

Animakee Wa Zhing #37
Consolidated Financial Statements
March 31, 2020

Animakee Wa Zhing #37

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For the year ended March 31, 2020

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Management's Responsibility

To the Members and Chief and Council of Animakee Wa Zhing #37:

The accompanying consolidated financial statements of Animakee Wa Zhing #37 (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

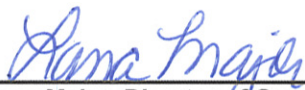
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 Animakee Wa Zhing #37 Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent Firm of Chartered Professional Accountants, are appointed by the Chief and Council 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 Council and management to discuss their audit findings.

May 31, 2021



Lana Major, Director of Operations

To the Members and to Chief and Council of Animakee Wa Zhing #37:

Opinion

We have audited the consolidated financial statements of Animakee Wa Zhing #37 (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus (deficit), change in net debt 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 First Nation as at March 31, 2020, and the results of its consolidated operations, change in its net debt and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the First Nation for the year ended March 31, 2019 were audited by BDO Canada LLP of Kenora, Ontario. BDO Canada LLP expressed an unqualified opinion on those statements on November 15, 2019.

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

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

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

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

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

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

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

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

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

Kenora, Ontario

May 31, 2021

MNP LLP


Chartered Professional Accountants


Licensed Public Accountants

Animakee Wa Zhing #37
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Cash (Note 3)	12,145,811	3,610,482
Portfolio investments (Note 4)	361,125	361,125
Accounts receivable (Note 5)	344,681	458,412
Amounts due from government (Note 6)	1,135,479	929,994
Funds held in Ottawa Trust Fund (Note 7)	92,000	90,229
Total assets	14,079,096	5,450,242
Liabilities		
Accounts payable and accruals (Note 8)	2,010,896	716,288
Due to government and other government organizations (Note 9)	64,442	121,598
Deferred revenue (Note 10)	9,288,524	2,450,642
Long-term debt (Note 11)	3,720,013	3,491,846
Total financial liabilities	15,083,875	6,780,374
Net debt	(1,004,779)	(1,330,132)
Contingencies (Note 12)		
Contingent assets (Note 23)		
Subsequent events (Note 24)		
Non-financial assets		
Tangible capital assets (Schedule 1)	15,028,398	10,393,921
Prepaid expenses	30,374	24,219
Total non-financial assets	15,058,772	10,418,140
Accumulated surplus	14,053,993	9,088,008

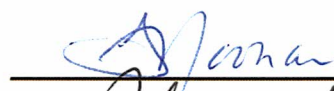
Approved on behalf of the Council






Chief

Councillor





Councillor

Councillor

Animakee Wa Zhing #37

Consolidated Statement of Operations and Accumulated Surplus (Deficit)

For the year ended March 31, 2020

	<i>Schedules</i>	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue				
Indigenous Services Canada (Note 13), (Note 15)		4,136,227	13,595,231	4,923,299
Canada Mortgage and Housing Corporation (Note 15)		648,582	146,619	214,272
First Nations and Inuit Health (Note 14), (Note 15)		382,055	-	399,543
National Energy Board (Note 15)		-	-	44,797
Canada Environmental Assessment Agency (Note 15)		-	-	23,500
Canada Summer Jobs (Note 15)		-	-	5,657
Ministry of Children, Community & Social Services (Note 15)		447,564	557,981	499,701
Ministry of Indigenous Affairs (Note 15)		256,000	242,500	330,760
Ministry of Education (Note 15)		212,205	200,005	212,205
Ministry of Health and Long-Term Care (Note 15)		106,817	112,480	111,673
Ministry of Energy, Northern Development and Mines (Note 15)		74,452	75,196	74,452
Mining Participation		-	1,734,943	533,013
Ontario First Nation Limited Partnership (Note 16)		-	887,252	1,017,542
Grand Council Treaty #3		95,000	470,587	110,239
Other revenue		15,000	134,542	23,548
Anishinaabeg of Kabapikotawangag Resource Council		150,064	155,127	178,410
Shooniyaa Wa-Biitong		73,000	180,752	63,725
Interest income		10,900	61,522	15,118
Miscellaneous		-	45,000	17,500
Rental income		57,000	50,250	61,500
Kenora Chiefs Advisory		17,788	37,131	17,788
Right to Play		16,500	5,503	15,594
Anishinaabe Abinoojii Family Services		42,752	-	62,112
HST and Sales Tax rebates		10,000	-	8,109
Deferred revenue - prior year (Note 10)		509,861	2,450,642	821,691
Deferred revenue - current year (Note 10)		(898,659)	(9,288,524)	(2,450,642)
Repayment of funding		-	-	(101,849)
		6,363,108	11,854,739	7,233,257
Segment expenses				
Administration	4	1,052,816	1,042,990	1,046,077
Community Services	5	572,467	985,569	771,077
Health	6	936,852	971,423	937,066
Education	7	2,023,309	2,071,700	1,638,239
Social Services	8	764,372	887,993	674,986
Minor Capital	9	140,611	126,988	396,829
Economic Development	10	422,392	456,026	218,066
Housing	11	122,096	141,318	96,901
Ontario First Nation Limited Partnership	12	-	204,747	233,349
Total expenses (Schedule 2)		6,034,915	6,888,754	6,012,590
Surplus (deficit)		328,193	4,965,985	1,220,667
Accumulated surplus (deficit), beginning of year		9,088,008	9,088,008	7,867,341
Accumulated surplus (deficit), end of year		9,416,201	14,053,993	9,088,008

The accompanying notes are an integral part of these financial statements

Animakee Wa Zhing #37
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Annual surplus	328,193	4,965,985	1,220,667
Purchases of tangible capital assets	-	-	(654,691)
Construction in progress	-	(5,201,685)	(828,818)
Amortization of tangible capital assets	-	567,209	426,961
Acquisition of prepaid expenses	-	(24,218)	(24,217)
Use of prepaid expenses	-	18,062	34,028
	-	(6,156)	9,811
(Increase) decrease in net debt	328,193	325,353	173,930
Net debt, beginning of year	(1,330,132)	(1,330,132)	(1,504,062)
Net debt, end of year	(1,001,939)	(1,004,779)	(1,330,132)

The accompanying notes are an integral part of these financial statements

Animakee Wa Zhing #37
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	4,965,985	1,220,667
Non-cash items		
Amortization	567,209	426,961
	5,533,194	1,647,628
Changes in working capital accounts		
Accounts receivable	113,731	(469,395)
Amount due from government	(205,485)	-
Prepaid expenses	(6,151)	9,807
Accounts payable and accruals	1,294,608	217,869
Amount due to government	(57,162)	-
Deferred revenue	6,837,883	1,628,555
Funds held in trust	(1,771)	(2,048)
	13,508,847	3,032,416
Financing activities		
Advances of long-term debt	320,129	650,299
Repayment of long-term debt	(91,962)	(60,082)
	228,167	590,217
Capital activities		
Purchase of tangible capital assets	-	(654,691)
Construction in progress	(5,201,685)	(828,818)
	(5,201,685)	(1,483,509)
Increase (decrease) in cash	8,535,329	2,139,124
Cash, beginning of year	3,610,482	1,471,358
Cash, end of year	12,145,811	3,610,482
Supplementary cash flow information		
Interest paid	35,478	21,178

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

1. Operations

The Animakee Wa Zhing #37 (the "First Nation") is located in the province of Ontario, and provides various services to its members. Animakee Wa Zhing #37 includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

COVID-19 Impact to Operations

During the year there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation 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.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for government business entities.

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

- Animakee Wa Zhing #37 First Nation
- CMHC Housing

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

Cash

Cash includes balances with banks and temporary investments with maturities of one year or less.

Portfolio investments

Portfolio investments include investments in entities that are not owned, controlled or influenced by the First Nation reporting entity and accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust monies consist of:

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

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributed to construction and development, as well as interest costs that are directly attributable to the acquisition and construction of the asset.

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

Tangible capital assets are written down when the conditions indicate they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital asset are less than their net book value. The net write-downs are accounted for as an expense in the consolidated statement of operations and accumulated surplus.

Contributed capital assets are recorded into revenue at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Amortization

Amortization for tangible capital assets is provided to amortize the cost of the assets over their estimated useful lives.

	Method	Rate
Buildings	declining balance	4 %
Infrastructure and roads	declining balance	5 %
Equipment	declining balance	20 %
Automotive and marine	declining balance	30 %

At March 31, 2020 the First Nation had under construction two duplexes, an administration building, and water treatment plant. At March 31, 2020 \$317,510 (2019 - \$30,768), \$3,445,352 (2019 - \$797,450), and \$2,267,041 (2019 - \$nil) respectively in costs had been capitalized to "construction in progress" on Schedule 1.

As these assets were not available for use at March 31, 2020, no amortization was recorded for the year.

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value.

Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

Revenue recognition

Government transfers

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

Other revenue

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding agreement that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt and is matched with the related department expense in the year of their occurrence.

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used as specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

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

Lease and rent revenue from tenants are recorded monthly when the amounts have been earned and collection is reasonably assured.

Mining participation and other revenues are recognized on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, and when collection is reasonably assured.

Investment income is recorded on an accrual basis.

Measurement uncertainty

The preparation of consolidated 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 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.

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

Amortization is based on the estimated useful lives of tangible capital assets.

Deferred revenue is estimated based on management's review of revenue received, but unspent as of year end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Segments

The First Nation conducts its business through ten reportable segments: Administration, Community Services, Health, Education, Social Services, Minor Capital, Economic Development, Housing, Ontario First Nation Limited Partnership and COVID-19. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the *Significant accounting policies*.

Employee future benefits

The First Nation's employee future benefit programs consist of a defined contribution pension plan. The expenses for this plan are equal to the First Nation's required contribution for the year.

Net financial assets (net debt)

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

3. Cash

	2020	2019
Water Treatment Plant Construction Account	8,816,733	-
General Account	2,400,494	2,864,562
Canada Mortgage and Housing Corporation Account	238,304	234,282
Flood Claim Account	213,584	99,222
Treaty Land Entitlement Account	206,167	95,288
Other General Account	203,805	263,990
Housing Authority	48,669	39,046
Social Services Account	18,035	14,092
New Gold Equity Fund	20	-
	12,145,811	3,610,482

4. Portfolio investments

	2020	2019
New Gold Inc. equity investment measured at cost, with a fair market value of \$82,125 (2019 - \$127,125)	361,125	361,125

5. Accounts receivable

	2020	2019
Trade receivables	249,020	474,125
Due from other funders	191,977	38,339
Due from members	6,453	6,697
	447,450	519,161
Less: Allowance	(102,769)	(60,749)
	344,681	458,412

6. Amounts due from government

	2020	2019
Federal		
Indigenous Services Canada	826,549	670,933
Canada Mortgage and Housing Corporation	134,698	118,522
Province of Ontario	174,232	140,539
	1,135,479	929,994

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Funds held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2020	2019
Capital Trust		
Balance, beginning and end of year	15,759	15,759
Revenue Trust		
Balance, beginning of year	74,470	72,422
Interest	1,771	2,048
	76,241	74,470
	92,000	90,229

8. Accounts payable and accruals

	2020	2019
Trade payables	1,939,665	687,922
Accrued salaries and benefits payable	68,289	25,293
Other accrued liabilities	2,942	3,073
	2,010,896	716,288

9. Due to government and other government organizations

	2020	2019
Federal government	31,000	88,161
Other government organizations	33,442	33,437
	64,442	121,598

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

10. Deferred Revenue

	<i>Balance March 31, 2019</i>	<i>Funding Received 2020</i>	<i>Revenue Recognized 2020</i>	<i>Balance March 31, 2020</i>
Federal				
Administration	32,316	259,101	291,417	-
Community Services	110,181	758,882	801,563	67,500
Health	-	644,111	566,874	77,237
Education	590,922	1,913,842	2,064,355	440,409
Social Services	352,415	714,083	279,377	787,121
Capital	1,354,626	9,019,632	2,684,330	7,689,928
Economic Development	10,182	285,580	263,248	32,514
Housing	-	146,619	146,619	-
	2,450,642	13,741,850	7,097,783	9,094,709
Provincial				
Administration	-	166,000	166,000	-
Community Services	-	75,196	75,196	-
Health	-	230,885	230,885	-
Education	-	219,485	219,485	-
Social Services	-	402,986	402,986	-
Economic Development	-	76,500	76,500	-
COVID-19	-	17,110	-	17,110
	-	1,188,162	1,171,052	17,110
Other				
Administration	-	721,986	721,986	-
Community Services	-	45,750	45,750	-
Health	-	214,311	162,871	51,440
Education	-	50,305	50,305	-
Social Services	-	180,752	85,044	95,708
Capital	-	1,250,000	1,250,000	-
Economic Development	-	374,173	374,173	-
Housing	-	8,523	8,523	-
Ontario First Nation Limited Partnership	-	887,252	887,252	-
COVID-19	-	29,557	-	29,557
	-	3,762,609	3,585,904	176,705
	2,450,642	18,692,621	11,854,739	9,288,524

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

11. Long-term debt

	2020	2019
CMHC mortgage on CMHC phase 1 project, repayable \$3,430 monthly, including interest at 1.30%, secured by Ministerial guarantee, next renewal date June 2022.	460,063	494,992
CMHC mortgage on CMHC 4 Unit project, repayable \$3,167 monthly, including interest at 1.30%, secured by Ministerial guarantee, next renewal date December 2020.	691,054	719,877
CMHC mortgage on CMHC phase 1 project, repayable \$4,034 monthly, including interest at 2.20%, secured by Ministerial guarantee, next renewal date January 2024.	896,555	924,765
ISC Flood Claim loan, unsecured, repayable when flood claim is settled, interest free, maturing March 2023 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	722,388	626,912
ISC Treaty Land Entitlement Claim loan, unsecured, repayable when land claim is settled, interest free, maturing March 2023 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	856,610	725,300
ISC Hwy 71 Claim loan, unsecured, repayable when highway claim is settled, interest free, maturing March 2025 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	93,343	-
	3,720,013	3,491,846

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

	Principal
2021	93,378
2022	94,868
2023	1,675,382
2024	97,926
2025	192,838
	2,154,392
Thereafter	1,565,621

Interest on long-term debt amounted to \$35,478 (2019 - \$21,178)

The First Nation has in place a line of credit at the Canadian Imperial Bank of Commerce. The line of credit has a limit of \$40,000 and bears interest at a rate of prime plus 1.5%, 2020 - 3.95% (2019 - 5.45%). At March 31, 2020, the line of credit was not utilized.

The First Nation has in place a demand installment loan with the Canadian Imperial Bank of Commerce. The demand loan has a limit of \$3,500,000 and bears interest at a rate of prime plus 1.5%, 2020 - 3.95% (2019 - 5.45%). This loan is to be used to finance milestone payments for the new band office construction project. At March 31, 2020, the demand installment loan was not utilized.

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

12. Contingencies

The First Nation has signed funding agreements with Indigenous Services Canada and other governmental bodies for funding of programs which state that the funding party may require surpluses to be returned. The total of such surpluses were indeterminable and the amount could be material. Payment or recoveries of prior year surpluses will be recorded in the year recovered or paid.

13. Indigenous Services Canada Funding Reconciliation

	2020	2019
Indigenous Services Canada Revenue per Consolidated Financial Statements	13,595,231	4,923,299
Indigenous Services Canada Revenue per funding confirmation	13,595,231	4,923,299

14. First Nations and Inuit Health Funding Reconciliation

	2020	2019
First Nations and Inuit Health per Consolidated Financial Statements	-	399,543
First Nations and Inuit Health per funding confirmation	-	399,543

15. Government Transfers

	Operating	Capital	2020	2019
Federal government transfers				
Indigenous Services Canada	5,840,532	7,754,699	13,595,231	4,923,299
Canada Mortgage and Housing Corporation	146,619	-	146,619	214,272
First Nations and Inuit Health	-	-	-	399,543
National Energy Board	-	-	-	44,797
Canada Environmental Assessment Agency	-	-	-	23,500
Canada Summer Jobs	-	-	-	5,657
Total Federal	5,987,151	7,754,699	13,741,850	5,611,068
Provincial government transfers				
Ministry of Children, Community & Social Services	557,981	-	557,981	499,701
Ministry of Indigenous Affairs	242,500	-	242,500	330,760
Ministry of Education	200,005	-	200,005	212,205
Ministry of Health and Long-Term Care	112,480	-	112,480	111,673
Ministry of Energy, Northern Development and Mines	75,196	-	75,196	74,452
Total Provincial	1,188,162	-	1,188,162	1,228,791
Total government transfers	7,175,313	7,754,699	14,930,012	6,839,859

16. Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The First Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company Ontario First Nations General Partner Inc. - the carrying values of which are nominal and are therefore not recorded in these consolidated financial statements.

17. Budget information

The disclosed budget information has been approved by the Chief and Council, and presented to the members of the Animakee Wa Zhing #37 at the meeting held on March 31, 2020.

18. Commitments

At March 31, 2020 the First Nation had under construction two duplexes, administration building, and a water treatment plant. The First Nation has contracts of \$717,465, \$2,907,000, and \$24,542,721 respectively. As of March 31, 2020 there was \$317,510 (2019 - \$30,768), \$3,445,352 (2019 - \$797,450), and \$2,267,041 (2019 - \$nil) respectively capitalized to construction in progress. The First Nation estimates the cost to complete these capital projects at \$564,319, \$444,029, and \$22,275,680 respectively.

19. Financial instruments

The First Nation's financial instruments consist of cash, portfolio investments, accounts receivable, amounts due from government, accounts payable, accruals, amounts due to government and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair market value of these financial instruments approximate their carrying values, unless otherwise noted.

20. Economic dependence

Animakee Wa Zhing #37 receives 73% (2019 - 74%) a significant portion of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These Treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

21. Comparative figures

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

22. First Nations Financial Transparency Act

The First Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2020. As the audit report is dated after this date, the First Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

23. Contingent assets

The First Nation is undergoing negotiations with the Government of Canada and the Province of Ontario regarding flood claims and Highway 71 claims. It is likely that these claims will result in a financial settlement in favour of the First Nation but at March 31, 2020 the amount remains uncertain.

24. Subsequent event

In December 2020, the First Nation settled a land based claim with the Government of Canada whereby the First Nation received \$47,684,156.00 in settlement compensation.

Animakee Wa Zhing #37
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<i>Building</i>	<i>Infrastructure and roads</i>	<i>Equipment</i>	<i>Automotive and marine</i>	<i>Construction in progress</i>	<i>2020</i>	<i>2019</i>
Cost							
Balance, beginning of year	13,884,294	993,175	580,396	804,930	828,218	17,091,013	15,607,503
Acquisition of tangible capital assets	-	-	-	-	-	-	654,691
Construction-in-progress	-	-	-	-	5,201,685	5,201,685	828,818
Balance, end of year	13,884,294	993,175	580,396	804,930	6,029,903	22,292,698	17,091,012
Accumulated amortization							
Balance, beginning of year	5,334,631	390,071	458,776	513,613	-	6,697,091	6,270,130
Annual amortization	425,335	30,155	24,324	87,395	-	567,209	426,961
Balance, end of year	5,759,966	420,226	483,100	601,008	-	7,264,300	6,697,091
Net book value of tangible capital assets	8,124,328	572,949	97,296	203,922	6,029,903	15,028,398	10,393,921
2019 Net book value of tangible capital assets	9,377,880	603,104	121,620	291,317	-	10,393,921	

Animakee Wa Zhing #37
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Consolidated expenses by object			
Administrative expenses (recovery)	336,894	(425,127)	20,069
Amortization of tangible capital assets	-	567,209	426,961
Bad debts	-	42,075	68,408
Bank and interest charges	2,500	3,003	2,484
Capital, operations & maintenance	625,504	915,823	632,615
Community events	427,658	408,625	414,586
Community, health and economic development	114,414	105,245	78,737
Education, training and travel	1,306,254	1,228,562	1,120,418
Honoraria, salaries, wages and benefits	2,087,513	2,321,952	2,032,288
Interest on long-term debt	38,007	35,478	21,178
Office, materials, supplies and utilities	513,343	480,004	593,260
Professional fees	582,828	1,205,905	601,586
	6,034,915	6,888,754	6,012,590

Animakee Wa Zhing #37

Schedule 3 - Summary of Consolidated Schedule of Revenue and Expenses by Segment

For the year ended March 31, 2020

	<i>Schedule #</i>	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Administration	4	259,101	887,986	32,316	1,179,403	1,042,990	(330,203)	(193,790)
Community Services	5	758,882	120,946	42,681	922,509	985,569	16,853	(46,207)
Health	6	644,111	445,197	(128,677)	960,631	971,423	-	(10,792)
Education	7	1,913,842	269,790	150,513	2,334,145	2,071,700	-	262,445
Social Services	8	714,083	583,738	(530,414)	767,407	887,993	15,030	(105,556)
Minor Capital	9	9,019,632	1,250,000	(6,335,302)	3,934,330	126,988	1,217,504	5,024,846
Economic Development	10	285,580	450,673	(22,333)	713,920	456,026	(236,679)	21,215
Housing	11	-	155,142	-	155,142	141,318	-	13,824
Ontario First Nation Limited Partnership	12	-	887,252	-	887,252	204,747	(682,505)	-
COVID-19	13	-	46,667	(46,667)	-	-	-	-
		13,595,231	5,097,391	(6,837,883)	11,854,739	6,888,754	-	4,965,985

Animakee Wa Zhing #37
Administration

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	227,727	259,101	314,257
Ministry of Indigenous Affairs	166,000	166,000	240,760
Mining Participation	-	484,943	533,013
Other revenue	10,000	134,544	3,486
Interest income	10,000	57,499	12,730
Miscellaneous	-	45,000	7,500
HST and Sales Tax rebates	10,000	-	8,109
Deferred revenue - prior year (Note 10)	-	32,316	-
Deferred revenue - current year (Note 10)	-	-	(32,316)
Repayment of funding	-	-	(70,392)
	423,727	1,179,403	1,017,147

Continued on next page

Animakee Wa Zhing #37
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget	2020	2019
<i>(Continued from previous page)</i>	423,727	1,179,403	1,017,147
Expenses			
Administration (recovery)	12,446	(998,493)	(451,805)
Advertising	2,500	2,033	2,024
Amortization	-	567,209	426,961
Bad debts	-	51	13,512
Bank charges and interest	2,500	3,007	2,487
Board travel, training and honoraria	354,900	245,381	168,778
Chief and Council	17,200	38,304	17,664
Cultural development	1,500	4,489	10,790
Equipment	5,000	4,465	1,470
Insurance	27,500	13,927	13,462
Meetings	24,500	46,198	50,756
Office supplies	30,000	34,258	28,353
Professional development	2,500	30,260	700
Professional fees	299,323	754,916	303,288
Program expense	-	2,868	-
Rent	14,762	13,909	14,762
Repairs and maintenance	4,000	1,972	4,441
Salaries and benefits	109,843	200,349	343,875
Subcontracts	-	-	127
Telephone	25,000	23,178	36,234
Transportation	3,725	-	-
Travel	95,617	44,707	39,685
Utilities	20,000	10,002	18,513
	1,052,816	1,042,990	1,046,077
Surplus (deficit) before transfers	(629,089)	136,413	(28,930)
Transfers between segments	(317,889)	(330,203)	(533,180)
Surplus (deficit)	(946,978)	(193,790)	(562,110)

Animakee Wa Zhing #37
Community Services
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	641,553	758,882	677,014
Canada Mortgage and Housing Corporation	24,500	-	34,952
Ministry of Energy, Northern Development and Mines	74,452	75,196	74,452
Rental income	51,000	45,750	51,000
Other revenue	5,000	-	20,062
Interest income	-	-	847
Deferred revenue - prior year (Note 10)	120,261	110,181	156,079
Deferred revenue - current year (Note 10)	-	(67,500)	(110,181)
	916,766	922,509	904,225
Expenses			
Administration	76,830	83,407	58,620
Bad debts	-	42,024	54,896
Chief and Council	1,800	4,471	3,316
Equipment	21,000	580	27,388
Insurance	9,468	25,383	14,775
Meetings	7,700	1,066	1,975
Office supplies	100	343	3,328
Professional development	6,500	3,540	4,325
Professional fees	33,436	29,941	100,186
Program expense	-	974	971
Rent	-	-	13,045
Repairs and maintenance	293,537	486,979	239,804
Salaries and benefits	42,193	175,094	114,230
Subcontracts	25,000	30,838	52,216
Supplies	203	10,545	17,005
Training	500	2,560	434
Travel	5,900	22,368	3,927
Utilities	48,300	65,456	60,636
	572,467	985,569	771,077
Surplus (deficit) before transfers	344,299	(63,060)	133,148
Transfers between segments	210,585	16,853	298,608
Surplus (deficit)	554,884	(46,207)	431,756

Animakee Wa Zhing #37 Health

Schedule 6 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	72,550	644,111	72,550
First Nations and Inuit Health	382,055	-	399,543
Ministry of Children, Community & Social Services	127,864	124,068	127,864
Ministry of Health and Long-Term Care	106,817	106,817	106,817
Anishinaabeg of Kabapikotawangag Resource Council	150,064	155,127	178,410
Kenora Chiefs Advisory	17,788	37,131	17,788
Grand Council Treaty #3	10,000	16,551	24,394
Right to Play	16,500	5,503	15,594
Deferred revenue - current year (Note 10)	-	(128,677)	-
	883,638	960,631	942,960
Expenses			
Administration	52,195	108,478	73,297
Basic health services	35,138	22,226	37,876
Cultural development	19,500	9,093	17,690
Equipment	31,600	28,092	15,061
Fuel	16,800	17,260	14,754
Homemakers	15,000	25,974	1,080
Insurance	9,400	14,086	7,564
Licensing	200	467	272
Meetings	11,314	10,987	11,314
Office supplies	10,297	5,761	9,118
Professional development	24,676	17,128	9,967
Professional fees	16,200	55,374	12,500
Program expense	97,448	66,107	141,512
Repairs and maintenance	10,335	13,744	9,963
Salaries and benefits	456,777	453,813	444,086
Social assistance	38,200	18,306	46,884
Student expenses	419	-	-
Supplies	1,900	1,724	2,155
Telephone	13,750	19,709	11,567
Training	27,400	12,778	26,779
Travel	36,303	67,364	34,027
Utilities	12,000	2,952	9,600
	936,852	971,423	937,066
Surplus (deficit) before transfers	(53,214)	(10,792)	5,894
Transfers between segments	54,930	-	46,697
Surplus (deficit)	1,716	(10,792)	52,591

Animakee Wa Zhing #37

Education

Schedule 7 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	1,457,399	1,913,843	1,600,099
Ministry of Education	181,285	169,085	181,285
Ministry of Children, Community & Social Services	50,400	50,400	50,400
Grand Council Treaty #3	85,000	50,305	85,845
Deferred revenue - prior year (Note 10)	302,945	590,922	402,319
Deferred revenue - current year (Note 10)	(122,219)	(440,410)	(590,922)
Repayment of funding	-	-	(27,003)
	1,954,810	2,334,145	1,702,023
Expenses			
Administration	98,114	227,191	98,114
Chief and Council travel, training and honouraria	10,000	346	3,998
Cultural development	35,314	24,441	13,497
Daycare fee	-	-	8,290
Equipment	-	2,739	1,156
Fuel	9,200	16,073	3,468
Insurance	10,480	13,774	7,635
Licensing	1,000	1,505	533
Meetings	-	1,994	52
Office supplies	6,905	12,349	3,116
Professional development	15,500	13,263	9,435
Professional fees	6,000	4,000	28,253
Program expense	198,715	108,041	133,666
Repairs and maintenance	66,026	111,810	38,972
Salaries and benefits	505,834	533,355	479,937
Student expenses	325,816	67,702	132,777
Supplies	23,301	21,489	7,627
Telephone	7,400	9,321	9,154
Training	182,000	163,612	146,986
Transportation	6,000	900	5,194
Travel	41,495	35,085	29,595
Tuition fees	443,100	699,787	461,786
Utilities	31,109	2,923	14,998
	2,023,309	2,071,700	1,638,239
Surplus (deficit) before transfers	(68,499)	262,445	63,784
Transfers between segments	-	-	14
Surplus (deficit)	(68,499)	262,445	63,798

Animakee Wa Zhing #37
Social Services

Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	447,682	714,083	571,062
Canada Summer Jobs	-	-	5,657
Ministry of Children, Community & Social Services	269,300	366,403	321,437
Ministry of Education	30,920	30,920	30,920
Ministry of Health and Long-Term Care	-	5,663	4,856
Shooniyaa Wa-Biitong	73,000	180,752	63,725
Anishinaabe Abinoojii Family Services	42,752	-	62,112
Deferred revenue - prior year (Note 10)	76,473	352,415	76,473
Deferred revenue - current year (Note 10)	-	(882,829)	(352,415)
	940,127	767,407	783,827
Expenses			
Administration	47,848	91,454	58,331
Construction/Renovations	-	-	75
Cultural development	20,000	2,487	9,968
Daycare fee	38,120	45,270	38,120
Insurance	1,750	1,750	1,170
Meetings	1,000	784	632
Office rent	2,500	-	2,500
Office supplies	18,115	2,153	11,513
Professional development	30,100	18,648	16,434
Professional fees	5,000	25,670	1,125
Program expense	83,650	76,925	41,604
Repairs and maintenance	11,408	1,027	100
Salaries and benefits	196,477	162,140	111,106
Social assistance	259,800	406,635	235,203
Supplies	3,500	2,771	2,704
Telephone	2,400	-	-
Training	20,060	36,499	116,743
Transportation	-	84	-
Travel	20,711	12,263	24,529
Utilities	1,933	1,433	3,129
	764,372	887,993	674,986
Surplus (deficit) before transfers	175,755	(120,586)	108,841
Transfers between segments	(13,650)	15,030	(28,553)
Surplus (deficit)	162,105	(105,556)	80,288

Animakee Wa Zhing #37
Minor Capital

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	992,424	9,019,632	1,634,862
Canada Mortgage and Housing Corporation	25,594	-	9,251
Mining Participation	-	1,250,000	-
Deferred revenue - prior year (Note 10)	-	1,354,626	186,820
Deferred revenue - current year (Note 10)	(776,440)	(7,689,928)	(1,354,626)
	241,578	3,934,330	476,307
Expenses			
Administration	-	9,083	5,990
Construction/Renovations	-	94,052	262,565
Insurance	-	1,192	25,755
Meetings	8,000	18,375	29,770
Office supplies	-	-	2,450
Professional fees	15,300	-	29,950
Repairs and maintenance	116,811	2,917	38,854
Salaries and benefits	-	1,369	-
Travel	500	-	1,362
Utilities	-	-	133
	140,611	126,988	396,829
Surplus (deficit) before transfers	100,967	3,807,342	79,478
Transfers between segments	260,214	1,217,504	989,659
Surplus (deficit)	361,181	5,024,846	1,069,137

Animakee Wa Zhing #37
Economic Development
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	296,892	285,580	53,455
National Energy Board	-	-	44,797
Canada Environmental Assessment Agency	-	-	23,500
Ministry of Indigenous Affairs	90,000	76,500	90,000
Grand Council Treaty #3	-	374,173	-
Miscellaneous	-	-	10,000
Deferred revenue - prior year (Note 10)	10,181	10,181	-
Deferred revenue - current year (Note 10)	-	(32,514)	(10,181)
Repayment of funding	-	-	(4,455)
	397,073	713,920	207,116
Expenses			
Administration	31,921	36,208	9,736
Chief and Council travel, training and honouraria	1,800	-	1,800
Meetings	7,700	2,530	-
Office supplies	-	232	-
Professional fees	202,550	281,527	109,916
Repairs and maintenance	5,000	908	5,963
Salaries and benefits	111,688	104,665	60,406
Supplies	1,000	1,425	617
Telephone	6,500	-	-
Training	27,000	13,738	10,658
Travel	27,233	14,793	18,970
	422,392	456,026	218,066
Surplus (deficit) before transfers	(25,319)	257,894	(10,950)
Transfers between segments	-	(236,679)	10,949
Surplus (deficit)	(25,319)	21,215	(1)

Animakee Wa Zhing #37
Housing

Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue			
Canada Mortgage and Housing Corporation	598,488	146,619	170,069
Rental income	6,000	4,500	10,500
Interest income	900	4,023	1,542
	605,388	155,142	182,111
Expenses			
Administration	17,540	17,540	15,155
Insurance	28,030	31,187	22,423
Interest on long-term debt	38,007	35,477	21,177
Professional fees	5,020	5,020	4,504
Repairs and maintenance	31,759	46,644	29,031
Utilities	1,740	5,450	4,611
	122,096	141,318	96,901
Surplus (deficit)	483,292	13,824	85,210

Animakee Wa Zhing #37
Ontario First Nation Limited Partnership
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue			
Ontario First Nation Limited Partnership	-	887,252	1,017,542
Expenses			
Administration	-	-	152,631
Basic health services	-	180	-
Construction/Renovations	-	23,633	-
Cultural development	-	3,523	850
Funeral	-	33,873	39,188
Professional fees	-	49,456	11,863
Program expense	-	73,583	6,040
Social assistance	-	20,499	21,987
Student expenses	-	-	790
	-	204,747	233,349
Surplus (deficit) before transfers	-	682,505	784,193
Transfers between segments	(194,190)	(682,505)	(784,193)
Surplus (deficit)	(194,190)	-	-

Animakee Wa Zhing #37
COVID-19

Schedule 13 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Ministry of Children, Community & Social Services	-	17,110	-
Grand Council Treaty #3	-	29,557	-
Deferred revenue - current year <i>(Note 10)</i>	-	(46,667)	-
Surplus (deficit)	-	-	-