



Tel: (705) 945-0990
Fax: + (705) 942-7979

www.bdo.ca

BDO Canada LLP
747 Queen Street East
P.O. Box 1109
Sault Ste. Marie, Ontario
P6A 5N7

Indigenous Services Canada
Ontario Region
100 Anemki Drive, Suite 101
Fort William First Nation
Thunder Bay, ON P7J 1A5

October 16, 2024

Re: Michipicoten First Nation

We enclose for your information and retention, one copy of the following:

1. Consolidated financial statements for the year ended March 31, 2024.
2. Schedule of Remuneration and Expenses (Chief and Council) for the year ended March 31, 2024.

Should you have any questions concerning the foregoing, please contact the writer or Megan Sherwood of this office.

BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants

A handwritten signature in black ink, appearing to read 'G. Stefanizzi', written in a cursive style.

Gabriel Stefanizzi, CPA, CA,
Partner through a corporation
/jt

Michipicoten First Nation
Consolidated Financial Statements
For the year ended March 31, 2024

Michipicoten First Nation
Consolidated Financial Statements
For the year ended March 31, 2024

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Michipicoten First Nation Management's Responsibility for Financial Reporting

March 31, 2024

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

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 external auditors, BDO Canada LLP, conduct an audit in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Michipicoten First Nation and meet when required.

On behalf of Michipicoten First Nation:

Patricia Tangie
Patricia Tangie (Oct 23, 2024 10:47 EDT) Chief

Diane Purser Finance Manager



Tel: (705) 945-0990
Fax: +(705) 942-7979

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BDO Canada LLP
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P6A 5N7

Independent Auditor's Report

To the Members of Michipicoten First Nation

Qualified Opinion

We have audited the consolidated financial statements of Michipicoten First Nation (the First Nation), which comprise the statement of financial position as at March 31, 2024, the statements of operations, statement of remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2024, and the results of its operations, its remeasurement gains and losses, changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective April 1, 2022, the First Nation was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2024 and 2023, tangible capital assets and the asset retirement obligation as at March 31, 2024 and 2023, and accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 years.

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 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 these 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.

Independent Auditor's Report (continued)

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

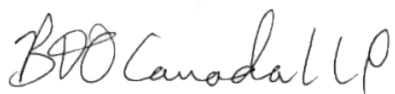
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 financial statements.

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

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

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.



Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
October 16, 2024

Michipicoten First Nation

Consolidated Statement of Financial Position

March 31 **2024** 2023

Financial assets

Cash	\$ 6,553,091	\$ 3,729,170
Short term deposit receipts (Note 2)	22,000,000	19,000,000
Accounts receivable (Note 3)	5,300,721	4,843,637
Portfolio investments (Note 4)	8,152,298	7,827,921
Due from Bamkushwada Limited Partnership (Note 4)	1,500,000	-
Funds held in trust with Government of Canada (Note 5)	558,955	519,125

	44,065,065	35,919,853
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Liabilities

Accounts payable and accrued liabilities	850,325	1,236,996
Deferred revenue (Note 6)	6,373,158	6,846,000
Long term debt (Note 7)	377,028	448,948

	7,600,511	8,531,944
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Net financial assets

	36,464,554	27,387,909
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Non-financial assets

Tangible capital assets (Schedule 1)	16,045,701	14,133,561
Prepaid expenses	82,093	49,292

	16,127,794	14,182,853
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Accumulated surplus (Note 8)	\$ 52,592,348	\$ 41,570,762
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Accumulated surplus is comprised of:

Accumulated operating surplus	\$ 53,089,703	\$ 41,570,762
Accumulated remeasurement gains (losses)	(497,355)	-

	\$ 52,592,348	\$ 41,570,762
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On behalf of the First Nation:

Patricia Tangie
Patricia Tangie (Oct 11, 2014 - 2024 FOT) Chief

Diane Thorner Finance Manager

Michipicoten First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2024	2023
Revenue			
Indigenous Services Canada	\$ 7,240,068	\$ 4,919,302	\$ 2,492,681
Canada	1,729,409	244,624	1,502,811
Ontario	1,700,062	664,466	736,907
Ontario First Nations (2008) Limited Partnership	1,078,282	1,072,282	739,237
Michipicoten First Nation trusts	1,252,828	826,308	804,015
Aboriginal organizations	3,257,357	3,353,552	2,654,448
Rentals, interest and other	11,165,783	13,311,871	5,018,944
	<u>27,423,789</u>	<u>24,392,405</u>	<u>13,949,043</u>
Community and membership	1,242,378	2,112,481	1,651,960
Education	2,540,714	2,270,142	1,954,607
Infrastructure & asset management	1,842,403	1,439,096	717,238
Health and social services	3,789,907	2,618,679	1,912,579
Administration and governance	1,131,092	1,270,259	685,225
Housing	1,221,246	543,311	619,556
Enterprises and economic development	133,260	1,472,538	1,765,849
Other	1,957,258	1,146,958	1,142,651
	<u>13,858,258</u>	<u>12,873,464</u>	<u>10,449,665</u>
Annual surplus	13,565,531	11,518,941	3,499,378
Accumulated operating surplus, beginning of year	41,570,762	41,570,762	38,071,384
Accumulated operating surplus, end of year	\$ 55,136,293	\$ 53,089,703	\$ 41,570,762

The notes are an integral part of these financial statements.

Michipicoten First Nation

Consolidated Statement of Remeasurement Gains and Losses

For the year ended March 31	2024	2023
Adoption of Section 3450 Financial Instruments (Note 2)	\$ -	\$ 396,472
Unrealized gains (losses) attributable to:		
Portfolio investments	<u>(497,355)</u>	<u>(3,258,431)</u>
	(497,355)	(2,861,959)
Amounts reclassified to the statement of operations:		
Portfolio investments	<u>-</u>	<u>2,861,959</u>
Accumulated remeasurement gains (losses), end of year	\$ (497,355)	\$ -

The notes are an integral part of these financial statements.

Michipicoten First Nation
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	Budget	2024	2023
Annual surplus	\$ 13,565,531	\$ 11,518,941	\$ 3,499,378
Acquisition of tangible capital assets	-	(2,295,001)	(932,378)
Amortization of tangible capital assets	382,861	382,861	343,326
Prepaid expenses	-	(32,801)	(1,600)
	13,948,392	9,574,000	2,908,726
Net remeasurement gains (losses)	-	(497,355)	-
Change in net financial assets	13,948,392	9,076,645	2,908,726
Net financial assets, beginning of year	27,387,909	27,387,909	24,479,183
Net financial assets, end of year	\$ 41,336,301	\$ 36,464,554	\$ 27,387,909

The notes are an integral part of these financial statements.

Michipicoten First Nation

Consolidated Statement of Cash Flows

For the year ended March 31

2024

2023

Operating transactions

Annual surplus	\$ 11,518,941	\$ 3,499,378
Items not involving cash		
Amortization	382,861	343,326
Unfunded landfill site costs	5,260	4,889
	<u>11,907,062</u>	<u>3,847,593</u>
Changes in non-cash operating balances		
Accounts receivable	(457,085)	(2,528,320)
Prepaid expenses	(32,801)	(1,600)
Accounts payable and accrued liabilities	(391,931)	339,966
Deferred revenue	(472,842)	856,131
Due from Bamkushwada Limited Partnership	(1,500,000)	-
	<u>9,052,403</u>	<u>2,513,770</u>

Investing activities

Short term deposit receipts	(3,000,000)	(1,000,000)
Investments	(324,377)	(3,827,942)
Increase in funds held in trust	(39,830)	(258,617)
	<u>(3,364,207)</u>	<u>(5,086,559)</u>

Capital transactions

Acquisition of tangible capital assets	(2,295,000)	(932,378)
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Financing activities

Long term debt repaid	(71,920)	(71,227)
Remeasurement	(497,355)	-

Net change in cash

2,823,921 (3,576,394)

Cash, beginning of year

3,729,170 7,305,564

Cash, end of year

\$ 6,553,091 \$ 3,729,170

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

1. Significant accounting policies

a. Basis of Accounting

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.

b. Reporting Entity

The Michipicoten First Nation reporting entity includes the First Nation government and all entities that are controlled by the First Nation.

c. Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and its portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation and inter-organizational balances and transactions are not eliminated.

Organizations consolidated in the First Nation's financial statements include:

The First Nation of Michipicoten Cultural Association
Michipicoten First Nation Economic Development Corporation
Michipicoten Development Limited Partnership
Michipicoten General Partnership

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.

Government transfers are recognized as revenue 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, other than government transfers, are deferred when restrictions are placed on their use by external 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 being performed, is deferred and recognized when the fee is earned or service performed.

e. Measurement Uncertainty

In preparing the consolidated financial statements of the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

1. Significant accounting policies (continued)

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and term deposits having a maturity of three months or less at acquisition which are held for the purposes of meeting short term cash commitments.

g. Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

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

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

h. Pension Plan

The First Nation provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee.

i. Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization is provided for on a straight-line basis over the the following years, which approximate estimated useful life of the tangible capital asset:

Land improvements	10 to 30
Buildings	10 to 40
Housing	10 to 40
Machinery and equipment	10 to 40
Vehicles	3 to 10
Infrastructure	10 to 50

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

1. Significant accounting policies (continued)

Tangible capital assets are written down when conditions indicate that they no longer contribute to Michipicoten First Nation's ability to provide goods and service, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write downs are accounted for as expenses in the consolidated financial statements.

Contributed tangible capital assets are recorded into revenues at their fair values on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case, they are recognized at nominal value.

Leased assets that transfer substantially all the benefits and risks of ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

Certain assets having historical or cultural value, including works of art, historical documents and cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the asset is available for service.

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

2. Short term deposit receipts

Short term deposits is represented by an investment in guaranteed investment certificates with a maturity date of September 2024 and an interest rate of 5.2%.

All interest earned from the investments is recorded under the accrual method and is included in interest income.

3. Accounts receivable

	2024	2023
Indigenous Services Canada	\$ 1,998,454	\$ 793,956
Per Captia Distributions	769,685	688,073
Province of Ontario	120,683	133,918
Health Canada	43,994	108,649
CMHC	161,919	(11,275)
Aboriginal organizations	692,574	687,064
Ontario First Nations Limited Partnership	-	-
Cultural Association	2,083	1,833
Michipicoten Development Limited Partnership	-	-
Settlement Trust	(42,804)	492,828
Other	1,721,935	2,200,341
	5,468,523	5,095,387
Less: Allowance for doubtful accounts	(167,802)	(251,750)
	<u>\$ 5,300,721</u>	<u>\$ 4,843,637</u>

4. Portfolio investments

	2024	2023
Cost		
Bamkushwada Limited Partnership	\$ 1	\$ 1
Supercom Industries LP	1	1
Naagaaniyang Limited Partnership	6,700,000	6,700,000
	6,700,002	6,700,002
Market value		
Argonaut Gold Inc.	1,452,296	1,127,919
Total Investments	<u>\$ 8,152,298</u>	<u>\$ 7,827,921</u>
Due from Bamkushwada Limited Partnership	<u>\$ 1,500,000</u>	<u>\$ -</u>

The First Nation has made a Capital Contribution along with five other 'Group B' partners into the Naagaaniyang Limited Partnership, which is to acquisition of Real Estate Property - Victoria Inn Hotel. The First Nation made a capital contribution of \$6,700,000, however, does not exercise control of the organization.

Amount due from Bamkushwada Limited Partnership is interest-free and unsecured. Amount will be repaid through reductions in future distributions from the Partnership's investment with no set payment terms.

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

4. Portfolio Investments (continued)

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from 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); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of First Nation's portfolio investments have been determined using Level 1 measures in the fair value hierarchy.

5. Trust funds

	Beginning	Additions	Withdrawals	Ending
Revenue	\$ 516,641	\$ 39,830	\$ -	\$ 556,471
Capital	2,484	-	-	2,484
	\$ 519,125	\$ 39,830	\$ -	\$ 558,955

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.

6. Deferred revenue

	2024	2023
Indigenous Services Canada	\$ 2,496,858	\$ 2,941,200
Canada	216,600	286,300
Ontario	667,800	615,500
Aboriginal organizations	2,062,900	2,474,000
Other revenues	929,000	529,000
	\$ 6,373,158	\$ 6,846,000

Reconciliation of deferred revenue

Balance, beginning of year	\$ 6,846,000	\$ 5,989,869
Additions during the year	6,373,158	6,846,000
Applied to operations during the year	(6,846,000)	(5,989,869)
Balance, end of year	\$ 6,373,158	\$ 6,846,000

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

7. Long term debt

	2024	2023
Mortgage, Canada Mortgage and Housing Corporation, repayable \$5,625 monthly including interest at 0.70%, due September 2025	\$ 369,519	\$ 434,188
Vehicle loan, Ford Credit, repayable \$638 monthly including interest at 3.49%, maturing March 2025	7,509	14,760
	\$ 377,028	\$ 448,948

Interest paid on long term debt during the year amounted to \$3,234 (2023 - \$3,297). Assuming renewal on comparable terms, principal payments required on long term debt for the next five years are as follows:

Year	Amount
2025	\$ 72,642
2026	65,617
2027	66,055
2028	66,519
2029	66,986
Thereafter	39,209
	\$ 377,028

8. Accumulated surplus

	2024	2023
Accumulated surplus , end of year		
Reserves set aside for specific purposes by Chief and Council		
Land acquisition	\$ 871,599	\$ 871,599
Wealth generation strategy	20,630,283	16,628,491
Business revenue reserve	2,875,144	387,796
CMHC reserves	344,062	327,712
Better living policies	689,151	1,108,957
Total reserves	25,410,239	19,324,555
Equity in tangible capital assets	15,668,673	13,684,614
General surplus	4,751,836	1,342,467
Funds held in trust	558,955	519,126
Equity in partnerships	6,700,000	6,700,000
Remeasurement	(497,355)	-
	\$ 52,592,348	\$ 41,570,762

9. Boundary claim settlement trust

As beneficiary, the First Nation is entitled to receive all taxable income of the boundary claim settlement trust. Income distributions are recognized as revenue when received or receivable and the amount can be reasonably estimated.

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

10. Pension agreement

The First Nation provides defined contribution plan for eligible members of its staff. The First Nation matches employees' contributions. The amount to be received by employees will be the amount of retirement gratuity that could be purchased based on the employees share of the pension plan at the time of the employee's withdrawal from the plan. The First Nation contributed \$92,836 (2023 - \$75,257) during the year for retirement benefits.

11. Contingent liability

The First Nation is contingently liable to Canada Mortgage and Housing Corporation for housing renovation loans extended to band members. Loans are forgivable on a straight line basis over four years, as long as the occupant remains the same. Any outstanding balance becomes payable by the First Nation if the terms of forgiveness are not met.

12. Contractual right

The First Nation has control over the Michipicoten Development Corporation which as entered into contracts with a several private sector entities to allow the entities to operate a gold mine on the First Nation's land. In return the First Nation will receive a royalty fee of a range of 1.25% to 3.5% (varying by contract) of all gross invoices of said private sector entities' contract revenues earned from the mine over the life of the mine project. During the current year, the First Nation recognized a royalty fee of \$1,486,110 (2023 - \$1,283,852).

13. Financial instruments

First Nation's financial instruments consist of cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities. The nature of the risks to which First Nation may be subject to are as follows:

a) Credit risk

Credit risk is the risk that one party to a financial transaction will fail to discharge a financial obligation and cause the other party to incur a financial loss. First Nation is exposed to this risk relating to its cash, portfolio investments and accounts receivable.

First Nation holds its cash accounts and portfolio investments with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote.

First Nation is exposed to credit risk in accounts receivable which includes government and other receivables. First Nation measures its exposure to credit risk with respect to accounts receivable based on how long the amounts have been outstanding and management's analysis of accounts including managements on-going monitoring of outstanding accounts, collections, and allowance for doubtful accounts (as expressed in note 3). In the opinion of management, the credit risk exposure in accounts receivable is considered to be moderate.

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

12. Financial instruments (continued)

b) Liquidity risk

Liquidity risk is the risk that the company cannot repay its obligations when they become due to its creditors. First Nation is exposed to this risk relating to its accounts payable and accrued liabilities, and loan payable.

First Nation reduces its exposure to liquidity risk by monitoring cash and investing activities and expected outflow through extensive budgeting and maintaining enough cash and investments to repay trade creditors as payables become due. In the opinion of management, the liquidity risk exposure to First Nation is low.

c) 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 two types of risk: interest rate risk and other price risk.

i) 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. First Nation is exposed to this risk through its interest-bearing investments and long term debt held.

First Nation's GIC portfolio has fixed interest rates ranging from 2.7% to 5.2% and maturities of September 27, 2024. First Nation does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management, the interest rate risk exposure to First Nation is low.

The First Nation holds long-term debt with fixed interest rates; which therefore, limits the exposure to interest rate risk for the First Nation.

ii) Other price risk

Other price risk is the uncertainty associated with the valuation of financial assets arising from changes in equity markets. First Nation is exposed to this risk through its equity holdings in its investment portfolio.

The maximum exposure to other price risk through First Nation's equity holdings is detailed in note to the financial statements. Management reduces its exposure to other price risk by monitoring the value of its holdings on a regular basis. In the opinion of management, the other price risk exposure to First Nation is low.

There have not been significant changes from the previous year in the exposure to all of the above risks or policies, procedures and methods used to measure these risks.

14. Comparative figures

Comparative figures have been restated where necessary to conform to the presentation adopted during the current fiscal year.

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

15. Segmented information

The Michipicoten First Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, capital, enterprises and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with 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, are as follows:

Community and membership

This department is responsible for administering programs focusing on improving the lives of members and families of the First Nation, including: better living, employment training and funeral policies; promoting awareness of cultural ties by gathering together youth and elders; youth employment projects; and distribution of trust settlement proceeds to members.

Education

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Infrastructure & asset management - shop and public works

The infrastructure and asset management department provides public services that contribute to community development and sustainability through the provision of maintenance services for roads, water and sanitation, fire protection, electrical, information technology and community buildings.

Health and social services

This department provides a diverse bundle of services directed towards the well-being of members including such activities as medical transportation, pre-natal and early childhood care, brighter futures, building healthy communities, traditional healing, family violence prevention, band representation and other programs designed to enhance the health and social well-being of members.

Administration and governance

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council.

Housing

This department oversees construction and renovation of housing in the community and as well, operates the CMHC project and other band-owned homes. This department undertakes planning activities to ensure the long-term improvement of the community's homes.

Enterprises and economic development

Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency. These activities could include income generated from renting out band-owned equipment, lease income and other projects from time to time. This department also oversees economic development programs within the community.

Michipicoten First Nation

Notes to Consolidated Financial Statements

March 31, 2024

15. Segmented information (continued)

Other programs

The First Nation provides other services, including administrating Ontario First Nations (2008) Limited Partnership funding and resource revenues.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Segment Disclosure.

16. Budget

The Financial Plan (Budget) By-Law adopted by Council on April 28, 2022 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council with adjustments as follows:

Budget surplus (deficit) for the year	<u>\$ 13,565,531</u>
Budget surplus (deficit) per statement of operations	<u>\$ 13,565,531</u>

17. Funding reconciliation

Indigenous Services Canada funding per the financial statements	\$ 4,919,302
Add: Deferred revenue, end of year	2,496,858
Less: Deferred revenue, beginning of year	(2,941,200)
Less: CHRT claim	(1,162,649)
Less: 2020-2021 additional payment	<u>(15,126)</u>
	<u>\$ 3,297,185</u>
Indigenous Services Canada funding per funding confirmation Arrangement: 2021-ON-000027	<u>\$ 3,297,185</u>

Michipicoten First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2024

	Land	Land Improve- ments	Buildings	Housing	Machinery and Equipment	Vehicles	Infra- structure	Construction in Progress	Total
Cost, beginning of year	\$ 8,951,177	\$ 584,540	\$ 1,832,238	\$ 3,954,375	\$ 1,050,114	\$ 607,953	\$ 2,931,818	\$ 326,320	\$ 20,238,535
Additions	-	-	315,094	-	520,972	57,011	-	1,401,924	2,295,001
Disposals	-	-	-	-	-	-	-	-	-
Capitalized construction	-	-	326,320	-	-	-	-	(326,320)	-
Cost, end of year	8,951,177	584,540	2,473,652	3,954,375	1,571,086	664,964	2,931,818	1,401,924	22,533,536
Accumulated amortization, beginning of year	-	272,322	1,166,394	1,823,442	658,674	233,148	1,950,994	-	6,104,974
Amortization	-	47,050	61,591	94,767	62,729	62,246	54,478	-	382,861
Disposals	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	319,372	1,227,985	1,918,209	721,403	295,394	2,005,472	-	6,487,835
Net carrying amount, end of year	\$ 8,951,177	\$ 265,168	\$ 1,245,667	\$ 2,036,166	\$ 849,683	\$ 369,570	\$ 926,346	\$ 1,401,924	\$ 16,045,701

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$1,401,924 (2023 - \$326,320).

Michipicoten First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2023 (comparative figures)

	Land	Land Improve- ments	Buildings	Housing	Machinery and Equipment	Vehicles	Infra- structure	Construction in Progress	Total
Cost, beginning of year	\$ 8,951,177	\$ 484,800	\$ 1,832,238	\$ 3,385,537	\$ 1,050,114	\$ 530,473	\$ 2,931,818	\$ 140,000	\$ 19,306,157
Additions	-	99,740	-	568,838	-	77,480	-	326,320	1,072,378
Disposals	-	-	-	-	-	-	-	-	-
Capitalized construction	-	-	-	-	-	-	-	(140,000)	(140,000)
Cost, end of year	<u>8,951,177</u>	<u>584,540</u>	<u>1,832,238</u>	<u>3,954,375</u>	<u>1,050,114</u>	<u>607,953</u>	<u>2,931,818</u>	<u>326,320</u>	<u>20,238,535</u>
Accumulated amortization, beginning of year	-	225,272	1,120,838	1,728,675	613,447	177,627	1,895,789	-	5,761,648
Amortization	-	47,050	45,556	94,767	45,227	55,521	55,205	-	343,326
Disposals	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	<u>-</u>	<u>272,322</u>	<u>1,166,394</u>	<u>1,823,442</u>	<u>658,674</u>	<u>233,148</u>	<u>1,950,994</u>	<u>-</u>	<u>6,104,974</u>
Net carrying amount, end of year	<u>\$ 8,951,177</u>	<u>\$ 312,218</u>	<u>\$ 665,844</u>	<u>\$ 2,130,933</u>	<u>\$ 391,440</u>	<u>\$ 374,805</u>	<u>\$ 980,824</u>	<u>\$ 326,320</u>	<u>\$ 14,133,561</u>

The notes are an integral part of these financial statements.

Michipicoten First Nation
Schedule 2 - Consolidated Segment Disclosure

For the year ended March 31, 2024

	Community and Membership	Education	Infrastructure & Asset Management - Shop and Public Works	Health and Social Services	Admini- stration and Governance	Housing	Enterprises and Economic Development	Other	Consolidated Total
Revenue									
Indigenous Services Canada	\$ 48,879	\$ -	\$ 1,283,864	\$ 1,782,525	\$ 702,566	\$ 878,829	\$ 126,595	\$ 96,044	\$ 4,919,302
Canada	9,603	-	-	77,874	-	32,556	118,591	6,000	244,624
Ontario	-	13,903	93,361	154,724	-	-	402,478	-	664,466
Ontario First Nations (2008) Limited Partnership	-	-	-	-	-	-	-	1,072,282	1,072,282
Trust income	826,308	-	-	-	-	-	-	-	826,308
Aboriginal organizations	30,392	2,180,036	-	1,136,388	-	-	-	6,736	3,353,552
Interest, rentals and other	68,181	73,214	296,763	-	1,127,654	238,602	1,516,161	9,991,296	13,311,871
Transfers between segments	740,343	-	-	-	331,939	-	-	(1,072,282)	-
	1,723,706	2,267,153	1,673,988	3,151,511	2,162,159	1,149,987	2,163,825	10,100,076	24,392,405
Expenses									
Salaries, wages and benefits	61,308	356,470	526,072	1,359,454	758,492	100,415	540,856	20,407	3,723,474
Materials and supplies	145,036	25,384	169,604	257,127	96,068	28,442	47,205	44,238	813,104
Contracted services	33,245	46,466	532,790	501,009	1,170,273	243,838	621,099	1,056,195	4,204,915
Rents and financial expenses	7,309	1,000	65,267	75,532	239,197	26,292	20,994	6,515	442,106
External transfers	1,722,739	1,529,840	-	44,425	-	-	-	10,000	3,307,004
Amortization	4,591	1,534	210,316	20,349	28,504	95,175	22,392	-	382,861
Transfers between segments	138,253	309,448	(64,953)	360,783	(1,022,275)	49,149	219,992	9,603	-
	2,112,481	2,270,142	1,439,096	2,618,679	1,270,259	543,311	1,472,538	1,146,958	12,873,464
Excess (deficiency) of revenue over expenses	\$ (388,775)	\$ (2,989)	\$ 234,892	\$ 532,832	\$ 891,900	\$ 606,676	\$ 691,287	\$ 8,953,118	\$11,518,941

The notes are an integral part of these financial statements.

Michipicoten First Nation

Schedule 2 - Consolidated Segment Disclosure

For the year ended March 31, 2023 (comparative figures)

	Community and Membership	Education	Infrastructure & Asset Management - Shop and Public Works	Health and Social Services	Admini- stration and Governance	Housing	Enterprises and Economic Development	Other	Consolidated Total
Revenue									
Indigenous Services Canada	\$ 12,492	\$ -	\$ 390,734	\$ 595,124	\$ 417,607	\$ 850,235	\$ 167,024	\$ 59,465	\$ 2,492,681
Canada	-	-	-	643,928	-	69,833	770,628	18,422	1,502,811
Ontario	-	13,903	113,400	244,886	-	-	356,618	8,100	736,907
Ontario First Nations (2008) Limited Partnership	-	-	-	-	-	-	-	739,237	739,237
Trust income	804,015	-	-	-	-	-	-	-	804,015
Aboriginal organizations	8,858	1,880,530	-	679,320	-	-	74,935	10,805	2,654,448
Interest, rentals and other	99,744	58,788	13,775	(211,750)	949,383	89,382	669,470	3,350,152	5,018,944
Transfers between segments	739,237	-	-	-	-	-	-	(739,237)	-
	1,664,346	1,953,221	517,909	1,951,508	1,366,990	1,009,450	2,038,675	3,446,944	13,949,043
Expenses									
Salaries, wages and benefits	41,057	273,373	507,340	801,015	423,102	88,151	610,430	7,066	2,751,534
Materials and supplies	331,199	15,538	170,751	214,948	70,803	54,929	44,674	3,079	905,921
Contracted services	35,157	46,790	285,176	348,330	551,853	212,805	879,456	1,051,407	3,410,974
Rents and financial expenses	93	1,000	43,640	23,834	91,187	26,575	41,159	9,149	236,637
External transfers and other	1,186,909	1,253,934	-	296,860	-	-	-	63,570	2,801,273
Amortization	4,590	1,534	193,950	16,475	28,504	94,767	3,506	-	343,326
Transfers between segments	52,955	362,438	(483,619)	211,117	(480,224)	142,329	186,624	8,380	-
	1,651,960	1,954,607	717,238	1,912,579	685,225	619,556	1,765,849	1,142,651	10,449,665
Excess (deficiency) of revenue over expenses	\$ 12,386	\$ (1,386)	\$ (199,329)	\$ 38,929	\$ 681,765	\$ 389,894	\$ 272,826	\$ 2,304,293	\$ 3,499,378

The notes are an integral part of these financial statements.

Michipicoten First Nation
Supplementary Financial Information
For the year ended March 31, 2024

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Tel: (705) 945-0990
Fax: + (705) 942-7979

www.bdo.ca

BDO Canada LLP
747 Queen Street East
P.O. Box 1109
Sault Ste. Marie, Ontario
P6A 5N7

Compilation Engagement Report

To Management of Michipicoten First Nation

On the basis of information provided by management, we have compiled the program financial schedules of Michipicoten First Nation for the year ended March 31, 2024 and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information (the "financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
October 16, 2024

Michipicoten First Nation
Administration and Governance
Statement of Revenue and Expenses

For the year ended March 31

2024

2023

	Admin- istration	Chief and Council	Total	Total
Revenue				
Indigenous Services Canada	\$ 555,933	\$ 146,633	\$ 702,566	\$ 417,607
Transfer - OFNLP	331,939	-	331,939	-
Other	1,125,854	1,800	1,127,654	949,383
	2,013,726	148,433	2,162,159	1,366,990
Expenses				
Administration & maintenance fee	(576,384)	(445,891)	(1,022,275)	(480,224)
Bad debts	127,802	-	127,802	-
Change in FHIT	39,830	-	39,830	258,617
Honoraria	1,560	93,396	94,956	85,257
Insurance	88,887	1,981	90,868	72,629
Interest and bank charges	12,760	-	12,760	8,542
Materials and supplies	70,170	25,692	95,862	69,087
Miscellaneous	206	-	206	1,716
Professional fees	845,417	282,169	1,127,586	507,364
Rentals	5,762	2,005	7,767	10,016
Telephone and utilities	39,621	3,066	42,687	44,489
Travel and training	32,010	63,160	95,170	24,019
Wages and benefits	443,720	124,646	568,366	313,826
	1,131,361	150,224	1,281,585	915,338
Excess (deficiency) of revenue over expenditures for funding	\$ 882,365	\$ (1,791)	\$ 880,574	\$ 451,652

Michipicoten First Nation
Infrastructure & Asset Management - Shop and Public Works
Statement of Revenue and Expense

For the year ended March 31	2024	2023
Revenue		
Indigenous Services Canada	\$ 1,411,364	\$ 904,134
Ontario	93,361	90,000
Office/hall rentals and other	1,190,763	13,775
	2,695,488	1,007,909
Deferred revenue, beginning of year	1,764,000	1,274,000
Deferred revenue, end of year	(2,785,500)	(1,764,000)
	1,673,988	517,909
Expenses		
Administration and maintenance fees	(64,953)	(483,619)
Capital expenditures	512,799	-
Insurance	22,243	20,028
Material and supplies	169,604	170,751
Professional and consulting fees	501,331	254,041
Rentals	43,024	23,612
Telephone and utilities	30,722	30,428
Travel and training	17,214	60,132
Unfunded expense for landfill closure costs	(5,260)	(4,889)
Utilities	737	707
Wages and benefits	508,858	447,208
	1,736,319	518,399
Deficiency of revenue over expenditures for funding	\$ (62,331)	\$ (490)

Michipicoten First Nation
Community and Membership
Statement of Revenue and Expenses

For the year ended March 31

2024

2023

	Better Living Policies	Per Capita Distributions	Youth and Elders Gathering	Youth Employment Initiatives	Membership Services	Total	Total
Revenue							
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ 12,879	\$ 12,879	\$ 12,393
Canada	-	-	-	9,603	-	9,603	-
Aboriginal organizations	-	-	-	30,392	-	30,392	8,858
Transfer - OFNLP	696,429	-	43,914	-	-	740,343	739,237
Trust income	717,196	109,112	-	-	-	826,308	804,015
Interest and other revenue	14,711	630	52,840	-	-	68,181	41,374
	1,428,336	109,742	96,754	39,995	12,879	1,687,706	1,605,877
Deferred revenue, beginning of year	-	-	-	36,000	-	36,000	94,469
Deferred revenue, end of year	-	-	-	-	-	-	(36,000)
	1,428,336	109,742	96,754	75,995	12,879	1,723,706	1,664,346
Expenses							
Administration and maintenance fees	125,283	-	5,284	6,399	1,288	138,254	52,955
Bank charges and interest	120	4	-	-	-	124	93
Consulting and contract services	-	-	33,245	-	-	33,245	35,157
Honoraria	-	-	4,790	-	-	4,790	22,284
Material and supplies	-	109,112	25,494	7,702	2,728	145,036	331,199
Members	1,722,739	-	-	-	-	1,722,739	1,186,909
Rentals	-	-	7,185	-	-	7,185	-
Travel and training	-	-	20,757	-	954	21,711	(2,879)
Wages and benefits	-	-	-	26,898	7,909	34,807	21,652
	1,848,142	109,116	96,755	40,999	12,879	2,107,891	1,647,370
Excess (deficiency) of revenue over expenses	(419,806)	626	(1)	34,996	-	(384,185)	16,976
Add: transfer (to) from reserve	419,806	-	-	-	-	419,806	(16,500)
Excess (deficiency) of revenue over expenditure for funding	\$ -	\$ 626	\$ (1)	\$ 34,996	\$ -	\$ 35,621	\$ 476

Michipicoten First Nation
Education
Statement of Revenue and Expenses

For the year ended March 31

2024 2023

	Elementary/ Secondary	Post Secondary	Library	Education	Jordan's Principle	Total	Total
Revenue							
Ontario	\$ -	\$ -	\$ 13,903	\$ -	\$ -	\$ 13,903	\$ 13,903
Kinoomaadziwin Education Body	698,660	1,191,820	-	47,456	-	1,937,936	2,510,030
Other	-	-	-	-	73,214	73,214	51,088
	698,660	1,191,820	13,903	47,456	73,214	2,025,053	2,575,021
Deferred revenue, beginning of year	1,344,300	944,700	-	-	16,000	2,305,000	1,683,200
Deferred revenue, end of year	(1,568,000)	(466,000)	-	-	(28,900)	(2,062,900)	(2,305,000)
	474,960	1,670,520	13,903	47,456	60,314	2,267,153	1,953,221
Expenses							
Administration and maintenance	111,786	190,691	2,225	4,746	-	309,448	362,438
Allowances	-	854,541	-	-	-	854,541	731,345
Consulting fees	11,988	20,000	-	10,000	-	41,988	41,864
Honoraria	1,850	-	-	4,000	-	5,850	7,013
Insurance	1,000	-	-	-	-	1,000	1,000
Materials and supplies	6,071	(416)	637	19,092	-	25,384	15,538
Telephone and utilities	3,878	200	-	-	400	4,478	4,926
Travel and training	9,175	167	-	2,816	917	13,075	3,044
Tuition fees	99,117	569,380	-	6,802	-	675,299	522,589
Wages and benefits	230,625	35,752	11,042	-	60,126	337,545	263,316
	475,490	1,670,315	13,904	47,456	61,443	2,268,608	1,953,073
Excess (deficiency) of revenue over expenditures for funding	\$ (530)	\$ 205	\$ (1)	\$ -	\$ (1,129)	\$ (1,455)	\$ 148

Michipicoten First Nation
Housing
Statement of Revenue and Expenses

For the year ended March 31

2024 2023

	Housing	CMHC Senior and Family	Retro-fit RRAP	Total	Total
Revenue					
Indigenous Services Canada	\$ 289,529	\$ -	\$ -	\$ 289,529	\$1,243,035
Canada	-	72,833	16,723	89,556	72,833
Inter-function transfer	(40,203)	40,203	-	-	-
Other	27,260	61,302	150,040	238,602	89,382
	276,586	174,338	166,763	617,687	1,405,250
Deferred revenue, beginning of year	936,400	-	93,000	1,029,400	633,600
Deferred revenue, end of year	(347,100)	-	(150,000)	(497,100)	(1,029,400)
	865,886	174,338	109,763	1,149,987	1,009,450
Expenses					
Administration and maintenance fees	28,953	20,196	-	49,149	142,329
Capital expenditures	1,401,924	8,173	-	1,410,097	428,838
Insurance	6,241	15,950	-	22,191	22,065
Interest	-	2,834	-	2,834	3,279
Materials and supplies	14,917	3,525	10,000	28,442	54,929
Principal payments on long term debt	-	64,669	-	64,669	64,224
Professional fees	189,133	5,963	4,000	199,096	171,152
Rentals	873	394	-	1,267	1,231
Telephone and utilities	10,419	34,323	-	44,742	41,653
Travel and training	2,000	-	-	2,000	2,000
Wages and benefits	93,691	1,961	2,763	98,415	86,151
	1,748,151	157,988	16,763	1,922,902	1,017,851
Excess (deficiency) of revenue over expenses	(882,265)	16,350	93,000	(772,915)	(8,401)
Add: transfer from (to) reserve	-	(16,350)	-	(16,350)	1,330
Excess (deficiency) of revenue over expenditures for funding	\$ (882,265)	\$ -	\$ 93,000	\$ (789,265)	\$ (7,071)

Michipicoten First Nation
Enterprises and Economic Development
Statement of Revenue and Expenses

For the year ended March 31

2024 2023

	Economic Development	Land - Resources	Land Leases	Commercial Studies	Environment Initiatives	Total	Total
Revenue							
Indigenous Services Canada	\$ 94,723	\$ -	\$ -	\$ 80,772	\$ 125,000	\$ 300,495	\$ 89,024
Canada	-	-	-	-	(2,109)	(2,109)	718,428
Ontario	-	223,138	-	198,000	24,840	445,978	372,518
Aboriginal organizations	-	-	-	-	-	-	12,735
Other	319,896	383,843	4,225	31,976	245,021	984,961	802,770
	414,619	606,981	4,225	310,748	392,752	1,729,325	1,995,475
Deferred revenue, beginning of year	222,200	304,300	-	137,900	144,600	809,000	852,200
Deferred revenue, end of year	-	(37,000)	-	(155,500)	(182,000)	(374,500)	(809,000)
	636,819	874,281	4,225	293,148	355,352	2,163,825	2,038,675
Expenses							
Administration and maintenance fees	53,095	98,136	423	32,993	35,345	219,992	186,624
Bank charges and interest	-	400	97	127	-	624	956
Capital expenditures	-	-	315,094	57,011	-	372,105	426,060
Contracting and consulting fees	225,270	199,088	3,470	169,548	16,720	614,096	871,889
Honoraria	(3,475)	-	-	-	400	(3,075)	(855)
Insurance	-	1,705	-	-	-	1,705	2,268
Materials and supplies	2,862	11,960	-	7,139	25,244	47,205	44,674
Principal payments on long term debt	-	7,251	-	-	-	7,251	7,003
Property taxes	-	-	18,665	-	-	18,665	17,945
Rentals	-	-	-	-	-	-	19,990
Telephone and utilities	2,475	2,911	-	993	624	7,003	7,567
Travel and training	11,586	26,229	-	3,265	3,547	44,627	73,673
Wages and benefits	150,901	245,680	-	21,909	80,814	499,304	537,612
	442,714	593,360	337,749	292,985	162,694	1,829,502	2,195,406
Excess (deficiency) of revenue over expenses	194,105	280,921	(333,524)	163	192,658	334,323	(156,731)
Excess (deficiency) of revenue over expenditures for funding	\$ 194,105	\$ 280,921	\$ (333,524)	\$ 163	\$ 192,658	\$ 334,323	\$ (156,731)

Michipicoten First Nation
Health and Social Services
Statement of Revenue and Expenses

For the year ended March 31

2024 **2023**

	Community Based Initiatives and Band Representative	Community Health Rep- resentative	Family Support Worker	Child and Family Programs	CWW and FWB Workers	Integrated Health Programs	Other	Total	Total
Revenue									
Indigenous Services Canada	\$1,505,098	\$ 3,723	\$ -	\$ -	\$ -	\$ 127,262	\$ -	\$1,636,083	\$ 294,824
Canada	-	-	-	-	-	-	77,874	77,874	505,128
Ontario	-	-	-	101,124	-	-	99,600	200,724	188,445
Aboriginal organizations	-	71,880	112,887	-	183,566	-	599,055	967,388	633,161
Other revenue - receivable adjustment	-	-	-	-	-	-	-	-	(211,750)
	1,505,098	75,603	112,887	101,124	183,566	127,262	776,529	2,882,069	1,409,808
Deferred revenue, beginning of year	-	-	-	95,000	46,000	187,300	460,400	788,700	1,336,400
Deferred revenue, end of year	-	-	-	(141,000)	-	(40,858)	(337,400)	(519,258)	(794,700)
	1,505,098	75,603	112,887	55,124	229,566	273,704	899,529	3,151,511	1,951,508
Expenses									
Administration and maintenance fees	201,200	11,873	18,007	15,919	25,792	18,218	69,774	360,783	211,117
Capital expenditures	-	-	-	-	-	-	-	-	77,480
Contracted services	405,660	299	6,119	26,130	8,892	7,372	15,381	469,853	329,659
Honoraria	80,130	-	-	-	6,125	975	-	87,230	8,274
Insurance	5,980	-	-	-	-	2,420	-	8,400	2,000
Materials and supplies	129,396	5,447	117	7,781	8,027	58,754	47,605	257,127	214,948
Members' assistance	6,273	3,351	2,801	-	10,000	7,000	15,000	44,425	296,860
Rentals	39,568	-	-	-	27,564	-	-	67,132	21,834
Telephone and utilities	19,713	1,829	1,825	-	3,879	2,741	1,169	31,156	18,671
Travel and training	125,037	2,680	6,691	5,157	4,597	733	141,158	286,053	200,135
Wages and benefits	447,041	50,123	77,326	-	89,927	36,284	285,470	986,171	592,606
	1,459,998	75,602	112,886	54,987	184,803	134,497	575,557	2,598,330	1,973,584
Excess (deficiency) of revenue over expenses	45,100	1	1	137	44,763	139,207	323,972	553,181	(22,076)
Excess (deficiency) of revenue over expenditures for funding	\$ 45,100	\$ 1	\$ 1	\$ 137	\$ 44,763	\$ 139,207	\$ 323,972	\$ 553,181	\$ (22,076)

Michipicoten First Nation
Other Programs
Statement of Revenue and Expenses

For the year ended March 31

2024 2023

	Ontario First Nations (2008) Limited Partnership	Resource Revenues	Pandemic Response	Own-source Business Revenues	Total	Total
Revenue						
Indigenous Services Canada	\$ -	\$ -	\$ 122,044	\$ -	\$ 122,044	\$ 59,465
Canada	-	-	-	-	-	18,422
Aboriginal organizations	-	-	6,736	-	6,736	10,805
OFN (2008) LP distributions	1,072,282	-	-	-	1,072,282	739,237
Transfers - OFNLP	(1,072,282)	-	-	-	(1,072,282)	(739,237)
Other revenue and interest	-	4,784,425	-	5,206,871	9,991,296	3,350,152
	-	4,784,425	128,780	5,206,871	10,120,076	3,438,844
Deferred revenue, beginning of year	-	-	113,900	-	113,900	116,000
Deferred revenue, end of year	-	-	(133,900)	-	(133,900)	(107,900)
	-	4,784,425	108,780	5,206,871	10,100,076	3,446,944
Expenses						
Administration and maintenance fees	-	-	9,603	-	9,603	8,380
Bank charges and interest	-	-	-	6,515	6,515	1,160
Consulting and contracting services	-	784,116	15,500	252,385	1,052,001	1,050,350
Honoraria	-	65	-	-	65	-
Materials and supplies	-	(1,017)	45,255	-	44,238	3,079
Members' assistance	-	-	10,000	-	10,000	63,570
Rentals	-	-	-	-	-	7,989
Telephone and utilities	-	-	4,194	-	4,194	1,057
Travel and training	-	(531)	2,499	9,449	11,417	4,951
Wages and benefits	-	-	8,925	-	8,925	2,115
	-	782,633	95,976	268,349	1,146,958	1,142,651
Excess of revenue over expenses	-	4,001,792	12,804	4,938,522	8,953,118	2,304,293
Add: transfer from (to) reserve	-	(4,001,792)	-	(2,487,348)	(6,489,140)	(2,091,052)
Excess of revenue over expenditures for funding	\$ -	\$ -	\$ 12,804	\$ 2,451,174	\$ 2,463,978	\$ 213,241

March 31, 2024

1. Basis of accounting

The basis of accounting applied in the preparation of the program financial schedules of Michipicoten First Nation for the year ended March 31, 2024 reflect cash transactions with adjustments for the following:

- accounts and loans receivable
- inventories
- prepaid expenses
- accounts payable and accrued liabilities
- deferred revenue
- transfers between programs
- administration and other charges between programs
- appropriations to and from reserves

Michipicoten First Nation

Schedule of Remuneration and Expenses – Chief and Councillors

For the year ended March 31, 2024

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Tel: (705) 945-0990
Fax: + (705) 942-7979

www.bdo.ca

BDO Canada LLP
747 Queen Street East
P.O. Box 1109
Sault Ste. Marie, Ontario
P6A 5N7

Independent Practitioner's Review Engagement Report

To the Members of Michipicoten First Nation

We have reviewed the accompanying Schedule of Remuneration and Expenses - Chief and Councillors of Michipicoten First Nation for the year ended March 31, 2024, and a summary of significant accounting policies and other explanatory information (together, the "Schedule"). The Schedule has been prepared by management, pursuant to the requirement of the Indigenous Services Canada 2019-2020 Year-end Reporting Handbook.

Management's Responsibility for the Schedule

Management of Michipicoten First Nation is responsible for the preparation of the Schedule in accordance with the financial reporting provisions in the Indigenous Services Canada 2019-2020 Year-end Reporting Handbook, and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the Schedule based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which required us to comply with relevant ethical requirements.

A review of the Schedule in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on this Schedule.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Schedule is not prepared, in all material respects, in accordance with the financial reporting provisions in the Indigenous Services Canada 2019-2020 Year-end Reporting Handbook.

Basis of Accounting

Without modifying our conclusion, we draw attention to Note 1 to the Schedule, which describes the basis of accounting. The Schedule is prepared to assist Michipicoten First Nation to meet the requirements of subsection 6(1) of the First Nations Financial Transparency Act. As a result, the Schedule may not be suitable for another purpose.

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
October 16, 2024

Michipicoten First Nation
Schedule of Remuneration and Expenses – Chief and Councillors
(Unaudited)

For the year ended March 31, 2024

<u>Individual</u>	<u>Position</u>	<u># of months</u>	<u>Remuneration (Note 1)</u>	<u>Expenses (Note 1)</u>
Patricia Tangie	Chief	12	\$74,463	\$12,161
Evelyn Stone	Councillor	12	\$14,160	\$9,547
Sandra Donney-Fraser	Councillor	12	\$14,160	\$4,134
Christine Lewis	Councillor	12	\$14,160	\$9,912
Chad Edgar	Councillor	12	\$14,160	\$13,813
Linda Peterson	Councillor	12	\$14,160	\$11,600
Irene Armstrong	Councillor	12	\$14,160	\$9,204

The accompanying note is an integral part of this financial schedule

Michipicoten First Nation
Schedule of Remuneration and Expenses – Chief and Councillors
Note to Schedule
(Unaudited)

For the year ended March 31, 2024

1. Definition of Remuneration and Expenses

Michipicoten First Nation follows the accrual basis of accounting using the principles of Canadian Public Sector Accounting Standards for this reporting. Remuneration is defined in the First Nation Financial Transparency Act as any salaries, wages, commissions, bonuses, fees, honoraria, and dividends and other monetary benefits – other than the reimbursement of expense – and non-monetary benefits.

Expenses as defined in the First Nation Financial Transparency Act include the costs of transportation, accommodation, meals, hospitality and incidental expenses. The remuneration and expenses presented above include remuneration paid and expenses reimbursed to the First Nation's chief and each of its councillors, acting in their capacity as such and in any other capacity, including their personal capacity, by the First Nation and by any entity controlled by the First Nation.