

**Aamjiwnaang First Nation
Consolidated Financial Statements
For the Year Ended March 31, 2024**

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Consolidated Financial Statements
For the Year Ended March 31, 2024**

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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, 2024, 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, 2024, 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 29, 2024

Aamjiwnaang First Nation Consolidated Statement of Financial Position

March 31 **2024** **2023**

Financial Assets

Cash	\$12,985,940	\$ 17,678,179
Trust funds in Ottawa (Note 2)	7,076,899	6,660,140
Restricted assets (Note 3)	2,421,511	1,824,596
Portfolio investments	35,902,165	34,837,015
Accounts receivable (Note 4)	7,823,912	6,330,227
Loans to Band members (Note 5)	471,153	673,514
Investment in related parties (Note 6)	2,378,235	2,994,638
Net investment in energy projects (Note 7)	41,437,483	33,713,862
Mortgage receivable from related party (Note 6)	3,474,839	5,706,066

\$ 113,972,137 **\$ 110,418,237**

Liabilities

Accounts payable and accrued charges	\$ 2,847,035	\$ 1,541,993
Deferred revenue (Note 8)	13,852,888	12,309,178
Long-term debt (Note 9)	5,810,908	8,192,387

22,510,831 **22,043,558**

Net Financial Assets

91,461,306 **\$ 88,374,679**

Non-Financial Assets

Tangible capital assets (Note 10)	\$26,141,315	\$ 21,725,967
Prepaid assets	218,949	353,114

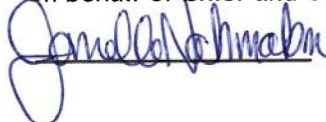
26,360,264 **22,079,081**

Accumulated Surplus (Note 11)

\$ 117,821,570 **\$ 110,453,760**

Contingent liability (Note 12)

On behalf of Chief and Council:

 Councillor

 Finance Coordinator

Aamjiwnaang First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2024 Budget	2024	2023
Revenue			
Indigenous Services Canada			
Grant	\$ -	\$ 119,104	\$ 368,376
Fixed contribution	3,211,746	5,285,399	3,864,600
Set contribution	313,105	295,297	293,948
Health Canada	2,097,453	2,532,099	2,524,458
Canadian Mortgage and Housing Corporation	117,139	118,539	309,964
Other federal funding	50,000	152,508	422,945
Province of Ontario	2,386,875	2,186,274	2,197,930
Southern First Nations Secretariat	547,270	493,477	452,486
Ontario First Nations Limited Partnership	1,200,000	1,539,550	1,092,437
Union of Ontario Indians	540,028	942,019	620,367
Stepping Stones Support Services	1,319,193	1,856,685	1,465,006
Kinomaadswin Education Body Inc.	5,652,205	6,839,130	6,266,145
Adelaide wind project	850,000	850,000	800,000
Donation	19,500	73,990	145,868
Lease and management fee revenue	2,938,673	2,384,142	2,838,581
Giwwedin Noodin wind project	2,000,000	2,340,000	2,465,768
Romney wind project revenue	500,000	500,000	125,000
Catering	20,000	15,685	14,259
Rental income	411,640	536,480	675,713
Interest income	305,000	2,488,234	1,664,633
Independent Electricity System Operator	-	14,405	58,598
Other revenue	907,801	2,014,398	1,900,416
User fees	60,000	57,128	70,469
Southwest Ontario Aboriginal Health Access Centre	72,813	72,813	72,813
	25,520,441	33,707,356	30,710,780
Expenses			
Community Services - Schedule 1	17,971,567	20,633,841	17,103,439
Economic Development - Schedule 2	1,018,950	1,063,523	1,062,858
Housing - Schedule 3	753,332	1,030,086	999,413
General - Schedule 4	4,270,404	11,210,414	6,635,134
	24,014,253	33,937,864	25,800,844
Excess of revenue over expenses from operations before net earnings from government enterprises	1,506,188	(230,508)	4,909,936
Net earnings from investment in energy projects	-	7,723,621	6,300,107
Transfer of CMHC units	-	(125,306)	(443,896)
Annual surplus for the year (Note 11)	1,506,188	7,367,807	10,766,147
Accumulated surplus, beginning of year (Note 11)	-	110,453,763	99,687,616
Accumulated surplus, end of year (Note 11)	\$ -	\$ 117,821,570	\$ 110,453,763

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	2024 Budget	2024	2023
Annual surplus	\$ 3,178,801	\$ 7,367,807	\$ 10,766,147
Acquisition of tangible capital assets	-	(5,695,004)	(4,319,169)
Transfer of CMHC units	-	125,306	443,896
Amortization of tangible capital assets	-	1,154,353	900,182
	3,178,801	2,952,462	7,791,056
Acquisition of prepaid assets	-	(218,949)	(353,114)
Utilization of prepaid assets	3,178,801	353,114	459,771
	-	134,165	106,657
Net change in financial assets	-	3,086,627	7,897,713
Net Financial Assets, Beginning of Year	60,830,477	88,374,679	80,476,966
Net Financial Assets, End of Year	\$ -	\$91,461,306	\$ 88,374,679

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	2024	2023
Cash flows from operating activities		
Annual surplus	\$ 7,367,807	\$ 10,766,147
Items not affecting cash:		
Amortization	1,154,353	900,182
Net earnings from investment in energy projects	(7,723,621)	(6,300,107)
Net increase in trust funds in Ottawa	(416,760)	(373,136)
	<u>381,779</u>	<u>4,993,086</u>
Changes in non-cash working capital:		
Accounts receivable	(1,493,684)	560,123
Prepaid expenses	134,165	106,657
Accounts payable and accrued liabilities	1,305,042	43,647
Deferred revenue	1,543,710	2,645,233
	<u>1,871,012</u>	<u>8,348,746</u>
Cash flows from investing activities		
Net change of portfolio investments	(1,065,149)	(5,284,766)
Advances to related parties	616,403	1,113,376
Net decrease in housing loans to Band members	202,361	(4,198)
Repayments on mortgage receivable from 2479793 Ontario	2,231,223	2,167,169
Investment in restricted assets	(596,915)	(750,445)
	<u>1,387,923</u>	<u>(2,758,864)</u>
Cash flows from financing activities		
Repayment of long-term debt	(2,381,479)	(2,520,411)
	<u>(2,381,479)</u>	<u>(2,520,411)</u>
Cash flows from capital activities		
Acquisition of tangible capital assets	(5,695,004)	(4,319,169)
Transfer of CMHC units	125,309	443,896
	<u>(5,569,695)</u>	<u>(3,875,273)</u>
Change in Cash	(4,692,239)	(805,802)
Cash, beginning of the year	17,678,179	18,483,981
Cash, end of the year	\$12,985,940	\$ 17,678,179

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

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2024

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 are 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, 2024

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
Buildings	Diminishing balance	4%
Infrastructure	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 \$36,972,960 (2023 - \$32,561,636).

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.

Chippewa Industrial Developments Limited is accounted for on a modified equity basis.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2024

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 includes wholly owned subsidiary Chippewa Industrial Developments Limited.

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, 2024

1. Significant Accounting Policies (continued)

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2024

2. Trust Funds in Ottawa

	2024	2023
Revenue trust fund	\$ 5,270,486	\$ 4,853,727
Capital trust fund	1,806,413	1,806,413
	<u>\$ 7,076,899</u>	<u>\$ 6,660,140</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.

	2024	2023
CMHC		
Cash	\$ 1,246,577	\$ 1,214,922
Due from operating account - replacement reserve	(126,221)	(112,683)
Due to operating account - operating reserve	(531,768)	(460,307)
	<u>588,588</u>	<u>641,932</u>
Romney Project		
Restricted cash for loan receivable	<u>1,832,923</u>	<u>1,182,664</u>
	<u>\$ 2,421,511</u>	<u>\$ 1,824,596</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, 2024

4. Accounts receivable

	2024	2023
Federal Government	\$ 3,300,975	\$ 2,958,878
Provincial Government programs	294,141	157,880
Other funded sources		
Kinomaadswin Education Body Inc.	965,301	449,590
Independent Electricity System Operator	144,434	137,529
Corporation of the City of Sarnia	466,643	-
Mnaasged Child and Family Services	701	701
Nuclear Waste Management Organization	40,000	40,000
Right to Play	6,553	15,938
Southern First Nations Secretariat	331,095	123,315
Southwest Ontario Aboriginal Health Access Centre	45,581	45,581
Stepping Stones Support Services	-	14,838
Union of Ontario Indians	978,726	532,074
Rent net of allowance	63,920	6,767
Lease receivables	30,080	824,890
Employee restitution order	63,304	63,304
Suncor Energy Inc.	825	825
Hydro One	74,266	20,212
Bioindustrial Innovation Canada	32,855	32,855
Walpole Island First Nation	125	125
Accrued interest	206,558	315,519
Enbridge Pipelines	55,681	-
Due from CMHC account	531,768	460,307
Miscellaneous	190,380	129,099
	\$ 7,823,912	\$ 6,330,227

5. Loans to Band Members

	2024	2023
Loans		
Housing	\$ 1,315,951	\$ 1,325,120
Special	13,928	13,928
	1,329,879	1,339,048
Less: allowance for doubtful loans	(858,726)	(665,534)
	\$ 471,153	\$ 673,514

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, 2024

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.

	<u>2024</u>	<u>2023</u>
Investment in related parties		
Chippewa Industrial Developments Ltd.	\$ 4,171,638	\$ 4,137,781
2479793 Ontario Inc.	<u>(1,793,403)</u>	<u>(1,143,143)</u>
	<u>2,378,235</u>	<u>2,994,638</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>3,474,839</u>	<u>5,706,066</u>
	<u>\$ 5,853,074</u>	<u>\$ 8,700,704</u>

Financial statements for each of the corporations have been prepared for the year ended December 31, 2023. 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, 2024

7. Net Investment in Energy Projects

December 31,	2023	2022
Giiwedín Noodin FN Energy Corporation		
Total assets	\$11,195,236	\$ 13,236,274
Total liabilities	2,722,166	3,326,849
	<u>8,473,070</u>	<u>9,909,425</u>
2401077 Ontario Inc.		
Total assets	44,827,257	43,708,531
Total liabilities	29,494,504	30,463,092
	<u>15,332,753</u>	<u>13,245,439</u>
2479793 Ontario Inc.		
Total assets	89,304,965	87,230,046
Total liabilities	71,673,305	76,671,048
	<u>17,631,660</u>	<u>10,558,998</u>
Total net investments in energy projects	<u>\$41,437,483</u>	<u>\$ 33,713,862</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, 2024

8. Deferred Revenue

	2024	2023
Health Canada		
Aboriginal diabetes	\$ 2,011	\$ 19,000
Building healthy communities	82,848	149,125
Community health representative	56,149	132,273
Health centre O&M	-	10,618
Healthy child development	14,178	39,919
Home and community care	104,146	383,316
Jordan's Principle	46,751	170,232
Medical transportation	231,047	192,025
Hospice Like Spaces	42,913	-
Indigenous Services Canada		
Administration	14,454	45,698
Band rep services	421,190	180,685
COVID-19 Relief	20,031	139,135
Economic Development	64,770	-
Governance	167,300	167,300
Jordan's Principle	379,559	-
Land and Memberships	267,738	36,904
Minor Capital	89,966	633,957
New Housing Construction	1,007,830	774,500
Prevention	3,580,992	2,763,452
Special education	62,400	12,893
Youth experience	38,114	20,790
Canada Mortgage and Housing Corporation	29,800	162,000
Economic development	101,761	82,508
Enbridge capacity	30,675	12,114
Environment and Climate Change Canada	99,710	42,373
Environment - miscellaneous projects	33,062	18,231
Hydro One capacity	-	9,228
Ministry of Environment	134,145	71,372
Nova capacity	47,911	44,911
IOL	138,413	77,500
Residential school monument	97,709	97,693
Shell - pipeline advance payout	168,025	252,037
Southern First Nation Secretariat		
Client base, CRF	822,358	807,412
Employment Insurance	218,214	174,001
Stepping Stones - COVID support	165,314	131,473
Union of Ontario Indians		
Early learning and child care	37,366	31,927
Prevention	3,086	1,409
Wheelchair ramp	-	114,164
Other Revenue	165,449	45,192
Kinomaadswin Education Body Inc.		
ABKM	21,302	12,748
Education	3,839,497	3,257,233
Niigaan Gdizhaami	80,657	66,149
Post Secondary education	924,047	925,681
	\$13,852,888	\$ 12,309,178

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2024

9. Long-term Debt

	2024	2023
Housing Projects Loans		
1.92%, repayable in blended monthly instalments of \$5,790, due May 2024 - Phase 10. Subsequent to year-end, this loan was renewed at 4.08%, repayable in blended monthly instalments of \$6,706, due May 2029	\$ 905,906	\$ 960,573
1.92%, repayable in blended monthly instalments of \$5,560, due July 2024 - Phase 11. Subsequent to year-end, this loan was renewed at 3.63%, repayable in blended monthly instalments of \$6,225, due July 2029	881,509	931,524
1.89%, repayable in blended monthly instalments of \$4,731, due November 2024 - Phase 12	548,265	594,224
RBC Loan Payable		
3.01%, repayable in blended quarterly instalments of \$594,527, due July 2025	3,475,228	5,706,066
	<u>\$ 5,810,908</u>	<u>\$ 8,192,387</u>

Principal amounts due in the next five years and thereafter based on subsequent renewal terms are as follows:

2025	\$ 2,492,152
2026	1,368,692
2027	193,003
2028	193,003
2029	193,003
Thereafter	<u>1,371,055</u>
	<u>\$ 5,810,908</u>

Subsequent to year-end the First Nation has received a loan of \$431,700 from the Canadian Mortgage and Housing Corporation for Phase 13. The loan commences on April 1, 2024.

The RBC Loan is secured by a Band Council resolution signed by the First Nation in the amount of \$3,000,000 in respect to the terms of the On-Reserve Housing Loan Program as well as security agreement on the lender's form 1032 signed by the First Nation constituting a first ranking security interest in securities held in an account maintained with RBC Dominion Securities Inc.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2024

10. Tangible Capital Assets

	Buildings CMHC	Land CMHC	Buildings	Land	Infrastructure	Vehicles and Machinery	Furniture and Equipment	Computers	2024 Total
Cost, beginning of year	\$ 12,492,089	\$ 40,437	\$ 15,892,310	\$ 1,939,728	\$ 3,286,621	\$ 1,468,995	\$ 2,678,245	\$ 597,914	\$ 38,396,339
Additions	743,058	-	3,386,295	-	461,310	584,091	484,287	35,967	5,695,008
Transfer of CMHC units	(401,228)	-	-	-	-	-	-	-	(401,228)
Cost, end of the year	12,833,919	40,437	19,278,605	1,939,728	3,747,931	2,053,086	3,162,532	633,881	43,690,119
Accumulated amortization, beginning of the year	6,483,274	-	5,586,743	-	894,732	1,323,907	1,847,371	534,345	16,670,372
Amortization	261,897	-	411,999	-	110,250	131,140	214,603	24,465	1,154,354
Transfer of CMHC units	(275,922)	-	-	-	-	-	-	-	(275,922)
Accumulated amortization, end of year	6,469,249	-	5,998,742	-	1,004,982	1,455,047	2,061,974	558,810	17,548,804
Net carrying amount, end of year	\$ 6,364,670	\$ 40,437	\$ 13,279,863	\$ 1,939,728	\$ 2,742,949	\$ 598,039	\$ 1,100,558	\$ 75,071	\$ 26,141,315
2023 Total									
Cost, beginning of year	\$ 13,787,628	\$ 40,437	\$ 13,303,752	\$ 1,939,728	\$ 2,222,747	\$ 1,418,706	\$ 2,091,226	\$ 568,490	\$ 35,372,714
Additions	-	-	2,588,558	-	1,063,874	50,289	587,019	29,424	4,319,164
Transfer of CMHC units	(1,295,539)	-	-	-	-	-	-	-	(1,295,539)
Cost, end of the year	12,492,089	40,437	15,892,310	1,939,728	3,286,621	1,468,995	2,678,245	597,914	38,396,339
Accumulated amortization, beginning of the year	7,084,538	-	5,238,279	-	800,078	1,272,502	1,713,030	513,407	16,621,834
Amortization	250,379	-	348,464	-	94,654	51,405	134,341	20,938	900,181
Transfer of CMHC units	(851,643)	-	-	-	-	-	-	-	(851,643)
Accumulated amortization, end of year	6,483,274	-	5,586,743	-	894,732	1,323,907	1,847,371	534,345	16,670,372
Net carrying amount, end of year	\$ 6,008,815	\$ 40,437	\$ 10,305,567	\$ 1,939,728	\$ 2,391,889	\$ 145,088	\$ 830,874	\$ 63,569	\$ 21,725,967

Included in buildings above is \$2,902,529 of assets under construction. No amortization has been recorded since the building was not complete at year-end.

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2024

11. Accumulated Surplus

	2024	2023
Operating reserves		
Investment in tangible capital assets	\$23,802,630	\$ 19,239,646
Unrestricted accumulated surplus	24,265,400	22,404,026
Enterprise reserve		
Investment in government business enterprise and government business partnership	2,378,235	2,994,638
Net investment in energy projects	41,437,483	33,713,862
Internal restricted reserves		
OFNLP - Gaming	6,955,364	8,792,885
Clench Settlement	264,445	5,833,445
Community Enhancement	4,193,197	4,071,066
Environmental Stewardship	1,070,000	1,070,000
Fines and Levies	200,000	200,000
Future Generations	1,974,044	1,916,547
Housing Loans	101,426	101,492
Special Projects	1,680,936	1,631,416
External restricted reserves		
Trust Funds in Ottawa	7,076,899	6,660,140
CMHC	588,588	641,933
2479793 Ontario Inc.	1,832,923	1,182,664
	<u>\$ 117,821,570</u>	<u>\$ 110,453,760</u>
The funding for the internal reserve is the following:		
Short-term and portfolio investments	<u>\$19,792,518</u>	<u>\$ 23,616,851</u>

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2024

12. Contingent Liabilities

- (a) The First Nation is contingently liable as guarantor of 11 (2023 - 12) bank loans for Band members. As at March 31, 2024, the amount of the loans outstanding was \$1,500,243 (2023 - \$1,397,207). 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 \$3,000,000.
- (b) The First Nation received claims for damages in the amounts of \$21,500,000 and \$4,500,000 was made against the First Nation. The First Nation has evaluated payment as unlikely at this time.
- (c) The First Nation has been named as 1 of 17 respondents in a Human Rights Tribunal in the amount of \$1,000,000 specifically against the Nation, with a general future loss for an additional amount of \$10,000,000. The First Nation has evaluated payment as unlikely at this time.
- (d) The First Nation is occasionally named as a defendant in various lawsuits arising in the ordinary course of operations. The First Nation has contested these claims. Legal counsel for the First Nation has advised that it is premature to make any evaluation of the possible outcome or possible settlement amount of these claims. Consequently, no provision for these claims has been made in the financial statements.

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 \$417,007 (2023 - \$395,941) and are included in salaries and benefits in expenses.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2024

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.

	2024	2023
Allocation to replacement reserves	\$ 29,800	\$ 47,142
Amortization	1,154,353	900,182
Bad debts	268,731	20,705
Bank charges and interest	170,166	224,274
Catering	22,310	14,499
Cemetery and funerals	143,380	189,141
Childcare initiative	124,463	119,521
Communication upgrades	6,625	21,293
Construction and renovations	80,914	15,272
Consultants	1,907,051	1,406,871
COVID-19 relief	-	-
Distribution to members	7,784,961	2,608,928
Donations	38,776	42,981
Election costs	-	22,000
Employee benefits	1,620,109	1,545,708
CRF	265,448	206,142
EI	92,207	103,870
Equipment	406,274	274,411
Fire protection	93,241	109,492
Garbage collection and recycling	91,554	138,037
Honoraria		
Community	54,711	31,830
Council	180,455	167,823
Staff	44,442	56,300
Infrastructure services	70,854	86,216
Insurance	237,244	198,253
Medical travel	88,777	81,255
Mortgage interest	40,862	46,696
Office administration	399,189	235,167
Ontario works employment related expenses	106,629	83,770
Pipeline lease payments	340,715	395,475
Police protection	137,467	128,714
Professional services	583,926	291,421
Program administration	803,054	607,582
Program resources	2,930,149	2,638,161
Repairs and maintenance		
Buildings	445,395	316,973
Roads	-	-
Vehicles and equipment	145,303	149,045
CMHC enhanced	1,400	18,950
Salaries and wages	7,791,790	7,482,510
Sports fees	-	8,395

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2024

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

	2024	2023
Social assistance benefits	1,710,416	1,059,876
Student awards	132,324	83,156
Student transportation	222,234	216,450
Training and professional development	135,893	228,418
Travel		
Community	20,563	13,885
Council	56,624	59,090
Staff	75,890	72,643
Tuition fees	3,261,235	3,221,787
Utilities	290,670	263,755
Program administration	(670,710)	(453,221)
Total expenses by object	33,937,864	25,800,844
Band contribution to programs	2,858,929	3,289,056
Total expenses by object	<u>\$36,796,793</u>	<u>\$ 29,089,900</u>

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2024

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, 2024

16. Commitment

During the year the First Nation entered into an agreement to purchase IT services for a monthly fee. The period of service coverage commences on April 1, 2023 and has a term of 36 months. Future minimum payments for subsequent years are as follows:

2025	\$	186,660
2026		<u>186,660</u>
	\$	<u>373,320</u>

17. Budget

The budget adopted by the First Nation was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while the Public Sector Accounting Standards now require full accrual basis. The budget figures did not include amortization expenses or principal repayments on long-term debt.
