
Financial statements of National Indian Brotherhood Trust Fund

March 31, 2021

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Independent Auditor's Report

To the Trustees of
National Indian Brotherhood Trust Fund

Opinion

We have audited the financial statements of the National Indian Brotherhood Trust Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the 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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Fund'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 Fund'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 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
July 5, 2021

National Indian Brotherhood Trust Fund
Statement of operations and changes in fund balances
Year ended March 31, 2021

		2021						2020					
		General Fund	Education Fund	Education Legacy Fund	Métis Fund	Other funds (Note 8)	Total	General Fund	Education Fund	Education Legacy Fund	Métis Fund	Other funds (Note 8)	Total
Notes		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue													
Government of Canada	3	—	5,995,216	5,995,216	332,725	—	12,323,157	—	—	—	—	—	—
Investment income	3	19,363	24,924,286	16,616,190	762,407	—	42,322,246	38,892	579,114	207,929	17,798	—	843,733
Donations		45,810	—	—	—	—	45,810	29,930	—	—	—	—	29,930
		65,173	30,919,502	22,611,406	1,095,132	—	54,691,213	68,822	579,114	207,929	17,798	—	873,663
Distributions to beneficiaries													
Payment to organizations	6	—	5,393,683	—	44,291	—	5,437,974	—	5,439,703	—	274,182	—	5,713,885
Payment to individuals	6	—	3,531,296	—	557,800	—	4,089,096	—	3,550,479	—	321,091	—	3,871,570
		—	8,924,979	—	602,091	—	9,527,070	—	8,990,182	—	595,273	—	9,585,455
Expenses													
Salaries and benefits		657,795	—	—	—	—	657,795	662,470	—	—	—	—	662,470
Travel		38,925	—	—	—	—	38,925	350,440	—	—	—	—	350,440
Professional services		248,804	—	—	—	—	248,804	214,986	26,229	—	—	—	241,215
Advertising, promotion and publications		20,061	—	—	—	—	20,061	35,950	—	—	—	—	35,950
Office expenses		102,952	—	—	—	—	102,952	160,272	—	—	—	—	160,272
Administration and management fees	5	50,492	—	—	—	—	50,492	36,066	—	—	—	—	36,066
Rent	5	63,605	—	—	—	—	63,605	57,065	—	—	—	—	57,065
Insurance		12,818	—	—	—	—	12,818	11,410	—	—	—	—	11,410
		1,195,452	—	—	—	—	1,195,452	1,528,659	26,229	—	—	—	1,554,888
		1,195,452	8,924,979	—	602,091	—	10,722,522	1,528,659	9,016,411	—	595,273	—	11,140,343
Excess (deficiency) of revenue over distributions and expenses		(1,130,279)	21,994,523	22,611,406	493,041	—	43,968,691	(1,459,837)	(8,437,297)	207,929	(577,475)	—	(10,266,680)
Fund balances, beginning of year		—	82,921,403	107,073,645	3,275,294	53,942	193,324,284	—	92,727,628	106,865,716	3,943,678	53,942	203,590,964
Interfund transfers	7	1,130,279	(1,058,848)	—	(71,431)	—	—	1,459,837	(1,368,928)	—	(90,909)	—	—
Fund balances, end of year		—	103,857,078	129,685,051	3,696,904	53,942	237,292,975	—	82,921,403	107,073,645	3,275,294	53,942	193,324,284

The accompanying notes and schedules are an integral part of the financial statements.

National Indian Brotherhood Trust Fund
Statement of financial position
As at March 31, 2021

		2021						2020					
	Notes	General Fund \$	Education Fund \$	Education Legacy Fund \$	Métis Fund \$	Other funds (Note 8) \$	Total \$	General Fund \$	Education Fund \$	Education Legacy Fund \$	Métis Fund \$	Other funds (Note 8) \$	Total \$
Assets													
Current assets													
Cash		20,100	(857,200)	1,587,387	124,353	53,942	928,582	76,743	1,322,154	334,270	115,999	53,942	1,903,108
Accounts receivable		—	4,425	—	—	—	4,425	541	23,255	—	—	—	23,796
Sales taxes recoverable		64,636	—	—	—	—	64,636	51,506	—	—	—	—	51,506
Prepaid expenses		40,724	—	—	—	—	40,724	15,880	—	—	—	—	15,880
Short-term investments	3	—	9,000,000	—	1,000,000	—	10,000,000	—	9,000,000	—	1,000,000	—	10,000,000
Interfund receivable (payable)		—	5,699,375	(5,699,375)	—	—	—	—	311,888	(311,888)	—	—	—
		125,460	13,846,600	(4,111,988)	1,124,353	53,942	11,038,367	144,670	10,657,297	22,382	1,115,999	53,942	11,994,290
Capital assets													
Investments	4	19,146	—	—	—	—	19,146	38,042	—	—	—	—	38,042
	3	—	91,059,741	133,934,074	2,576,296	—	227,570,111	—	73,607,870	107,127,346	2,180,946	—	182,916,162
		144,606	104,906,341	129,822,086	3,700,649	53,942	238,627,624	182,712	84,265,167	107,149,728	3,296,945	53,942	194,948,494
Liabilities													
Current liabilities													
Accounts payable and accrued liabilities		144,606	1,049,263	137,034	3,746	—	1,334,649	114,952	1,343,764	76,083	21,651	—	1,556,450
Balance due to National Indian Brotherhood	5	—	—	—	—	—	—	67,760	—	—	—	—	67,760
		144,606	1,049,263	137,034	3,746	—	1,334,649	182,712	1,343,764	76,083	21,651	—	1,624,210
Fund balances													
		—	103,857,078	129,685,052	3,696,903	53,942	237,292,975	—	82,921,403	107,073,645	3,275,294	53,942	193,324,284
		144,606	104,906,341	129,822,086	3,700,649	53,942	238,627,624	182,712	84,265,167	107,149,728	3,296,945	53,942	194,948,494

The accompanying notes and schedules are an integral part of the financial statements.

On behalf of the Trustees



Keith Martell, Chair of the Board of Trustees



Roy Fox, Trustee

National Indian Brotherhood Trust Fund**Statement of cash flows**

Year ended March 31, 2021

	2021 \$	2020 \$
Operating activities		
Excess (deficiency) of revenue over distributions and expenses	43,968,691	(10,266,680)
Amortization of capital assets	18,896	16,119
Realized gain on investments	(352,042)	(6,967,277)
Change in unrealized (gain) loss on investments	(26,105,101)	15,113,046
Changes in non-cash operating working capital items		
Accounts receivable	19,371	2,653
Prepaid expenses	(24,844)	(15,612)
Sales taxes recoverable	(13,130)	(27,713)
Accounts payable and accrued liabilities	(221,801)	175,542
	17,290,040	(1,969,922)
Investing activities		
Purchase of investments	(30,053,724)	(224,371,748)
Disposal of investments	11,856,918	227,926,911
Purchase of capital assets	—	(14,600)
Decrease in the balance due to National Indian Brotherhood	(67,760)	(15,199)
	(18,264,566)	3,525,364
Net (decrease) increase in cash	(974,526)	1,555,442
Cash, beginning of year	1,903,108	347,666
Cash, end of year	928,582	1,903,108

The accompanying notes and schedules are an integral part of the financial statements.

1. Purpose of the organization

The National Indian Brotherhood Trust Fund (the "Trust Fund") was established on November 1, 1975, as a registered charity under paragraph 149(l)(f) of the *Income Tax Act*.

The original objects of the Trust Fund were as follows:

- (a) To study in conjunction with First Nations representatives from the various parts of Canada the problems confronting First Nations in today's society;
- (b) To do research into the economic, social, and scientific problems of First Nations communities with a view to proposing solutions to these problems;
- (c) To do research into the historical and cultural aspects of First Nations communities with a view to assisting in retaining First Nations culture and values; and
- (d) In order to further carry out the foregoing objects, to obtain and disseminate information to First Nations groups and others concerned with the quality of First Nations life.

In carrying out these objects, the Trust Fund administers the Language and Literacy Fund, the Youth Healing Fund, the Research Sponsor Fund and the Heroes of Our Time Fund.

The Language and Literacy Fund was established in 1975 to promote education of First Nations citizens by way of scholarship awards and to promote research, seminars and conferences of an academic nature into First Nations' rights, histories and cultures among First Nations peoples as well as the Canadian public.

The Youth Healing Fund was established in 1996 to support efforts to improve the self-esteem and profile of First Nations youth in Canada. Funding was provided to organize events that brought together First Nations youth with political leaders and elders for spiritual and leadership training. Funding was also provided to support youth representation of their nations at conferences and gatherings in Canada and internationally.

The Research Sponsor Fund was established in 2001 to enable research into the economic, social and scientific problems of First Nations communities with a view to proposing solutions to these problems.

The Heroes of Our Time Fund was established in 2001 with the purpose of providing scholarship awards. The awards are made available to applicants who are able to demonstrate a proven record of intellectual and academic ability, integrity of character, interest and respect for fellow human beings, ability to lead, and the initiative to use their talents to the fullest. The awards are named in memory of the following figures in First Nations history: Jake Fire (criminology), Tommy Prince (native studies), Walter Dieter (social work), Omar Peters (political science), Robert Smallboy (medicine), and James Gosnell (law). The awards are generally presented each year at the Assembly of First Nations (AFN) annual general assembly.

In 2009, the Trust Fund applied to the court to amend its objects to include the ability to fund education programs and reconciliation initiatives to address the legacy of Indian Residential Schools (IRS).

Pursuant to the Indian Residential Schools Settlement Agreement (IRSSA), the federal government, in 2006, established a Designated Amount Fund (DAF) to compensate former students of IRS. Both the Common Experience Payment and Personal Credits were paid out of the DAF. The IRSSA stipulated that any surplus funds from the DAF were to be transferred to the Trust Fund. The courts supervising the implementation of the IRSSA issued an order in July 2015 endorsing the transfer of funds, including a transfer of \$300,000 for startup costs of the Trust Fund's operations.

1. Purpose of the organization (continued)

Under the court-approved terms and conditions, the Trust Fund is to administer the residual funds from the DAF for the benefit of First Nations and Métis, with the initial contributions of funds from the Government of Canada divided as follows:

- First Nations: 97.3%
- Métis: 2.7%

The terms and conditions require that at least 50% of the initial funds received from the DAF on behalf of the First Nations should be invested in a reserve fund for a period of 20 years from the date of transfer of the initial funds in 2015 until 2035. The Métis Fund is not subject to the restrictions.

The terms and conditions also set a limit on the administrative expenses that could be paid from the funds. The court approved a permanent 15% administration cap for the Trust Fund.

As a consequence of the IRSSA, the Trust Fund established three funds in 2016:

- 1) The Education Fund to support educational programs for the purpose of healing, reconciliation, and knowledge advancement for First Nations organizations and individuals;
- 2) The Métis Fund to provide assistance to Métis organizations and individuals for the purpose of healing and reconciliation programs; and
- 3) The Education Legacy Fund to invest in a reserve fund for 20 years for First Nations organizations and individuals for future generations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

In accordance with the principles of fund accounting, the Trust Fund maintains its accounting records to ensure that limitations and restrictions placed on the use of available resources are observed. Under this method, all resources are classified for accounting and reporting purposes into funds that are in accordance with specific activities and objectives. Accordingly, separate accounts are maintained for the following funds: General Fund, Education Fund, Métis Fund, Education Legacy Fund, Language and Literacy Fund, Youth Healing Fund, Research Sponsor Fund and Heroes of Our Time Fund.

The General Fund accounts are for the Trust Fund's operating activities. The remaining funds are externally restricted and are to be used only in the manner set out in Note 1.

Revenue recognition

The Trust Fund follows the restricted method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year in which the contributions are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted and endowment contributions are recognized as revenue in the year in which the contributions are received. Restricted contributions, for which the Trust Fund has no corresponding restricted fund, are deferred and recognized as revenue in the General Fund in the year in which the related expenses are incurred.

2. Significant accounting policies (continued)

Investment income

In compliance with the court-approved administration plan for the funds received pursuant to the IRSSA under the section of the investment of capital, investment income is recognized as it is earned. Investment income earned in the Education Legacy Fund and the Education Fund is allocated to the appropriate fund as follows:

- Education Fund: 60% of the investment income; and
- Education Legacy Fund: 40% of the investment income.

Investment income earned in the Métis Fund remains in the Métis Fund and is exempt from the Education and Education Legacy Fund's restrictions.

Financial instruments

Financial instruments consist of cash, investments, accounts receivable, sales taxes recoverable, accounts payable and accrued liabilities, and the balance due to National Indian Brotherhood.

All financial assets and financial liabilities are initially measured at fair value and are subsequently measured at amortized cost, with the exception of cash and investments which are measured at fair value.

Related party transactions are concluded in the normal course of business and are recorded at exchange amounts.

Capital assets

Capital assets are recorded at cost.

Depreciation is provided on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are depreciated over their lease term.

Computer equipment	3 years
Leasehold improvements	10 years

Contributed materials and services

Contributed materials and services which are used in the normal course of the Trust Fund's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates in the current financial statements include the collectability of accounts receivable, the valuation of investments and the amount of accrued liabilities. Actual results could differ from these estimates.

National Indian Brotherhood Trust Fund
Notes to the financial statements
March 31, 2021

3. Investments

The fair values and costs of investments as at March 31, 2021, are as follows:

	2021							
	Education Fund		Education Legacy Fund		Métis Fund		Total	
	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	7,756,573	8,080,471	9,114,757	9,504,432	304,915	317,473	17,176,245	17,902,376
GMO Quality Fund III	40,824,302	37,478,733	48,011,804	44,077,216	1,603,960	1,472,515	90,440,066	83,028,464
Crestpoint Real Estate Fund	9,725,814	9,733,873	12,971,781	12,918,775	378,171	377,422	23,075,766	23,030,070
Leith Wheeler Core Active Bond	17,648,945	18,051,805	35,843,317	36,661,488	309,491	316,556	53,801,753	55,029,849
Beutel Goodman Canadian Equity	24,104,107	21,611,845	27,992,415	25,098,119	979,759	878,456	53,076,281	47,588,420
	100,059,741	94,956,727	133,934,074	128,260,030	3,576,296	3,362,422	237,570,111	226,579,179
Short-term investments	9,000,000	9,000,000	—	—	1,000,000	1,000,000	10,000,000	10,000,000
Long-term investments	91,059,741	85,956,727	133,934,074	128,260,030	2,576,296	2,362,422	227,570,111	216,579,179

It is the Trust Fund's intent to hold investments on a long-term basis. The amounts reflected under short-term investments represent the estimated budget to be distributed in the next twelve months to individuals, organizations and administration for the year ended March 31, 2022.

National Indian Brotherhood Trust Fund
Notes to the financial statements
March 31, 2021

3. Investments (continued)

The fair values and costs of investments as at March 31, 2020, are as follows:

	2020							
	Education Fund		Education Legacy Fund		Métis Fund		Total	
	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and Cash Equivalent	2,884,752	2,665,598	3,392,799	3,135,061	113,338	104,729	6,390,889	5,905,388
GMO QUALITY FD III	35,046,643	37,478,733	41,216,935	44,077,216	1,376,960	1,472,515	77,640,538	83,028,464
CRESTPOINT INS REAL ES FD 1150	5,003,051	5,160,611	6,877,959	7,094,565	181,731	187,454	12,062,741	12,442,630
LEITH WHEELER CORE ACTIVE BOND	24,445,777	24,756,267	37,731,036	38,210,265	910,633	922,199	63,087,446	63,888,731
BEUTEL GOODMAN CDN EQ CL I 200	15,227,647	19,303,504	17,908,617	22,702,068	598,284	758,422	33,734,548	42,763,994
	82,607,870	89,364,713	107,127,346	115,219,175	3,180,946	3,445,319	192,916,162	208,029,207
Short-term investments	9,000,000	9,000,000	—	—	1,000,000	1,000,000	10,000,000	10,000,000
Long-term investments	73,607,870	80,364,713	107,127,346	115,219,175	2,180,946	2,445,319	182,916,162	198,029,207

It is the Trust Fund's intent to hold investments on a long-term basis. The amounts reflected under short-term investments represent the estimated budget to be distributed in the next twelve months to individuals, organizations and administration for the year ended March 31, 2021.

3. Investments (continued)

Investment income

In compliance with the court-approved administration plan, the total investment income earned in the Education Legacy Fund and Education Fund is allocated to the appropriate funds as follows:

- Education Fund: 60% of the investment income; and
- Education Legacy 40% of the investment income.

Investment income earned in the Métis Fund remains in the Métis Fund and is exempt from the Education and Education Legacy Fund's restrictions.

	2021	2020
	\$	\$
Investment income earned by the Education Legacy Fund	22,315,565	519,823
Allocation to the Education Fund	(5,699,375)	(311,894)
Investment income - Education Legacy Fund	16,616,190	207,929
Investment income earned by the Education Fund	19,224,911	267,220
Allocation from the Education Legacy Fund	5,699,375	311,894
Investment income - Education Fund	24,924,286	579,114
Investment income earned by the Métis Fund	762,407	17,798
Investment income earned by the General Fund	19,363	38,892
	42,322,246	843,733

The Trust Fund presents its investment income net of investment expenses of \$514,679 (\$460,585 in 2020).

Determination of fair values

The fair value of investments approximates the value at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. Information supplied by the Trust Fund's custodian is used to reflect fair value, which may differ from that which could eventually be realized. Pooled fund units are valued at prices based on the fair value of the underlying securities held by the pooled funds.

As at March 31, 2021, the investments are held by four investment managers: GMO LLC. holds \$107,613,511 (45%), Leith Wheeler Investment Counsel Ltd. holds \$53,803,768 (23%), Goodman & Company Ltd. holds \$53,077,331 (22%) and Crestpoint Real Estate Investment Ltd. holds \$23,075,501 (10%). The Trust has committed to invest \$41,557,344 with Crestpoint Real Estate Investment Ltd. of which \$16,664,945 has been called and \$24,892,399 remains to be called.

Pursuant to the Indian Residential Schools Settlement Agreement (IRSSA) and the established Designate Amount Fund (DAF) as described in Note 1, the Government of Canada transferred an additional \$12,323,157 to the Trust Fund on November 27, 2020.

3. Investments (continued)

Investment risk

Investment in financial instruments renders the Trust Fund subject to investment risks. These include the risks arising from changes in interest rates, in rates of exchange for foreign currency, and in equity markets both domestic and foreign. They also include the risks arising from the failure of a counterparty to a financial instrument to discharge an obligation when it is due.

The Trust Fund's investments consist of units held in pooled funds. The Trust Fund has adopted investment policies, standards and procedures to control the amount of risk to which it is exposed. The investment practices of the Trust Fund are designed to avoid undue risk of loss and impairment of assets and to provide a reasonable expectation of fair return given the nature of the investments. The maximum investment risk to the Trust Fund is represented by the market value of the investments.

Concentration risk

Concentration risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes there is no concentration that represents excessive risk.

Foreign currency risk

Foreign currency exposure arises from the Trust Fund's holdings of non-Canadian denominated investments, which as at March 31, 2021, totaled \$107,610,437 (\$84,027,230 in 2020) of the total portfolio. The balance comprises of \$17,170,371 of cash and \$90,440,066 invested in GMO Quality Fund III, all of which are denominated in US dollars.

The Trust Fund does not enter into financial hedges for managing foreign currency risks.

4. Capital assets

	Cost	Accumulated depreciation	2021 Net book value	2020 Net book value
	\$	\$	\$	\$
Leasehold improvements	49,729	37,945	11,784	23,318
Computer equipment	28,726	21,364	7,362	14,724
	78,455	59,309	19,146	38,042

5. Balance due to National Indian Brotherhood

Since National Indian Brotherhood (NIB), which acts as the secretariat of the AFN, appoints the Trustees of the Trust Fund, the NIB is deemed to control the Trust Fund and thus the NIB is a related party.

As at March 31, 2021, the balance due to the NIB was \$0 (\$67,760 in 2020).

5. Balance due to National Indian Brotherhood (continued)

For the year ended March 31, 2021, the Trust Fund paid the NIB \$50,492 (\$36,066 in 2020) for services relating to the administration and management of the Trust Fund and \$63,605 for the rental of office space (\$57,065 in 2019). The Trust Fund has renewed its office rent agreement with the NIB until March 31, 2022 at an annual cost of \$52,393. In addition, the Trust Fund entered into a new rental agreement with the NIB for shared office space in Akwesasne till August 2024. The total annual cost of the rental space is \$11,212 per annum.

The transactions with the AFN have been recorded at their exchange amount which is the amount in accordance with the agreements signed between the parties.

6. Distributions to beneficiaries

In fiscal year 2020-2021, the Trust Fund approved distributions to 927 individuals and to 100 organizations across Canada aimed at healing, reconciliation and knowledge advancement. It also continued to fund the organizations approved in prior years. The Trust Fund distributed \$4,089,096 to the approved individuals and \$5,437,974 to the approved organizations.

In fiscal year 2019-2020, the Trust Fund approved distributions to 981 individuals and to 79 organizations across Canada aimed at healing, reconciliation and knowledge advancement. It also continued to fund the organizations approved in prior years. The Trust Fund distributed \$3,871,570 to the approved individuals and \$5,713,885 to the approved organizations.

7. Interfund transfers

In accordance with the limits set for administrative expenses as described in Note 1, the administrative expenses charged to the IRSSA funds for the year ended March 31, 2021, were \$1,130,279 (\$1,459,837 in 2020), representing 11.86% (15.00% in 2020) of the amount paid to beneficiaries.

8. Other Funds

The other funds include the Language and Literacy Fund, the Youth Healing Fund, the Research Sponsor Fund and the Heroes of Our Time Fund. There is no change to other funds in fiscal year 2021 from fiscal year 2020. The total fund balance is \$53,942 (\$53,942 in 2020).

	2021	2020
	Fund Balance	Fund Balance
	\$	\$
Language and Literacy Fund	23,079	23,079
Youth Healing Fund	3,607	3,607
Research Sponsor Fund	16,325	16,325
Heroes of Our Time Fund	10,931	10,931
	53,942	53,942

National Indian Brotherhood Trust Fund

Notes to the financial statements

March 31, 2021

9. COVID-19

Since the beginning of 2020, financial markets have had significant downturn as a result of COVID-19, with investors attempting to gauge the severity of the widening epidemic and the implications for global growth. As it is difficult to predict the duration and magnitude of the epidemic, plenty of uncertainty prevails at this time. It is expected that the financial markets will remain extremely fragile until there is more visibility surrounding the COVID-19 crisis and, as a result, it is too early to reliably measure the potential impact and severity of this crisis on the financial results.