

Consolidated Financial Statements of

DOKIS FIRST NATION

Year ended March 31, 2023

DOKIS FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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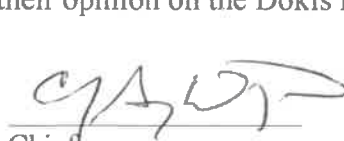
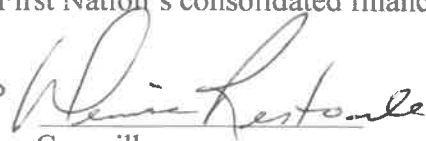
MANAGEMENT'S RESPONSIBILITY STATEMENT

The accompanying consolidated financial statements of the **Dokis First Nation** are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to these consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Dokis First Nation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Chief and Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Freelandt Caldwell Reilly LLP, independent external auditors appointed by the Dokis First Nation. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Dokis First Nation's consolidated financial statements.

 _____ Chief	 _____ Councillor	_____ Councillor
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INDEPENDENT AUDITORS' REPORT

To: **The Members of the Dokis First Nation**

Opinion

We have audited the consolidated financial statements of the Dokis First Nation, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Dokis First Nation as at March 31, 2023, and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and 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.

Continued on next page

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.

Continued on next page

- 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.

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.

Freelandt Caldwell Reilly LLP

FREELANDT CALDWELL REILLY LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Canada
December 8, 2023

DOKIS FIRST NATION

Consolidated Statement of Financial Position

March 31, 2023, with comparative figures for 2022

	2023	2022
Financial assets:		
Cash	\$ 7,917,492	\$ 11,137,010
Restricted cash - CMHC replacement and operating surplus reserves (note 2)	37,818	37,818
Short-term investments (note 3)	2,500	2,500
Accounts receivable (note 4)	3,572,717	3,002,906
Funds held in trust by Indigenous Services Canada (note 6)	733,742	733,742
Due from Migisi Hydro L.P. (note 5 and 22)	1,621,054	1,621,054
Investment in Migisi Hydro L.P. (note 7)	699,433	511,331
Investment in Migisi Hydro L.P. General Partner Units	5	5
Investment in Okikendawt Hydro L.P. (note 5 and 22)	2,027,539	2,027,539
Investment in Ontario First Nation Sovereign Wealth L.P. (note 9)	2	2
Total financial assets	16,612,302	19,073,907

Financial liabilities:

Accounts payable and accrued liabilities (note 16)	594,142	1,285,502
Deferred contributions (note 10)	11,601,193	11,424,333
Advances (to)/from Migisi Hydro L.P.	(18,098)	995
Investments held in trust for Migisi Hydro L.P. (note 5 and 22)	2,027,539	2,027,539
Long-term debt (note 11)	1,097,108	1,164,934
Total financial liabilities	15,301,884	15,903,303

Net financial assets 1,310,418 3,170,604

Non-financial assets (note 12):

Tangible capital assets (note 18)	20,225,109	15,837,791
Inventory	791,905	-
Prepaid expenses	294,229	162,769
Total non-financial assets	21,311,243	16,000,560

Accumulated surplus (note 13) \$ 22,621,661 \$ 19,171,164




Contingent liabilities (note 14)

Economic dependence (note 15)

Subsequent event (note 22)

See accompanying notes to consolidated financial statements

Approved on behalf of the Chief and Council of the Dokis First Nation:

 Chief
  Councillor
  Denise Kesteven Councillor

_____ Councillor
 _____ Councillor
 _____ Councillor

DOKIS FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2023, with comparative figures for 2022

	Budget	2023	2022
Revenues:			
Indigenous Services Canada (note 17)	\$ 7,291,318	\$ 4,355,501	\$ 6,259,795
Other (note 21)	7,574,345	10,178,916	10,768,969
Repayable to funders	-	(103,616)	(30,631)
Deferred contributions, beginning of year	6,742,115	11,424,333	6,742,115
	21,607,778	25,855,134	23,740,248
Expenses (by program area):			
Band Government	789,219	777,482	818,872
Maintenance Management	1,588,283	868,594	830,291
Education	2,535,673	2,600,627	1,870,505
Social Services	201,398	332,384	309,008
New Relationship Fund	85,000	76,433	80,588
Community Programs	1,572,519	624,890	911,497
Band Enterprises	54,600	1,739,301	1,021,860
Health Services	2,081,330	1,891,334	1,617,319
Land Management	239,718	255,667	238,974
Housing	5,419,137	333,388	370,865
Ontario First Nations Limited Partnership Distributions	-	272,203	181,772
Consolidated Revenue Fund	-	15,269	15,268
Community Services	-	42,411	12,278
Culture & Recreation	56,205	61,089	55,487
Capital Projects	2,582,364	1,100,474	832,688
Total expenses	17,205,446	10,991,546	9,167,272
Excess of revenues over expenses from general operations	4,402,332	14,863,589	14,572,976
Deferred contributions, end of year	-	(11,601,193)	(11,424,333)
Excess of revenues over expenses before undernoted items	4,402,332	3,262,396	3,148,643
First Nation share of Migisi L.P. earnings (loss)	-	188,102	(549,777)
Loss on disposal of tangible capital asset	-	-	(29,962)
Excess of revenues over expenses for the year	4,402,332	3,450,497	2,568,904
Accumulated surplus, beginning of year	19,171,164	19,171,164	16,602,260
Accumulated surplus, end of year	\$23,573,496	\$22,621,661	\$ 19,171,164

See accompanying notes to consolidated financial statements

DOKIS FIRST NATION**Consolidated Statement of Changes in Net Assets**

Year ended March 31, 2023 with comparative figures for 2022

	Budget	2023	2022
Excess of revenues over expenses for the year	\$ 4,402,332	\$ 3,450,497	\$ 2,568,904
Amortization of tangible capital assets	-	846,192	802,327
Acquisition of tangible capital assets	-	(5,233,510)	(4,457,802)
Disposal of tangible capital assets	-	-	29,962
Change in inventory	-	(791,906)	-
Change in prepaid expenses	-	(131,459)	(30,059)
Increase (decrease) in net assets for the year	4,402,332	(1,860,186)	(1,086,668)
Net assets, beginning of year	3,170,604	3,170,604	4,257,272
Net assets, end of year	\$ 7,572,936	\$ 1,310,418	\$ 3,170,604

See accompanying notes to consolidated financial statements

DOKIS FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2023 with comparative figures for 2022

	2023	2022
Cash flows from operating activities:		
Excess of revenues over expenses for the year	\$ 3,450,497	\$ 2,568,904
Non-cash charges to operations:		
Amortization of tangible capital assets	846,192	802,327
First Nation share of Migisi Development L.P. (earnings)/loss	(188,102)	549,777
Impairment of capital assets	-	6,262
Loss on disposal of tangible capital assets	-	29,961
	4,108,588	3,957,231
Change in financial assets and liabilities relating to operations:		
Accounts receivable	(569,811)	(2,297,572)
ILMF settlement receivable	-	26,923,951
Prepaid expenses	(131,460)	(30,058)
Accounts payable and accrued liabilities	(691,360)	179,584
Due to Okikendawt Hydro and Dokis Community Trust	-	(26,000,000)
Inventory	(791,905)	-
Deferred contributions	176,860	4,682,218
Net change in cash from operating activities	2,100,912	7,415,354
Cash flows from capital activities:		
Cash used to acquire tangible capital assets	(5,233,510)	(4,457,802)
Cash flows from financing activities:		
Proceeds of long-term debt	-	599,440
Repayment of long-term debt	(67,826)	(48,160)
	(67,826)	551,280
Cash flows from investing activities:		
Recovery of advances to (advances to) Migisi Development Corporation	(19,093)	-
Net change in cash from investing activities	(19,093)	-
Net change in cash for the year	(3,219,518)	3,508,832
Cash, beginning of year	11,137,010	7,628,178
Cash, end of year	\$ 7,917,492	\$ 11,137,010

See accompanying notes to consolidated financial statements

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

The Dokis First Nation is a First Nation community located on the boundaries that separate the Districts of Parry Sound, Sudbury and Nipissing, South-West of Lake Nipissing on the French River. The First Nation, under the direction of its Chief and Council and management, operate various programs for the benefit of its members including municipal services, health services, economic development, housing, education, and other services.

1. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

(a) Reporting entity and basis of consolidation:

These consolidated financial statements include the assets, liabilities, accumulated surpluses/deficits, revenues and expenses of the entities that have been determined to be accountable to Dokis First Nation ("the First Nation") and are either owned or under the control of the First Nation.

The consolidated financial statements include the assets, liabilities, and results of operations of the following entities which are currently inactive:

- Dokis Forestry Corporation Inc.
- Migisi Power Corporation
- Migisi Power Authority Inc.
- Migisi Utility Authority Inc.
- Migisi Tax Authority Inc.
- Migisi Development Corporation

Government business enterprises are accounted for using the modified equity method of accounting. The business enterprise's accounting principles are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated. The investments in the Migisi Hydro L.P. is accounted for using this method.

Other investments in non-controlled entities are recorded at the lower of cost and net realizable value and include the investment in Ontario First Nation Sovereign Wealth L.P.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

1. Significant accounting policies, continued

(b) Basis of accounting:

Revenues and expenses are reported using the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Tangible capital assets:

Tangible capital assets are recorded at cost. The First Nation provides for amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	40 years
Water & Sewer	20-40 years
Roads & bridges	30-40 years
Lagoon	20 years
Machinery & equipment	10 years
Powerlines	40 years
Networks	40 years
Parking lot	10 years
Fencing	10 years
Recreation facility	5 years
Office equipment	5 years

(d) Revenue recognition and deferred contributions:

Revenues from government grants and contributions are recognized in the period that the events giving rise to the government transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met; and the amount can reasonably be estimated. Funding received under the funding arrangements, which relate to a subsequent fiscal period and the unexpended portions of contributions received for specific purposes are reflected as deferred contributions in the year of receipt and are recognized as revenue in the period in which all of the recognition criteria have been met. Other revenues are recorded on the accrual basis when earned and the amount can be reasonably estimated, and collection is reasonably assured. Revenue related to fees and services are recognized when the fee is earned, or the service is performed.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

1. Significant accounting policies, continued

(e) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the consolidated financial statements and reported amounts of certain revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the consolidated financial statements in future periods could be significant. Amounts specifically affected by estimates in these consolidated financial statements are certain accounts receivable, allowance for doubtful accounts, useful lives of tangible capital assets, certain deferred contributions, amounts repayable to certain funders and fair value determinations.

(f) Financial instruments:

Measurement of financial instruments

The First Nation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The First Nation subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations in the period they occur.

Financial assets measured at amortized cost include cash, restricted cash, short-term investments, accounts receivable, and funds held in trust in by Indigenous Services Canada.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

Financial assets and liabilities measured at cost include advances to and from related parties.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

1. Significant accounting policies, continued

(g) Asset retirement obligations:

Effective April 1, 2022, the First Nation adopted the requirements of the CPA Canada Public Sector Accounting Handbook section 3280 – Asset Retirement Obligations. This section establishes standards on how to recognize, measure and report a liability associated with future obligations required to retire certain tangible capital assets at the end of their useful lives.

These are the First Nation's first financial statements prepared after the adoption of this new accounting standard and it has been applied retrospectively.

The adoption of section 3280 – Asset Retirement Obligations has had no impact on the assets, liabilities and net assets of the First Nation, and accordingly, no adjustments have been recorded in the statements of financial position, operations, changes in net assets and cash flows presented in these financial statements for comparative purposes.

2. Restricted Cash - CMHC replacement and operating surplus reserves

Under the terms of agreements with Canada Mortgage and Housing Corporation ("CMHC") amounts are to be credited annually to replacement reserves and, where applicable, may be credited to the subsidy surplus and operating reserves. These funds must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

3. Short-term Investments

Short-term investments consists of a guaranteed investment certificate with a maturity date of May 2023 at an interest rate of 0.75% per annum.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

4. Accounts Receivable

	2023	2022
General accounts receivable	\$ 3,225,796	\$ 2,791,320
Member loans	1,204,437	1,412,208
Receivable from Okikendawt Hydro and Dokis Community Trust	599,989	361,332
Government Remittances	42,183	42,449
Allowance for doubtful accounts	(1,499,688)	(1,604,403)
	\$ 3,572,717	\$ 3,002,906

5. Investments

a. Migisi Hydro L.P.

The investment in Migisi Hydro L.P., represents an interest in a controlled business enterprise of the First Nation.

The amounts due from Migisi Hydro L.P., are non-interest-bearing, unsecured and due on demand.

b. Okikendawt Hydro L.P.

The investment represents a 40% partnership interest in Okikendawt Hydro L.P.

The investment in Okikendawt Hydro L.P. is held in trust for Migisi Hydro L.P. by the Migisi Development Corporation.

6. Funds Held in Trust by Indigenous Services Canada

Funds Held in Trust by Indigenous Services Canada 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

7. Investment in Migisi Hydro L.P.

Dokis First Nation holds a controlling partnership interest in Migisi Hydro L.P. The partnership is between Dokis First Nation (which holds 99.5% interest) and other corporations. The investment is being accounted for using the modified equity method.

The Dokis First Nation recognized a gain of \$164,841 during 2023 related to the activities of the Migisi Hydro L.P. in the accompanying consolidated financial statements.

The investment balance consists of the following:

	2023	2022
Balance, beginning of year	\$ 534,592	\$ 1,060,502
Other adjustments (First Nation Share of income (loss))	-	(6,271)
First Nation share of earnings (loss)	164,841	(533,393)
Balance, end of year	\$ 699,433	\$ 534,592

The following summarizes the assets, liabilities, equity, revenues and expenses of Migisi Hydro L.P.:

	2023	2022
Financial position		
Current assets	\$ 1,341,941	\$ 1,305,810
Investments and advances	993,956	852,031
Total assets	\$ 2,335,897	\$ 2,157,841
Liabilities		
Current	\$ 1,500	\$ 1,500
Due to Migisi Development Corporation	1,634,964	1,621,749
Equity	699,433	534,592
	\$ 2,335,897	\$ 2,157,841

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

7. Investment and Advances to Migisi Hydro L.P. – continued

	2023	2022
Results of operations		
Revenues	\$ -	\$ -
Expenses	13,215	1,695
Loss before undernoted item	(13,215)	(1,695)
Other Income		
Share of partnership earnings (loss)	178,056	(531,698)
Net Earnings (loss)	\$ 164,841	\$ (533,393)

8. Investment in Migisi Development Corporation

The Dokis First Nation is the sole shareholder of the Migisi Development Corporation, which serves as the general partner to the Migisi L.P. The assets, liabilities and activities of the Migisi Development Corporation are consolidated into these financial statements.

9. Investment in Ontario First Nations Sovereign Wealth L.P.

The First Nation is invested in 1 share of the Ontario First Nations Asset Management Corporation, and a 0.5915% interest in the Ontario First Nations Sovereign Wealth Limited Partnership. The Partnership and Corporation control a partnership that owns shares of Hydro One and hold capital wealth funds. The investment has been reflected in the accompanying consolidated financial statements using the cost method at \$2. During the year, there were no other contributions made to the Partnership. Also, the First Nation did not receive any distributions from the Partnership.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

10. Deferred contributions

Deferred contributions consist of the following:

	2023	2022
Social Services	\$ 188,122	\$ 154,855
Land Management	250,396	241,753
Maintenance Management	952,321	889,780
Community Services	49,692	44,175
Health Services	1,633,972	1,288,112
Community Programs	588,588	696,404
Education	3,942,910	3,192,778
Band Enterprise	479,133	440,110
Housing	2,785,449	4,283,591
Capital	730,610	192,775
	\$11,601,193	\$ 11,424,333

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

11. Long-term debt

	2023	2022
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$1,257 including interest at 0.76% per annum, maturing December 2025. Insured by Canada Mortgage and Housing Corporation. Secured by a guarantee from Indigenous Services Canada.	\$ 112,327	\$ 126,497
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$1,394 including interest at 0.68% per annum, maturing October 2025. Insured by Canada Mortgage and Housing Corporation. Secured by a guarantee from Indigenous Services Canada.	102,408	118,364
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$1,566 including interest at 0.73% per annum, maturing July 2025. Insured by Canada Mortgage and Housing Corporation. Secured by a guarantee from Indigenous Services Canada.	306,001	322,493
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$2,316 including interest at 1.12% per annum, maturing October 2026. Insured by Canada Mortgage and Housing Corporation. Secured by a guarantee from Indigenous Services Canada.	576,372	597,580
	\$ 1,097,108	\$ 1,164,934

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

11. Long-term debt – continued

Estimated principal re-payments, assuming renewal under similar terms and conditions, are as follows:

2024	68,419
2025	69,001
2026	69,587
2027	70,179
2028	70,777
Subsequent years	749,145
	<u>\$ 1,097,108</u>

12. Non-financial assets

Tangible capital assets and prepaid expenses are accounted for as assets by the First Nation because they can be used to provide services to members in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

13. Accumulated Surplus

	2023	2022
Unrestricted operating accumulated surplus (deficit)	\$ (2,313,631)	\$ (682,408)
First Nation Enterprises	704,704	516,602
Restricted Ontario First Nations Limited Partnership		
Distributions, 9.1 reporting	4,468,393	4,031,957
Restricted funds held in trust in Ottawa	733,742	733,742
Restricted social housing replacement reserve (CMHC)	56,668	54,630
Claim negotiation reserve (deficit)	(186,177)	(186,177)
Equity in tangible capital assets	19,157,962	14,702,818
	<u>\$ 22,621,661</u>	<u>\$ 19,171,164</u>

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

14. Contingent liabilities

a) Loan guarantees:

The First Nation is contingently liable as a guarantor with the Bank of Montreal for up to \$1,150,000 of band members housing mortgages and member loans. At March 31, 2023 these loans amounted to \$95,471 (2022 - \$123,854).

The First Nation is contingently liable as a guarantor with the Caisse Populaire Alliance Limitee for band members housing mortgages. At March 31, 2023 these loans amounted to \$1,042,242 (2022 - \$939,386).

Indigenous Services Canada ("ISC") has guaranteed CMHC loans to the First Nation in the amount of \$1,097,108 (original \$1,593,200). Should the First Nation default on the loans and require payment by ISC, the amount will be deducted from the First Nation's funds held in trust by the Government of Canada.

b) Government funding:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various government agencies. Should these audits result in recoveries of grants, the amount of these recoveries would be recorded in the accounts in the year in which they are determined.

c) Contingencies:

The First Nation has received a complaint of unjust dismissal in a previous year. The First Nation intends to defend its actions, but at this time the outcome is undeterminable. Should an amount, if any, become payable, recognition of this amount will be recorded in the period in which it becomes known.

During the year, the First Nation was named in an action claiming damages in excess of \$2,250,000. At this time, the outcome of this matter is undeterminable, but should an amount, if any, become payable, recognition of a liability will be recorded in the period in which that amount becomes known.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

15. Economic dependence

The First Nation has a funding arrangement with Indigenous Services Canada which provides funds to administer operations and provide services to its members in accordance with the terms of the funding arrangement.

As this funding arrangement provides the First Nation's major source of revenue, its ability to continue viable operations are dependent upon maintaining this funding arrangement.

16. Financial instruments

Transactions in financial instruments may result in an organization assuming or transferring to another party one or more of the financial risks described below. The First Nation is exposed to the following risks associated with financial instruments and transactions it is a party to:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a financial obligation. The First Nation's main credit risk relate to its cash, including restricted cash, accounts receivable and note receivable.

Credit risk associated with cash is minimized by ensuring these financial assets are placed with financial institutions with high credit ratings.

The First Nation is exposed to credit risk through its accounts receivables balances (including band member loans) totalling of \$5,072,405 (2022 - \$4,607,309) The First Nation manages this exposure through management's on-going monitoring of accounts receivable balances and collections. An allowance for uncollectible accounts is recorded when applicable.

The First Nation is also exposed to credit risk through amounts due from Migisi Hydro L.P. in the amount of \$1,621,054 (2022 - \$1,621,054). The First Nation evaluates the credit worthiness of any borrower prior to advancing any funds and this note is currently determined to be fully collectible.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

16. Financial instruments, continued

Liquidity risk

Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation is exposed to liquidity risk in the accounts payable and accrued liabilities of \$594,142 (2022 - \$1,285,502). The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains adequate cash resources to pay creditors including scheduled long-term debt payments when required.

17. Contribution arrangement funding provided by Indigenous Services Canada

In the current year \$4,355,501 in funding was provided to the First Nation by Indigenous Services Canada, including \$Nil of funding provided under set contribution funding arrangements (2022 - \$144,130). All other amounts received are received under Block, Fixed or Grant funding arrangements and are allowed to be carried forward into the next fiscal year where flexible surpluses have occurred.

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2023

Tangible capital assets													
2023													
	Buildings	Water & Sewer	Lagoon	Roads/Bridges	Machinery & Equipment	Powerlines	Networks	CMHC Rental Buildings	Recreation Facility	Parking Lot	Fencing	Office Equipment	Totals
Cost													
Balance, beginning of year	\$ 7,961,993	\$ 2,859,284	\$ 1,055,121	\$ 3,990,300	\$ 3,323,578	\$ 407,131	\$ 212,879	\$ 3,951,245	\$ 580,610	\$ 74,206	\$ 28,070	\$ 499,771	\$ 24,944,188
Additions	505,158	47,010	-	2,138,615	24,885	-	-	2,345,933	-	-	-	171,909	5,233,510
Balance, end of year	8,467,151	2,906,294	1,055,121	6,128,915	3,348,463	407,131	212,879	6,297,178	580,610	74,206	28,070	671,680	30,177,698
Accumulated Amortization													
Balance, beginning of year	3,148,046	1,648,584	738,584	632,314	1,530,773	30,534	9,414	448,733	580,610	40,530	28,070	270,205	9,106,397
Amortization expense	212,290	61,552	52,756	49,277	235,027	10,178	3,138	106,235	-	5,700	-	110,039	846,192
Balance, end of year	3,360,336	1,710,136	791,340	681,591	1,765,800	40,712	12,552	554,968	580,610	46,230	28,070	380,244	9,952,589
Net book value	\$ 5,106,815	\$ 1,196,158	\$ 263,781	\$ 5,447,324	\$ 1,582,663	\$ 366,419	\$ 200,327	\$ 5,742,210	\$ -	\$ 27,976	\$ -	\$ 291,436	\$ 20,225,109
2022													
	Buildings	Water & Sewer	Lagoon	Roads/Bridges	Machinery & Equipment	Powerlines	Networks	CMHC Rental Buildings	Recreation Facility	Parking Lot	Fencing	Office Equipment	Totals
Cost													
Balance, beginning of year	\$ 7,832,020	\$ 2,786,965	\$ 1,055,121	\$ 2,243,630	\$ 1,950,934	\$ 407,131	\$ 212,879	\$ 2,970,734	\$ 580,610	\$ 74,206	\$ 28,070	\$ 374,048	\$ 20,516,348
Additions	129,973	72,319	-	1,746,670	1,402,605	-	-	980,511	-	-	-	125,723	4,457,801
Disposals	-	-	-	-	(29,961)	-	-	-	-	-	-	-	(29,961)
Balance, end of year	7,961,993	2,859,284	1,055,121	3,990,300	3,323,578	407,131	212,879	3,951,245	580,610	74,206	28,070	499,771	24,944,188
Accumulated Amortization													
Balance, beginning of year	2,948,345	1,588,207	685,828	585,692	1,269,841	20,356	6,276	361,468	580,610	34,830	28,070	194,548	8,304,071
Amortization expense	199,701	60,377	52,756	46,622	260,932	10,178	3,138	87,265	-	5,700	-	75,657	802,326
Balance, end of year	3,148,046	1,648,584	738,584	632,314	1,530,773	30,534	9,414	448,733	580,610	40,530	28,070	270,205	9,106,397
Net book value	\$ 4,813,947	\$ 1,210,700	\$ 316,537	\$ 3,357,986	\$ 1,792,805	\$ 376,597	\$ 203,465	\$ 3,502,512	\$ -	\$ 33,676	\$ -	\$ 229,566	\$ 15,837,791

DOKIS FIRST NATION

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Year ended March 31, 2023 with comparative figures for 2022

19. Employee Future Benefits

The First Nation provides a defined contribution plan for eligible employees. Members are required to contribute 5.5% of their salary. The Dokis First Nation contributes 5.5% to the member's contribution account. Employer contributions to the plan by the First Nation in the year amounted to \$111,040 (2022 - \$98,739). Employer contributions match the employee's contributions for current service and are expensed during the year in which the services are rendered and represent the total pension obligation of the First Nation.

20. Segmented information

The Dokis First Nation is a diversified government institution that provides a wide range of services to its members, including band support, community infrastructure, economic development, education, social development, community services, housing, and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds are created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide and are as follows:

Band Support

The band support function is responsible for carrying out all general band related services. This includes the setting of policies and procedures to be carried out throughout the First Nation's operations as well as overseeing the financial reporting activities of each department. The band government function also includes the activities of the Chief and Council.

Community Infrastructure

The community infrastructure department is responsible for providing public services, which include fire protection, road construction and maintenance, sanitation, water and the operation and upkeep of many of the buildings within the First Nation.

Community Programs

The community program department is responsible for is responsible for the operations of the library, community fundraising, management of the New Relationship Fund.

Economic Development

The economic development department is responsible for the identification and development of economic opportunities that will benefit the First Nation and its members. It also obtains funding for training and development opportunities to be carried out by its members and the employment of summer students.

DOKIS FIRST NATION

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20. Segmented information (Continued)

Band Enterprises

This department is responsible for the operations of business activities carried out, including the rental of equipment and other activities.

Education

The education department is responsible for services provided to elementary and secondary schools primarily through service contracts with provincially funded school boards. The education department is also responsible for the tutoring of members and providing funding for post-secondary initiatives undertaken by students of the First Nation.

Social Development

The social development department provides services under the Provincial Ontario Works Program which include financial support initiatives as well as employment training initiatives.

Health Services

The community services department is responsible for the management of health and long-term care programs as well as programs for the development and engagement of the youth of the First Nation.

Housing

The housing segment reports the activities of the CMHC projects, including revenues, subsidies and expenses of the operation of each of the three phases currently in operation.

Capital

The capital department is responsible for the construction and purchasing of capital items to be used by the various departments within the First Nation. This department utilizes labour within the First Nation as well as contracts with third party entities.

OFNLP

The OFNLP segment is responsible for reporting the funds received and spent under the Ontario First Nations (2008) Limited Partnership agreement. The funds must be spent in adherence with the agreement and under the following categories: community development, health, education, economic development, and cultural development.

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Notes to the Consolidated Financial Statements

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20. Segmented information (Continued)

2023													
	Revenue	Band Government	Community Infrastructure	Community Programs	Economic Development	Band Enterprises	Education	Social Development	Health Services	Housing	Capital	OFNLP	Totals
Indigenous Services Canada	\$ 656,114	\$ 1,041,118	\$ 23,884	\$ 185,997	\$ -	\$ -	\$ 18,000	\$ 95,673	\$ 1,563,669	\$ 100,453	\$ 670,593	\$ -	\$ 4,355,501
Kinoomadiwin Education Body	-	-	-	-	-	-	3,185,553	-	-	-	-	-	3,185,553
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-	-	-	-	770,352	770,352
CMHC	-	-	-	-	-	-	-	-	-	92,771	-	-	92,771
Ministry of Children, Community and Social Service	241,753	889,780	44,175	696,404	440,110	440,110	3,192,778	154,855	1,288,112	4,283,591	192,775	-	262,988
Deferred contributions, beginning of the year	348,508	398,397	138,730	365,430	961,761	961,761	404,207	6,990	579,336	417,855	1,304,139	-	11,424,333
Other	1,246,375	2,329,295	206,789	1,247,831	1,401,871	1,401,871	6,800,538	520,506	3,431,117	4,894,670	2,167,507	770,352	4,925,353
													25,016,851
Expenses													
Wages and benefits	630,226	499,148	102,609	283,200	83,987	83,987	582,869	60,968	749,672	8,420	-	-	3,001,099
Materials and program costs	248,242	369,446	75,265	249,897	1,650,514	1,650,514	1,961,037	271,416	1,022,395	270,529	294,052	272,203	6,684,996
Contracted services	144,210	-	2,059	91,793	4,800	4,800	56,721	-	108,419	24,740	-	-	432,742
Rents and financial expenses	10,473	-	-	-	-	-	-	-	-	777	-	-	11,250
Amortization expense	2,014	551,375	(22,903)	(1,682)	(607,862)	(607,862)	169,763	-	10,848	28,922	806,422	-	846,192
Program transfers and administration	1,035,165	1,419,969	157,030	623,208	1,131,439	1,131,439	2,770,390	312,384	1,805,089	2,691,913	(2,250,857)	333,916	(926,633)
													10,049,646
Loss on disposal of capital asset	-	-	-	-	-	-	-	-	-	-	-	-	(103,616)
Current year funding repayable to funders	-	-	-	(67)	-	-	(103,549)	-	-	-	-	-	-
Deferred contributions, end of the year	(250,396)	(952,321)	(49,692)	(588,588)	(484,504)	(484,504)	(3,937,539)	(188,122)	(1,633,972)	(2,785,449)	(730,610)	-	(11,601,193)
Total	\$ (39,186)	\$ (42,995)	\$ -	\$ -	\$ 36,035	\$ (214,072)	\$ (10,940)	\$ -	\$ (7,944)	\$ (582,692)	\$ 3,687,754	\$ 436,436	\$ 3,262,396
2022													
	Revenue	Band Government	Community Infrastructure	Community Programs	Economic Development	Band Enterprises	Education	Social Development	Health Services	Housing	Capital	OFNLP	Totals
Indigenous Services Canada	\$ 603,267	\$ 2,126,113	\$ 40,453	\$ 831,504	\$ -	\$ -	\$ 2,548,099	\$ 100,266	\$ 1,505,812	\$ 885,685	\$ 174,681	\$ -	\$ 6,267,781
Kinoomadiwin Education Body	-	-	-	-	-	-	-	-	-	-	-	-	2,548,099
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-	-	-	-	540,601	540,601
CMHC	-	-	-	-	-	-	-	-	-	2,699,763	-	-	2,699,763
Ministry of Children, Community and Social Service	286,655	246,823	30,196	501,650	418,272	418,272	2,561,897	89,608	832,776	1,543,517	230,721	-	264,159
Deferred contributions, beginning of the year	441,797	267,144	109,512	746,329	180,267	180,267	95,132	9,830	592,651	213,474	1,745,158	-	6,742,115
Other	1,331,719	2,640,080	180,181	2,079,483	598,539	598,539	5,205,128	461,863	2,931,239	5,342,439	2,150,560	540,601	4,401,314
													23,463,832
Expenses													
Wages and benefits	673,676	466,858	101,453	206,832	65,889	65,889	450,416	73,008	766,993	10,513	-	-	2,815,638
Materials and program costs	218,901	363,433	42,400	615,932	592,704	592,704	1,385,317	236,000	717,457	293,322	70,131	-	4,555,597
Contracted services	155,525	-	4,500	88,733	363,267	363,267	34,772	-	122,021	37,243	-	-	806,061
Rents and financial expenses	9,744	-	-	-	-	-	-	-	-	865	-	-	10,609
Amortization expense	-	934,877	(12,347)	226,277	58,037	58,037	141,845	-	10,848	28,922	762,557	-	802,327
Program transfers and administration	1,112,547	1,765,168	136,006	1,137,774	1,079,897	1,079,897	2,012,330	109,008	48,163	801,812	(2,801,228)	468,488	(79,375)
													8,890,857
Loss on disposal of capital asset	-	-	-	-	-	-	-	-	-	-	-	-	(29,961)
Deferred contributions, end of the year	(241,753)	(889,780)	(44,175)	(696,404)	(440,110)	(440,110)	(3,192,778)	(154,855)	(1,288,112)	(4,283,591)	(192,775)	-	(11,424,331)
Total	\$ (22,581)	\$ (14,868)	\$ -	\$ 245,305	\$ (921,468)	\$ -	\$ -	\$ -	\$ (52,316)	\$ (113,829)	\$ 3,926,325	\$ 72,113	\$ 3,118,681

DOKIS FIRST NATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2023 with comparative figures for 2022

21. Other revenues

Other revenues consist of the following:

	2023	2022
Kinoomadziwin Education Body	\$ 3,549,707	\$ 2,640,158
Various other funders	1,278,442	1,528,888
Ministry of Transportation	1,003,875	1,571,770
Transfers	926,626	261,147
Ontario First Nations Limited Partnership	770,352	540,601
Ottawa Community Foundation	737,413	-
Union of Ontario Indians	526,585	338,490
Rental and related income	389,232	213,474
Okikendawt Hydro and Dokis Community Trust	311,813	261,332
Ministry of Children, Community and Social Services	262,988	264,159
Ministry of Health and Long-Term Care	252,612	250,299
Canada Mortgage and Housing Corporation	92,771	2,699,763
Ministry of Indigenous Affairs	76,500	80,588
Province of Ontario (COVID-19)	-	118,300
	\$10,178,916	\$ 10,768,969

22. Subsequent Event

Subsequent to the year end, the Dokis First Nation released the partnership units of Okikendawt Hydro L.P. that were held in trust by the Migisi Development Corporation to the Migisi Hydro Limited Partnership and settled its holding in the Migisi Hydro Limited Partnership in the Okikendawt Hydro and Dokis Community Trust.

23. Comparative figures

Certain 2022 comparative figures have been reclassified from those previously reported to conform to the presentation adopted for the 2023 financial statements. The changes do not affect the First Nation's previously reported excess of revenues over expenses or net assets.