



Consolidated Financial Statements of

AAMJIWNAANG FIRST NATION

March 31, 2016



Independent Auditor's Report

To the Band Council of Aamjiwnaang First Nation

We have audited the accompanying consolidated financial statements of Aamjiwnaang First Nation which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statement of revenue and expenditure, changes in members' equity, change in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Aamjiwnaang First Nation as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Harritt Greeves Harris Dunn LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

Sarnia, Ontario
July 20, 2016

AAMJIWNAANG FIRST NATION
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For the year ended March 31, 2016

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AAMJIWNAANG FIRST NATION
Consolidated Statement of Revenue and Expenditure
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
REVENUE			
Deferred revenue, beginning of year	\$ 50,000	\$ 465,158	\$ 619,831
Indigenous and Northern Affairs Canada			
Grant	-	342,784	342,550
Fixed contribution	2,022,853	1,480,504	1,739,498
Set contribution	-	354,168	313,957
Health Canada	931,043	1,090,720	1,053,396
Canadian Mortgage and Housing Corporation ("CMHC")	306,125	347,963	337,066
Other federal funding	-	25,000	25,000
Province of Ontario	936,997	1,027,679	1,067,241
Southern First Nations Secretariat	444,508	461,618	444,508
Ontario First Nations Limited Partnership	750,000	1,058,107	1,052,650
Union of Ontario Indians	101,749	124,724	115,630
Stepping Stones	1,240,197	1,373,240	1,270,085
Band contribution	-	2,700,957	2,649,529
Churchill wind project	-	-	441
Grand Bend wind project	-	281	25,000
Lease and management fee revenue	2,790,991	2,972,442	2,839,338
Rental income	726,525	774,501	725,001
Catering	-	10,039	13,917
Interest income	325,000	361,721	480,804
Program administration	260,743	367,142	376,168
User fees	60,000	70,293	74,865
Other revenue	259,807	1,370,144	1,148,707
Transfer from Revenue Trust Fund	-	450,000	460,000
Deferred revenue, end of year	-	(467,249)	(465,158)
	11,206,538	16,761,936	16,710,024
EXPENDITURE			
Community Services - Schedule 1	6,176,741	7,573,683	7,328,531
Economic Development - Schedule 2	749,874	1,043,117	1,103,590
Housing - Schedule 3	1,259,200	1,551,262	2,091,343
General - Schedule 4	2,958,033	6,019,417	6,017,759
Amortization of tangible capital assets	-	503,711	492,213
	11,143,848	16,691,190	17,033,436
Excess of revenue over expenditure (expenditure over revenue) from operations before capitalization of tangible capital assets and net earnings from government enterprises	62,690	70,746	(323,412)
Capitalization of tangible capital assets	-	498,777	791,128
Net earnings from government enterprises	-	1,797,480	-
EXCESS OF REVENUE OVER EXPENDITURE	\$ 62,690	\$ 2,367,003	\$ 467,716

AAMJIWNAANG FIRST NATION
Consolidated Statement of Changes in Members' Equity
For the year ended March 31, 2016

	Operating (Note 2)	Housing Projects (Note 2)	Internally Restricted (Note 2)	Externally Restricted (Notes 2 and 13)	2016 Total	2015 Total
Balance, beginning of year	\$ 21,677,538	\$ 202,709	\$ 10,457,605	\$ 5,621,115	\$ 37,958,967	\$ 37,490,848
Excess of revenue over expenditure (expenditure over revenue)	2,352,146	56,737	-	(41,880)	2,367,003	467,716
Allocation from operating to internally restricted funds	(541,016)	-	541,016	-	-	-
Allocation of CMHC operating surplus	-	(56,737)	-	56,737	-	-
Increase in replacement reserve funds	-	-	-	27,135	27,135	403
BALANCE, END OF YEAR	\$ 23,488,668	\$ 202,709	\$ 10,998,621	\$ 5,663,107	\$ 40,353,105	\$ 37,958,967

AAMJIWNAANG FIRST NATION
Consolidated Statement of Financial Position
As at March 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash	\$ 3,851,599	\$ 4,138,217
Trust funds in Ottawa (Note 4)	5,195,589	5,235,653
Restricted assets (Note 5)	12,922,357	11,321,037
Accounts receivable (Note 6)	1,285,691	1,664,719
Loans to Band members (Note 7)	1,163,744	1,296,215
Investment in related parties (Note 8)	22,846,644	4,894,144
	<u>47,265,624</u>	<u>28,549,985</u>
LIABILITIES		
Accounts payable and accrued charges	3,150,633	1,606,362
Deferred revenue (Note 9)	875,463	944,929
Long-term debt (Note 10)	19,764,373	5,520,043
	<u>23,790,469</u>	<u>8,071,334</u>
CONTINGENT LIABILITIES (Note 11)		
NET FINANCIAL ASSETS	23,475,155	20,478,651
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	16,868,396	17,424,607
Prepaid assets	9,554	55,709
	<u>16,877,950</u>	<u>17,480,316</u>
MEMBERS' EQUITY	\$ 40,353,105	\$ 37,958,967

APPROVED BY THE BAND

 Chief of Band
 Band Administrator

AAMJIWNAANG FIRST NATION
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
ANNUAL SURPLUS		
Excess of revenue over expenditures	\$ 2,367,003	\$ 467,716
Increase in the replacement reserve funds	27,135	403
	2,394,138	468,119
Acquisition of tangible capital assets	(498,777)	(791,406)
Amortization of tangible capital assets	1,054,988	1,008,632
	2,950,349	685,345
Acquisition of prepaid assets	(9,554)	(55,709)
Utilization of prepaid assets	55,709	124,354
	46,155	68,645
NET CHANGE IN NET FINANCIAL ASSETS	2,996,504	753,990
Net financial assets, beginning of year	20,478,651	19,724,661
NET FINANCIAL ASSETS, END OF YEAR	\$ 23,475,155	\$ 20,478,651

AAMJIWNAANG FIRST NATION
Consolidated Statement of Cash Flows
As at March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenditure	\$ 2,367,003	\$ 467,716
Items not affecting cash		
Amortization	1,054,988	1,008,632
Net earnings from government enterprises	(1,797,480)	-
Net decrease in trust funds in Ottawa	40,064	34,416
	1,664,575	1,510,764
Changes in non-cash working capital items		
Accounts receivable	379,028	432,155
Prepaid expenses	46,155	68,645
Accounts payable	1,544,271	(196,886)
Deferred revenue	(69,466)	(446,817)
	3,564,563	1,367,861
FINANCING ACTIVITIES		
Proceeds from long-term debt	-	2,701,288
Proceeds from construction advance	-	364,159
Repayment of long-term debt	(551,277)	(516,419)
Repayment of construction advances	-	(2,701,288)
Net advances from Northland Power Inc.	14,795,607	-
	14,244,330	(152,260)
INVESTING ACTIVITIES		
Investment in restricted assets	(1,574,185)	(1,656,140)
Net decrease in housing loans	132,471	19,409
Acquisition of partnership units and shares	(14,797,479)	-
Interest capitalized to investment	(1,357,541)	-
Repayments from related parties	-	6,250
Purchase of tangible capital assets	(498,777)	(791,406)
	(18,095,511)	(2,421,887)
NET CHANGE IN CASH POSITION	(286,618)	(1,206,286)
Cash position, beginning of year	4,138,217	5,344,503
CASH POSITION, END OF YEAR	\$ 3,851,599	\$ 4,138,217

AAMJIWNAANG FIRST NATION

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

1. PURPOSE OF THE ORGANIZATION

The Aamjiwnaang First Nation is located in Sarnia, Ontario. The elected government consists of a Chief and nine members of Council. The organization manages and administers all political, social and economic programs of this First Nation.

The Aamjiwnaang First Nation reporting entity includes the operations Aamjiwnaang First Nation Band and the proportionate share of its' government business partnership, Giiwedin Noodin FN Energy Corporation.

2. ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities as defined in the CICA Public Sector Accounting Handbook, as well as the Year-end Reporting Handbook for First Nations and include the following significant accounting policies. These financial statements include the assets, liabilities, results of operations and cash flows for the following funds:

Operating

The operating fund reports the general activities of the First Nation administration.

Housing projects

The housing projects fund reports the activities of the various housing projects that are administered by the First Nation. These include Canada Mortgage and Housing Corporation ("CMHC") assisted housing projects.

Internally restricted

The internally restricted fund reports the designated assets, as established by Band council, which require a Band Council motion to release any portion of these funds for expenditure.

Externally restricted

The externally restricted fund reports the activities and assets of all externally restricted assets, including the Trust funds in Ottawa and the CMHC operating surplus and replacement reserve funds.

Revenue recognition

Government grants and subsidies are recorded as earned according to the provisions of the project. Any unearned portion is recorded as deferred revenue.

Rental revenue and interest on loans is recognized when it is due in accordance with the respective agreements.

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. ACCOUNTING POLICIES - continued

Revenue recognition – continued

Investment income earned is recognized as revenue of the appropriate fund on an accrual basis.

Investments

Investments in government business enterprises are adjusted to reflect the cumulative retained earnings of the government business enterprises using the modified equity method. The modified equity method was applied using the wholly owned subsidiaries balance sheets as at December 31, 2015 and the statements of earnings and retained earnings for the year then ended.

Investments in an affiliated company and an affiliated partnership, over which the Band exercises significant influence, are accounted for using the equity method.

Investments in marketable securities are recorded at cost.

Tangible capital assets

Tangible capital assets have been recorded at cost and amortized over their useful lives. Amortization is computed using the following annual rates and methods:

Buildings and infrastructure	4% diminishing-balance
Furniture and equipment	20% diminishing balance
Vehicles and machinery	30% diminishing-balance
Computers	55% diminishing balance

The CMHC housing projects are amortized in accordance with the agreements which require annual amortization to equal the principal repayment of the associated long-term debt to acquire the property.

Loan interest

The Band is currently capitalizing the interest incurred on the long-term debt related to the purchase of the Grand Bend Wind Limited Partnership units as the project has not been completed yet.

Management estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditure during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

3. FINANCIAL INSTRUMENTS

Interest rate risk

The Band manages its interest rate risk by having fixed interest rates on the long-term debt.

Credit risk

Credit risk arises from the potential that a tenant or borrower will be unable to pay an amount owing to the Band. The Band monitors its accounts receivable regularly and establishes allowances for doubtful accounts as needed.

Fair value

The fair value of cash, trust funds in Ottawa, restricted assets, accounts receivable, due from related parties and accounts payable and accrued charges is approximately equal to their carrying values due to their short-term maturity.

The fair value of the loans to Band members and long-term debt under current financing arrangements is approximately equal to its carrying value.

4. TRUST FUNDS IN OTTAWA

	<u>2016</u>	<u>2015</u>
Revenue trust fund	\$ 3,389,176	\$ 3,429,240
Capital trust fund	1,806,413	1,806,413
	<u>\$ 5,195,589</u>	<u>\$ 5,235,653</u>

5. RESTRICTED ASSETS

The externally restricted assets represent the assets of the operating surplus and replacement reserves for the CMHC housing projects. The internally restricted assets represent the balance of the internally restricted fund created by Band Council.

Externally restricted		
Cash	\$ 687,579	\$ 625,226
Due from operating account – replacement reserve	185,292	179,338
Due from operating account – operating reserve	53,396	58,868
	<u>926,267</u>	<u>863,432</u>

Internally restricted		
Cash	3,552,938	3,338,221
Short-term deposits	2,400,000	3,301,575
Marketable securities		
(market value - \$6,144,487; 2015 - \$3,853,250)	6,043,152	3,817,809
	<u>\$ 12,922,357</u>	<u>\$ 11,321,037</u>

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. ACCOUNTS RECEIVABLE

	2016	2015
Federal Government	\$ 211,672	\$ 164,960
Provincial Government programs	87,820	77,148
Other funders		
Indigenous Education Coalition	12,694	12,694
Meals on Wheels London	2,816	31,431
Mnaasged Child & Family Services	12,977	13,954
Right to Play	14,349	12,984
Southern First Nations Secretariat	53,036	273,329
Stepping Stones	33,099	42,972
Union of Ontario Indians	18,906	7,713
Rent – net of allowance	306,783	312,467
Lease receivables	101,051	359,396
Employee advances	64,014	64,014
Giiwedin Noodin First Nation Corp.	-	15,000
Dow Chemical Canada ULC	-	17,342
NextEra Energy Canada	96,000	141,825
Northland Power Inc.	-	15,000
Enbridge Pipelines Inc.	84,909	-
Hydro One Networks Inc.	24,354	-
Walpole Island First Nation	42,773	-
Accrued interest	70,415	63,028
Miscellaneous	48,023	39,462
	\$ 1,285,691	\$ 1,664,719

7. LOANS TO BAND MEMBERS

Loans		
Housing	\$ 1,741,702	\$ 2,203,887
Special	13,928	13,928
	1,755,630	2,217,815
Less: allowance for doubtful loans	591,886	921,600
	\$ 1,163,744	\$ 1,296,215

Housing loans bear interest at various rates from 2.5% to 6.25%. An allowance for doubtful accounts has been created to allow for loans which may not ultimately be collectible. Interest on the special loans has not been recorded as these loans may not ultimately be collectible.

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. INVESTMENT IN RELATED PARTIES

The investment in related parties, represents advances to and shares or units in corporations or partnerships that are wholly owned and controlled or significantly influenced by the Band. The advances to these corporations are non-interest bearing, unsecured and are due on demand.

	2016	2015
Advances to (from)		
Chippewa Industrial Developments Ltd.	\$ 4,916,498	\$ 4,916,498
Ojibwe Filters and Industrial Supplies Ltd.	2,140	2,140
2401077 Ontario Inc.	(1)	(1)
	4,918,637	4,918,637
Shares		
Ojibwe Legends Trading Company Ltd.	1	1
Chippewa Industrial Developments Ltd.	(24,495)	(24,495)
2401077 Ontario Inc.	1,797,484	1
Grand Bend Wind GP Inc.	500	-
Grand Bend Wind Limited Partnership	16,154,517	-
	\$ 22,846,644	\$ 4,894,144

The shares in Chippewa Industrial Developments Ltd. Ojibwe Legends Trading Company Ltd., Ojibwe Filters Industrial Supplies Ltd. and 2401077 Ontario Inc. are owned and controlled by the Band are considered investments in government business enterprises and are accounted for using the modified equity method as indicated in Note 2. Financial statements for each of the Band controlled corporations have been prepared for the year ended December 31, 2015. These financial statements may provide additional information as to the financial affairs and resources of these government business enterprises to the users of these financial statements.

The shares of Grand Bend Wind GP Inc. and partnership units of Grand Bend Wind Limited Partnership are both 50% owned by the Band through Giiweden Noodin FN Energy Corporation which has been accounted for using proportionate consolidation in these financial statements. These investments are accounted for using the equity method as indicated in Note 2. Financial statements for Giiweden Noodin FN Energy Corporation, Grand Bend Wind GP Inc. and Grand Bend Wind Limited Partnership have been prepared for the year ended December 31, 2015. These financial statements may provide additional information as to the financial affairs and resources of these investments to the users of these financial statements.

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

9. DEFERRED REVENUE

	2016	2015
Indigenous and Northern Affairs Canada		
Minor Capital	\$ 878	\$ 9,015
Environment Canada	22,638	-
Brighter Futures	-	2,000
Building Healthy Communities	-	2,000
Client Base CRF	69,697	-
Client Base Career Counselling	9,719	12,199
Client Base Federal Child Care Initiative	2,832	-
Community Health Representative	-	3,500
Employment Based E.I.	76,208	85,243
Enbridge Solar Project	48,230	-
Environment – miscellaneous projects	110,290	115,409
Family Violence	2,575	7,704
Grand Bend wind project	-	153,135
Green Teens	4,126	22,938
Home and community care	600	-
Healthy Child	-	1,805
Literacy program	27,183	37,352
Maternal Child Health	1,396	6,000
Meals on Wheels	-	4,110
Medical Transportation	13,850	2,747
MOE – Regulation 419	24,616	-
Strengthening Families	1,598	-
Leases	408,213	479,772
Ontario Power Authority	50,814	-
	\$ 875,463	\$ 944,929

10. LONG-TERM DEBT

Housing Projects Loans

1.39%, repayable in blended monthly instalments of \$5,862, due March, 2020	\$ 273,552	\$ 339,021
1.30%, repayable in blended monthly instalments of \$3,903, due December, 2020	215,655	258,202
1.30%, repayable in blended monthly instalments of \$4,529, due October, 2020	241,697	291,210
2.63%, repayable in blended monthly instalments of \$2,343, due June, 2016	7,001	34,535
2.63%, repayable in blended monthly instalments of \$5,913, due June, 2016	623,773	677,605
1.64%, repayable in blended monthly instalments of \$5,326, due February, 2017	345,618	403,349
1.67%, repayable in blended monthly instalments of \$3,455, due April, 2017	239,688	276,809

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. LONG-TERM DEBT – continued

	2016	2015
1.65%, repayable in blended monthly instalments of \$3,735, due June, 2017	266,056	306,135
2.35%, repayable in blended monthly instalments of \$8,084, due May, 2018	204,748	295,796
1.92%, repayable in blended monthly instalments of \$5,790, due April 2019	1,295,957	1,340,141
1.92%, repayable in blended monthly instalments of \$5,560, due July 2019	1,255,021	1,297,240
Other		
0% advance, no set repayment terms	550	-
0% additional loan, no set repayment terms	428,366	-
12% equity loan, interest compounded monthly payable quarterly, no set repayment terms	14,366,691	-
	\$ 19,764,373	\$ 5,520,043

The housing project loans are secured by specific properties. The other loans are secured by a general security agreement covering all assets of Giiwedin Noodin FN Energy Corporation and a limited recourse share pledge agreement with respect to the pledge share capital of Giiwedin Noodin FN Energy Corporation.

Principal amounts due in the next five years are as follows:

2017	\$ 1,398,887
2018	\$ 777,381
2019	\$ 274,796
2020	\$ 2,451,204
2021	\$ 66,498

11. CONTINGENT LIABILITIES

- (a) The First Nation is contingently liable as guarantor of six bank loans for Band members to a maximum of \$641,832. As at March 31, 2016, the amount of the loans outstanding was \$557,140. The property the loans were used to purchase will be forfeited to the Band if the Band is required to repay the loans and is not reimbursed in full.
- (b) The First Nation has been named defendant in a legal action by the Canadian National Railway Company alleging that they are entitled to damages with respect to interference with the CN St. Clair River Industrial Spur Line. Neither the possible outcome nor the amount of possible settlement can be foreseen. No provision has been made in the financial statements for possible losses. Such losses could be material.

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

11. CONTINGENT LIABILITIES – continued

- (c) The First Nation has entered into an agreement with the Ministry of Energy and Infrastructure (“Ministry”) with regards to obtaining government funding for the construction of the Community Centre addition. Under the terms of the agreement, the Ministry will contribute 50% of eligible costs up to a maximum of \$2,000,000. Under the agreement, the First Nation is required to operate the Community Centre for a minimum of six years after the completion of the addition. If the Community Centre is disposed of before the end of the sixth year the First Nation is required to repay the following:
- i) Within two years after addition completion – 100% of the final grant;
 - ii) Between two and six years after addition completion – 55% of the final grant.

12. TANGIBLE CAPITAL ASSETS

	2016			2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Housing projects				
Land	\$ 40,437	\$ -	\$ 40,437	\$ 40,437
Buildings	<u>13,678,736</u>	<u>5,901,579</u>	<u>7,777,157</u>	<u>8,328,434</u>
	<u>13,719,173</u>	<u>5,901,579</u>	<u>7,817,594</u>	<u>8,368,871</u>
Operating fund				
Land	104,053	-	104,053	104,053
Buildings	11,005,694	3,453,333	7,552,361	7,717,693
Infrastructure	1,351,695	521,189	830,506	708,375
Vehicles and machinery	917,103	714,483	202,620	71,695
Office furniture and equipment	1,613,140	1,280,576	332,564	401,830
Computers	327,873	299,175	28,698	52,090
	<u>15,319,558</u>	<u>6,268,756</u>	<u>9,050,802</u>	<u>9,055,736</u>
	<u>\$ 29,038,731</u>	<u>\$ 12,170,335</u>	<u>\$ 16,868,396</u>	<u>\$ 17,424,607</u>

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

13. EXTERNALLY RESTRICTED MEMBERS' EQUITY

	<u>Balance, Beginning of Year</u>	<u>Additions, Allocations, Interest</u>	<u>Transfers, Adjustments, Expenditure</u>	<u>Balance, End of Year</u>
Revenue trust fund	\$ 3,130,432	\$ 408,120	\$ 450,000	\$ 3,088,552
Capital trust fund	1,806,413	-	-	1,806,413
Replacement reserve funds	192,100	88,798	61,663	219,235
CMHC – operating surplus	492,170	56,737	-	548,907
	\$ 5,621,115	\$ 553,655	\$ 511,663	\$ 5,663,107

As required by CMHC, the accumulated operating surplus from Phases 8-11 of the housing projects was allocated to a restricted fund.

14. PENSION PLAN

It is mandatory that, after three months, all permanent employees of the Band who work at least 25 hours per week become members of a private pension plan that is a defined contribution plan. The employee has the option to contribute either 5% or 8.2% which is matched by the Band. Contributions to the plan made during the year by the Band on behalf of its employees amounted to \$226,441 (2015 - \$245,110) and are included in salaries and benefits in expenditure.

15. CLASSIFICATION OF EXPENDITURE BY OBJECT

The consolidated statement of revenue and expenditure presents the expenditure by function; the following classifies the same expenditure by object.

	<u>2016</u>	<u>2015</u>
Allocation to reserves	\$ 88,798	\$ 92,750
Amortization	1,054,988	1,008,632
Bad debts	138,437	91,452
Band contributions to programs	2,700,960	2,649,530
Bank charges and interest	35,576	13,296
Catering	10,009	13,957
Cemetery and funerals	97,303	115,011
Childcare initiative	93,265	103,746
Construction and renovations	59,591	649,789
Consultants	594,006	1,129,111
Distribution to members	466,177	459,251
Donations	53,934	51,940
Elections costs	-	16,469
Employee benefits	746,225	708,723
Employment training programs		
CRF	192,145	249,322
EI	115,195	77,421

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

15. CLASSIFICATION OF EXPENDITURE BY OBJECT – continued

	2016	2015
Equipment	489,822	279,581
Fire protection	75,098	73,625
Garbage collection	53,247	61,736
Honoraria		
Community	53,692	40,680
Council	172,882	176,638
Staff	47,463	37,089
Infrastructure services	25,228	18,904
Insurance	126,833	115,818
Medical travel	56,988	61,500
Mortgage interest	103,787	117,974
Office administration	216,114	208,143
Ontario Works employment related expenses	178,558	184,270
Pipeline lease payments	354,355	382,664
Police protection	111,541	110,218
Professional services	194,060	256,606
Program administration	289,217	335,462
Program resources	985,919	738,097
Recovery of surplus from funding sources	3,277	20,332
Repairs and maintenance		
Buildings	256,675	288,333
Vehicles and equipment	74,938	66,503
Repairs and renovations – RRAP loans	48,055	28,542
Salary and wages	4,155,473	3,944,340
Sports fees	26,776	28,360
Social assistance benefits	979,714	888,624
Student transporation	231,046	152,950
Training and professional development	63,606	93,930
Transfer to Band funds	450,000	460,000
Travel		
Community	15,336	18,648
Council	75,911	56,228
Staff	91,833	96,201
Utilities	237,137	261,040
Total expenditures by object	\$ 16,691,190	\$ 17,033,436

Total expenditure by object includes tangible capital assets of \$498,777 (2015 - \$791,128) which have been capitalized.

AAMJIWNAANG FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

16. COMMITMENTS

The First Nation has entered into a long-term student transportation arrangement at a rate of \$854 per day of service provided for a maximum of 188 days per year. If transportation service is cancelled for a scheduled day, the daily rate will be discounted by 12% for that day.

17. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the presentation of the current year.

AAMJIWNAANG FIRST NATION
Schedule of Revenue and Expenditure
Community Services
For the year ended March 31, 2016

Schedule 1

	2016	2015
Revenue		
Deferred revenue, beginning of year	\$ 205,566	\$ 266,528
Indigenous and Northern Affairs Canada		
Fixed contribution	865,819	847,608
Set contribution	288,320	258,157
Health Canada	1,090,720	1,053,396
Other federal funding	25,000	25,000
Province of Ontario	1,027,679	1,067,241
Union of Ontario Indians	124,724	115,630
Stepping Stones	1,373,240	1,270,085
Band contribution	1,788,343	1,620,741
Rental income	79,951	43,060
Catering	10,039	13,917
User fees	70,293	74,865
Other revenue	771,462	847,894
Deferred revenue, end of year	(208,872)	(205,566)
	7,512,284	7,298,556
Expenditure		
Catering	10,009	13,957
Cemetery and funerals	97,303	115,011
Construction and renovations	57,141	12,062
Consultants	323,284	580,803
Donations	36,800	36,800
Employee benefits	471,122	458,347
Equipment	116,871	42,161
Fire protection	75,098	73,625
Garbage collection	52,647	61,436
Honoraria		
Community	38,404	26,345
Staff	18,875	13,459
Infrastructure services	25,228	18,904
Insurance	39,644	40,797
Medical travel	56,988	61,500
Office administration	60,028	50,629
Ontario Works employment related expenses	178,558	184,270
Police protection	111,541	110,218
Professional services	11,823	71,821
Program administration	192,362	220,481
Program resources	770,502	609,116
Recovery of surplus from funding sources	3,277	20,332
Repairs and maintenance		
Buildings	103,933	109,114
Vehicles and equipment	73,052	65,046
Salary and wages	3,137,830	2,968,362

AAMJIWNAANG FIRST NATION
Schedule of Revenue and Expenditure

Community Services

For the year ended March 31, 2016

Schedule 1 - continued

	2016	2015
Sports fees	26,526	25,509
Social assistance benefits	979,714	888,624
Student transportation	231,046	152,950
Training and professional development	45,267	74,610
Travel		
Community	6,329	2,133
Staff	67,967	56,395
Utilities	154,514	163,714
	7,573,683	7,328,531
Excess of expenditure over revenue before capitalization of tangible capital assets	(61,399)	(29,975)
Capitalization of tangible capital assets	171,188	29,975
Excess of revenue over expenditure	\$ 109,789	\$ -

AAMJIWNAANG FIRST NATION
Schedule of Revenue and Expenditure

Economic Development
For the year ended March 31, 2016

Schedule 2

	2016	2015
Revenue		
Deferred revenue, beginning of year	\$ 250,577	\$ 291,753
Indigenous and Northern Affairs Canada		
Fixed contribution	127,400	377,400
Southern First Nations Secretariat	461,618	444,508
Band contribution	121,628	169,667
Churchill wind project	-	441
Grand Bend wind project	281	25,000
Program administration	57,500	-
Other revenue	287,030	45,398
Deferred revenue, end of year	(257,499)	(250,577)
	1,048,535	1,103,590
Expenditure		
Band contribution to program	6,000	35,857
Bank charges and interest	17,797	-
Childcare initiative	93,265	103,746
Consultants	233,671	359,043
Employee benefits	23,326	23,962
Employee training programs		
CRF	192,145	249,322
EI	115,195	77,421
Equipment	18,451	-
Honoraria		
Community	4,870	4,735
Staff	11,813	5,380
Insurance	1,011	-
Office administration	37,642	5,397
Program administration	22,000	44,041
Program resources	89,484	7,046
Salary and wages	161,448	171,302
Training and professional development	1,720	1,455
Travel - staff	13,279	14,883
	1,043,117	1,103,590
Excess of revenue over expenditure before capitalization of tangible capital assets	5,418	-
Capitalization of tangible capital assets	16,770	-
Excess of revenue over expenditure	\$ 22,188	\$ -

AAMJIWNAANG FIRST NATION
Schedule of Revenue and Expenditure

Housing

For the year ended March 31, 2016

Schedule 3

	2016	2015
Revenue		
Canadian Mortgage and Housing Corporation	\$ 347,963	\$ 337,066
Band contribution	158,126	179,163
Rental income	694,550	681,941
Interest income	53,137	74,433
Program administration	67,700	67,700
Other income	4,076	182,197
	1,325,552	1,522,500
Expenditure		
Allocation to replacement reserves	88,798	92,750
Amortization	551,277	516,419
Bad debts	138,437	91,452
Band contribution to program	158,126	179,163
Construction and renovation	-	566,784
Employee benefits	19,347	18,916
Equipment	2,771	3,274
Honoraria		
Community	3,780	6,315
Staff	2,880	3,330
Insurance	47,938	45,379
Mortgage interest	103,787	117,974
Office administration	4,204	7,466
Professional services	9,650	10,439
Program administration	67,700	67,700
Program resources	7,552	4,497
Repairs and maintenance		
Buildings	119,100	116,037
Vehicles and equipment	1,149	586
Repairs and renovations - RRAP loans	48,055	28,542
Salary and wages	113,297	142,826
Travel - staff	3,419	-
Utilities	59,995	71,494
	1,551,262	2,091,343
Excess of expenditure over revenue before capitalization of tangible capital assets	(225,710)	(568,843)
Capitalization of tangible capital assets	-	416,784
Excess of expenditure over revenue	\$ (225,710)	\$ (152,059)

AAMJIWNAANG FIRST NATION
Schedule of Revenue and Expenditure

General

For the year ended March 31, 2016

Schedule 4

	2016	2015
Revenue		
Deferred revenue, beginning of year	\$ 9,015	\$ 61,550
Indigenous and Northern Affairs Canada		
Grant	342,784	342,550
Fixed contribution	487,285	514,490
Set contribution	65,848	55,800
Ontario First Nations Limited Partnership	1,058,107	1,052,650
Band contribution	632,860	679,958
Lease and management fee revenue	2,972,442	2,839,338
Interest income	308,584	406,371
Program administration	241,942	308,468
Other revenue	307,576	73,218
Transfer from Revenue Trust Fund	450,000	460,000
Deferred revenue, end of year	(878)	(9,015)
	6,875,565	6,785,378
Expenditure		
Band contribution to programs	2,536,834	2,434,510
Bank charges and interest	17,779	13,296
Construction and renovations	2,450	70,943
Consultants	37,051	189,265
Distribution to members	466,177	459,251
Donations	17,134	15,140
Election costs	-	16,469
Employee benefits	232,430	207,498
Equipment	351,729	234,146
Honoraria		
Community	6,638	3,285
Council	172,882	176,638
Staff	13,895	14,920
Insurance	38,240	29,642
Office administration	114,240	144,651
Pipeline lease payments	354,355	382,664
Professional services	172,587	174,346
Program administration	7,155	3,240
Program resources	118,381	117,438
Repairs and maintenance		
Buildings	33,642	63,182
Vehicles and equipment	737	871
Salary and wages	742,898	661,850
Sports fees	250	2,851
Training and professional development	16,619	17,865
Transfer to Band funds	450,000	460,000

AAMJIWNAANG FIRST NATION
Schedule of Revenue and Expenditure

General

For the year ended March 31, 2016

Schedule 4 - continued

	2016	2015
Travel		
Community	9,007	16,515
Council	75,911	56,228
Staff	7,168	24,923
Utilities	23,228	26,132
	6,019,417	6,017,759
Excess of revenue over expenditure before capitalization of tangible capital assets	856,148	767,619
Capitalization of tangible capital assets	310,819	344,369
Excess of revenue over expenditure	\$ 1,166,967	\$ 1,111,988