Matawa First Nations Management
Consolidated Financial Statements
March 31, 2022

Management's Responsibility

To the Members and Board of Directors of Matawa First Nations Management:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the consolidated statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and Executive Committee are composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

October 5, 2022

Chief Executive Officer

To the Members and Board of Directors of Matawa First Nations Management:

Opinion

We have audited the consolidated financial statements of Matawa First Nations Management and its subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at March 31, 2022, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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 Organization 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.

MNP LLP

Thunder Bay, Ontario

Chartered Professional Accountants

October 5, 2022

Licensed Public Accountants

	Matawa Operating	*Matawa Restricted*	*Matawa Capital*	*2022*	*2021*
Assets					
Current					
Cash	7,944,751	-	-	**7,944,751**	6,008,644
Marketable securities *(Note 4)*	-	187,278	-	**187,278**	195,163
Accounts receivable *(Note 5), (Note 6)*	11,003,625	1,105,985	3,171,954	**15,281,564**	13,595,039
Government remittances receivable	2,054,389	-	1,000,000	**3,054,389**	4,497,643
Prepaid expenses and deposits	307,975	-	-	**307,975**	327,402
	21,310,740	**1,293,263**	**4,171,954**	**26,775,957**	24,623,891
Capital assets *(Note 7)*	-	-	81,256,208	**81,256,208**	53,090,091
Intangible asset *(Note 8)*	-	-	270,704	**270,704**	-
Long-term investments *(Note 9)*	2	-	-	**2**	2
	21,310,742	**1,293,263**	**85,698,866**	**108,302,871**	77,713,984

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Matawa First Nations Management
Consolidated Statement of Financial Position
As at March 31, 2022

	Matawa Operating	*Matawa Restricted*	*Matawa Capital*	*2022*	*2021*
Liabilities					
Current					
Accounts payable and accruals *(Note 6), (Note 11)*	10,855,966	-	3,784,365	**14,640,331**	11,898,922
Government remittances payable	202,502	-	-	**202,502**	209,734
Deferred revenue *(Note 12)*	16,022,394	586,184	-	**16,608,578**	13,281,382
Due to Operating Fund	(403,921)	403,921	-	-	-
Current portion of long-term debt and due on demand *(Note 13)*	-	-	115,618	**115,618**	58,002
Deferred contributions related to capital assets *(Note 14)*	-	-	240,415	**240,415**	250,485
	26,676,941	**990,105**	**4,140,398**	**31,807,444**	25,698,525
Term loans subject to refinancing *(Note 13)*	827,922	-	973,485	**1,801,407**	2,694,101
	27,504,863	**990,105**	**5,113,883**	**33,608,851**	28,392,626
Long-term debt *(Note 13)*	-	-	622,263	**622,263**	-
Deferred contributions related to capital assets *(Note 14)*	-	-	68,624,437	**68,624,437**	45,663,724
	-	-	**69,246,700**	**69,246,700**	45,663,724
	27,504,863	**990,105**	**74,360,583**	**102,855,551**	74,056,350
Contingencies *(Note 15)*					
Fund Balances					
Fund Balances	(6,194,121)	303,158	11,338,283	**5,447,320**	3,657,634
	21,310,742	**1,293,263**	**85,698,866**	**108,302,871**	77,713,984

Approved on behalf of the Board

Director

Director

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

Matawa First Nations Management
Consolidated Statement of Operations
For the year ended March 31, 2022

	Matawa Operating	*Matawa Restricted*	*Matawa Capital*	**2022**	2021
Revenue					
Federal Government *(Note 18)*	42,743,893	-	-	**42,743,893**	30,844,811
Provincial Government *(Note 18)*	18,011,472	-	-	**18,011,472**	15,646,448
First Nations and Organizations *(Note 18), (Note 19)*	7,129,421	1,612,152	-	**8,741,573**	7,135,620
Other *(Note 18), (Note 19)*	2,319,175	19,934	-	**2,339,109**	2,324,874
Amortization of deferred capital contributions *(Note 14)*	-	-	265,185	**265,185**	248,324
Less: funding repayable	(1,020,118)	-	-	**(1,020,118)**	(314,750)
	69,183,843	**1,632,086**	**265,185**	**71,081,114**	55,885,327
Net transfers to deferred revenue					
Transfers from deferred revenue *(Note 12)*	(2,946,776)	(274,294)	-	**(3,221,070)**	4,246,339
Transfer to deferred capital *(Note 14)*	(23,215,828)	-	-	**(23,215,828)**	(22,771,755)
	(26,162,604)	**(274,294)**	-	**(26,436,898)**	(18,525,416)
Total revenue	**43,021,239**	**1,357,792**	**265,185**	**44,644,216**	37,359,911
First Nation Project Contributions *(Note 19)*	2,906,733	-	-	**2,906,733**	1,651,680
	40,114,506	**1,357,792**	**265,185**	**41,737,483**	35,708,231

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

Matawa First Nations Management
Consolidated Statement of Operations
For the year ended March 31, 2022

	Matawa Operating	*Matawa Restricted*	*Matawa Capital*	*2022*	*2021*
(Continued from previous page)	**40,114,506**	**1,357,792**	**265,185**	**41,737,483**	35,708,231
Expenses					
Administrative	132,221	-	-	**132,221**	100,794
Advertising and promotion	224,749	-	-	**224,749**	151,775
Amortization	-	-	1,149,798	**1,149,798**	1,055,067
Annual General Assembly	61,457	-	-	**61,457**	92,156
Bad debts (recovery)	17,293	-	-	**17,293**	(5,973)
Board and Chiefs' meetings	156,244	-	-	**156,244**	66,586
Consultants	1,327,278	-	-	**1,327,278**	1,424,759
Crisis and donations	573,981	-	-	**573,981**	392,415
Insurance	231,061	-	-	**231,061**	155,858
Interest and bank charges	21,847	-	-	**21,847**	57,111
Interest on long-term debt	93,614	-	-	**93,614**	56,971
Meetings	266,617	-	-	**266,617**	101,607
Occupancy costs	792,334	-	-	**792,334**	823,598
Professional development/training	316,499	-	-	**316,499**	409,871
Professional fees	2,600,458	-	-	**2,600,458**	1,836,554
Program co-ordination (recovery)	(1,337,858)	1,337,858	-	**-**	-
Repairs and maintenance	428,378	-	-	**428,378**	327,330
Resource materials	879,861	-	-	**879,861**	1,286,621
Salaries and benefits	21,258,462	-	-	**21,258,462**	17,843,475
Student and Client Allowances *(Note 19)*	3,508,058	-	-	**3,508,058**	3,543,094
Supplies and equipment	3,782,708	-	-	**3,782,708**	3,535,226
Telephone	328,616	-	-	**328,616**	300,060
Travel	1,456,417	-	-	**1,456,417**	802,852
Total expenses	**37,120,295**	**1,337,858**	**1,149,798**	**39,607,951**	34,357,807
Excess (deficiency) of revenue over expenses before other items	**2,994,211**	**19,934**	**(884,613)**	**2,129,532**	1,350,424
Other items					
Uncollectible funding receivable	(328,574)	-	-	**(328,574)**	(189,909)
Excess (deficiency) of revenue over expenses	**2,665,637**	**19,934**	**(884,613)**	**1,800,958**	1,160,515

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

	Matawa Operating	*Matawa Restricted*	*Matawa Capital*	*2022*	*2021*
Fund balances, beginning of year	(7,512,987)	294,496	10,876,125	**3,657,634**	2,496,310
Excess (deficiency) of revenue over expenses	2,665,637	19,934	(884,613)	**1,800,958**	1,160,515
Changes in unrealized gain on the marketable securities during the year *(Note 4)*	-	(11,272)	-	**(11,272)**	809
Transfer of funding to Capital Fund *(Note 20)*	(1,346,771)	-	1,346,771	-	-
Fund balances, end of year	**(6,194,121)**	**303,158**	**11,338,283**	**5,447,320**	3,657,634

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Cash received from government, First Nations and Organizations, and other	**68,889,299**	51,257,719
Cash received from interest	**17,660**	93,990
Cash paid to suppliers and employees	**(37,052,571)**	(35,089,499)
Cash paid for interest	**(115,461)**	(114,082)
	31,738,927	16,148,128
Financing activities		
Net advances of long-term debt	**-**	1,022,614
Repayments of long-term debt	**(212,814)**	(149,008)
	(212,814)	873,606
Investing activities		
Purchase of marketable securities	**(3,387)**	(3,384)
Purchase of capital assets	**(29,285,837)**	(26,752,479)
Purchase of intangible assets	**(300,782)**	-
	(29,590,006)	(26,755,863)
Increase (decrease) in cash resources	**1,936,107**	(9,734,129)
Cash resources, beginning of year	**6,008,644**	15,742,773
Cash resources, end of year	**7,944,751**	6,008,644

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

1. Incorporation

Matawa First Nations Management (the "Organization") is incorporated under the Canada Corporations Act as a not-for-profit organization. The Organization operates as a tribal council, providing services to the First Nations listed in Note 6 to these consolidated financial statements.

Impact on operations of COVID-19

In early March 2020 the impact of the global outbreak of COVID-19 began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Organization's operations were not significantly impacted by COVID-19.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause supply chain disruptions, modified program delivery, and increased government regulations, which may impact the Organization's business and financial condition.

2. Change in accounting policies

Financial instruments

Financial instruments in a related party transaction, risk disclosures and other amendments

Effective April 1, 2021 (hereafter referred to as the "initial date of application"), the Organization adopted the Accounting Standards Board's revised recommendations for the measurement and disclosure of financial instruments in a related party transaction, as well as revisions to risk disclosures, in Section 3856 *Financial Instruments.* The revised standard provides additional guidance and requirements for the measurement of financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments").

Revised Section 3856 clarifies that an entity must provide relevant entity-specific information to enable users to evaluate the nature and extent of each type of risk arising from financial instruments. The amendments remove the requirement to separately disclose the risks arising from derivatives from the risks arising from other financial instruments.

Revised Section 3856 requires the following related party financial instruments to be initially measured at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. If the election is not made, these instruments are subsequently measured at amortized cost. Subsequently investments in equity instruments quoted in an active market and derivatives instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are measured at fair value. All other financial instruments arising in a related party transaction are subsequently measured using the cost method.

Previously, the Organization initially measured related party financial instruments at either the carrying amount or exchange amount in accordance with Section 3840 *Related Party Transactions*. Subsequent to initial recognition, related party financial instruments were measured in accordance with extant Section 3856.

2. Change in accounting policies *(Continued from previous page)*

Transition

The Organization applied the changes in accounting policies resulting from the adoption of revised Section 3856 retrospectively and prior periods have been restated. Financial instruments exchanged in a related party transaction that do not exist at the date of initial application and were impaired or modified in the immediately preceding fiscal year have not been restated in accordance with Section 3856. In addition, the following transitional provisions were applied to related party financial instruments that exist at the date of initial application:

- The cost of a financial instrument that has repayment terms is determined using the undiscounted cash flows, excluding interest and dividend payments, of the instrument less any impairment, as at the beginning of the earliest comparative period presented in these consolidated financial statements
- The cost of a financial instrument that does not have repayment terms is deemed to be the carrying amount of the instrument in the consolidated financial statements of the entity less any impairment, at the beginning of the earliest comparative period presented in these consolidated financial statements
- Fair value of a financial instrument that is an investment in debt or equity instruments that are quoted in active market; a debt instrument where inputs significant to the determination of fair value of the instrument are observable; or, a derivative contract, is determined at the beginning of the earliest comparative period presented in these consolidated financial statements.

The retrospective application of this change in accounting policy did not have a material impact on the results of operations and financial condition of the Organization.

3. Significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Basis of consolidation

The consolidated financial statements include the assets, liabilities, revenue and expenses of the Organization, which controls the following corporations: Matawa First Nations Property Inc. ("MFNP"), which owns the land and building at 233 Court Street South, Thunder Bay; Matawa Non-Profit Housing Corporation ("MNPHC"), a not-for-profit housing corporation; Kiikenomaga Kikenjigewen Employment & Training Services ("KKETS"), an employment and training corporation, Gathering of Rivers for Community Care ("GRCC"), a not-for-profit community care service provider, Four Rivers Inc. ("FRI"), a land and water resource management corporation, Matawa Health Co-operative Inc, a health service organization, Matawa First Nations Education Authority, an educational facility and student residence and Matawa Training and Wellness Centre, which owns land and building being developed for use as a training, health, and social service facility.

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors. The Organization has the following funds:

The Operating Fund is used to account for all revenue and expenses related to general and ancillary operations of the Organization.

The Capital Fund is used to account for all capital assets of the Organization and to present the flow of funds related to their acquisition and disposal, capital resources and debt commitments.

The Restricted Fund is used to account for monies for the post-secondary education activities of the Organization and the capital reserves of MNPHC.

Cash and cash equivalents

Cash and cash equivalents include balances with chartered banks and temporary investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

3. **Significant accounting policies** *(Continued from previous page)*

Marketable securities

Marketable securities 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.

Capital assets

Capital assets are recorded at cost. The cost of major replacements and improvements to capital assets are capitalized and the cost of maintenance and repairs are expensed when incurred.

Amortization is provided using the declining balance and straight-line methods at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	***Rate***
Buildings	declining balance	4 %
Automotive	declining balance	30 %
Equipment (computer)	straight line	3 years
Computer software	declining balance	100 %
Equipment (computer and GIS)	declining balance	55 %
Furniture and fixtures	declining balance	20 - 30 %
Leasehold improvements	straight-line	5 years
Parking lot	declining balance	8 %
Website	straight-line	3 years
Solar panels	declining balance	30 %
Broadband network (under construction) (unamortized)	straight-line	10 years

Intangible asset

An intangible asset recognized and subject to amortization is recorded at cost. Intangible assets consist of curriculum development for education purposes.

Amortization is provided using the straight-line method at a rate intended to amortize the cost of an intangible asset over its estimated useful life.

	Method	***Rate***
Curriculum development	straight-line	5 years

When an intangible asset no longer contributes to the Organization's ability to provide goods or services, or the value of future economic benefits or service potential associated with the intangible asset is less than its net carrying amount, its carrying amount is written down to fair value.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

3. Significant accounting policies *(Continued from previous page)*

Long-lived assets

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

When the Organization determines that a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the consolidated statement of operations. Write-downs are not reversed.

Long-term investments

Long-term investments are recorded at cost less any provisions for other than temporary impairment. They have been classified as long-term assets in concurrence with the nature of the investment.

Income taxes

MFNP and FRI account for income taxes using the taxes payable method. Under this method, only current income tax assets and liabilities are recorded to the extent they are unpaid or recoverable. In addition, the benefit relating to a tax loss incurred in the current period and carried back to prior periods is recognized as a current asset. Current income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

Revenue recognition

The Organization uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue in the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue is recognized when it is earned according to the terms of funding agreements, provided that the amount is measurable and collection is reasonably assured.

Rental revenue is recognized as it is earned over time according to occupancy agreements.

Project and engineering fees and recoveries are recognized as services are rendered, provided that the amount is measurable and collection is reasonably assured.

Other project management fees are recognized on a percentage of completion basis, where revenue is matched with the contract costs incurred in reaching the stage of completion resulting in a proportionate reporting of revenue, expense, and profit attributable to the proportion of work completed. Any anticipated losses on contracts are provided for in the period.

Interest income is recognized when it is earned.

Contributed materials and services

The Organization does not recognize the receipt of contributed materials and services.

Allocation of expenses

The Organization engages in programs that are directly funded by various government agencies. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs. The Organization directly allocates its general support expenses proportionately to each program based on the administrative support and related reporting requirements of each program.

Employee future benefits

The Organization's employee future benefit program consists of a defined contribution pension plan. The Organization's contributions to the defined contribution plan are expensed as incurred.

3. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization of capital assets and amortization of deferred contributions related to capital assets is based on the estimated useful lives of capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred revenue is estimated based on management's review of revenue received, but not spent at year-end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

3. Significant accounting policies *(Continued from previous page)*

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 19).

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

4. Marketable securities

	2022	*2021*
Marketable securities	**187,278**	195,163

All prescribed housing providers are required to participate in pooling of the capital reserves for investment purposes through the Social Housing Services Corporation ("SHSC") Investment Fund Program. According to SHSC Section 26(2), prescribed housing providers are required to follow the SHSC investment policy which outlines that all prescribed housing providers must invest all of the capital reserve funds with the SHSC Investment Fund, through Worldsource Financial Management Inc.

The Capital Reserve Fund investments consist of mutual funds invested with Worldsource Financial Management Inc. The investments consist of 100% Canadian bond funds with a cost of $200,017 (2021 - 100% Canadian bond funds with a cost of $196,629).

The Capital Reserve Fund investments are recorded at fair value which has resulted in a current year unrealized loss of $11,272 (2021 - unrealized gain of $809).

5. Accounts receivable

	2022	*2021*
Trade accounts receivable	**15,945,086**	13,954,321
Travel and salary advances	**33,564**	74,616
Allowance for doubtful accounts	**(697,086)**	(433,898)
	15,281,564	13,595,039

6. Related parties

The Organization is related to the following First Nations, each of which are members of the Organization and have representation on the Board of Directors. Therefore, each First Nation has the ability to significantly influence the operations of the Organization. The First Nations are as follows:

Aroland First Nation
Constance Lake First Nation
Eabametoong First Nation
Ginoogaming First Nation
Long Lake #58 First Nation
Marten Falls First Nation
Neskantaga First Nation
Nibinamik First Nation
Webequie First Nation

The following amounts are included in accounts receivable and accounts payable and accruals at year-end:

	2022	*2021*
Amounts included in accounts receivable		
Aroland First Nation	**253,536**	138,543
Constance Lake First Nation	**55,258**	1,609
Eabametoong First Nation	**294,075**	253,029
Ginoogaming First Nation	**569,415**	403,665
Long Lake #58 First Nation	**35,241**	13,388
Marten Falls First Nation	**459,605**	1,080,857
Neskantaga First Nation	**1,723,086**	902,506
Nibinamik First Nation	**602,355**	182,233
Webequie First Nation	**533,374**	458,994
Amounts included in accounts payable and accruals		
Aroland First Nation	**237,595**	311,210
Constance Lake First Nation	**423,124**	656,742
Eabametoong First Nation	**446,510**	490,904
Ginoogaming First Nation	**475,126**	568,534
Long Lake #58 First Nation	**159,202**	193,773
Marten Falls First Nation	**555,647**	486,846
Neskantaga First Nation	**355,610**	410,723
Nibinamik First Nation	**382,126**	526,881
Webequie First Nation	**350,078**	408,671

The amounts above are non-interest bearing and unsecured. It is anticipated that the amounts will be received (paid) in the next fiscal year.

7. Capital assets

			2022	*2021*
	Cost	***Accumulated amortization***	***Net book value***	*Net book value*
Buildings	**10,489,655**	**3,730,676**	**6,758,979**	7,050,231
Buildings (under construction) (unamortized)	**27,780,148**	**-**	**27,780,148**	14,495,163
Automotive	**1,249,139**	**608,701**	**640,438**	657,567
Computer software	**256,023**	**200,448**	**55,575**	-
Equipment (computer and GIS)	**5,928,483**	**5,223,814**	**704,669**	728,847
Furniture and fixtures	**2,183,838**	**989,151**	**1,194,687**	742,435
Land	**2,012,452**	**-**	**2,012,452**	2,009,806
Leasehold improvements	**428,865**	**426,512**	**2,353**	7,061
Parking lot	**28,200**	**18,073**	**10,127**	11,231
Website	**113,874**	**109,320**	**4,554**	8,694
Solar panels	**46,566**	**37,775**	**8,791**	13,577
Broadband network (under construction) (unamortized)	**42,083,435**	**-**	**42,083,435**	27,365,479
	92,600,678	**11,344,470**	**81,256,208**	53,090,091

During the year, the Organization continued capital renovations to a future education facility with a cost to date of $17,565,972 (2021 - $10,833,901), with an estimated completion date of fiscal 2023. Estimated total project costs amount to $25,400,000. In addition, the Organization continued capital improvements to a training and wellness facility with a cost to date of $9,615,597 (2021 - $3,661,261), with an estimated completion date of fiscal 2023. Estimated total project costs amount to $30,000,000.

During the year, the Organization continued capital development of a broadband network at a cost to date of $42,083,435 (2021 - $27,365,479), with an estimated completion date of fiscal 2023. Estimated total project costs amount to $68,300,000.

During the year, the Organization commenced construction on Phase 4 residential rental units with a cost to date of $598,599 (2021 - $Nil). Construction is expected to be completed by March 31,2023. Estimated total project costs amount to $1,160,700.

Amortization of assets under construction will commence once construction has been completed, based on an estimated useful life.

8. Intangible asset

	2022	*2021*
Intangible assets having definite lives		
Curriculum development	**270,704**	-

Amortization of $30,078 (2021 - $Nil), related to intangible assets with definite lives, is included in current year earnings.

9. Long-term investments

As at March 31, 2022, the Organization owned 2 Class C common shares of Long Lake Aggregates Ltd. representing 2% of the issued and outstanding shares of the company. The market value of these shares approximates the book value of this investment as recorded on these consolidated financial statements.

10. Credit facilities

At March 31, 2022, the Organization had a line of credit available with Royal Bank of Canada to a maximum $500,000 bearing interest at bank prime plus 1.75%, none of which were drawn. The following has been collateralized in connection with this line of credit:

- Guarantee and postponement of claim along with a general security agreement

MNPHC has been offered credit facilities by way of a multi-draw term loan to a maximum of $340,000 with respect to Phase 3 residential rental unit construction, secured by a first position collateral mortgage and a general security agreement including assignment of rents and insurance. The credit facilities shall bear interest at bank prime plus 1.22% payable monthly. Blended payments shall be calculated upon conversion of the multi-draw term loan, with any remaining balance due one year from conversion date. At year-end, the balance outstanding is $Nil.

11. Accounts payable and accruals

	2022	*2021*
Accounts payable and accrued liabilities	**11,566,715**	9,467,395
Wages and benefits payable	**1,705,768**	1,086,392
Repayable to funders	**1,367,848**	1,345,135
	14,640,331	11,898,922

12. Deferred revenue

	Matawa Operating	*Matawa Restricted*	*Matawa Capital*	*2022*	*2021*
Balance, beginning of year	**12,969,491**	**311,891**	-	**13,281,382**	17,527,722
Prior year funding adjustment	**106,126**	-	-	**106,126**	-
Amount received during the year	**15,916,268**	**586,184**	-	**16,502,452**	13,167,531
Less: amount recognized as revenue during the year	**(12,969,491)**	**(311,891)**	-	**(13,281,382)**	(17,413,871)
Balance, end of year	**16,022,394**	**586,184**	-	**16,608,578**	13,281,382

13. Long-term debt

	2022	2021
Royal Bank of Canada demand loan, bearing interest at 3.99%, repayable at $250 per month, maturing June 2025. Secured by a general security agreement and specific automotive equipment with a net book value of $16,488.	**19,925**	25,525
Royal Bank of Canada demand loan, non-interest bearing, repayable at $293 per month, maturing June 2025. Secured by a general security agreement and specific automotive equipment with a net book value of $17,833.	**24,870**	32,477
First National Financial LP, 2.32% mortgage on multiple properties located in Thunder Bay, Ontario. Repayable at $7,173 per month including interest, maturing February 2027. Security provided includes a charge on land and buildings with a net book value of $716,890.	**693,086**	762,679
Royal Bank of Canada loan, bearing interest at 4.45%. Repayable at $8,967 per month including interest, maturing August 2022. Secured by a general security agreement, and a guarantee and postponement of claim along with a general security agreement and assignment of rents from MFNP. Subsequent to year-end, a renewal has been executed with repayments at $7,381 per month plus interest at RBC prime rate plus 1.75%.	**827,922**	908,808
Royal Bank of Canada loan, bearing interest at 3.6%. Repayable at $6,144 per month including interest, maturing June 2022. Subsequent to year-end, the debt was renewed at a monthly payment of $4,439 plus interest at RBC prime plus 1.75%. Secured by a general security agreement, a guarantee and postponement of claim, assignment of rents, and a charge on land and buildings with a net book value of $9,615,597.	**973,485**	1,022,614
	2,539,288	2,752,103
Less: current portion and loans due on demand	**115,618**	58,002
Less: term loans subject to refinancing	**1,801,407**	2,694,101
	622,263	-

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

	Principal
2023	226,085
2024	227,975
2025	229,910
2026	221,501
2027	219,484

14. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized amount of contributed capital assets and restricted contributions that were used to fund capital purchases and construction including, but not limited to, general administrative operations, social housing, education facilities, training and wellness facilities, and broadband. Recognition of these amounts as revenue is deferred to the period when the related capital assets are amortized. The deferred capital contributions related to capital assets include contributions from Ontario Aboriginal Housing Support Services Corporation, The District of Thunder Bay Social Services Administration Board, Indigenous Services Canada, Ministry of Energy, Northern Development and Mines, Connect to Innovate, and various other governmental agencies.

Deferred contributions related to capital assets - social housing

Phase 2

The Organization received contributions of $3,338,775 in the form of a forgivable loan from Ontario Aboriginal Housing Support Services Corporation. The principal portion of the loan shall be forgiven over a 20-year term beginning on January 16, 2012 (the date of occupancy) on an accelerated basis as follows: 3% years one through five, 4% years six through ten and 6.5% years eleven through twenty, provided that all commitments are fulfilled. The Organization anticipates that no repayment will be necessary. The balance unforgiven at March 31, 2022 is $2,170,204 and may become liable for repayment should commitments not be fulfilled. The estimated amount to be forgiven in each of the next five years is estimated as follows:

2023	217,020
2024	217,020
2025	217,020
2026	217,020
2027	217,020

Phase 3

The Organization received contributions of $973,708 in the form of a forgivable loan from The District of Thunder Bay Social Services Administration Board related to the construction of the Phase 3 property. Recognition of this amount as revenue is deferred to the period when the related capital asset is amortized. The principal portion of the forgivable loan shall be forgiven on the last day of the month at the end of the twenty-year term (December 2040), which commences at occupancy (December 2020). Forgiveness is granted provided all conditions of the agreement have been satisfied. The forgiveable loan bears interest at 5%, which shall be forgiven annually, provided the Organization remains in compliance with the legal agreement. The District of Thunder Bay Social Services Administration Board forgivable loan is secured by a second position collateral mortgage to a maximum of $973,708, payable upon demand, and includes the assignment of rents.

Phase 4 (under construction)

Furthermore, in 2022, the Organization was approved for a forgiveable loan in the amount of $1,300,988 from The District of Thunder Bay Social Services Administration Board for the purpose of housing construction (Phase 4). During the year, The Organization received $650,121. The planned completion date of the construction is March 31, 2023. Recognition of this amount as revenue is deferred to the period when the related capital asset is amortized (subsequent to completion). The principal portion of the forgivable loan shall be forgiven over a term of ten years, which commences at the date of occupancy, on the last day of the month at the end of the term of the loan. Forgiveness is granted provided all conditions of the agreement have been satisfied.

Deferred contributions related to capital assets - training and wellness

The Organization received contributions to date of $1,152,350 (2021 - $652,350) from FedNor and The District of Thunder Bay Social Services Administration Board related to the capital improvements of the training and wellness facility, with an estimate completion date of fiscal 2023. Recognition of this amount as revenue is deferred to the period when the related capital asset is amortized.

14. Deferred contributions related to capital assets *(Continued from previous page)*

Deferred contributions related to capital assets - education facility

The Organization received contributions in the fiscal year of $2,515,715 (2021 - $1,393,558) from Indigenous Services Canada and $219,150 (2021 - $138,300) from The District of Thunder Bay District Services Administration Board. At year-end, $17,565,972 (2021 - $10,833,901) has been expended as capital assets relating to the education facility. The remaining balance is included in deferred revenue and will be included in deferred contributions related to capital assets once the remaining funding is expended on the education facility which is expected to be completed in fiscal 2023.

Deferred contributions related to capital assets - broadband

The Organization received contributions and financial commitments of $42,930,887 (2021 - $28,096,066) from the Ministry of Energy, Northern Development and Mines, Connect to Innovate and Indigenous Services Canada. At year-end, $42,083,435 (2021 - $27,365,479) has been expended as capital assets relating to the broadband development, currently under construction with an estimated completion date of fiscal 2023.

	Matawa Operating	*Matawa Restricted*	*Matawa Capital*	*2022*	*2021*
Balance, beginning of year	-	-	**45,914,209**	**45,914,209**	23,390,778
Amount received during the year	-	-	**23,215,828**	**23,215,828**	22,771,755
Less: amounts recognized as revenue during the year	-	-	**(265,185)**	**(265,185)**	(248,324)
	-	-	**68,864,852**	**68,864,852**	45,914,209
Less: current portion	-		**240,415**	**240,415**	250,485
Balance, end of year			**68,624,437**	**68,624,437**	45,663,724

15. Contingencies

The Organization is contingently liable to its funding agencies for any expenditures that it may have made in contravention of the contract agreements with these agencies. The actual amount of any contingent liability, if any, is currently not determinable.

During the year, the Organization executed two forgiveable promissory notes for a total value of $600,000 with The District of Thunder Bay Social Services Administration Board. The notes are forgiveable after a minimum of ten years after project completion regarding the education facility and the training and wellness facility. The forgiveable promissory notes are secured by specific land and buildings with a book value of $27,731,569.

Pending litigation

The Organization has been named as defendant in a contract dispute with a former contract employee regarding a contingency fee related to funding proposals. The Organization contends there is no legally binding agreement. The matter is being processed through the courts and the outcome is undeterminable at this time.

The Organization has been named as defendant in a grievance on behalf of a former employee, seeking to recover damages regarding employment termination. This is an ongoing legal matter and the outcome is undeterminable at this time.

No amount has been recorded in the consolidated financial statements in respect of any pending litigation. Any potential settlement will be recorded in the period where the amount is measurable and the outcome is known with certainty.

16. Refundable dividend taxes on hand

Under the *Income Tax Act* (the "Act"), MFNP is classified as a private corporation and therefore certain taxes paid relating to investments and dividend income are refundable. Accordingly, these taxes are not deducted in computing net income for the year, but are charged directly to retained earnings. These taxes can be recovered based on payments of dividends at the rate of $1 for every $3 of taxable dividends paid. The refundable dividend tax on hand as at March 31, 2022 amounts to $302 (2021 - $302).

17. Income taxes

The Organization is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

As at March 31, 2022, MFNP has $213,397 in non-capital losses available to reduce future years income for tax purposes, the future income tax effect of which has not been recorded in the consolidated financial statements. These losses expire as follows:

2035	2,424
2036	31,489
2037	53,174
2038	20,574
2039	34,791
2040	70,945

As at March 31, 2022, FRI has approximately $207,380 in non-capital losses available to reduce future years income for tax purposes, the future income tax effect of which has not been recorded in the consolidated financial statements. These losses expire as follows:

2037	2,088
2038	2,508
2039	2,838
2041	30,119
2042	169,827

18. Revenue details

	2022	2021
Government of Canada		
Indigenous Services Canada	**15,343,650**	11,027,631
Crown-Indigenous Relations and Northern Affairs	**209,957**	209,957
Health Canada	**11,928,760**	6,346,423
Natural Resources Canada	**-**	100,000
Canada Mortgage and Housing Corporation	**28,800**	33,260
Human Resources and Skills Development Canada / Service Canada	**3,585,358**	2,604,375
Fisheries and Oceans Canada	**257,219**	-
Environment and Climate Change Canada	**282,592**	343,098
Canadian Environmental Assessment Agency	**313,204**	125,477
Transport Canada	**-**	4,830
Connect to Innovate	**10,098,336**	10,049,760
Canadian Heritage	**196,017**	-
FedNor	**500,000**	-
	42,743,893	30,844,811
Province of Ontario		
Ministry of Energy, Northern Development and Mines	**5,314,112**	6,364,433
Ministry of Community and Social Services	**618,731**	660,516
Ministry of Natural Resources	**-**	25,346
Ministry of Indigenous Affairs	**1,015,494**	254,409
Ministry of Colleges and Universities	**3,100,000**	1,900,000
Ministry of Education	**883,958**	841,907
Ministry of Environment	**87,880**	187,595
Ministry of the Attorney General	**767,355**	803,855
Northern Ontario Heritage Fund Corporation	**17,636**	-
Ministry of Health	**5,569,906**	3,890,087
Ontario Health North	**636,400**	718,300
	18,011,472	15,646,448
First Nations and Organizations		
Services and recoveries	**4,597,137**	4,225,365
Nishnawbe Aski Nation	**1,531,964**	1,296,319
The District of Thunder Bay Social Services Administration Board	**1,385,188**	1,377,780
Indigenous Peoples Resilience Fund	**-**	30,000
Indigenous Primary Health Care Council	**827,284**	188,629
First Nation Confederacy of Cultural Centres	**400,000**	17,527
	8,741,573	7,135,620
Other		
Interest	**17,660**	93,990
Miscellaneous	**2,092,155**	2,100,583
Rental	**229,294**	130,301
	2,339,109	2,324,874

19. Related party transactions

Transactions occurring during the year with the related parties outlined in Note 6 were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions included in the consolidated statement of operations are summarized as follows:

	Matawa Operating	***Matawa Restricted***	***2022***	*2021*
Revenue - services and recoveries (included in First Nations and Organizations)	**2,984,984**	**1,612,152**	**4,597,136**	3,888,972
Expenses - First Nation Project Contributions	**3,281,231**	**-**	**3,281,231**	2,875,466
Expenses - Student and Client Allowances	**736,438**	**1,139,506**	**1,875,944**	2,457,291

20. Interfund transfer

An interfund transfer in the amount of $1,346,771 (2021 - $10,374,314) was transferred from the Operating Fund to the Capital Fund in order to fund capital asset purchases and amortization of capital assets. The balance between funds is unsecured, non-interest bearing and has no set terms of repayment.

21. Pension plan

The Organization has a defined contribution plan for which virtually all employees of the Organization are eligible. Pension benefits are determined by the performance of the sponsor's and employee's contributions. Actuarial valuations are normally not required as the pension obligation equals the net assets available for benefits. Employer contributions for the year were $589,339 (2021 - $479,890).

22. Commitments

The Organization has a 66-month operating lease for a photocopier requiring quarterly payments of $1,381, expiring in October 2023. Aggregate minimum lease payments to the expiry of the leases are as follows:

2023	5,523
2024	2,762

23. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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 Organization is exposed to interest rate price risk relating certain long-term debt, which has fixed interest rates ranging from 2.32% to 4.45% (2021 - 2.2% to 4.15%). The Organization is exposed to interest rate cash flow risk relating to certain long-term debt, which has a variable interest rate of prime plus 1.75%.

24. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

25. Subsequent event

Subsequent to year-end, the Organization was awarded funding for the continued capital development of the training and wellness centre in the amount of $13,800,000.