

**Nigigoonsiminikaaning First  
Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2014

**Nigigoonsiminikaaning First Nation**  
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For the year ended March 31, 2014

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## Nigigoonsiminikaaning First Nation Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of Nigigoonsiminikaaning First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of Nigigoonsiminikaaning First Nation.




The consolidated financial statements have been prepared by management in accordance with 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 Nigigoonsiminikaaning 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.

	Chief
	Councilor
	Councilor

## Independent Auditor's Report

### To the Members of Nigigoonsiminikaaning First Nation

We have audited the accompanying consolidated financial statements of Nigigoonsiminikaaning First Nation, as at March 31, 2014, which are comprised of the Consolidated Statement of Financial Position as at March 31, 2014, 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 a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the consolidated financial statements that are free from material misstatement whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the consolidated 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 consolidated 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 the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Nigigoonsiminikaaning First Nation as at March 31, 2014, and their financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Other Matters Paragraph

Nigigoonsiminikaaning First Nation has also prepared another set of financial statements for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards. However, these financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of Nigigoonsiminikaaning First Nation to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council of Nigigoonsiminikaaning First Nation and was dated July 31, 2014.



Chartered Accountants, Licensed Public Accountants  
Fort Frances, Ontario

July 31, 2014

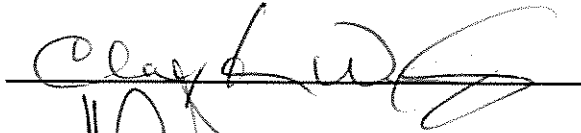
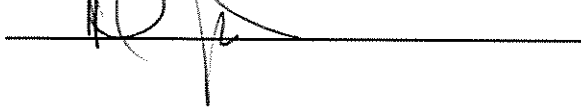
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# Nigigoonsiminikaaning First Nation Consolidated Statement of Financial Position

March 31	2014	2013
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 1,555,801	\$ 1,384,723
Accounts and loans receivable (Note 4)	478,409	717,091
Advances to affiliated Companies (Note 5)	607,447	713,857
Trust funds (Note 8)	205,695	190,458
Portfolio investments (Note 6)	525,659	268,207
Government business enterprises, at modified equity (Note 7)	-	20
	<u>3,373,011</u>	<u>3,274,356</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	914,809	1,020,715
Deferred revenue (Note 9)	1,710,967	1,520,574
Government business enterprises, at modified equity (Note 7)	21,261	-
Long-term debt (Note 10)	1,272,252	1,317,030
	<u>3,919,289</u>	<u>3,858,319</u>
<b>Net debt</b>	<u>(546,278)</u>	<u>(583,963)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 14)	8,310,969	8,626,605
Prepaid expense	41,023	33,911
	<u>8,351,992</u>	<u>8,660,516</u>
<b>Accumulated surplus (Note 13)</b>	<u>\$ 7,805,714</u>	<u>\$ 8,076,553</u>

## Commitments and Contingencies (Note 15)

Approved on behalf of Council:

Councilor

Councilor

# Nigigaonsiminikaaning First Nation

## Consolidated Statement of Operations

March 31	Budget	2014	2013
<b>Revenue</b>			
Aboriginal Affairs and Northern Development	\$ 201,232	\$ 201,232	\$ 182,399
AANDC - fixed contribution funding	1,290,969	1,212,369	1,114,364
AANDC - set contribution funding	747,523	757,452	924,451
Revenue - trust fund	-	8,439	3,589
Fort Frances Area Tribal Health Authority	33,769	84,930	87,304
Rental - housing/equipment	138,420	198,947	151,029
Ministry of Community and Social Services	-	229,388	198,428
Ministry of Aboriginal Affairs	176,658	176,658	130,000
CMHC	80,649	80,395	80,649
Miscellaneous	75,498	141,945	258,537
Shooniyaa Wa-Biitong	206,663	241,428	251,027
Health Canada	348,804	315,738	296,963
Casino Rama revenue	462,000	457,915	458,359
Weechi-it-te-win	414,502	575,689	423,650
Referral fees	-	12,500	147,352
	<b>4,176,687</b>	<b>4,695,025</b>	<b>4,708,101</b>
Deferred revenue, beginning of year	1,489,366	1,520,574	1,363,816
Deferred revenue, end of year (Note 9)	(1,489,366)	(1,710,967)	(1,520,574)
	<b>4,176,687</b>	<b>4,504,632</b>	<b>4,551,343</b>
<b>Expenses</b>			
Education	1,433,223	1,373,474	1,426,453
Band support	580,249	707,725	697,372
Operations and maintenance	243,272	251,182	271,029
Day care	291,097	299,729	259,077
Ontario Works	64,900	263,344	275,212
Governance	-	35,000	-
Water treatment plant	118,927	120,161	112,607
Health Canada	254,744	224,001	215,752
Summer student	41,413	22,802	22,188
Capital	376,500	29,225	33,970
Flood claim	94,658	96,658	82,277
Land claim	-	-	301,776
New relationship fund	80,000	79,952	130,300
Weechi-it-te-win programs	382,502	523,689	369,005
Other programs	255,962	256,195	119,120
CMHC	144,402	170,318	116,997
Casino Rama	55,000	312,124	105,533
Expensed transfers to reserves	73,017	-	-
	<b>4,489,866</b>	<b>4,765,579</b>	<b>4,538,668</b>
<b>Annual surplus (deficit)</b>	<b>\$ (313,179)</b>	<b>\$ (260,947)</b>	<b>\$ 12,675</b>

## Nigigoonsiminikaaning First Nation Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2014	2013
Accumulated surplus, beginning of year	\$ 8,076,553	\$ 8,048,435
Adjustment to First Nation position	(9,892)	15,443
Accumulated surplus, beginning of year	8,066,661	8,063,878
Annual surplus (deficit)	(260,947)	12,675
Accumulated surplus, end of year	\$ 7,805,714	\$ 8,076,553

## Nigigoonsiminikaaning First Nation Consolidated Statement of Changes in Net Debt

For the year ended March 31	Budget	2014	2013
Annual surplus (deficit)	\$ (313,179)	\$ (260,947)	\$ 12,675
Acquisition of tangible capital assets	-	(90,376)	(364,161)
Prior period adjustment (Note 2)	-	(9,892)	15,443
Amortization of tangible capital assets	406,012	406,012	376,034
	92,833	44,797	39,991
Use of prepaid expenses	-	(7,112)	298
Net changes in net debt	92,833	37,685	40,289
Net debt, beginning of year	(583,963)	(583,963)	(624,252)
Net debt, end of year	\$ (491,130)	\$ (546,278)	\$ (583,963)



# Nigigoonsiminikaaning First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2014	2013
<b>Cash flows from operating activities</b>		
Annual surplus (deficit)	\$ (260,947)	\$ 12,675
Items not affecting cash		
Amortization of tangible capital assets	406,012	376,034
Bad debt expense	93,944	52,507
Prior period adjustment (Note 2)	(9,892)	15,443
	<u>229,117</u>	<u>456,659</u>
 Changes in non-cash working capital		
Accounts and loans receivable	144,738	53,276
Prepaid expense	(7,112)	298
Accounts payable	(105,906)	(128,261)
Deferred revenue	190,393	156,758
Government business enterprises	21,281	-
Fort Frances Chiefs' Trust Fund	-	500
	<u>243,394</u>	<u>82,571</u>
	<u>472,511</u>	<u>539,230</u>
 <b>Cash flows from capital activities</b>		
Purchase of capital assets	(90,376)	(364,161)
 <b>Cash flows from investing activities</b>		
Advances to affiliated enterprises	106,410	63,703
Purchase of investments	(257,452)	(232,483)
Trust funds	(15,237)	(3,689)
	<u>(166,279)</u>	<u>(172,469)</u>
 <b>Cash flows from financing activities</b>		
Repayment of long-term debt	(44,778)	(43,796)
 <b>Net change in cash and cash equivalents</b>	<u>171,078</u>	<u>(41,196)</u>
 <b>Cash and cash equivalents, beginning of year</b>	<u>1,384,723</u>	<u>1,425,919</u>
 <b>Cash and cash equivalents, end of year</b>	<u>\$ 1,555,801</u>	<u>\$ 1,384,723</u>
 <b>Supplementary information</b>		
Interest received	\$ 25,358	\$ 20,450
Interest paid	\$ 28,240	\$ 29,220

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# **Nigigoonsiminikaaning First Nation**

## **Summary of Significant Accounting Policies**

**March 31, 2014**

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### **Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Canadian Institute of Chartered Accountants Public Sector Accounting and Auditing Handbook, 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, as well as, the results of First Nation enterprises on a modified equity method as disclosed in Note 7 to these consolidated financial statements.

Other long-term investments are reflected at cost as disclosed in Note 6.

Government business enterprises are separate legal entities which do not rely on the government for funding. The First Nation's government business enterprises consist of investments in Little Otter Economic Development Inc., Little Otter Energy Inc. and Little Otter Logging Inc. These investments are accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies follow International Financial Reporting Standards.

### **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.

### **Cash and Cash Equivalents**

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

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## Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2014

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<b>Tangible Capital Assets</b>	<p>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. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.</p> <p>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.</p>										
<b>Amortization</b>	<p>Amortization is calculated on the cost, net of contributions on a straight-line basis over the following number of years:</p> <table><tr><td>Buildings and housing</td><td>25 years</td></tr><tr><td>Roads</td><td>50 years</td></tr><tr><td>Vehicles</td><td>5 years</td></tr><tr><td>Other</td><td>3 - 5 years</td></tr><tr><td>Infrastructure</td><td>10 - 50 years</td></tr></table>	Buildings and housing	25 years	Roads	50 years	Vehicles	5 years	Other	3 - 5 years	Infrastructure	10 - 50 years
Buildings and housing	25 years										
Roads	50 years										
Vehicles	5 years										
Other	3 - 5 years										
Infrastructure	10 - 50 years										
<b>Program Surplus</b>	<p>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 prior year funding.</p>										
<b>Long-term Loans Receivable</b>	<p>Loans are carried at the unpaid principal less allowances for doubtful loans.</p>										
<b>Allowance for Doubtful Loans</b>	<p>The First Nation maintains specific allowances for doubtful loans that reduce the carrying value of loans identified as impaired to their estimated realizable amounts.</p>										
<b>Investments</b>	<p>The modified equity method of accounting is used to account for investments in the First Nation's business enterprises which the First Nation owns and controls. Under this method, the investment is initially recorded at cost and the carrying value is adjusted annually thereafter to include the First Nation's pro rata share of post acquisition earnings.</p> <p>Other 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.</p>										

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## Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2014

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Replacement Reserves	The replacement reserve accounts are funded by an annual allocation based on amounts specified in agreements with CMHC.
Revenue Recognition	<p>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.</p> <p>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.</p> <p>Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.</p>
Financial Instruments	The First Nation's financial instruments consist of cash in bank, accounts and loans receivable, long-term loans receivable, advances to affiliated Companies, investments, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise noted.
Trust Funds	Trust funds are held in trust by Aboriginal Affairs and Northern Development Canada (AANDC). Revenue on trust funds is recognized in accordance with terms of the related instrument.

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## Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2014

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### Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

### 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.

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

# Nigigoonsiminikaaning First Nation

## Notes to Consolidated Financial Statements

March 31, 2014

### 1. Change in Accounting Policy

Effective April 1, 2013, the First Nation adopted on a prospective basis the new accounting standard PS3410 Government Transfers from the Chartered Professional Accountants Canada Handbook.

Government transfers are recognized when authorized and eligibility criteria have been met unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished.

### 2. Prior Period Adjustment

In certain cases, deficits in programs are funded by outside parties. Funding received in the current year to cover past deficits totalled \$9,892.

In prior years, payables and clawbacks that were anticipated to be owing by the First Nation were accrued in the consolidated financial statements. These payables and clawbacks did not become due and therefore were brought back into surplus in 2013. The amount added to surplus in the prior year in relation to these payables and clawbacks equals \$15,443.

### 3. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Nigigoonsiminikaaning 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 the Canada Deposit Insurance Corporation or as otherwise approved by the 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:

	2014	2013
<b>Externally restricted</b>		
Unspent Casino Rama revenue	\$ 1,342,546	\$ 1,196,755
Capital improvements	368,421	292,611
	<u>1,710,967</u>	<u>1,489,366</u>
<b>Internally restricted</b>		
Reserves	95,275	81,675
Unspent fees	-	31,208
	<u>95,275</u>	<u>112,883</u>
<b>Unrestricted</b>		
Operating	<u>(250,441)</u>	<u>(217,526)</u>
<b>Total cash and cash equivalents</b>	<u>\$ 1,555,801</u>	<u>\$ 1,384,723</u>

# Nigigoonsiminikaaning First Nation

## Notes to Consolidated Financial Statements

March 31, 2014

### 4. Accounts and Loans Receivable

	2014	2013
Accounts receivable	\$ 654,237	\$ 851,990
Rental housing/satellite dish recovery	290,993	237,978
Loans receivable	40,640	40,640
Advances to band members	627	627
	<u>986,497</u>	<u>1,131,235</u>
Allowance for doubtful accounts	<u>508,088</u>	<u>414,144</u>
	<u>\$ 478,409</u>	<u>\$ 717,091</u>

### 5. Advances to Affiliated Companies

	Payment terms	Interest rate	2014	2013
Scenic River Mall Inc.	unspecified	unspecified	\$ 92,743	\$ 92,743
Rainy Lake Tribal Development Corporation	unspecified	unspecified	35,714	356,745
Nanicoast Ltd.	unspecified	unspecified	193,255	180,755
Little Otter Energy Ltd.	unspecified	unspecified	(10)	(10)
Little Otter Logging Ltd.	unspecified	unspecified	135,745	83,624
Little Otter Economic Development Corporation	unspecified	unspecified	150,000	-
			<u>\$ 607,447</u>	<u>\$ 713,857</u>

All amounts due from affiliated Companies are unsecured.

### 6. Portfolio Investments

	Percentage ownership	2014	2013
Rainy Lake Tribal Development Corporation (RLTDC) 16 2/3% RLTDC preference shares		\$ 35,714 489,835	\$ 35,714 232,483
Scenic River Mall Inc.	33 1/3%	10	10
Rainy Lake Tribal Resource Management Inc.	16 2/3%	100	-
		<u>\$ 525,659</u>	<u>\$ 268,207</u>

Portfolio investments are valued at cost.

# Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2014

## 7. Government Business Enterprises, at modified equity

### Little Otter Economic Development Inc.

Little Otter Economic Development Inc. is a Corporation that was created for the purpose of exploring economic activities that the First Nation can be involved in. This may include partnerships, joint ventures or creating business within the Corporation. The Corporation currently is in the exploratory stage at the end of the fiscal year.

### Other Entities

Other entities include Little Otter Energy Inc. and Little Otter Logging Inc.. Little Otter Energy Inc. was created to explore economic activity in the way of energy generation. This corporation is currently inactive. Little Otter Logging Inc. was created to manage the wood rights on the First Nation land. The corporation is active but has not had earnings in its history.

The condensed supplementary financial information is as follows:

			2014	2013
Financial position				
	Little Otter Economic Development	Other Entities	Total	Total
Current assets	\$ 150,010	\$ 20	\$ 150,030	\$ 20
Current liabilities	\$ 800	\$ -	\$ 800	\$ -
Long-term liabilities	170,491	-	170,491	-
	171,291	-	171,291	-
Share capital	10	20	30	20
Net equity (deficit), end of year	(21,291)	-	(21,291)	-
	(21,281)	20	(21,261)	20
	\$ 150,010	\$ 20	\$ 150,030	\$ 20
Results of operations			2014	2013
	Little Otter Economic Development	Other Entities	Total	Total
Revenues	\$ -	\$ 50,255	\$ 50,255	\$ -
Operating expenses	21,291	50,255	71,546	-
Net income (loss)	(21,291)	-	(21,291)	-
Net equity (deficit), beginning of year	-	-	-	-
Net equity (deficit), end of year	\$ (21,291)	\$ -	\$ (21,291)	\$ -



# Nigigoonsiminikaaning First Nation

## Notes to Consolidated Financial Statements

March 31, 2014

### 8. Trust Funds Held by Federal Government

	Balance March 31, 2013	Additions 2014	Withdrawals 2014	Balance March 31, 2014
Capital	\$ 153,773	\$ 15,237	\$ -	\$ 169,010
Revenue	36,685	-	-	36,685
	<u>\$ 190,458</u>	<u>\$ 15,237</u>	<u>\$ -</u>	<u>\$ 205,695</u>

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

### 9. Deferred Revenue

	Balance March 31, 2013	Funding Received 2014	Revenue Recognized 2014	Balance March 31, 2014
<b>Federal Government</b>				
Capital projects	\$ 292,611	\$ 170,411	\$ 94,601	\$ 368,421
<b>Other</b>				
Unearned fees	31,208	-	31,208	-
Casino Rama	1,196,755	457,915	312,124	1,342,546
	<u>1,227,963</u>	<u>457,915</u>	<u>343,332</u>	<u>1,342,546</u>
	<u>\$ 1,520,574</u>	<u>\$ 628,326</u>	<u>\$ 437,933</u>	<u>\$ 1,710,967</u>

#### Capital Projects

Aboriginal Affairs and Northern Development Canada advances the First Nation funding in relation to capital projects. This funding must be spent on capital projects within the boundaries of the First Nation.

#### Casino Rama

Ontario First Nations Limited Partnership advances the First Nation funds relating to community development, health, education, economic development and cultural development. The funds must be spent on expenditures that fall into these categories.

# Nigigoonsiminikaaning First Nation

## Notes to Consolidated Financial Statements

March 31, 2014

### 10. Long-term Debt

	2014	2013
<b>Secured debt</b>		
CMHC mortgage with interest at 2.67%, repayable in monthly instalments of \$3,424 principal and interest, maturing February 2015. Carrying value of the secured asset is \$1,022,594.	\$ 657,748	\$ 681,118
CMHC mortgage with interest at 2.76%, repayable in monthly instalments of \$1,717 principal and interest, maturing June 2015. Carrying value of the secured asset is \$396,831.	270,460	283,461
CMHC mortgage with interest at 1.4% repayable in monthly instalments of \$944 principal and interest, maturing February 2017. Carrying value of the secured asset is \$220,989.	175,436	183,843
<b>Unsecured debt</b>		
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2015 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2015.	168,608	168,608
	<b>\$ 1,272,252</b>	<b>\$ 1,317,030</b>

Mortgages are secured by a first charge mortgage against rental properties and Ministerial Guarantees from Indian and Northern Affairs Canada.

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

	Principal Repayments	Interest	Total
2015	\$ 45,696	\$ 27,321	\$ 73,017
2016	46,855	26,162	73,017
2017	48,043	24,975	73,018
2018	49,262	23,755	73,017
2019	50,512	22,506	73,018
Thereafter	1,031,884	188,833	1,220,717
	<b>\$ 1,272,252</b>	<b>\$ 313,552</b>	<b>\$ 1,585,804</b>

	2014	2013
Interest expense for the year on long-term debt	<b>\$ 28,240</b>	<b>\$ 29,220</b>

# Nigigoonsiminikaaning First Nation

## Notes to Consolidated Financial Statements

March 31, 2014

### 11. Related Party Transactions

The First Nation owns 100% of Little Otter Logging Ltd. During the fiscal year, the First Nation recorded \$47,000 of revenue relating to management fees from the Corporation.

The First Nation owns 16.67% of Rainy Lake Tribal Development Corporation. During the fiscal year, the First Nation recorded \$NIL of revenue relating to referral fees from the Corporation.

### 12. Replacement Reserve

	Medical Van	Community Service Van	10-Unit (1997) #22-164-198-1	10-Unit (2002) #22-164-198-2	10-Unit(2005/06) #22-164-198-3	Total
Balance March 31, 2012	\$ 3,858	\$ 4,996	\$ 18,069	\$ 15,477	\$ 25,675	\$ 68,075
Allocation to restricted funds	-	-	2,550	2,550	8,500	13,600
Balance March 31, 2013	3,858	4,996	20,619	18,027	34,175	81,675
Allocation to restricted funds	-	-	2,550	2,550	8,500	13,600
Balance March 31, 2014	\$ 3,858	\$ 4,996	\$ 23,169	\$ 20,577	\$ 42,675	\$ 95,275

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$72,821. The amount held in a restricted bank account in relation to this reserve is \$60,106; therefore, the reserve is under funded by \$12,715 as of March 31, 2014.

### 13. Accumulated Surplus

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

	2014	2013
Investment in tangible capital assets		
Tangible capital assets	\$ 8,310,969	\$ 8,626,605
Debt relating to tangible capital assets	(1,103,644)	(1,148,422)
Total investment in tangible capital assets	7,207,325	7,478,183
Operations	279,198	308,016
Equity in trusts	223,916	208,679
Replacement reserves	95,275	81,675
	<u>\$ 7,805,714</u>	<u>\$ 8,076,553</u>

**Nigigoonsiminikaaning First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2014

**14. Tangible Capital Assets**

	2014					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
	Total					
Cost, beginning of year	\$ 2,684,467	\$ 6,040,812	\$ 315,382	\$ 754,351	\$ 3,814,369	\$ 335,000
Additions	25,000	-	58,059	-	-	7,317
Disposals	-	-	(46,704)	-	-	-
Cost, end of year	2,709,467	6,040,812	326,737	754,351	3,814,369	342,317
Accumulated amortization, beginning of year	1,681,066	1,180,333	198,248	313,576	1,620,693	323,860
Amortization	91,004	116,857	48,951	15,087	121,509	12,604
Disposals	-	-	(46,704)	-	-	-
Accumulated amortization, end of year	1,772,070	1,297,190	200,495	328,663	1,742,202	336,464
Net carrying amount, end of year	\$ 937,397	\$ 4,743,622	\$ 126,242	\$ 425,688	\$ 2,072,167	\$ 5,853
						\$ 8,310,969

**Nigigoonsiminikaaning First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2014

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

	2013					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 2,684,467	\$ 5,966,069	\$ 289,795	\$ 754,351	\$ 3,550,538	\$ 335,000
Additions	-	74,743	25,587	-	263,831	-
Disposals	-	-	-	-	-	-
Cost, end of year	2,684,467	6,040,812	315,382	754,351	3,814,369	335,000
Accumulated amortization, beginning of year	1,591,062	1,063,476	151,912	298,489	1,528,537	308,266
Amortization	90,004	116,857	46,336	15,087	92,156	15,594
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	1,681,066	1,180,333	198,248	313,576	1,620,693	323,860
Net carrying amount, end of year	\$ 1,003,401	\$ 4,860,479	\$ 117,134	\$ 440,775	\$ 2,193,676	\$ 11,140
						\$ 8,626,605

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## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2014

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### 15. Commitments and Contingencies

Through Council Resolutions, the First Nation has guaranteed two loans for band members. The total amount of these guarantees is \$260,273 (2013 - \$272,699). In the opinion of management, the likelihood of the guarantees being exercised is low.

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### 16. Pension Plan

The First Nation has a defined contribution pension plan for full-time employees. The First Nation matches employee contributions at 5.5% of the employee salary. As a defined contribution pension plan, the First Nation has no further liability or obligation for future contributions to fund future benefits to plan members. Contributions made by the First Nation to the pension plan for 2014 were \$75,400.

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### 17. Credit Facility

The First Nation has a \$250,000 revolving line of credit with TD Canada Trust bearing interest at the bank's prime rate of 2.5% as at March 31, 2014.

At March 31, 2014, the First Nation had undrawn credit capacity under this facility of \$250,000.

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### 18. Economic Dependence

Nigigoonsiminikaaning First Nation receives a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

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### 19. 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. The amount of assistance received in 2014 was \$80,395 (2013 - \$80,649).

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### 20. Expenditure by Object

	2014	2013
Salaries, wages and employee benefits	\$ 1,799,957	\$ 1,618,786
Materials and supplies	1,056,048	732,900
Contracted services	962,552	1,231,108
Rents and financial expenses	262,659	207,219
Travel	278,350	372,622
Amortization	406,013	376,033
	<u>\$ 4,765,579</u>	<u>\$ 4,538,668</u>

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## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2014

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### 21. Budget Information

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated recovering deficits. In addition, the budget did not include amortization expense. As a result, the budget figures presented in the consolidated statement of operations represent the Financial Plan adopted by Council, with adjustments as follows:

	<u>2014</u>
Financial Plan (budget) by-law surplus for the year	\$ 1,496,000
Add:	
Transfers	86,200
Less:	
Deferred Revenue	(1,489,366)
Amortization	<u>(406,013)</u>
Budget surplus per statement of operations	<u>\$ (313,179)</u>

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### 22. Segmented Information

Nigigoonsiminikaaning 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.

#### Medical and Other Health Services

The community wellness department provides a diverse bundle of services directed towards the well-being of members including such activities as long-term care, medical transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

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## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2014

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### 22. Segmented Information (continued)

#### **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 in 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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### 23. Comparative Figures

The comparative amounts presented in the consolidated financial statements have been restated to conform to the current year's presentation.



# Nigigoosiminikaaning First Nation 2014 Segment Disclosure

March 31, 2014	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
AANDC	\$ 284,532	\$ 66,376	\$1,401,000	\$ -	\$ 170,411	\$ 248,734	\$ 2,171,053
Canada	-	-	-	256,443	-	174,455	430,898
Ontario	-	-	-	-	-	406,046	406,046
Casino Rama	-	-	-	-	-	501,469	501,469
Trust income	8,439	-	-	-	-	-	8,439
Other Aboriginal organizations	-	-	-	94,549	-	713,130	807,679
Interest, rentals and other	85,655	42,252	-	-	-	229,034	356,941
Referral fees	12,500	-	-	-	-	-	12,500
Administration	172,841	-	-	(42,861)	-	(129,980)	-
Transfers	-	-	(22,050)	(4,682)	-	26,732	-
	563,967	108,628	1,378,950	303,449	170,411	2,169,620	4,695,025
Deferred revenue, beginning of year	15,937	-	-	-	292,611	1,212,026	1,520,574
Deferred revenue, end of year	-	-	-	-	(368,421)	(1,342,546)	(1,710,967)
	579,904	108,628	1,378,950	303,449	94,601	2,039,100	4,504,632
<b>Expenditures</b>							
Salaries, wages and benefits	198,986	20,622	429,265	211,658	-	939,426	1,799,957
Materials, supplies and capital	149,513	89,617	47,712	68,833	29,225	671,432	1,056,332
Contracted services	-	-	746,420	14,143	-	201,989	962,552
Rents and financial expenses	210,434	-	-	1,400	-	50,540	262,374
Travel	49,890	47	117,855	7,415	-	103,144	278,351
Amortization	115,949	140,896	32,222	-	-	116,946	406,013
	724,772	251,182	1,373,474	303,449	29,225	2,083,477	4,765,579
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (144,868)</b>	<b>\$ (142,554)</b>	<b>\$ 5,476</b>	<b>\$ -</b>	<b>\$ 65,376</b>	<b>\$ (44,377)</b>	<b>\$ (260,947)</b>

# Nigigoonsiminikaaning First Nation 2013 Segment Disclosure

March 31, 2013	Band Support	Operations Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
AANDC	\$ 300,799	\$ 65,989	\$ 1,451,685	\$ -	\$ 216,714	\$ 186,027	\$ 2,221,214
Canada	-	-	-	245,654	-	131,958	377,612
Ontario	-	-	-	-	-	328,428	328,428
Casino Rama	-	-	-	-	-	458,359	458,359
Trust income	3,589	-	-	-	-	-	3,589
Other Aboriginal organizations	44,364	-	-	84,804	-	687,665	816,833
Interest, rentals and other	183,672	37,455	-	-	-	133,587	354,714
Administration	195,272	-	-	(40,814)	-	(154,458)	-
Referral fees	147,352	-	-	-	-	-	147,352
Transfers	-	33,374	(75,000)	(5,082)	-	46,708	-
	875,048	136,818	1,376,685	284,562	216,714	1,818,274	4,708,101
Deferred revenue, beginning of year	-	-	-	-	448,441	915,375	1,363,816
Deferred revenue, end of year	(15,937)	-	-	-	(292,611)	(1,212,026)	(1,520,574)
	859,111	136,818	1,376,685	284,562	372,544	1,521,623	4,551,343
<b>Expenditures</b>							
Salaries, wages and benefits	168,821	51,807	372,104	213,809	-	812,245	1,618,786
Materials, supplies and capital	133,723	88,923	52,519	58,677	33,970	365,088	732,900
Contracted services	-	-	799,591	10,823	-	420,694	1,231,108
Rents and financial expenses	159,674	-	-	1,400	-	46,145	207,219
Travel	110,506	3,478	145,017	11,291	-	102,330	372,622
Amortization	125,048	126,821	32,222	4,350	-	87,592	376,033
	697,772	271,029	1,401,453	300,350	33,970	1,834,094	4,538,668
<b>Excess (deficiency) of revenue over expenditures</b>	\$ 161,339	\$ (134,211)	\$ (24,768)	\$ (15,788)	\$ 338,574	\$ (312,471)	\$ 12,675