

**Anishinaabeg of Naongashiing  
First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2020**

**Anishinaabeg of Naongashiing First Nation**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2020**

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## Anishinaabeg of Naongashiing First Nation Management's Responsibility for Financial Reporting

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

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The Anishinaabeg of Naongashiing First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council reviews the First Nation's consolidated financial statements and meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Council.



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Chief



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Councilor



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## Independent Auditor's Report

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### To Chief and Council of Anishinaabeg of Naongashiing First Nation

#### Opinion

We have audited the consolidated financial statements of Anishinaabeg of Naongashiing First Nation and its enterprises (the Group), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations, the consolidated statement of changes in accumulated surplus, the consolidated statement of changes in net debt and the consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020, and its consolidated results of operations, its consolidated changes in net debt, and its consolidated 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*

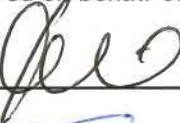
Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
January 20, 2021

## Anishinaabeg of Naongashiing First Nation Consolidated Statement of Financial Position

March 31	2020	2019
<b>Financial assets</b>		
Cash and cash equivalents (Note 1)	\$ 2,011,285	\$ 1,221,399
Accounts and loans receivable (Note 2)	834,546	888,385
Portfolio investments (Note 3)	<u>303,699</u>	<u>297,639</u>
	<b><u>3,149,530</u></b>	<b><u>2,407,423</u></b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	807,811	793,546
Deferred revenue (Note 6)	1,943,866	988,215
Long-term debt (Note 4)	<u>3,303,100</u>	<u>3,694,182</u>
	<b><u>6,054,777</u></b>	<b><u>5,475,943</u></b>
<b>Net debt</b>	<b><u>(2,905,247)</u></b>	<b><u>(3,068,520)</u></b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 9)	14,150,682	14,420,660
Inventory	<u>33,953</u>	<u>42,978</u>
	<b><u>14,184,635</u></b>	<b><u>14,463,638</u></b>
<b>Accumulated surplus (Note 7)</b>	<b><u>\$ 11,279,388</u></b>	<b><u>\$ 11,395,118</u></b>

Approved on behalf of Council:



Chief



Councilor



# Anishinaabeg of Naongashiing First Nation Consolidated Statement of Operations

March 31	2020	2019
<b>Revenue</b>		
Indigenous Services Canada (Note 11)	\$ 2,895,908	\$ 2,567,495
Fort Frances Tribal Area Health Authority	189,928	102,336
Rental - housing/equipment	253,309	241,159
Ministry of Community and Social Services	242,398	328,500
Ministry of Indigenous Affairs	142,094	81,000
CMHC (Note 12)	227,542	223,638
Other	679,975	286,981
Resource revenue	698,387	587,533
Shooniyaa Wa-Biitong	135,979	59,640
Health Canada	429,014	306,733
Casino Rama revenue	610,496	704,920
Weechi-It-Te-Win	1,274,912	682,789
Ministry of Health	129,803	105,389
Keniis Development Corporation	886,303	777,305
Loss on disposition of shares	-	(601,384)
	<b>8,796,048</b>	<b>6,454,034</b>
<b>Expenses</b>		
Education	1,090,320	980,092
Welfare	531,429	469,375
Band Support/Administration	933,714	1,082,506
Operations and Maintenance	405,693	330,871
Economic Development	235,246	209,888
Water Treatment Plant	393,736	339,744
Capital	11,719	3,233
Summer Student Employment	6,754	7,835
National Child Benefit Program	104,701	80,590
New Relationship Fund	73,000	87,415
SATF Training Program	5,000	5,000
Community Care	1,064,116	653,356
Health Programs	66,696	39,184
Health Canada Integrated Services	423,738	249,824
Aboriginal Healing and Wellness	90,714	50,690
CMHC Rental Housing	459,647	448,215
CMHC Housing Renovations	19,360	17,856
Casino Rama	610,496	704,920
Keniis Development Corporation	1,269,182	853,911
Land Management	242,042	140,103
Multi-Unit Housing	346,745	146,321
Flood Claim	56,594	-
New Gold IBA	110,432	69,075
GCT#3 Diabetes Initiative	9,000	9,170
Transmission Line Project	-	38,730
Youth Engagement & Planning	95,051	-
Grand Council Treaty #3 Programs	211,720	-
Mosquito Project	1,393	-
Hydro Project	20,640	-
SBCA Project	22,900	-
	<b>8,911,778</b>	<b>7,017,904</b>
<b>Annual deficit</b>	<b>\$ (115,730)</b>	<b>\$ (563,870)</b>

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**Anishinaabeg of Naongashiing First Nation**  
**Consolidated Statement of Changes in Accumulated Surplus**

For the year ended March 31	2020	2019
Accumulated surplus, beginning of year	\$ 11,395,118	\$ 11,958,988
Annual deficit	<u>(115,730)</u>	<u>(563,870)</u>
<b>Accumulated surplus, end of year</b>	<b>\$ 11,279,388</b>	<b>\$ 11,395,118</b>

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## Anishinaabeg of Naongashiing First Nation Consolidated Statement of Changes in Net Debt

For the year ended March 31	2020	2019
<b>Annual deficit</b>	<b>\$ (115,730)</b>	<b>\$ (563,870)</b>
Acquisition of tangible capital assets	(983,317)	(474,892)
Disposition of tangible capital assets	445,333	-
Amortization of tangible capital assets	807,962	770,584
	<hr/> <b>154,248</b>	<hr/> <b>(268,178)</b>
Use (acquisition) of inventories	9,025	(567)
<b>Net changes in net debt</b>	<b>163,273</b>	<b>(268,745)</b>
<b>Net debt, beginning of year</b>	<b>(3,068,520)</b>	<b>(2,799,775)</b>
<b>Net debt, end of year</b>	<b>\$ (2,905,247)</b>	<b>\$ (3,068,520)</b>

## Anishinaabeg of Naongashiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
<b>Cash flows from operating activities</b>		
Annual deficit	\$ (115,730)	\$ (563,870)
Item not affecting cash		
Amortization of tangible capital assets	<u>807,962</u>	<u>770,584</u>
	<u><u>692,232</u></u>	<u><u>206,714</u></u>
 Changes in non-cash working capital		
Accounts and loans receivable	53,839	612,523
Inventories	9,025	(567)
Accounts payable	14,265	(955,939)
Deferred revenue	<u>955,651</u>	<u>497,099</u>
	<u><u>1,032,780</u></u>	<u><u>153,116</u></u>
	<u><u>1,725,012</u></u>	<u><u>359,830</u></u>
 <b>Cash flows from capital activities</b>		
Disposal of capital assets	445,333	-
Purchase of capital assets	<u>(983,317)</u>	<u>(474,892)</u>
	<u><u>(537,984)</u></u>	<u><u>(474,892)</u></u>
 <b>Cash flows from investing activities</b>		
Purchase of investments	(6,060)	-
Disposal of investments	<u>-</u>	<u>601,385</u>
	<u><u>(6,060)</u></u>	<u><u>601,385</u></u>
 <b>Cash flows from financing activities</b>		
Advances of long-term debt	-	539,000
Repayment of long-term debt	<u>(391,082)</u>	<u>(328,647)</u>
	<u><u>(391,082)</u></u>	<u><u>210,353</u></u>
 <b>Net change in cash and cash equivalents</b>	<b>789,886</b>	<b>696,676</b>
 <b>Cash and cash equivalents, beginning of year</b>	<b><u>1,221,399</u></b>	<b><u>524,723</u></b>
 <b>Cash and cash equivalents, end of year</b>	<b><u>\$ 2,011,285</u></b>	<b><u>\$ 1,221,399</u></b>

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## Anishinaabeg of Naongashiing First Nation Summary of Significant Accounting Policies

March 31, 2020

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**Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, and include all Organizations, operations and activities that are:

- 1) accountable for the administration of their financial affairs and resources directly to the First Nation; and
- 2) owned or controlled by the First Nation.

This includes all aspects of Band operations including provision of social, educational, administration and operational services.

**Government Transfers**

Government transfers, which include legislative grants, are recognized as revenue in the consolidated 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. When transfer stipulations give rise to a liability, government transfers are recognized as deferred revenue and recognized as revenue when the stipulations are settled.

**Basis of Consolidation**

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all government Organizations which are owned or controlled by the First Nation. All interfund assets, liabilities, revenues and expenditures have been eliminated on consolidation.

The following government Organization owned or controlled by the First Nation has been consolidated:

Keniis Development Corporation

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## Anishinaabeg of Naongashiing First Nation Summary of Significant Accounting Policies

March 31, 2020

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**Cash and Cash  
Equivalents**

Management considers all highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Contributed tangible capital assets are recorded at fair value at the time of contribution, with a corresponding amount recorded as revenue. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the First Nation, forests, water, and other natural resources are not recognized as tangible capital assets.

**Amortization**

Amortization is calculated on the cost tangible capital assets on a straight-line basis over the following number of years:

Buildings	25 years
Roads, sewer and water	10 - 50 years
Vehicles and equipment	5 years
Computers	3 - 5 years

**Long-term Loans Receivable**

Loans are carried at the unpaid principal less allowances for doubtful loans.

**Allowance for Doubtful Loans**

The First Nation maintains specific allowances for doubtful loans that reduce the carrying value of loans identified as impaired to their estimated realizable amounts.

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## Anishinaabeg of Naongashiing First Nation Summary of Significant Accounting Policies

March 31, 2020

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**Portfolio Investments**

Other portfolio investments (where control does not exist) are accounted for following the cost method of accounting. Under this method, the investment is recorded at cost and earnings from the investment are recognized only to the extent received or receivable.

**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.

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 being performed is deferred and recognized when the fee is earned or service performed.

Rentals and other fees are recognized in the month that the related unit is rented or the fee for service is provided. An allowance is recorded based on the historical level of collection.

**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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements and could result in adjustments to estimated accruals/payables.

The estimates used in the preparation of these consolidated financial statements are the useful lives of property, plant and equipment and accrued liabilities.

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## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

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### 1. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Anishinaabeg of Naongashiing First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by Canada Deposit Insurance Corporation or as otherwise approved by Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Capital Improvement Fund. Cash and cash equivalents is comprised of the following:

	2020	2019
<b>Internally restricted</b>		
Reserves	<u>\$ 29,233</u>	<u>\$ 29,501</u>
<b>Unrestricted</b>		
Operating	<u>1,982,877</u>	<u>1,284,053</u>
Keniis Development Corporation	<u>(825)</u>	<u>(92,155)</u>
	<u><b>1,982,052</b></u>	<u><b>1,191,898</b></u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 2,011,285</u></b>	<b><u>\$ 1,221,399</u></b>

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### 2. Accounts and Loans Receivable

	2020	2019
Accounts receivable		
Advances to Band members	<u>\$ 1,325,706</u>	<u>\$ 1,270,556</u>
	<u>111,452</u>	<u>201,426</u>
	<u><b>1,437,158</b></u>	<u><b>1,471,982</b></u>
Allowance for doubtful accounts	<u>(602,612)</u>	<u>(583,597)</u>
	<u><b>\$ 834,546</b></u>	<u><b>\$ 888,385</b></u>

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### 3. Portfolio Investments

	2020	2019
Miitigoog Limited Partnership	<u>\$ 10,333</u>	<u>\$ 10,333</u>
Marketable securities	<u>293,366</u>	<u>287,306</u>
	<u><b>\$ 303,699</b></u>	<u><b>\$ 297,639</b></u>

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Portfolio investments are valued at cost. The fair market value of the marketable securities at March 31, 2020, was \$275,664 (2019 - \$303,641). The securities are traded on an exchange.

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## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

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### 4. Long-term Debt

	2020	2019
CMHC mortgage with interest at 1.85%, repayable in monthly installments of \$4,002 principal and interest, maturing May 2020	\$ 604,483	\$ 640,970
CMHC mortgage with interest at 1.04%, repayable in monthly installments of \$3,217 principal and interest, maturing October 2020	200,224	236,543
CMHC mortgage with interest at 1.30%, repayable in monthly installments of \$1,885 principal and interest, maturing June 2022	256,023	275,175
CMHC mortgage with interest at 1.01%, repayable in monthly installments of \$2,154 principal and interest, maturing February 2021	378,132	400,041
CMHC mortgage with interest at 1.01%, repayable in monthly installments of \$2,872 principal and interest, maturing February 2021	506,632	535,820
CMHC mortgage with interest at 1.05%, repayable in monthly installments of \$2,638 principal and interest, maturing April 2020	573,128	598,620
Ford Credit loan with interest at 5.59%, repayable in monthly installments of \$1,173 principal and interest, maturing January 2022	24,468	36,796
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2023 or when litigation is settled, whichever comes first	173,652	173,652
RBC loan with interest at 3.49%, repayable in bi-weekly installments of \$365 principal and interest, maturing March 2021	8,964	17,975
RBC loan with interest at 3.49%, repayable in bi-weekly installments of \$354 principal and interest, maturing March 2021	8,964	17,975
Carried forward	<u>\$ 2,734,670</u>	<u>\$ 2,933,567</u>

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## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

**4. Long-term Debt (continued)**

	2020	2019
Carried forward	\$ 2,734,670	\$ 2,933,567
RBC demand loan with interest at 5.95%, repayable in annual installments of \$179,000 principal, interest payable monthly, maturing April 2021	360,000	539,000
Keniis Development Corporation mortgage payable to RBC at 4.65%, repayable in monthly installments of \$1,932 principal and interest, maturing November 2021	<u>208,430</u>	<u>221,615</u>
	<u><u>\$ 3,303,100</u></u>	<u><u>\$ 3,694,182</u></u>

Mortgages are secured by a first charge mortgage against rental properties and Ministerial Guarantees from Indigenous Services Canada.

Principal repayments required over the next five years and thereafter are as follows:

	Principal Repayments	Interest	Total
2021	\$ 507,900	\$ 48,558	\$ 556,458
2022	557,874	36,560	594,434
2023	239,657	26,286	265,943
2024	177,133	24,082	201,215
2025	179,346	21,869	201,215
Thereafter	<u>1,641,190</u>	<u>115,256</u>	<u>1,756,446</u>
	<u><u>\$ 3,303,100</u></u>	<u><u>\$ 272,611</u></u>	<u><u>\$ 3,575,711</u></u>

	2020	2019
Interest expense for the year on long-term debt	<u><u>\$ 78,885</u></u>	<u><u>\$ 82,791</u></u>

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## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

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### 5. Related Party Transactions

The First Nation owns 16.67% of Miitigoog Limited Partnership. During the fiscal year, the First Nation recorded \$NIL of revenue relating to referral fees from the Corporation.

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### 6. Deferred Revenue

	Balance March 31, 2019	Funding Received 2020	Revenue Recognized 2020	Balance March 31, 2020
FFTAHA	\$ 80,380	\$ 126,918	\$ 177,466	\$ 29,832
Weechi-It-Te-Win	250,976	1,104,864	1,274,912	80,928
ISC	431,762	4,101,485	2,895,908	1,637,339
Casino Rama	-	610,496	610,496	-
Health Canada	196,800	427,981	429,014	195,767
Ministry of Indigenous Affairs	28,297	28,297	56,594	-
	<b>\$ 988,215</b>	<b>\$ 6,400,041</b>	<b>\$ 5,444,390</b>	<b>\$ 1,943,866</b>

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### 7. Accumulated Surplus

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

	2020	2019
Investment in tangible capital assets		
Tangible capital assets	\$ 13,214,979	\$ 12,976,136
Debt relating to tangible capital assets	<u>(2,921,018)</u>	<u>(3,298,915)</u>
Total investment in tangible capital assets	10,293,961	9,677,221
Operations surplus	(158,722)	295,788
Reserve funds (Note 8)	383,917	354,795
Equity in enterprises	<u>760,232</u>	<u>1,067,314</u>
	<b>\$ 11,279,388</b>	<b>\$ 11,395,118</b>

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## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

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### 8. Replacement Reserve

	CMHC								
	18-187-047/ 001-2	9 Unit (2010) 19-446-541/001	6 Unit (2007) 19-446-541/002	8 Unit (2009) 19-446-541/003	5 Unit (2011) 19-446-541/004	4 Unit (2011) 19-446-541/005	4 Unit (2015) 19-466-541/006	Total	
Balance March 31, 2018	\$ -	\$ 110,242	\$ 51,300	\$ 63,566	\$ 40,244	\$ 35,403	\$ 15,360	\$ 316,115	
Allocation to reserve funds	3,500	7,650	6,000	9,600	6,175	4,940	5,120	42,985	
Expenditures	-	-	(1,523)	(2,047)	(735)	-	-	(4,305)	
Balance March 31, 2019	3,500	117,892	55,777	71,119	45,684	40,343	20,480	354,795	
Allocation to reserve funds	3,500	7,650	6,000	9,600	6,175	4,940	5,120	42,985	
Expenditures	(2,970)	-	(5,773)	(2,649)	(340)	(999)	(1,132)	(13,863)	
Balance March 31, 2020	\$ 4,030	\$ 125,542	\$ 56,004	\$ 78,070	\$ 51,519	\$ 44,284	\$ 24,468	\$ 383,917	

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$383,917. The amount held in a restricted bank account in relation to this reserve is \$28,416; therefore, the reserve is under funded by \$355,501 as of March 31, 2020.

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**Anishinaabeg of Naongashiing First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2020**

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**9. Tangible Capital Assets**

	<b>2020</b>						
	Land	Buildings	Vehicles and equipment	Computers	Roads, sewer and water	Assets under construction	Total
Cost, beginning of year	\$ 482,503	\$ 18,473,794	\$ 1,167,082	\$ 155,429	\$ 2,717,588	\$ -	\$ 22,996,396
Additions	- 711,849	249,465	-	-	22,003	983,317	
Disposals	(432,503)	-	(25,000)	-	-	-	(457,503)
Capitalized construction	-	-	-	-	-	-	-
Cost, end of year	50,000	19,185,643	1,391,547	155,429	2,717,588	22,003	23,522,210
Accumulated amortization, beginning of year	- 6,950,827	745,785	84,781	794,343	-	8,575,736	
Amortization	- 592,351	130,134	16,791	68,686	-	807,962	
Disposals	- -	-	(12,170)	-	-	-	(12,170)
Accumulated amortization, end of year	- 7,543,178	863,749	101,572	863,029	-	9,371,528	
Net carrying amount, end of year	\$ 50,000	\$ 11,642,465	\$ 527,798	\$ 53,857	\$ 1,854,559	\$ 22,003	\$ 14,150,682

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**Anishinaabeg of Naongashiing First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2020**

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**9. Tangible Capital Assets (continued)**

							<b>2019</b>
	Land	Buildings	Vehicles and equipment	Computers	Roads, sewer and water	Assets under construction	Total
Cost, beginning of year	\$ 482,503	\$ 16,847,905	\$ 1,075,283	\$ 113,008	\$ 2,717,588	\$ 1,285,217	<b>\$22,521,504</b>
Additions	-	340,672	91,799	42,421	-	-	<b>474,892</b>
Disposals	-	-	-	-	-	-	-
Capitalized construction	-	1,285,217	-	-	-	(1,285,217)	-
Cost, end of year	482,503	18,473,794	1,167,082	155,429	2,717,588	-	<b>22,996,396</b>
Accumulated amortization, beginning of year	-	6,367,031	644,474	67,990	725,657	-	<b>7,805,152</b>
Amortization	-	583,796	101,311	16,791	68,686	-	<b>770,584</b>
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	6,950,827	745,785	84,781	794,343	-	<b>8,575,736</b>
Net carrying amount, end of year	<b>\$ 482,503</b>	<b>\$ 11,522,967</b>	<b>\$ 421,297</b>	<b>\$ 70,648</b>	<b>\$ 1,923,245</b>	<b>\$ -</b>	<b>\$ 14,420,660</b>

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**Anishinaabeg of Naongashiing First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2020**

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**10. Government Transfers**

	2020			2019		
	Operating	Capital	Total	Operating	Capital	Total
<b>Federal government transfers:</b>						
Indigenous Services Canada	\$ 2,895,908	\$ -	\$ 2,895,908	\$ 2,869,169	\$ -	\$ 2,869,169
Health Canada	429,014	-	429,014	408,594	-	408,594
Canada Mortgage and Housing Corporation	227,542	-	227,542	223,638	-	223,638
	<b>\$ 3,552,464</b>	<b>\$ -</b>	<b>\$ 3,552,464</b>	<b>\$ 3,501,401</b>	<b>\$ -</b>	<b>\$ 3,501,401</b>
<b>Provincial government transfers:</b>						
Ministry of Community and Social Services	\$ 242,398	\$ -	\$ 242,398	\$ 328,500	\$ -	\$ 328,500
Ministry of Indigenous Affairs	142,094	-	142,094	109,297	-	109,297
Other provincial transfers	-	-	-	38,730	-	38,730
	<b>\$ 384,492</b>	<b>\$ -</b>	<b>\$ 384,492</b>	<b>\$ 476,527</b>	<b>\$ -</b>	<b>\$ 476,527</b>

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## Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

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### 11. Indigenous Services Canada Funding Reconciliation

	2020	2019
ISC revenue per funding confirmation	\$ 4,092,167	\$ 2,812,000
Deferred revenue, beginning of year	431,762	178,435
Deferred revenue, end of year	(1,637,339)	(431,762)
Receipt of prior years' funding	<u>9,318</u>	<u>8,822</u>
ISC revenue per the consolidated statement of operations	<u>\$ 2,895,908</u>	<u>\$ 2,567,495</u>

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### 12. Federal Assistance Payments

The CMHC projects have received federal assistance through CMHC pursuant to Section 56.1 of the National Housing Act to enable the project to provide housing to low income individuals.

	2020	2019
Subsidy	\$ 205,782	\$ 205,782
Manager trainee	<u>21,760</u>	<u>17,856</u>
CMHC revenue per the consolidated statement of operations	<u>\$ 227,542</u>	<u>\$ 223,638</u>

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### 13. Expenses by Object

	2020	2019
Salaries, wages and employee benefits	\$ 2,328,564	\$ 2,001,136
Materials and supplies	4,282,658	3,095,743
Contracted services	680,032	558,116
Rent and financial expenses	231,443	197,214
Travel	646,707	476,527
Amortization	<u>742,374</u>	<u>689,168</u>
	<u>\$ 8,911,778</u>	<u>\$ 7,017,904</u>

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# Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

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## 14. Segmented Information

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

### **Education**

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

### **Operations and Maintenance**

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

### **Welfare**

This segment contains activities that provides financial support or support by other means to Band Members that is aimed at developing both the individual as well as the community.

### **Band Support**

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 governance activities of Chief and Council.

### **Capital**

This department is responsible for all capital asset activities occurring on the First Nation during the year, including housing construction and renovations.

### **Other Services**

The First Nation provides a wide array of other services, including youth employment projects, economic development, housing activities and others.

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 and 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 as disclosed in the summary of significant accounting policies.

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## **Anishinaabeg of Naongashiing First Nation Notes to Consolidated Financial Statements**

**March 31, 2020**

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### **15. Subsequent Events**

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impact of COVID-19 continues, there could be further impact on the First Nation and its funders. Management is actively monitoring the effects of the global pandemic on its financial condition, liquidity, operations, suppliers, industry and workforce. Management does not anticipate any declines in revenue as their primary source of funding is Indigenous Services Canada. Funding from these federal and provincial levels of government are expected to continue as normally scheduled. However, given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the First Nation is not able to fully estimate the effects of COVID-19 on its future results of operations, financial condition or liquidity at this time.

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### **16. Budgeted Information**

Section 1201, Financial Statement Presentation, of the CPA Canada Public Sector Accounting Board Handbook requires the disclosure of budgeted information. The First Nation has not prepared or approved consolidated budgets. As a result, the First Nation was unable to present budgeted information on the consolidated financial statements for the year ended March 31, 2020.

**Anishinaabeg of Naongashiing First Nation  
2020 Segment Disclosure**

March 31, 2020	Operations and Support						Other	Total
	Band	Maintenance	Education	Welfare	Capital			
<b>Revenue</b>								
ISC	\$ 294,849	\$ 188,727	\$ 1,180,746	\$ 60,813	\$ 230,281	\$ 940,492	\$ 2,895,908	
Canada	-	-	-	-	-	656,556	656,556	
Ontario	-	-	-	372,201	-	142,094	514,295	
Casino Rama	-	-	-	-	-	610,496	610,496	
Other Aboriginal Organizations	-	-	-	12,462	-	1,588,357	1,600,819	
Interest, rentals and other	96,708	8,470	-	-	-	2,412,796	2,517,974	
Administration	421,311	12,728	-	-	-	(434,039)	-	
Transfers	400,193	7,504	67,770	85,953	(218,562)	(342,858)	-	
	<b>1,213,061</b>	<b>217,429</b>	<b>1,248,516</b>	<b>531,429</b>	<b>11,719</b>	<b>5,573,894</b>	<b>8,796,048</b>	
<b>Expenses</b>								
Salaries, wages and benefits	516,113	90,477	73,586	136,279	3,740	1,508,369	2,328,564	
Materials, supplies and capital	484,821	125,207	319,026	364,767	7,979	2,980,858	4,282,658	
Contracted services	-	-	680,032	-	-	-	680,032	
Rent and financial expenses	92,415	1,745	-	5,202	-	132,081	231,443	
Travel	172,455	-	17,676	25,181	-	431,395	646,707	
Amortization	27,615	188,264	-	-	-	526,495	742,374	
	<b>1,293,419</b>	<b>405,693</b>	<b>1,090,320</b>	<b>531,429</b>	<b>11,719</b>	<b>5,579,198</b>	<b>8,911,778</b>	
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (80,358)</b>	<b>\$ (188,264)</b>	<b>\$ 158,196</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,304)</b>	<b>\$ (115,730)</b>	

**Anishinaabeg of Naongashiing First Nation  
2019 Segment Disclosure**

<b>March 31, 2019</b>	<b>Operations and Support</b>						<b>Total</b>
	<b>Band</b>	<b>Maintenance</b>	<b>Education</b>	<b>Welfare</b>	<b>Capital</b>	<b>Other</b>	
<b>Revenue</b>							
ISC	\$ 326,674	\$ 186,991	\$ 1,206,665	\$ 62,501	\$ 228,163	\$ 556,501	\$ 2,567,495
Canada	-	-	-	-	-	565,570	565,570
Ontario	-	-	-	433,889	-	81,000	514,889
Casino Rama	-	-	-	-	-	704,920	704,920
Other Aboriginal Organizations	-	-	-	12,462	-	832,303	844,765
Interest, rentals and other	121,215	8,943	26,115	-	-	1,100,122	1,256,395
Administration	149,450	-	-	-	-	(149,450)	-
Transfers	323,496	12,108	-	(39,477)	-	(296,127)	-
	920,835	208,042	1,232,780	469,375	228,163	3,394,839	6,454,034
<b>Expenses</b>							
Salaries, wages and benefits	579,707	103,170	120,303	96,997	-	1,100,959	2,001,136
Materials, supplies and capital	489,298	58,713	289,246	355,300	3,233	1,899,953	3,095,743
Contracted services	-	-	558,116	-	-	-	558,116
Rent and financial expenses	121,560	2,414	-	2,720	-	70,520	197,214
Travel	194,903	-	12,427	14,358	-	254,839	476,527
Amortization	25,845	166,574	-	-	-	496,749	689,168
	1,411,313	330,871	980,092	469,375	3,233	3,823,020	7,017,904
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (490,478)</b>	<b>\$ (122,829)</b>	<b>\$ 252,688</b>	<b>\$ -</b>	<b>\$ 224,930</b>	<b>\$ (428,181)</b>	<b>\$ (563,870)</b>