

Animakee Wa Zhing #37
Consolidated Financial Statements
March 31, 2021

Animakee Wa Zhing #37

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For the year ended March 31, 2021

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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 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.

July 19, 2022

Original Signed By:
Noella Mandamin,
Acting Finance Manager

To the Members and 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, 2021, and the consolidated statements of operations and accumulated surplus, changes 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, 2021, and the results of its consolidated operations, changes 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.

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

July 19, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Animakee Wa Zhing #37
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial assets		
Cash (Note 3)	12,384,649	12,145,811
Portfolio investments (Note 4)	361,125	361,125
Accounts receivable (Note 5)	450,695	344,681
Amounts due from government (Note 6)	1,937,225	1,135,480
Funds held in Ottawa Trust Fund (Note 7)	93,782	92,000
Total assets	15,227,476	14,079,097
Liabilities		
Accounts payable and accruals (Note 8)	3,556,194	2,010,896
Due to government and other government organization (Note 9)	64,444	64,444
Deferred revenue (Note 10)	12,280,264	9,288,524
Long-term debt (Note 11)	2,951,057	3,720,013
Total financial liabilities	18,851,959	15,083,877
Net debt	(3,624,483)	(1,004,780)
Contingencies (Note 12)		
Commitments (Note 17)		
Non-financial assets		
Tangible capital assets (Schedule 1)	35,836,766	15,028,398
Prepaid expenses	3,709	30,372
Total non-financial assets	35,840,475	15,058,770
Accumulated surplus	32,215,992	14,053,990

Approved on behalf of the Council

Original Signed By:
Linda McVicar

Chief

Original Signed By:
Donald Kavanaugh

Councillor

Original Signed By:
Loraine Major

Councillor

Original Signed By:
Theresa Noonan

Councillor

Animakee Wa Zhing #37

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2021

	Schedules	2021 Budget (Note 16)	2021	2020
Revenue				
Indigenous Services Canada (Note 13), (Note 14)		3,945,182	23,566,700	13,595,231
Canada Mortgage and Housing Corporation (Note 14)		648,582	137,180	146,619
Ministry of Children, Community & Social Services (Note 14)		447,564	625,623	557,981
Ministry of Education (Note 14)		212,205	216,851	200,005
Ministry of Indigenous Affairs (Note 14)		330,760	192,200	242,500
Ministry of Health and Long-Term Care (Note 14)		106,817	117,527	112,480
Ministry of Energy, Northern Development and Mines (Note 14)		74,452	77,452	75,196
Treaty Land Entitlement settlement		-	48,224,377	-
Ontario First Nation Limited Partnership (Note 15)		866,741	866,741	887,252
New Gold Inc.		25,000	813,016	1,734,943
Grand Council Treaty #3		95,000	517,153	470,587
Anishinaabeg of Kabapikotawangag Resource Council		150,064	346,499	155,127
Shooniyaa Wa Biitong		8,183	244,767	180,752
HST and Sales Tax rebates		10,000	123,913	-
Other revenue		15,000	81,499	134,544
Rental income		57,000	64,845	50,250
Interest income		10,900	36,755	61,522
Right to Play		16,500	12,156	5,503
Miscellaneous		-	7,419	45,000
Kenora Chiefs Advisory		17,788	2,965	37,131
Deferred revenue - prior year (Note 10)		411,199	9,288,524	2,450,642
Deferred revenue - current year (Note 10)		(898,659)	(12,280,264)	(9,288,524)
		6,550,278	73,283,898	11,854,741
Segment expenses				
Administration	4	938,646	1,108,367	767,868
Treaty Land Entitlement	5	303,020	47,495,169	275,121
Community Services	6	427,764	980,486	985,568
Health	7	916,580	933,319	973,417
Education	8	2,015,367	2,126,542	2,071,700
Social Services	9	642,895	851,307	885,999
Minor Capital	10	292,988	136,008	126,988
Economic Development	11	373,642	379,488	456,026
Housing	12	122,096	104,791	141,318
Ontario First Nation Limited Partnership	13	152,860	866,742	204,747
COVID-19	14	-	139,677	-
Total expenditures (Schedule 2)		6,185,858	55,121,896	6,888,752
Surplus (deficit)		364,420	18,162,002	4,965,989
Accumulated surplus (deficit), beginning of year		14,053,990	14,053,990	9,088,001
Accumulated surplus (deficit), end of year		14,418,410	32,215,992	14,053,990

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, 2021

	2021 Budget (Note 16)	2021	2020
Annual surplus	364,420	18,162,002	4,965,989
Construction in progress	-	(17,110,299)	(5,201,689)
Capitalized from construction in progress	-	(4,296,261)	-
Purchase of tangible capital assets	-	(100,078)	-
Amortization of tangible capital assets	-	698,271	567,209
Acquisition of prepaid expenses	-	(3,708)	(24,218)
Use of prepaid expenses	-	30,370	18,063
(Increase) decrease in net debt	364,420	(2,619,703)	325,354
Net debt, beginning of year	(1,004,781)	(1,004,780)	(1,330,134)
Net debt, end of year	(640,361)	(3,624,483)	(1,004,780)

Animakee Wa Zhing #37
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	18,162,002	4,965,989
Non-cash items		
Amortization	698,271	567,209
CMHC debt not yet advanced	(54,091)	-
	18,806,182	5,533,198
Changes in working capital accounts		
Accounts receivable	(106,014)	113,732
Amount due from government	(801,745)	(205,485)
Amount due to government	-	(57,163)
Prepaid expenses	26,664	(6,155)
Accounts payable and accruals	1,545,298	1,294,608
Deferred revenue	2,991,740	6,837,882
Funds held in trust	(1,783)	(1,771)
	22,460,342	13,508,846
Financing activities		
Advances of current portion of long-term debt	233,615	320,130
Repayment of current portion of long-term debt	(948,481)	(91,962)
	(714,866)	228,168
Capital activities		
Construction in Progress	(17,110,299)	(5,201,685)
Capitalized from construction in progress	(4,296,261)	-
Purchase of capital assets	(100,078)	-
	(21,506,638)	(5,201,685)
Increase (decrease) in cash	238,838	8,535,329
Cash, beginning of year	12,145,811	3,610,482
Cash, end of year	12,384,649	12,145,811

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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.

Impact on operations of COVID-19 (coronavirus)

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

The impact of COVID-19 has been partially offset by available Government programs for which the First Nation was eligible. Eligibility requirements under these programs have evolved since first announced and can be subject to changes in legislation or administrative positions, further, there is significant uncertainty of the period of time into the future that the Government will continue these programs.

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

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 consists of GIC's reported at cost. Beginning April 1, 2022, Section PS 3450 will be adopted and portfolio investments consisting of equity instruments that are quoted in an active market will be required to be recorded at fair value.

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 using the following methods at rates intended 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, a water treatment plant, and a wharf. At March 31, 2021 \$1,532,010 (2020 - \$317,510), \$21,458,192 (2020 - \$2,267,041), and \$150,000 (2020 - 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, 2021, 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.

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

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.

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 eleven reportable segments: Administration, Community Services, Health, Education, Social Services, Minor Capital, Economic Development, Housing, Ontario First Nation Limited Partnership, COVID-19 and Treaty Land Entitlement. 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.

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Net debt

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

3. Cash

	2021	2020
General Account	11,095,280	2,400,494
Water Treatment Plant Construction Account	1,091,346	8,816,733
Canada Mortgage and Housing Corporation Account	238,936	238,304
Social Services Account	31,970	18,035
Housing Authority	22,273	48,669
Cash	20,355	-
Flood Claim Account	-	213,584
Treaty Land Entitlement Account	-	206,167
New Gold Equity Fund	-	20
Other General Account	(115,511)	203,805
	12,384,649	12,145,811

4. Portfolio investments

	2021	2020
New Gold Inc. measured at cost	361,125	361,125

5. Accounts receivable

	2021	2020
Trade receivables	181,221	249,020
Due from other funders	369,394	191,977
Due from members	6,453	6,453
	557,068	447,450
Allowance for doubtful accounts	(106,373)	(102,769)
Total Accounts Receivable	450,695	344,681

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

6. Amounts due from government

	2021	2020
Federal		
Indigenous Services Canada	783,691	826,549
Canada Mortgage and Housing Corporation	217,788	134,698
	1,001,479	961,247
Province of Ontario	935,746	174,233
	1,937,225	1,135,480

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.

	2021	2020
Capital Trust		
Balance, beginning and end of year	15,759	15,759
Revenue Trust		
Balance, beginning of year	76,241	74,470
Interest	1,782	1,771
	78,023	76,241
	93,782	92,000

8. Accounts payable and accruals

	2021	2020
Trade payables	3,458,239	1,939,665
Accrued salaries and benefits payable	97,955	68,289
Other accrued liabilities	-	2,942
	3,556,194	2,010,896

9. Due to government and other government organizations

	2021	2020
Federal government	31,000	31,000
Other government organizations	33,444	33,444
	64,444	64,444

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

10. Deferred Revenue

	<i>Balance March 31, 2020</i>	<i>Funding Received 2021</i>	<i>Revenue Recognized 2021</i>	<i>Balance March 31, 2021</i>
Federal				
Administration	-	843,720	780,711	63,009
Community Services	67,500	484,055	354,647	196,908
Health	77,237	789,092	675,000	191,329
Education	440,409	2,291,894	2,036,408	695,895
Social Services	787,121	1,228,040	357,918	1,657,243
Capital	7,689,928	17,619,344	16,566,719	8,742,553
Economic Development	32,514	310,556	343,070	-
Housing	-	137,180	137,180	-
	9,094,709	23,703,881	21,251,653	11,546,937
Provincial				
Administration	-	64,200	64,200	-
Community Services	-	77,452	77,452	-
Health	-	245,175	245,175	-
Education	-	236,331	236,331	-
Social Services	-	478,495	447,575	30,920
Economic Development	-	85,000	85,000	-
COVID-19	17,110	-	17,110	-
Treaty Land Entitlement	-	43,000	43,000	-
	17,110	1,229,653	1,215,843	30,920
Other				
Administration	-	1,244,251	1,244,251	-
Community Services	-	42,660	42,660	-
Health	51,440	266,219	201,329	116,330
Education	-	103,525	103,525	-
Social Services	95,708	244,767	45,162	295,311
Capital	-	10,000	10,000	-
Economic Development	-	291,921	1,155	290,766
Housing	-	637	637	-
Ontario First Nation Limited Partnership	-	866,741	866,741	-
COVID-19	29,557	47,001	76,558	-
Treaty Land Entitlement	-	48,224,377	48,224,377	-
	176,705	51,342,099	50,816,395	702,407
	9,288,524	76,275,633	73,283,891	12,280,264

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

11. Long-term debt

	2021	2020
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.	425,119	460,063
CMHC mortgage on CMHC 4 Unit project, repayable \$3,167 monthly, including interest at 2.20%, secured by Ministerial guarantee, next renewal date December 2022.	661,429	691,054
CMHC mortgage on CMHC phase 1 project, repayable \$4,034 monthly, including interest at 2.20%, secured by Ministerial guarantee, next renewal date June 2024.	815,163	896,555
Loan advance from Indigenous Services Canada, in connection with the Flooding Claim, interest free unless in default, repayable from flood claim proceeds on the earlier of March 31, 2023 or the date on which the claim is settled.	853,464	722,388
Loan advance from Indigenous Services Canada, in connection with the Hwy 71 Claim, interest free unless in default, repayable from claim proceeds on the earlier of March 31, 2025 or the date on which the claim is settled.	195,882	93,343
Loan advance from Indigenous Services Canada repaid during the year.	-	856,610
	2,951,057	3,720,013

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
2022	94,868
2023	96,384
2024	820,314
2025	230,571
2026	162,259
	1,404,396
Thereafter	1,600,750

Interest on long-term debt amounted to \$32,003 (2020 - \$35,478).

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%, 2021 - 3.95% (2020 - 3.95%). At March 31, 2021, 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%, 2021 - 3.95% (2020 - 3.95%). This loan is to be used to finance milestone payments for the new band office construction project. At March 31, 2021, the demand installment loan was not utilized.

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.

Animakee Wa Zhing #37
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

13. Indigenous Services Canada Funding Reconciliation

	2021	2020
Indigenous Services Canada Revenue per Consolidated Financial Statements	23,566,700	13,595,231
Indigenous Services Canada Revenue per funding confirmation	23,566,700	13,595,231

14. Government Transfers

	Operating	Capital	2021	2020
Federal government transfers				
Indigenous Services Canada	5,947,356	17,619,344	23,566,700	13,595,231
Canada Mortgage and Housing Corporation	137,180	-	137,180	146,619
Total Federal	6,084,536	17,619,344	23,703,880	13,741,850
Ministry of Children, Community & Social Services	625,623	-	625,623	557,981
Ministry of Education	216,851	-	216,851	200,005
Ministry of Indigenous Affairs	192,200	-	192,200	242,500
Ministry of Health and Long-Term Care	117,527	-	117,527	112,480
Ministry of Energy, Northern Development and Mines	77,452	-	77,452	75,196
Total Provincial	1,229,653	-	1,229,653	1,188,162
Total Government transfers	7,314,189	17,619,344	24,933,533	14,930,012

15. 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.

16. 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, 2021.

17. Commitments

At March 31, 2021 the First Nation had under construction two duplexes, and a water treatment plant. The First Nation has contracts of \$717,465, and \$24,542,721 respectively. As of March 31, 2021 there was \$1,532,010 (2020 - \$317,510), and \$19,191,150 (2020 - \$2,267,041) respectively capitalized to construction in progress. The First Nation estimates the cost to complete these capital projects at \$33,500 and \$4,954,255 respectively.

18. Financial instruments

The First Nation's financial instruments consist of cash, temporary investments, accounts receivable, amounts due to/from government, accounts payable, accruals and long-term debt. Unless otherwise noted, it is management's opinion that the 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.

19. Economic dependence

Animakee Wa Zhing #37 receives 84% (2020 - 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.

20. Comparative figures

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

21. 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, 2021. 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.

Animakee Wa Zhing #37
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Building</i>	<i>Infrastructure and roads</i>	<i>Equipment</i>	<i>Automotive and marine</i>	<i>Construction in progress</i>	<i>2021</i>	<i>2020</i>
Cost							
Balance, beginning of year	13,884,294	993,175	580,396	804,930	6,029,903	22,292,698	17,091,013
Acquisition of tangible capital assets	-	-	-	100,078	-	100,078	5,201,685
Construction-in-progress	-	-	-	-	21,406,560	21,406,560	-
Conversion of tangible capital assets	4,296,261	-	-	-	(4,296,261)	-	-
Balance, end of year	18,180,555	993,175	580,396	905,008	23,140,202	43,799,336	22,292,698
Accumulated amortization							
Balance, beginning of year	5,759,966	420,226	483,100	601,008	-	7,264,300	6,697,091
Annual amortization	573,976	28,647	19,459	76,188	-	698,270	567,209
Balance, end of year	6,333,942	448,873	502,559	677,196	-	7,962,570	7,264,300
Net book value of tangible capital assets	11,846,613	544,302	77,837	227,812	23,140,202	35,836,766	15,028,398
2020 Net book value of tangible capital assets	8,124,328	572,949	97,296	203,922	6,029,903	15,028,398	

Animakee Wa Zhing #37
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Consolidated expenses by object			
Administrative expenses (recovery)	445,343	(418,610)	(425,127)
Amortization of tangible capital assets	-	698,271	567,209
Bad debts	-	62,343	42,075
Bank and interest charges	2,500	65,588	3,007
Capital, operations & maintenance	497,527	996,398	883,448
Community events	373,838	400,539	310,427
Community, health and economic development	85,776	101,354	105,882
Contingency	1,498	687,829	39,255
Daycare fee	38,120	-	45,270
Education, training and travel	1,273,968	988,233	1,205,229
Honoraria, salaries, wages and benefits	2,000,919	2,797,304	2,308,687
Interest on long-term debt	38,007	32,003	35,477
Member settlement payout	28,800	16,470,000	-
Office, materials, supplies and utilities	817,186	634,290	562,009
Professional fees	582,376	831,741	1,205,904
Transfer to trust	-	30,774,613	-
	6,185,858	55,121,896	6,888,752

Animakee Wa Zhing #37

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

For the year ended March 31, 2021

	<i>Schedule #</i>	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>
Administration	4	843,719	1,308,453	(63,008)	2,089,164	1,108,367	980,797
Treaty Land Entitlement	5	-	48,267,377	-	48,267,377	47,495,169	772,208
Community Services	6	484,055	120,112	(129,407)	474,760	980,486	(505,726)
Health	7	789,092	511,395	(178,982)	1,121,505	933,319	188,186
Education	8	2,291,894	339,856	(255,486)	2,376,264	2,126,542	249,722
Social Services	9	1,228,040	723,263	(1,100,646)	850,657	851,307	(650)
Minor Capital	10	17,619,344	10,000	(1,052,625)	16,576,719	136,008	16,440,711
Economic Development	11	310,556	376,921	(258,252)	429,225	379,488	49,737
Housing	12	-	137,817	-	137,817	104,791	33,026
Ontario First Nation Limited Partnership	13	-	866,742	-	866,742	866,742	-
COVID-19	14	-	47,001	46,667	93,668	139,677	(46,009)
		23,566,700	52,708,937	(2,991,739)	73,283,898	55,121,896	18,162,002

Animakee Wa Zhing #37
Administration

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	227,727	843,720	259,101
Ministry of Indigenous Affairs	80,240	64,200	80,000
New Gold Inc.	25,000	813,016	484,943
HST and Sales Tax rebates	10,000	123,913	-
Anishinaabeg of Kabapikotawangag Resource Council	-	106,401	-
Other revenue	10,000	71,499	134,544
Grand Council Treaty #3	-	64,862	-
Interest income	10,000	36,118	54,805
Rental income	51,000	22,185	-
Miscellaneous	-	6,258	45,000
Deferred revenue - prior year (Note 10)	-	-	32,316
Deferred revenue - current year (Note 10)	-	(63,008)	-
	413,967	2,089,164	1,090,709

Continued on next page

Animakee Wa Zhing #37
Administration

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
<i>(Continued from previous page)</i>	413,967	2,089,164	1,090,709
Expenses			
Administration (recovery)	18,796	(1,062,486)	(1,013,593)
Amortization	-	698,271	567,209
Bad debts	-	44,036	51
Bank charges and interest	2,500	65,588	3,007
Board travel, training and honoraria	373,800	303,401	239,781
Chief and council	17,200	25,905	38,304
Cultural development	1,500	-	459
Equipment	5,000	57,915	4,465
Insurance	27,500	106,946	13,927
Meeting	29,110	3,688	23,541
Miscellaneous	2,500	5,418	8,977
Office supplies	30,000	30,869	34,212
Professional development	2,500	6,147	30,260
Professional fees	175,770	401,781	546,091
Rent	14,762	13,507	13,909
Repairs and maintenance	4,000	52,659	1,972
Salaries and benefits	120,343	289,048	192,385
Student expenses	25,000	-	-
Telephone	25,000	44,692	23,178
Transportation	(3,725)	-	-
Travel	47,090	17,065	29,731
Utilities	20,000	3,917	10,002
	938,646	1,108,367	767,868
Surplus (deficit) before transfers	(524,679)	980,797	322,841
Transfers between segments	(317,889)	-	(330,203)
Surplus (deficit)	(842,568)	980,797	(7,362)

Animakee Wa Zhing #37
Treaty Land Entitlement
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Treaty Land Entitlement settlement	-	48,224,377	-
Ministry of Indigenous Affairs	160,520	43,000	86,000
Interest income	-	-	2,694
	160,520	48,267,377	88,694
Expenses			
Administration	10,690	4,300	15,100
Board travel, training and honouraria	-	800	5,600
Meeting	11,110	3,090	22,657
Member settlement payout	28,800	16,470,000	-
Miscellaneous	70,000	-	-
Professional fees	112,000	235,172	208,825
Salaries and benefits	7,250	196	7,964
Transfer to Trust	-	30,774,613	-
Travel	63,170	6,998	14,975
	303,020	47,495,169	275,121
Surplus (deficit)	(142,500)	772,208	(186,427)

Animakee Wa Zhing #37
Community Services
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	327,203	484,055	758,882
Canada Mortgage and Housing Corporation	24,500	-	-
Ministry of Energy, Northern Development and Mines	74,452	77,452	75,196
Rental income	-	42,660	45,750
Other revenue	5,000	-	-
Deferred revenue - prior year (Note 10)	33,436	67,500	110,181
Deferred revenue - current year (Note 10)	-	(196,907)	(67,500)
	464,591	474,760	922,509
Expenses			
Administration	76,830	56,309	83,407
Bad debts	-	18,307	42,024
Chief and council	1,800	523	4,471
Equipment	21,000	75,978	580
Insurance	9,468	-	25,383
Materials and supplies	-	25,399	-
Meeting	7,700	-	1,066
Miscellaneous	25,000	23,520	31,467
Office supplies	100	8,693	343
Professional development	6,500	2,680	3,540
Professional fees	33,436	15,067	29,941
Program expense	-	959	974
Repairs and maintenance	149,037	382,549	486,349
Salaries and benefits	42,193	219,969	175,094
Supplies	-	28,870	10,545
Training	500	-	2,560
Travel	5,900	8,810	22,368
Utilities	48,300	112,853	65,456
	427,764	980,486	985,568
Surplus (deficit) before transfers	36,827	(505,726)	(63,059)
Transfers between segments	112,910	-	16,853
Surplus (deficit)	149,737	(505,726)	(46,206)

Animakee Wa Zhing #37 Health

Schedule 7 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	457,605	789,092	647,111
Ministry of Children, Community & Social Services	127,864	127,648	124,068
Ministry of Health and Long-Term Care	106,817	117,527	106,817
Anishinaabeg of Kabapikotawangag Resource Council	150,064	240,099	155,127
Right to Play	16,500	12,156	5,503
Grand Council Treaty #3	10,000	11,000	16,551
Kenora Chiefs Advisory	17,788	2,965	37,131
Deferred revenue - prior year (Note 10)	-	128,677	-
Deferred revenue - current year (Note 10)	-	(307,659)	(128,677)
	886,638	1,121,505	963,631
Expenses			
Administration	52,195	130,249	108,778
Cultural development	19,500	2,869	9,093
Equipment	31,600	24,971	28,092
Medical trips	28,000	6,798	24,724
Homemakers	15,000	-	25,974
Insurance	9,900	120	14,586
Meeting	11,314	1,223	10,393
Miscellaneous	47,138	4,569	22,681
Office supplies	10,297	3,866	5,761
Professional development	17,676	27,711	15,266
Professional fees	16,200	651	55,374
Program expense	97,948	41,048	66,107
Repairs and maintenance	21,743	15,406	13,744
Salaries and benefits	433,300	568,302	455,007
Social assistance	22,200	208	17,028
Student expenses	419	-	-
Supplies	1,900	21,290	1,724
Telephone	13,750	13,211	19,709
Training	27,400	1,730	12,778
Travel	26,600	67,148	63,646
Utilities	12,500	1,949	2,952
	916,580	933,319	973,417
Surplus (deficit) before transfers	(29,942)	188,186	(9,786)
Transfers between segments	-	-	-
Surplus (deficit)	(29,942)	188,186	(9,786)

Animakee Wa Zhing #37

Education

Schedule 8 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	1,451,113	2,291,893	1,913,843
Ministry of Education	181,285	185,931	169,085
Ministry of Children, Community & Social Services	50,400	50,400	50,400
Grand Council Treaty #3	85,000	103,525	50,305
Deferred revenue - prior year (Note 10)	301,290	440,410	590,922
Deferred revenue - current year (Note 10)	(122,219)	(695,895)	(440,410)
	1,946,869	2,376,264	2,334,145
Expenses			
Administration	97,514	230,748	227,191
Board travel, training and honouraria	10,000	2,294	346
Cultural development	35,314	2,915	24,441
Equipment	2,800	2,376	2,739
Insurance	9,480	513	13,774
Meeting	-	-	1,994
Miscellaneous	24,000	3,384	11,443
Office supplies	6,905	14,854	12,349
Professional development	15,500	1,563	13,263
Professional fees	6,000	-	4,000
Program expense	174,715	120,786	98,236
Repairs and maintenance	63,549	272,471	111,810
Salaries and benefits	509,934	545,657	532,129
Student expenses	334,360	103,335	84,868
Supplies	23,301	22,644	21,489
Telephone	7,400	6,145	9,321
Training	176,000	108,150	163,612
Transportation	6,000	954	900
Travel	41,495	16,554	35,085
Tuition fees	443,100	671,199	699,787
Utilities	28,000	-	2,923
	2,015,367	2,126,542	2,071,700
Surplus before transfers	(68,498)	249,722	262,445
Transfers between segments	40,000	-	-
Surplus	(28,498)	249,722	262,445

Animakee Wa Zhing #37
Social Services

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	444,682	1,228,040	711,083
Ministry of Children, Community & Social Services	269,300	447,575	366,403
Ministry of Education	30,920	30,920	30,920
Ministry of Health and Long-Term Care	-	-	5,663
Shooniyaa Wa Biitong	8,183	244,767	180,752
Deferred revenue - prior year (Note 10)	76,473	882,829	352,415
Deferred revenue - current year (Note 10)	-	(1,983,474)	(882,829)
	829,558	850,657	764,407
Expenses			
Administration	38,867	143,748	91,154
Cultural development	15,000	-	2,487
Daycare fee	38,120	-	45,270
Insurance	1,250	-	1,250
Meeting	-	-	784
Miscellaneous	23,300	6,065	10,761
Office supplies	18,115	6,724	2,153
Professional development	15,600	5,707	18,648
Professional fees	-	7,026	25,670
Program expense	75,000	2,367	76,925
Repairs and maintenance	-	391	1,027
Salaries and benefits	149,110	172,335	160,946
Social assistance	240,000	503,027	395,874
Supplies	3,500	-	2,771
Telephone	2,400	-	-
Training	10,000	-	36,499
Transportation	-	-	84
Travel	11,200	3,917	12,263
Utilities	1,433	-	1,433
	642,895	851,307	885,999
Surplus (deficit) before transfers	186,663	(650)	(121,592)
Transfers between segments	7,100	-	15,031
Surplus (deficit)	193,763	(650)	(106,561)

Animakee Wa Zhing #37
Minor Capital

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	992,424	17,619,344	9,019,632
Canada Mortgage and Housing Corporation	25,594	-	-
Other revenue	-	10,000	-
New Gold Inc.	-	-	1,250,000
Deferred revenue - prior year (Note 10)	-	7,689,928	1,354,626
Deferred revenue - current year (Note 10)	(776,440)	(8,742,553)	(7,689,928)
	241,578	16,576,719	3,934,330
Expenses			
Administration	5,990	22,226	9,083
Construction/Renovations	-	-	94,052
Contingency	1,498	-	-
Insurance	-	-	1,192
Meeting	97,939	-	18,375
Professional fees	45,250	-	-
Repairs and maintenance	141,811	108,617	2,917
Salaries and benefits	-	5,165	1,369
Travel	500	-	-
	292,988	136,008	126,988
Surplus (deficit) before transfers	(51,410)	16,440,711	3,807,342
Transfers between segments	317,889	-	1,217,504
Surplus (deficit)	266,479	16,440,711	5,024,846

Animakee Wa Zhing #37
Economic Development
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	248,142	310,556	285,580
Ministry of Indigenous Affairs	90,000	85,000	76,500
Grand Council Treaty #3	-	290,766	374,173
Miscellaneous	-	1,155	-
Deferred revenue - prior year	-	32,514	10,181
Deferred revenue - current year	-	(290,766)	(32,514)
	338,142	429,225	713,920
Expenses			
Administration	26,921	38,756	36,208
Board travel, training and honouraria	1,800	-	-
Meeting	1,500	35	2,530
Miscellaneous	5,000	318	2,384
Office supplies	-	5,722	232
Professional fees	188,700	163,648	281,527
Salaries and benefits	90,988	153,916	104,665
Supplies	1,000	20,118	1,425
Telephone	6,500	-	-
Training	27,000	-	12,262
Travel	24,233	539	14,793
Utilities	-	(3,564)	-
	373,642	379,488	456,026
Surplus (deficit) before transfers	(35,500)	49,737	257,894
Transfers between segments	-	-	(236,679)
Surplus (deficit)	(35,500)	49,737	21,215

Animakee Wa Zhing #37
Housing

Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Canada Mortgage and Housing Corporation	598,488	137,180	146,619
Interest income	900	637	4,023
Rental income	6,000	-	4,500
	605,388	137,817	155,142
Expenses			
Administration	17,540	17,540	17,540
Insurance	28,030	31,187	31,187
Interest on long-term debt	38,007	32,003	35,477
Professional fees	5,020	8,400	5,020
Repairs and maintenance	31,759	10,211	46,644
Utilities	1,740	5,450	5,450
	122,096	104,791	141,318
Surplus (deficit)	483,292	33,026	13,824

Animakee Wa Zhing #37
Ontario First Nation Limited Partnership
Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	<i>2021 Budget (Note 16)</i>	<i>2021</i>	<i>2020</i>
Revenue			
Ontario First Nation Limited Partnership	866,741	866,742	887,252
Expenses			
Administration	100,000	-	-
Advertising	-	418	-
COVID assistance	-	548,152	39,255
Construction/Renovations	-	15,326	23,633
Cultural development	-	-	3,523
Funeral	-	46,354	33,873
Medical trips	-	50,748	180
Miscellaneous	-	1,819	1,000
Professional fees	-	-	49,456
Program expense	23,900	187,999	33,328
Rent	18,960	-	-
Salaries and benefits	-	5,966	-
Social assistance	-	7,051	20,499
Student expenses	10,000	2,755	-
Transportation	-	72	-
Utilities	-	82	-
	152,860	866,742	204,747
Surplus (deficit) before transfers	713,881	-	682,505
Transfers between programs	(160,010)	-	(682,505)
Surplus (deficit)	553,871	-	-

Animakee Wa Zhing #37
COVID-19

Schedule 14 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Grand Council Treaty #3	-	47,001	29,557
Ministry of Children, Community & Social Services	-	-	17,110
Deferred revenue - prior year	-	46,667	-
Deferred revenue - current year	-	-	(46,667)
	-	93,668	-
Expenses			
COVID assistance	-	139,677	-
Surplus (deficit)	-	(46,009)	-