

Fort William First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2022

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## Independent Auditor's Report

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To the Chief and Council of Fort William First Nation

### Qualified Opinion

We have audited the consolidated financial statements of Fort William First Nation, and its entities (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statement of operations and surplus, the consolidated statement of changes in net financial assets, the consolidated statement of re-measurement gains and the consolidated statement of 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 possible effect of the matters discussed 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, 2022, and its consolidated results of operations, its consolidated changes in net financial assets, its consolidated re-measurement gains and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Summary of Significant Accounting Policies describes the tangible capital asset policy with respect to the First Nation's tangible capital assets. For fiscal years commencing on or after January 1, 2009, Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook requires that tangible capital assets be capitalized and amortized over their estimated useful lives. The First Nation has not fully adopted these recommendations. Although the First Nation has recognized certain tangible capital assets and amortization as of the date of consolidated financial statement preparation, the First Nation has not gathered the necessary information to be in a position to recognize and disclose a complete inventory of any of its major classes of tangible capital assets. As a result, we have been unable to determine whether any adjustments to the amounts recorded are necessary for the years ended March 31, 2022 and 2021. Our audit opinion on the consolidated financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

As more fully described in Note 15 to the consolidated financial statements, management has excluded the current year and prior years' property tax liabilities in the accompanying consolidated financial statements. Failure to include the taxes as a liability is not in accordance with Canadian public sector accounting standards. Had the liabilities been recorded the consolidated surplus for the year would have decreased by \$1,072,170 (2021 - \$960,879), capital assets would have been increased by \$1,188,553 (2021 - \$1,188,553), accounts payable would have been increased by \$9,597,119 (2021 - \$8,658,507), disputed property taxes receivable would have been decreased by \$9,950,231 (2021 - \$9,816,673) and the consolidated accumulated surplus would have been decreased by \$18,358,797 (2021 - \$17,286,627). Our audit opinion on the consolidated financial statements for the year ended March 31, 2022 was modified because of the effects of this departure from Canadian public sector accounting standards.

In addition, the First Nation has not included disclosure of budget information as required by Canadian Public Sector Accounting Standards because consolidated budgets were not prepared.

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## Independent Auditor's Report (cont'd)

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### Basis for Qualified Opinion (cont'd)

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.

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## Independent Auditor's Report (cont'd)

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### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario  
November 24, 2023

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## Fort William First Nation Management's Statement of Responsibility for Financial Reporting

March 31, 2022

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The accompanying consolidated financial statements of Fort William First Nation are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles for governments in Canada as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian auditing standards on behalf of the members. BDO Canada LLP have access to financial management of Fort William First Nation and meet when required.

DocuSigned by:  
  
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Chief  
  
\_\_\_\_\_  
Councillor

# Fort William First Nation Consolidated Statement of Financial Position

March 31	2022	2021
<b>Financial assets</b>		
Cash (Note 2)	\$ 47,060,460	\$ 50,767,698
Temporary investments (Note 4)	10,214,019	
6,694,523		
Accounts receivable (Note 5)	4,225,565	2,815,327
Due from Band members (Note 5)	169,827	298,177
Due from government and government organizations (Note 6)	6,949,678	5,643,757
Trust funds held by federal government (Note 7)	4,033,949	2,859,628
Inventory	423,821	431,766
Investments in and advances to corporations (Note 14)	<u>3,676,387</u>	<u>3,420,620</u>
	<u>76,753,706</u>	<u>72,931,496</u>
<b>Liabilities</b>		
Accounts payable and accruals (Note 8)	8,691,708	8,624,782
Due to government and government organizations (Note 9)	5,652,181	4,171,306
Tenant deposits	33,333	33,333
Deferred revenue (Note 10)	8,050,763	5,157,063
Long term debt (Note 11)	7,475,364	6,665,942
Amounts held in trust for minors (Note 12)	<u>19,361,382</u>	<u>21,505,740</u>
	<u>49,264,731</u>	<u>46,158,166</u>
<b>Net financial assets</b>	<u>27,488,975</u>	<u>26,773,330</u>
<b>Non-financial assets</b>		
Prepaid expenses	84,714	83,735
Land claim costs	349,592	349,592
Tangible capital assets (Note 13)	28,089,831	30,832,886
Community and youth trust accounts (Notes 4 and 12)	107,785,447	106,198,149
Disputed property taxes receivable (Note 15)	<u>9,950,231</u>	<u>9,816,673</u>
	<u>146,259,815</u>	<u>147,281,035</u>
<b>Accumulated surplus and re-measurement gains</b>		
Accumulated surplus (Note 16)	156,669,879	154,444,907
Accumulated re-measurement gains	<u>17,078,911</u>	<u>19,609,458</u>
	<u>\$ 173,748,790</u>	<u>\$ 174,054,365</u>

On behalf of the Band:



SB0AGAWAB054ES

Chief



Councillor

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

## Fort William First Nation

### Consolidated Statement of Operations and Surplus

For the year ended March 31	2022	2021
Revenue		
Indigenous Services Canada (Note 10)	\$ 9,409,162	\$ 9,290,759
Canada Mortgage and Housing Corporation Subsidy (Note 10)	115,680	109,530
Ministry of Indigenous Affairs (Note 10)	153,343	264,710
Ministry of Education (Note 10)	122,075	112,155
Ministry of Community and Social Services (Note 10)	1,920,465	2,417,475
Ministry of Health (Note 10)	281,101	270,162
Ministry of Transportation (Note 10)	41,250	82,500
Other revenue (Note 24)	9,231,138	8,194,679
Investment income	7,333,068	11,044,903
Lottery Fund revenue	806,472	1,312,196
	<u>29,413,754</u>	<u>33,099,069</u>
Expenses (Note 25)		
Administration	672,389	792,987
Public Works	1,746,756	1,346,869
Education	4,801,065	4,062,526
Social Services and Health	4,866,282	4,596,376
Development and Employment	1,395,470	1,134,534
New Relationship Fund	79,588	62,199
COVID Expenses	618,632	2,489,486
Region	5,120,291	4,982,226
Band Operations	2,860,715	2,206,892
Gaming Activities	2,192,981	626,313
Housing Operations	1,106,138	892,594
Rental Operations	973,454	977,019
Lottery Fund	754,627	670,112
Specific Claim Trust Fund	394	384
	<u>27,188,782</u>	<u>24,840,517</u>
Surplus for the year	2,224,972	8,258,552
Accumulated surplus, beginning of year	<u>154,444,907</u>	<u>146,186,355</u>
Accumulated surplus, end of year	<u>\$ 156,669,879</u>	<u>\$ 154,444,907</u>

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

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Fort William First Nation  
Consolidated Statement of Re-Measurement Gains

For the year ended March 31	2022	2021
Accumulated re-measurement gains, beginning of year	<u>\$19,609,458</u>	<u>\$ 11,433,027</u>
Unrealized gains (losses) attributable to:		
Community and youth trust accounts	<u>(2,530,547)</u>	<u>8,176,431</u>
Accumulated re-measurement gains, end of year	<u>\$17,078,911</u>	<u>\$ 19,609,458</u>

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



## Fort William First Nation Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2022	2021
Annual surplus	\$ 2,224,972	\$ 8,258,552
Acquisition of tangible capital assets	(467,215)	(1,374,542)
Amortization of tangible capital assets	3,210,270	2,991,736
Unrealized gain (loss) of investments	(2,530,547)	8,176,431
	<u>2,437,480</u>	<u>18,052,177</u>
Change in disputed property tax receivable	(133,558)	(71,849)
Change in prepaid expenses	(979)	4,540
Change in land claim costs	-	(360)
Change in community and youth trust accounts	(1,587,298)	(2,673,851)
	<u>(1,721,835)</u>	<u>(2,741,520)</u>
Net change in net financial assets	715,645	15,310,657
Net financial assets, beginning of year	<u>26,773,330</u>	<u>11,462,673</u>
Net financial assets, end of year	<u>\$ 27,488,975</u>	<u>\$ 26,773,330</u>

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

## Fort William First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Surplus for the year	\$ 2,224,972	\$ 8,258,552
Adjustment for capital and investment transactions included in operations		
Amortization	3,210,270	2,991,736
Disposition of deposits	-	8,000
	<u>5,435,242</u>	<u>11,258,288</u>
 Increase in non-cash working capital components (Note 17)	 (1,847,346)	 (2,886,148)
	<u>3,587,896</u>	<u>8,372,140</u>
 Cash provided by (used in) financing activities		
Repayment of long-term debt	(303,819)	(1,783,214)
Advances of long-term debt	1,113,241	1,271,153
	<u>809,422</u>	<u>(512,061)</u>
 Cash provided by (used in) investment activities		
Net purchases and disposals of investments held in community and youth trust accounts	(4,117,845)	5,502,580
 Cash provided by (used in) capital activities		
Purchase of tangible capital assets	(467,215)	(1,374,542)
 Net cash and cash equivalents increase (decrease) during the year	 (187,742)	 11,988,117
Cash and cash equivalents, beginning of year	57,462,221	45,474,104
	<u>57,274,479</u>	<u>57,462,221</u>
 Cash and cash equivalents, end of year	 \$ 57,274,479	 \$ 57,462,221
 Represented by		
Cash	\$ 47,060,460	\$ 50,767,698
Temporary investments	10,214,019	6,694,523
	<u>\$ 57,274,479</u>	<u>\$ 57,462,221</u>

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

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

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### 1. Significant Accounting Policies

**Basis of Financial Statements** These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board, and include all organizations, operations and activities that are:

- a) accountable for the administration of their financial affairs and resources directly to the First Nation, or
- b) are owned or controlled by the First Nation.

**Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the First Nation. These financial statements include:

- Fort William First Nation Boundary Claim Trust
- Fort William First Nation Specific Claim Housing Trust
- Fort William First Nation Consulting Inc.
- Fort William First Nation Construction Corporation
- Fort William First Nation Development Corporation
- Fort William First Nation Land Development Trust
- 1401354 Ontario Ltd
- 1526045 Ontario Ltd.
- Fort William First Nation Grand Trunk Pacific Railway Claim Minors Trust
- Fort William First Nation Holdings Inc.
- Fort William First Nation Holdings LP

Investments in Government Business Enterprises are recorded using the modified equity method. Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform with those of the First Nation.

- Anemki Mountain Business Trust is considered a Government Business Enterprise and is recorded using the modified equity method and inter organizational transactions are not eliminated.

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 1. Significant Accounting Policies (cont'd)

Reporting Entity (cont'd)	<p>Investments in Business Partnerships are recorded using the modified equity method. Under the modified equity method, the business partnership's accounting principles are not adjusted to conform with those of the First Nation.</p> <p>- Fort William First Nation owns 100% of Fort William First Nation Holdings LP, which holds a 25% interest in Lot 251-3 Development LP. Therefore, Lot 251-3 Development LP is considered a Business Partnership and is recorded using the modified equity method and inter organizational transactions are not eliminated.</p> <p>Cash and Cash Equivalents Cash and cash equivalents consist of cash on hand, bank balances, bank overdrafts and short-term highly liquid investments with maturities of three months or less.</p>																					
Inventories	<p>Raw materials inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average cost method.</p>																					
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis commencing once the asset is available for productive use as follows:</p> <table><tr><td>First Nation housing</td><td>-</td><td>28 years</td></tr><tr><td>Infrastructure</td><td>-</td><td>20 years</td></tr><tr><td>Non-subsidized buildings</td><td>-</td><td>20 years</td></tr><tr><td>Automotive</td><td>-</td><td>10 years</td></tr><tr><td>Fire and general equipment</td><td>-</td><td>10 years</td></tr><tr><td>Other equipment</td><td>-</td><td>5 years</td></tr><tr><td>Assets under capital lease obligation</td><td>-</td><td>10 years</td></tr></table> <p>Subsidized housing supported by CMHC long term debt is amortized at a rate equivalent to the long term debt principal repayment.</p>	First Nation housing	-	28 years	Infrastructure	-	20 years	Non-subsidized buildings	-	20 years	Automotive	-	10 years	Fire and general equipment	-	10 years	Other equipment	-	5 years	Assets under capital lease obligation	-	10 years
First Nation housing	-	28 years																				
Infrastructure	-	20 years																				
Non-subsidized buildings	-	20 years																				
Automotive	-	10 years																				
Fire and general equipment	-	10 years																				
Other equipment	-	5 years																				
Assets under capital lease obligation	-	10 years																				

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

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### 1. Significant Accounting Policies (cont'd)

Revenue Recognition	Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.
Replacement Reserves	Under the terms of agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve for housing is to be credited in varying amounts annually until it accumulates to a maximum amount plus accumulated interest. These funds along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation.
Use of Estimates	The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

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### 1. Significant Accounting Policies (cont'd)

#### Financial Instruments

The First Nation classifies its financial instruments as either fair value or amortized cost. The First Nation's accounting policy for each category is as follows:

##### Fair Value

This category includes equity instrument quoted in an active market. The First Nation has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the First Nation manages and reports performance of it on a fair value basis.

They are initially recognized at cost and subsequently carried at fair value. Unrealised changes in the fair value on investments are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Interest and dividends attributable to these financial instruments are reported in the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

##### Amortized Cost

This category includes cash, accounts receivable, accounts payable and accrued liabilities, bank loans, and term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 2. Cash

	2022	2021
Restricted cash		
Youth funds in trust	\$ 1,609,356	\$ 4,203,482
Boundary claim trust	491,260	1,231,504
Boundary claim interest	18,223,376	18,105,383
Specific housing trust	75,104	25,710
Low rental trust	109,128	108,421
GTP claim trust	40,725	1,038
GTP funds	16,413,519	16,307,207
Fort William First Nation Consulting Inc.	1,064	1,064
Fort William First Nation Development Corp.	9,020	9,020
Unrestricted cash	10,087,908	10,774,869
	<u>\$47,060,460</u>	<u>\$ 50,767,698</u>

### 3. Financial Instruments

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying values shown below.

	2022		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 47,060,460	\$ 47,060,460
Accounts Receivable	-	4,225,565	4,225,565
Temporary investments	10,214,019	-	10,214,019
Deposits	-	-	-
Community and youth trust accounts	107,785,447	-	107,785,447
Due from Band members	-	-	-
Due from government and government organizations	-	6,949,678	6,949,678
Trust funds held by federal government	-	4,033,949	4,033,949
Investments in and advances to corporations	-	3,676,082	3,676,082
Accounts payable and accruals	-	8,691,403	8,691,403
Due to government and government organizations	-	6,003,152	6,003,152
Tenant deposits	-	33,333	33,333
Amounts held in trust for minors	-	19,361,382	19,361,382
Long term debt	-	7,475,364	7,475,364

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 3. Financial Instruments (cont'd)

	2021		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 50,767,798	\$ 50,767,798
Accounts Receivable	-	2,815,327	2,815,327
Temporary investments	6,694,523	-	6,694,523
Deposits	-	-	-
Community and youth trust accounts	106,198,149	-	106,198,149
Due from Band members	-	-	-
Due from government and government organizations	-	5,643,757	5,643,757
Trust funds held by federal government	-	2,859,628	2,859,628
Investments in and advances to corporations	-	3,420,315	3,420,315
Accounts payable and accruals	-	8,624,477	8,624,477
Due to government and government organization	-	4,171,306	4,171,306
Tenant deposits	-	33,333	33,333
Amounts held in trust for minors	-	21,505,740	21,505,740
Long term debt	-	6,665,942	6,665,942

Investments and Community and youth trust accounts consist of equity and debt instruments. These accounts include Government of Canada, Provincial and Corporate bonds of \$8,622,459 (2021 - \$8,037,423).

Maturity profile of bonds held is as follows:

	2022				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value	\$ -	\$ 2,880,043	\$ 3,152,544	\$ 2,589,872	\$ 8,622,459
Percentage	0%	33%	37%	30%	

  

	2021				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value	\$ 411,029	\$ 2,517,740	\$ 2,345,405	\$ 2,763,249	\$ 8,037,423
Percentage	5%	31%	29%	35%	



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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

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### 3. Financial Instruments (cont'd)

#### Market Risk

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

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

#### Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The First Nation is exposed to currency risk through foreign investments purchased and sold in foreign currencies. Approximately 39% (2021 - 41%) of the First Nation's portfolio investments are in a foreign currency and converted to Canadian dollars at year-end.

The organization considers this risk to be acceptable and therefore does not hedge its foreign exchange rate risks. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

#### Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The First Nation is exposed to this risk through its interest bearing investments, bank loans and long term debt.

The First Nation holds long-term debt with a variable interest rate which involves risks of default on interest and principal and price changes due to, without limitation, such factors as interest rates and general economic conditions.

The First Nation structures its finances so as to stagger the maturities of debt, thereby minimizing exposure to interest rate fluctuations.

The First Nation's bond portfolio has interest ranging from 0.5% to 5.38% (2021 - 0.5% to 5.38%) with maturities ranging from May 1, 2023 to February 8, 2050 (2021 - July 26, 2021 to February 8, 2050).

At March 31, 2023, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$86,225 (2021 - \$80,374). A 1% fluctuation in interest rates would have an estimated impact on interest expense related to the First Nation's Bank loans of \$76,891 (2021 - \$67,430)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

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### 3. Financial Instruments (cont'd)

#### Credit Risk

Credit risk is the risk of financial loss to the First Nation if a debtor fails to make payments of interest and principal when due. Other than the impairment of receivables disclosed in Note 5, it is management's opinion that the First Nation is not exposed to significant credit risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

#### Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The First Nation is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2022 a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the First Nation's equities of \$10,507,878 (2021- \$10,250,029).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

#### Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the First Nation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable and long-term debt. Unless otherwise noted, the expected cash outflows are within one year.

The First Nation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The First Nation maintains a portion of its invested assets in liquid securities. The organization also maintains certain credit facilities, which can be drawn upon as needed.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 3. Financial Instruments (cont'd)

#### Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1, 2 and 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2022				
	Level 1	Level 2	Level 3	Total
Temporary investments	\$ 7,661,050	\$ 2,552,969	-	\$10,214,019
Community and youth trust accounts	97,470,353	10,315,094	-	107,785,447
	<u>\$105,131,403</u>	<u>\$12,868,063</u>	<u>-</u>	<u>\$117,999,466</u>
2021				
	Level 1	Level 2	Level 3	Total
Temporary investments	\$ 6,328,289	\$ 366,234	-	\$ 6,694,523
Community and youth trust accounts	96,641,016	9,557,133	-	106,198,149
	<u>\$102,969,305</u>	<u>\$ 9,923,367</u>	<u>-</u>	<u>\$ 112,892,672</u>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 4. Investments

	2022	2021
a) Investments held in Account #2802196 are as follows:		
Fixed Income Securities:		
Bond Funds (1,068,338 Units)	\$ 12,810,757	\$ 13,511,883
b) Investments held in Account #2802197 are as follows:		
Cash Equivalents:		
Treasury Bills		
(1,450,000 Units, maturing between May 12, 2022 - July 7, 2022)	1,447,896	794,796
Fixed Income Securities:		
Bond Funds (861,122 Units)	9,705,701	9,969,429
Equity Securities:		
Foreign Preferred Stock	-	66,237
Canadian Common Stocks (247,360 Units)	11,763,912	9,994,346
Foreign Common Stocks (304,250 Units)	20,265,195	20,676,768
	<u>43,182,704</u>	<u>41,501,576</u>
c) Investments held in Account #2802198 are as follows:		
Cash Equivalents:		
Treasury Bills	-	399,992
Short Term Deposit		
(1,304,000 Units, Maturing April 29, 2022)	1,303,286	723,937
Fixed Income Securities:		
Canada Bonds		
(1,808,000 Units, 0.5% - 2.9%, Maturing between June 15, 2024 - December 1, 2051)	1,721,185	1,393,831
Provincial Bonds		
(2,491,000 Units, 2.6% - 4.5%, Maturing between June 2, 2027 - December 1, 2051)	2,508,526	2,693,885
Corporate Bonds		
(4,423,000 Units, 2.15% - 5.381%, Maturing between May 1, 2023 - February 8, 2050)	4,392,748	3,949,707
Equity Securities:		
Preferred Stocks	-	80,707
Canadian Common Stocks (231,923 Units)	11,318,994	10,200,886
Foreign Common Stocks (301,175 Units)	20,853,228	19,895,308
	<u>42,097,967</u>	<u>39,338,253</u>
	<u>\$ 98,091,428</u>	<u>\$ 94,351,712</u>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 4. Investments (cont'd)

	2022	2021
Balance Forward	\$ 98,091,428	\$94,351,712
d) Investments held in Account #2802200 are as follows:		
Cash Equivalents:		
Treasury Bills		
(245,000 Units, maturing May 26, 2022)	244,739	324,922
Mutual Funds:		
Bond Funds (602,452 Units)	6,790,238	6,919,286
Canadian Equity Class (35,504 Units)	2,890,167	2,602,192
Canada Fund (7,891 Units)	740,552	741,056
International Equity Fund (40,165 Units)	2,412,418	2,853,235
U.S. Equity Fund (33,242 Units)	2,531,699	2,745,307
	<u>15,609,813</u>	<u>16,185,998</u>
Interest Bearing accounts, Specific Housing Trust	1,745,256	1,988,728
Other	<u>2,552,969</u>	<u>366,234</u>
	<u>\$ 117,999,466</u>	<u>\$ 112,892,672</u>

The investments listed above are included on the statement of financial position as follows:

	2022	2021
Temporary investments	\$ 10,214,019	\$ 6,694,523
Community and youth trust accounts	<u>107,785,447</u>	<u>106,198,149</u>
	<u>\$ 117,999,466</u>	<u>\$ 112,892,672</u>

The investments arise from the consolidation of the Fort William First Nation Boundary Claim and Specific Claim Housing Trusts fully controlled by the First Nation as follows:

	2022	2021
Temporary investments		
Fort William First Nation Boundary Claim Trust	\$ 7,661,050	\$ 6,328,289
Other	<u>2,552,969</u>	<u>366,234</u>
	<u>\$ 10,214,019</u>	<u>\$ 6,694,523</u>
Investments held in trust for the Community and Youth	<u>\$ 107,785,447</u>	<u>\$ 106,198,149</u>

## Fort William First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 5. Accounts Receivables

	<u>2022</u>	<u>2021</u>
Due from members		
Rents receivable	\$ 150,479	\$ 102,977
Other receivables	485,955	486,186
Allowance for doubtful accounts	<u>(466,607)</u>	<u>(290,986)</u>
	<u>\$ 169,827</u>	<u>\$ 298,177</u>
Due from non-members		
Other receivables	\$ 6,450,680	\$ 4,858,307
Allowance for doubtful accounts	<u>(2,225,115)</u>	<u>(2,042,980)</u>
	<u>\$ 4,225,565</u>	<u>\$ 2,815,327</u>

## Fort William First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

6. Due from Government and Government Organizations

	2022	2021
Government of Canada		
Indigenous Services Canada	\$ 4,294,167	\$ 2,708,101
Canada Mortgage and Housing Corporation	307,527	191,847
Province of Ontario		
Ministry of Community and Social Services	188,449	57,622
Ministry of Education	146,295	102,054
Ministry of Energy	101,722	101,722
Ministry of Indigenous Affairs	28,026	78,341
Ministry of Transportation	286,267	278,015
Other		
Anishinabek Nation	1,209,777	1,387,601
Dilico Ojibway Child and Family Services	651,671	944,946
	7,213,901	5,850,249
Allowance for doubtful accounts	(264,223)	(206,492)
	<u>\$ 6,949,678</u>	<u>\$ 5,643,757</u>

7. Trust Funds Held by Federal Government

	March 31, 2021	Additions 2022	Withdrawals 2022	March 31, 2022
Revenue	\$ 2,472,261	\$ 1,174,322	\$ -	\$ 3,646,583
Capital	387,366	-	-	387,366
	<u>\$ 2,859,627</u>	<u>\$ 1,174,322</u>	<u>\$ -</u>	<u>\$ 4,033,949</u>

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

## Fort William First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 8. Accounts Payable and Accruals

	2022	2021
Trade payables	\$ 4,108,334	\$ 4,469,535
Due to members	4,583,374	4,155,247
	<u>\$ 8,691,708</u>	<u>\$ 8,624,782</u>

#### 9. Due to Government and Government Organizations

	2022	2021
Federal government		
Receiver General	\$ 190,001	\$ 189,720
Repayable to funders	3,862,789	2,732,054
Provincial government		
Repayable to funders	<u>1,599,391</u>	<u>1,249,532</u>
	<u>\$ 5,652,181</u>	<u>\$ 4,171,306</u>



## Fort William First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 10. Deferred Revenue and Government Transfers

	Balance March 31, 2021	Funding Received 2022	Funding Repayable 2022	Revenue Recognized 2022	Balance March 31, 2022
Federal Government Indigenous Services Canada	\$ 4,152,751	\$13,079,976	\$(1,130,734)	\$ 9,409,162	\$ 6,692,831
CMHC	-	115,680	-	115,680	-
	<u>4,152,751</u>	<u>13,195,656</u>	<u>(1,130,734)</u>	<u>9,524,842</u>	<u>6,692,831</u>
Provincial Government Ministry of Indigenous Affairs	14,301	244,499	(5,412)	153,343	100,045
Ministry of Education	11,732	110,344	-	122,075	-
Ministry of Health	-	281,101	-	281,101	-
Ministry of Community and Social Services	5,135	2,406,805	(487,061)	1,920,465	4,414
Ministry of Transportation	-	41,250	-	41,250	-
	<u>31,168</u>	<u>3,083,999</u>	<u>(492,473)</u>	<u>2,518,234</u>	<u>104,459</u>
Other Lottery fund revenue	-	806,472	-	806,472	-
Other (Note 24)	973,144	9,511,467	-	9,231,138	1,253,473
Investment income	-	7,333,068	-	7,333,068	-
	<u>973,144</u>	<u>17,651,007</u>	<u>-</u>	<u>17,370,678</u>	<u>1,253,473</u>
	<u>\$ 5,157,063</u>	<u>\$ 33,930,662</u>	<u>\$(1,623,207)</u>	<u>\$ 29,413,754</u>	<u>\$ 8,050,763</u>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 11. Long Term Debt

	2022	2021
Non-Profit Housing Program - Lynx Court Canada Mortgage and Housing Corporation loan, repayable at \$3,971 per month including interest at 1.84%, secured by land and buildings and guaranteed by Indigenous Services Canada, due August 2037	\$ 640,411	\$ 676,036
Non-Profit Housing Program - 8 Unit Canada Mortgage and Housing Corporation loan, repayable at \$5,753 per month including interest at 2.39%, secured by land and buildings and guaranteed by Indigenous Services Canada, due February 2043	1,138,819	1,180,364
Land Claims Indigenous Services Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)	289,074	289,074
Ontario Native Affairs loan, due on settlement of outstanding land claims against the Province of Ontario (unless otherwise stated in the claim settlement agreement)	114,602	114,602
Equipment RBC Royal Bank equipment lease, repayable at \$3,075 per month including interest at 4.04%, secured by Link Belt Excavator, due January 2023	27,175	62,221
RBC - Lagoon Project Loan, repayable at \$14,147 per month including interest at 3.92%, due November 29, 2024	2,161,340	2,244,577
RBC - CMHC 8 Unit, bridge financing with per annum interest at Royal Bank prime rate plus 2.70%, due April, 2022	1,314,838	1,271,153
	<u>\$ 5,686,259</u>	<u>\$ 5,838,027</u>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 11. Long Term Debt (cont'd)

	2022	2021
Balance Forward	\$ 5,686,259	\$ 5,838,027
RBC - Vehicle Loan, repayable at \$4,213 per month including interest at 3.96%, due December 2024	131,899	176,418
RBC - Waysaya Building Loan, repayable at \$4,489 per month including interest at 3.92%, due November 29, 2024	537,043	569,165
RBC - Vehicle Loan, repayable at \$2,923 per month including interest at 4.92%, due September, 2023	50,607	82,332
RBC - CMHC 11 Unit, bridge financing with per annum interest at Royal Bank prime rate plus 2.84%, due April 2026	846,036	-
RBC - Equipment loan, repayable at \$4,380 per month including interest at 3.97%, due November 2026	223,520	-
	<u>\$ 7,475,364</u>	<u>\$ 6,665,942</u>

Of the remaining long term debt, principal payments due in the next five years and thereafter are as follows:

Year	Amount
2023	\$ 1,865,048
2024	522,906
2025	461,656
2026	352,059
2027	52,636
Thereafter	<u>4,221,059</u>
	<u>\$ 7,475,364</u>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 12. Youth Trust Accounts

As part of the Specific Claim Housing Trust, Loch Lomond and Neebing agreements, all members of Fort William First Nation on the voting day for each respective claim were entitled to receive one time "per capita" payments. All members alive but under the age of 18 on the voting day for each respective claim are not entitled to receive this payment until they reach the age of 18. The Trust has established individual interest-bearing trust bank accounts with the RBC Royal Bank for each member under 18. Once members reach the age of 18, they are entitled to receive the "per capita" payments plus interest that has accrued in their trust bank accounts. For those members under the age of 18, this one time payment was deposited into the pre-existing individual interest bearing trust accounts with the Royal Bank of Canada.

As part of the Boundary Claim Settlement Trust there was a one time "per capita" distribution to members of \$25,000. For those members who were under the age of 18 at the date of the distribution, these monies are held by the Fort William First Nation Boundary Claim Settlement Trust until such time as the member reaches the age of 18. These monies will be distributed to the members as they achieve the age of 18 at the principal amount plus interest calculated at the bank rate plus one percent.

As part of the Grand Trunk Pacific Railway Claim Settlement, a one time "per capita" distribution of \$35,000 per member was declared. For those members who were under the age of 18 at the date of the declaration, these monies are to be held in trust by Fort William First Nation until such time as the member reaches the age of 18. At that time, the \$35,000 distribution is to be paid to each of the minors. At the conclusion of eighteen years from the date of settlement, all investment income earned by the First Nation, net of any holding costs, are to be distributed to the minors on a pro-rata basis calculated based on the time that their monies were held in trust.

The balances payable on these claims at year end are listed below:

	2022	2021
Specific Claim Housing Trust	\$ 1,853,117	\$ 2,064,301
Boundary Claim Settlement Trust	4,943,265	5,756,439
Grand Trunk Pacific Railway Claim Settlement Trust	12,565,000	13,685,000
	<u>\$ 19,361,382</u>	<u>\$ 21,505,740</u>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 13. Tangible capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
First Nation housing	\$12,370,982	\$ 4,941,301	\$ 12,370,982	\$ 4,625,652
Infrastructure	26,705,008	15,431,765	26,705,008	14,634,018
Buildings	40,011,685	35,858,412	39,993,600	34,193,513
Automotive, fire and general equipment	6,448,367	4,692,330	6,047,248	4,280,300
Other equipment	668,313	632,555	668,313	612,610
Vacant land	2,377,076	-	2,377,076	-
Construction in progress - Capital projects	1,064,763	-	1,016,752	-
	<u>\$89,646,194</u>	<u>\$61,556,363</u>	<u>\$ 89,178,979</u>	<u>\$ 58,346,093</u>
Net book value		<u>\$ 28,089,831</u>		<u>\$ 30,832,886</u>

Construction in progress are projects which are carried at cost until completion at which time the projects are capitalized. Cost includes all direct costs relating to these projects, as well as interest on debt and overhead costs that can be clearly identified as relating to these projects.

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 14. Investments in and Advances to Corporations

Advances outstanding at year end are non-interest bearing, unsecured with no specific terms of repayment unless otherwise noted.

	2022	2021
Current		
Due from 1453183 Ontario Ltd.	\$ 15,849	\$ 15,849
Long-term		
Investment in Anemki Mountain Business Trust (Note 23)	1,835,536	1,592,939
Investment in Lot 251-3 Development LP	1,823,697	1,810,527
	<u>3,659,233</u>	<u>3,403,466</u>
Shares		
Shares in various corporations	1,000	1,000
Ontario First Nations (2008) Limited Partnership	1	1
Oshki-Aki Limited Partnership	100	100
Supercom Industries Ltd.	100	100
Supercom Industries Limited Partnership	1	1
Gwayakocchigewin GP Inc.	1	1
Gwayakocchigewin Limited Partnership	100	100
OFN Asset Management GP Corp	1	1
OFN Sovereign Wealth Limited Partnership	1	1
	<u>1,305</u>	<u>1,305</u>
Total investments in and advances to corporations	<u>\$ 3,676,387</u>	<u>\$ 3,420,620</u>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 15. Contingent Liabilities

In 1999 the Corporation of the City of Thunder Bay returned approximately 1,100 acres of land that had previously been expropriated in 1905 to Fort William First Nation. Since that time, the City of Thunder Bay has been assessing municipal property taxes on the returned lands. As of March 31, 2022, property taxes owing to the Corporation of the City of Thunder Bay, including interest and penalties, amounted to \$9,597,119 (2021 - \$8,658,507). This amount continues to increase with all subsequent tax assessments, as well as, with interest and penalties accruing monthly.

The First Nation is disputing the taxes charged, as management does not believe the lands have ever left reserve status, and as such, are not subject to municipal taxation.

In 2004, the First Nation applied for an interlocutory injunction to restrain the City of Thunder Bay from collecting unpaid taxes until such time as a decision is rendered regarding the status of the lands; however the court ruled against the injunction.

Had the above mentioned liabilities been recorded, the balances in these consolidated financial statements would have changed as follows:

Consolidated statement of operations	
Surplus for the year	\$ 2,224,972
Adjustment for property taxes not recorded	<u>(1,072,170)</u>
Adjusted surplus for the year	<u>\$ 1,152,802</u>
Consolidated statement of financial position	
Capital assets reported	\$ 28,089,831
Addition for property taxes on vacant land	<u>1,188,553</u>
Adjusted capital asset balance	<u>\$ 29,278,384</u>
Accounts payable and accruals as reported	\$ 8,691,708
Property taxes, including penalties and interest, not recorded	<u>9,597,119</u>
Adjusted accounts payable and accruals balance	<u>\$ 18,288,827</u>
Disputed property taxes receivable as reported	\$ 9,950,231
Tenants' payments applied against payable in excess of payable recorded	<u>(9,950,231)</u>
Adjusted disputed property taxes receivable balance	<u>\$ -</u>

## Fort William First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 15. Contingent Liabilities (cont'd)

The First Nation is a party to a claim relating to the band member listing as it pertains to the "per capita" distributions resulting from various claim settlements. The First Nation does not expect the resolution of this matter to have any material adverse effect on the financial position or results of operations of the First Nation. No provision has been provided for in these financial statements as the outcome and measurement are uncertain. Any liability that may be incurred related to this matter will be expensed in the year that it becomes determinable.

#### 16. Accumulated Surplus

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

	2022	2021
Fund balances		
Unrestricted		
Equity in Anemki Mountain Business Trust	\$ 1,591,168	\$ 1,358,898
Equity in tangible capital assets	28,089,831	30,832,886
Fund balance - General (Note 18)	22,928,673	22,519,627
	52,609,672	54,711,411
Restricted		
Boundary Claim Settlement Trust	78,608,777	73,092,727
Unspent Boundary Trust investment income	15,118,975	19,182,454
Grand Trunk Pacific Railway Minors Trust	2,392,041	1,437,146
Equity Specific Claim Housing Trust	(37,136)	(36,752)
Replacement reserves - other	626,345	542,570
Equity Revenue Trust	3,646,583	2,472,261
Equity Capital Trust	387,366	387,366
Replacement Reserve - CMHC	136,289	122,219
Replacement Reserve - CMHC	31,833	24,193
Equity in Rama Trust	3,500	3,500
Fund balance - Lottery Reserve	3,145,634	2,505,812
	104,060,207	99,733,496
Accumulated Surplus	\$ 156,669,879	\$ 154,444,907



## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 17. Changes in Non-Cash Working Capital Components

	2022	2021
Inventory	\$ 7,945	\$ 11,862
Trust funds held by federal government	(1,174,321)	(1,066,869)
Land claim costs	-	(360)
Due from government and other government organizations	(1,305,921)	(2,664,985)
Accounts receivable	(1,410,238)	103,300
Due from Band members	128,350	(298,177)
Disputed property taxes receivable	(133,558)	(71,849)
Prepaid expenses	(979)	4,540
Accounts payable and accruals	66,926	(202,460)
Due to government and other government organizations	1,480,875	1,207,100
Amounts held in trust for minors	(2,144,358)	(2,058,390)
Deferred revenue	2,893,700	2,463,445
Investments in and advances to corporations	(255,767)	(313,305)
	<u>\$ (1,847,346)</u>	<u>\$ (2,886,148)</u>

### 18. General Fund Balance

A portion of this balance includes surpluses or deficits from funds contributed by government agencies. Such surpluses or deficits may be subject to recovery or repayment by the contributing agencies, depending on the terms and conditions of the relevant contribution agreements. These potential liabilities or recoveries are estimated and accrued on an annual basis.

### 19. Member Distributions

Included in Region expense is per capita distributions to members as approved by Chief and Council. These distributions were as follows:

	2022	2021
Christmas distribution at \$35 per member	\$ -	\$ 69,265
Christmas distribution at \$50 per member	103,800	-
Boundary Claim payment at \$500 per member	-	1,230,500
Boundary Claim payment at \$600 per member	1,535,400	-
55 plus payment at \$50 per member	-	30,500
55 plus payment at \$100 per member	63,900	-
Accrued interest on Boundary Claim payment to minors	120,751	164,913
Other expenses	-	34,766
	<u>\$ 1,823,851</u>	<u>\$ 1,529,944</u>

Region department information is also included in Note 25, Segmented Information.

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

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### 20. Guarantees

The First Nation has guaranteed bank loans for Band members in the amount of \$1,761,703 (2021 - \$1,711,561).

The First Nation has guaranteed the bank financing for Anemki Mountain Business Trust up to a maximum of \$100,000 (2021 - \$100,000).

The First Nation has a letter of credit for the Ministry of Finance - Alcohol and Gaming up to a maximum of \$120,000 (2021 - \$120,000).

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### 21. Comparative Figures

Certain of the comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

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### 22. Contaminated Sites Liability

PSAB 3260.08 states that a liability for contaminated sites should be recognized when all of the following criteria have been met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the government is directly responsible or accepts responsibility
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

As at March 31, 2022, the Band has not identified any circumstances where it is directly responsible, accepted responsibility or expects that future economic benefits will be given up to address contaminated sites. Consequently no liability has been accrued in these financial statements.

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 23. Investments in Government Business Enterprises and Government Business Partnerships

The First Nation's investments in Lot 251-3 Development LP and Anemki Mountain Business Trust, are included in these financial statements using financial information of Lot 251-3 Development LP and Anemki Mountain Business Trust prepared as of December 31, 2021, covering the period January 1, 2021 to December 31, 2021.

Fort William First Nation's investments in government business enterprises and government business partnerships consist of the following:

	Lot 251-3 Development LP - 25%		Anemki Mountain Business Trust - 100%	
	2021	2020	2021	2020
Investment	\$ 1,823,697	\$ 1,810,527	\$ 100	\$ 100
Advances	-	-	1,835,536	1,592,939
	<u>\$ 1,823,697</u>	<u>\$ 1,810,527</u>	<u>\$ 1,835,636</u>	<u>\$ 1,593,039</u>

The following table presents condensed financial information for these commercial enterprises:

	2021		2020	
	2021	2020	2021	2020
Cash	\$ 23,818	\$ 5,450	\$ 948,109	\$ 513,487
Accounts receivable	-	1,873	2,902	47,086
Tangible capital assets	1,841,732	1,838,224	1,188,790	1,238,323
Other assets	1,363	1,096	50,703	48,892
Total assets	<u>\$ 1,866,913</u>	<u>\$ 1,846,643</u>	<u>\$ 2,190,504</u>	<u>\$ 1,847,788</u>
Accounts payable	\$ 9,634	\$ 2,677	\$ 37,273	\$ 39,374
Long-term debt	-	-	1,857,963	1,576,787
Other liabilities	-	-	7,964	11,636
Total liabilities	<u>9,634</u>	<u>2,677</u>	<u>1,903,200</u>	<u>1,627,797</u>
Equity	<u>1,857,279</u>	<u>1,843,966</u>	<u>287,304</u>	<u>219,991</u>
Total liabilities and equity	<u>\$ 1,866,913</u>	<u>\$ 1,846,643</u>	<u>\$ 2,190,504</u>	<u>\$ 1,847,788</u>
Revenue	\$ 184,264	\$ 171,617	\$ 702,538	\$ 634,814
Expenses	<u>146,417</u>	<u>142,056</u>	<u>367,103</u>	<u>354,761</u>
Net income	<u>\$ 37,847</u>	<u>\$ 29,561</u>	<u>\$ 335,435</u>	<u>\$ 280,053</u>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

### 24. Other Revenue

	2022	2021
Rental operations	\$ 3,001,352	\$ 2,440,784
Supercom Industries LP	650,000	2,000,000
Dilico Anishinahek Family Care	327,333	324,338
Anishinabek Nation	729,756	942,794
Bingo revenue	1,990,965	282,356
Equipment rentals	244,468	128,365
Sand and gravel	53,333	28,120
Interest	370,748	157,314
Other	1,863,183	1,890,608
	<u>\$ 9,231,138</u>	<u>\$ 8,194,679</u>

### 25. Segmented Information

Fort William First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Fort William First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The services are provided by several entities of Fort William First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

#### Administration

Administration contains the administrative activities that are needed to run the Fort William First Nation organization.

#### Public Works

Public works contains activities relating to the planning and maintenance of community infrastructure and the business operations and investments in enterprises carrying on commercial activities in the First Nation.

#### Education

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

#### Social Services and Health

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

#### Development and Employment

Development and Employment contains all the activities that provide economic development and employment support for the community.

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2022

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### 25. Segmented Information (cont'd)

#### New Relationship Fund

The New Relationship Fund contains the activities that provide economic development and employment support for the community.

#### Capital Projects

Capital Projects contains capital and renovation activities for which a specific project has been set up and separately monitored.

#### Region

Region contains the activities of the First Nation as it relates to Reserve land management and activities relating the Boundary Claim and Grand Trunk Pacific Railroad Minors Trust'.

#### Band Operations

Band Operations contains the activities of the First Nation that are not captured directly in another segment.

#### Gaming Activities

Gaming Activities contains the Mountain Bingo Hall.

#### Housing Operations

Housing Operations contains activities that provide housing and repairs and maintenance to band members.

#### Rental Operations

Rental Operations contains band-owned rental properties.

#### Lottery Fund

The Lottery Fund contains activities related to the OFNLP.

#### Specific Claim Trust Fund

The Specific Claim Trust Fund contains activities related to the rifle range settlement Trust.

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

## Fort William First Nation Notes to Consolidated Financial Statements

### 25. Segmented Information (cont'd)

For the year ended March 31, 2022	Administration	Public Works	Education	Social Services and Health	Development & Employment	New Relationship Fund	COVID Funding	Region	Band Operations	Subtotal
<b>Revenue</b>										
Indigenous Services Canada - Operating	\$ 628,974	\$ 473,226	\$ 4,863,675	\$ 1,755,456	\$ 312,983	\$ -	\$ 426,325	\$ 109,134	\$ 275,119	\$ 8,844,892
Indigenous Services Canada - Capital	-	-	-	-	-	-	-	-	-	-
Ministry of Education	-	-	-	122,075	-	-	-	-	-	122,075
Ministry of Indigenous Affairs	-	-	-	-	-	79,588	73,755	-	-	153,343
Ministry of Community and Social Services	-	-	-	1,895,851	-	-	24,614	-	-	1,920,465
Ministry of Health and Long Term Care	-	-	-	281,101	-	-	-	-	-	281,101
Ministry of Transportation	-	41,250	-	-	-	-	-	-	-	41,250
Other revenue	986,284	420,840	(50,362)	738,927	871,906	-	93,858	16,656	2,383,333	5,461,442
Investment revenue	-	-	-	-	-	-	-	7,333,068	-	7,333,068
	<b>1,615,258</b>	<b>935,316</b>	<b>4,813,313</b>	<b>4,793,410</b>	<b>1,184,889</b>	<b>79,588</b>	<b>618,552</b>	<b>7,458,858</b>	<b>2,658,452</b>	<b>24,157,636</b>
<b>Expenses</b>										
Amortization	42,010	1,080,618	51,089	18,954	-	-	-	-	1,239,634	2,432,305
Bad debt	(3,550)	43,469	44,156	-	55,002	-	-	-	235,253	374,330
Donations	17,733	-	-	-	-	-	-	-	-	17,733
General welfare assistance	-	-	-	1,813,299	-	-	-	-	-	1,813,299
Honorarium	330,548	-	-	1,850	6,000	-	-	-	-	338,398
Insurance	-	27,626	-	-	-	-	-	-	-	27,626
Interdepartmental costs	(2,209,565)	(768,879)	472,407	569,200	(285,986)	7,235	276,874	1,944,945	317,702	323,933
Interest and bank charges	80,092	-	-	-	-	-	-	-	-	80,092
Interest on long term debt	187,646	4,040	-	-	-	-	-	-	-	191,686
Per capita distribution (Note 19)	-	-	-	-	-	-	-	1,823,851	-	1,823,851
Loss on disposal	-	(17,263)	-	-	-	-	-	-	-	(17,263)
Repairs and maintenance	48,536	459,395	133,451	175,056	15,592	-	-	286	164,847	997,163
Student allowances	-	-	614,981	-	-	-	5,189	-	-	620,170
Supplies and service	754,506	58,387	115,359	507,100	905,049	8,977	70,455	749,064	140,922	3,309,819
Travel and transportation	3,071	85,479	9,637	146,171	15,200	996	-	-	-	260,554
Tuition	-	-	2,975,370	-	-	-	-	-	-	2,975,370
Utilities and telephone	33,981	17,290	1,302	20,611	5,015	-	-	-	324,601	402,800
Wages and benefits	1,387,381	756,594	383,313	1,614,041	679,598	62,380	266,114	602,145	437,756	6,189,322
	<b>672,389</b>	<b>1,746,756</b>	<b>4,801,065</b>	<b>4,866,282</b>	<b>1,395,470</b>	<b>79,588</b>	<b>618,632</b>	<b>5,120,291</b>	<b>2,860,715</b>	<b>22,161,188</b>
<b>Surplus (deficit)</b>	<b>\$ 942,869</b>	<b>\$ (811,440)</b>	<b>\$ 12,248</b>	<b>\$ (72,872)</b>	<b>\$ (210,581)</b>	<b>\$ -</b>	<b>\$ (80)</b>	<b>\$ 2,338,567</b>	<b>\$ (202,263)</b>	<b>\$ 1,996,448</b>

## Fort William First Nation Notes to Consolidated Financial Statements

### 25. Segmented Information (cont'd)

For the year ended March 31, 2022	Balance Forward	Gaming Activities	Housing Operations	Rental Operations	Lottery Fund	Consulting	Specific Claim Trust Fund	Total
<b>Revenue</b>								
Indigenous Services Canada - Operating	\$ 8,844,892	\$ -	\$ 461,803	\$ 102,467	\$ -	\$ -	\$ -	\$ 9,409,162
Indigenous Services Canada - Capital	-	-	-	-	-	-	-	-
Canada Mortgage and Housing Corporation Subsidy	-	-	115,680	-	-	-	-	115,680
Ministry of Education	122,075	-	-	-	-	-	-	122,075
Ministry of Indigenous Affairs	153,343	-	-	-	-	-	-	153,343
Ministry of Community and Social Services	1,920,465	-	-	-	-	-	-	1,920,465
Ministry of Health and Long Term Care	281,101	-	-	-	-	-	-	281,101
Ministry of Transportation	41,250	-	-	-	-	-	-	41,250
Other revenue	5,461,442	2,044,938	463,348	1,090,284	171,126	-	-	9,231,138
Investment revenue	7,333,068	-	-	-	-	-	-	7,333,068
Lottery Fund revenue	-	-	-	-	806,472	-	-	806,472
	<b>24,157,636</b>	<b>2,044,938</b>	<b>1,040,831</b>	<b>1,192,751</b>	<b>977,598</b>	<b>-</b>	<b>-</b>	<b>29,413,754</b>
<b>Expenses</b>								
Amortization	2,432,305	48,233	318,749	410,983	-	-	-	3,210,270
Bad debt	374,330	-	37,817	3,340	-	-	-	415,487
Cash short	-	3,227	-	-	-	-	-	3,227
Donations	17,733	54,814	-	-	-	-	-	72,547
General welfare assistance	1,813,299	-	-	-	-	-	-	1,813,299
Honorarium	338,398	39,719	-	-	-	-	-	378,117
Insurance	27,626	-	15,358	55,750	-	-	-	98,734
Interdepartmental costs	323,933	(201,511)	127,503	(17,958)	8,607	-	-	240,574
Interest and bank charges	80,092	707	-	-	-	-	394	81,193
Interest on long term debt	191,686	-	39,507	-	-	-	-	231,193
Per capita distribution (Note 19)	1,823,851	-	-	-	-	-	-	1,823,851
Loss on disposal	(17,263)	-	-	-	-	-	-	(17,263)
Repairs and maintenance	997,163	122,057	375,963	392,874	-	-	-	1,888,057
Prizes	-	1,495,321	-	-	-	-	-	1,495,321
Student allowances	620,170	-	-	-	-	-	-	620,170
Supplies and service	3,309,819	80,027	18,469	72,541	-	-	-	3,480,856
Transfer cost	-	-	-	-	746,020	-	-	746,020
Travel and transportation	260,554	1,496	1,650	-	-	-	-	263,700
Tuition	2,975,370	-	-	-	-	-	-	2,975,370
Utilities and telephone	402,800	2,559	1,205	55,924	-	-	-	462,488
Wages and benefits	6,189,322	546,332	169,917	-	-	-	-	6,905,571
	<b>22,161,188</b>	<b>2,192,981</b>	<b>1,106,138</b>	<b>973,454</b>	<b>754,627</b>	<b>-</b>	<b>394</b>	<b>27,188,782</b>
<b>Surplus (deficit)</b>	<b>\$ 1,996,448</b>	<b>\$ (148,043)</b>	<b>\$ (65,307)</b>	<b>\$ 219,297</b>	<b>\$ 222,971</b>	<b>\$ -</b>	<b>\$ (394)</b>	<b>\$ 2,224,972</b>

## Fort William First Nation Notes to Consolidated Financial Statements

### 25. Segmented Information (cont'd)

For the year ended March 31, 2021	Administration	Public Works	Education	Social Services and Health	Development & Employment	New Relationship Fund	COVID Funding	Region	Band Operations	Subtotal
<b>Revenue</b>										
Indigenous Services Canada - Operating	\$ 453,477	\$ 456,289	\$ 4,072,918	\$ 1,047,946	\$ 522,889	\$ -	\$ 2,082,431	\$ 85,200	\$ 88,042	\$ 8,809,192
Indigenous Services Canada - Capital	-	-	-	112,155	-	-	-	-	-	112,155
Ministry of Education	-	-	-	-	-	62,199	202,511	-	-	264,710
Ministry of Indigenous Affairs	-	-	-	2,364,988	-	-	52,487	-	-	2,417,475
Ministry of Community and Social Services	-	-	-	270,162	-	-	-	-	-	270,162
Ministry of Health and Long Term Care	-	-	-	-	-	-	-	-	-	-
Ministry of Transportation	-	82,500	-	-	-	-	-	-	-	82,500
Other revenue	2,259,596	332,521	(1,659)	948,110	678,448	-	152,057	12,250	1,926,712	6,308,035
Investment revenue	-	-	-	-	-	-	-	11,044,903	-	11,044,903
	<b>2,713,073</b>	<b>871,310</b>	<b>4,071,259</b>	<b>4,743,361</b>	<b>1,201,337</b>	<b>62,199</b>	<b>2,489,486</b>	<b>11,142,353</b>	<b>2,014,754</b>	<b>29,309,132</b>
<b>Expenses</b>										
Amortization	50,675	908,461	62,211	13,508	-	-	-	-	1,248,845	2,283,700
Bad debt	-	-	-	-	-	-	-	-	-	-
Donations	2,750	-	-	-	-	-	-	-	-	2,750
General welfare assistance	-	-	-	2,128,732	-	-	638,387	-	-	2,767,119
Honorarium	299,473	-	-	3,575	7,000	-	-	-	-	310,048
Insurance	-	22,117	-	-	-	-	-	-	-	22,117
Interdepartmental costs	(1,580,731)	(753,126)	(22,812)	219,517	(202,742)	6,239	242,953	2,153,908	141,913	205,119
Interest and bank charges	45,127	-	-	-	-	-	-	-	-	45,127
Interest on long term debt	173,542	-	-	-	-	-	-	-	-	173,542
Per capita distribution (Note 19)	-	-	-	-	-	-	-	1,550,199	-	1,550,199
Loss on disposal	-	(1,857)	-	-	-	-	-	-	-	(1,857)
Repairs and maintenance	66,454	424,782	162,734	139,430	5,127	-	-	3,914	166,403	968,844
Student allowances	-	-	509,311	-	-	-	368,826	-	-	878,137
Supplies and service	523,998	112,680	89,684	398,723	726,348	1,251	440,670	736,493	137,740	3,167,587
Travel and transportation	7,256	67,481	6,487	111,170	11,351	709	-	12,935	-	217,389
Tuition	-	-	2,954,964	-	-	-	-	-	-	2,954,964
Utilities and telephone	42,649	16,158	1,006	13,665	6,334	100	-	6,077	316,402	402,391
Wages and benefits	1,161,794	550,173	298,941	1,568,056	581,116	53,900	798,650	518,700	195,589	5,726,919
	<b>792,987</b>	<b>1,346,869</b>	<b>4,062,526</b>	<b>4,596,376</b>	<b>1,134,534</b>	<b>62,199</b>	<b>2,489,486</b>	<b>4,982,226</b>	<b>2,206,892</b>	<b>21,674,095</b>
<b>Surplus (deficit)</b>	<b>\$ 1,920,086</b>	<b>\$ (475,559)</b>	<b>\$ 8,733</b>	<b>\$ 146,985</b>	<b>\$ 66,803</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,160,127</b>	<b>\$ (192,138)</b>	<b>\$ 7,635,037</b>



## Fort William First Nation Notes to Consolidated Financial Statements

### 25. Segmented Information (cont'd)

For the year ended March 31, 2021

	Balance Forward	Gaming Activities	Housing Operations	Rental Operations	Lottery Fund	Enterprise Fund	Specific Claim Trust Fund	Total
<b>Revenue</b>								
Indigenous Services Canada	\$ 8,809,192	\$ -	\$ 467,784	\$ 13,783	\$ -	\$ -	\$ -	\$ 9,290,759
Canada Mortgage and Housing Corporation Subsidy	-	-	-	-	-	-	-	-
Ministry of Education	112,155	-	109,530	-	-	-	-	109,530
Ministry of Indigenous Affairs	264,710	-	-	-	-	-	-	112,155
Ministry of Community and Social Services	2,417,475	-	-	-	-	-	-	264,710
Ministry of Health and Long Term Care	270,162	-	-	-	-	-	-	2,417,475
Ministry of Transportation	82,500	-	-	-	-	-	-	270,162
Other revenue	6,308,035	348,715	288,562	1,078,487	170,880	-	-	82,500
Investment revenue	11,044,903	-	-	-	-	-	-	8,194,679
Lottery Fund revenue	-	-	-	-	1,312,196	-	-	11,044,903
	<b>29,309,132</b>	<b>348,715</b>	<b>865,876</b>	<b>1,092,270</b>	<b>1,483,076</b>	<b>-</b>	<b>-</b>	<b>33,099,069</b>
<b>Expenses</b>								
Amortization	2,283,700	48,233	323,896	335,907	-	-	-	2,991,736
Bad debt	-	-	-	37,786	-	-	-	37,786
Cash short	-	201	-	-	-	-	-	201
Donations	2,750	30,000	-	-	-	-	-	32,750
General welfare assistance	2,767,119	-	-	-	-	-	-	2,767,119
Honorarium	310,048	8,860	-	-	-	-	-	318,908
Insurance	22,117	-	12,682	47,053	-	-	-	81,852
Interdepartmental costs	205,119	(297,545)	42,345	75,593	6,875	-	-	32,387
Interest and bank charges	45,127	-	-	-	-	-	384	45,511
Interest on long term debt	173,542	-	39,692	-	-	-	-	213,234
Per capita distribution (Note 19)	1,550,199	-	-	-	-	-	-	1,550,199
Loss on disposal	(1,857)	-	-	-	-	-	-	(1,857)
Repairs and maintenance	968,844	147,957	293,932	365,153	-	-	-	1,775,886
Prize	-	195,792	-	-	-	-	-	195,792
Student allowances	878,137	-	-	-	-	-	-	878,137
Supplies and service	3,167,587	97,238	12,339	44,899	-	-	-	3,322,063
Transfer cost	-	-	-	-	663,237	-	-	663,237
Travel and transportation	217,389	4,032	3,266	-	-	-	-	224,687
Tuition	2,954,964	-	-	-	-	-	-	2,954,964
Utilities and telephone	402,391	5,917	305	70,544	-	-	-	479,157
Wages and benefits	5,726,919	385,628	164,137	84	-	-	-	6,276,768
	<b>21,674,095</b>	<b>626,313</b>	<b>892,594</b>	<b>977,019</b>	<b>670,112</b>	<b>-</b>	<b>384</b>	<b>24,840,517</b>
<b>Surplus (deficit)</b>	<b>\$ 7,635,037</b>	<b>\$ (277,598)</b>	<b>\$ (26,718)</b>	<b>\$ 115,251</b>	<b>\$ 812,964</b>	<b>\$ -</b>	<b>\$ (384)</b>	<b>\$ 8,258,552</b>