

Financial Statements of

**ONTARIO FIRST NATIONS
TECHNICAL SERVICES
CORPORATION**

And Independent Auditor's Report thereon

Year ended March 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Directors of Ontario First Nations Technical Services Corporation

Opinion

We have audited the financial statements of Ontario First Nations Technical Services Corporation (the "Corporation"), which comprise:

- the statement of financial position as at end of March 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in debt and financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at end of March 31, 2025, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.



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- 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
July 30, 2025

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Statement of Financial Position

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash and cash equivalents (note 3)	\$ 12,127,442	\$ 6,423,438
Amounts receivable	688,528	1,089,072
	12,815,970	7,512,510
Liabilities:		
Accounts payable and accrued liabilities	421,687	501,718
Deferred revenue (note 5)	8,618,107	3,633,405
Deferred lease inducement	8,227	8,227
	9,048,021	4,143,350
Net financial assets	3,767,949	3,369,160
Non-financial assets:		
Prepaid expenses	60,124	64,598
Tangible capital assets (note 4)	411,544	497,560
	471,668	562,158
Accumulated surplus (note 6)	\$ 4,239,617	\$ 3,931,318

See accompanying notes to financial statements.

On behalf of the Board:



Director



Kerry Black, PhD, P.Eng

Director

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Statement of Operations and Accumulated Surplus

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenues:		
Indigenous Services Canada	\$ 10,401,242	\$ 9,726,368
Canada Mortgage and Housing Corporation	457,465	404,525
Housing, Infrastructure and Communities Canada	86,250	—
Other	1,250,023	1,093,446
	12,194,980	11,224,339
Operating expenditures:		
Salaries and benefits	3,542,522	3,223,620
Travel	635,947	460,091
Rent	321,003	279,825
General and office	233,178	362,848
Computer support	212,041	173,314
Training	188,161	149,333
Insurance	163,268	144,363
Board, committees and meetings	152,988	128,245
Professional services	127,289	178,049
Amortization of tangible capital assets	104,797	111,027
Copier, fax, telephone and postage	101,911	112,919
Unrecoverable sales tax	14,470	102,609
Contributions	8,768	1,605
	5,806,343	5,427,848
Project expenses (Schedule 1)	6,080,338	5,427,528
Annual surplus	308,299	368,963
Accumulated surplus, beginning of year	3,931,318	3,562,355
Accumulated surplus, end of year	\$ 4,239,617	\$ 3,931,318

See accompanying notes to financial statements.

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Statement of Changes in Debt and Financial Assets

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Annual surplus	\$ 308,299	\$ 368,963
Acquisition of tangible capital assets	(39,818)	(114,579)
Amortization of tangible capital assets	125,834	129,112
Loss on disposal of tangible capital assets	—	98,125
Change in prepaid expenses	4,474	70,071
Net changes in debt and financial assets	398,789	551,692
Net financial assets, beginning of year	3,369,160	2,817,468
Net financial assets, end of year	\$ 3,767,949	\$ 3,369,160

See accompanying notes to financial statements.

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 308,299	\$ 368,963
Items not involving cash:		
Amortization of tangible capital assets	125,834	129,112
Loss on disposal of tangible capital assets	—	98,125
Changes in non-cash operating working capital items:		
Amounts receivable	400,544	(203,321)
Prepaid expenses	4,474	70,071
Accounts payable and accrued liabilities	(80,031)	(169,604)
Deferred revenue	4,984,702	1,198,205
	5,743,822	1,491,551
Capital activities:		
Purchase of tangible capital assets	(39,818)	(114,579)
Increase in cash and cash equivalents during the year	5,704,004	1,376,972
Cash and cash equivalents, beginning of year	6,423,438	5,046,466
Cash and cash equivalents, end of year	\$ 12,127,442	\$ 6,423,438

See accompanying notes to financial statements.

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Notes to Financial Statements

Year ended March 31, 2025

Ontario First Nations Technical Services Corporation (the "Corporation") was incorporated on February 13, 1995 as a corporation without share capital under the Corporations Act (Ontario). The Corporation was mandated by Ontario First Nations' Chiefs-in-Assembly to provide advisory level technical services to Ontario's Tribal Councils, Large First Nations and Unaffiliated First Nations in the areas of Capital Project Planning and Development, Quality Assurance, Training, Operations and Maintenance, Fire Protection, Architectural Support Services, Housing Inspections and Housing Program. The Corporation's underlying objectives are to foster greater First Nation Autonomy in the acquisition of capital facilities and infrastructure development.

The Corporation commenced operations on April 1, 1995. Prior to April 1, 1995, the effective operations of the Corporation were carried out and administered under the offices of the Indian Associations Co-ordinating Committee of Ontario Inc. ("Chiefs of Ontario").

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Public Sector Accounting Standards.

(a) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at amortized cost as they are managed and evaluated on an amortized cost basis.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and accumulated surplus.

(b) Tangible capital assets:

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

Asset	Basis	Rate
Office furniture	Declining balance	20%
Computer equipment and software	Straight-line basis	3 year
Leasehold Improvements	Straight-line basis	Lease term

Amortization is charged from the date of acquisition.

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(b) Tangible capital assets (continued):

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of the receipt and also recorded as revenue.

(c) Revenue recognition:

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Government transfers are recognized as revenue in financial statements when the transfer is authorized, any eligibility criteria are met, and a receivable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

From time to time, the Corporation is required to use a portion of funds received to purchase capital assets on behalf of First Nations. The Corporation has no title to these assets. The expenditures are expensed as incurred. The funds received are recognized as revenue when the funds have been spent.

(d) Deferred lease inducements:

Inducements received at the commencement of the Brantford office lease were deferred and amortized on a straight-line basis over the term of the lease.

(e) Use of estimates:

The preparation of the 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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Economic dependence:

The Corporation receives the major portion of its revenues pursuant to funding arrangements with Indigenous Services Canada ("ISC"). The nature and extent of this revenue is of such significance that the Corporation is economically dependent on this source of revenue.

3. Cash and cash equivalents:

The Corporation considers petty cash, deposits in banks and redeemable interest-bearing investments with maturities of one (1) year or less as cash and cash equivalents. Interest of \$414,554 (2024 – \$323,172) is included in other revenue on the statement of operations. The instruments bear interest between 3.65% and 4.80% (2024 – 5.40% and 5.75%).

4. Tangible capital assets:

Cost	Opening Balance April 1, 2024	Additions	Disposals	Ending Balance March 31, 2025
Office furniture	\$ 261,777	\$ 5,730	\$ –	\$ 267,507
Computer equipment and software	145,509	34,088	–	179,597
Leasehold improvements	604,690	–	–	604,690
	\$ 1,011,976	\$ 39,818	\$ –	\$ 1,051,794

Accumulated amortization	Opening Balance April 1, 2024	Additions	Disposals	Ending Balance March 31, 2025
Office furniture	\$ 175,680	\$ 32,172	\$ –	\$ 207,852
Computer equipment and software	47,204	33,193	–	80,397
Leasehold improvements	291,532	60,469	–	352,001
	\$ 514,416	\$ 125,834	\$ –	\$ 640,250

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

4. Tangible capital assets (continued):

Net book value	2025	2024
Office furniture	\$ 59,655	\$ 86,097
Computer equipment and software	99,200	98,304
Leasehold improvements	252,689	313,159
	\$ 411,544	\$ 497,560

(a) Contributed tangible capital assets:

The Corporation did not receive any contributed tangible capital assets during the year.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Corporation has not recorded write-downs of tangible capital assets during the year. Included in office expenses is the loss on disposal of computer equipment of \$nil (2024 – \$30,755).

5. Deferred revenue:

	Opening balance April 1, 2024	Funding received	Funding receivable	Revenue recognized	Ending balance March 31, 2025
ISC	\$ 2,649,215	\$ 12,322,816	\$ 35,190	\$ 10,401,242	\$ 4,605,979
HICC	–	2,840,954	–	86,250	2,754,704
Other	984,190	1,949,631	31,091	1,707,488	1,257,424
	\$ 3,633,405	\$ 17,113,401	\$ 66,281	\$ 12,194,980	\$ 8,618,107

6. Internally restricted reserves:

Included in accumulated surplus is \$2,200,000 (2024 - \$2,200,000) internally restricted funds that have been established by the Board of Directors cover approximately six months of operations and to support future cashflow needs of the Corporation.

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Commitments:

The Corporation has entered into agreements to lease office space. Annual minimum rental costs over the terms of the leases are as follows:

2026	\$	308,253
2027		297,923
2028		297,923
2029		297,923
2030		146,815
Thereafter		133,000
		<hr/>
		\$ 1,481,836

8. Capital disclosures:

The Corporation has an agreement with ISC for funding. The agreement contains a cumulative deficit covenant, whereby the Corporation may not have a cumulative deficit over a calculated threshold at a point in time during of the agreement. The Corporation is in compliance with this covenant at March 31, 2025.

9. Pension plan:

The Corporation sponsors a defined contribution pension plan for its employees. Pension expense for the year amounted to \$233,429 (2024 - \$219,185) and is included in benefits expense.

10. Financial risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Corporation is exposed to credit risk with respect to the accounts receivable.

The Corporation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Corporation at March 31, 2025 is the carrying value of these assets.

There have been no significant changes to the credit risk exposure from 2024.

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

10. Financial risk (continued):

b) Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2024.

ONTARIO FIRST NATIONS TECHNICAL SERVICES CORPORATION

Schedule 1 – Project Expenses

Year ended March 31, 2025, with comparative information for the year 2024

	2025	2024
Indigenous Services Canada Projects		
C RTP	\$ 1,275,586	\$ 1,605,195
HUB	1,823,521	1,593,900
E-ACRS	744,995	–
Solid Waste – Management Strategy	503,799	288,152
Technical Youth Career Outreach Project (TYCOP)	365,489	195,642
FINYES	241,486	470,167
Fuel Systems Management	162,185	137,838
Capacity Building	113,157	62,313
Other ISC Projects	99,968	189,306
LEDSP Contaminated Sites	74,998	111,941
Emergency Management	5,182	–
Asset Management	3,352	–
Modernization of Governance and Management	–	63,860
PIEVC Global Forum	–	62,428
Indigenous Project Management Course	–	58,183
	5,413,718	4,838,934
Other Projects		
CMHC	457,465	404,524
Reaching Home	86,250	–
Other projects	122,905	184,070
	666,620	588,594
Total project expenses	\$ 6,080,338	\$ 5,427,528