

Consolidated Financial Statements of

**FORT MCMURRAY #468
FIRST NATION**

And Independent Auditor's Report

Year ended March 31, 2022

FORT MCMURRAY #468 FIRST NATION

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FORT McMURRAY 468
FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Fort McMurray #468 First Nation ("Nation") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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


Chief


Councillor
11/24/2023


Councillor

Fort McMurray, Canada

November 24, 2023

FORT McMURRAY 468 FIRST NATION (FMFN468)

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INDEPENDENT AUDITOR'S REPORT

To the Chief and Council of Fort McMurray #468 First Nation

Qualified Opinion

We have audited the consolidated financial statements of Fort McMurray #468 First Nation (the Entity), which comprise:

- the consolidated consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of remeasurement gains for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the effects and possible effects of the matter described in the *"Basis for Qualified Opinion"* section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter - Comparative Information

We draw attention to Note 17 to the financial statements ("Note 17"), which explains that certain comparative information presented for the year ended March 31, 2021 have been restated. Note 17 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.

Other Matter - Comparative Information

The financial statements for the year ended March 31, 2021, excluding the adjustments that were applied to restate certain comparative information, were audited by another auditor who expressed an unmodified opinion on those financial statements on March 17, 2022.



As part of our audit of the financial statements for the year ended March 31, 2022, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2021. In our opinion, such adjustments are appropriate and have been appropriately applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review or apply any procedures to the financial statements for the year ended March 31, 2021. Accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

Basis for Qualified Opinion

Canadian public sector accounting standards require the disclosure of budget information in the financial statements. As the Entity did not prepare presentable budget information for the year ended March 31, 2022, these required disclosures have not been provided.

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 Financial Statements"*** section of our auditor's report.

We are independent of the Entity 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the financial statements.



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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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive style and is underlined with a single horizontal line.

Chartered Professional Accountants

Edmonton, Canada

November 24, 2023

FORT MCMURRAY #468 FIRST NATION

Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

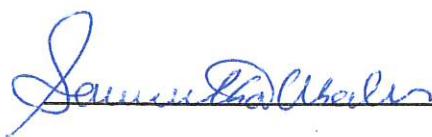
	2022	2021 (Restated - note 17)
Financial Assets		
Cash	\$ 10,182,852	\$ 11,288,231
Restricted investments (note 2)	25,667,331	26,135,724
Accounts receivable (note 3)	1,203,343	473,376
Investment in Nation partnerships and business (note 4)	24,172,309	17,324,855
Indigenous Services Canada capital and revenue trust funds (note 5)	193,221	193,221
	<u>61,419,056</u>	<u>55,415,407</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 2,994,982	\$ 1,925,392
Deferred contributions (note 8)	11,314,646	10,839,291
Long-term debt (note 9)	1,082,241	1,390,082
Indigenous Services Canada Native claims loans	1,113,957	1,113,957
Due to minor members	2,804,460	2,760,000
	<u>19,310,286</u>	<u>18,028,722</u>
Net Financial Assets	42,108,770	37,386,685
Non-Financial Assets		
Tangible capital assets	25,516,746	22,959,031
Prepaid expenses	116,133	20,795
	<u>25,632,879</u>	<u>22,979,826</u>
Accumulated operating surplus is comprised of:		
Accumulated operating surplus	64,375,593	58,062,806
Accumulated remeasurement gains	3,366,056	2,303,705
Accumulated surplus	<u>\$ 67,741,649</u>	<u>\$ 60,366,511</u>

See accompanying notes to consolidated financial statements.

Approved by the First Nation:



Chief



Councillor

Councillor

FORT MCMURRAY #468 FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2022, with comparative information for 2021

	2022	2021 (Restated - note 17)
Revenue:		
Indigenous Services Canada (ISC)	\$ 5,708,121	\$ 12,081,024
Other revenue (note 11)	4,649,726	2,289,807
Industrial relations	3,284,895	2,300,009
Industry contributions and investment income in the Community Trust	2,753,803	3,474,148
Indigenous Services Canada (ISC) - Health	2,529,485	2,665,674
Canada Mortgage and Housing Corporation (CMHC)	2,498,639	24,331
Agricultural Benefit Trust	499,762	1,447,163
First Nation Development Funds	277,478	248,122
Athabasca Tribal Council (ATC)	237,878	240,028
Other government funding	127,093	199,998
Land access fees	-	52,000
Revenue funds held in trust	-	11,014
Deferred revenue from prior year	10,839,291	4,229,443
Deferred revenue to next year	(11,314,646)	(10,839,291)
	22,091,525	18,423,470
Expenditures:		
Wastewater	6,466,313	-
Administration and Finance	6,422,364	6,819,401
Operations and Maintenance	2,034,208	1,946,536
Band Housing	1,926,966	1,673,214
Chief and Council	1,076,652	990,309
Health Services	998,540	1,279,849
Industrial relations (IRC)	978,417	1,757,953
Social Assistance	857,255	542,093
Office of Commercial Development	419,133	103,031
Education and Training	390,643	79,818
Indigenous Skills Employment & Training Services	275,476	173,571
Community Trust	103,329	98,432
Agriculture Benefit Trust	26,193	85,480
Summer Students	10,483	42,807
Rapid Housing	9,672	-
Economic Development	5,745	23,835
Day care	3,238	107,402
Membership	-	99,633
First Nation Development Funds (FNDF)	-	82
	22,004,627	15,823,446
Excess of revenue over expenditures before other revenue	86,898	2,600,024
Other revenue:		
(Loss) gain from investments in Nation partnerships and businesses (note 4)	6,225,889	(2,701,739)
Annual operating surplus	6,312,787	(101,715)
Accumulated operating surplus, beginning of year	58,062,806	58,164,521
Accumulated operating surplus, end of year	\$ 64,375,593	\$ 58,062,806

See accompanying notes to consolidated financial statements.

FORT MCMURRAY #468 FIRST NATION

Consolidated Statement of Remeasurement Gains

Year ended March 31, 2022, with comparative information for 2021

	2022	2021 (Restated - note 17)
Accumulated remeasurement gains, beginning of year	\$ 2,303,705	\$ 1,612,644
Unrealized (losses) gains attributable to investments	1,062,351	691,061
Accumulated remeasurement gains, end of year	\$ 3,366,056	\$ 2,303,705

See accompanying notes to consolidated financial statements.

FORT MCMURRAY #468 FIRST NATION

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

	2022	2021 (Restated - note 17)
Annual operating surplus	\$ 6,312,787	\$ (101,715)
Acquisition of tangible capital assets	(3,852,356)	(3,615,234)
Amortization of tangible capital assets	1,191,143	1,104,054
Proceeds on disposal of tangible capital assets	103,498	-
Unrealized (losses) gains attributable to investments	1,062,351	691,061
	(1,495,364)	(1,820,119)
Acquisition of prepaid assets	(95,338)	-
Increase (decrease) in net financial assets	4,722,085	(1,921,834)
Net financial assets, beginning of year	37,386,685	39,307,698
Net financial assets, end of year	\$ 42,108,770	\$ 37,386,685

See accompanying notes to consolidated financial statements.

FORT MCMURRAY #468 FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021 (Restated - note 17)
Cash provided by (used in):		
Operating activities:		
Annual operating surplus/(Deficit)	\$ 6,312,787	\$ (101,715)
<i>Items not involving cash:</i>		
Amortization of property and equipment	1,191,143	1,104,054
Gain (loss) from investments in Nation partnerships and businesses	<u>(6,847,454)</u>	<u>6,475,792</u>
	656,476	7,478,131
<i>Changes in non-cash working capital</i>		
Decrease (increase) in indigenous trust funds	-	(11,014)
Decrease (increase) in accounts receivable	(729,967)	3,410,656
Decrease (increase) in prepaid expenses	(95,338)	-
Increase (decrease) in accounts payable and accrued liabilities	1,069,590	(1,318,392)
Increase (decrease) in deferred contributions	475,355	6,609,848
Increase (decrease) in due to minor members	<u>44,460</u>	<u>20,000</u>
	764,100	8,711,098
Cash flows from financing activities:		
Repayment of long-term debt	(307,841)	(182,331)
Cash flows from investing activities:		
Purchase of capital assets	(3,852,356)	(3,615,234)
Proceeds on disposal of property and equipment	103,498	-
Restricted investments	1,530,744	(4,166,876)
	<u>(2,218,114)</u>	<u>(7,782,110)</u>
Increase (decrease) in cash during the year	(1,105,379)	8,224,788
Cash, beginning of year	11,288,231	3,063,443
Cash, end of year	\$ 10,182,852	\$ 11,288,231

See accompanying notes to consolidated financial statements.

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

Nature of operations:

Fort McMurray #468 First Nation (the "Nation") provides local government, education and social development services to its members and was established under the Indian Act (Canada).

1. Basis of presentation and significant accounting policies:

These financial statements are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards and include the following significant accounting policies.

(a) Reporting entity and principles of consolidation:

The consolidated financial statements consolidate the financial activities of all entities and departments comprising Fort McMurray #468 First Nation (the "Nation"), except for Nation business entities.

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

- Fort McMurray #468 First Nation Industry and Government Relations Corporation
- Fort McMurray #468 First Nation Community Trust ("Community Trust")
- FMFN Office of Commercial Development Ltd. (Inactive)
- Fort McMurray #468 First Nation Business Association Limited
- Fort McMurray #468 First Nation Agricultural Benefits Settlement Trust ("Agricultural Benefit Trust")

Business accounted for by the modified equity basis include:

- i) Christina River Enterprises (1987) Ltd.
- ii) Fort McMurray First Nation Holdings Limited Partnership, which includes Fort McMurray First Nation Holdings Corporation.
- iii) Fort McMurray First Nation Distributors Ltd.
- iv) Fort McMurray Business Trust, which consists of:
 - Fort McMurray First Nation Group of Companies Limited Partnership
 - Fort McMurray First Nation Group of Companies GP Inc.
 - FMFN Rigs Limited Partnership (formerly Fort McMurray First Nation Refinery Limited Partnership)
 - FMFN Rigs GP Inc (formerly Fort McMurray First Nation Refinery GP)
 - Fort McMurray First Nation Management Ltd.
 - CRE/NCSG Crane and Heavy Haul Limited Partnership
 - Christina Logistics Limited Partnership

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(a) Reporting entity and principles of consolidation (continued):

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

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

(b) Basis of presentation:

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it comes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(c) Asset classification:

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, and expenses that have been prepaid.

(d) Net financial assets:

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities.

(e) Cash:

Cash and cash equivalents consist of bank accounts and temporary investments with maturities of three months or less.

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

(g) Revenue recognition:

i) Funding

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

ii) Government transfers

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

iii) Industry and other revenues

Industry and other revenues are recognized when prices are agreed upon, all significant contractual obligations have been satisfied, and collectibility is reasonably assured.

(h) Tangible capital assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life as follows:

Automotive	3-10 years
Buildings	25-50 years
Computers	3-5 years
Equipment	5-20 years

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(h) Tangible capital assets (continued):

Annual amortization is charged in the year of acquisition and not in the year of disposal.

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

(i) Investments:

Investments are recorded at fair market value.

(j) Restricted temporary investments:

Restricted temporary investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

(k) Indigenous services Canada capital and revenue trust funds:

Funds held in trust on behalf of Nation members by the Government of Canada are reported on the consolidated statement of financial position with an offsetting amount in revenue. Trust moneys consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation capital assets, and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

(l) Financial instruments:

(i) Measurement of financial instruments

The Nation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Nation subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Realised investment income is recognized in net income. Unrealized changes in fair value are recognized in the statement of remeasurement gains (and losses) until investments are derecognized.

Financial assets measured at amortized cost include cash, restricted investments, and accounts receivable, Indigenous Services Canada capital and revenue trust funds.

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(l) Financial instruments (continued):

(i) Measurement of financial instruments (continued)

Financial liabilities measured at amortized cost include accounts payable and accruals, deferred contributions, long-term debt, Indigenous Services Canada Native claims loans, and due to members.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

(m) Long-lived assets:

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in surplus for the year.

(n) Liability for contaminated sites:

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 3, 2021.

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(n) Liability for contaminated sites (continued):

At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(o) Segments:

The Nation conducts its business through reportable segments: Administration and Finance, Chief and Council, Operations and Maintenance, Economic Development, Education , First Nation Development Funds, Health Services, Band Housing, Human Resource Development, Summer Students, Membership, Social Assistance, Industrial Relations, Trust Funds and Office of Commercial Development. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of 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 above. Inter segment transfers are recorded at their exchange amount.

(p) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of property, plant and equipment; provisions for impairment of accounts receivable and accounts payable and accrued liabilities. Actual results could differ from those estimates.

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

2. Restricted investments:

As at March 31, 2022, the Nation had an investment in mutual and private equity funds with the fair market value equal to \$11,457,310 (2021 - \$11,946,005). The total unrealized gain on investments associated with the Community Trust is \$1,673,534 (2021 - \$905,469) and Agricultural Benefits Settlement Trust is \$1,692,522 (2021 - \$1,398,237). These amount are restricted for use on trust eligible expenditures.

The total invested into the Agricultural Benefits Settlement Trust is \$15,495,787 (2021 - \$15,388,004) of which \$3,501,000 (2021 - \$2,760,000) is restricted for payments to minors when they meet specific eligibility criteria. The remainder are to be used by the Nation in the normal course of business.

	2022	2021 (Restated - note 17)
Mutual and Private Equity Funds	\$ 11,457,310	\$ 11,946,005
Fixed Income Securities	6,081,249	5,189,538
Common Stocks	8,128,772	9,000,181
	<hr/> \$ 25,667,331	<hr/> \$ 26,135,724

3. Accounts receivable:

	2022	2021
Indigenous Services Canada	\$ -	\$ 62,866
Members	2,681	31,167
Tax receivables	250,576	208,261
Trade receivables	338,553	1,092,568
Industrial relations - trade receivables	613,620	945,989
Less: allowance for doubtful accounts	(2,087)	(1,867,475)
	<hr/> \$ 1,203,343	<hr/> \$ 473,376

During the year, \$24,740 (2021 - \$1,481,757) was recorded as a bad debt expense.

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

4. Investments in Nation partnerships and businesses:

The Nation has investments in the following entities:

	2022				
	Opening net investment	Current contributions (draws)	Current earnings (loss)	Total investment	
Investment held at cost:					
Athabasca Tribal Council Ltd.	\$ 1	\$ -	\$ -	\$ 1	
Mark Amy Centre for Healing Addictions Ltd.	1	-	-	1	
FMFN Distributors Ltd.	1	-	-	1	
FMFN Office of Commercial Dev. Ltd.	1	-	-	1	
FM #468 FN Business Association Ltd.	1	-	-	1	
	5	-	-	5	
Wholly-owned businesses:					
FMFN Holdings Limited					
Partnership	\$ 22,108	\$ -	\$ -	\$ 22,108	
Christina River Enterprises (1987) Ltd.	182,193	-	-	182,193	
FM Business Trust	17,120,549	621,565	6,225,889	23,968,003	
FM #468 FN Limited					
Partnership	-	-	-	-	
	\$ 17,324,850	\$ 621,565	\$ 6,225,889	\$ 24,172,304	
	\$ 17,324,855	\$ 621,565	\$ 6,225,889	\$ 24,172,309	

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

4. Investments in Nation partnerships and businesses (continued):

The Nation has investments in the following entities (continued)

	2021			
	Opening net investment	Current contributions (draws)	Current earnings (loss)	Total investment
Investment held at cost:				
Athabasca Tribal Council Ltd.	\$ 1	\$ -	\$ -	\$ 1
Mark Amy Centre for Healing Addictions Ltd.	1	-	-	1
FMFN Distributors Ltd.	1	-	-	1
FMFN Office of Commercial Dev. Ltd.	1	-	-	1
FM #468 FN Business Association Ltd.	1	-	-	1
	5	-	-	5
Wholly-owned businesses:				
FMFN Holdings Limited				
Partnership	22,108	-	-	22,108
Christina River Enterprises (1987) Ltd.	182,193	-	-	182,193
FM Business Trust	23,596,341	(4,155,391)	(2,320,401)	17,120,549
FM #468 FN Limited				
Partnership	-	381,338	(381,338)	-
	23,800,642	(3,774,053)	(2,701,739)	17,324,850
	\$ 23,800,647	\$ (3,774,053)	\$ (2,701,739)	\$ 17,324,855

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

4. Investments in Nation partnerships and businesses (continued):

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

	Christina River Enterprises (1987) Ltd. March 31, 2022	FMFN Holdings Ltd. Partnership March 31, 2022	FM Business Trust March 31, 2022	FM #468 FN Ltd. Partnership March 31, 2022
Assets				
Current assets	\$ -	\$ 29,120	\$ 12,746,106	\$ -
Long-term assets	\$ 190,401	\$ -	\$ 10,261,742	\$ -
Total assets	\$ 190,401	\$ 29,120	\$ 23,007,848	\$ -
Liabilities				
Current liabilities	\$ 8,208	\$ 5,805	\$ 21,210,493	\$ -
Long-term liabilities	\$ -	\$ -	\$ 1,803,124	\$ -
Total liabilities	\$ 8,208	\$ 5,805	\$ 23,013,617	\$ -
Total revenue	\$ -	\$ -	\$ 36,833,870	\$ -
Total expenses	\$ -	\$ -	\$ 30,583,681	\$ -
	\$ -	\$ -	\$ 6,250,189	\$ -

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

5. Indigenous services Canada capital and revenue trust funds:

The Ottawa Trust accounts arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by section 63 and 69 of the Indian Act.

These Ottawa Funds are held in trust in the Consolidated Revenue fund of the Government of Canada. These funds earn interest as specified in Section 61(2) of the Indian Act.

Capital and revenue trust moneys are transferred to the Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the Nation's Council.

	2022	2021
Capital Trust		
Balance, beginning of year	\$ 3,300	\$ 3,300
Balance, end of year	3,300	3,300
Revenue Trust		
Balance, beginning of year	189,921	178,907
Interest and land leases	-	11,014
Balance, end of year	189,921	189,921
	<hr/> \$ 193,221	<hr/> \$ 193,221

6. Bank indebtedness:

As at March 31, 2022, the Nation had a revolving credit facility available with the Royal Bank of Canada to maximum of \$1,500,000 (2021 - maximum of \$1,500,000), of which \$nil (2021 - nil) was drawn. The credit facility bears an interest rate of prime plus 2.00% and revolves in increments of \$5,000.

As at March 31, 2022, the Nation had a \$1,500,000 (2021 - \$500,000) non-revolving term facility with the Royal Bank of Canada of which \$nil (2021 - nil) was drawn. The credit facility bears an interest rate of prime plus 4.08%.

Refer to Note 11 for security information on Royal Bank credit facilities.

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

7. Accounts payable and accruals:

	2022	2021
Trade payables and accrued liabilities	\$ 2,885,913	\$ 1,578,963
Vacation and wages payable	123,789	283,462
Source deductions payable (receivable)	(14,720)	62,967
	<hr/> \$ 2,994,982	<hr/> \$ 1,925,392

8. Deferred contributions:

	2022	2021
Deferred revenue	\$ -	\$ 68,267
Indigenous Services Canada	7,943,266	8,776,416
Indigenous Services Canada - Health Canada	3,371,380	1,850,256
Government of Alberta	-	144,352
	<hr/> \$ 11,314,646	<hr/> \$ 10,839,291

9. Long-term debt:

	2022	2021
Royal Bank of Canada Term Loan at \$27,680 per month plus interest at 4.08% (2021 - 4.80%), due January 2025.	\$ 1,010,631	\$ 1,295,238
CMHC mortgage repayable at \$968 per month including interest at 1.04% (2021 - 0.96%), due March 2026.	45,513	56,610
CMHC mortgage repayable at \$1,065 per month including interest at 1.87% (2021 - 1.98%), due April 2024.	26,097	38,234
	<hr/> \$ 1,082,241	<hr/> \$ 1,390,082

Interest paid on long-term debt during the year was \$47,562 (2021 - \$55,664).

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

9. Long-term debt (continued):

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

2023	\$ 319,997
2024	332,670
2025	333,093
2026	96,481
	<hr/>
	\$ 1,082,241

10. Indigenous services Canada native claims loans:

Fort McMurray #468 First Nation is liable to the Government of Canada for \$1,113,957 (2021 - \$1,113,957) under promissory notes and a Native Claims Loan Agreement payable on the date on which the claim is settled.

The loans are to assist the Nation in pursuing its Treaty Land Entitlement. The loans are interest free unless the Nations is in default or the promissory notes comes to maturity, in such case interest will accrue from the date of default or maturity at a rate to be determined.

11. Other revenue:

	2022	2021 (Restated - note 17)
Daycare fees	\$ 39,097	\$ 18,850
Industry consultation and donations	5,128,835	1,897,463
Pembina Covid19 relief funding	-	15,000
Refunds and rebates	24	55,000
Rental income	220,841	32,000
Net gains/(loss) and other investment income	(739,071)	271,494
	<hr/>	
	\$ 4,649,726	\$ 2,289,807

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

12. Economic dependence:

The Fort McMurray #468 First Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

13. Contingent liabilities:

The Nation has been named as defendant in certain legal proceedings. The Nation is actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these consolidated financial statements. Should a loss be incurred, it will be expensed in the year the liability is determined.

14. Guarantees:

The Nation has signed a guarantee and postponement of claims related to the Royal Bank of Canada credit facilities for Fort McMurray First Nation Group of Companies, a subsidiary Partnership, to a maximum of \$1,965,000 (2021 - \$1,965,000). As at March 31, 2022, the subsidiary Partnership had \$nil (2021 - nil) outstanding on all related facilities. The facilities are additionally secured by a general security agreement and a guarantee and postponement of claims in the amount of \$1,965,000 (2021 - 1,965,000) from Fort McMurray First Nation Holdings Limited Partnership.

As at March 31, 2022, no liability (2021 - no liability) has been recorded associated with these guarantees.

15. Related party transactions:

The Nation subcontracted work out to a company owned by former Councillor Ronald Kreutzer Jr. in the amount of \$nil (2021 - \$265,038).

The transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

16. Financial instruments:

Risk Management Policy

The First Nation, as part of operations, has established management objectives such as avoidance of undue concentrations of risk as risk management objectives. In seeking to meet these objectives, the First Nation follows a risk management policy approved by Chief and Council.

Credit Risk

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

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

The First Nation manages its credit risk by performing regular credit assessments of its customers and provides IRC allowances for potentially uncollectible accounts receivable. Currently, the allowance for doubtful accounts is \$2,086 (2021 - \$555,695).

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Nation is exposed to interest rate risk with respect to the loan receivable and its long-term debt amounts which bear interest at rates agreed upon at the time of issuance.

17. Restatement of comparative information:

The financial statements have been restated, where applicable, to conform to the presentation used in the current year. The March 31, 2021 financial statements have been restated to increase the restricted investments as a result of previously unrecorded restricted investments held within the Agricultural Benefit Trust (note 2) .

FORT MCMURRAY #468 FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

17. Comparative figures (continued):

The restatement and the impact has been recorded retrospectively and prior period has been restated as follows:

	March 31, 2021 (As previously reported)	Adjustment	March 31, 2022 (As restated)
Consolidated Statement of Financial Position			
Restricted investments	\$ 24,951,723	\$ 1,184,001	\$ 26,135,724
Accumulated surplus	59,182,510	1,184,001	60,366,511
Accumulated operating surplus comprised of:			
Accumulated remeasurement gains	-	2,303,705	2,303,705
Consolidated Statement of Operations and Accumulated Surplus			
Other revenue	2,709,374	(419,567)	2,289,807
Annual operating surplus	317,852	(419,567)	(101,715)
Consolidated Statement of Cashflows			
Cashflows from Investing activities			
Restricted investments	(4,586,443)	419,567	(4,166,876)
Consolidated Statement of Changes in Net Financial Assets			
Unrealized (losses) gains attributable to investments	-	691,061	691,061
Consolidated Statement of Remeasurement Gains			
Accumulated remeasurement gains, beginning of year	-	1,612,644	1,612,644
Unrealized (losses) gains attributable to investments	-	691,061	691,061
Accumulated remeasurement gains, end of year	-	2,303,705	2,303,705
