

**Nigigoonsiminikaaning First
Nation
Consolidated Financial Statements
For the year ended March 31, 2015**

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Consolidated Financial Statements
For the year ended March 31, 2015

	Contents
Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3
Consolidated Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Accumulated Surplus	6
Consolidated Statement of Changes in Net Assets (Debt)	7
Consolidated Statement of Cash Flows	8
Summary of Significant Accounting Policies	9
Notes to Consolidated Financial Statements	13
2015 Segment Disclosure	25
2014 Segment Disclosure	26
Review Engagement Report	27
Schedule of Salary, Honoraria and Travel for Elected Officials	28

Nigigoonsiminikaaning First Nation Management's Responsibility for Financial Reporting

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



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Fort Frances ON P9A 1H1 Canada

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, 2015, which are comprised of the Consolidated Statement of Financial Position as at March 31, 2015, 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, 2015, 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, 2015 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 28, 2015.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario



BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Nigigoonsiminikaaning First Nation Consolidated Statement of Financial Position

March 31	2015	2014
Financial assets		
Cash and cash equivalents (Note 2)	\$ 1,007,791	\$ 1,555,801
Accounts and loans receivable (Note 3)	417,326	478,409
Government business enterprises, at modified equity (Note 7)	152,460	114,474
Advances to affiliated Companies (Note 4)	327,712	471,712
Trust funds (Note 8)	323,344	205,695
Portfolio investments (Note 5)	2,530,827	525,659
Government business partnerships, at modified equity (Note 6)	1,325,879	-
	<u>6,085,339</u>	<u>3,351,750</u>
Liabilities		
Accounts payable and accrued liabilities	1,018,161	914,809
Deferred revenue (Note 9)	1,544,671	1,710,967
Long-term debt (Note 10)	1,225,203	1,272,252
	<u>3,788,035</u>	<u>3,898,028</u>
Net assets (debt)	<u>2,297,304</u>	<u>(546,278)</u>
Non-financial assets		
Tangible capital assets (Note 14)	8,096,784	8,310,969
Prepaid expense	63,412	41,023
Tangible capital assets under construction	285,032	-
	<u>8,445,228</u>	<u>8,351,992</u>
Accumulated surplus (Note 13)	<u>\$ 10,742,532</u>	<u>\$ 7,805,714</u>

Commitments and Contingencies (Note 15)

Approved on behalf of Council:

 _____	Councilor
 _____	Councilor

Nigigoonsiminikaaning First Nation Consolidated Statement of Operations

March 31	Budget	2015	2014
	(Note 21)		
Revenue			
Aboriginal Affairs and Northern Development	\$ 302,038	\$ 302,038	\$ 201,232
AANDC - fixed contribution funding	1,101,751	1,080,295	1,212,369
AANDC - set contribution funding	647,427	898,869	757,452
Revenue - trust fund	-	5,922	8,439
Fort Frances Area Tribal Health Authority	90,395	90,395	84,930
Rental - housing/equipment	143,670	315,910	126,203
Ministry of Community and Social Services	-	293,816	229,388
Ministry of Aboriginal Affairs	90,000	182,077	176,658
CMHC	80,286	79,472	80,395
Miscellaneous	216,593	155,098	141,945
Shooniyaa Wa-Biitong	223,911	247,923	241,428
Health Canada	252,623	589,871	315,738
Casino Rama revenue	453,144	489,916	457,915
Weechi-it-te-win	440,859	497,521	575,689
Economic development revenue	-	2,494,366	72,744
Referral fees	-	6,000	12,500
	4,042,697	7,729,489	4,695,025
Deferred revenue, beginning of year	1,710,967	1,710,967	1,520,574
Deferred revenue, end of year (Note 9)	(1,710,967)	(1,544,671)	(1,710,967)
	4,042,697	7,895,785	4,504,632
Expenses			
Education	1,378,618	1,419,641	1,373,474
Band support	752,800	877,350	707,725
Operations and maintenance	230,809	313,092	251,182
Day care	219,541	223,644	299,729
Ontario Works	61,800	346,987	263,344
Governance	-	-	35,000
Water treatment plant	113,069	124,846	120,161
Health Canada	178,254	211,501	224,001
Summer student	41,413	59,596	22,802
Capital	-	230,208	29,225
Flood claim	89,892	89,295	96,658
New relationship fund	130,505	90,782	79,952
Weechi-it-te-win programs	376,305	444,221	523,689
Other programs	123,548	314,530	256,195
CMHC	231,933	188,307	170,318
Casino Rama	55,000	24,967	312,124
	3,983,487	4,958,967	4,765,579
Annual surplus (deficit)	\$ 59,210	\$ 2,936,818	\$ (260,947)

Nigigoonsiminikaaning First Nation Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2015	2014
Accumulated surplus, beginning of year	\$ 7,805,714	\$ 8,076,553
Adjustment to First Nation position (Note 1)	-	(9,892)
Accumulated surplus, beginning of year	7,805,714	8,066,661
Annual surplus (deficit)	2,936,818	(260,947)
Accumulated surplus, end of year	\$ 10,742,532	\$ 7,805,714

Nigigoonsiminikaaning First Nation Consolidated Statement of Changes in Net Assets (Debt)

For the year ended March 31	Budget (Note 21)	2015	2014
Annual surplus (deficit)	\$ 59,210	\$ 2,936,818	\$ (260,947)
Acquisition of tangible capital assets	-	(488,975)	(90,376)
Prior period adjustment (Note 1)	-	-	(9,892)
Amortization of tangible capital assets	411,217	411,216	406,012
Proceeds in excess of gain on asset disposal	-	6,912	-
	470,427	2,865,971	44,797
Use of prepaid expenses	-	(22,389)	(7,112)
Net changes in net debt	470,427	2,843,582	37,685
Net assets (debt), beginning of year	(546,278)	(546,278)	(583,963)
Net assets (debt), end of year	\$ (75,851)	\$ 2,297,304	\$ (546,278)

Nigigoonsiminikaaning First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2015	2014
Cash flows from operating activities		
Annual surplus (deficit)	\$ 2,936,818	\$ (260,947)
Items not affecting cash		
Gain on disposal of tangible capital assets	(143,153)	-
Amortization of tangible capital assets	411,216	406,012
Bad debt expense	43,167	93,944
Prior period adjustment (Note 1)	-	(9,892)
	<u>3,248,048</u>	<u>229,117</u>
Changes in non-cash working capital		
Accounts and loans receivable	17,916	144,738
Prepaid expense	(22,389)	(7,112)
Accounts payable	103,353	(105,906)
Deferred revenue	(166,296)	190,393
Government business enterprises	(37,986)	21,281
	<u>(105,402)</u>	<u>243,394</u>
	<u>3,142,646</u>	<u>472,511</u>
Cash flows from capital activities		
Proceeds from disposal of tangible capital assets	150,064	-
Purchase of tangible capital assets	(488,975)	(90,376)
	<u>(338,911)</u>	<u>(90,376)</u>
Cash flows from investing activities		
Advances to affiliated enterprises	144,000	106,410
Purchase of investments	(3,331,047)	(257,452)
Trust funds	(117,649)	(15,237)
	<u>(3,304,696)</u>	<u>(166,279)</u>
Cash flows from financing activities		
Repayment of long-term debt	(47,049)	(44,778)
Net change in cash and cash equivalents	<u>(548,010)</u>	<u>171,078</u>
Cash and cash equivalents, beginning of year	<u>1,555,801</u>	<u>1,384,723</u>
Cash and cash equivalents, end of year	<u>\$ 1,007,791</u>	<u>\$ 1,555,801</u>
Supplementary information		
Interest received	\$ 25,602	\$ 25,358
Interest paid	\$ 25,506	\$ 28,240

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these consolidated financial statements.

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2015

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 6 and 7 to these consolidated financial statements.

Other long-term investments are reflected at cost as disclosed in Note 5.

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.

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2015

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. 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, net of contributions on a straight-line basis over the following number of years:

Buildings and housing	25 years
Roads	50 years
Vehicles	5 years
Other	3 - 5 years
Infrastructure	10 - 50 years

Program Surplus

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.

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.

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2015

Investments

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. The First Nation's investments in Government Business Partnerships are also recorded using the modified equity method.

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.

Replacement Reserves

The replacement reserve accounts are funded by an annual allocation based on amounts specified in agreements with CMHC.

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

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.

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2015

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, 2015

1. Prior Period Adjustment

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

2. 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:

	2015	2014
Externally restricted		
Unspent Casino Rama revenue	\$ 1,117,121	\$ 1,342,546
Restricted by funding agreements	427,550	368,421
	<u>1,544,671</u>	<u>1,710,967</u>
Internally restricted		
Reserves	<u>102,805</u>	<u>95,275</u>
Unrestricted		
Operating	<u>(639,685)</u>	<u>(250,441)</u>
Total cash and cash equivalents	<u>\$ 1,007,791</u>	<u>\$ 1,555,801</u>

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2015

3. Accounts and Loans Receivable

	2015	2014
Accounts receivable	\$ 541,711	\$ 654,237
Rental housing/satellite dish recovery	350,728	290,993
Loans receivable	-	40,640
Advances to band members	-	627
	<u>892,439</u>	<u>986,497</u>
Allowance for doubtful accounts	475,113	508,088
	<u>\$ 417,326</u>	<u>\$ 478,409</u>

4. Advances to Affiliated Companies

	Payment terms	Interest rate	2015	2014
Scenic River Mall Inc.	unspecified	unspecified	\$ 92,743	\$ 92,743
Rainy Lake Tribal Development Corporation	unspecified	unspecified	35,714	35,714
Nanicoast Ltd.	unspecified	unspecified	199,255	193,255
Little Otter Economic Development Corporation	unspecified	unspecified	-	150,000
			<u>\$ 327,712</u>	<u>\$ 471,712</u>

All amounts due from affiliated Companies are unsecured.

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2015

5. Portfolio Investments

	Percentage ownership	2015	2014
Rainy Lake Tribal Development Corporation (RLTDC) 16 2/3%	\$	35,714	\$ 35,714
RLTDC preference shares		489,835	489,835
Scenic River Mall Inc.	33 1/3%	10	10
Rainy Lake Tribal Resource Management Inc.	16 2/3%	100	100
Securities		2,005,168	-
		<u>\$ 2,530,827</u>	<u>\$ 525,659</u>

Portfolio investments are valued at cost. Fair market value of securities as of March 31, 2015 is \$1,998,877.

6. Government Business Partnerships, at modified equity

	Percentage ownership	2015	2014
Dallan Investment	33 1/3%	\$ 1,122,025	\$ -
Dallan Fort William Investment	33 1/3%	203,854	-
		<u>\$ 1,325,879</u>	<u>\$ -</u>

Dallan Investment

Dallan Investment is a government business partnership that was created for the purpose of economic development. This partnership is consolidated using the modified equity method.

Dallan Fort William Investment

Dallan Fort William Investment is a government business partnership that was created for the purpose of economic development. This partnership is consolidated using the modified equity method.

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2015

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:

			2015	2014
Financial position				
	Little Otter Economic Development	Other Entities	Total	Total
Current assets	\$ 10	\$ 20	\$ 30	\$ 150,030
Loan receivable	-	173,731	173,731	135,745
	\$ 10	\$ 173,751	\$ 173,761	\$ 285,775
Current liabilities	\$ 800	\$ 10	\$ 810	\$ 810
Long-term liabilities	20,491	-	20,491	170,491
	21,291	10	21,301	171,301
Share capital	10	20	30	30
Net equity (deficit), end of year	(21,291)	173,721	152,430	114,444
	(21,281)	173,741	152,460	114,474
	\$ 10	\$ 173,751	\$ 173,761	\$ 285,775
Results of operations			2015	2014
	Little Otter Economic Development	Other Entities	Total	Total
Revenues	\$ -	\$ 69,531	\$ 69,531	\$ 50,255
Operating expenses	-	31,545	31,545	71,546
Net income (loss)	-	37,986	37,986	(21,291)
Net equity (deficit), beginning of year	(21,291)	135,765	114,474	135,765
Net equity (deficit), end of year	\$ (21,291)	\$ 173,751	\$ 152,460	\$ 114,474

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2015

8. Trust Funds Investments Held

	Balance March 31, 2014	Additions 2015	Withdrawals 2015	Balance March 31, 2015
Capital	\$ 169,010	\$ 5,874	\$ -	\$ 174,884
Revenue	36,685	-	-	36,685
Rainy River District First Nations Trust	-	111,775	-	111,775
	<u>\$ 205,695</u>	<u>\$ 117,649</u>	<u>\$ -</u>	<u>\$ 323,344</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.

The funds held in the Rainy River District First Nation Trust are controlled by the First Nation and arose from the signing of a resource sharing agreement.

9. Deferred Revenue

	Balance March 31, 2014	Funding Received 2015	Revenue Recognized 2015	Balance March 31, 2015
Federal Government				
Capital projects	\$ 368,421	\$ 184,814	\$ 257,055	\$ 296,180
Other				
Training funds	-	131,370	-	131,370
Casino Rama	1,342,546	467,593	693,018	1,117,121
	<u>1,342,546</u>	<u>598,963</u>	<u>693,018</u>	<u>1,248,491</u>
	<u>\$ 1,710,967</u>	<u>\$ 783,777</u>	<u>\$ 950,073</u>	<u>\$ 1,544,671</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.

Training Funds

Rainy River District First Nation Trust advanced the First Nation funding in relation to certain training initiatives. This funding must be spent on specific training programs.

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, 2015

10. Long-term Debt

	2015	2014
Secured debt		
CMHC mortgage with interest at 1.12%, repayable in monthly instalments of \$2,962 principal and interest, maturing February 2020. Carrying value of the secured asset is \$972,613.	\$ 632,636	\$ 657,748
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 \$206,517.	257,067	270,460
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 \$376,608.	166,892	175,436
Unsecured debt		
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2020 or when litigation is settled, whichever comes first.	168,608	168,608
	\$ 1,225,203	\$ 1,272,252

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

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

	Principal Repayments	Interest	Total
2016	\$ 50,973	\$ 16,508	\$ 67,481
2017	51,821	15,660	67,481
2018	52,686	14,795	67,481
2019	53,567	13,913	67,480
2020	54,467	13,014	67,481
Thereafter	961,689	81,544	1,043,233
	\$ 1,225,203	\$ 155,434	\$ 1,380,637

	2015	2014
Interest expense for the year on long-term debt	\$ 25,506	\$ 28,240

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2015

11. Related Party Transactions

The First Nation owns 100% of Little Otter Logging Ltd. During the fiscal year, the First Nation recorded \$70,204 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 (2003/06) #22-164-198-3	Total
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
Allocation to restricted funds	1,730	-	2,550	2,550	8,500	15,330
Allocation from restricted funds	-	-	-	-	(7,800)	(7,800)
Balance March 31, 2015	\$ 5,588	\$ 4,996	\$ 25,719	\$ 23,127	\$ 43,375	\$ 102,805

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$78,622. The amount held in a restricted bank account in relation to this reserve is \$102,269; therefore, the reserve is over funded by \$23,647 as of March 31, 2015.

13. Accumulated Surplus

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

	2015	2014
Investment in tangible capital assets		
Tangible capital assets	\$ 8,096,784	\$ 8,310,969
Tangible capital assets under construction	285,032	-
Debt relating to tangible capital assets	(1,056,595)	(1,103,644)
Total investment in tangible capital assets	7,325,221	7,207,325
Operations	3,084,049	279,198
Equity in trusts	230,457	223,916
Replacement reserves	102,805	95,275
	<u>\$ 10,742,532</u>	<u>\$ 7,805,714</u>

Nigigoonsiminkaanning First Nation Notes to Consolidated Financial Statements

March 31, 2015

14. Tangible Capital Assets

	2015					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 2,709,467	\$ 6,040,812	\$ 326,737	\$ 754,351	\$ 3,814,369	\$ 342,317
Additions	-	-	33,943	-	170,000	-
Disposals	(189,788)	-	-	-	(86,400)	-
Cost, end of year	2,519,679	6,040,812	360,680	754,351	3,897,969	342,317
Accumulated amortization, beginning of year	1,772,070	1,297,190	200,495	328,663	1,742,202	336,464
Amortization	81,991	123,667	55,739	15,087	133,269	1,463
Disposals	(189,788)	-	-	-	(79,488)	-
Accumulated amortization, end of year	1,664,273	1,420,857	256,234	343,750	1,795,983	337,927
Net carrying amount, end of year	\$ 855,406	\$ 4,619,955	\$ 104,446	\$ 410,601	\$ 2,101,986	\$ 4,390
						\$ 8,096,784

The net book value of tangible capital assets not being amortized because they are under construction is \$285,032 (2014 - \$NIL). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position. This relates to the new band office project.

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

March 31, 2015

14. Tangible Capital Assets (continued)

	2014					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
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, 2015

15. Commitments and Contingencies

Through Council Resolutions, the First Nation has guaranteed two loans for band members. The total amount of these guarantees is \$243,810 (2014 - \$260,273). In the opinion of management, the likelihood of the guarantees being exercised is low.

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 2015 were \$100,587.

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, 2015.

At March 31, 2015, the First Nation had undrawn credit capacity under this facility of \$250,000.

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.

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 2015 was \$95,472 (2014 - \$80,395).

20. Expenditure by Object

	2015	2014
Salaries, wages and employee benefits	\$ 2,028,201	\$ 1,799,957
Materials and supplies	956,923	1,056,332
Contracted services	1,095,030	962,552
Rents and financial expenses	205,664	262,374
Travel	261,932	278,351
Amortization	411,217	406,013
	<u>\$ 4,958,967</u>	<u>\$ 4,765,579</u>

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2015

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>2015</u>
Financial Plan (budget) by-law surplus for the year	\$ 2,312,870
Add:	
Transfers	(131,476)
Less:	
Deferred Revenue	(1,710,967)
Amortization	<u>(411,217)</u>
Budget deficit per consolidated statement of operations	<u>\$ 59,210</u>

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.

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2015

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.

23. Comparative Figures

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

Nigigoonsiminikaaning First Nation 2015 Segment Disclosure

March 31, 2015	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
AANDC	\$ 268,448	\$ 61,826	\$ 1,426,815	\$ -	\$ 168,814	\$ 355,299	\$ 2,281,202
Canada	-	-	-	275,369	293,834	100,140	669,343
Ontario	-	-	-	-	-	475,893	475,893
Casino Rama	22,323	-	-	-	-	467,593	489,916
Trust income	5,922	-	-	-	-	-	5,922
Other Aboriginal organizations	12,453	28,807	-	90,645	-	706,684	838,589
Interest, rentals and other	106,651	49,257	-	-	159,153	153,197	468,258
Referral fees	6,000	-	-	-	-	-	6,000
Administration	280,731	-	-	(44,047)	-	(236,684)	-
Transfers	-	27,625	(44,318)	(6,412)	-	23,105	-
Economic development revenue	-	-	-	-	-	2,494,366	2,494,366
Deferred revenue, beginning of year	702,528	167,515	1,382,497	315,555	621,801	4,539,593	7,729,489
Deferred revenue, end of year	-	-	-	-	368,421	1,342,546	1,710,967
	-	-	-	-	(296,180)	(1,248,491)	(1,544,671)
Expenditures	702,528	167,515	1,382,497	315,555	694,042	4,633,648	7,895,785
Salaries, wages and benefits	364,145	75,648	387,548	175,161	17,833	1,007,866	2,028,201
Materials, supplies and capital	187,538	101,685	48,808	83,948	221,177	313,767	956,923
Contracted services	-	-	839,920	17,204	-	237,906	1,095,030
Rents and financial expenses	155,958	-	-	1,400	-	48,306	205,664
Travel	70,574	776	111,143	12,222	-	67,217	261,932
Amortization	116,182	134,983	32,222	6,789	-	121,041	411,217
	894,397	313,092	1,419,641	296,724	239,010	1,796,103	4,958,967
Excess (deficiency) of revenue over expenditures	\$ (191,869)	\$ (145,577)	\$ (37,144)	\$ 18,831	\$ 455,032	\$ 2,837,545	\$ 2,936,818

Nigigoonsiminikaaning First Nation 2014 Segment Disclosure

March 31, 2014	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
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
Administration	172,841	-	-	(42,861)	-	(129,980)	-
Referral fees	12,500	-	-	-	-	-	12,500
Transfers	-	-	(22,050)	(4,682)	-	26,732	-
Deferred revenue, beginning of year	563,967	108,628	1,378,950	303,449	170,411	2,169,620	4,695,025
Deferred revenue, end of year	15,937	-	-	-	292,611	1,212,026	1,520,574
	-	-	-	-	(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
Expenditures							
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
Excess (deficiency) of revenue over expenditures	\$ (144,868)	\$ (142,554)	\$ 5,476	\$ -	\$ 65,376	\$ (44,377)	\$ (260,947)