 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Other revenue	431,842	267,214
Revenue deferred from prior year	40,000	-
Revenue deferred to subsequent year	(82,384)	(40,000)
	389,458	227,214
Expenses		
Bank charges and interest	2,043	2,113
Office expenses	-	1,843
Professional fees	1,166	1,681
Program expense	126,701	125,760
Repairs and maintenance	52,616	26,548
Supplies	30,351	51,339
Salaries and benefits	72,277	54,742
Telephone	2,098	2,444
Utilities	6,662	4,407
	293,914	270,877
Surplus (deficit) before transfers	95,544	(43,663)
Transfers between segments	3,601	43,442
Surplus (deficit)	99,145	(221)

Deer Lake First Nation
Educational Services
Schedule 9 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	8,539,484	7,606,843
Nishnawbe Aski Nation	105,615	84,185
Additional government funding	617,776	542,434
Recovery of government funding	-	(89,262)
Rent	33,529	138,537
Interest income	-	1,548
Other revenue	14,211	5,044
Revenue deferred from prior year	2,495,440	1,742,067
Revenue deferred to subsequent year	(3,399,085)	(2,495,440)
	8,406,970	7,535,956
Expenses		
Bank charges and interest	2,985	2,835
Honouraria	146,000	150,499
Interest on long-term debt	1,629	4,134
Professional fees	138,751	83,835
Program expense	553,660	619,763
Repairs and maintenance	508,809	800,360
Supplies	320,796	352,143
Salaries and benefits	4,111,808	3,535,103
Telephone	62,496	88,471
Training	221,891	107,002
Travel	108,595	99,129
Utilities	537,354	751,795
Vehicle	84,562	200,918
	6,799,336	6,795,987
Surplus before transfers	1,607,634	739,969
Transfers between segments	(467,428)	(206,939)
Surplus	1,140,206	533,030

Deer Lake First Nation
Economic Development
Schedule 10 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	698,329	179,289
Revenue deferred to subsequent year	(502,874)	-
	195,455	179,289
Expenses		
Professional fees	27,362	-
Salaries and benefits	104,745	44,861
Supplies	15,401	116,845
Travel	1,266	2,120
	148,774	163,826
Surplus	46,681	15,463

Deer Lake First Nation
First Nations Management
Schedule 11 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	968,298	612,538
Additional government funding	-	12,676
Rent	396,073	253,318
Interest income	1,224	4,114
Other revenue	262,638	220,158
Revenue deferred to subsequent year	(63,757)	-
	1,564,476	1,102,804
Expenses		
Amortization	5,096,448	5,474,143
Bad debts (recovery)	1,327	21,123
Bank charges and interest	12,111	9,175
Fuel purchases	58,500	57,600
Honouraria	738,138	697,303
Insurance	12,623	11,249
Office expenses	90,977	9,599
Professional fees	124,834	120,913
Salaries and benefits	452,756	381,376
Telephone	36,001	37,493
Training	83,541	55,771
Travel	417,243	153,259
	7,124,499	7,029,004
Deficit before transfers	(5,560,023)	(5,926,200)
Transfers between segments	288,777	360,740
Deficit	(5,271,246)	(5,565,460)

Deer Lake First Nation
Health Services
Schedule 12 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	4,355,189	4,877,131
Nishnawbe Aski Nation	408,547	378,086
Ministry of Health and Long Term Care	-	134,663
Additional government funding	108,770	57,928
Interest income	1,239	1,697
Revenue deferred from prior year	1,531,023	492,869
Revenue deferred to subsequent year	(2,402,408)	(1,531,023)
	4,002,360	4,411,351
Expenses		
Bank charges and interest	1,125	1,394
Honouraria	101,121	164,685
Insurance	33,058	26,830
Professional fees	36,414	28,452
Program expense	590,419	390,620
Repairs and maintenance	31,783	52,064
Supplies	501,394	408,265
Salaries and benefits	2,126,193	2,306,253
Telephone	48,537	55,347
Training	48,292	110,351
Travel	105,259	78,593
Utilities	80,693	73,361
Vehicle	48,083	50,534
	3,752,371	3,746,749
Surplus before transfers	249,989	664,602
Transfers between segments	(174,317)	5,626
Surplus	75,672	670,228

Deer Lake First Nation
Ontario First Nations Limited Partnership
Schedule 13 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Ontario First Nations Limited Partnership	782,795	1,293,006
Expenses		
Bank charges and interest	1,146	880
Furniture and equipment	-	111,050
Program expense	147,698	326,177
Social assistance	807,981	622,553
Travel	-	21,700
	956,825	1,082,360
Surplus (deficit) before transfers	(174,030)	210,646
Transfers between segments	169,886	(210,646)
Surplus	(4,144)	-

Deer Lake First Nation
Operating Programs
Schedule 14 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	1,671,459	2,548,375
Sioux Lookout Area Aboriginal Management Board	96,976	299,757
Additional government funding	968,772	290,286
Rent	95,175	147,665
Other revenue	1,423,597	702,039
Revenue deferred from prior year	1,106,875	431,747
Revenue deferred to subsequent year	(1,801,588)	(1,106,875)
	3,561,266	3,312,994
Expenses		
Bank charges and interest	67	114
Furniture and equipment	7,485	5,963
Insurance	10,689	14,261
Interest on long-term debt	12,032	18,828
Office expenses	669,213	673,879
Professional fees	237,276	53,320
Repairs and maintenance	22,290	37,743
Salaries and benefits	843,727	1,254,669
Supplies	9,279	21,998
Telephone	9,140	41,429
Travel	5,908	12,808
Utilities	11,856	24,937
Vehicle	192,772	34,165
	2,031,734	2,194,114
Surplus before transfers	1,529,532	1,118,880
Transfers between segments	(126,742)	(54,408)
Surplus	1,402,790	1,064,472

Deer Lake First Nation
Public Works
Schedule 15 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	5,387,085	5,983,277
Sioux Lookout Area Aboriginal Management Board	71,130	79,530
Additional government funding	138,739	138,739
Other revenue	966,886	64,978
Revenue deferred from prior year	2,894,189	268,374
Revenue deferred to subsequent year	(4,394,214)	(2,894,189)
	5,063,815	3,640,709
Expenses		
Bad debts (recovery)	(24,042)	223,221
Bank charges and interest	2,667	2,080
Fuel	298,178	358,351
Insurance	114,452	61,579
Interest on long-term debt	-	2,616
Office expenses	18,000	(157,898)
Professional fees	36,821	135,746
Program expense	4,896	172,756
Repairs and maintenance	488,873	599,847
Salaries and benefits	1,511,176	1,164,960
Supplies	68,340	17,028
Utilities	320,132	303,229
Training	5,015	-
	2,844,508	2,883,515
Surplus before transfers	2,219,307	757,194
Transfers between segments	(74,591)	247,016
Surplus	2,144,716	1,004,210

Deer Lake First Nation
Social Services
Schedule 16 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	1,674,185	1,321,347
Ministry of Community and Social Services	2,400,871	2,470,560
Ministry of Health and Long Term Care	297,521	224,340
Other revenue	3,764	13,736
Revenue deferred from prior year	481,348	108,524
Revenue deferred to subsequent year	(908,920)	(481,348)
	3,948,769	3,657,159
Expenses		
Bank charges and interest	3,235	3,300
Office expenses	29,128	27,087
Professional fees	26,611	24,223
Program expense	350,353	619,226
Repairs and maintenance	2,311	4,143
Salaries and benefits	876,348	741,517
Social assistance	2,097,636	2,045,952
Telephone	15,798	16,675
Training	11,100	31,088
Travel	82,564	46,700
Supplies	14,768	-
	3,509,852	3,559,911
Surplus before transfers	438,917	97,248
Transfers between segment	(325,000)	(54,048)
Surplus	113,917	43,200