

Algonquins of Pikwakanagan
Consolidated Financial Statements
For the year ended 31 March 2023

Algonquins of Pikwakanagan

As at 31 March 2023

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Algonquins of Pikwakanagan and all the information in this annual report are the responsibility of management and have been approved by the Chief and Executive Director of Operations on behalf of Council.

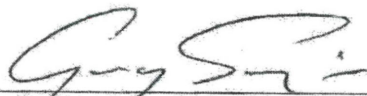
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates or judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

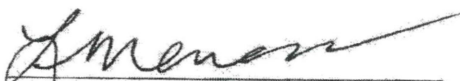
The Algonquins of Pikwakanagan maintain systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the assets are appropriately accounted for and adequately safeguarded.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Standing Committee of Council on Finance, Administration and Personnel (FAP).

The Standing Committee (FAP) reviews the financial statements and recommends their approval to Council. The Standing Committee (FAP) meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. The Standing Committee (FAP) reports its findings to the Council for consideration when approving the consolidated financial statements for issuance to the members. The Standing Committee (FAP) also considers, for review by Council and approval by the Members, the engagement of the external auditors.

The consolidated financial statements have been audited by MacKillican & Associates in accordance with Canadian Generally Accepted Auditing Standards on behalf of the members. MacKillican & Associates have full and free access to the Standing Committee (FAP).


Chief, Algonquins of Pikwakanagan


Executive Director of Operations



INDEPENDENT AUDITOR'S REPORT

Chief, Algonquins of Pikwakanagan and
The Council of the Algonquins of Pikwakanagan,
PIKWAKANAGAN, Ontario.

Qualified Opinion

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

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Algonquins of Pikwakanagan as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS) and the accounting policies disclosed in Note 2 to the consolidated financial statements.

Basis for Qualified Opinion

The budgeted figures only include budget revenues and expenses for Indigenous Services Canada and does not include any amounts for other revenues or expenses.

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 Algonquins of Pikwakanagan in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 Algonquins of Pikwakanagan'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 Algonquins of Pikwakanagan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Algonquins of Pikwakanagan'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.

620 Barnet Blvd.

Renfrew ON, K7V 0A8

T: 613.432.3664 | F: 613.432.8424

Email: info@mackillicans.com | Website: www.mackillicans.com

J.D. Healey, CPA, CA, LPA | R.K. Richards, CPA, CA, LPA | B.D. Thompson, CPA, CA, LPA | D.J. Thompson, CPA, CA, LPA

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 Algonquins of Pikwakanagan'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 Algonquins of Pikwakanagan'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 Algonquins of Pikwakanagan 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 Algonquins of Pikwakanagan 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.

Mac Killian + Associates

RENFREW, Ontario.
8 July 2025.

Chartered Professional Accountants,
Licensed Public Accountants.

Algonquins of Pikwakanagan

Consolidated Statement of Financial Position

As at 31 March 2023

(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash in bank - administration	\$ 25,783,214	\$ 11,212,012
- Gaming Distribution Fund	7,987,404	6,806,895
- Section 95 Social Housing Operation	1,881,413	5,565,450
Accounts receivable - administration (Note 6)	5,173,506	5,529,521
Investment - Business Enterprises (Notes 2 (g) and 8)	1,898,701	226,460
Investment in solar project #1 (Notes 2 (g) and 8 (k))	22,331	22,331
	<u>\$ 42,746,569</u>	<u>\$ 29,362,669</u>
Financial liabilities:		
Accounts payable	\$ 3,516,655	\$ 2,006,999
Rental deposits	535	535
Deferred revenue (Note 4)	34,238,783	19,843,962
Funded reserves - operating (Note 10 (a))	499,273	214,002
Funded reserves - replacement (Note 10 (b))	211,869	196,113
Demand loans payable (Note 9)	1,777,860	1,853,820
Mortgages payable (Note 9)	1,293,803	1,368,200
	<u>\$ 41,538,778</u>	<u>\$ 25,483,631</u>
Net financial assets	<u>\$ 1,207,791</u>	<u>\$ 3,879,038</u>
Non-financial assets:		
Tangible capital assets (Notes 2 (b) and 11)	<u>\$ 13,026,861</u>	<u>\$ 8,311,900</u>
Accumulated surplus	<u>\$ 14,234,652</u>	<u>\$ 12,190,938</u>
Accumulated surplus (deficit) comprised of:		
General Operations	\$ (2,153,565)	\$ (1,459,028)
Gaming Distribution Fund	8,843,220	8,637,725
Business Enterprises (Note 8)	(259,218)	(1,931,459)
Total fund balances	<u>\$ 6,430,437</u>	<u>\$ 5,247,238</u>
Equity in tangible capital assets (Note 11 (d))	<u>7,804,215</u>	<u>6,943,700</u>
Total accumulated surplus	<u>\$ 14,234,652</u>	<u>\$ 12,190,938</u>

Approved on behalf of the Band:


Chief, Algonquins of Pikwakanagan


Executive Director of Operations

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Accumulated Surplus (Deficit)

For the year ended 31 March 2023
(with 2022 figures for comparison)

	2023				2022			
	General Operations	Gaming Distribution Fund	Business Enterprises	Total	General Operations	Gaming Distribution Fund	Business Enterprises	Total
Accumulated surplus (deficit) at the beginning of the year as previously stated	\$ (1,459,028)	\$ 8,637,725	\$ (1,931,459)	\$ 5,247,238	\$ (483,596)	\$ 8,751,519	\$ (3,410,037)	\$ 4,857,886
Surplus (deficit) for the year	(694,537)	205,495	1,672,241	1,183,199	(975,432)	(113,794)	1,478,578	389,352
Accumulated surplus (deficit) at the end of the year	<u>\$ (2,153,565)</u>	<u>\$ 8,843,220</u>	<u>\$ (259,218)</u>	<u>\$ 6,430,437</u>	<u>\$ (1,459,028)</u>	<u>\$ 8,637,725</u>	<u>\$ (1,931,459)</u>	<u>\$ 5,247,238</u>

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Operations

For the year ended 31 March 2023

Fund	Revenue						ISC Budget	Total Expenditures	Current Year Surplus (Deficit)	ISC Open Deferred	ISC Close Deferred
	ISC Budget	Indigenous Services Canada	Government of Canada	Province of Ontario	Other	Total Revenue					
Economic Development	\$ 612,603	\$ 510,722	\$ 67,017	\$ 150,142	\$ 1,625,568	\$ 2,353,449	\$ 612,603	\$ 2,477,560	\$ (124,111)	\$ 427,969	\$ 529,850
Education	2,425,499	2,480,534		15,388	118,288	2,614,210	2,425,499	2,614,210		455,751	486,459
General Government	1,557,506	1,332,800		77,600	293,611	1,704,011	1,557,506	2,306,547	(602,536)	1,427,383	1,652,089
Health Services	1,338,163	1,283,898	91,115	2,201,660	236,012	3,812,685	1,338,163	3,812,685		1,037,843	1,092,108
Lands, Revenues and Trusts	386,536	475,796			175,729	651,525	386,536	651,525		766,925	677,665
Natural Resources					161,004	161,004		161,004			
Public Works	13,473,012	2,542,038		28,358	481,868	3,052,264	13,473,012	3,020,154	32,110	2,356,447	13,287,421
Recreation	81,003	87,438		86,453	181,561	355,452	81,003	355,452		6,435	
Social Services	2,330,976	1,456,622		777,751	344,482	2,578,855	2,330,976	2,578,855		3,940,905	4,815,259
Total before Gaming Operations											
and Section 95 Social Housing Operation	\$ 22,205,298	\$ 10,169,848	\$ 158,132	\$ 3,337,352	\$ 3,618,123	\$ 17,283,455	\$ 22,205,298	\$ 17,977,992	\$ (694,537)	\$ 10,419,658	\$ 22,540,851
AOPFN OFNLP Operations					1,541,871	1,541,871		1,336,376	205,495		
Section 95 Social Housing Operation					453,409	453,409		453,409			
Change in government business enterprises					1,672,241	1,672,241			1,672,241		
Total before tangible capital assets	\$ 22,205,298	\$ 10,169,848	\$ 158,132	\$ 3,337,352	\$ 7,285,644	\$ 20,950,976	\$ 22,205,298	\$ 19,767,777	\$ 1,183,199	\$ 10,419,658	\$ 22,540,851
Acquisition of tangible capital assets								(1,403,967)	1,403,967		
Amortization of tangible capital assets								543,452	(543,452)		
Grand Total	<u>\$ 22,205,298</u>	<u>\$ 10,169,848</u>	<u>\$ 158,132</u>	<u>\$ 3,337,352</u>	<u>\$ 7,285,644</u>	<u>\$ 20,950,976</u>	<u>\$ 22,205,298</u>	<u>\$ 18,907,262</u>	<u>\$ 2,043,714</u>	<u>\$ 10,419,658</u>	<u>\$ 22,540,851</u>

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Changes in Net Financial Assets

For the year ended 31 March 2023
(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Net surplus (deficit) for the year	\$ 2,043,714	\$ 1,768,612
Amortization of tangible capital assets	617,849	572,063
Acquisition of tangible capital assets	(1,403,967)	
Acquisition of construction in progress	<u>(3,928,843)</u>	<u>(1,848,138)</u>
Increase (decrease) in net financial assets	\$ (2,671,247)	\$ 492,537
Net financial assets, beginning of year	<u>3,879,038</u>	<u>3,386,501</u>
Net financial assets, end of year	<u>\$ 1,207,791</u>	<u>\$ 3,879,038</u>

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net surplus (deficit) for the year	\$ 2,043,714	\$ 1,768,612
Add amortization which does not involve cash	<u>617,849</u>	<u>572,063</u>
	\$ 2,661,563	\$ 2,340,675
Net change in non cash working capital balances related to operations:		
- decrease (increase) in accounts receivable	\$ 356,015	\$ (2,015,064)
- increase (decrease) in accounts payable	1,509,656	(329,896)
- increase (decrease) in deferred revenue	<u>14,394,821</u>	<u>9,876,334</u>
	\$ 16,260,492	\$ 7,531,374
Cash flows from (used for) operating activities	\$ 18,922,055	\$ 9,872,049
Cash flows from financing activities:		
- repayment of mortgages payable	\$ (74,397)	\$ (103,185)
- proceeds from loans payable		1,885,470
- repayment of loans payable	(75,960)	(31,650)
- (decrease) increase in funded reserves	<u>301,027</u>	<u>139,512</u>
Cash flows from (used for) financing activities	\$ 150,670	\$ 1,890,147
Cash flows used for investing activities:		
(Decrease) increase in due to investee		\$ (3,410,037)
Decrease (increase) in investment in business enterprises	\$ (1,672,241)	(226,460)
Decrease (increase) in investment in solar project #1		(2,176)
Additions to tangible capital assets:		
CMHC Section 95	(3,928,843)	
Economic Development		(149,350)
General Government		(14,691)
Health Services		(104,951)
Lands, Revenues and Trusts		(13,500)
Public Works	(1,230,616)	(1,382,486)
Recreation		(132,390)
Social Services	<u>(173,351)</u>	<u>(50,770)</u>
Cash flows from (used for) investing activities	\$ (7,005,051)	\$ (5,486,811)
Increase in cash and cash equivalents during the year	\$ 12,067,674	\$ 6,275,385
Cash and cash equivalents at the beginning of the year	<u>23,584,357</u>	<u>17,308,972</u>
Cash and cash equivalents at the end of the year	\$ 35,652,031	\$ 23,584,357
Comprised of:		
Cash in bank - administration	\$ 25,783,214	\$ 11,212,012
- Gaming Distribution Fund	7,987,404	6,806,895
- Section 95 Social Housing Operation	<u>1,881,413</u>	<u>5,565,450</u>
	\$ 35,652,031	\$ 23,584,357

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

1. NATURE OF ORGANIZATION

The Algonquins of Pikwakanagan are a First Nation located in Pikwakanagan, Ontario. The First Nation receives funding from various Federal and Provincial agencies along with generating other income in order to provide support to the members of the community in their daily endeavours and overall well being. The operations of the First Nation are controlled and managed by Chief and Council.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Algonquins of Pikwakanagan are prepared in accordance with the Canadian Public Sector Accounting Standards (PSAS) using the Canadian generally accepted accounting principles as set out in the Year End Reporting Handbook - Funding Agreements covering 2022 - 2023.

a) 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 ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses (excess of expenses over revenue), provides the change in net financial assets for the year.

b) Tangible Capital Assets:

i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI) for land, machinery and equipment and vehicles or the Non-Residential Building Construction Price Index (NRBCPI) for land improvements, buildings and linear assets. All land is valued at \$ 1.00 per segment. Certain assets which have historical or cultural value are not recognized as tangible capital assets.

ii) Amortization:

The TCAs are amortized annually with a corresponding reduction in equity in tangible capital assets. Amortization is calculated on the straight-line basis over the useful lives of the assets in varying amounts as follows:

Buildings	25 - 40 years
Machinery and equipment	4 - 15 years
Vehicles	5 years
Land improvements	10 - 25 years
Linear assets	10 - 40 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization expense will be charged against the operating unit. Capital work in progress is not amortized until it is put into service.

The Algonquins of Pikwakanagan have a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed.

iii) Contribution of Tangible Capital Assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer. There were no such transactions during the year.

c) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating and the related lease payments are charged to expenses as incurred.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates. Significant estimates includes amortization and the fair market value of business enterprises.

e) Basis of Accounting:

Expenditures and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that give rise to the revenue; expenditures are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

f) Deferred Revenue:

The Algonquins of Pikwakanagan receive restricted contributions under the authority of the provincial and federal governments. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

g) Business Enterprises:

Government Business enterprises (and partnerships) are included in the consolidated statement of financial position on a modified equity basis. Under the modified equity method of accounting, only the Algonquins of Pikwakanagan's investment in the business enterprises and the enterprises' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprises that are different from those of the Algonquins of Pikwakanagan.

h) Cash and Cash Equivalents:

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

i) Financial Instruments:

Financial instruments include cash in bank, accounts receivable, investment - Business Enterprises, investment in solar project #1, accounts payable, demand loans and mortgages payable. Unless otherwise noted, it is management's opinion that the Algonquins of Pikwakanagan are not exposed to significant interest, currency or credit risks arising from these financial instruments.

3. FINANCIAL INSTRUMENTS

The carrying amounts reported on the consolidated statement of financial position for cash in bank, accounts receivable and accounts payable approximate their fair values, due to the immediate and short term nature of these financial instruments.

The fair value of investment - Business Enterprises, investment in solar project #1, demand loans and mortgages payable, including the current portion, is based on rates currently available to the Algonquins of Pikwakanagan with similar terms and maturities and approximates its carrying amounts as disclosed on the consolidated statement of financial position.

4. DEFERRED REVENUE

The portion of contributions that has been deferred to be applied to expenditures of subsequent years is as follows:

	<u>2023</u>	<u>2022</u>
Government of Canada:		
- Health Services	\$ 26,603	\$ 1,254,198
- Economic Development	35,210	67,339
- Recreation	-	-

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

4. DEFERRED REVENUE (Continued)

Indigenous Services Canada:

- Economic Development	529,850	427,969
- Education	486,459	455,751
- General Government	1,652,089	1,427,383
- Health	1,092,109	1,086,793
- Lands, Revenues and Trusts	677,665	766,925
- Public Works	13,287,421	2,356,447
- Social Services	4,815,259	3,940,905
- Recreation		6,435

Provincial - Ontario:

- Economic Development	7,438	27,414
- Health Services	1,512,260	91,115
- Public Works	86,400	
- Recreation	45,047	
- Social Services	191,545	26,600

Other:

- Economic Development	1,936,481	1,129,499
- Education	226,526	131,318
- General Government	762,885	333,383
- Health Services	549,981	473,342
- Lands, Revenues and Trusts	67,801	29,583
- Natural Resources	315,996	207,000
- Public Works	171,239	131,120
- Recreation	33,007	13,215
- Social Services	691,155	421,871
- CMHC Section 95	5,038,357	5,038,357

<u>\$ 34,238,783</u>	<u>\$ 19,843,962</u>
----------------------	----------------------

5. CONTINGENT LIABILITIES

The Algonquins of Pikwakanagan, under the guaranteed loan management system, has guaranteed loans obtained by members for the purpose of financing their portion of the housing costs. The total of the guarantees amount to \$ 99,744 (2022 - \$ 146,431). 2479809 Ontario Inc. has pledged the stock of the corporation (including capital stock) as security for a loan in the amount of \$ 13,914,436 (2022 - \$ 14,566,887). 2479815 Ontario Inc. has pledged the stock of the corporation (including capital stock) as security for a loan in the amount of \$ 16,165,059 (2022 - \$ 17,216,635).

6. ACCOUNTS RECEIVABLE

Included in accounts receivable is a balance owing on a mortgage in the amount of \$ 9,203 (2022 - \$ 9,203).

7. INTERFUND TRANSFERS

The total expenditure of \$ 19,767,777 (2022 - \$ 14,754,649) and total revenue of \$ 20,950,976 (2022 - \$ 16,523,261) includes interfund transfers of \$ 578,100 (2022 - \$ 720,721) (net of transfers to deferred revenue) from the AOPFN OFNLP Distribution Fund along with \$ 2,384,0165 (2022 - \$ 1,018,884) relating to interfund transfers.

8. BUSINESS ENTERPRISES

a) AOPFN General Partner Inc.:

- AOPFN General Partner Inc. is the general partner for AOPFN Limited Partnership with its head office located on Algonquins of Pikwakanagan First Nation.
- the Algonquins of Pikwakanagan own 100% of the voting shares

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

8. BUSINESS ENTERPRISES (Continued)

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 159	\$ 159
- total liabilities at cost	-	-
- total revenue	4	-
- total expenditures	4	9

b) AOPFN Limited Partnership:

- AOPFN Limited Partnership holds interests in other partnerships and is located on Algonquins of Pikwakanagan First Nation.
- 99.99% of the partnership units (limited units) are owned by the Algonquins of Pikwakanagan and 0.01% of the partnership units (general units) are owned by AOPFN General Partner Inc. which is owned 100% by the Algonquins of Pikwakanagan.

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 534,581	\$ 532,006
- total liabilities at cost	45,386	6,115
- total revenue	195,326	72,298
- total expenditures	232,019	147,726

c) AOPFN HVAC Inc.:

- AOPFN HVAC Inc. holds interests in AOPFN HVAC Limited Partnership and is located on Algonquins of Pikwakanagan First Nation.
- AOPFN Limited Partnership owns 100% of the voting shares

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 90	\$ 87
- total liabilities at cost	-	-
- total revenue	3	1
- total expenditures	-	1

d) AOPFN HVAC Limited Partnership:

- AOPFN HVAC Limited Partnership operates a heating contracting business located on Algonquins of Pikwakanagan First Nation with contracts being completed on and off the First Nation.
- 99.99% of the partnership units (limited units) are owned by the AOPFN Limited Partnership and 0.01% of the partnership units (general units) are owned by AOPFN HVAC Inc. which is owned 100% by the AOPFN Limited Partnership.

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ -	\$ -
- total liabilities at cost	-	-
- total revenue	-	-
- total expenditures	-	-

e) Goshen Solar Inc.:

- Goshen Solar Inc. generates electricity from solar panels and is located in Renfrew County
- AOPFN Limited Partnership owns 51% of the voting shares

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 405,240	\$ 417,902
- total liabilities at cost	912,858	924,079
- total revenue	189,072	233,186
- total expenditures	190,514	207,983

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

8. BUSINESS ENTERPRISES (Continued)

f) 2479809 Ontario Inc.:

- 2479809 Ontario Inc. is a limited partner in a solar farm.
- AOPFN owns 100% of the voting shares

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 12,121,374	\$ 12,672,612
- total liabilities at cost	13,971,436	14,566,887
- total revenue	768,994	840,769
- total expenditures	724,781	1,184,958

- The corporation has a maximum advance on its' credit facility of \$ 14,000,000 (Note 5).

g) 2479815 Ontario Inc.:

- 2479815 Ontario Inc. is a limited partner in a solar farm.
- AOPFN owns 100% of the voting shares

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 13,986,836	\$ 14,586,963
- total liabilities at cost	16,165,059	17,216,634
- total revenue	583,760	817,844
- total expenditures	132,312	1,257,144

- The corporation has a maximum advance on its' credit facility of \$ 16,000,000 (Note 5).

h) 2479821 Ontario Inc.:

- 2479821 Ontario Inc. is a limited partner in a wind farm.
- AOPFN owns 100% of the voting shares

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 455	\$ 334
- total liabilities at cost	1	1
- total revenue	121	233
- total expenditures	-	-

i) 2480446 Ontario Inc.:

- 2480446 Ontario Inc. owns real property.
- AOPFN owns 100% of the voting shares

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 2,157,330	\$ 2,157,330
- total liabilities at cost	2,157,918	2,157,918
- total revenue	-	-
- total expenditures	-	688

j) Chi-Nodin Limited Partnership:

- Chi-Nodin Limited Partnership holds interests in a wind farm and is located on Algonquins of Pikwakanagan First Nation.
- 99.99% of the partnership units (limited units) are owned by the Algonquins of Pikwakanagan and 0.01% of the partnership units (general units) are owned by 2479821 Ontario Inc. which is owned 100% by the Algonquins of Pikwakanagan.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

8. BUSINESS ENTERPRISES (Continued)

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 41,450,871	\$ 37,917,227
- total liabilities at cost	37,901,425	35,581,795
- total revenue	2,506,725	3,231,620
- total expenditures	1,292,711	906,188

k) Investment in solar project #1:

- The investment in solar project #1 is an investment in a limited partnership of a solar farm.
- AOPFN owns 15% of the limited partnership units. The income for this investment is included in the income and consolidated surplus for General Operations.

- financial position:	<u>2023</u>	<u>2022</u>
- total assets at cost	\$ 221,758	\$ 265,602
- total liabilities at cost	72,882	20,548
- total revenue	38,264	33,262
- total expenditures	23,832	23,725

- l) The financial statements of each of the business enterprises are unaudited.

9. DEMAND LOANS AND MORTGAGES PAYABLE

- a) Loan of \$ Nil (2022 - \$ 5,991) at 1.86% interest is repayable in blended monthly payments of \$ 2,997 including principal and interest, was due May 2022. The amount was guaranteed by Indigenous Services Canada.
- b) Loan of \$ 369,702 (2022 - \$ 398,228) at a rate of prime plus 0.74% interest is repayable in blended monthly payments of \$ 2,613 including principal and interest, is due July 2035 and is renewable 1 July 2026. The amount is guaranteed by Indigenous Services Canada.
- c) Loan of \$ 286,144 (2022 - \$ 301,889) at a rate of prime plus 0.68% interest is repayable in blended monthly payments of \$ 1,478 including principal and interest, is due April 2040 and is renewable 1 October 2025. The amount is guaranteed by Indigenous Services Canada.
- d) Loan of \$ 637,957 (2022 - \$ 662,092) at a rate of prime plus 1.91% interest is repayable in blended monthly payments of \$ 3,039 including principal and interest, is due June 2044 and is renewable 1 June 2024. The amount is guaranteed by Indigenous Services Canada.
- e) Demand loan of \$ 1,008,000 (2022 - \$ 1,051,200) at a rate of prime plus 0.5% interest is repayable in monthly principal payments of \$ 3,600 plus interest, is due on demand.
- f) Demand loan of \$ 769,860 (2022 - \$ 802,620) at a rate of prime plus 0.5% interest is repayable in monthly principal payments of \$ 2,730 plus interest, is due on demand.
- g) The amounts repayable over the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 145,560	\$ 153,496	\$ 299,056
2025	146,362	132,553	278,915
2026	147,178	126,412	273,590
2027	148,006	120,259	268,265
2028	148,845	114,095	262,940
	<u>\$ 735,951</u>	<u>\$ 646,815</u>	<u>\$ 1,382,766</u>

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

10. FUNDED RESERVES (ESTABLISHED UNDER SECTION 95 SOCIAL HOUSING OPERATION)

- a) Operating reserve is established under Section 95 Social Housing Operation program to offset future operating deficits.
- b) The replacement reserve is established for the purpose of replacing items of a capital nature. The replacement reserve account is funded by an annual charge against earnings or approved to an appropriation of surplus. Interest earned and expenditures are charged against the reserve as incurred.

11. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Algonquins of Pikwakanagan by major asset class and by operational division, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

- a) Contributed Tangible Capital Assets:
The Algonquins of Pikwakanagan records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. There were no such transactions during the year.
- b) Tangible Capital Assets Recognized at Nominal Value:
Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such asset is land which has been valued at \$ 1.00 per segment.
- c) Section 95 Social Housing Operation:
Amortization for Section 95 Social Housing Operation assets are \$ 74,396 (2022 - \$ 103,185).
Current year additions to Section 95 Social Housing Operation assets are \$ 3,928,843 (2022 - \$ Nil).

d) Equity in Tangible Capital Assets:	<u>2023</u>	<u>2022</u>
Tangible capital assets - net	\$ 13,026,861	\$ 8,311,900
Unfinanced	(3,928,843)	
Net long term liabilities	<u>(1,293,803)</u>	<u>(1,368,200)</u>
Equity in tangible capital assets	<u>\$ 7,804,215</u>	<u>\$ 6,943,700</u>

12. LANDFILL CLOSURE AND POST CLOSURE COSTS

No amounts have been accrued in the consolidated financial statements for landfill closure and post closure costs as the Government of Canada is responsible for all costs associated with the landfill closure and post closure under a proposal driven process.

13. CONTINGENT LIABILITIES

The nature of the First Nation's activities is such that there may be litigation pending or in prospect at any time. The First Nation is currently involved in liability claims as a result of legal action being taken against them which is evolving from a referendum vote. These actions have yet to be resolved and the outcome of these matters cannot yet be determined, no amounts have been recorded in the accounts.