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Indigenous Services Canada
Sudbury Business Center
760 Notre Dame Ave Unit M
Sudbury, ON P3A 2T4

Attention: Christine Lapensee, Senior Funding Services Officer

February 28, 2025

Re: Chapleau Ojibwe First Nation

We enclose herewith for your information and retention, copies of the following documents to be published on the internet:

1. Consolidated Financial statements for the year ended March 31, 2024.
2. Schedule of Remuneration and Expenses for Chief and Councillors along with an accompanying Review Engagement Report for the year ended March 31, 2024.

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

Yours sincerely

BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants

Jennifer Archambault, CPA, CA
Partner through a corporation
/hm

Sent via email - christine.lapensee@sac-isc.gc.ca

**Chapleau Ojibwe First Nation
Consolidated Financial Statements
For the year ended March 31, 2024**

**Chapleau Ojibwe First Nation
Consolidated Financial Statements
For the year ended March 31, 2024**

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Chapleau Ojibwe First Nation Management's Responsibility for Financial Reporting

March 31, 2024

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

The 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.

The First Nation Council is 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 Chapleau Ojibwe First Nation and meet when required.

DocuSigned by:

Chief Anita Stephens

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Chief

Signed by:

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Band Manager

Independent Auditor's Report

To the Members of Chapleau Ojibwe First Nation

Qualified Opinion

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

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

Basis for Qualified Opinion

The First Nation has not consolidated the financial statements of the Chapleau Ojibwe First Nation Treaty Land Entitlement Trust that was created in the 2017 year, this constitutes a departure from Canadian public sector accounting standards. Under Canadian public sector accounting standards the Trust should have been consolidated as it is controlled by the First Nation. The effects on the consolidated financial statements of the failure to consolidate have not been determined. Our audit opinion on the consolidated financial statements for the year ended March 31, 2023 was modified because of the effects of this departure from Canadian public sector accounting standards.

In addition, 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 retrospective 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

Independent Auditor's Report (continued)

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

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

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

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

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

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

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

BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
February 28, 2025

Chapleau Ojibwe First Nation

Consolidated Statement of Financial Position

March 31	2024	2023
Financial assets		
Cash	\$ 22,430,290	\$ 18,277,499
Accounts receivable (Note 2)	2,013,223	1,617,550
Portfolio investments (Note 3)	9,000	-
Funds held in trust with Government of Canada (Note 4)	<u>124,191</u>	<u>120,273</u>
	<u>24,576,704</u>	<u>20,015,322</u>
Liabilities		
Demand loans (Note 6)	111,572	61,484
Accounts payable and accrued liabilities	167,302	111,044
Deferred revenue (Note 5)	1,958,126	1,301,043
Long term debt (Note 7)	<u>159,153</u>	<u>161,444</u>
	<u>2,396,153</u>	<u>1,635,015</u>
Net financial assets	<u>22,180,551</u>	<u>18,380,307</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	3,307,575	3,292,152
Prepaid expenses and inventory of supplies	<u>18,502</u>	<u>19,453</u>
	<u>3,326,077</u>	<u>3,311,605</u>
Accumulated surplus, end of year (Note 9)	<u>\$ 25,506,628</u>	<u>\$ 21,691,912</u>

DocuSigned by:

Chief Anita Stephens

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Chief

Signed by:



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Band Manager

Chapleau Ojibwe First Nation
Consolidated Statement of Operations

For the year ended March 31	2024	2023
Revenue		
Indigenous Service Canada	\$ 618,438	\$ 793,031
Ontario First Nations Limited Partnership	564,860	395,841
Wabun Tribal Council	371,905	299,630
Nishnawbe-Aski Nation	102,053	97,672
Province of Ontario	150,000	-
COFN TLE trust distributions	606,569	564,689
Resources	4,133,019	6,830,802
Interest and other	448,531	72,897
Amounts earned in Trust Funds (Note 4)	<u>3,918</u>	<u>2,957</u>
	<u>6,999,293</u>	<u>9,057,519</u>
Expenses		
Band administration	1,863,729	1,531,626
Health services	715,361	440,570
Infrastructure	214,195	198,803
Economic development and training	30,911	85,514
Community projects	219,717	(13,846)
Restricted reserves	<u>140,664</u>	<u>145,826</u>
	<u>3,184,577</u>	<u>2,388,493</u>
Annual surplus	3,814,716	6,669,026
Accumulated surplus, beginning of year	21,691,912	15,022,886
Accumulated surplus, end of year	\$ 25,506,628	\$ 21,691,912

Chapleau Ojibwe First Nation
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2024	2023
Annual surplus	\$ 3,814,716	\$ 6,669,026
Acquisition of tangible capital assets	(264,858)	(214,734)
Amortization of tangible capital assets	249,435	236,496
Prepaid expenses and inventory of supplies	951	(11,086)
Net change in net financial assets	3,800,244	6,679,702
Net financial assets, beginning of year	<u>18,380,307</u>	11,700,605
Net financial assets, end of year	<u>\$ 22,180,551</u>	\$ 18,380,307

Chapleau Ojibwe First Nation
Consolidated Statement of Cash Flows

<u>For the year ended March 31</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Annual surplus	\$ 3,814,716	\$ 6,669,026
Item not involving cash		
Amortization	<u>249,435</u>	<u>236,496</u>
	4,064,151	6,905,522
Changes in non-cash operating balances		
Accounts receivable	(395,673)	(316,195)
Prepaid expense and inventory of supplies	951	(11,086)
Portfolio investments	(9,000)	-
Deferred revenue	657,083	(237,852)
Funds held in trust with Government of Canada	(3,918)	(2,957)
Accounts payable	<u>56,258</u>	<u>(174,282)</u>
	4,369,852	6,163,150
Capital transactions		
Acquisition of tangible capital assets	<u>(264,858)</u>	<u>(214,734)</u>
Financing activities		
Debt advances	103,776	-
Principal payments on long term debt	(2,291)	(7,071)
Decrease in demand loans	<u>(53,688)</u>	<u>(61,461)</u>
	47,797	(68,532)
Increase in cash and equivalents	4,152,791	5,879,884
Cash and cash equivalents, beginning of year	18,277,499	12,397,615
Cash and cash equivalents, end of year	\$ 22,430,290	\$ 18,277,499

Chapleau Ojibwe First Nation

Notes to Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies

Accounting Principles These consolidated financial statements of the Chapleau Ojibwe First Nation have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.

Basis of Consolidation These financial statements reflect the assets, liabilities, revenues and expenses of all programs under the control of Chief and Council.

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.

Organizations consolidated due to 100% ownership include:

- Chapleau Ojibwe (Amik-BBF Hydrokap) F.N. Limited Partnership
- Chapleau Ojibwe (CTR Hydrokap) F.N. Limited Partnership
- Chapleau Ojibwe (Amik-BBF Hydrokap) F.N. Inc.
- Chapleau Ojibwe (CTR Hydrokap) F.N. Inc.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Housing	40 years
Buildings	40 years
Water treatment plant	25 to 50 years
Roads	30 to 50 years
Furniture and fixtures	5 years
Computer hardware	3 years
Vehicles	5 years
Machinery and equipment	5 years

Use of Estimates The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Chapleau Ojibwe First Nation

Notes to Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies (continued)

Revenue Recognition	<p>Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis.</p> <p>Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.</p> <p>Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.</p>
Financial instruments	<p>Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, long-term debt and equity instruments not quoted in an active market are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.</p> <p>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.</p> <p>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.</p> <p>For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.</p> <p>All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.</p> <p>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.</p>

Chapleau Ojibwe First Nation Notes to Consolidated Financial Statements

March 31, 2024

2. Accounts receivable

	2024	2023
Indigenous Service Canada	\$ 799,441	\$ 513,119
Wabun Tribal Council	297,379	169,452
Nishnawbe-Aski Nation	47,913	114,386
Goldcorp Borden Limited	240,759	258,096
Three Nations Drilling LP	-	500,000
Three Nations Development LP	47,778	-
OFNLP	376,433	-
Band Council and Band Members	4,062	-
Other	210,220	73,259
Less: allowance for doubtful accounts	<u>(10,762)</u>	<u>(10,762)</u>
	<u>\$ 2,013,223</u>	<u>\$ 1,617,550</u>

3. Portfolio investments

In addition to the above noted common stock equities the First Nation has the following investments recorded at cost:

- A 10% investment in each of Amik-BBF HydroKap Limited Partnership and Amik-CTR HydroKap Limited Partnership, representing 20,000 units of each with a cost base of \$nil.
- A 33% investment in 2454357 Ontario Inc. representing 100 shares of a total of 300 shares outstanding with a cost base of \$nil.
- A 33% investment in Three Nations Drilling LP through their investment in 2454357 Ontario Inc., representing 200 shares of a total of 601 shares outstanding with a cost base of \$200.
- A 25% investment in Exiro Minerals Corp. representing 10,000 common shares of a total of 40,000 common shares outstanding with a cost base of \$9,000.

Chapleau Ojibwe First Nation

Notes to Consolidated Financial Statements

March 31, 2024

4. Trust Funds held by Federal Government

	March 31, 2023	Additions 2024	Withdrawals 2024	March 31, 2024
Revenue	\$ 84,310	\$ 3,918	\$ -	\$ 88,228
Capital	35,963	-	-	35,963
	\$ 120,273	\$ 3,918	\$ -	\$ 124,191

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 Section 63 to 69 of the Indian Act.

5. Deferred revenue

	Balance March 31, 2023	Funding Received 2024	Revenue Recognized 2024	Balance March 31, 2024
Indigenous Services Canada	\$ 1,301,043	\$ 1,190,007	\$ 618,437	\$ 1,872,613
Other	-	534,044	448,531	85,513
	\$ 1,301,043	\$ 1,724,051	\$ 1,066,968	\$ 1,958,126

Deferred revenue is broken down by program as follows:

	2024	2023
Management Government Capacity	\$ 782,751	\$ 637,878
Choose Life	-	14,865
Capacity Innovation	18,040	18,040
Community Based Prevention	70,521	-
Aboriginal Headstart	456,309	313,107
Band Representation	162,350	115,652
On reserve housing	107,264	-
IRS	85,513	-
Water Systems	275,378	201,501
	\$ 1,958,126	\$ 1,301,043

6. Demand loans

The First Nation has three demand loans for vehicles, with total biweekly repayments of \$2,322. One loan is interest-free and the other two loans have interest rates ranging from 0% to 2.99% and they are secured by the vehicles (NBV - \$103,160). Assuming the demand features of the loans are not exercised the principal payments required to be made in the 2025, 2026, 2027 and 2028 years are \$46,374, \$25,963, \$26,750 and \$12,484, respectively.

Chapleau Ojibwe First Nation
Notes to Consolidated Financial Statements

March 31, 2024

7. Long term debt

	2024	2023
RBC Mortgage at prime plus 2.11%, due in monthly installments of \$1,716 including interest, secured by land and building with a net book value of \$185,170, matures December 2024	\$ 159,153	\$ 161,444
Less current portion	<u>159,153</u>	<u>161,444</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

8. Funding reconciliation

Indigenous Service Canada revenue per the financial statements	\$ 618,438	
Less: Deferred revenue, beginning of year	(1,301,044)	
Add: Deferred revenue, end of year	<u>1,872,613</u>	
	<u><u>\$ 1,190,007</u></u>	
Indigenous Service Canada revenue per funding confirmation	<u><u>\$ 1,190,007</u></u>	

9. Accumulated surplus

	2024	2023
Reserves set aside for specific purposes by the First Nation		
Education	\$ 817	\$ 817
Capital projects	476,702	476,702
OFNLP	1,238,888	814,692
Resource revenue sharing	2,395,839	1,992,450
TLE	4,169,105	4,169,105
TLE revenue	<u>2,877,763</u>	<u>2,581,194</u>
Reserves	11,159,114	10,034,960
Equity in tangible capital assets	3,036,847	3,069,221
Members' surplus	11,186,476	8,467,458
Funds held in trust by Federal Government	<u>124,191</u>	<u>120,273</u>
	<u><u>\$ 25,506,628</u></u>	<u><u>\$ 21,691,912</u></u>
Allocation of annual surplus:		
Reserves	\$ 1,124,153	\$ 2,807,153
Equity in tangible capital assets	(32,374)	46,771
Members' surplus	2,719,019	3,812,145
Funds held in trust	<u>3,918</u>	<u>2,957</u>
	<u><u>\$ 3,814,716</u></u>	<u><u>\$ 6,669,026</u></u>

Chapleau Ojibwe First Nation

Notes to Consolidated Financial Statements

March 31, 2024

10. Commitments

The First Nation has various automotive leases at an approximate annual rental over the next two years of :

2025	\$	29,773
2026	\$	23,805

11. Segmented information

The Chapleau Ojibwe 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 department.

Departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Band Support / Administration

The Band 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, as well as delivers various community events.

Health services

The health services department provides a diverse bundle of services directed towards the well-being of members including such activities as early childhood care, community health representatives and other smaller programs designed to enhance the health of members.

Infrastructure

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water systems, fire protection, electrical systems, community buildings and housing.

Education

The education department provides education counselling services and related services to the members.

Economic development

The economic development department is responsible for identifying and developing economic opportunities for the benefit of the First Nation and its members. The department also secures and delivers employment training funding for the First Nation

Capital/Community projects

The capital department provides services for the longevity of the First Nation by the acquisition and development of housing, roads and other capital projects. Activities in this department are generally long-term in nature, with items capitalized and amortized over their useful life according to the tangible capital asset policy.

Chapleau Ojibwe First Nation

Notes to Consolidated Financial Statements

March 31, 2024

11. Segmented information (continued)

Restricted reserve

This functional area includes the management and distribution of funds received from the Ontario First Nations Limited Partnership, as well as funds held in trust in Ottawa by the department of Indigenous and Northern Affairs Canada.

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, including transfers that have been apportioned based on a percentage of budgeted expenses.

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 the Consolidated Schedule of Segment Disclosure - Service (Schedule 2).

12. Budget

The First Nation has not prepared a budget for the March 31, 2024 year-end, accordingly no budget figures have been presented for comparison purposes on the consolidated statements of operations and change in net financial assets.

13. Financial instruments

The First Nation is exposed to credit risk, liquidity risk and market risk from its financial instruments. This note describes the First Nation's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

a) 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 an obligation. The First Nation is exposed to credit risk through its cash and accounts receivable.

The First Nation's maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as presented on the statement of financial position. The First Nation holds its cash accounts with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote.

The First Nation is exposed to credit risk in accounts receivable which includes government and other receivables. The 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. In the opinion of management, the credit risk exposure in accounts receivable is considered to be moderate.

Chapleau Ojibwe First Nation Notes to Consolidated Financial Statements

March 31, 2024

13. 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. The First Nation is exposed to this risk relating to its accounts payable and accrued liabilities, long term debt and due to funders.

The First Nation reduces its exposure to liquidity risk by monitoring cash and investing activities and expected outflow through extensive budgeting and maintaining enough cash or line of credit to repay trade creditors as payables become due. In the opinion of management, the liquidity risk exposure to the 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 three types of risk: currency risk, interest rate risk and other price risk. The First Nation is mainly exposed to interest rate risk.

i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation is exposed to this risk through its RBC mortgage. See note 7 for information on this. The 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 the First Nation is low.

There have not been any changes from the prior year in the First Nation's exposure to all of the above risks or the policies, procedures and methods it uses to measure these risks.

Chapleau Ojibwe First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2024

	Land	Housing	Building	Water Treatment Plant	Roads	Furniture & Fixtures	Computer Hardware	Vehicles	Machinery & Equipment	Total
Cost , beginning of year	\$ 99,816	\$ 2,599,805	\$ 1,228,671	\$ 940,988	\$ 23,131	\$ 36,785	\$ 26,536	\$ 510,987	\$ 278,078	\$ 5,744,797
Additions	-	-	-	-	-	-	-	103,776	161,082	264,858
Cost , end of year	99,816	2,599,805	1,228,671	940,988	23,131	36,785	26,536	614,763	439,160	6,009,655
Accumulated amortization , beginning of year	-	712,898	589,381	520,950	23,131	36,785	26,536	411,689	131,275	2,452,645
Amortization	-	64,995	30,717	25,584	-	-	-	70,374	57,765	249,435
Accumulated amortization , end of year	-	777,893	620,098	546,534	23,131	36,785	26,536	482,063	189,040	2,702,080
Net carrying amount , end of year	\$ 99,816	\$ 1,821,912	\$ 608,573	\$ 394,454	\$ -	\$ -	\$ -	\$ 132,700	\$ 250,120	\$ 3,307,575

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

Chapleau Ojibwe First Nation
Schedule 1 - Consolidated Tangible Capital Assets (continued)

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

	Land	Housing	Building	Water Treatment Plant	Roads	Furniture & Fixtures	Computer Hardware	Vehicles	Machinery & Equipment	Total
Cost, beginning of year	\$ 99,816	\$ 2,535,279	\$ 1,228,671	\$ 940,988	\$ 23,131	\$ 36,785	\$ 26,536	\$ 510,987	\$ 127,870	\$ 5,530,063
Additions	-	64,526	-	-	-	-	-	-	150,208	214,734
Cost, end of year	99,816	2,599,805	1,228,671	940,988	23,131	36,785	26,536	510,987	278,078	5,744,797
Accumulated amortization, beginning of year	-	651,731	558,664	495,366	23,131	36,785	26,536	330,913	93,023	2,216,149
Amortization	-	61,167	30,717	25,584	-	-	-	80,776	38,252	236,496
Accumulated amortization, end of year	-	712,898	589,381	520,950	23,131	36,785	26,536	411,689	131,275	2,452,645
Net carrying amount, end of year	\$ 99,816	\$ 1,886,907	\$ 639,290	\$ 420,038	\$ -	\$ -	\$ -	\$ 99,298	\$ 146,803	\$ 3,292,152

Chapleau Ojibwe First Nation
Schedule 2 - Consolidated Segment Disclosure

For the year ended March 31, 2024

	Band Support	Health Services	Infrastructure	Education	Economic Development	Capital	Restricted Reserve	Consolidated Total
Revenue								
Indigenous Service Canada	\$ 251,473	\$ 43,819	\$ 190,325	\$ 2,813	\$ 30,911	\$ 99,097	\$ -	\$ 618,438
Province of Ontario	-	150,000	-	-	-	-	-	150,000
OFNLP	-	-	-	-	-	-	564,860	564,860
Wabun Tribal Council	254,943	116,962	-	-	-	-	-	371,905
Interest, rentals and other	5,064,244	225,928	-	-	-	-	3,918	5,294,090
	5,570,660	536,709	190,325	2,813	30,911	99,097	568,778	6,999,293
Expenses								
Salaries, wages and benefits	601,084	426,175	4,000	-	13,500	-	586	1,045,345
Materials and supplies	577,848	49,251	27,895	-	-	-	120,010	775,004
Contracted services	172,317	139,586	212,828	-	17,411	95,008	-	637,150
Rents and financial expenses	27,767	-	-	-	-	-	-	27,767
Travel and training	328,418	95,829	1,473	-	-	4,089	20,068	449,877
Program transfers	55,872	-	(55,872)	-	-	-	-	-
Amortization	100,423	4,520	23,871	-	-	120,620	-	249,434
	1,863,729	715,361	214,195	-	30,911	219,717	140,664	3,184,577
Annual surplus (deficit)	\$ 3,706,931	\$ (178,652)	\$ (23,870)	\$ 2,813	\$ -	\$ (120,620)	\$ 428,114	\$ 3,814,716

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

Chapleau Ojibwe First Nation
Schedule 2 - Consolidated Segment Disclosure (continued)

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

	Band Support	Health Services	Infrastructure	Education	Economic Development	Capital	Restricted Reserve	Consolidated Total
Revenue								
Indigenous Service Canada	\$ 210,686	\$ 239,506	\$ 158,208	\$ -	\$ 85,514	\$ 99,117	\$ -	\$ 793,031
OFNLP	-	-	-	-	-	-	395,841	395,841
Wabun Tribal Council	176,074	123,556	-	-	-	-	-	299,630
Interest, rents and other	7,493,388	72,672	-	-	-	-	2,957	7,569,017
	7,880,148	435,734	158,208	-	85,514	99,117	398,798	9,057,519
Expenses								
Salaries, wages and benefits	478,954	262,785	3,000	-	3,094	1,500	2,000	751,333
Materials and supplies	434,686	44,498	25,337	-	-	31,376	68,981	604,878
Contracted services	332,747	79,630	189,234	-	82,420	(149,934)	8,008	542,105
Rents and financial expenses	16,201	-	-	-	-	-	-	16,201
Travel and training	122,805	44,618	1,780	-	-	1,441	66,837	237,481
Program transfers	60,680	-	(60,680)	-	-	-	-	-
Amortization	85,553	9,039	40,132	-	-	101,771	-	236,495
	1,531,626	440,570	198,803	-	85,514	(13,846)	145,826	2,388,493
Annual surplus (deficit)	\$ 6,348,522	\$ (4,836)	\$ (40,595)	\$ -	\$ -	\$ 112,963	\$ 252,972	\$ 6,669,026

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