

Aamjiwnaang First Nation
Consolidated Financial Statements
For the Year Ended March 31, 2022

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Consolidated Financial Statements
For the Year Ended March 31, 2022

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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, 2022, 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, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario
July 27, 2022

Aamjiwnaang First Nation Consolidated Statement of Financial Position

March 31 2022 2021

Financial Assets

Cash	\$18,483,981	\$ 21,137,129
Trust funds in Ottawa (Note 2)	6,287,004	5,989,644
Restricted assets (Note 3)	1,074,151	1,613,324
Portfolio investments	29,552,250	26,026,674
Accounts receivable (Note 4)	6,890,350	5,001,296
Loans to Band members (Note 5)	669,317	680,495
Investment in related parties (Note 6)	4,108,013	4,645,379
Net investment in energy projects (Note 7)	27,413,755	20,771,585
Mortgage receivable from related party (Note 6)	7,873,235	9,975,710

\$ 102,352,056 \$ 95,841,236

Liabilities

Accounts payable and accrued charges	\$ 1,498,346	\$ 1,740,737
Deferred revenue (Note 8)	9,663,946	6,436,236
Long-term debt (Note 9)	10,712,798	13,337,202

21,875,090 21,514,175

Net Financial Assets **\$80,476,966 \$ 74,327,061**

Non-Financial Assets

Tangible capital assets (Note 10)	\$18,750,880	\$ 19,007,901
Prepaid assets	459,770	51,896

19,210,650 19,059,797

Accumulated Surplus (Note 11) **\$ 99,687,616 \$ 93,386,858**

Contingent liability (Note 12)

On behalf of Chief and Council:

 Chief

 Finance Coordinator

Aamjiwnaang First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada			
Grant	\$ 925,343	\$ 820,589	\$ 593,424
Fixed contribution	1,851,554	1,275,980	1,318,319
Set contribution	174,075	297,409	166,815
Health Canada	2,358,993	1,899,878	1,971,505
Canadian Mortgage and Housing Corporation	234,208	286,039	259,560
Clench settlement (Note 13)	-	-	18,513,445
Province of Ontario	2,300,201	2,349,802	2,143,345
Southern First Nations Secretariat	1,274,962	630,924	314,590
Ontario First Nations Limited Partnership	700,000	774,753	1,278,062
Union of Ontario Indians	494,122	588,887	571,454
Stepping Stones	1,319,193	1,375,959	1,532,351
Kinomaadswin Education Body Inc.	6,890,158	5,319,862	4,280,604
Adelaide wind project	-	1,500,000	-
Donation	-	300	5,000
Lease and management fee revenue	3,008,962	3,171,476	3,227,652
Grand Bend wind project	2,277,743	2,572,325	2,114,596
Catering	20,000	500	-
Rental income	653,140	731,220	924,585
Interest income	305,000	1,471,701	946,907
Independent Electricity System Operator	-	62,666	33,265
Other revenue	2,341,494	2,010,907	1,786,063
User fees	60,000	60,870	23,419
Southwest Ontario Aboriginal Health Access Centre	72,813	103,359	81,195
	<u>27,261,961</u>	<u>27,305,406</u>	<u>42,086,156</u>
Expenses			
Community Services - Schedule 1	16,423,150	15,094,038	13,928,164
Economic Development - Schedule 2	1,817,312	1,030,483	1,042,219
Housing - Schedule 3	684,593	1,327,409	1,250,945
General - Schedule 4	5,158,105	9,884,106	14,234,085
	<u>24,083,160</u>	<u>27,336,036</u>	<u>30,455,413</u>
Excess of revenue over expenses from operations before net earnings from government enterprises	3,178,801	(30,630)	11,630,743
Net earnings from investment in energy projects	-	6,642,170	2,033,905
Transfer of CMHC units	-	(310,782)	-
	<u>3,178,801</u>	<u>6,300,758</u>	<u>13,664,648</u>
Annual surplus for the year (Note 11)	3,178,801	6,300,758	13,664,648
Accumulated surplus, beginning of year (Note 11)	-	93,386,858	79,722,210
Accumulated surplus, end of year (Note 11)	<u>\$ -</u>	<u>\$ 99,687,616</u>	<u>\$ 93,386,858</u>

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	2022 Budget	2022	2021
Annual surplus	\$ 3,178,801	\$ 6,300,758	\$ 13,664,648
Acquisition of tangible capital assets	-	(967,169)	(1,258,010)
Transfer of CMHC units	-	310,782	-
Amortization of tangible capital assets	-	913,408	879,013
	3,178,801	6,557,779	13,285,651
Acquisition of prepaid assets	-	(459,770)	(51,896)
Utilization of prepaid assets	3,178,801	51,896	262,829
	-	(407,874)	210,933
Net change in financial assets	-	6,149,905	13,496,584
Net Financial Assets, Beginning of Year	60,830,477	74,327,061	60,830,477
Net Financial Assets, End of Year	\$ -	\$80,476,966	\$ 74,327,061

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	2022	2021
Cash flows from operating activities		
Annual surplus	\$ 6,300,758	\$ 13,664,648
Items not affecting cash:		
Amortization	913,408	879,013
Net earnings from investment in energy projects	(6,642,170)	(2,033,905)
Net increase in trust funds in Ottawa	(297,360)	(281,150)
	<u>274,636</u>	<u>12,228,606</u>
Changes in non-cash working capital:		
Accounts receivable	(1,889,054)	(624,498)
Prepaid expenses	(407,875)	210,933
Accounts payable and accrued liabilities	(242,390)	(1,288,035)
Deferred revenue	3,227,710	2,569,765
	<u>963,027</u>	<u>13,096,771</u>
Cash flows from investing activities		
Net change of portfolio investments	(3,525,576)	421,343
Advances to related parties	537,366	270,326
Net decrease in housing loans to Band members	11,178	244,881
Mortgage receivable advanced to 2479793 Ontario Inc.	-	(11,000,000)
Repayments on mortgage receivable from 2479793 Ontario	2,102,475	1,024,290
Investment in restricted assets	539,173	(835,818)
	<u>(335,384)</u>	<u>(9,874,978)</u>
Cash flows from financing activities		
Advance of long-term debt	-	11,000,000
Repayment of long-term debt	(2,624,404)	(1,332,464)
	<u>(2,624,404)</u>	<u>9,667,536</u>
Cash flows from capital activities		
Acquisition of tangible capital assets	(967,169)	(1,258,010)
Transfer of CMHC units	310,782	
	<u>(656,387)</u>	<u>(1,258,010)</u>
Change in Cash	(2,653,148)	11,631,319
Cash, beginning of the year	<u>21,137,129</u>	<u>9,505,810</u>
Cash, end of the year	<u>\$18,483,981</u>	<u>\$ 21,137,129</u>

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

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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, 2022

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 \$29,763,367 (2021 - \$27,367,638).

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

Organizations accounted for on a modified equity basis include:

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

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2022

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.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued)

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

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

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

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

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

Aamjiwnaang First Nation

Notes to Consolidated Financial Statements

March 31, 2022

2. Trust Funds in Ottawa

	2022	2021
Revenue trust fund	\$ 4,480,591	\$ 4,183,231
Capital trust fund	1,806,413	1,806,413
	<u>\$ 6,287,004</u>	<u>\$ 5,989,644</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.

	2022	2021
CMHC		
Cash	\$ 1,201,544	\$ 1,060,534
Due from operating account - replacement reserve	(106,684)	255,935
Due to operating account - operating reserve	(145,774)	(308,845)
	<u>949,086</u>	<u>1,007,624</u>
Romney Project		
Restricted cash for loan receivable	<u>125,065</u>	<u>605,700</u>
	<u>\$ 1,074,151</u>	<u>\$ 1,613,324</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, 2022

4. Accounts receivable

	2022	2021
Federal Government	\$ 3,817,089	\$ 2,323,868
Provincial Government programs	274,339	257,667
Other funders		
Kinomaadswin Education Body Inc.	668,694	29,901
Independent Electricity System Operator	78,931	-
Ministry of Indigenous Relations		96,058
Mnaasged Child and Family Services	701	701
Nuclear Waste Management Organization	40,000	40,000
Right to Play	5,468	6,213
Southern First Nations Secretariat	54,835	54,445
Southwest Ontario Aboriginal Health Access Centre	45,581	-
Stepping Stones Support Services	109,034	11,877
Union of Ontario Indians	441,178	377,504
Rent net of allowance	22,713	93,167
Lease receivables	598,152	623,944
Employee restitution order	63,304	63,304
Suncor Energy Inc.	102,075	102,075
Hydro One	12,310	-
Walpole Island First Nation	125	125
Accrued interest	227,630	215,538
Due from CMHC account	145,774	308,845
Miscellaneous	182,417	396,064
	<u>\$ 6,890,350</u>	<u>\$ 5,001,296</u>

5. Loans to Band Members

	2022	2021
Loans		
Housing	\$ 1,262,399	\$ 1,273,577
Special	13,928	13,928
	<u>1,276,327</u>	<u>1,287,505</u>
Less: allowance for doubtful loans	<u>(607,010)</u>	<u>(607,010)</u>
	<u>\$ 669,317</u>	<u>\$ 680,495</u>

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, 2022

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.

	2022	2021
Investment in related parties		
Chippewa Industrial Developments Ltd.	\$ 4,191,417	\$ 5,209,417
Ojibwe Filters and Industrial Supplies Ltd.	2,140	2,140
Shares in Ojibwe Legends Trading Company Ltd.	1	1
2479793 Ontario Inc.	(85,545)	(566,179)
	<u>4,108,013</u>	<u>4,645,379</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>7,873,235</u>	<u>9,975,710</u>
	<u>\$11,981,248</u>	<u>\$ 14,621,089</u>

The shares in Chippewa Industrial Developments Ltd., Ojibwe Legends Trading Company Ltd., and Ojibwe Filters Industrial Supplies Ltd are owned and controlled by the Band are considered investments in government business enterprises and are accounted for using the modified equity method as indicated in Note 1.

Financial statements for each of the corporations have been prepared for the year ended December 31, 2021. 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, 2022

7. Net Investment in Energy Projects

December 31,	2021	2020
Giiwedín Noodin FN Energy Corporation		
Total assets	\$12,802,771	\$ 13,692,678
Total liabilities	3,507,516	4,084,181
	<u>9,295,255</u>	<u>9,608,497</u>
2401077 Ontario Inc.		
Total assets	46,425,015	47,293,748
Total liabilities	32,246,813	34,188,915
	<u>14,178,202</u>	<u>13,104,833</u>
2479793 Ontario Inc.		
Total assets	85,795,164	84,907,035
Total liabilities	81,854,866	86,848,780
	<u>3,940,298</u>	<u>(1,941,745)</u>
Total net investments in energy projects	<u>\$27,413,755</u>	<u>\$ 20,771,585</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, 2022

8. Deferred Revenue

	2022	2021
Health Canada		
Aboriginal diabetes	\$ 24,903	\$ 11,853
Building healthy communities	231,419	88,212
Community health representative	263,535	143,699
Health centre O&M	33,031	16,217
Healthy child development	43,103	10,923
Home & community care	349,964	48,326
Jordan's Principle	77,979	138,700
Medical transportation	149,204	93,348
Special education - Jordan's Principle	-	72,468
Youth life promotion	-	1,798
Indigenous Services Canada		
Administration	60,000	32,300
CFS Build	1,079,068	-
COVID-19 Relief	217,619	330,567
Housing - enhanced	14,762	286,526
Economic Development	36,132	64,960
Environment	81,165	-
Governance	92,300	-
Land and Memberships	-	42,937
Minor Capital	499,382	458,308
New Housing Construction	309,600	-
Prevention	562,108	300,034
Special education	72,468	-
Youth experience	87,040	32,119
IOA - COVID relief	-	9,376
Client Base Career Counselling	4,399	4,399
Environment - miscellaneous projects	79,425	103,551
Ministry of Education		
Daycare	-	22,220
Early ON	-	24,828
Ministry of Environment		
Standards	148,862	-
NALMA	46,831	26,263
National Child Benefits	412	-
Nova capacity	29,311	27,715
NWMO	-	61,750
IOL	77,500	-
Shell		
Community benefit fund	58,824	89,792
Economic development	-	30,000
Pipeline lease advance payout	336,050	-
Southern First Nation Secretariat		
Client base, CRF	683,400	415,209
Employment Insurance	139,251	144,599

Aamjiwnaang First Nation
Notes to Consolidated Financial Statements

March 31, 2022

8. Deferred Revenue (continued)

	2022	2021
Stepping Stones - COVID support	-	60,724
Styrolution	8,303	28,240
Suncor		
Capacity	175,278	75,278
Economic development	-	30,000
PSW program	6,769	19,434
Union of Ontario Indians		
Community wellness worker	-	14,424
COVID support	-	54,823
ELCC	-	250,273
Family well being	-	52,512
Prevention	9,000	-
Other Revenue	116,249	6,187
KEB		
ABKM	469,024	-
Education	2,074,732	212,431
Language and culture	82,620	46,447
New Path	-	142,768
Niigaan Gdizhaami	33,951	74,597
First Nations Student Success	-	167,874
Post Secondary education	509,634	427,390
Pre Kindergarten	-	36,139
Provincial tuition	134,275	1,154,281
Classroom assistants	-	64,857
School transportation	-	1,692
Special education	10,147	382,868
Student supports	144,917	-
	<u>\$ 9,663,946</u>	<u>\$ 6,436,236</u>

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2022

9. Long-term Debt

	2022	2021
Housing Projects Loans		
1.44%, repayable in blended monthly instalments of \$5,300, repaid in the year - Phase 6	\$ -	\$ 58,094
1.30%, repayable in blended monthly instalments of \$3,703, due June 2022 - Phase 7	11,087	66,197
0.62%, repayable in blended monthly instalments of \$16,190, due January 2023 - Phase 8	193,620	337,865
1.43%, repayable in blended monthly instalments of \$3,454, due April 2022 - Phase 9	3,434	54,603
1.92%, repayable in blended monthly instalments of \$5,790, due May 2024 - Phase 10	1,011,326	1,078,486
1.92%, repayable in blended monthly instalments of \$5,560, due July 2024 - Phase 11	980,747	1,045,494
1.89%, repayable in blended monthly instalments of \$4,731, due November 2024 - Phase 12	639,349	720,753
RBC Loan Payable		
3.01%, repayable in blended quarterly instalments of \$594,527, due July 2025	7,873,235	9,975,710
	<u>\$10,712,798</u>	<u>\$ 13,337,202</u>

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

2023	\$ 2,520,228
2024	2,378,788
2025	4,638,093
2026	<u>1,175,689</u>
	<u>\$ 10,712,798</u>

Aamjiwnaang First Nation
Notes to Consolidated Financial Statements

March 31, 2022

10. Tangible Capital Assets

	Buildings CMHC	Land CMHC	Buildings	Land	Infrastructure	Vehicles and Machinery	Furniture and Equipment	Computers	2022 Total
Cost, beginning of year	\$ 14,819,281	\$ 40,437	\$ 13,021,446	\$ 1,939,728	\$ 1,690,886	\$ 1,418,706	\$ 1,963,929	\$ 542,784	\$ 35,437,197
Additions	-	-	282,306	-	531,861	-	127,297	25,706	967,170
Transfer of CMHC units	(1,031,653)	-	-	-	-	-	-	-	(1,031,653)
Cost, end of the 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
Accumulated amortization, beginning of the year	7,513,149	-	4,910,215	-	699,903	1,209,843	1,634,394	461,794	16,429,298
Amortization	292,260	-	328,064	-	100,175	62,659	78,636	51,613	913,407
Transfer of CMHC units	(720,871)	-	-	-	-	-	-	-	(720,871)
Accumulated amortization, end of year	7,084,538	-	5,238,279	-	800,078	1,272,502	1,713,030	513,407	16,621,834
Net carrying amount, end of year	\$ 6,703,090	\$ 40,437	\$ 8,065,473	\$ 1,939,728	\$ 1,422,669	\$ 146,204	\$ 378,196	\$ 55,083	\$ 18,750,880
									2021 Total
Cost, beginning of year	\$ 14,819,281	\$ 40,437	\$ 12,039,686	\$ 1,939,728	\$ 1,571,969	\$ 1,418,706	\$ 1,874,425	\$ 474,954	\$ 34,179,186
Additions	-	-	981,760	-	118,918	-	89,504	67,830	1,258,011
Cost, end of the year	14,819,281	40,437	13,021,446	1,939,728	1,690,886	1,418,706	1,963,929	542,784	35,437,197
Accumulated amortization, beginning of the year	7,208,708	-	4,592,700	-	661,089	1,120,330	1,563,198	404,258	15,550,283
Amortization	304,441	-	317,515	-	38,814	89,513	71,196	57,536	879,013
Accumulated amortization, end of year	7,513,149	-	4,910,215	-	699,903	1,209,843	1,634,394	461,794	16,429,296
Net carrying amount, end of year	\$ 7,306,133	\$ 40,437	\$ 8,111,231	\$ 1,939,728	\$ 990,984	\$ 208,863	\$ 329,535	\$ 80,990	\$ 19,007,901

Included in buildings above is \$101,546 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, 2022

11. Accumulated Surplus

	2022	2021
Operating reserves		
Investment in tangible capital assets	\$15,911,317	\$ 15,646,409
Unrestricted accumulated surplus	21,725,559	19,870,846
Enterprise reserve		
Investment in government business enterprise and government business partnership	4,108,013	4,645,379
Net investment in energy projects	27,413,755	20,771,585
Internal restricted reserves		
OFNLP - Gaming	8,666,913	8,538,433
Clench Settlement	5,914,445	9,342,965
Community Enhancement	3,952,491	3,837,369
Environmental Stewardship	1,070,000	1,070,000
Fines and Levies	200,000	200,000
Future Generations	1,860,726	1,806,529
Housing Loans	97,276	95,583
Special Projects	1,531,031	564,492
External restricted reserves		
Trust Funds in Ottawa	6,287,004	5,989,644
CMHC	949,086	1,007,624
2479793 Ontario Inc.	125,065	605,700
	<u>\$99,687,616</u>	<u>\$ 93,386,858</u>

The funding for the internal reserve is the following:

Shot-term and portfolio investments	<u>\$17,530,863</u>	<u>\$ 16,112,406</u>
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Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2022

12. Contingent Liabilities

- (a) The First Nation is contingently liable as guarantor of 10 (2021 - 8) bank loans for Band members to a maximum of \$1,168,050. As at March 31, 2022, the amount of the loans outstanding was \$1,168,050 (2021 - \$913,876). The property the loans were used to purchase will be forfeited to the Band if the Band is required to repay the loans and is not reimbursed in full. The total amount available under this First Nations On Reserve Loan Program is not to exceed \$2,000,000.
- (b) The First Nation received a claim for damages in the amount of \$21,500,000. The First Nation has evaluated payment as unlikely at this time.
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13. Clench Settlement

In the prior year, Aamjiwnaang First Nation settled the Clench defalcation specific claim for \$18,513,445.

14. Pension Plan

It is mandatory that, after three months, all permanent employees of the Band who work at least 25 hours per week become members of a private pension plan that is a defined contribution plan. The employee has the option to contribute either 5% or 8.2% which is matched by the Band. Contributions to the plan made during the year by the Band on behalf of its employees amounted to \$372,910 (2021 - \$365,199) and are included in salaries and benefits in expenses.

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2022

15. 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.

	2022	2021
Allocation to replacement reserves	\$ 57,302	\$ 67,475
Amortization	913,408	879,013
Bad debts	-	200,132
Bank charges and interest	303,056	226,200
Catering	500	-
Cemetery and funerals	157,411	146,141
Childcare initiative	99,097	91,198
Communication upgrades	58,959	58,490
Construction and renovations	84,303	51,474
Consultants	1,350,829	961,037
COVID-19 relief	-	-
Distribution to members	6,057,472	10,907,764
Donations	40,382	42,636
Election costs	-	32,000
Employee benefits	1,409,768	1,368,511
CRF	213,062	129,096
EI	142,647	65,476
Equipment	32,032	38,840
Fire protection	82,760	60,853
Garbage collection and recycling	113,760	65,362
Honoraria		
Community	43,715	46,270
Council	163,794	157,303
Staff	70,815	68,950
Infrastructure services	35,673	44,751
Insurance	184,528	162,973
Medical travel	64,980	54,076
Mortgage interest	29,819	63,528
Office administration	272,640	272,358
Ontario works employment related expenses	137,264	92,868
Pipeline lease payments	355,643	383,002
Police protection	122,819	121,965
Professional services	296,099	335,414
Program administration	526,366	563,727
Program resources	1,875,786	1,235,961
Repairs and maintenance		
Buildings	489,194	370,270
Roads	225,431	-
Vehicles and equipment	87,663	65,773
CMHC enhanced	182,790	119,465
Salaries and wages	6,680,528	6,404,846
Sports fees	6,065	42,055

Aamjiwnaang First Nation
Notes to Consolidated Financial Statements

March 31, 2022

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

	2022	2021
Social assistance benefits	973,062	1,124,175
Student awards	50,100	39,132
Student transportation	209,867	217,398
Training and professional development	101,453	98,908
Travel		
Community	7,454	3,470
Council	913	1,033
Staff	10,909	10,299
Tuition fees	3,179,352	3,167,742
Utilities	232,785	207,763
Program administration	(398,219)	(411,760)
Total expenses by object	27,336,036	30,455,413
Band contribution to programs	2,729,377	2,923,175
Total expenses by object	<u>\$30,065,413</u>	<u>\$ 33,378,588</u>

Aamjiwnaang First Nation Notes to Consolidated Financial Statements

March 31, 2022

16. 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, 2022

17. Comparative Figures

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

18. COVID-19

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

Aamjiwnaang First Nation Consolidated Schedule 1 - Community Services

For the year ended March 31	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada			
Fixed contribution	\$ 331,955	\$ 796,193	\$ 415,197
Set contribution	174,075	297,409	166,815
Health Canada	2,502,692	1,792,589	2,055,662
Province of Ontario	2,103,539	1,937,412	1,804,210
Union of Ontario Indians	494,122	811,153	538,376
Stepping Stones	1,319,193	1,375,959	1,532,351
Kinimaadswin Education Body Inc.	6,890,158	5,319,862	4,278,868
Donations	-	300	5,000
Rental income	38,000	180,631	86,220
Catering	20,000	500	-
User fees	60,000	60,870	23,419
Southwest Ontario Aboriginal Health Access Centre	72,813	103,359	81,195
Other revenue	1,951,648	680,172	1,147,944
	<u>\$15,958,195</u>	<u>\$13,356,409</u>	<u>\$ 12,135,257</u>

Aamjiwnaang First Nation Consolidated Schedule 1 - Community Services

For the year ended March 31	2022 Budget	2022	2021
Expenses			
Amortization	\$ -	\$ 621,149	\$ 574,572
Catering	20,000	500	-
Cemetery and funerals	70,000	157,411	145,895
Consultants	772,375	957,064	539,064
Construction and renovations	-	-	52,750
Donations	30,165	30,165	30,165
Employee benefits	1,143,228	928,260	888,059
Equipment	205,410	27,783	120,944
Fire protection	81,250	82,760	60,853
Garbage collection and recycling	90,000	113,684	58,830
Honoraria			
Community	33,400	18,725	11,050
Staff	25,800	23,515	20,100
Infrastructure services	41,624	24,631	28,562
Insurance	78,522	71,394	63,858
Medical travel	-	64,980	54,076
Office administration	84,908	138,803	100,679
Ontario Works employment related expenses	145,288	137,264	92,868
Police protection	124,404	122,819	121,965
Professional services	15,000	23,560	23,678
Program administration	421,292	431,586	432,236
Program resources	1,500,742	1,300,488	761,975
Property tax	12,000	11,043	16,189
Repairs and maintenance			
Building	1,024,274	246,666	73,589
Vehicles and equipment	91,757	87,663	60,896
Salaries and wages	5,280,223	4,785,005	4,799,063
Sports fees	5,000	6,065	5,698
Social assistance benefits	900,000	973,062	1,124,175
Student awards	65,000	50,100	39,132
Student transportation	185,000	209,867	217,398
Training and professional development	198,745	82,484	88,485
Travel - community	128,454	1,646	580
Travel - staff	47,000	9,698	6,944
Tuition fees	3,401,674	3,179,352	3,167,742
Utilities	200,615	174,846	146,094
	<u>16,423,150</u>	<u>15,094,038</u>	<u>13,928,164</u>
Deficiency of revenue over expenses	<u>\$ (464,955)</u>	<u>\$ (1,737,629)</u>	<u>\$ (1,792,907)</u>

Aamjiwnaang First Nation Consolidated Schedule 2 - Economic Development and Training

For the year ended March 31	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada			
Fixed contribution	\$ 272,626	\$ 105,588	\$ 114,962
Independent Electricity System Operator	-	62,666	33,265
Southern First Nations Secretariat	1,131,263	487,225	297,369
Other revenue	124,960	154,138	205,302
	<u>1,528,849</u>	<u>809,617</u>	<u>650,898</u>
Expenses			
Childcare initiative	99,097	99,097	91,198
Consultants	50,000	78,457	190,624
Employee benefits	62,866	59,400	59,844
Employee training programs			
CRF	719,431	215,033	130,792
EI	286,395	143,812	61,298
Honoraria			
Community	7,200	14,540	3,100
Staff	7,200	6,100	4,400
Office administration	4,200	3,118	21,335
Professional services	54,960	6,546	3,583
Program administration	9,430	9,430	9,388
Program resources	240,422	121,244	194,428
Salaries and wages	246,611	257,998	264,999
Training and professional development	22,500	14,198	7,110
Travel			
Community	-	-	120
Staff	7,000	1,510	-
	<u>1,817,312</u>	<u>1,030,483</u>	<u>1,042,219</u>
Deficiency of expenses over revenue	<u>\$ (288,463)</u>	<u>\$ (220,866)</u>	<u>\$ (391,321)</u>

Aamjiwnaang First Nation Consolidated Schedule 3 - Housing

For the year ended March 31	2022 Budget	2022	2021
Revenue			
Canadian Mortgage and Housing Corporation	\$ 234,208	\$ 286,039	\$ 564,290
Indigenous Services Canada	-	271,764	104,366
Interest income	5,000	25,175	25,432
Rental income	615,140	550,589	533,635
	<u>854,348</u>	<u>1,133,567</u>	<u>1,227,723</u>
Expenses			
Allocation to replacement reserves	72,287	57,302	67,475
Amortization	-	292,260	304,441
Bad debts	-	-	200,132
Bank charges and interest	-	500	20
Construction and renovations (recovery)	-	-	(6,076)
Consultants	-	-	15,804
Employee benefits	32,034	31,318	26,411
Equipment	4,400	3,325	3,254
Honoraria			
Community	7,200	3,450	4,200
Staff	4,800	3,050	3,600
Insurance	72,089	65,431	67,017
Mortgage interest	87,397	29,819	63,528
Office administration	3,320	8,652	7,288
Professional services	8,550	7,350	9,050
Program resources	10,000	2,824	794
Repairs and maintenance			
Building	147,810	468,208	190,584
CMHC	-	182,790	119,465
Salaries and wages	156,056	112,639	112,258
Training and professional development	5,000	2,785	89
Travel - staff	7,050	45	-
Utilities	66,600	55,661	61,611
	<u>684,593</u>	<u>1,327,409</u>	<u>1,250,945</u>
Deficiency of revenue over expenses	\$ 169,755	\$ (193,842)	\$ (23,222)

Aamjiwnaang First Nation Consolidated Schedule 4 - General

For the year ended March 31	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada			
Grant	\$ 838,203	\$ 880,589	\$ 553,424
Fixed contribution	1,246,973	579,950	471,328
Province of Ontario	196,662	412,390	362,948
Ontario First Nations Limited Partnership	700,000	774,753	1,278,062
Adelaide wind project	-	1,500,000	-
Giiwedini Noodin FN Energy Corporation			
dividends	4,555,486	2,572,325	2,114,596
Lease and management fee revenue	3,008,962	3,171,476	3,227,652
Investment income	300,000	1,446,527	921,475
Donations	6,175	6,175	-
Clench settlement	-	-	18,513,445
Union of Ontario Indians	-	28,007	82,114
Other revenue	352,026	633,623	547,235
	<u>11,204,487</u>	<u>12,005,815</u>	<u>28,072,279</u>
Expenses			
Bank charges and interest	28,500	302,556	226,180
Construction and renovations	437,286	19,303	4,800
Consultants	245,245	315,309	215,545
Distribution to members	183,500	6,057,472	10,907,764
Donations	18,000	10,217	12,471
Election costs	-	-	32,000
Employee benefits	339,023	389,290	393,206
Equipment	166,925	5,043	14,550
Honoraria			
Community	20,400	7,000	27,920
Council	197,200	163,794	157,303
Staff	39,800	37,250	39,950
Insurance	48,000	47,703	32,098
Office administration	250,650	314,564	245,036
Pipeline lease payments	362,740	355,643	383,002
Professional services	278,300	258,643	299,103
Program administration (recovery)	401,706	(312,869)	(289,659)
Program resources	489,083	358,955	239,940
Repairs and maintenance			
Building	35,000	7,285	10,652
Vehicles and equipment	-	-	416
Salaries and wages	1,446,447	1,524,287	1,227,860
Sports fees			36,357
Social assistance benefits	5,000	-	
Training and professional development	87,200	13,329	7,834
Travel			
Community	28,000	5,808	2,770
Council	20,000	913	1,033
Staff	26,100	257	3,355
Utilities	4,000	2,354	2,599
	<u>5,158,105</u>	<u>9,884,106</u>	<u>14,234,085</u>
Excess of revenue over expense	<u>\$ -</u>	<u>\$ 2,121,709</u>	<u>\$ 13,838,194</u>