

Algonquins of Pikwakanagan
Consolidated Financial Statements
For the year ended 31 March 2020

Algonquins of Pikwakanagan

As at 31 March 2020

Management's Responsibility for Financial Reporting

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

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

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

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

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

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



Chief, Algonquins of Pikwakanagan



Executive Director of Operations

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Algonquins of Pikwakanagan, which comprise the financial position as at 31 March 2020, and the consolidated statement of accumulated surplus (deficit), consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Algonquins of Pikwakanagan as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS) and the accounting policies disclosed in Note 2 to the consolidated financial statements.

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Algonquins of Pikwakanagan's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at MacKillican's website at: http://mackillicans.com/PDF/Auditors_Responsibilities.pdf. This description forms part of our auditor's report.

MacKillican & Associates

RENFREW, Ontario.
12 January 2021.

Chartered Professional Accountants,
Licensed Public Accountants.

Algonquins of Pikwakanagan

Consolidated Statement of Financial Position

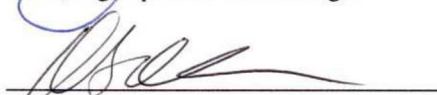
As at 31 March 2020

(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash in bank - administration	\$ 6,441,779	\$ 4,863,005
- Gaming Distribution Fund	7,904,837	7,427,607
- Section 95 Social Housing Operation	465,146	278,578
Accounts receivable - administration (Note 6)	1,070,725	825,206
Investment in solar project #1 (Notes 2 (g) and 8 (h))	<u>36,758</u>	<u>41,055</u>
	<u>\$ 15,919,245</u>	<u>\$ 13,435,451</u>
Financial liabilities:		
Accounts payable	\$ 1,552,626	\$ 797,716
Rental deposits	535	535
Deferred revenue (Note 4)	6,561,793	5,374,623
Due to Investee - Business Enterprises (Notes 2 (g) and 8)	2,327,555	1,955,155
Funded reserves - operating (Note 10 (a))	162,569	138,162
Funded reserves - replacement (Note 10 (b))	118,795	125,932
Mortgages payable (Note 9 (d))		725,000
Mortgages payable (Note 9)	<u>1,573,175</u>	<u>940,326</u>
	<u>\$ 12,297,048</u>	<u>\$ 10,057,449</u>
Net financial assets	<u>\$ 3,622,197</u>	<u>\$ 3,378,002</u>
Non-financial assets:		
Tangible capital assets (Notes 2 (b) and 11)	<u>\$ 7,482,325</u>	<u>\$ 7,966,110</u>
Accumulated surplus	<u>\$ 11,104,522</u>	<u>\$ 11,344,112</u>
Accumulated surplus (deficit) comprised of:		
General Operations	\$ (381,910)	\$ (103,124)
Gaming Distribution Fund	7,904,837	7,101,607
Business Enterprises (Note 15)	<u>(2,327,555)</u>	<u>(1,955,155)</u>
Total fund balances	\$ 5,195,372	\$ 5,043,328
Equity in tangible capital assets (Note 11 (d))	<u>5,909,150</u>	<u>6,300,784</u>
Total accumulated surplus	<u>\$ 11,104,522</u>	<u>\$ 11,344,112</u>

Approved on behalf of the Band:


Chief, Algonquins of Pikwakanagan


Executive Director of Operations

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Consolidated Statement of Accumulated Surplus (Deficit)

For the year ended 31 March 2020
(with 2019 figures for comparison)

	2020				2019			
	General <u>Operations</u>	Gaming Distribution <u>Fund</u>	Business <u>Enterprises</u>	<u>Total</u>	General <u>Operations</u>	Gaming Distribution <u>Fund</u>	Business <u>Enterprises</u>	<u>Total</u>
Accumulated surplus (deficit) at the beginning of the year	\$ (103,124)	\$ 7,101,607	\$ (1,955,155)	\$ 5,043,328	\$ (100,630)	\$ 6,214,212	\$ 614,981	\$ 6,728,563
Adjustment to 2019 accumulated surplus (Note 15)							(2,539,905)	(2,539,905)
Surplus (deficit) for the year	<u>(278,786)</u>	<u>803,230</u>	<u>(372,400)</u>	<u>152,044</u>	<u>(2,494)</u>	<u>887,395</u>	<u>(30,231)</u>	<u>854,670</u>
Accumulated surplus (deficit) at the end of the year	<u>\$ (381,910)</u>	<u>\$ 7,904,837</u>	<u>\$ (2,327,555)</u>	<u>\$ 5,195,372</u>	<u>\$ (103,124)</u>	<u>\$ 7,101,607</u>	<u>\$ (1,955,155)</u>	<u>\$ 5,043,328</u>

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Operations

For the year ended 31 March 2020

Fund	Revenue						ISC Budget	Total Expenditures	Current Year Surplus (Deficit)	ISC Open Deferred	ISC Close Deferred
	ISC Budget	Indigenous Services Canada	Government of Canada	Province of Ontario	Other	Total Revenue					
Economic Development	\$ 180,029	\$ 142,877	\$ 8,301	\$ 76,500	\$ 488,811	\$ 716,489	\$ 180,029	\$ 738,521	\$ (22,032)	\$ 23,751	\$ 23,387
Education	2,271,429	2,407,632		15,388	143,233	2,566,253	2,271,429	2,566,253		355,246	249,410
General Government	483,014	448,660	20,000		636,636	1,105,296	483,014	1,105,296		47,791	132,145
Health Services	42,900	42,900	1,334,713	1,458,161	293,727	3,129,501	42,900	3,108,754	20,747		
Lands, Revenues and Trusts	289,122	144,727		60,458	142,198	347,383	289,122	347,383		197,480	291,875
Public Works	1,104,227	617,066		64,800	525,714	1,207,580	1,104,227	1,485,081	(277,501)	568,125	1,055,286
Recreation				48,000	231,681	279,681		279,681	-		-
Social Services	509,110	236,745	-	811,942	195,263	1,243,950	509,110	1,243,950	-	636,796	876,765
Total before Gaming Operations and Section 95 Social Housing Operation	\$ 4,879,831	\$ 4,040,607	\$ 1,363,014	\$ 2,535,249	\$ 2,657,263	\$ 10,596,133	\$ 4,879,831	\$ 10,874,919	\$ (278,786)	\$ 1,829,189	\$ 2,628,868
Gaming Operations					1,569,482	1,569,482		766,252	803,230		
Section 95 Social Housing Operation					224,773	224,773		224,773	-		
Change in government business enterprises						-		372,400	(372,400)		
Total before tangible capital assets	\$ 4,879,831	\$ 4,040,607	\$ 1,363,014	\$ 2,535,249	\$ 4,451,518	\$ 12,390,388	\$ 4,879,831	\$ 12,238,344	\$ 152,044	\$ 1,829,189	\$ 2,628,868
Acquisition of tangible capital assets								(88,347)	88,347		
Amortization of tangible capital assets								479,981	(479,981)		
Grand Total	\$ 4,879,831	\$ 4,040,607	\$ 1,363,014	\$ 2,535,249	\$ 4,451,518	\$ 12,390,388	\$ 4,879,831	\$ 12,629,978	\$ (239,590)	\$ 1,829,189	\$ 2,628,868

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Changes in Net Financial Assets

For the year ended 31 March 2020
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Net surplus (deficit) for the year	\$ (239,590)	\$ 888,195
Amortization of tangible capital assets	572,132	573,459
Loss on disposal of tangible capital assets		33,858
Acquisition of tangible capital assets and construction in progress	(88,347)	(637,200)
Adjustment to investment in business enterprises (Note 15)	<u>-</u>	<u>(2,539,905)</u>
Increase (decrease) in net financial assets	\$ 244,195	\$ (1,681,593)
Net financial assets, beginning of year	<u>3,378,002</u>	<u>5,059,595</u>
Net financial assets, end of year	<u>\$ 3,622,197</u>	<u>\$ 3,378,002</u>

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Cash Flows

For the year ended 31 March 2020

(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net surplus (deficit) for the year	\$ (239,590)	\$ 888,195
Add loss on disposal of tangible capital assets		33,858
Add amortization which does not involve cash	<u>572,132</u>	<u>573,459</u>
	<u>\$ 332,542</u>	<u>\$ 1,495,512</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in accounts receivable	\$ (245,519)	\$ 132,245
- increase (decrease) in accounts payable	754,910	(6,961)
- increase (decrease) in deferred revenue	<u>1,187,170</u>	<u>1,113,997</u>
	<u>\$ 1,696,561</u>	<u>\$ 1,239,281</u>
Cash flows from operating activities	<u>\$ 2,029,103</u>	<u>\$ 2,734,793</u>
Cash flows from financing activities:		
- repayment of mortgages payable	\$ (92,151)	\$ (75,131)
- proceeds from mortgages payable		71,489
- (decrease) increase in funded reserves	<u>17,270</u>	<u>(2,841)</u>
Cash flows from (used for) financing activities	<u>\$ (74,881)</u>	<u>\$ (6,483)</u>
Cash flows used for investing activities:		
(Decrease) increase in due to investee	\$ 372,400	\$ 30,231
Decrease (increase) in investment in solar project #1	4,297	1,896
Additions to tangible capital assets:		
Economic Development		(9,970)
Health Services	(35,677)	(79,815)
Lands, Revenues and Trusts	(52,670)	
Public Works		(536,189)
Recreation		<u>(11,226)</u>
Cash flows from (used for) investing activities	<u>\$ 288,350</u>	<u>\$ (605,073)</u>
Increase in cash and cash equivalents during the year	\$ 2,242,572	\$ 2,123,237
Cash and cash equivalents at the beginning of the year	<u>12,569,190</u>	<u>10,445,953</u>
Cash and cash equivalents at the end of the year	<u>\$ 14,811,762</u>	<u>\$ 12,569,190</u>
Comprised of:		
Cash in bank - administration	\$ 6,441,779	\$ 4,863,005
- Gaming Distribution Fund	7,904,837	7,427,607
- Section 95 Social Housing Operation	<u>465,146</u>	<u>278,578</u>
	<u>\$ 14,811,762</u>	<u>\$ 12,569,190</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

1. NATURE OF ORGANIZATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Algonquins of Pikwakanagan are prepared in accordance with the Canadian Public Sector Accounting Standards (PSAS) using the Canadian generally accepted accounting principles as set out in the Year End Reporting Handbook - Funding Agreements covering 2019 - 2020.

a) Non-Financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses (excess of expenses over revenue), provides the change in net financial assets for the year.

b) Tangible Capital Assets:

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

ii) Amortization:

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

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

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

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

iii) Contribution of Tangible Capital Assets:

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Leases:

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

d) Use of Estimates:

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates. Significant estimates include amortization.

e) Basis of Accounting:

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

f) Deferred Revenue:

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

g) Business Enterprises:

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

h) Cash and Cash Equivalents:

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

i) Financial Instruments:

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

3. FINANCIAL INSTRUMENTS

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

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

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

4. DEFERRED REVENUE

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

	<u>2020</u>	<u>2019</u>
Government of Canada:		
- Health Services	\$ 1,374,640	\$ 1,362,934
- General Government	161,170	
Indigenous Services Canada:		
- Economic Development	23,387	23,751
- Education	249,409	355,246
- Public Works	1,054,835	568,125
- General Government	132,145	47,791
- Lands, Revenues and Trusts	291,875	197,480
- Social Services	876,764	636,796
Provincial - Ontario:		
- Economic Development	66,800	
- Health Services	139,905	139,905
- Lands, Revenues and Trusts		14,796
- Social Services	26,635	
Other:		
- Health Services	121,099	87,538
- Economic Development	177,149	53,682
- Public Works	472,452	399,842
- Social Services	218,115	118,805
- General Government	837,418	223,762
- Education	242,268	292,041
- Recreation	16,063	11,329
- Lands, Revenues and Trusts	79,664	840,800
	<u>\$ 6,561,793</u>	<u>\$ 5,374,623</u>

5. CONTINGENT LIABILITIES

The Algonquins of Pikwakanagan, under the guaranteed loan management system, has guaranteed loans obtained by members for the purpose of financing their portion of the housing costs. The total of the guarantees amount to \$ 222,309 (2019 - \$ 280,612). The Algonquins of Pikwakanagan have also guaranteed loans for 2479809 Ontario Inc. in the amount of \$ 14,719,296 (2019 - \$ 14,131,230) and for 2479815 Ontario Inc. in the amount of \$ 17,013,129 (2019 - \$ 13,905,390).

6. ACCOUNTS RECEIVABLE

Included in accounts receivable is a balance owing on a mortgage in the amount of \$ 8,880 (2019 - \$ 11,812).

7. INTERFUND TRANSFERS

The total expenditure of \$ 12,629,978 (2019 - \$ 11,450,596) and total revenue of \$ 12,390,388 (2019 - \$ 12,338,791) includes interfund transfers of \$ 571,797 (2019 - \$ 605,438) (net of transfers to deferred revenue) from the Gaming Distribution Fund along with \$ 314,875 (2019 - \$ 286,651) relating to interfund transfers.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

8. BUSINESS ENTERPRISES

a) AOPFN General Partner Inc.:

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

- financial position:	<u>2020</u>	<u>2019</u>
- total assets at cost	\$ 200	\$ 197
- total liabilities at cost	-	-
- total revenue	3	2
- total expenditures	-	3

b) AOPFN Limited Partnership:

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

- financial position:	<u>2020</u>	<u>2019</u>
- total assets at cost	\$ 731,610	\$ 783,072
- total liabilities at cost	2,708	3,037
- total revenue	30,260	29,550
- total expenditures	81,394	54,773

c) AOPFN HVAC Inc.:

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

- financial position:	<u>2020</u>	<u>2019</u>
- total assets at cost	\$ 106	\$ 105
- total liabilities at cost	-	-
- total revenue	1	2
- total expenditures	-	-

d) AOPFN HVAC Limited Partnership:

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

- financial position:	<u>2020</u>	<u>2019</u>
- total assets at cost	\$ -	\$ -
- total liabilities at cost	-	-
- total revenue	-	-
- total expenditures	-	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

8. BUSINESS ENTERPRISES (Continued)

e) Goshen Solar Inc.:

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

- financial position:	<u>2020</u>	<u>2019</u>
- total assets at cost	\$ 608,488	\$ 671,103
- total liabilities at cost	1,087,405	1,103,714
- total revenue	217,512	232,454
- total expenditures	263,816	274,653

f) 2479815 Ontario Inc.:

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

- financial position:	<u>2020</u>	<u>2019</u>
- total assets at cost	\$ 15,245,719	\$ 13,119,186
- total liabilities at cost	17,013,129	13,119,186
- total revenue	512,853	-
- total expenditures	2,100,363	-

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

g) 2479809 Ontario Inc.:

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

- financial position:	<u>2020</u>	<u>2019</u>
- total assets at cost	\$ 13,494,570	\$ 12,402,756
- total liabilities at cost	14,719,296	12,702,756
- total revenue	650,834	-
- total expenditures	1,875,660	-

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

h) Investment in solar project #1:

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

- financial position:	<u>2020</u>	<u>2019</u>
- total assets at cost	\$ 265,602	\$ 292,291
- total liabilities at cost	20,548	18,589
- total revenue	33,262	34,618
- total expenditures	23,725	24,869

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

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

9. MORTGAGES PAYABLE

- a) Loan of \$ 76,443 (2019 - \$ 110,698) at 1.86% interest is repayable in blended monthly payments of \$ 2,997 including principal and interest, is due May 2022. The amount is guaranteed by Indigenous Services Canada.
- b) Loan of \$ 454,727 (2019 - \$ 481,844) at a rate of prime plus 1.08% interest is repayable in blended monthly payments of \$ 2,680 including principal and interest, is due July 2035 and is renewable 1 August 2020. The amount is guaranteed by Indigenous Services Canada.
- c) Loan of \$ 332,972 (2019 - \$ 347,784) at a rate of prime plus 1.05% interest is repayable in blended monthly payments of \$ 1,531 including principal and interest, is due May 2040 and is renewable 1 May 2020. The amount is guaranteed by Indigenous Services Canada.
- d) Loan of \$ 709,033 (2019 - \$ 725,000) at a rate of prime plus 1.91% interest is repayable in blended monthly payments of \$ 3,039 including principal and interest, is due June 2044 and is renewable 1 June 2024. The amount is guaranteed by Indigenous Services Canada.
- e) The amounts repayable over the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 100,320	\$ 22,644	\$ 122,964
2022	101,876	21,088	122,964
2023	74,756	19,712	94,468
2024	68,227	18,769	86,996
2025	69,168	17,828	86,996
	<u>\$ 414,347</u>	<u>\$ 100,041</u>	<u>\$ 514,388</u>

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

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

11. TANGIBLE CAPITAL ASSETS

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

- a) Contributed Tangible Capital Assets:
The Algonquins of Pikwakanagan records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. There were no such transactions during the year.
- b) Tangible Capital Assets Recognized at Nominal Value:
Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such asset is land which has been valued at \$ 1.00 per segment.

Algonquins of Pikwakanagan

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11. TANGIBLE CAPITAL ASSETS (Continued)

c) Section 95 Social Housing Operation:

Amortization for Section 95 Social Housing Operation assets are \$ 92,151 (2019 - \$ 75,131).

Current year additions to Section 95 Social Housing Operation assets are \$ 722,249 (2019 - \$ Nil).

d) Equity in Tangible Capital Assets:	<u>2020</u>	<u>2019</u>
Tangible capital assets - net	\$ 7,482,325	\$ 7,966,110
Net long term liabilities	<u>(1,573,175)</u>	<u>(1,665,326)</u>
Equity in tangible capital assets	<u>\$ 5,909,150</u>	<u>\$ 6,300,784</u>

12. LANDFILL CLOSURE AND POST CLOSURE COSTS

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

13. CONTINGENT LIABILITIES

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

14. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.

15. RESTATEMENT OF PREVIOUS YEAR

The 2019 investment in business enterprises was previously reported as \$ 584,750 and the restated amount is due to investee of \$ 1,955,155. The restatement also reduces the 2019 accumulated surplus for business enterprises by \$ 2,539,905. The restatement is as a result of the loans for two projects being in excess of the amounts invested in those projects due to the accrued interest on the loans, management fees and legal fees associated with the projects.