

Fort William First Nation
Consolidated Financial Statements
For the year ended March 31, 2021

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Independent Auditor's Report

To the Members of Fort William First Nation

Qualified Opinion

We have audited the consolidated financial statements of Fort William First Nation, and its entities (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statement of operations and surplus, the consolidated statement of changes in net financial assets, the consolidated statement of re-measurement gains and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matters discussed in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, and its consolidated results of operations, its consolidated changes in net financial assets, its consolidated re-measurement gains and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Summary of Significant Accounting Policies describes the tangible capital asset policy with respect to the First Nation's tangible capital assets. For fiscal years commencing on or after January 1, 2009, Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook requires that tangible capital assets be capitalized and amortized over their estimated useful lives. The First Nation has not fully adopted these recommendations. Although the First Nation has recognized certain tangible capital assets and amortization as of the date of consolidated financial statement preparation, the First Nation has not gathered the necessary information to be in a position to recognize and disclose a complete inventory of any of its major classes of tangible capital assets. As a result, we have been unable to determine whether any adjustments to the amounts recorded are necessary for the years ended March 31, 2021 and 2020. Our audit opinion on the consolidated financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

As more fully described in Note 15 to the consolidated financial statements, management has excluded the current year and prior years' property tax liabilities in the accompanying consolidated financial statements. Failure to include the taxes as a liability is not in accordance with Canadian public sector accounting standards. Had the liabilities been recorded the consolidated surplus for the year would have decreased by \$960,879 (2020 - \$902,746), capital assets would have been increased by \$1,188,553 (2020 - \$1,188,553), accounts payable would have been increased by \$8,658,507 (2020 - \$7,769,477), disputed property taxes receivable would have been decreased by \$9,816,673 (2020 - \$9,744,824) and the consolidated accumulated surplus would have been decreased by \$17,286,627 (2020 - \$17,514,301). Our audit opinion on the consolidated financial statements for the year ended March 31, 2021 was modified because of the effects of this departure from Canadian public sector accounting standards.

In addition, the First Nation has not included disclosure of budget information as required by Canadian Public Sector Accounting Standards because consolidated budgets were not prepared.

Independent Auditor's Report (cont'd)

Basis for Qualified Opinion (cont'd)

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

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

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

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

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
March 15, 2023

Fort William First Nation Management's Statement of Responsibility for Financial Reporting

March 31, 2021

The accompanying consolidated financial statements of Fort William First Nation are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles for governments in Canada as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Management is responsible 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.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian auditing standards on behalf of the members. BDO Canada LLP have access to financial management of Fort William First Nation and meet when required.



Michael Greenwald
Councilor


Miss Alter
Chief Executive Officer

Fort William First Nation Consolidated Statement of Financial Position

March 31	2021	2020
Financial assets		
Cash (Note 2)	\$ 50,767,698	\$ 38,163,579
Investments (Note 4)	6,694,523	7,310,525
Deposits	-	8,000
Accounts receivable (Note 5)	2,815,327	2,918,627
Due from Band members (Note 5)	298,177	-
Due from government and government organizations (Note 6)	5,643,757	2,978,772
Trust funds held by federal government (Note 7)	2,859,628	1,792,759
Inventory	431,766	443,628
Investments in and advances to corporations (Note 14)	3,420,315	3,107,010
	72,931,191	56,722,900
Liabilities		
Accounts payable and accruals (Note 8)	8,624,477	8,826,937
Due to government and government organizations (Note 9)	4,171,306	2,964,206
Tenant deposits	33,333	33,333
Deferred revenue (Note 10)	5,157,063	2,693,618
Long term debt (Note 11)	6,665,942	7,178,003
Amounts held in trust for minors (Note 12)	21,505,740	23,564,130
	46,157,861	45,260,227
Net financial assets	26,773,330	11,462,673
Non-financial assets		
Prepaid expenses	83,735	88,275
Land claim costs	349,592	349,232
Tangible capital assets (Note 13)	30,832,886	32,450,080
Community and youth trust accounts (Notes 4 and 12)	106,198,149	103,524,298
Disputed property taxes receivable (Note 15)	9,816,673	9,744,824
	147,281,035	146,156,709
Accumulated surplus and re-measurement gains		
Accumulated surplus (Note 16)	154,444,907	146,186,355
Accumulated re-measurement gains	19,609,458	11,433,027
	\$ 174,054,365	\$ 157,619,382

On behalf of the Band:

 _____ Chief Executive Officer
 _____ Councilor

Fort William First Nation Consolidated Statement of Operations and Surplus

For the year ended March 31	2021	2020
Revenue		
Indigenous Services Canada (Note 10)	\$ 9,290,759	\$ 8,308,756
Canada Mortgage and Housing Corporation Subsidy (Note 10)	109,530	150,773
Ministry of Indigenous Affairs (Note 10)	264,710	84,287
Ministry of Education (Note 10)	112,155	-
Ministry of Community and Social Services (Note 10)	2,417,475	2,456,874
Ministry of Health (Note 10)	270,162	416,770
Ministry of Transportation (Note 10)	82,500	-
Other revenue (Note 24)	8,194,679	10,330,975
Investment income	11,044,903	7,472,109
Lottery Fund revenue	1,312,196	1,338,228
	33,099,069	30,558,772
Expenses (Note 25)		
Administration	792,987	890,243
Public Works	1,346,869	1,004,606
Education	4,062,526	4,604,133
Social Services and Health	4,596,376	5,590,029
Development and Employment	1,134,534	932,537
New Relationship Fund	62,199	84,288
Capital Projects	-	175
COVID Expenses	2,489,486	-
Region	4,982,226	4,067,340
Band Operations	2,206,892	2,758,765
Gaming Activities	626,313	4,652,726
Housing Operations	892,594	949,719
Rental Operations	977,019	996,685
Lottery Fund	670,112	728,086
Enterprise Fund	-	436
Specific Claim Trust Fund	384	376
	24,840,517	27,260,144
Surplus for the year		
Accumulated surplus, beginning of year	8,258,552	3,298,628
	146,186,355	142,887,727
Accumulated surplus, end of year	\$ 154,444,907	\$ 146,186,355

Fort William First Nation Consolidated Statement of Re-Measurement Gains

For the year ended March 31	2021	2020
Accumulated re-measurement gains, beginning of year	<u>\$ 11,433,027</u>	\$ 16,424,846
Unrealized gains (losses) attributable to: Community and youth trust accounts	<u>8,176,431</u>	(4,991,819)
Accumulated re-measurement gains, end of year	<u>\$ 19,609,458</u>	\$ 11,433,027

Fort William First Nation
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2021	2020
Annual surplus	\$ 8,258,552	\$ 3,298,628
Acquisition of tangible capital assets	(1,374,542)	(1,418,455)
Amortization of tangible capital assets	2,991,736	2,855,885
Unrealized gain (loss) of investments	8,176,431	(4,991,819)
	<u>18,052,177</u>	<u>(255,761)</u>
Change in disputed property tax receivable	(71,849)	(135,395)
Change in prepaid expenses	4,540	(20,012)
Change in land claim costs	(360)	(6,948)
Change in community and youth trust accounts	(2,673,851)	7,424,152
	<u>(2,741,520)</u>	<u>7,261,797</u>
Net change in net financial assets	15,310,657	7,006,036
Net financial assets, beginning of year	11,462,673	4,456,637
Net financial assets, end of year	\$ 26,773,330	\$ 11,462,673

Fort William First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Surplus for the year	\$ 8,258,552	\$ 3,298,628
Adjustment for capital and investment transactions included in operations		
Amortization	2,991,736	2,855,885
Disposition of deposits	8,000	-
Unrealized gain (loss) community youth trust accounts	8,176,431	(4,991,819)
	<hr/>	<hr/>
	19,434,719	1,162,694
	<hr/>	<hr/>
Increase in non-cash working capital components (Note 17)	(5,559,999)	6,315,466
	<hr/>	<hr/>
	13,874,720	7,478,160
	<hr/>	<hr/>
Cash provided by (used in) financing activities		
Repayment of long-term debt	(512,061)	(613,257)
Advances of long-term debt	-	3,064,787
	<hr/>	<hr/>
	(512,061)	2,451,530
	<hr/>	<hr/>
Cash provided by (used in) investment activities		
Purchase of capital assets	(1,374,542)	(1,418,455)
	<hr/>	<hr/>
Net cash increase (decrease) during the year	11,988,117	8,511,235
Cash, beginning of year	45,474,104	36,962,869
	<hr/>	<hr/>
Cash and cash equivalents, end of year	\$ 57,462,221	\$ 45,474,104
	<hr/>	<hr/>
Represented by		
Cash	\$ 50,767,698	\$ 38,163,579
Investments	6,694,523	7,310,525
	<hr/>	<hr/>
	\$ 57,462,221	\$ 45,474,104
	<hr/>	<hr/>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies

Basis of Financial Statements These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board, and include all organizations, operations and activities that are:

- a) accountable for the administration of their financial affairs and resources directly to the First Nation, or
- b) are owned or controlled by the First Nation.

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the First Nation. These financial statements include:

- Fort William First Nation Boundary Claim Trust
- Fort William First Nation Specific Claim Housing Trust
- Fort William First Nation Consulting Inc.
- Fort William First Nation Construction Corporation
- Fort William First Nation Development Corporation
- Fort William First Nation Land Development Trust
- 1401354 Ontario Ltd
- 1526045 Ontario Ltd.
- Fort William First Nation Grand Trunk Pacific Railway Claim Minors Trust
- Fort William First Nation Holdings Inc.
- Fort William First Nation Holdings LP

Investments in Government Business Enterprises are recorded using the modified equity method. Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform with those of the First Nation.

- Anemki Mountain Business Trust is considered a Government Business Enterprise and is recorded using the modified equity method and inter organizational transactions are not eliminated.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (cont'd)

Reporting Entity (cont'd)	Investments in Business Partnerships are recorded using the modified equity method. Under the modified equity method, the business partnership's accounting principles are not adjusted to conform with those of the First Nation.														
	<ul style="list-style-type: none"> - Fort William First Nation owns 100% of Fort William First Nation Holdings LP, which holds a 25% interest in Lot 251-3 Development LP. Therefore, Lot 251-3 Development LP is considered a Business Partnership and is recorded using the modified equity method and inter organizational transactions are not eliminated. 														
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances, bank overdrafts and short-term highly liquid investments with maturities of three months or less.														
Inventories	Raw materials inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average cost method.														
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis commencing once the asset is available for productive use as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">First Nation housing</td> <td style="width: 30%; text-align: right;">- 28 years</td> </tr> <tr> <td>Infrastructure</td> <td style="text-align: right;">- 20 years</td> </tr> <tr> <td>Non-subsidized buildings</td> <td style="text-align: right;">- 20 years</td> </tr> <tr> <td>Automotive</td> <td style="text-align: right;">- 10 years</td> </tr> <tr> <td>Fire and general equipment</td> <td style="text-align: right;">- 10 years</td> </tr> <tr> <td>Other equipment</td> <td style="text-align: right;">- 5 years</td> </tr> <tr> <td>Assets under capital lease obligation</td> <td style="text-align: right;">- 10 years</td> </tr> </table>	First Nation housing	- 28 years	Infrastructure	- 20 years	Non-subsidized buildings	- 20 years	Automotive	- 10 years	Fire and general equipment	- 10 years	Other equipment	- 5 years	Assets under capital lease obligation	- 10 years
First Nation housing	- 28 years														
Infrastructure	- 20 years														
Non-subsidized buildings	- 20 years														
Automotive	- 10 years														
Fire and general equipment	- 10 years														
Other equipment	- 5 years														
Assets under capital lease obligation	- 10 years														

Subsidized housing supported by CMHC long term debt is amortized at a rate equivalent to the long term debt principal repayment.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (cont'd)

Revenue Recognition	Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Government transfers are recognized as revenues 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 from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.
Replacement Reserves	Under the terms of agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve for housing is to be credited in varying amounts annually until it accumulates to a maximum amount plus accumulated interest. These funds along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation.
Use of Estimates	The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (cont'd)

Financial Instruments The First Nation classifies its financial instruments as either fair value or amortized cost. The First Nation's accounting policy for each category is as follows:

Fair Value

This category includes equity instrument quoted in an active market. The First Nation has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the First Nation manages and reports performance of it on a fair value basis.

They are initially recognized at cost and subsequently carried at fair value. Unrealised changes in the fair value on investments are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Interest and dividends attributable to these financial instruments are reported in the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Amortized Cost

This category includes cash, accounts receivable, accounts payable and accrued liabilities, bank loans, and term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Fort William First Nation

Notes to Consolidated Financial Statements

March 31, 2021

2. Cash

	2021	2020
Restricted cash		
Youth funds in trust	\$ 4,203,482	\$ 3,986,403
Boundary claim trust	1,231,504	482,110
Boundary claim interest	18,105,383	6,099,711
Specific housing trust	25,710	11,913
Low rental trust	108,421	108,064
GTP claim trust	1,038	30,291
GTP funds	16,307,207	16,272,446
Consulting Inc.	1,064	1,064
Development Corp.	9,020	9,020
Unrestricted cash	<u>10,774,869</u>	<u>11,162,557</u>
	<u>\$ 50,767,698</u>	<u>\$ 38,163,579</u>

3. Financial Instruments

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying values shown below.

	2021		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 50,767,798	\$ 50,767,798
Accounts Receivable	-	3,504,329	3,504,329
Investments	6,694,523	-	6,694,523
Deposits	-	-	-
Community and youth trust accounts	106,198,149	-	106,198,149
Due from Band members	-	-	-
Due from government and government organizations	-	5,270,069	5,270,069
Trust funds held by federal government	-	2,859,628	2,859,628
Investments in and advances to corporations	-	3,506,590	3,506,590
Accounts payable and accruals	-	8,710,980	8,710,980
Due to government and government organizations	-	4,171,306	4,171,306
Tenant deposits	-	33,333	33,333
Amounts held in trust for minors	-	21,505,740	21,505,740
Long term debt	-	6,665,942	6,665,942

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

3. Financial Instruments (cont'd)

	2020		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 38,163,579	\$ 38,163,579
Accounts Receivable	- -	2,918,627	2,918,627
Investments	7,310,525	- -	7,310,525
Deposits	- -	8,000	8,000
Community and youth trust accounts	103,524,298	- -	103,524,298
Due from Band members	- -	- -	- -
Due from government and government organizations	- -	2,964,206	2,964,206
Trust funds held by federal government	- -	1,792,759	1,792,759
Investments in and advances to corporations	- -	3,193,285	3,193,285
Accounts payable and accruals	- -	8,913,212	8,913,212
Due to government and government organization	- -	2,978,772	2,978,772
Tenant deposits	- -	33,333	33,333
Amounts held in trust for minors	- -	23,564,130	23,564,130
Long term debt	- -	7,178,003	7,178,003

Investments and Community and youth trust accounts consist of equity and debt instruments. These accounts include Government of Canada, Provincial and Corporate bonds of \$8,037,423 (2020 - \$11,695,667).

Maturity profile of bonds held is as follows:

Carrying Value Percentage	2021				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
	\$ 411,029	\$ 2,517,740	\$ 2,345,405	\$ 2,763,249	\$ 8,037,423
	5%	31%	29%	35%	
	2020				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value	\$ -	\$ 3,786,908	\$ 3,251,522	\$ 4,657,237	\$ 11,695,667
Percentage	0%	32%	28%	40%	

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

3. Financial Instruments (cont'd)

Credit Risk

Credit risk is the risk of financial loss to the First Nation if a debtor fails to make payments of interest and principal when due. Other than the impairment of receivables disclosed in Note 5, it is management's opinion that the First Nation is not exposed to significant credit risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and equity risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The First Nation is exposed to currency risk through foreign investments purchased and sold in foreign currencies.

Approximately 41% (2020 - 37%) of the First Nation's portfolio investments are in a foreign currency and converted to Canadian dollars at year-end.

The organization considers this risk to be acceptable and therefore does not hedge its foreign exchange rate risks.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The First Nation is exposed to this risk through its interest bearing investments, bank loans and long term debt.

The First Nation holds long-term debt with a variable interest rate which involves risks of default on interest and principal and price changes due to, without limitation, such factors as interest rates and general economic conditions.

The First Nation structures its finances so as to stagger the maturities of debt, thereby minimizing exposure to interest rate fluctuations.

The First Nation's bond portfolio has interest ranging from 0.5% to 5.38% (2020 - 1.5% to 5.38%) with maturities ranging from July 26, 2021 to February 8, 2050 (2020 - July 15, 2020 to December 1, 2045).

At March 31, 2021, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$80,374 (2020 - \$116,957). A 1% fluctuation in interest rates would have an estimated impact on interest expense related to the First Nation's Bank loans of \$67,430 (2020 - \$73,569)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

3. Financial Instruments (cont'd)

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The First Nation is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2021 a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the First Nation's equities of \$10,250,029 (2020- \$9,643,802)

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the First Nation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable and long-term debt. Unless otherwise noted, the expected cash outflows are within one year.

The First Nation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The First Nation maintains a portion of its invested assets in liquid securities. The organization also maintains certain credit facilities, which can be drawn upon as needed.

There have not been any changes in the risk from the prior year.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

3. Financial Instruments (cont'd)

Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1, 2 and 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	2021			
	Level 1	Level 2	Level 3	Total
Investments	\$ 6,328,289	\$ 366,234	-	\$ 6,694,523
Community and youth trust accounts	<u>96,641,016</u>	<u>9,557,133</u>	<u>-</u>	<u>106,198,149</u>
	<u>\$ 102,969,305</u>	<u>\$ 9,923,367</u>	<u>-</u>	<u>\$ 112,892,672</u>

	2020			
	Level 1	Level 2	Level 3	Total
Investments	\$ 6,945,039	\$ 365,486	-	\$ 7,310,525
Community and youth trust accounts	<u>87,715,797</u>	<u>15,808,501</u>	<u>-</u>	<u>103,524,298</u>
	<u>\$ 94,660,836</u>	<u>\$ 16,173,987</u>	<u>-</u>	<u>\$ 110,834,823</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

4. Investments

	2021	2020
a) Investments held in Account #2802196 are as follows:		
Fixed Income Securities:		
Bond Funds (1,046,589 Units)	<u>\$ 13,511,883</u>	<u>\$ 15,457,012</u>
b) Investments held in Account #2802197 are as follows:		
Cash Equivalents:		
Treasury Bills (795,000 Units, maturing between May 13, 2021 - June 10, 2021)	794,796	1,414,164
Fixed Income Securities:		
Bond Funds (823,647 Units)	9,969,429	10,552,945
Equity Securities:		
Foreign Preferred Stock (1,098 Units)	66,237	91,254
Canadian Common Stocks (227,495 Units)	9,994,346	8,277,049
Foreign Common Stocks (244,661 Units)	<u>20,676,768</u>	<u>18,949,279</u>
	<u>41,501,576</u>	<u>39,284,691</u>
c) Investments held in Account #2802198 are as follows:		
Cash Equivalents:		
Treasury Bills (400,000 Units, Maturing April 22, 2021)	399,992	2,071,404
Short Term Deposit (724,000 Units, Maturing April 6, 2021)	723,937	74,797
Fixed Income Securities:		
Canada Bonds (1,334,000 Units, 0.5% - 3.5%, Maturing between June 15, 2024 - December 1, 2051)	1,393,831	4,210,448
Provincial Bonds (2,409,000 Units, 2.6% - 4.95%, Maturing between June 2, 2027 - December 2, 2046)	2,693,885	3,059,564
Corporate Bonds (3,715,000 Units, 1.504% - 5.381%, Maturing between July 26, 2021 - February 8, 2050)	3,949,707	4,425,655
Equity Securities:		
Preferred Stocks (3190 Units)	80,707	-
Canadian Common Stocks (201,859 Units)	10,200,886	7,392,810
Foreign Common Stocks (320,120 Units)	<u>19,895,308</u>	<u>17,389,722</u>
	<u>39,338,253</u>	<u>38,624,400</u>
	<u><u>\$ 94,351,712</u></u>	<u><u>\$ 93,366,103</u></u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

4. Investments (cont'd)

	2021	2020
Balance Forward	\$ 94,351,712	\$ 93,366,103
d) Investments held in Account #2802200 are as follows:		
Cash Equivalents:		
Treasury Bills		
(325,000 Units, maturing June 2021)	324,922	627,266
Mutual Funds:		
Bond Funds (571,652 Units)	6,919,286	7,146,264
Canadian Equity Class (33,665 Units)	2,602,192	1,846,215
Canada Fund (7,248 Units)	741,056	423,381
International Equity Fund (42,767 Units)	2,853,235	2,253,871
U.S. Equity Fund (40,001 Units)	2,745,307	2,470,587
	16,185,998	14,767,584
Interest Bearing accounts, Specific Housing Trust		
Other	1,988,728	2,335,650
	366,234	365,486
	\$ 112,892,672	\$ 110,834,823

The investments listed above are included on the statement of financial position as follows:

	2021	2020
Investments		
Community and youth trust accounts	\$ 6,694,523	\$ 7,310,525
	106,198,149	103,524,298
	\$ 112,892,672	\$ 110,834,823

The investments arise from the consolidation of the Fort William First Nation Boundary Claim and Specific Claim Housing Trusts fully controlled by the First Nation as follows:

	2021	2020
Investments		
Fort William First Nation Boundary Claim Trust	\$ 6,328,289	\$ 6,945,039
Other	366,234	365,486
	\$ 6,694,523	\$ 7,310,525
Investments held in trust for the Community and Youth	\$ 106,198,149	\$ 103,524,298

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

5. Accounts Receivables

	2021	2020
Due from members		
Rents receivable	\$ 102,977	\$ 156,629
Other receivables	486,186	385,744
Allowance for doubtful accounts	<u>(290,986)</u>	<u>(542,373)</u>
	\$ 298,177	-
Due from non-members		
Other receivables	\$ 4,858,307	\$ 4,913,792
Allowance for doubtful accounts	<u>(2,042,980)</u>	<u>(1,995,165)</u>
	\$ 2,815,327	\$ 2,918,627

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

6. Due from Government and Government Organizations

	2021	2020
Government of Canada		
Indigenous Services Canada	\$ 2,708,101	\$ 1,345,562
Canada Mortgage and Housing Corporation	191,847	43,665
Province of Ontario		
Ministry of Community and Social Services	57,622	-
Ministry of Education	102,054	-
Ministry of Energy	101,722	101,722
Ministry of Indigenous Affairs	78,341	-
Ministry of Transportation	278,015	212,014
Other		
Anishinabek Nation	1,387,601	756,923
Dilico Ojibway Child and Family Services	944,946	620,608
Allowance for doubtful accounts	<u>5,850,249</u> <u>(206,492)</u>	<u>3,080,494</u> <u>(101,722)</u>
	<u><u>\$ 5,643,757</u></u>	<u><u>\$ 2,978,772</u></u>

7. Trust Funds Held by Federal Government

	March 31, 2020	Additions 2021	Withdrawals 2021	March 31, 2021
Revenue	\$ 1,405,393	\$ 1,066,869	\$ -	\$ 2,472,262
Capital	387,366	-	-	387,366
	<u>\$ 1,792,759</u>	<u>\$ 1,066,869</u>	<u>\$ -</u>	<u>\$ 2,859,628</u>

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Fort William First Nation
Notes to Consolidated Financial Statements

March 31, 2021

8. Accounts Payable and Accruals

	2021	2020
Trade payables	\$ 4,469,230	\$ 4,701,736
Due to members	<u>4,155,247</u>	<u>4,125,201</u>
	\$ 8,624,477	\$ 8,826,937

9. Due to Government and Government Organizations

	2021	2020
Federal government		
Receiver General	\$ 189,720	\$ 111,164
Repayable to funders	<u>2,732,054</u>	<u>1,907,925</u>
Provincial government		
Repayable to funders	<u>1,249,532</u>	<u>945,117</u>
	\$ 4,171,306	\$ 2,964,206

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

10. Deferred Revenue and Government Transfers

	Balance March 31, 2020	Funding Received 2021	Funding Repayable 2021	Revenue Recognized 2021	Balance March 31, 2021
Federal Government					
Indigenous Services Canada	\$ 2,071,961	\$12,130,078	\$ (817,665)	\$ 9,290,759	\$ 4,152,751
CMHC	- 109,530	109,530	-	109,530	-
	<u>2,071,961</u>	<u>12,239,608</u>	<u>(817,665)</u>	<u>9,400,289</u>	<u>4,152,751</u>
Provincial Government					
Ministry of Indigenous Affairs	- 279,011	279,011	-	264,710	14,301
Ministry of Education	- 338,162	338,162	-	112,155	226,007
Ministry of Health	- 270,162	270,162	-	270,162	-
Ministry of Community and Social Services	- 2,716,463	(293,853)	2,417,475	5,135	
Ministry of Transportation	- 82,500	82,500	-	82,500	-
	<u>- 3,686,298</u>	<u>(293,853)</u>	<u>3,147,002</u>	<u>245,443</u>	
Other					
Lottery fund revenue	- 1,312,196	1,312,196	-	1,312,196	-
Other (Note 24)	621,657	8,348,917	(17,026)	8,194,679	758,869
Investment income	- 11,044,903	11,044,903	-	11,044,903	-
	<u>621,657</u>	<u>20,706,016</u>	<u>(17,026)</u>	<u>20,551,778</u>	<u>758,869</u>
	<u>\$ 2,693,618</u>	<u>\$36,631,922</u>	<u>\$ (1,128,544)</u>	<u>\$33,099,069</u>	<u>\$ 5,157,063</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

11. Long Term Debt

	2021	2020
Non-Profit Housing Program - Lynx Court Canada Mortgage and Housing Corporation loan, repayable at \$3,971 per month including interest at 1.84%, secured by land and buildings and guaranteed by Indigenous Services Canada, due August 2037	\$ 676,036	\$ 711,040
Non-Profit Housing Program - 8 Unit Canada Mortgage and Housing Corporation loan, repayable at \$5,753 per month including interest at 2.39%, secured by land and buildings and guaranteed by Indigenous Services Canada, due February 2043	1,180,364	1,326,225
Land Claims Indigenous Services Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)	289,074	289,074
Ontario Native Affairs loan, due on settlement of outstanding land claims against the Province of Ontario (unless otherwise stated in the claim settlement agreement)	114,602	114,602
Equipment RBC Royal Bank equipment lease, repayable at \$3,075 per month including interest at 4.04%, secured by Link Belt Excavator, due January 2023	62,221	95,884
RBC - Lagoon Project Loan , repayable at \$14,147 per month including interest at 3.92%, due November 29, 2024	2,244,577	2,325,369
RBC - CMHC 8 Unit , bridge financing with per annum interest at Royal Bank prime rate plus 1.00%, due March 31, 2021	1,271,153	-
	<hr/>	<hr/>
	\$ 5,838,027	\$ 4,862,194

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

11. Long Term Debt (cont'd)

	<u>2021</u>	<u>2020</u>
Balance Forward	\$ 5,838,027	\$ 4,862,194
 RBC - Vehicle Loan, repayable at \$4,213 per month including interest at 3.96%, due December 2024	176,418	219,230
 RBC - Waysaya Building Loan, repayable at \$4,489 per month including interest at 3.92%, due November 29, 2024	569,165	600,119
 RBC - Vehicle Loan, repayable at \$2,923 per month including interest at 4.92%, due September, 2023	82,332	112,537
 RBC - CMHC 11 Unit, bridge financing with per annum interest at Royal Bank prime rate plus 1.00%, due April 2020	-	1,362,687
 Copier lease repayable at \$149 per month including interest at 6.25%	-	1,457
 RBC Royal Bank equipment lease, repayable at \$5,000 per month including interest at 5.33%, secured by John Deere Loader, due July 2020	-	<u>19,779</u>
 \$ 6,665,942	\$ 7,178,003	

Of the remaining long term debt, principal payments due in the next five years and thereafter are as follows:

Year	Amount
2021	\$ 1,574,640
2022	302,376
2023	1,326,314
2024	159,981
2025	35,616
Thereafter	<u>3,267,015</u>
	 \$ 6,665,942

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

12. Youth Trust Accounts

As part of the Specific Claim Housing Trust, Loch Lomond and Neebing agreements, all members of Fort William First Nation on the voting day for each respective claim were entitled to receive one time "per capita" payments. All members alive but under the age of 18 on the voting day for each respective claim are not entitled to receive this payment until they reach the age of 18. The Trust has established individual interest-bearing trust bank accounts with the RBC Royal Bank for each member under 18. Once members reach the age of 18, they are entitled to receive the "per capita" payments plus interest that has accrued in their trust bank accounts. For those members under the age of 18, this one time payment was deposited into the pre-existing individual interest bearing trust accounts with the Royal Bank of Canada.

As part of the Boundary Claim Settlement Trust there was a one time "per capita" distribution to members of \$25,000. For those members who were under the age of 18 at the date of the distribution, these monies are held by the Fort William First Nation Boundary Claim Settlement Trust until such time as the member reaches the age of 18. These monies will be distributed to the members as they achieve the age of 18 at the principal amount plus interest calculated at the bank rate plus one percent.

As part of the Grand Trunk Pacific Railway Claim Settlement, a one time "per capita" distribution of \$35,000 per member was declared. For those members who were under the age of 18 at the date of the declaration, these monies are to be held in trust by Fort William First Nation until such time as the member reaches the age of 18. At that time, the \$35,000 distribution is to be paid to each of the minors. At the conclusion of eighteen years from the date of settlement, all investment income earned by the First Nation, net of any holding costs, are to be distributed to the minors on a pro-rata basis calculated based on the time that their monies were held in trust.

The balances payable on these claims at year end are listed below:

	2021	2020
Specific Claim Housing Trust	\$ 2,064,301	\$ 2,397,042
Boundary Claim Settlement Trust	5,756,439	6,397,088
Grand Trunk Pacific Railway Claim Settlement Trust	<u>13,685,000</u>	<u>14,770,000</u>
	<hr/>	<hr/>
	\$ 21,505,740	\$ 23,564,130

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

13. Tangible capital Assets

	2021	2020		
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
First Nation housing	\$12,370,982	\$ 4,625,652	\$ 12,370,982	\$ 4,304,856
Infrastructure	26,705,008	14,634,018	20,027,144	14,003,218
Buildings	39,993,600	34,193,513	38,946,161	32,596,831
Automotive, fire and general equipment	6,047,248	4,280,300	6,303,249	4,220,279
Other equipment	668,313	612,610	662,226	587,589
Vacant land	2,377,076	-	2,377,076	-
Construction in progress - Capital projects	1,016,752	-	7,476,015	-
	\$89,178,979	\$58,346,093	\$ 88,162,853	\$ 55,712,773
Net book value	\$ 30,832,886		\$ 32,450,080	

Construction in progress are projects which are carried at cost until completion at which time the projects are capitalized. Cost includes all direct costs relating to these projects, as well as interest on debt and overhead costs that can be clearly identified as relating to these projects.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

14. Investments in and Advances to Corporations

Advances outstanding at year end are non-interest bearing, unsecured with no specific terms of repayment unless otherwise noted.

	2021	2020
Current		
Due from 1453183 Ontario Ltd.	15,849	15,849
	15,849	15,849
Long-term		
Investment in Anemki Mountain Business Trust (Note 23)	1,592,939	1,310,620
Investment in Lot 251-3 Development LP (Note 23)	1,810,527	1,779,541
	3,403,466	3,090,161
Shares		
Shares in various corporations	1,000	1,000
	3,404,466	3,091,161
Total investments in and advances to corporations	\$ 3,420,315	\$ 3,107,010

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

15. Contingent Liabilities

In 1999 the Corporation of the City of Thunder Bay returned approximately 1,100 acres of land that had previously been expropriated in 1905 to Fort William First Nation. Since that time, the City of Thunder Bay has been assessing municipal property taxes on the returned lands. As of March 31, 2021, property taxes owing to the Corporation of the City of Thunder Bay, including interest and penalties, amounted to \$8,658,507 (2020 - \$7,769,477). This amount continues to increase with all subsequent tax assessments, as well as, with interest and penalties accruing monthly.

The First Nation is disputing the taxes charged, as management does not believe the lands have ever left reserve status, and as such, are not subject to municipal taxation.

In 2004, the First Nation applied for an interlocutory injunction to restrain the City of Thunder Bay from collecting unpaid taxes until such time as a decision is rendered regarding the status of the lands; however the court ruled against the injunction.

Had the above mentioned liabilities been recorded, the balances in these consolidated financial statements would have changed as follows:

Consolidated statement of operations	
Surplus for the year	\$ 8,258,552
Adjustment for property taxes not recorded	<u>(960,879)</u>
Adjusted surplus for the year	<u>\$ 7,297,673</u>
Consolidated statement of financial position	
Capital assets reported	\$ 30,832,886
Addition for property taxes on vacant land	<u>1,188,553</u>
Adjusted capital asset balance	<u>\$ 32,021,439</u>
Accounts payable and accruals as reported	\$ 8,624,477
Property taxes, including penalties and interest, not recorded	<u>8,658,507</u>
Adjusted accounts payable and accruals balance	<u>\$ 17,282,984</u>
Disputed property taxes receivable as reported	\$ 9,816,673
Tenants' payments applied against payable in excess of payable recorded	<u>(9,816,673)</u>
Adjusted disputed property taxes receivable balance	<u>\$ -</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

15. Contingent Liabilities (cont'd)

The First Nation is a party to a claim relating to the band member listing as it pertains to the "per capita" distributions resulting from various claim settlements. The First Nation does not expect the resolution of this matter to have any material adverse effect on the financial position or results of operations of the First Nation. No provision has been provided for in these financial statements as the outcome and measurement are uncertain. Any liability that may be incurred related to this matter will be expensed in the year that it becomes determinable.

16. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2021	2020
Fund balances		
Unrestricted		
Fund balance - General (Note 18)	\$ 74,474,710	\$ 59,152,442
Internally restricted		
Boundary Claim Settlement Trust	73,092,727	82,600,075
Grand Trunk Pacific Railway Minors Trust	1,437,146	667,987
Externally restricted		
Equity Revenue Trust	2,472,261	1,405,393
Equity Capital Trust	387,366	387,366
Equity Specific Claim Housing Trust	(36,752)	(36,375)
Replacement Reserve - CMHC	108,137	108,137
Fund balance - Lottery Reserve	2,505,812	1,897,830
Equity in long term investment	3,500	3,500
 Accumulated Surplus	 <hr/> \$ 154,444,907	 <hr/> \$ 146,186,355

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

17. Changes in Non-Cash Working Capital Components

	2021	2020
Inventory	\$ 11,862	\$ (80,454)
Trust funds held by federal government	(1,066,869)	(106,018)
Land claim costs	(360)	(6,948)
Due from government and other government organizations	(2,664,985)	168,841
Accounts receivable	103,300	(28,883)
Due from Band members	(298,177)	(135,395)
Disputed property taxes receivable	(71,849)	7,424,152
Community and youth trust accounts	(2,673,851)	(20,012)
Prepaid expenses	4,540	1,282,931
Accounts payable and accruals	(202,460)	-
Due to government and other government organizations	1,207,100	1,064,752
Amounts held in trust for minors	(2,058,390)	(1,719,857)
Deferred revenue	2,463,445	435,103
Investments in and advances to corporations	(313,305)	(1,962,746)
	<hr/>	<hr/>
	\$ (5,559,999)	\$ 6,315,466

18. General Fund Balance

A portion of this balance includes surpluses or deficits from funds contributed by government agencies. Such surpluses or deficits may be subject to recovery or repayment by the contributing agencies, depending on the terms and conditions of the relevant contribution agreements. These potential liabilities or recoveries are estimated and accrued on an annual basis.

19. Member Distributions

Included in Region expense is per capita distributions to members as approved by Chief and Council. These distributions were as follows:

	2021	2020
Christmas distribution at \$35 per member	\$ 69,265	\$ 65,555
Boundary Claim payment at \$500 per member	1,230,500	1,182,500
55 plus payment at \$50 per member	30,500	-
Accrued interest on Boundary Claim payment to minors	164,913	238,838
Other expenses	34,766	19,225
	<hr/>	<hr/>
	\$ 1,529,944	\$ 1,506,118

Region department information is also included in Note 25, Segmented Information.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

20. Guarantees

The First Nation has guaranteed bank loans for Band members in the amount of \$1,711,561 (2020 - \$1,128,751).

The First Nation has guaranteed the bank financing for Anemki Mountain Business Trust up to a maximum of \$100,000 (2020 - \$100,000).

The First Nation has a letter of credit for the Ministry of Finance - Alcohol and Gaming up to a maximum of \$120,000 (2020 - \$120,000).

21. Comparative Figures

Certain of the comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

22. Contaminated Sites Liability

PSAB 3260.08 states that a liability for contaminated sites should be recognized when all of the following criteria have been met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the government is directly responsible or accepts responsibility
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

As at March 31, 2021, The Band has not identified any circumstances where it is directly responsible, accepted responsibility or expects that future economic benefits will be given up to address contaminated sites. Consequently no liability has been accrued in these financial statements.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

23. Investments in Government Business Enterprises and Government Business Partnerships

Fort William First Nation's investments in government business enterprises and government business partnerships consist of the following:

	Lot 251-3 Development LP - 25%		Anemki Mountain Business Trust - 100%	
	2021	2020	2021	2020
Investment Advances	\$ 1,810,527	\$ -	\$ 100	\$ 100
	<u>-</u>	<u>-</u>	<u>1,592,939</u>	<u>1,310,620</u>
	<u>\$ 1,810,527</u>	<u>\$ -</u>	<u>\$ 1,593,039</u>	<u>\$ 1,310,720</u>

The following table presents condensed financial information for these commercial enterprises:

	2021	2020	2021	2020
Cash	\$ 5,450	\$ -	\$ 513,487	\$ 196,185
Accounts receivable	1,873	-	47,086	5,848
Tangible capital assets	1,838,224	-	1,238,323	1,289,920
Other assets	1,096	-	48,892	47,625
Total assets	<u>\$ 1,846,643</u>	<u>-</u>	<u>\$ 1,847,788</u>	<u>\$ 1,539,578</u>
Accounts payable	\$ 2,677	\$ -	\$ 39,374	\$ 25,535
Long-term debt	-	-	1,576,787	1,333,810
Other liabilities	-	-	11,636	8,024
Total liabilities	<u>2,677</u>	<u>-</u>	<u>1,627,797</u>	<u>1,367,369</u>
Equity	<u>1,843,966</u>	<u>-</u>	<u>219,991</u>	<u>172,211</u>
Total liabilities and equity	<u>\$ 1,846,643</u>	<u>\$ -</u>	<u>\$ 1,847,788</u>	<u>\$ 1,539,580</u>
Revenue	\$ 171,617	\$ -	\$ 634,814	\$ 639,636
Expenses	29,561	-	354,761	365,631
Net income	<u>\$ 201,178</u>	<u>\$ -</u>	<u>\$ 280,053</u>	<u>\$ 274,005</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

24. Other Revenue

	2021	2020
Rental operations	\$ 2,440,784	\$ 2,800,768
Supercom Industries LP	2,000,000	-
Dilico Anishinahek Family Care	324,338	314,891
Anishinabek Nation	942,794	905,336
Bingo revenue	282,356	3,973,144
Equipment rentals	128,365	145,127
Sand and gravel	28,120	64,706
Interest	157,314	194,898
Other	1,890,608	1,932,105
	<hr/>	<hr/>
	\$ 8,194,679	\$ 10,330,975

25. Segmented Information

Fort William First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Fort William First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The services are provided by several entities of Fort William First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Administration

Administration contains the administrative activities that are needed to run the Fort William First Nation organization.

Public Works

Public works contains activities relating to the planning and maintenance of community infrastructure and the business operations and investments in enterprises carrying on commercial activities in the First Nation.

Education

Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Social Services and Health

Social Services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community. Health contains activities that provide medical services to band members.

Development and Employment

Development and Employment contains all the activities that provide economic development and employment support for the community.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2021

25. Segmented Information (cont'd)

New Relationship Fund

The New Relationship Fund contains the activities that provide economic development and employment support for the community.

Capital Projects

Capital Projects contains capital and renovation activities for which a specific project has been set up and separately monitored.

Region

Region contains the activities of the First Nation as it relates to Reserve land management and activities relating the Boundary Claim and Grand Trunk Pacific Railroad Minors Trust'.

Band Operations

Band Operations contains the activities of the First Nation that are not captured directly in another segment.

Gaming Activities

Gaming Activities contains the Mountain Bingo Hall.

Housing Operations

Housing Operations contains activities that provide housing and repairs and maintenance to band members.

Rental Operations

Rental Operations contains band-owned rental properties.

Lottery Fund

The Lottery Fund contains activities related to the OFNLP.

Specific Claim Trust Fund

The Specific Claim Trust Fund contains activities related to the rifle range settlement Trust.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are as follows:

Fort William First Nation
Notes to Consolidated Financial Statements

25. Segmented Information (cont'd)

For the year ended March 31, 2021	Administration	Public Works	Education	Social Services and Health	Development & Employment	New Relationship Fund	COVID Funding	Region	Band Operations	Subtotal
Revenue										
Indigenous Services Canada - Operating	\$ 453,477	\$ 456,289	\$ 4,072,918	\$ 1,047,946	\$ 522,889	\$ -	\$ 2,082,431	\$ 85,200	\$ 88,042	\$ 8,809,192
Indigenous Services Canada - Capital	-	-	-	112,155	-	-	-	-	-	112,155
Ministry of Education	-	-	-	-	-	62,199	202,511	-	-	264,710
Ministry of Aboriginal Affairs	-	-	-	2,364,988	-	-	52,487	-	-	2,417,475
Ministry of Community and Social Services	-	-	-	270,162	-	-	-	-	-	270,162
Ministry of Health and Long Term Care	-	-	-	-	-	-	-	-	-	82,500
Ministry of Transportation	-	82,500	-	-	-	-	-	-	-	-
Other revenue	2,259,596	332,521	(1,659)	948,110	665,463	12,985	152,057	12,250	1,926,712	6,308,035
Investment revenue	-	-	-	-	-	-	-	11,044,903	-	11,044,903
	2,713,073	871,310	4,071,259	4,743,361	1,188,352	75,184	2,489,486	11,142,353	2,014,754	29,309,132
Expenses										
Amortization	50,675	908,461	62,211	13,508	-	-	-	-	1,248,845	2,283,700
Bad debt	-	-	-	-	-	-	-	-	-	-
Donations	2,750	-	-	-	-	-	-	-	-	2,750
General welfare assistance	-	-	-	2,128,732	-	-	638,387	-	-	2,767,119
Honorarium	299,473	-	-	3,575	7,000	-	-	-	-	310,048
Insurance	-	22,117	-	-	-	-	-	-	-	22,117
Interdepartmental costs	(1,580,731)	(753,126)	(22,812)	219,517	(202,742)	6,239	242,953	2,153,908	141,913	205,119
Interest and bank charges	45,127	-	-	-	-	-	-	-	-	45,127
Interest on long term debt	173,542	-	-	-	-	-	-	-	-	173,542
Per capita distribution (Note 19)	-	-	-	-	-	-	-	1,550,199	-	1,550,199
Loss on disposal	-	(1,857)	-	-	-	-	-	-	-	(1,857)
Repairs and maintenance	66,454	424,782	162,734	139,430	5,127	-	-	3,914	166,403	968,844
Student allowances	-	-	509,311	-	-	-	368,826	-	-	878,137
Supplies and service	523,998	112,680	89,684	398,723	726,348	1,251	440,670	736,493	137,740	3,167,587
Travel and transportation	7,256	67,481	6,487	111,170	11,351	709	-	12,935	-	217,389
Tuition	-	-	2,954,964	-	-	-	-	-	-	2,954,964
Utilities and telephone	42,649	16,158	1,006	13,665	6,334	100	-	6,077	316,402	402,391
Wages and benefits	1,161,794	550,173	298,941	1,568,056	581,116	53,900	798,650	518,700	195,589	5,726,919
	792,987	1,346,869	4,062,526	4,596,376	1,134,534	62,199	2,489,486	4,982,226	2,206,892	21,674,095
Surplus (deficit)	\$ 1,920,086	\$ (475,559)	\$ 8,733	\$ 146,985	\$ 53,818	\$ 12,985	\$ -	\$ 6,160,127	\$ (192,138)	\$ 7,635,037

Fort William First Nation
Notes to Consolidated Financial Statements

25. Segmented Information (cont'd)

For the year ended March 31, 2021	Balance Forward	Gaming Activities	Housing Operations	Rental Operations	Lottery Fund	Consulting	Specific Claim Trust Fund	Total
Revenue								
Indigenous Services Canada - Operating	\$ 8,809,192	\$ -	\$ 467,784	\$ 13,783	\$ -	\$ -	\$ -	\$ 9,290,759
Indigenous Services Canada - Capital	-	-	109,530	-	-	-	-	109,530
Canada Mortgage and Housing Corporation Subsidy	-	-	-	-	-	-	-	112,155
Ministry of Education	112,155	-	-	-	-	-	-	112,155
Ministry of Aboriginal Affairs	264,710	-	-	-	-	-	-	264,710
Ministry of Community and Social Services	2,417,475	-	-	-	-	-	-	2,417,475
Ministry of Health and Long Term Care	270,162	-	-	-	-	-	-	270,162
Ministry of Transportation	82,500	-	-	-	-	-	-	82,500
Other revenue	6,308,035	348,715	288,562	1,078,487	170,880	-	-	8,194,679
Investment revenue	11,044,903	-	-	-	-	-	-	11,044,903
Lottery Fund revenue	-	-	-	-	1,312,196	-	-	1,312,196
	29,309,132	348,715	865,876	1,092,270	1,483,076	-	-	33,099,069
Expenses								
Amortization	2,283,700	48,233	323,896	335,907	-	-	-	2,991,736
Bad debt	-	-	-	37,786	-	-	-	37,786
Cash short	-	201	-	-	-	-	-	201
Donations	2,750	30,000	-	-	-	-	-	32,750
General welfare assistance	2,767,119	-	-	-	-	-	-	2,767,119
Honorarium	310,048	8,860	-	-	-	-	-	318,908
Insurance	22,117	-	12,682	47,053	-	-	-	81,852
Interdepartmental costs	205,119	(297,545)	42,345	75,593	6,875	-	-	32,387
Interest and bank charges	45,127	-	-	-	-	-	384	45,511
Interest on long term debt	173,542	-	39,692	-	-	-	-	213,234
Per capita distribution (Note 19)	1,550,199	-	-	-	-	-	-	1,550,199
Loss on disposal	(1,857)	-	-	-	-	-	-	(1,857)
Repairs and maintenance	968,844	147,957	293,932	365,153	-	-	-	1,775,886
Prizes	-	195,792	-	-	-	-	-	195,792
Student allowances	878,137	-	-	-	-	-	-	878,137
Supplies and service	3,167,587	97,238	12,339	44,899	-	-	-	3,322,063
Transfer cost	-	-	-	-	663,237	-	-	663,237
Travel and transportation	217,389	4,032	3,266	-	-	-	-	224,687
Tuition	2,954,964	-	-	-	-	-	-	2,954,964
Utilities and telephone	402,391	5,917	305	70,544	-	-	-	479,157
Wages and benefits	5,726,919	385,628	164,137	84	-	-	-	6,276,768
	21,674,095	626,313	892,594	977,019	670,112	-	384	24,840,517
Surplus (deficit)	\$ 7,635,037	\$ (277,598)	\$ (26,718)	\$ 115,251	\$ 812,964	\$ -	\$ (384)	\$ 8,258,552

Fort William First Nation
Notes to Consolidated Financial Statements

25. Segmented Information (cont'd)

For the year ended March 31, 2020	Administration	Public Works	Education	Social Services and Health	Development & Employment	New Relationship Fund	Capital Projects		Region	Band Operations	Subtotal
Revenue											
Indigenous Services Canada - Operating	\$ 418,431	\$ 422,328	\$ 4,606,472	\$ 1,686,342	\$ 443,014	\$ -	\$ -	\$ 130,272	\$ 86,066	\$ 7,792,925	
Indigenous Services Canada - Capital							84,287				
Ministry of Education	-	-	-	-	-			-	-	-	
Ministry of Aboriginal Affairs	-	-	-	-	-			-	-	-	84,287
Ministry of Community and Social Services	-	-	-	2,456,874	-			-	-	-	2,456,874
Ministry of Health and Long Term Care	-	-	-	416,770	-			-	-	-	416,770
Ministry of Transportation	-	-	-	-	-			-	-	-	
Other revenue	144,984	313,306	(8,535)	983,180	570,549	51,619	-	24,250	2,266,474	4,345,827	
Investment revenue	-	-	-	-	-	-	7,472,109	-	-	-	7,472,109
	563,415	735,634	4,597,937	5,543,166	1,013,563	135,906		7,626,631	2,352,540	22,568,792	
Expenses											
Amortization	51,190	707,767	95,099	8,062	-	-	-	-	1,248,233	2,110,351	
Bad debt	-	-	-	-	-	-	-	-	-	-	
Donations	19,769	-	-	-	-	-	-	-	230	19,999	
General welfare assistance	-	-	-	2,297,162	-	-	-	-	-	2,297,162	
Honorarium	340,298	-	-	1,775	-	-	-	-	-	342,073	
Insurance	-	34,970	-	-	-	-	-	-	-	34,970	
Interdepartmental costs	(1,644,604)	(705,913)	72,242	631,272	(156,916)	6,930	(73,757)	1,481,908	359,330	(29,508)	
Interest and bank charges	69,077	-	-	-	-	-	-	-	-	69,077	
Interest on long term debt	169,202	-	-	-	-	-	-	-	-	169,202	
Per capita distribution (Note 19)	-	-	-	-	-	-	-	1,506,118	-	1,506,118	
Loss on disposal	-	(221,809)	-	-	-	-	-	-	-	(221,809)	
Repairs and maintenance	92,460	304,321	197,518	284,755	14,313	-	-	5,809	247,837	1,147,013	
Student allowances	-	-	450,257	-	-	-	-	-	-	450,257	
Supplies and service	481,621	143,751	114,951	661,086	635,011	12,209	-	724,359	130,573	2,903,561	
Travel and transportation	32,615	114,710	15,313	156,626	26,855	4,733	-	17,129	-	367,981	
Tuition	-	-	3,294,725	-	-	-	-	-	-	3,294,725	
Utilities and telephone	45,427	14,905	1,649	11,447	6,830	650	175	3,879	362,946	447,908	
Wages and benefits	1,306,945	611,904	356,570	1,537,844	406,444	59,766	-	333,947	409,616	5,023,036	
	964,000	1,004,606	4,598,324	5,590,029	932,537	84,288	(73,582)	4,073,149	2,758,765	19,932,116	
Surplus (deficit)	\$ (400,585)	\$ (268,972)	\$ (387)	\$ (46,863)	\$ 81,026	\$ 51,618	\$ 73,582	\$ 3,553,482	\$ (406,225)	\$ 2,636,676	

Fort William First Nation
Notes to Consolidated Financial Statements

25. Segmented Information (cont'd)

For the year ended March 31, 2020	Balance Forward	Gaming Activities	Housing Operations	Rental Operations	Lottery Fund	Enterprise Fund	Specific Claim Trust Fund	Total
Revenue								
Indigenous Services Canada								
Ontario Ministry of Aboriginal Affairs	\$ 7,792,925	\$ -	\$ 502,357	\$ 13,474	\$ -	\$ -	\$ -	\$ 8,308,756
Canada Mortgage and Housing Corporation Subsidy	-	-	150,773	-	-	-	-	150,773
Ministry of Education	-	-	-	-	-	-	-	-
Ministry of Aboriginal Affairs	84,287	-	-	-	-	-	-	84,287
Ministry of Community and Social Services	2,456,874	-	-	-	-	-	-	2,456,874
Ministry of Health and Long Term Care	416,770	-	-	-	-	-	-	416,770
Ministry of Transportation	-	-	-	-	-	-	-	-
Other revenue	4,345,827	4,500,761	283,115	1,032,527	168,745	-	-	10,330,975
Investment revenue	7,472,109	-	-	-	-	-	-	7,472,109
Lottery Fund revenue	-	-	-	-	1,338,228	-	-	1,338,228
	22,568,792	4,500,761	936,245	1,046,001	1,506,973	-	-	30,558,772
Expenses								
Amortization	2,110,351	48,233	315,967	381,334	-	-	-	2,855,885
Bad debt	-	-	-	5,588	-	-	-	5,588
Cash short	-	4,117	-	-	-	-	-	4,117
Donations	19,999	130,676	-	-	-	-	-	150,675
General welfare assistance	2,297,162	-	-	-	-	-	-	2,297,162
Honorarium	342,073	77,885	-	-	-	-	-	419,958
Insurance	34,970	-	11,155	36,766	-	-	-	82,891
Interdepartmental costs	(29,508)	180,558	29,278	126,217	14,500	-	-	321,045
Interest and bank charges	69,077	7,685	-	-	-	436	376	77,574
Interest on long term debt	169,202	-	44,156	-	-	-	-	213,358
Per capita distribution (Note 19)	1,506,118	-	-	-	-	-	-	1,506,118
Loss on disposal	(221,809)	-	-	-	-	-	-	(221,809)
Repairs and maintenance	1,147,013	201,896	288,697	332,832	-	-	-	1,970,438
Prize	-	2,748,007	-	-	-	-	-	2,748,007
Student allowances	450,257	-	-	-	-	-	-	450,257
Supplies and service	2,903,561	541,312	32,899	39,724	-	-	-	3,517,496
Transfer cost	-	-	-	-	713,586	-	-	713,586
Travel and transportation	367,981	14,208	19,088	-	-	-	-	401,277
Tuition	3,294,725	-	-	-	-	-	-	3,294,725
Utilities and telephone	447,908	9,003	1,672	74,224	-	-	-	532,807
Wages and benefits	5,023,036	689,146	206,807	-	-	-	-	5,918,989
	19,932,116	4,652,726	949,719	996,685	728,086	436	376	27,260,144
Surplus (deficit)	\$ 2,636,676	\$ (151,965)	\$ (13,474)	\$ 49,316	\$ 778,887	\$ (436)	\$ (376)	\$ 3,298,628