

Aamjiwnaang First Nation Community Presentation

September 10, 2018



Introduction

Senior Members of Audit Team

- Jason Harris - Audit Partner
- Scott McKay - Detail Reviewer
- Kathleen Crawford - Manager
- Jessica Brock-Bray - Senior Accountant



Presentation Content

- Overview of Audit Report
- Overview of Financial Statements
- Significant Current Year Events
- Questions & Answers

Independent Audit Report

- Paragraph 1 - Scope

We have audited the accompanying consolidated financial statements of **Aamjiwnaang First Nation** which comprise the consolidated statement of financial position as at March 31, 2018 and the consolidated statement of operations, change in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Independent Audit Report

- Paragraph 2 - Management's Responsibility

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

Independent Audit Report

- Paragraph 3 - Auditor's Responsibility

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

Independent Audit Report

- Paragraph 4 - Generally Accepted Auditing Standards (“GAAS”)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent Audit Report

- Paragraph 5 - Basis of Opinion

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

- Paragraph 6 - Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Aamjiwnaang First Nation as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Graph Acronyms

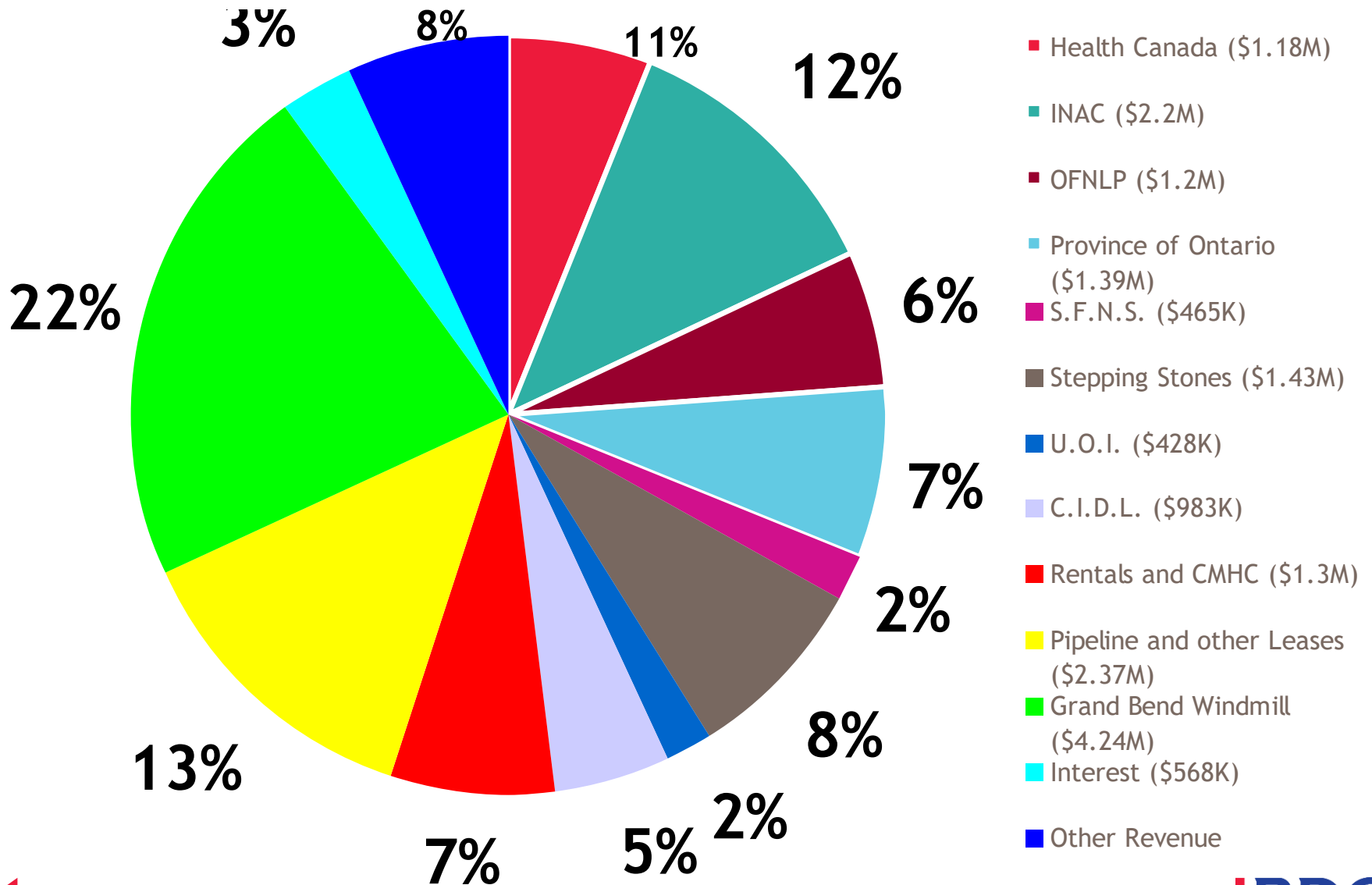
- INAC - Indigenous and Northern Affairs Canada
- OFNLP - Ontario First Nations Limited Partnership
- S.F.N.S. - Southern First Nations Secretariat
- U.O.I. - Union of Ontario Indians
- C.I.D.L. - Chippewa Industrial Developments Limited

Financial Statements

Statement of Revenue and Expenditure For the year ended March 31,

	2018	2017
Total Revenue	\$18,996,291	\$19,400,007
Total Expenditure	(13,923,946)	(14,268,370)
Other Operating Items	3,352,415	4,881,740
Annual Surplus for Year	\$8,424,760	\$10,013,377

Breakdown of Revenue



Examples of Other Revenue

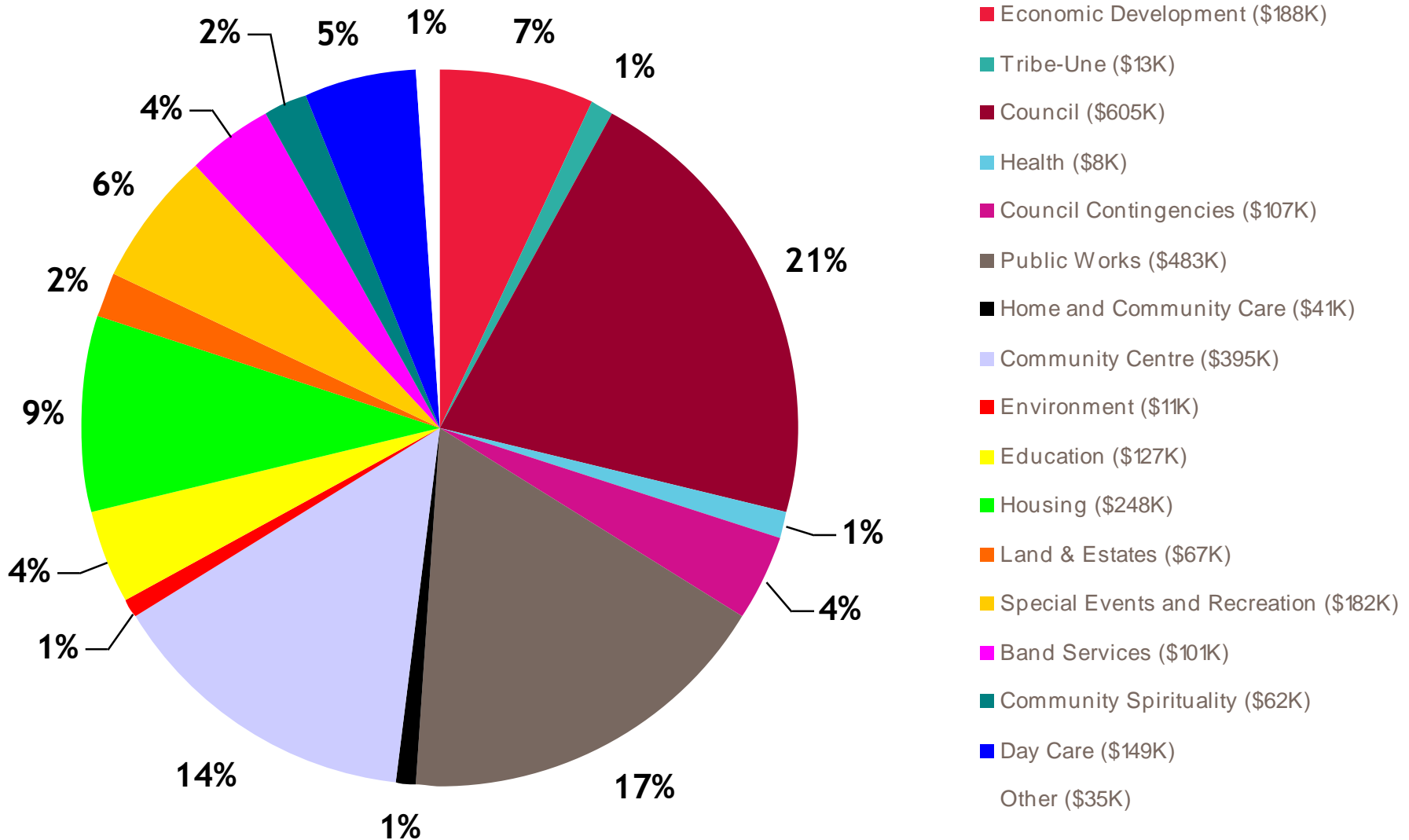
Other Revenue represented 7% of total revenue some examples of other revenue include:

- Public Works (\$130K)
- User Fees (\$89K)
- Industry Sponsorship agreements (\$100K)
- Various Environmental study agreements (\$440K)

Band Contributions

	2018	2017
Pipelines and Ontario First Nations Limited Partnership	\$2,822,194	\$2,349,524

Band Contributions to Programs





Band Contributions to Programs

Special Events and Recreation includes

- Pow Wow
- New Year's Eve celebration
- Solidarity Day celebration

Financial Statements

Statement of Financial Position For the year ended March 31,

	2018	2017
Financial Assets	\$49,862,344	\$41,644,101
Total Liabilities	<u>7,005,666</u>	<u>7,570,502</u>
Net Financial Assets	42,856,678	34,073,599
Non-Financial Assets	15,934,564	16,292,883
Members' Equity	\$58,791,242	\$50,366,482

Financial Assets

	2018	2017
Cash	\$6,647,069	\$10,684,765
Trust funds in Ottawa	4,980,034	5,312,011
Restricted assets	1,055,763	946,120
Portfolio investments	18,730,306	10,605,399
Accounts receivable	2,135,002	1,286,398
Loans to band members	1,082,972	1,176,477
Investment in related parties	15,231,198	11,632,931
	\$49,862,344	\$41,644,101

Liabilities

	2018	2017
Accounts payable	\$2,092,745	\$1,863,002
Deferred Revenue	1,041,139	1,285,344
Long-term debt	3,871,782	4,422,156
	\$7,005,666	\$7,570,502

Non-Financial Assets

	2018	2017
Tangible capital assets	\$15,693,068	\$16,045,130
Prepaid assets	241,496	247,753
	\$15,934,564	\$16,292,883

Members' Equity

	2018	2017
Unrestricted members' equity	\$14,214,141	\$9,383,475
Invested in tangible capital assets	11,441,860	11,622,974
Invested in related parties	15,231,198	11,632,931
CMHC	1,055,763	946,120
Internal reserves	12,868,246	11,468,971
External reserves	4,980,034	5,312,011
	\$58,791,242	\$50,366,482

Internally Restricted Fund

- Casino Rama \$6,144,059
- Community Enhancement \$3,511,737
- Environmental Stewardship \$1,070,000
- Future Generations \$1,651,500
- Housing Loans \$ 57,069
- Special Projects \$ 433,881

Externally Restricted Fund

- Revenue Trust Fund \$1,173,621
- Revenue Trust Enniskillen \$2,000,000
- Capital Trust Fund \$1,806,413



Band Corporations

CIDL - Financial Assets

	2017	2016
Cash	\$1,303,481	\$899,487
Accounts receivable	56,298	41,032
Due from Giiwedín Noodin	-	14,715
Due from 2401077 Ontario Inc.	14,715	14,715
Due from Structural Tech	14,098	-
Prepaid expenses	4,424	4,295
Investment in subsidiary	64,000	64,000
Property and Equipment	4,030,646	4,166,985
	\$5,487,665	5,205,229

CIDL - Liabilities and Equity

	2017	2016
Accounts payable	\$64,480	\$63,783
Due to Aamjiwnaang First Nation	4,916,499	4,916,499
Total Liabilities	4,980,979	4,980,282
Share Capital	2	2
Contributed surplus	642,982	642,982
Deficit	(136,298)	(418,037)
Total Equity	506,686	224,947
	\$5,487,665	\$5,205,229

CIDL - Earnings

	2017	2016
Total Revenue (net)	\$394,711	\$163,613
Operating expenses	112,972	105,595
Net Earnings from operations	\$281,739	\$58,018

Structural Tech - Financial Assets

	2017	2016
Cash	\$81,212	\$263,114
Accounts receivable	-	62,747
Due from AFN	-	20,920
Investment in related parties	73,056	73,056
Property and Equipment	39,076	43,736
	\$193,344	\$463,572

Structural Tech - Liabilities and Equity

	2017	2016
Accounts payable	\$5,497	\$77,614
Due to CIDL	14,098	
Total Liabilities	19,595	77,614
Share Capital	1	1
Retained earnings	137,825	346,042
Total Equity	137,826	346,043
	193,344	463,572

Structural Tech - Earnings

	2017	2016
Total Revenue	\$12,649	\$506,317
Expenses	69,667	223,994
Net Earnings (Loss)	(\$57,018)	\$282,323

Giiwedin Noodin - Financial Assets

	2017	2016
Cash	\$123,457	\$153,375
Restricted cash	1,435,555	2,752,968
Due from Grand Bend Wind Ltd Partnership	4,404,450	5,357,573
Prepaid insurance	-	1,667
Investment in Grand Bend Wind GP Inc.	1,000	1,000
Investment in Grand Bend Wind Ltd Partnership	23,214,688	23,214,688
	\$29,179,150	\$31,481,271

Giiwedin Noodin - Liabilities and Equity

	2017	2016
Accounts payable	\$98,847	\$108,392
Harmonized sales tax payable	16,189	3,725
Due to related parties	56,074	39,747
Current portion of long-term debt	5,102,247	4,216,225
Long-term debt	15,981,063	21,083,775
Total Liabilities	21,254,420	25,451,591
Share Capital	2	2
Retained earnings	7,924,728	6,029,678
Total Equity	7,924,728	6,029,680
	\$29,179,150	\$31,481,271

Giiwedin Noodin - Earnings

	2017	2016
Total Revenue	\$14,353,670	\$10,350,628
Expenses	830,655	561,785
Net Earnings	\$13,523,015	\$9,788,843

2401077 Ontario Inc. (Adelaide) - Financial Assets

	2017	2016
Cash	\$5,592	52,542
Restricted cash	661,211	243,584
Accounts receivable	1,425,376	1,310,285
Prepaid expenses	16,873	23,117
Due from shareholder	1	1
Restricted investment	2,203,287	2,201,818
Investment in Suncor Adelaide Wind Ltd Partnership	42,253,352	42,253,352
	\$46,565,692	\$46,084,699

2401077 Ontario Inc. (Adelaide) - Liabilities and Equity

	2017	2016
Accounts payable	\$564,052	\$38,098
Due to related parties	39,474	12,400
Current portion of long-term debt	2,099,005	2,851,204
Long-term debt	37,814,493	39,513,197
Total Liabilities	40,517,024	42,414,899
Share capital	1	1
Retained earnings	6,048,667	3,669,799
Total Equity	6,048,668	3,669,800
	\$46,565,692	\$46,084,699

2401077 Ontario Inc. (Adelaide) - Earnings

	2017	2016
Total Revenue	\$4,924,725	\$4,507,078
Expenses	2,545,857	2,634,759
Net Earnings	\$2,378,868	\$1,872,319

QUESTIONS & ANSWERS