

**Fort Albany First Nation
Consolidated Financial Statements**

March 31, 2023

Fort Albany First Nation Contents

For the year ended March 31, 2023

| | Page |
|---|----------|
| Management's Responsibility | |
| Independent Auditor's Report | |
| Consolidated Financial Statements | |
| Consolidated Statement of Financial Position..... | 1 |
| Consolidated Statement of Operations and Accumulated Surplus..... | 2 |
| Consolidated Statement of Change in Net Financial Assets..... | 3 |
| Consolidated Statement of Cash Flows..... | 4 |
| Notes to the Consolidated Financial Statements..... | 5 |
| Schedules | |
| Schedule 1 - Consolidated Schedule of Tangible Capital Assets..... | 24 |
| Schedule 2 - Consolidated Consolidated Schedule of Expenses by Object..... | 26 |
| Schedule 3 - Consolidated Schedule of Segmented Disclosure..... | 27 |
| Schedule 4 - Consolidated Schedule of Revenue and Expenses (Administration and Governance)..... | 28 |
| Schedule 5 - Consolidated Schedule of Revenue and Expenses (Community Development)..... | 29 |
| Schedule 6 - Consolidated Schedule of Revenue and Expenses (Community Services - Operations and Maintenance)..... | 30 |
| Schedule 7 - Consolidated Schedule of Revenue and Expenses (Daycare)..... | 31 |
| Schedule 8 - Consolidated Schedule of Revenue and Expenses (Education)..... | 32 |
| Schedule 9 - Consolidated Schedule of Revenue and Expenses (Health Services)..... | 33 |
| Schedule 10 - Consolidated Schedule of Revenue and Expenses (Housing)..... | 34 |
| Schedule 11 - Consolidated Schedule of Revenue and Expenses (Infrastructure)..... | 35 |
| Schedule 12 - Consolidated Schedule of Revenue and Expenses (Social Assistance)..... | 36 |

Management's Responsibility

To the Chief and Council and Members of Fort Albany First Nation

The accompanying consolidated financial statements of Fort Albany First Nation and its subsidiaries (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

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

MNP LLP is appointed by Chief and Council 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 30, 2025

Alison Sutherland
CEO

On behalf of
management

To the Chief and Council and Members of Fort Albany First Nation:

Qualified Opinion

We have audited the consolidated financial statements of Fort Albany First Nation and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, change 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the results of its consolidated operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation's consolidated statements of operations and accumulated surplus, and change in net financial assets do not present a comparison of the results for the accounting period with those originally planned, which constitutes a departure from Canadian public sector accounting standards. The audit opinion on the consolidated financial statements for the year ended March 31, 2022 was qualified accordingly.

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 qualified opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing 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. 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 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.

Timmins, Ontario
January 30, 2025

MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

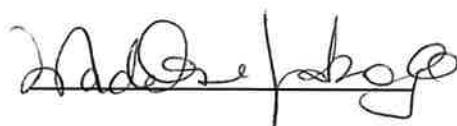
Fort Albany First Nation
Consolidated Statement of Financial Position
As at March 31, 2023

| | 2023 | 2022 |
|---|-------------------|------------|
| Financial assets | | |
| Cash and cash equivalents (Note 4) | 20,363,506 | 18,726,044 |
| Accounts receivable (Note 5) | 615,571 | 895,455 |
| Portfolio investments (Note 6) | 118,932 | 620,211 |
| Loan receivable (Note 7) | 137,500 | 137,500 |
| Due from funding agencies (Note 8) | 3,530,229 | 5,417,158 |
| Investment in Nation business entity (Note 9) | 5,259,612 | 4,857,628 |
| Funds held in trust (Note 10) | 520,512 | 512,853 |
| | 30,545,862 | 31,166,849 |
| Liabilities | | |
| Accounts payable and accruals (Note 15) | 3,715,229 | 3,796,799 |
| Deferred revenue (Note 12) | 11,386,246 | 8,940,091 |
| Due to funding agencies (Note 8) | 241,714 | 385,781 |
| Debt (Note 13) | 5,869,496 | 5,835,756 |
| Landfill closure and post-closure liability (Note 18) | - | 800,000 |
| Asset Retirement Obligation (Note 18) | 800,000 | - |
| | 22,012,685 | 19,758,427 |
| Net financial assets | 8,533,177 | 11,408,422 |
| Contingencies (Note 19) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 14) (Schedule 1) | 58,924,024 | 51,667,551 |
| Inventories held for use | 247,220 | 102,217 |
| Prepaid expenses | 140,286 | 81,432 |
| | 59,311,530 | 51,851,200 |
| Accumulated surplus (Note 16) | 67,844,707 | 63,259,622 |

Approved on behalf of Chief and Council



Chief



Councilor

Fort Albany First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

| | <i>Schedules</i> | 2023 | 2022 |
|---|-------------------|-------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | | | |
| Flexible funding | 6,703,479 | 5,059,287 | |
| Fixed funding | 5,130,637 | 9,352,077 | |
| Block funding | 14,451,647 | 10,842,558 | |
| Set funding | - | 31,779 | |
| Canada Mortgage and Housing Corporation | 2,159,462 | 331,998 | |
| First Nation and Inuit Health Branch | 7,888,005 | 4,072,306 | |
| Ontario First Nations Limited Partnership (Note 20) | 1,345,202 | 955,067 | |
| Province of Ontario | 5,322,532 | 5,422,798 | |
| Earnings from Nation business entity (Note 9) | 401,984 | 807,986 | |
| Impact Benefit Agreement receipts - De Beers | - | 698,000 | |
| Kimesskanemenow LP - winter road | 1,326,228 | 1,283,265 | |
| Mushkegowuk Council | 1,174,018 | 869,517 | |
| Nishnawbe Aski Nation | 463,751 | 494,978 | |
| Rental income | 344,278 | 346,999 | |
| Other (Note 17) | 1,634,024 | 234,769 | |
| Repayment of funding | (64,283) | (35,424) | |
| Deferred revenue - prior year (Note 12) | 8,940,091 | 5,616,320 | |
| Deferred revenue - current year (Note 12) | (11,386,246) | (8,940,091) | |
| | 45,834,809 | 37,444,189 | |
| Expenses (Schedule 2) | | | |
| Infrastructure | 11 | 429,873 | 16,619 |
| Social Assistance | 12 | 3,663,112 | 3,980,741 |
| Housing | 10 | 1,576,148 | 1,495,943 |
| Administration and Governance | 4 | 2,820,433 | 2,898,654 |
| Community Development | 5 | 10,276,969 | 2,186,426 |
| Community Services - Operations and Maintenance | 6 | 6,791,025 | 4,276,388 |
| Daycare | 7 | 511,178 | 453,676 |
| Education | 8 | 9,033,651 | 7,960,138 |
| Health Services | 9 | 5,860,695 | 6,160,673 |
| | 40,963,084 | 29,429,258 | |
| Annual surplus before other items | | 4,871,725 | 8,014,931 |
| Gain (loss) on disposal of tangible capital assets | | (286,640) | 31,020 |
| Annual surplus | | 4,585,085 | 8,045,951 |
| Accumulated surplus, beginning of year | | 63,259,622 | 55,213,671 |
| Accumulated surplus, end of year (Note 16) | | 67,844,707 | 63,259,622 |

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

Fort Albany First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|--------------------|-------------|
| Annual surplus | | |
| Acquisition of tangible capital assets | 4,585,085 | 8,045,951 |
| Amortization of tangible capital assets | (10,413,436) | (6,767,232) |
| (Gain) loss on disposal of tangible capital assets | 2,870,323 | 2,864,376 |
| Proceeds from disposal of tangible capital assets | 286,640 | (31,020) |
| Utilization (acquisition) of prepaid expenses | - | 31,480 |
| Utilization (acquisition) of inventory | (58,854) | 10,819 |
| | (145,003) | 50,602 |
| Increase (decrease) in net financial assets | (2,875,245) | 4,204,976 |
| Net financial assets, beginning of year | 11,408,422 | 7,203,446 |
| Net financial assets, end of year | 8,533,177 | 11,408,422 |

Fort Albany First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Cash provided by the following activities | | |
| Operating activities | | |
| Annual surplus | 4,585,085 | 8,045,951 |
| Non-cash items | | |
| Amortization | 2,870,323 | 2,864,376 |
| Bad debts | 155,665 | 120,923 |
| (Gain) loss on disposal of tangible capital assets | 286,640 | (31,020) |
| Earnings from Nation business enterprise | (401,984) | (807,986) |
| Forgiveness of debt | (55,644) | (59,150) |
| Sewage and waste facilities closure | - | 200,000 |
| | 7,440,085 | 10,333,094 |
| Changes in working capital accounts | | |
| Accounts receivable | 174,213 | (636,101) |
| Due from funding agencies | 1,836,935 | (2,574,980) |
| Funds held in trust | (7,659) | (9,677) |
| Accounts payable and accruals | (81,570) | 237,200 |
| Due to funding agencies | (144,067) | (195,900) |
| Deferred revenue | 2,446,155 | 3,323,771 |
| Inventory | (145,003) | 50,602 |
| Prepaid expenses | (58,854) | 10,819 |
| | 11,460,235 | 10,538,828 |
| Financing activities | | |
| Advances of debt | 365,028 | 756,306 |
| Repayment of debt | (275,644) | (310,921) |
| | 89,384 | 445,385 |
| Capital activities | | |
| Acquisition of tangible capital assets | (10,413,436) | (6,767,232) |
| Proceeds from disposal of tangible capital assets | - | 31,480 |
| | (10,413,436) | (6,735,752) |
| Investing activities | | |
| Purchase of portfolio investments | - | (1,279) |
| Proceeds on disposal of portfolio investments | 501,279 | - |
| Increase in cash resources | 1,637,462 | 4,247,182 |
| Cash resources, beginning of year | 18,726,044 | 14,478,862 |
| Cash resources, end of year | 20,363,506 | 18,726,044 |

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

1. Operations

Fort Albany First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Fort Albany First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Change in accounting policy

Asset retirement obligations

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, the First Nation recorded the provision for site rehabilitation in accordance with PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*, which requires recognition of a liability for closure and post-closure care as the site capacity is used and is equal to the proportion of the estimated total expenditure required for closure and post-closure care. Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 18.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

3. 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 financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for government business entities. Trusts administered on behalf of third parties by Fort Albany First Nation are excluded from the First Nation reporting entity.

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

- Fort Albany First Nation Band;
- Mundo Peetabeck Education Authority; and
- Peetabeck Health Services.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Reporting entity *(Continued from previous page)*

Government business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the government business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Fort Albany Power Corporation

Cash and cash equivalents

Cash and cash equivalents 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 (Note 4).

Portfolio investments

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. When applicable, changes in fair value are recorded in the statement of remeasurement gains (losses).

Inventory

Inventory of coarse aggregate stockpiles for use in operations are recorded at the lower of cost and net realizable value, with cost being determined on a weighted average basis.

Inventory of heating fuel for use in operations is recorded at the lower of cost and net realizable value, with cost being determined on a weighted average basis.

Inventory of supplies for use in operations are recorded at the lower of cost and net realizable value, with cost being determined on the specific identification basis.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at their fair value at the date of contribution. One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Tangible capital assets *(Continued from previous page)*

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

| | Method | Rate |
|---------------------------------|-------------------|-------------|
| Buildings | declining balance | 5 % |
| Equipment and furnishing | declining balance | 20 % |
| Roads and sewer | straight-line | 10-40 years |
| Water infrastructure | straight-line | 10-50 years |
| Computer equipment | declining balance | 30-55 % |
| Vehicles and moveable equipment | declining balance | 30 % |

Debt

Financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in debt.

Repayments of financing are recognized as a decrease in debt.

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 combined with non-financial assets comprise a second indicator of financial position, accumulated annual surplus.

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 inventory for internal use.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reported as deferred revenue on the consolidated statement of financial position in the year of receipt.

Government Transfers

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the Nation. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Funds held in Ottawa Trust Fund

Revenue related to funds held in the Ottawa Trust Fund is recognized when it is received.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Revenue recognition *(Continued from previous page)*

Other revenues

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year, are deferred and reported as liabilities.

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.

Provisions are made for slow moving and obsolete inventory.

Amortization is based on the estimated useful lives of tangible capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Liability for contaminated site

Expenditures that relate to on-going environmental and remediation programs are charged against annual surplus as incurred. A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset, or a component thereof, at the consolidated financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset, or component thereof, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset, or component thereof. The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Employee future benefits

Mundo Peetabeck Education Authority is part of a multi-employer plan for which there is insufficient information to apply defined benefit plan accounting. Accordingly, Mundo Peetabeck Education Authority is not able to identify its share of the plan assets and liabilities, and therefore, defined contribution accounting is used for these plans (Note 25).

Mundo Peetabeck Education Authority's contributions to the defined contribution plan are expensed as incurred.

Segments

The First Nation conducts its business through nine reportable segments. 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 both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of consolidated segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 23.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. Interest income is recognized in the consolidated statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of consolidated financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

Prior period funding adjustments

The First Nation has entered into accountable contribution arrangements with several government funding agencies. These programs are subject to audit by the various governments, with potential audit adjustments repayable to the government. These adjustments are recorded in the consolidated financial statements in the year they become known.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), the Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC with any interest earned to be credited as revenue to the Apartment Replacement and Subsidy Fund. At the year-end date, the respective monies on hand in the amount of \$286,754 (2022 - \$115,384) were not sufficient to meet the CMHC reserve fund requirements. The deficiency amounted to \$79,777 (2022 - \$211,690).

| | 2023 | 2022 |
|--------------------------------|-------------------|------------|
| Cash on hand | 20,076,752 | 18,610,660 |
| CMHC Reserve Fund - Restricted | 286,754 | 115,384 |
| | 20,363,506 | 18,726,044 |

5. Accounts receivable

| | 2023 | 2022 |
|---------------------------------------|------------------|-----------|
| Accounts receivable | 1,393,923 | 1,622,721 |
| Less: Allowance for doubtful accounts | 778,352 | 727,266 |
| | 615,571 | 895,455 |

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

6. Portfolio investments

Portfolio investments consists of:

A 25% partnership interest in Kimesskanemenow Limited Partnership, a partnership controlled by several First Nations whose primary business activity is the annual construction and maintenance of a winter road from Moosonee to Attawapiskat, Ontario. The investment is carried at cost, being the initial contribution and amounts assumed on transfer pursuant to reorganization transactions less any impairment loss.

A 25% partnership interest in Creewest Limited Partnership, a partnership controlled by several First Nations whose primary business activity is the participation in contracting opportunities from development projects within the traditional territories of the limited partners, in order to generate income for the limited partners and employment opportunities for their respective memberships. The investment is carried at cost, being the initial contribution.

A minority equity interest in Mushkegowuk Development Corporation, a corporation controlled by several First Nations whose primary business activity is providing its shareholders with access to training initiatives. The investment is carried at cost, being the initial contribution.

A minority partnership interest in Ontario First Nations Sovereign Wealth LP, a partnership controlled by several First Nations whose primary business activity is providing its partners with access to investment income from its holdings. The investment is carried at cost, being the initial contribution.

A minority equity interest, being one common share, in OFN Asset Management GP Corp., a corporation controlled by several First Nation bands whose primary business activity is providing its shareholders with access to investment income from its holdings. The investment is carried at cost, being the initial contribution.

A guaranteed investment certificate in the amount of \$Nil (2022 - \$501,279), bearing interest at 0.10% per annum, matured September 15, 2022.

| | 2023 | 2022 |
|---|----------------|----------------|
| Measured at cost: | | |
| Kimesskanamenow Limited Partnership | 93,630 | 93,630 |
| Creewest Limited Partnership | 300 | 300 |
| Mushkegowuk Development Corporation | 25,000 | 25,000 |
| Ontario First Nations Sovereign Wealth LP | 1 | 1 |
| OFN Asset Management GP Corp. | 1 | 1 |
| Guaranteed investment certificate | - | 501,279 |
| | 118,932 | 620,211 |

7. Loan receivable

The loan receivable from Kimesskanamenow Limited Partnership (Note 6), is non-interest bearing, unsecured and repayable upon dissolution of the partnership.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. Due from/to funding agencies

| | 2023 | 2022 |
|---|------------------|-----------|
| Due from funding agencies: | | |
| Canada Mortgage and Housing Corporation | 23,131 | 22,737 |
| First Nation and Inuit Health Branch | 315,035 | 461,374 |
| Indigenous Services Canada | 2,803,840 | 4,450,839 |
| Mushkegowuk Council | 129,782 | 81,444 |
| Nishnawbe Aski Nation | 162,469 | 138,367 |
| Province of Ontario | 95,972 | 262,397 |
| | 3,530,229 | 5,417,158 |
| Due to funding agencies: | | |
| Canada Mortgage and Housing Corporation | 3,232 | 3,232 |
| Indigenous Services Canada | 5,798 | 5,798 |
| Ministry of Health and Long-term Care | 232,684 | 376,751 |
| | 241,714 | 385,781 |

9. Investment in Nation business entity

The First Nation has an interest in a Nation Business Enterprise as follows:

A 100% interest in Fort Albany Power Corporation, a not-for-profit organization, established by the First Nation to provide hydro-electric power distribution to the community.

Summary financial information for the First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

| | <i>Fort Albany Power Corporation As at December 31, 2022</i> | <i>Fort Albany Power Corporation As at December 31, 2021</i> |
|--------------------------|--|--|
| Assets | | |
| Current assets | 3,084,541 | 2,933,161 |
| Long-term assets | 2,724,183 | 2,501,957 |
| Total assets | 5,808,724 | 5,435,118 |
| Liabilities | | |
| Current liabilities | 274,986 | 271,219 |
| Long-term liabilities | 274,126 | 306,271 |
| Total liabilities | 549,112 | 577,490 |
| Net assets | 5,259,612 | 4,857,628 |
| Total revenue | 2,901,404 | 2,745,192 |
| Total expenses | 2,499,420 | 1,937,206 |
| Net income | 401,984 | 807,986 |

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

9. Investment in Nation business entity *(Continued from previous page)*

During the year, the following First Nation business enterprise had transactions with other organizations of the First Nation:

| Name of business enterprise | Name of organization | Nature of transactions/balances |
|------------------------------------|-------------------------------------|---|
| Fort Albany Power Corporation | Fort Albany First Nation - Band | Electricity distribution and infrastructure |
| Fort Albany Power Corporation | Mundo Peetabeck Education Authority | Electricity distribution |
| Fort Albany Power Corporation | Peetabeck Health Services | Electricity distribution |

10. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

| | 2023 | 2022 |
|-----------------------------|----------------|-------------|
| Balance, beginning of year | 512,853 | 503,176 |
| Interest | 7,659 | 9,677 |
| Balance, end of year | 520,512 | 512,853 |

The Trust Funds arise from moneys 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.

11. Bank indebtedness

Mundo Peetabeck Education Authority, whose books and records are consolidated in these consolidated financial statements, is party to an RBC credit facility agreement bearing interest at the bank prime rate plus 1.80% (8.50% (2022-4.50%)) with a borrowing limit of \$100,000 (2022 - \$100,000). At the year-end date, \$Nil (2022 - \$Nil) was drawn on this facility.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

12. Deferred revenue

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

| | <i>Balance, beginning of year</i> | <i>Funding received</i> | <i>Revenue recognized</i> | <i>Balance, end of year</i> |
|---|---|-----------------------------|-------------------------------|---------------------------------|
| CMHC - SEED - WSO Transition | - | 82,047 | 76,177 | 5,870 |
| FNHIB - Aboriginal Headstart | 258,491 | 247,164 | 246,178 | 259,477 |
| FNHIB - Mental Wellness Program Covid-19 | 138,603 | - | 138,603 | - |
| ISC & CMHC - WSO - Transitional Homes Construction | - | 2,313,182 | 1,528,491 | 784,691 |
| ISC - 2-Units - LQ | 474,223 | - | 227,340 | 246,883 |
| ISC - 3 Duplexes | 680,350 | 7,481 | 265,359 | 422,472 |
| ISC - Aboriginal Headstart - Fixed | 227,521 | 708,015 | 589,560 | 345,976 |
| ISC - Aboriginal Headstart - Flex | 512,364 | - | 4,206 | 508,158 |
| ISC - Basic Needs | - | 631,856 | - | 631,856 |
| ISC - Basic Needs (2nd Round Covid-19) | 323,745 | - | 323,745 | - |
| ISC - Child and Family Services | 1,463,000 | 4,151,005 | 2,762,196 | 2,851,809 |
| ISC - Community O&M | 802,984 | - | 802,984 | - |
| ISC - Covid-19 (Education related programs) | 395,279 | 132,949 | 149,084 | 379,144 |
| ISC - Covid-19 ECR Task Force | 2,346,171 | 458,696 | 495,139 | 2,309,728 |
| ISC - Enhanced Teacher Salaries | 30,545 | - | 30,545 | - |
| ISC - Grade 8 Trip Prepayment | - | 209,736 | 156,929 | 52,807 |
| ISC - Post Secondary | 513,956 | 1,257,788 | 1,141,173 | 630,571 |
| ISC - Service Delivery | 19,172 | - | 19,172 | - |
| ISC - Special Education | 523,367 | 357,418 | 552,112 | 328,673 |
| ISC - Women's Shelter - Operations | - | 2,604,814 | 1,653,832 | 950,982 |
| ISC - WSO Transition - Water & Sewer Hook-Up | - | 638,317 | 118,411 | 519,906 |
| Ministry of Children and Youth Services - Nutrition | 138,408 | 98,400 | 79,565 | 157,243 |
| Nishnawbe Aski Nation - Customary Care | 7,778 | - | 7,778 | - |
| Nishnawbe Aski Nation - Family Well Being | 84,134 | - | 84,134 | - |
| | 8,940,091 | 13,898,868 | 11,452,713 | 11,386,246 |

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

13. Debt

| | 2023 | 2022 |
|---|------------------|-------------|
| CMHC mortgage bearing interest at 0.98% (2022 - 0.98%), repayable at \$9,021 per month principal and interest, renewable April 2025, maturing April 2045. | 2,149,984 | 2,236,751 |
| CMHC mortgage bearing interest at 3.55% (2022 - 2.13%), repayable at \$4,246 per month principal and interest, renewable October 2027, maturing August 2037. | 575,198 | 607,417 |
| CMHC mortgage bearing interest at 0.71% (2022 - 0.71%), repayable at \$5,125 per month principal and interest, renewable November 2025, maturing May 2034. | 660,068 | 716,671 |
| CMHC mortgage bearing interest at 0.68% (2022 - 0.68%), repayable at \$2,923 per month principal and interest, renewable October 2025, maturing March 2034. | 371,699 | 404,134 |
| CMHC mortgage, non-interest bearing, forgivable at \$40,800 per annum, maturing October 2025. Terms of forgiveness stipulate the building financed with the facility must continue to operate as an emergency shelter for women and children who are victims of family violence. | 154,133 | 194,933 |
| CMHC RRAP loan, non-interest bearing, forgivable at \$396 per month, maturing December 2023. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for First Nation members with a total household income at or below a stipulated income threshold during the period. | 3,958 | 8,313 |
| RBC term loan bearing interest at the bank prime rate plus 1.83% totalling 8.53% (2022 - 4.45%), repayable at \$7,710 per month principal plus interest, secured by a band council resolution, renewable December 2026, maturing April 2032. | 824,612 | 892,231 |
| CMHC RRAP loan, non-interest bearing, forgivable at 5.25% per annum, maturing March 2025. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period. | 8,510 | 19,000 |
| CMHC mortgage advance, bearing interest at 0.65%. repayment terms to be determined when fully drawn. | 476,700 | 283,750 |
| CMHC mortgage advance, bearing interest at 0.65%. repayment terms to be determined when fully drawn. | 425,134 | 253,056 |
| CMHC mortgage advance, bearing interest at 0.65%. repayment terms to be determined when fully drawn. | 219,500 | 219,500 |
| | 5,869,496 | 5,835,756 |

Each of the above CMHC debt facilities is secured by a Ministerial Guarantee from Indigenous Services Canada.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

13. Debt *(Continued from previous page)*

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

| | |
|------------|-----------|
| 2024 | 290,925 |
| 2025 | 291,624 |
| 2026 | 292,261 |
| 2027 | 246,028 |
| 2028 | 251,444 |
| Thereafter | 4,497,214 |
| | <hr/> |
| | 5,869,496 |

14. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Assets under construction or otherwise not available for use include housing and other structural buildings with a carrying value of \$16,869,550 (2022 - \$5,754,960). No amortization of these assets has been recorded during the year because they are currently under construction or not available for use.

The First Nation holds works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

Any intangibles and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in the consolidated financial statements.

Tangible capital assets include \$1,056,109 (2022 - \$972,795) of assets that are fully amortized.

Included in the cost of tangible capital assets is \$Nil (2022 - \$2,910) of interest incurred during the current fiscal year on the 3 unit housing project.

15. Related party transactions

Related party transactions are recorded at their exchange amount, which is the amount agreed to by the parties. Transactions with Fort Albany Power Corporation (a wholly owned subsidiary), relating to electricity distribution, are recorded at Ontario Energy Board approved rates.

Included in accounts payable is \$100,183 (2022 - \$274,704) owing to Fort Albany Power Corporation in the normal course of operations.

During the year, the First Nation conducted the following transactions with a related entity. The transactions were recorded at the exchange amount, being Ontario Energy Board approved rates.

| | 2023 | 2022 |
|---|---------|---------|
| Electricity distribution provided by Fort Albany Power Corporation, a related First Nation business enterprise: | 642,698 | 598,058 |

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

16. Accumulated surplus

Accumulated surplus consists of restricted and unrestricted amounts as follows:

| | 2023 | 2022 |
|-----------------------------------|-------------------|------------|
| Unrestricted | | |
| Operating surplus | 8,141,726 | 11,606,922 |
| OFNLP | 4,542,756 | 4,016,044 |
| MNDM | 1,206,185 | 923,907 |
| Equity in tangible capital assets | 53,066,996 | 45,872,821 |
| | 66,957,663 | 62,419,694 |
| Restricted | | |
| Funds held in trust - Ottawa | 520,513 | 512,854 |
| CMHC Replacement Reserve | 366,531 | 327,074 |
| | 887,044 | 839,928 |
| | 67,844,707 | 63,259,622 |

17. Other revenue

The balance reported as "Other Revenue" on the Consolidated Statement of Operations and Accumulated Surplus consists of the following:

| | 2023 | 2022 |
|---------------------------------------|------------------|---------|
| Drinking water settlement | 500,000 | - |
| Five Nations Energy Inc. contribution | 200,000 | - |
| Insurance proceeds | - | 60,743 |
| Interest income | 57,832 | 20,669 |
| HST rebates | 216,086 | 6,920 |
| Other | 491,997 | 34,268 |
| University of Toronto | 30,800 | 29,200 |
| User fees - land use, water/sewer | 137,309 | 82,969 |
| | 1,634,024 | 234,769 |

18. Asset retirement obligation

The First Nation operates a sewage lagoon and waste storage facilities adjacent to the reserve lands. The Ontario Ministry of the Environment has identified certain non-compliance issues in relation to these facilities and has issued action directives which, at the date of these consolidated financial statements, have not been completed. Management is of the opinion any resolution will include funding from other levels of government. The First Nation recognized a liability of \$800,000 (2022 - \$Nil).

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

19. Contingencies

The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements may be subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

The First Nation is involved in legal actions in the normal course of its operations. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements.

The First Nation has a number of credit facilities with CMHC that contain provisions for forgiveness of the liabilities over time pursuant to covenants. Failure to meet these covenants could result in the credit facilities being converted from forgivable to repayable instruments (Note 13).

On December 22, 2021, the Federal Court of Canada approved a settlement between Canada and certain First Nations and their members who were subject to a drinking water advisory that lasted at least one year between November 20, 1995, and June 20, 2021. Subsequent to year-end, the First Nation received an initial \$500,000 settlement on May 12, 2023. On March 5, 2024, the First Nation received the remaining payment of \$43,211 for the settlement based on individual impacted members' claims.

20. Distributions from Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter, pursuant to an 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 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements is restricted to community development, health, education, cultural development and economic development.

The First Nation holds one unit in the Ontario First Nations Limited Partnership, and one share in a related company, Ontario First Nations General Partner Inc., the carrying values of which are nominal and are therefore not recorded in these consolidated financial statements.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

21. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the First Nation's financial instruments best represents the maximum exposure to credit risk.

Risk management

The First Nation manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow.

Contractual maturities of debt are disclosed in Note 13.

The First Nation manages the liquidity risk resulting from its accounts payable and debt by maintaining adequate cash and credit facilities and by updating and reviewing cash flow projections on a regular basis.

Management has no concerns regarding the First Nation's ability to meet obligations.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

21. Financial Instruments *(Continued from previous page)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure by entering into fixed interest rate credit facilities, when possible. The table summarizes the carrying amounts of financial instruments exposed to interest rate risk by the earlier of the contractual repricing dates.

Financial instruments exposed to interest rate risk:

| | | 2023 | 2022 | | | |
|---|----------------------|------------------------|--------------------------|-------------------|-------------------|--------------|
| | <i>Floating rate</i> | <i>Within one year</i> | <i>One to five years</i> | <i>Thereafter</i> | <i>Total</i> | <i>Total</i> |
| Financial Assets | | | | | | |
| Financial assets at fair value | | | | | | |
| Guaranteed investment certificate | | - | - | - | - | 501,279 |
| Financial assets measured at cost | | | | | | |
| Cash and cash equivalents | 20,363,506 | - | - | - | 20,363,506 | 18,726,044 |
| Funds held in trust - Ottawa | 520,513 | - | - | - | 520,513 | 512,854 |
| CMHC reserve fund | 366,531 | - | - | - | 366,531 | 327,074 |
| | 21,250,550 | - | - | - | 21,250,550 | 20,067,251 |
| Financial liabilities | | | | | | |
| Financial liabilities measured at amortized cost | | | | | | |
| Debt | | - | 290,925 | 1,081,357 | 4,497,214 | 5,869,496 |
| | | 290,925 | 1,081,357 | 4,497,214 | 5,869,496 | 5,835,756 |

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

21. Financial Instruments *(Continued from previous page)*

Interest rate risk *(Continued from previous page)*

Interest rate risk sensitivity analysis

A 0.50% change in interest rates relating to the Bank of Canada prime rate could increase interest expense by approximately \$41,231. The First Nation uses simulation modeling to simulate the effect of a change in the market rate of interest. The interest rate sensitivity information was prepared based on management's assumption that the Bank of Canada prime rate will increase by no more than 0.50% within the next year.

Fair Value of Financial Instruments

The following illustrates the classification of the First Nation's instruments that are classified in the fair value category as at March 31, 2023:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The fair value hierarchy has remained consistent throughout the year. The First Nation has classified portfolio investments in the fair value category as a Level 1 financial asset with a fair value of \$Nil as at March 31, 2023 (2022 - \$501,279). The First Nation has no Level 2 or Level 3 designated financial instruments.

22. Budget information

Canadian public sector accounting (PSAS) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue and expenses, and surplus have not been reported in these financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSAS.

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

23. Segments

Fort Albany First Nation is a diversified local government that provides a wide range of services to its members, including water, fire protection, roadworks, technical services, recreation, social services, health services, education, social housing and economic development among others. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, requirements or limitations.

The First Nation's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the services they provide, are as follows:

ADMINISTRATION AND GOVERNANCE

-Manages the administrative operations of the First Nation, undertakes First Nation operated governance initiatives through the activities of Chief and Council and other activities relating to reserve lands, membership matters and other governance initiatives. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment.

COMMUNITY AND ECONOMIC DEVELOPMENT

-Manages the development of economic opportunities for First Nation entities and provides support to member entities as well undertakes activities of the Ontario First Nations Limited Partnership (OFNLP) Fund and the Impact Benefit Agreement.

COMMUNITY SERVICES- OPERATIONS AND MAINTENANCE

-Provides contract management services, heavy equipment operations, bulk fuel operations infrastructure maintenance, general labour services and other related activities.

DAYCARE

-Manages the activities of the local children's daycare program.

EDUCATION

-Provides elementary and secondary instructional services and financial support to post-secondary students.

HEALTH SERVICES

-Provides a variety of health care programs and support to First Nation members.

HOUSING

-Provides housing to members under CMHC and other programs and reports on the respective revenues and expenditures.

INFRASTRUCTURE

-Manages First Nation infrastructure programs including facilities operations and maintenance, capital projects, water and waste water plant operations and other related activities.

SOCIAL ASSISTANCE

-Administers the provision of social assistance to qualifying members.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 3.

24. Pension agreements

Multi-employer plans

Mundo Peetabek Education Authority makes contributions to the Ontario Teachers Pension Plan (OTTP), which is a multi-employer plan on behalf of its teaching staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OTTP in 2023 was \$130,817 (2022 - \$143,312) for current service and is included as an expenditure in the "Consolidated Statement of Operations and Accumulated Surplus".

Fort Albany First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

25. Comparative figures

Certain figures presented for comparative purposes have been reclassified to conform with the current year's presentation.

Fort Albany First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

| | <i>Land Improvements</i> | <i>Buildings</i> | <i>Vehicles and Moveable Equipment</i> | <i>Furnishing, Equipment and Computers</i> | <i>Roads, Streets and Bridges</i> | <i>Subtotal</i> |
|--|------------------------------|-------------------|--|--|---------------------------------------|-------------------|
| Cost | | | | | | |
| Balance, beginning of year | 1,704,903 | 62,352,176 | 2,344,962 | 5,560,096 | 7,695,138 | 79,657,275 |
| Acquisition of tangible capital assets | - | 7,696,085 | 1,744,431 | 868,695 | - | 10,309,211 |
| Disposal of tangible capital assets | - | (227,202) | - | (113,602) | - | (340,804) |
| Balance, end of year | 1,704,903 | 69,821,059 | 4,089,393 | 6,315,189 | 7,695,138 | 89,625,682 |
| Accumulated amortization | | | | | | |
| Balance, beginning of year | - | 25,874,400 | 1,595,156 | 3,598,587 | 5,024,664 | 36,092,807 |
| Annual amortization | - | 1,361,944 | 502,541 | 531,522 | 173,323 | 2,569,330 |
| Accumulated amortization on disposals | - | - | - | (54,164) | - | (54,164) |
| Balance, end of year | - | 27,236,344 | 2,097,697 | 4,075,945 | 5,197,987 | 38,607,973 |
| Net book value of tangible capital assets | 1,704,903 | 42,584,715 | 1,991,696 | 2,239,244 | 2,497,151 | 51,017,709 |
| 2022 Net book value of tangible capital assets | 1,704,903 | 36,477,776 | 749,806 | 1,961,509 | 2,670,474 | 43,564,468 |

Fort Albany First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

| | <i>Water and Sewer</i> | <i>Subtotal</i> | 2023 | 2022 |
|--|----------------------------|-------------------|--------------------|-------------------|
| Cost | | | | |
| Balance, beginning of year | 79,657,275 | 14,997,532 | 94,654,807 | 87,914,930 |
| Acquisition of tangible capital assets | 10,309,211 | 104,225 | 10,413,436 | 6,767,232 |
| Disposal of tangible capital assets | (340,804) | - | (340,804) | (27,355) |
| Balance, end of year | 89,625,682 | 15,101,757 | 104,727,439 | 94,654,807 |
| Accumulated amortization | | | | |
| Balance, beginning of year | 36,092,807 | 6,894,449 | 42,987,256 | 40,149,776 |
| Annual amortization | 2,569,330 | 300,993 | 2,870,323 | 2,864,376 |
| Accumulated amortization on disposals | (54,164) | - | (54,164) | (26,896) |
| Balance, end of year | 38,607,973 | 7,195,442 | 45,803,415 | 42,987,256 |
| Net book value of tangible capital assets | 51,017,709 | 7,906,315 | 58,924,024 | 51,667,551 |
| 2022 Net book value of tangible capital assets | 43,564,468 | 8,103,083 | 51,667,551 | |

Fort Albany First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------|
| Consolidated expenses by object | | |
| Administration | 103,966 | 9,585 |
| Amortization | 2,870,323 | 2,864,376 |
| Bad debts (recovery) | 155,665 | (116,884) |
| Bank charges and interest | 105,598 | 100,246 |
| Insurance | 488,430 | 427,245 |
| Interest on debt | 108,383 | 82,979 |
| Materials and supplies | 1,982,901 | 1,540,760 |
| Office and other | 908,277 | 573,584 |
| Post secondary education | 1,114,329 | 893,025 |
| Professional fees | 1,749,682 | 1,174,208 |
| Program expenses | 7,229,909 | 3,702,797 |
| Rent | 110,155 | 11,827 |
| Repairs and maintenance | 1,592,535 | 958,616 |
| Salaries, benefits and honoraria | 10,297,080 | 9,294,938 |
| School supplies | 208,358 | 192,925 |
| Sewage and waste facilities closure | - | 200,000 |
| Social assistance payments | 2,767,816 | 2,828,999 |
| Subcontracts | 5,929,155 | 2,511,205 |
| Training | 108,876 | 60,896 |
| Travel | 1,593,792 | 731,831 |
| Utilities (Note 15) | 1,537,854 | 1,386,100 |
| | 40,963,084 | 29,429,258 |

Fort Albany First Nation
Schedule 3 - Consolidated Schedule of Segmented Disclosure
For the year ended March 31, 2023

| | <i>Sch</i> | <i>Total Revenues</i> | <i>Total Expenses</i> | <i>Surplus (deficit) before transfers</i> | <i>Transfers between programs</i> | <i>Surplus (Deficit)</i> | <i>Prior Year Surplus (Deficit)</i> |
|---|------------|-----------------------|-----------------------|---|-----------------------------------|--------------------------|-------------------------------------|
| Daycare | 7 | 581,905 | 511,178 | 70,727 | - | 70,727 | 76,208 |
| Community Services - Operations and Maintenance | 6 | 7,263,895 | 6,791,025 | 472,870 | (145,634) | 327,236 | 376,485 |
| Health Services | 9 | 6,570,976 | 5,860,695 | 710,281 | - | 710,281 | 36,076 |
| Housing | 10 | 3,055,455 | 1,576,148 | 1,479,307 | - | 1,479,307 | 922,454 |
| Infrastructure | 11 | 625,261 | 429,873 | 195,388 | - | 195,388 | 1,419,104 |
| Social Assistance | 12 | 3,835,816 | 3,663,112 | 172,704 | - | 172,704 | 62,320 |
| Education | 8 | 11,609,563 | 9,033,651 | 2,575,912 | - | 2,575,912 | 1,055,542 |
| Administration and Governance | 4 | 2,793,701 | 2,820,433 | (26,732) | (350,640) | (377,372) | (311,539) |
| Community Development | 5 | 9,211,597 | 10,276,969 | (1,065,372) | 496,274 | (569,098) | 4,409,301 |
| Total | | 45,548,169 | 40,963,084 | 4,585,085 | - | 4,585,085 | 8,045,951 |

Fort Albany First Nation
Administration and Governance
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|-----------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Flexible funding | - | 88,935 |
| Fixed funding | 110,290 | 98,000 |
| Block funding | 1,467,657 | 1,456,829 |
| Province of Ontario | 197,494 | 203,191 |
| Mushkegowuk Council | 925,660 | 470,526 |
| Rental income | 16,200 | 15,000 |
| Other | 76,398 | 8,306 |
| Deferred revenue - prior year | - | 46,921 |
| | 2,793,699 | 2,387,708 |
| Expenses | | |
| Administration (recovery) | (860,572) | (269,872) |
| Amortization | 81,158 | 39,053 |
| Bad debts | 79,874 | - |
| Bank charges and interest | 66,543 | 74,355 |
| Insurance | 60,494 | 53,668 |
| Interest on debt | 25 | 730 |
| Materials and supplies (recovery) | (62,840) | 69,446 |
| Office and other | 149,780 | 106,974 |
| Professional fees | 845,725 | 743,200 |
| Program expenses | 590,668 | 566,880 |
| Repairs and maintenance | 17,529 | 59,765 |
| Salaries, benefits and honoraria | 1,135,891 | 846,311 |
| Subcontracts | 481,525 | 381,261 |
| Training | 850 | - |
| Travel | 143,495 | 56,977 |
| Utilities | 90,288 | 169,906 |
| | 2,820,433 | 2,898,654 |
| Deficit before transfers | (26,734) | (510,946) |
| Transfers between programs | (350,639) | 199,407 |
| Annual Deficit | (377,373) | (311,539) |

Fort Albany First Nation
Community Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|--------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Flexible funding | 1,873,350 | 1,334,407 |
| Fixed funding | 2,593,674 | 1,590,368 |
| Block funding | 133,403 | 132,419 |
| Province of Ontario | 1,190,160 | 857,631 |
| Ontario First Nations Limited Partnership | 1,345,202 | 955,067 |
| First Nation and Inuit Health Branch | 2,322,709 | - |
| Earnings from Nation business entity | 401,984 | 807,986 |
| Impact Benefit Agreement receipts - De Beers | - | 698,000 |
| Mushkegowuk Council | 157,113 | 137,534 |
| Nishnawbe Aski Nation | 3,468 | - |
| Rental income (repayment) | (7,000) | 7,950 |
| Other | 148,516 | 2,053 |
| Deferred revenue - current year | (950,982) | - |
| | 9,211,597 | 6,523,415 |
| Expenses | | |
| Administration | 560,063 | 188,511 |
| Amortization | 193,482 | 77,971 |
| Bad debts | 30,539 | 85,205 |
| Bank charges and interest | 2,933 | 2,755 |
| Insurance | 6,594 | 5,305 |
| Materials and supplies | 663,302 | 235,565 |
| Office and other | 90,333 | 56,999 |
| Professional fees | 262,807 | 83,406 |
| Program expenses | 2,859,175 | 570,438 |
| Rent (recovery) | 48,550 | (100) |
| Repairs and maintenance | 121,669 | 24,716 |
| Salaries, benefits and honoraria | 1,048,128 | 558,135 |
| Subcontracts | 3,468,400 | 221,891 |
| Training | 35,014 | - |
| Travel | 521,500 | 54,686 |
| Utilities | 364,480 | 20,943 |
| | 10,276,969 | 2,186,426 |
| Surplus (deficit) before transfers | (1,065,372) | 4,336,989 |
| Transfers between programs | 496,274 | 72,312 |
| Annual Surplus (deficit) | (569,098) | 4,409,301 |

Fort Albany First Nation
Community Services - Operations and Maintenance
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Flexible funding | 4,175,197 | - |
| Fixed funding | - | 3,439,320 |
| Block funding | 1,760,388 | 714,222 |
| Kimesskanemenow LP - winter road | 1,326,228 | 1,283,265 |
| Other | 587,909 | 90,932 |
| Deferred revenue - prior year | 2,265,982 | 1,463,000 |
| Deferred revenue - current year | (2,851,809) | (2,265,982) |
| | 7,263,895 | 4,724,757 |
| Expenses | | |
| Administration | 210,117 | 87,912 |
| Amortization | 893,469 | 855,219 |
| Bad debts | 34,701 | 1,500 |
| Bank charges and interest | 16 | - |
| Insurance | 314,195 | 261,235 |
| Materials and supplies | 688,751 | 108,652 |
| Office and other | 272,705 | 38,158 |
| Professional fees | 202,022 | 72,918 |
| Program expenses | 481,734 | 265,379 |
| Rent | 61,005 | 5,514 |
| Repairs and maintenance | 193,566 | 40,927 |
| Salaries, benefits and honoraria | 1,462,801 | 1,090,506 |
| Sewage and waste facilities closure | - | 200,000 |
| Subcontracts | 1,554,133 | 872,778 |
| Training | 19,996 | 24,529 |
| Travel | 211,733 | 89,682 |
| Utilities | 190,081 | 261,479 |
| | 6,791,025 | 4,276,388 |
| Surplus before transfers | 472,870 | 448,369 |
| Transfers between programs | (145,634) | (71,884) |
| Annual Surplus | 327,236 | 376,485 |

Fort Albany First Nation
Daycare
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|-----------------------------------|----------------|-------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Block funding | 78,542 | 77,963 |
| Province of Ontario | 412,117 | 451,590 |
| Mushkegowuk Council | 91,246 | 42,136 |
| | 581,905 | 571,689 |
| Expenses | | |
| Administration | 46,455 | - |
| Amortization | 17,441 | 19,271 |
| Bank charges and interest | 238 | - |
| Insurance | 3,079 | 2,482 |
| Materials and supplies | 52,435 | 82,974 |
| Office and other | 8,510 | 6,095 |
| Rent | 600 | - |
| Repairs and maintenance | 9,030 | 8,435 |
| Salaries, benefits and honoraria | 342,994 | 310,100 |
| Subcontracts | 15,615 | 9,771 |
| Travel | 1,750 | - |
| Utilities | 13,031 | 14,548 |
| | 511,178 | 453,676 |
| Surplus before transfers | 70,727 | 118,013 |
| Transfers between programs | - | (41,805) |
| Annual Surplus | 70,727 | 76,208 |

Fort Albany First Nation
Education
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Flexible funding | 196,236 | - |
| Fixed funding | 393,124 | 2,494,724 |
| Block funding | 10,098,206 | 7,755,681 |
| Province of Ontario | 98,400 | 105,793 |
| First Nation and Inuit Health Branch | 718,015 | 345,150 |
| Mushkegowuk Council | - | 25,679 |
| Rental income | 2,700 | 4,000 |
| Other | 216,277 | 15,609 |
| Deferred revenue - prior year | 2,341,441 | 610,485 |
| Deferred revenue - current year | (2,402,572) | (2,341,441) |
| | 11,661,827 | 9,015,680 |
| Expenses | | |
| Administration | 105,317 | - |
| Amortization | 852,340 | 851,286 |
| Bank charges and interest | 12,947 | 13,014 |
| Office and other | 304,134 | 256,832 |
| Post secondary education | 1,114,329 | 893,025 |
| Professional fees | 269,842 | 172,077 |
| Program expenses | 456,283 | 197,662 |
| Repairs and maintenance | 1,041,527 | 559,315 |
| Salaries, benefits and honoraria | 3,729,113 | 3,817,184 |
| School supplies | 208,358 | 192,925 |
| Training | 40,966 | 32,791 |
| Travel | 231,225 | 294,348 |
| Utilities | 667,270 | 679,679 |
| | 9,033,651 | 7,960,138 |
| Surplus before other items | 2,628,176 | 1,055,542 |
| Loss on disposal of tangible capital assets | (52,264) | - |
| Annual Surplus | 2,575,912 | 1,055,542 |

Fort Albany First Nation
Health Services
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|------------------|------------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Flexible funding | 458,696 | 3,621,620 |
| Fixed funding | - | 123,316 |
| Set funding | - | 31,779 |
| Province of Ontario | 144,067 | 382,067 |
| First Nation and Inuit Health Branch | 4,847,281 | 3,727,156 |
| Mushkegowuk Council | - | 173,284 |
| Nishnawbe Aski Nation | 460,283 | 494,978 |
| Other | 401,852 | 50,035 |
| Deferred revenue - prior year | 2,835,177 | 554,700 |
| Deferred revenue - current year | (2,569,206) | (2,835,177) |
| | 6,578,150 | 6,323,758 |
| Expenses | | |
| Administration | 45,087 | 534 |
| Amortization | 171,725 | 121,084 |
| Bad debts | 2,124 | - |
| Bank charges and interest | 15,304 | 3,704 |
| Materials and supplies | 310,388 | 987,580 |
| Office and other | 82,815 | 104,148 |
| Professional fees | 131,011 | 92,265 |
| Program expenses | 2,493,937 | 1,519,821 |
| Rent | - | 6,000 |
| Repairs and maintenance | 53,920 | 167,780 |
| Salaries, benefits and honoraria | 1,854,052 | 1,998,868 |
| Subcontracts | 116,493 | 744,440 |
| Training | 12,050 | 3,576 |
| Travel | 454,918 | 236,138 |
| Utilities | 116,871 | 174,735 |
| | 5,860,695 | 6,160,673 |
| Surplus before other items | 717,455 | 163,085 |
| Loss on disposal of tangible capital assets | (7,174) | 31,020 |
| Surplus before transfers | 710,281 | 194,105 |
| Transfers between programs | - | (158,029) |
| Annual Surplus | 710,281 | 36,076 |

Fort Albany First Nation
Housing
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|------------------|------------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Fixed funding | 1,211,499 | 874,000 |
| Block funding | 610,165 | 605,664 |
| Canada Mortgage and Housing Corporation | 2,118,662 | 277,598 |
| Rental income | 167,580 | 154,640 |
| Other | - | 66,936 |
| Deferred revenue - prior year | 1,154,573 | 1,594,132 |
| Deferred revenue - current year | (1,979,822) | (1,154,573) |
| | 3,282,657 | 2,418,397 |
| Expenses | | |
| Amortization | 498,526 | 730,199 |
| Bad debts | 8,426 | 27,378 |
| Bank charges and interest | 447 | 416 |
| Insurance | 101,913 | 92,302 |
| Interest on long-term debt | 51,004 | 43,547 |
| Materials and supplies | 329,896 | 56,676 |
| Professional fees | 38,275 | - |
| Program expenses | - | 1,400 |
| Rent | - | 285 |
| Repairs and maintenance | 71,672 | 10,215 |
| Salaries, benefits and honoraria | 226,354 | 195,352 |
| Subcontracts | 194,851 | 275,374 |
| Travel | 18,805 | - |
| Utilities | 35,979 | 62,799 |
| | 1,576,148 | 1,495,943 |
| Surplus before other items | 1,706,509 | 922,454 |
| Loss on disposal of tangible capital assets | (227,202) | - |
| Annual Surplus | 1,479,307 | 922,454 |

Fort Albany First Nation
Infrastructure
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|---|----------------|-------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Flexible funding | - | 3,936 |
| Block funding | 202,764 | - |
| Canada Mortgage and Housing Corporation | 40,800 | 54,400 |
| Province of Ontario | 14,499 | 62,979 |
| Mushkegowuk Council | - | 20,358 |
| Rental income | 164,798 | 165,408 |
| Other | 202,400 | 500 |
| Deferred revenue - prior year | - | 1,128,142 |
| | 625,261 | 1,435,723 |
| Expenses | | |
| Amortization | 157,362 | 163,839 |
| Bad debts (recovery) | - | (230,967) |
| Bank charges and interest | 284 | 531 |
| Insurance | 2,155 | 12,254 |
| Interest on debt | 57,354 | 38,702 |
| Materials and supplies (recovery) | 969 | (133) |
| Program expenses | 4,500 | 21,211 |
| Rent | - | 128 |
| Repairs and maintenance | 1,835 | - |
| Salaries, benefits and honoraria | 68,901 | - |
| Subcontracts | 76,660 | 9,043 |
| Utilities | 59,853 | 2,011 |
| | 429,873 | 16,619 |
| Annual Surplus | 195,388 | 1,419,104 |

Fort Albany First Nation
Social Assistance
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|----------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | | |
| Flexible funding | - | 10,389 |
| Fixed funding | 822,050 | 732,349 |
| Block funding | 100,522 | 99,780 |
| Province of Ontario | 3,265,795 | 3,359,547 |
| Repayment of funding | (64,283) | (35,424) |
| Other | 671 | 397 |
| Deferred revenue - prior year | 342,917 | 218,940 |
| Deferred revenue - current year | (631,856) | (342,917) |
| | 3,835,816 | 4,043,061 |
| Expenses | | |
| Administration (recovery) | (2,500) | 2,500 |
| Amortization | 4,820 | 6,452 |
| Bank charges and interest | 6,887 | 5,471 |
| Office and other | - | 4,379 |
| Professional fees | - | 10,342 |
| Program expenses | 343,613 | 560,004 |
| Repairs and maintenance | 81,787 | 87,464 |
| Salaries, benefits and honoraria | 428,843 | 478,482 |
| Social assistance payments | 2,767,816 | 2,828,999 |
| Subcontracts (recovery) | 21,479 | (3,352) |
| Travel | 10,367 | - |
| | 3,663,112 | 3,980,741 |
| Annual Surplus | 172,704 | 62,320 |