

**Aamjiwnaang First Nation
Consolidated Financial Statements
For the Year Ended March 31, 2021**

Aamjiwnaang First Nation
Consolidated Financial Statements
For the Year Ended March 31, 2021

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Independent Auditor's Report

To the council of Aamjiwnaang First Nation

Opinion

We have audited the consolidated financial statements of Aamjiwnaang First Nation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statements of operations and accumulated surplus, change in net financial assets, 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 financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 Group 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario

July 27, 2021

Aamjiwnaang First Nation Consolidated Statement of Financial Position

March 31 2021 2020

Financial Assets

Cash	\$ 21,137,129	\$ 9,505,810
Trust funds in Ottawa (Note 2)	5,989,644	5,708,494
Restricted assets (Note 3)	1,613,324	732,382
Portfolio investments	26,026,674	26,448,017
Accounts receivable (Note 4)	5,001,296	4,376,798
Loans to Band members (Note 5)	680,495	925,377
Investment in related parties (Note 6)	4,645,379	4,915,705
Net investment in energy projects (Note 7)	20,771,585	18,782,803
Mortgage receivable from related party (Note 6)	9,975,710	-

\$95,841,236 \$ 71,395,386

Liabilities

Accounts payable and accrued charges	\$ 1,740,737	\$ 3,028,772
Deferred revenue (Note 8)	6,436,236	3,866,471
Long-term debt (Note 9)	13,337,202	3,669,666

21,514,175 10,564,909

Net Financial Assets **\$74,327,061 \$ 60,830,477**

Non-Financial Assets

Tangible capital assets (Note 10)	\$ 19,007,901	\$ 18,628,904
Prepaid assets	51,896	262,829

19,059,797 18,891,733

Accumulated Surplus (Note 11) **\$93,386,858 \$ 79,722,210**

Contingent liability (Note 12)

On behalf of Chief and Council:

 Chief

 Finance Coordinator

Aamjiwnaang First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada			
Grant	\$ -	\$ 593,424	\$ 662,295
Fixed contribution	2,095,106	1,318,319	2,490,072
Set contribution	-	166,815	182,835
Health Canada	1,605,617	1,971,505	1,997,941
Canadian Mortgage and Housing Corporation	273,031	259,560	265,684
Clench settlement	-	18,513,445	-
Other federal funding	-	-	24,995
Province of Ontario	1,905,345	2,143,345	2,049,694
Southern First Nations Secretariat	531,164	314,590	442,797
Ontario First Nations Limited Partnership	1,200,000	1,278,062	1,323,154
Union of Ontario Indians	-	571,454	431,606
Stepping Stones	1,319,193	1,532,351	1,442,262
Kinomaadswin Education Body Inc.	4,254,215	4,280,604	4,143,321
Adelaide wind project	-	-	500,000
Donation	-	5,000	1,759,721
Lease and management fee revenue	3,371,702	3,227,652	2,842,508
Grand Bend wind project	-	2,114,596	3,968,500
Catering	20,000	-	13,585
Rental income	678,100	924,585	765,420
Interest income	305,000	946,907	915,365
Independent Electricity System Operator	-	33,265	-
Other revenue	732,209	1,786,063	1,391,102
User fees	60,000	23,419	73,001
Southwest Ontario Aboriginal Health Access Centre	-	81,195	52,282
	\$ 18,350,682	\$ 42,086,156	\$ 27,738,140
Expenses			
Community Services - Schedule 1	13,702,580	13,928,164	13,637,952
Economic Development - Schedule 2	440,118	1,042,219	995,218
Housing - Schedule 3	294,128	1,250,945	1,236,355
General - Schedule 4	4,994,676	14,234,085	5,476,218
	19,431,502	30,455,413	21,345,743
Excess of revenue over expenses (expenses over revenue) from operations before net earnings from government enterprises	(1,080,820)	11,630,743	6,392,397
Net earnings from investment in energy projects	1,022,131	2,033,905	3,961,214
Net earnings from government enterprises	-	-	(45,079)
Annual surplus for the year (Note 11)	(58,689)	13,664,648	10,308,532
Accumulated surplus, beginning of year (Note 11)	-	79,722,210	69,413,678
Accumulated surplus, end of year (Note 11)	\$ -	\$ 93,386,858	\$ 79,722,210

The accompanying notes are an integral part of these consolidated financial statements.

Aamjiwnaang First Nation Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2021 Budget	2021	2020
Annual surplus	1,022,131	13,664,648	10,308,532
Acquisition of tangible capital assets	-	(1,258,010)	(3,629,271)
Amortization of tangible capital assets	-	879,013	828,529
	1,022,131	13,285,651	7,507,790
Acquisition of prepaid assets	-	(51,896)	(262,829)
Utilization of prepaid assets	1,022,131	262,829	216,548
	-	210,933	(46,282)
Net change in financial assets	-	13,496,584	7,461,508
Net Financial Assets, Beginning of Year	60,830,477	60,830,477	53,368,969
Net Financial Assets, End of Year	\$ -	\$ 74,327,061	\$ 60,830,477

The accompanying notes are an integral part of these consolidated financial statements.

Aamjiwnaang First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Annual surplus	\$ 13,664,648	\$ 10,308,532
Items not affecting cash:		
Amortization	879,013	828,529
Net earnings from government business enterprises	-	45,079
Net earnings from investment in energy projects	(2,033,905)	(3,961,214)
Net increase in trust funds in Ottawa	(281,150)	(328,490)
	<u>12,228,606</u>	<u>6,892,436</u>
Changes in non-cash working capital:		
Accounts receivable	(624,498)	(1,159,672)
Prepaid expenses	210,933	(46,282)
Accounts payable and accrued liabilities	(1,288,035)	380,024
Deferred contributions	2,569,765	680,457
	<u>13,096,771</u>	<u>6,746,963</u>
Cash flows from investing activities		
Net change of portfolio investments	421,343	(5,522,259)
Advances to related parties	270,326	9,459
Net decrease in housing loans	244,881	69,606
Mortgage receivable advanced to 2479793 Ontario Inc.	(11,000,000)	-
Repayments on mortgage receivable from 2479793 Ontario	1,024,290	-
Investment in restricted assets	(835,818)	-
	<u>(9,874,978)</u>	<u>(5,443,194)</u>
Cash flows from financing activities		
Advance of long-term debt	11,000,000	-
Repayment of long-term debt	(1,332,464)	(386,353)
	<u>9,667,536</u>	<u>(386,353)</u>
Cash flows from capital activities		
Acquisition of tangible capital assets	(1,258,010)	(3,629,271)
Change in Cash	<u>11,631,319</u>	<u>(2,711,855)</u>
Cash, beginning of the year	<u>9,505,810</u>	<u>12,217,665</u>
Cash, end of the year	<u>\$ 21,137,129</u>	<u>\$ 9,505,810</u>

The accompanying notes are an integral part of these consolidated financial statements.

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies

Nature of Business 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.

Management's Responsibility These financial statements of the First Nation are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for local government entities.

Basis of Presentation The financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities.

Revenue Recognition Revenues are recognized in the period in which the transactions or events give rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized in revenue when used for the specific purpose.

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

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

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

Revenue related to fees or services received in advance of the fee being earned or the services performed is deferred and recognized when the fee is earned or service provided.

Settlement proceeds is recognized as revenue in the period in which the settlement occurred that gave rise to the revenues and the amount to be received can be reasonably estimated and collection is reasonably assured.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

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:

	Method	Rate
Building	Diminishing balance	4%
Furniture and equipment	Diminishing balance	20%
Vehicles and machinery	Diminishing balance	30%
Computers	Diminishing balance	30%

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

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 expenses 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.

Portfolio investments Portfolio investments are recorded at cost. The market value of the portfolio investments that are publicly traded is \$27,367,638 (2020 - \$26,125,000).

Principal of consolidation Commercial enterprises that meet the definition of a government business enterprise are included in the consolidated financial statements on a modified equity basis. Under the modified equity method of accounting, only Aamjiwnaang First Nation's investment in the government business enterprise and the First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Aamjiwnaang First Nation and inter-organizational balances and transactions are not eliminated.

Organizations accounted for on a modified equity basis include:

Chippewa Industrial Developments Limited
Ojibwe Legends Trading Company Ltd.
Ojibwe Filters and Industrial Supplies Ltd.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

Loans to Band Members Funding received for the purpose of building and renovating houses is recorded as revenue of a specific program. The commitment of the funds to a particular First Nation member for the purchase of approved housing is recorded as an expenditure of the program and as a commitment to that First Nation member. Commitments outstanding at the end of the year are reported as liabilities.

Agreements exist between the Council and the members regarding the terms of repayment of various expenses. The portion of the expenses determined to be repayable are recorded as loans due from the members on the Consolidated Statement of Financial Position.

Loans to band members are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. When the loss is known with sufficient precision and there is no realistic prospect of recovery, the loan receivable is reduced by the amount of the loss. Loans are reviewed on an annual basis by management.

Reserve Accounting The First Nation records accounting transactions using the reserve accounting method generally in use for government organizations. A reserve is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds have been amalgamated for the purpose of presentation in the financial statements. The First Nation maintains the following reserves:

Operating - the operating reserve reports the general activity of the First Nation administration

Enterprise - the enterprise reserve reports the activity of the various investments in government business enterprises. These government business enterprises include wholly owned subsidiaries Chippewa Industrial Developments Limited, Ojibwe Legends Trading Company Ltd., and Ojibwe Filters and Industrial Supplies Ltd.

Internally restricted - the internally restricted reserve reports the designated assets, as established by the First Nation's council, which requires Band Council motion to release any portion of these reserves for expenses.

Externally restricted - the externally restricted reserve reports the activities and assets of all externally restricted assets, including the Trust funds in Ottawa and Ontario First Nations Limited Partnership.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

2. Trust Funds in Ottawa

	2021	2020
Revenue trust fund	\$ 4,183,231	\$ 3,902,080
Capital trust fund	1,806,413	1,806,414
	<u>\$ 5,989,644</u>	<u>\$ 5,708,494</u>

3. Restricted Assets

The externally restricted assets represent the assets of the operating surplus and replacement reserves for the CMHC housing projects and the Romney project.

	2021	2020
CMHC		
Cash	\$ 1,060,534	\$ 1,057,553
Due from operating account - replacement reserve	255,935	20,693
Due to operating account - operating reserve	<u>(308,845)</u>	<u>(345,864)</u>
	<u>1,007,624</u>	<u>732,382</u>
Romney Project		
Restricted cash for loan receivable	<u>605,700</u>	<u>-</u>
	<u>\$ 1,613,324</u>	<u>\$ 732,382</u>

Restricted cash for loan receivable is an amount held in the bank account required as part of the lending agreement for RBC loan payable outlined in Note 6.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

4. Accounts receivable

	2021	2020
Federal Government	\$ 2,323,868	\$ 1,319,516
Provincial Government programs	257,667	269,486
Other funders		
Kinomaadswin Education Body Inc.	29,901	481,620
Ministry of Indigenous Relations	96,058	9,000
Mnaasged Child and Family Services	701	2,155
Nuclear Waste Management Organization	40,000	33,053
Right to Play	6,213	14,557
Southern First Nations Secretariat	54,445	55,269
Stepping Stones	11,877	124,275
Union of Ontario Indians	377,504	149,967
Rent net of allowance	93,167	104,472
Lease receivables	623,944	547,517
Employee restitution order	63,304	63,304
Suncor Energy Inc.	102,075	100,000
Little NHL	-	3,200
Walpole Island First Nation	125	125
Accrued interest	215,538	253,385
Canadian National	-	186,659
Due from CMHC account	308,845	345,864
Miscellaneous	396,064	313,374
	\$ 5,001,296	\$ 4,376,798

5. Loans to Band Members

	2021	2020
Loans		
Housing	\$ 1,273,577	\$ 1,518,459
Special	13,928	13,928
	1,287,505	1,532,387
Less: allowance for doubtful loans	(607,010)	(607,010)
	\$ 680,495	\$ 925,377

Housing loans bear interest at various rates from 2.5% to 5%. 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 Consolidated Financial Statements

March 31, 2021

6. Investment in Related Parties

The investment in related parties is made up of investments in government business enterprises through advances to and shares in these corporations. The advances to these corporations are non-interest bearing, unsecured and are due on demand.

	2021	2020
Investment in related parties		
Chippewa Industrial Developments Ltd.	\$ 5,209,417	\$ 4,913,564
Ojibwe Filters and Industrial Supplies Ltd.	2,140	2,140
Shares in Ojibwe Legends Trading Company Ltd.	1	1
2479793 Ontario Inc.	(566,179)	-
	<u>4,645,379</u>	<u>4,915,705</u>
 Mortgage receivable from related party		
Mortgage receivable from 2479793 Ontario Inc.		
3.01%, repayable in blended quarterly installments		
of \$594,527, due July 2025.	<u>9,975,710</u>	<u>-</u>
	<u>\$ 14,621,089</u>	<u>\$ 4,915,705</u>

The shares in Chippewa Industrial Developments Ltd., Ojibwe Legends Trading Company Ltd., and Ojibwe Filters Industrial Supplies Ltd 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 1.

Financial statements for each of the corporations have been prepared for the year ended December 31, 2020 These financial statements may provide additional information as to the financial affairs and resources of these government business enterprises.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

7. Net Investment in Energy Projects

December 31,	2020	2019
Giiwedín Noodin FN Energy Corporation		
Total assets	\$ 13,692,678	\$ 14,887,576
Total liabilities	4,084,181	5,391,300
	<u>9,608,497</u>	<u>9,496,275</u>
2401077 Ontario Inc.		
Total assets	47,293,748	46,491,301
Total liabilities	34,188,915	36,057,567
	<u>13,104,833</u>	<u>10,433,734</u>
2479793 Ontario Inc.		
Total assets	84,907,035	49,122,189
Total liabilities	86,848,780	50,269,395
	<u>(1,941,745)</u>	<u>(1,147,206)</u>
Total net investments in energy projects	<u>\$ 20,771,585</u>	<u>\$ 18,782,803</u>

The net investment in energy projects is accounted for on a net basis due to the limited recourse debt noted in each arrangement. Each debt agreement with the lenders for each project contains a waterfall clause that limits distributions. In addition, each corporation's investment in a wind energy partnership is pledged as security for the related debt.

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2021

8. Deferred Revenue

	2021	2020
Health Canada		
Aboriginal diabetes	\$ 11,853	\$ -
Building healthy communities	88,212	8,001
Community health representative	143,699	17,221
Health centre O&M	16,217	-
Healthy child development	10,923	1,277
Home & community care	48,326	12,672
Jordan's Principle	138,700	77,143
Medical transportation	93,348	30,469
Special education - Jordan's Principle	72,468	228,249
Youth life promotion	1,798	-
Indigenous Services Canada		
Administration	32,300	-
COVID-19 Relief	330,567	-
Housing - enhanced	286,526	95,127
Economic Development	64,960	46,961
Land and Memberships	42,937	48,678
Minor Capital	458,308	331,062
NALMA	26,263	-
Special Projects	-	12,912
Prevention	300,034	352,920
IOA - COVID relief	9,376	-
Client Base Career Counselling	4,399	4,399
Environment - miscellaneous projects	103,551	36,463
Ministry of Education		
Daycare	22,220	-
Early ON	24,828	-
Ministry of Environment		
Drinking water source protect	-	58,487
Regulation 419	-	55,359
Nova capacity	27,715	-
NWMO	61,750	-
School transportation	-	29,760
Shell		
Community benefit fund	89,792	97,165
Economic development	30,000	3,699
Southern First Nation Secretariat		
Client base, CRF	415,209	244,483
Employment Insurance	144,599	74,058
Youth work experience	32,119	-
Special Education		
Stepping Stones - COVID support	60,724	-
Styrolution	28,240	34,848

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

8. Deferred Revenue (continued)

	2021	2020
Suncor		
Capacity	75,278	79,275
Economic development	30,000	-
PSW program	19,434	-
Union of Ontario Indians		
Community wellness worker	14,424	-
COVID support	54,823	-
ELCC	250,273	115,972
Family well being	52,512	-
Other Revenue	6,187	1,549
KEB		
Education	212,431	47,365
Language & culture	46,447	-
New Path	142,768	102,378
Niigaan Gdizhaami	74,597	49,233
First Nations Student Success	167,874	4,302
Post Secondary Education	427,390	305,774
Pre Kindergarten	36,139	1,736
Provincial Tuition	1,154,281	1,121,339
Classroom Assistants	64,857	51,591
School transportation	1,692	-
Special education	382,868	-
Leases	-	74,815
Child Welfare	-	9,729
	\$ 6,436,236	\$ 3,866,471

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

9. Long-term Debt

	2021	2020
Housing Projects Loans		
1.30%, repayable in blended monthly installments of \$3,903, Phase 1 repaid during the year	\$ -	\$ 34,939
1.30%, repayable in blended monthly installments of \$4,529, Phase 5 repaid during the year	-	31,564
1.14%, repayable in blended monthly installments of \$5,512, due June, 2021 - Phase 8	337,865	383,408
1.44%, repayable in blended monthly installments of \$5,300, due November 2021 - Phase 6	58,094	104,666
1.43%, repayable in blended monthly installments of \$3,454, due April, 2022 - Phase 9	54,603	84,558
1.30%, repayable in blended monthly installments of \$3,703, due June, 2022 - Phase 7	66,197	98,480
1.92%, repayable in blended monthly installments of \$5,790, due May 2024 - Phase 10	1,078,486	1,110,087
1.92%, repayable in blended monthly installments of \$5,560, due July 2024 - Phase 11	1,045,494	1,076,808
1.89%, repayable in blended monthly installments of \$4,731, due November 2024 - Phase 12	720,753	745,156
RBC Loan Payable		
3.01%, repayable in blended quarterly installments of \$594,527, due July 2025.	9,975,710	-
	\$ 13,337,202	\$ 3,669,666

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

2022	\$ 2,796,237
2023	2,324,897
2024	2,378,788
2025	4,661,590
2026	1,175,690
	\$ 13,337,202

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2021

10. Tangible Capital Assets

	Buildings CMHC	Land CMHC	Buildings	Land	Infrastructure	Vehicles and Machinery	Furniture and Equipment	Computers	2021 Total
Cost, beginning of year	\$ 14,819,281	\$ 40,437	\$ 12,039,686	\$ 1,939,728	\$ 1,571,969	\$ 1,418,706	\$ 1,874,425	\$ 474,954	\$ 34,179,186
Additions	-	-	981,760	-	118,918	-	89,504	67,830	1,258,011
Cost, end of the year	14,819,281	40,437	13,021,446	1,939,728	1,690,886	1,418,706	1,963,929	542,784	35,437,197
Accumulated amortization, beginning of the year	7,208,708	-	4,592,700	-	661,089	1,120,330	1,563,198	404,258	15,550,283
Amortization	304,441	-	317,515	-	38,814	89,513	71,196	57,536	879,013
Accumulated amortization, end of year	7,513,149	-	4,910,215	-	699,903	1,209,843	1,634,394	461,794	16,429,296
Net carrying amount, end of year	\$ 7,306,133	\$ 40,437	\$ 8,111,231	\$ 1,939,728	\$ 990,984	\$ 208,863	\$ 329,535	\$ 80,990	\$ 19,007,901

2020
Total

Cost, beginning of year	\$ 14,330,325	\$ 40,437	\$ 11,029,333	\$ 104,053	\$ 1,506,529	\$ 1,316,977	\$ 1,824,695	\$ 397,566	\$ 30,549,915
Additions	488,956	-	1,010,353	1,835,675	65,440	101,729	49,730	77,388	3,629,271
Cost, end of the year	14,819,281	40,437	12,039,686	1,939,728	1,571,969	1,418,706	1,874,425	474,954	34,179,186
Accumulated amortization, beginning of the year	6,901,764	-	4,324,507	-	624,499	1,014,253	1,491,585	365,146	14,721,754
Amortization	306,944	-	268,193	-	36,590	106,077	71,613	39,112	828,529
Accumulated amortization, end of year	7,208,708	-	4,592,700	-	661,089	1,120,330	1,563,198	404,258	15,550,283
Net carrying amount, end of year	\$ 7,610,574	\$ 40,437	\$ 7,446,986	\$ 1,939,728	\$ 910,880	\$ 298,376	\$ 311,227	\$ 70,696	\$ 18,628,904

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2021

11. Accumulated Surplus

	2021	2020
Operating reserves		
Investment in tangible capital assets	\$ 15,646,409	\$ 14,959,238
Unrestricted accumulated surplus	19,870,846	19,677,805
Enterprise reserve		
Investment in government business enterprise and government business partnership	4,645,379	4,915,705
Net investment in energy projects	20,771,585	18,782,803
Internal restricted reserves		
OFNLP - Gaming	8,538,433	7,777,059
Clench Settlement	9,342,965	
Community Enhancement	3,837,369	3,725,601
Environmental Stewardship	1,070,000	1,070,000
Fines and Levies	200,000	
Future Generations	1,806,529	1,753,912
Housing Loans	95,583	88,180
Special Projects	564,492	531,031
External restricted Reserves		
Trust Funds in Ottawa	5,989,644	5,708,494
CMHC	1,007,624	732,382
2479793 Ontario Inc.	605,700	-
	\$ 93,386,858	\$ 79,722,210
The funding for the internal reserve is the following:		
Short-term and portfolio investments	\$ 16,112,406	\$ 14,945,783

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

12. Contingent Liabilities

- (a) The First Nation is contingently liable as guarantor of 8 (2020 - 8) bank loans for Band members to a maximum of \$913,876. As at March 31, 2021, the amount of the loans outstanding was \$913,876. 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. The total amount available under this First Nations On Reserve Loan Program is not to exceed \$2,000,000.
 - (b) The First Nation received a claim for damages in the amount of \$21,500,000. The First Nation is still evaluating the claim.
 - (c) Subsequent to year-end a claim against the First Nation was received for a lawsuit arising in the ordinary course of operations. Legal counsel for the First Nation has advised that it premature to make any evaluation of the possible outcome or possible settlement amount of this claim. Consequently, no provision has been made in the financial statements.
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13. 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 \$365,199 (2020 - \$307,367) and are included in salaries and benefits in expenses.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

14. Classification of Expenditure by Object (Type of Expense)

The consolidated statement of operations presents the expenditures by function. The following classifies the same expenditures by object.

	2021	2020
Allocation to replacement reserves	\$ 67,475	\$ 80,611
Amortization	879,013	828,529
Bad debts	200,132	-
Bank charges and interest	226,200	78,699
Catering	-	16,800
Cemetery and funerals	146,141	124,907
Childcare initiative	91,198	99,095
Construction and renovations	51,474	32,459
Consultants	961,037	1,036,572
COVID-19 relief	-	-
Distribution to members	10,907,764	1,789,646
Donations	42,636	59,221
Election costs	32,000	-
Employee benefits	1,368,551	1,069,522
CRF	129,096	320,462
EI	65,476	105,601
Equipment	38,840	6,186
Fire protection	60,853	100,065
Garbage collection	65,362	74,521
Honoraria		
Community	46,270	46,300
Council	157,303	156,033
Staff	68,050	55,200
Infrastructure services	44,751	92,594
Insurance	162,973	148,637
Medical travel	54,076	86,485
Mortgage interest	63,528	59,040
Office administration	369,980	311,737
Ontario works employment related expenses	92,868	168,756
Pipeline lease payments	383,002	314,970
Police protection	121,965	119,340
Professional services	335,414	537,777
Program administration	563,727	515,454
Program resources	4,404,563	4,245,066
Repairs and maintenance		
Buildings	370,270	669,656
Vehicles and equipment	65,773	106,740
CMHC enhanced	119,465	17,354
Salaries and wages	6,404,846	6,376,698
Sports fees	42,055	16,741

Aamjiwnaang First Nation
Notes to Consolidated Financial Statements

March 31, 2021

14. Classification of Expenditure by Object (Type of Expense) (continued)

	<u>2021</u>	<u>2020</u>
Social assistance benefits	1,124,175	1,030,449
Student transportation	217,398	282,519
Training and professional development	98,908	149,220
Travel		
Community	3,470	30,625
Council	1,033	49,010
Staff	10,299	98,278
Utilities	207,763	245,637
Program administration	(411,760)	(407,469)
	<hr/>	<hr/>
Total expenses by object	30,455,413	21,345,743
	<hr/>	<hr/>
Band contribution to programs	2,923,175	2,708,634
	<hr/>	<hr/>
Total expenses by object	<u>\$ 33,378,588</u>	<u>\$ 24,054,377</u>

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

15. Segmented Information

Aamjiwnaang First Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, capital, enterprises and other services.

For each reported segment, revenues and expenses include 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, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements. Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Community Services

Aamjiwnaang First Nation provides a wide array of other services, including fire protection, police protection, social assistance, garbage collection, infrastructure services, student transportation, medical travel, home support services, prenatal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members. Also included are community events such as the Pow Wow and Community Days.

The social assistance department is responsible for administering assistance payments as well as providing services directed towards members.

Economic Development and Training

This department is responsible for all economic development to develop future programs and funding.

Housing

This department is responsible for all housing including rental units, CMHC rent-to-own housing and any Residential Repair Assistance Programs (RRAP).

General

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the government activities of Chief and Council. Also included are pipeline lease activity as well as activity from government business enterprises and government business partnerships.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2021

16. Comparative Figures

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

17. COVID-19

The global pandemic of COVID-19 has continued to disrupt economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption, the related financial impact cannot be reasonably estimated at this time. The entity does not expect a material decrease in funding revenue and expects services to its members to continue. Management is actively monitoring the affect on its financial condition, liquidity, operations and workforce. At this time, the full potential impact of COVID-19 on the entity is not known.

Aamjiwnaang First Nation Consolidated Schedule 1 - Community Services

For the year ended March 31	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada			
Fixed contribution	\$ 2,077,306	\$ 415,197	\$ 377,942
Set contribution	-	166,815	182,835
Health Canada	1,605,617	1,988,726	1,997,941
Other federal funding	-	-	24,995
Province of Ontario	1,339,683	1,781,946	1,800,166
Union of Ontario Indians	-	605,312	431,606
Stepping Stones	1,319,193	1,532,351	1,442,262
Kinimaadswin Education Body Inc.	4,254,215	4,280,604	4,140,884
Donations	-	5,000	22,221
Rental income	38,000	86,220	88,608
Catering	20,000	-	13,585
User fees	60,000	23,419	73,001
Southwest Ontario Aboriginal Health Access Centre	-	81,195	52,282
Other revenue	140,000	1,168,472	902,476
	10,854,014	12,135,257	11,550,804

Aamjiwnaang First Nation Consolidated Schedule 1 - Community Services

For the year ended March 31	2021 Budget	2021	2020
Expenses			
Amortization	-	574,572	521,585
Catering	20,000	-	16,800
Cemetery and funerals	-	145,895	124,907
Consultants	-	539,064	713,132
Construction and renovations	-	52,750	-
Donations	-	30,165	30,415
Employee benefits	828,335	888,059	659,233
Equipment	105,358	21,036	17,365
Fire protection	-	60,853	100,065
Garbage collection	290,066	58,830	73,407
Honoraria			
Community	-	11,050	32,180
Staff	-	20,100	22,400
Infrastructure services	18,100	28,562	33,988
Insurance	-	63,858	59,466
Medical travel	-	54,076	86,485
Office administration	5,500	100,679	100,807
Ontario Works employment related expenses	148,017	92,868	168,756
Police protection	-	121,965	119,340
Professional services	-	23,678	34,082
Program administration	1,021,170	432,236	397,678
Program resources	3,370,814	3,968,849	3,773,254
Property tax	-	16,189	-
Repairs and maintenance			
Building	688,564	169,035	190,956
Vehicles and equipment	40,000	65,358	106,597
Salaries and wages	5,596,255	4,799,063	4,593,809
Sports fees	-	5,698	2,260
Social assistance benefits	907,500	1,124,175	1,005,330
Student transportation	171,132	217,398	282,519
Training and professional development	145,947	88,485	98,552
Travel - community	-	580	16,804
Travel - staff	109,165	6,944	58,419
Utilities	236,657	146,094	197,361
	13,702,580	13,928,164	13,637,952
Excess of revenue over expenses (expenses over revenue)	\$ (2,848,566)	\$ (1,792,907)	\$ (2,087,148)

Aamjiwnaang First Nation Consolidated Schedule 2 - Economic Development and Training

For the year ended March 31	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada			
Fixed contribution	\$ 17,800	\$ 114,962	\$ 265,082
Independent Electricity System Operator		33,265	-
Southern First Nations Secretariat	531,164	297,369	501,097
Other revenue	-	205,302	79,841
	<u>548,964</u>	<u>650,898</u>	<u>846,020</u>
Expenses			
Childcare initiative	20,000	91,198	90,445
Consultants	-	190,624	86,942
Employee benefits	-	59,844	46,696
Employee training programs			
CRF	420,118	130,792	320,462
EI	-	61,298	105,601
Equipment	-	-	655
Honoraria			
Community	-	3,100	2,100
Staff	-	4,400	4,700
Office administration	-	21,335	3,158
Professional services		3,583	-
Program administration	-	9,388	9,370
Program resources	-	194,428	96,815
Salaries and wages	-	264,999	221,322
Training and professional development	-	7,110	1,314
Travel			
Community		120	-
Staff	-	-	5,638
	<u>440,118</u>	<u>1,042,219</u>	<u>995,218</u>
Excess of expenses over revenue	<u>\$ 108,846</u>	<u>\$ (391,321)</u>	<u>\$ (149,198)</u>

Aamjiwnaang First Nation Consolidated Schedule 3 - Housing

For the year ended March 31	2021 Budget	2021	2020
Revenue			
Canadian Mortgage and Housing Corporation	\$ 273,031	\$ 564,290	\$ 265,684
Indigenous Services Canada	-	104,366	1,165,560
Interest income	-	25,432	40,543
Rental income	640,100	533,635	676,812
	913,131	1,227,723	2,148,599
Expenses			
Allocation to replacement reserves	-	67,475	80,611
Amortization	-	304,441	306,944
Bad debts	-	200,132	-
Bank charges and interest	-	20	-
Construction and renovations (recovery)	93,684	(6,076)	15,498
Consultants	-	15,804	69,679
Employee benefits	-	26,411	25,470
Equipment	-	3,254	2,901
Honoraria			
Community	-	4,200	4,450
Staff	-	3,600	3,700
Insurance	-	67,017	61,853
Mortgage interest	94,166	63,528	59,040
Office administration	-	7,288	4,835
Professional services	-	9,050	8,848
Program resources	-	794	9,564
Repairs and maintenance			
Building	106,278	190,584	377,797
CMHC	-	119,465	17,354
Salaries and wages	-	112,258	137,725
Training and professional development	-	89	233
Travel - staff	-	-	2,912
Utilities	-	61,611	46,941
	294,128	1,250,945	1,236,355
Excess of revenue over expenses (expenses over revenue)	\$ 619,003	\$ (23,222)	\$ 912,244

Aamjiwnaang First Nation Consolidated Schedule 4 - General

For the year ended March 31	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada			
Grant	\$ -	\$ 553,424	\$ 662,295
Fixed contribution	-	471,328	683,925
Province of Ontario	565,662	362,948	249,528
Ontario First Nations Limited Partnership	1,200,000	1,278,062	1,323,154
Adelaide wind project	-	-	500,000
Giiwedini Noodin FN Energy Corporation			
dividends	-	2,114,596	3,968,500
Lease and management fee revenue	3,371,702	3,227,652	2,842,508
Investment income	305,000	921,475	829,743
Donations	-	-	1,737,500
Clench settlement	-	18,513,445	-
Union of Ontario Indians	-	82,114	-
Other revenue	592,209	547,235	460,341
	<u>6,034,573</u>	<u>28,072,279</u>	<u>13,257,494</u>
Expenses			
Bank charges and interest	28,500	226,180	78,699
Construction and renovations	-	4,800	60,042
Consultants	871,125	215,545	166,819
Distribution to members	-	10,907,764	1,789,646
Donations	18,000	12,471	28,805
Election costs	-	32,000	-
Employee benefits	296,866	393,206	338,124
Equipment	27,195	14,550	9,439
Honoraria			
Community	43,088	27,920	7,570
Council	194,200	157,303	156,033
Staff	39,400	39,950	24,400
Insurance	150,241	32,098	27,318
Office administration	267,390	245,036	202,937
Pipeline lease payments	362,740	383,002	314,970
Professional services	285,760	299,103	494,847
Program administration (recovery)	(350,000)	(289,659)	(299,063)
Program resources	1,215,024	239,940	365,434
Repairs and maintenance			
Building	61,757	10,652	100,969
Vehicles and equipment	416	416	80
Salaries and wages	1,083,100	1,227,860	1,423,841
Sports fees	40,000	36,357	14,481
Social assistance benefits	11,270	-	25,119
Training and professional development	158,150	7,834	49,120
Travel			
Community	129,454	2,770	13,821
Council	60,000	1,033	49,010
Staff	-	3,355	31,308
Utilities	1,000	2,599	2,449
	<u>4,994,676</u>	<u>14,234,085</u>	<u>5,476,218</u>
Excess of revenue over expense	<u>\$ -</u>	<u>\$ 13,838,194</u>	<u>\$ 7,781,276</u>