

**Nigigoonsiminikaaning First  
Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2018

**Nigigoonsiminikaaning First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2018

	<b>Contents</b>
<b>Management's Responsibility for Financial Reporting</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3</b>
<b>Consolidated Financial Statements</b>	
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	7
Consolidated Statement of Cash Flows	8
Summary of Significant Accounting Policies	9
Notes to Consolidated Financial Statements	13
2018 Segment Disclosure	28
2017 Segment Disclosure	29
<b>Review Engagement Report</b>	<b>30</b>
Schedule of Salary, Honoraria and Travel for Elected Officials	31

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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.

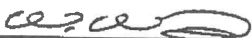
The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has 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.

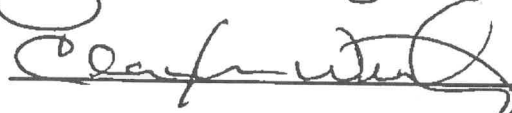
The Nigigoonsiminikaaning First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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



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BDO Canada LLP  
607 Portage Avenue  
Fort Frances ON P9A 0A7 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, 2018, which are comprised of the Consolidated Statement of Financial Position as at March 31, 2018, and the Consolidated Statement of Operations, the Consolidated Statement of Changes in Accumulated Surplus, the Consolidated Statement of Changes in Net Assets 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, 2018, and their financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Other Matters Paragraph

Nigigoonsiminikaaning has also prepared another set of consolidated Consolidated Financial Statements for the year ended March 31, 2018 in accordance with Canadian public sector accounting standards. However, these consolidated Consolidated Financial Statements do not include unaudited supplementary schedules. Our audit report on the other set of consolidated Consolidated Financial Statements was issued to the members of Nigigoonsiminikaaning First Nation and was dated July 27, 2018.

**BDO CANADA LLP**

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario

July 27, 2018




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	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents (Note 1)	\$ 889,123	\$ 1,334,124
Accounts and loans receivable (Note 2)	3,989,643	2,524,355
Advances to affiliated Companies (Note 3)	117,463	153,391
Trust funds (Note 7)	359,217	316,356
Portfolio investments (Note 4)	4,842,701	2,744,781
Government business enterprises and partnerships (Note 5)	2,242,096	1,970,728
	<u>12,440,243</u>	<u>9,043,735</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	2,196,720	2,172,125
Deferred revenue (Note 8)	1,750,139	1,664,138
Long-term debt (Note 9)	2,226,780	2,542,601
	<u>6,173,639</u>	<u>6,378,864</u>
<b>Net assets</b>	<u>6,266,604</u>	<u>2,664,871</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 12)	13,928,120	13,598,525
Prepaid expense	129,040	127,139
Tangible capital assets under construction	3,318,391	213,037
	<u>17,375,551</u>	<u>13,938,701</u>
<b>Accumulated surplus (Note 11)</b>	<u>\$ 23,642,155</u>	<u>\$ 16,603,572</u>

### Commitments and Contingencies (Note 13)

Approved on behalf of Council:

 _____	Chief
 _____	Councilor
 _____	Councilor

## Nigigoonsiminikaaning First Nation Consolidated Statement of Operations

March 31	Budget	2018	2017
	(Note 20)		
<b>Revenue</b>			
ISC (Note 14)	\$ 3,498,971	\$ 3,838,068	\$ 2,512,084
Revenue - trust fund	-	11,759	10,929
Fort Frances Area Tribal Health Authority	93,652	129,180	103,377
Rental - housing/equipment	135,770	199,168	155,331
Ministry of Community and Social Services	231,600	269,772	290,778
Ministry of Aboriginal Affairs	180,000	174,822	240,192
CMHC	92,031	221,619	182,310
Miscellaneous	1,517,401	845,043	496,560
NOHFC	-	727,500	809,145
Shooniyaa Wa-Biitong	226,663	278,886	346,283
Health Canada	766,558	2,720,570	2,581,873
OFNLP revenue	616,754	919,956	1,141,313
Weechi-it-te-win	507,521	711,876	551,766
Economic development revenue	-	987,190	957,774
Hydro One	-	2,414,913	-
	<b>7,866,921</b>	<b>14,450,322</b>	<b>10,379,715</b>
<b>Expenses</b>			
Education	1,475,042	1,396,581	1,569,276
Band support	923,078	1,135,899	864,110
Operations and maintenance	130,322	182,494	157,605
Economic Development	-	178,047	207,351
Day Care	405,813	498,062	472,437
Ontario Works	262,242	302,628	280,220
Water treatment plant	1,599,079	115,048	131,582
Health Canada	326,573	568,651	533,021
Summer student	21,848	13,427	55,190
Capital	1,169,132	564,621	557,821
Flood claim	-	134,182	116,991
New Relationship Fund	90,000	81,818	81,821
Weechi-it-te-win programs	416,290	755,591	465,311
Other programs	240,805	245,826	148,931
CMHC	88,014	204,060	65,191
OFNLP	1,019,706	214,898	355,354
Amortization	-	819,906	672,227
	<b>8,167,944</b>	<b>7,411,739</b>	<b>6,734,439</b>
<b>Annual surplus (deficit)</b>	<b>\$ (301,023)</b>	<b>\$ 7,038,583</b>	<b>\$ 3,645,276</b>

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

For the year ended March 31	2018	2017
Accumulated surplus, beginning of year	\$ 16,603,572	\$ 12,958,296
Annual surplus	<u>7,038,583</u>	<u>3,645,276</u>
Accumulated surplus, end of year	<u>\$ 23,642,155</u>	<u>\$ 16,603,572</u>

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

For the year ended March 31	Budget	2018	2017
	(Note 20)		
Annual surplus (deficit)	\$ (301,023)	\$ 7,038,583	\$ 3,645,276
Net acquisition of tangible capital assets	-	(4,254,854)	(2,649,338)
Amortization of tangible capital assets	-	819,905	672,227
Proceeds in excess of gain on asset disposal	-	-	28,318
	(301,023)	3,603,634	1,696,483
Use of prepaid expenses	-	(1,901)	(2,128)
Net changes in net assets (debt)	(301,023)	3,601,733	1,694,355
Net assets, beginning of year	2,664,871	2,664,871	970,516
Net assets, end of year	\$ 2,363,848	\$ 6,266,604	\$ 2,664,871



## Nigigoonsiminikaaning First Nation Consolidated Statement of Cash Flows

For the year ended March 31

2018

2017

### Cash flows from operating activities

Annual surplus	\$ 7,038,583	\$ 3,645,276
Items not affecting cash		
Gain on disposal of tangible capital assets	(8,000)	(4,205)
Amortization of tangible capital assets	819,905	672,227
Bad debt expense	93,387	30,852
	<u>7,943,875</u>	<u>4,344,150</u>

### Changes in non-cash working capital

Accounts and loans receivable	(1,558,675)	(1,226,785)
Prepaid expense	(1,901)	(2,128)
Accounts payable	24,596	457,353
Deferred revenue	86,000	(10,348)
Government business enterprises	(271,368)	(146,936)

(1,721,348)      (928,844)

6,222,527      3,415,306

### Cash flows from capital activities

Proceeds from disposal of tangible capital assets	8,000	32,524
Purchase of tangible capital assets	(4,254,854)	(2,649,338)
	<u>(4,246,854)</u>	<u>(2,616,814)</u>

### Cash flows from investing activities

Advances to affiliated enterprises	35,928	(10,000)
Purchase of investments	(2,097,920)	85,204
Trust funds	(42,861)	(43,007)
	<u>(2,104,853)</u>	<u>32,197</u>

### Cash flows from financing activities

Advances of long-term debt	-	266,748
Repayment of long-term debt	(315,821)	(1,659,256)
	<u>(315,821)</u>	<u>(1,392,508)</u>

### Net change in cash and cash equivalents

(445,001)      (561,819)

### Cash and cash equivalents, beginning of year

1,334,124      1,895,943

### Cash and cash equivalents, end of year

\$ 889,123      \$ 1,334,124

### Supplementary information

Interest received	\$ 24,981	\$ 21,329
Interest paid	\$ 10,538	\$ 11,561

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## Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2018

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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 Chartered Professional Accountants of Canada Public Sector Accounting 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 5 to these consolidated financial statements.

Other long-term investments are reflected at cost as disclosed in Note 4.

Government business enterprises and partnerships are separate legal entities which do not rely on the government for funding. The First Nation's government business enterprises and partnerships consist of the entities listed in Note 5. 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, 2018

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### **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.

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## **Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies**

**March 31, 2018**

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### **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 Indigenous Services Canada (ISC). 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, 2018**

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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, 2018

### 1. 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:

	2018	2017
<b>Externally restricted</b>		
Unspent OFNLP revenue	\$ 253,153	\$ 635,056
Restricted by funding agreements	<u>1,810,246</u>	<u>1,029,082</u>
	<u>2,063,399</u>	<u>1,664,138</u>
<b>Internally restricted</b>		
Reserves	<u>160,214</u>	<u>144,020</u>
<b>Unrestricted</b>		
Operating	<u>(1,334,490)</u>	<u>(474,034)</u>
<b>Total cash and cash equivalents</b>	<u><u>\$ 889,123</u></u>	<u><u>\$ 1,334,124</u></u>

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2018

### 2. Accounts and Loans Receivable

	2018	2017
Accounts receivable	\$ 4,045,569	\$ 2,574,578
Rental housing/satellite dish recovery	505,078	470,962
Advances to Band members	3,909	10,990
	<u>4,554,556</u>	<u>3,056,530</u>
Allowance for doubtful accounts	564,913	532,175
	<u>\$ 3,989,643</u>	<u>\$ 2,524,355</u>

### 3. Advances to Affiliated Companies

	Payment terms	Interest rate	2018	2017
Senic River Mall Inc.	unspecified	unspecified	\$ 117,463	\$ 92,743
Nanico Ltd.	unspecified	unspecified	-	60,648
			<u>\$ 117,463</u>	<u>\$ 153,391</u>

All amounts due from affiliated Companies are unsecured.

### 4. Portfolio Investments

	2018	2017
Boundary Waters Anishinaabeg Development LP	\$ 80,922	\$ 80,922
Rainy Lake Tribal Development Corporation	100,000	100,000
Rainy Lake Tribal Resource Management Inc.	7,035	7,035
Nanico Ltd.	7,389	7,389
Securities	4,647,345	2,549,425
Senic River Mall Inc.	10	10
	<u>\$ 4,842,701</u>	<u>\$ 2,744,781</u>

Portfolio investments are valued at cost. Fair market value of securities as of March 31, 2018 is \$4,648,953 (2017 is \$2,789,726). The fair market value of all other investments approximate their costs.

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

**March 31, 2018**

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**5. Government Business Enterprises and Partnerships, at modified equity**

**Little Otter Economic Development Corporation**

Little Otter Economic Development Corporation is a Corporation that was created for the purpose of exploring economic activities that the First Nation can be involved in.

**Little Otter Economic Development, LP**

Little Otter Economic Development, LP is a limited partnership that was created for the purpose of carrying on economic activities.

**Dallan Holdings Inc.**

Dallan Holdings Inc. is a Corporation that was created for the purpose of holding partnership units for its shareholders. Nigigoonsiminikaaning First Nation owns 33.33% of this Corporation.

**Dallan Holdings, LP**

Dallan Holdings, LP is a limited partnership that was created to carry on the business of mill yard services, through one or more subsidiaries.

**Dallan Fort William, LP**

Dallan Fort William, LP is a limited partnership that was created to carry on such business and ventures in the nature of trade and such other undertakings with a view to profit as determined from time to time by the General Partner upon notice to the Limited Partners.



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

March 31, 2018

**5. Government Business Enterprises and Partnerships, at modified equity (continued)**

Percentage ownership	Little Otter Economic Development Corporation					Little Otter Economic Development, LP		Dallan Holdings Inc.		Dallan Holdings, LP		Dallan Fort William, LP		Total
	100%					99.99%		33.33%		33.33%		33.33%		
Carrying value, March 31, 2016	\$	10	\$	(21,281)	\$	114	\$	739,181	\$	839,020	\$	1,557,044		
Purchase of shares/units	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of net income	-	-	-	42,020	-	13	-	592,458	-	321,868	-	956,359	-	
Changes in capital	-	-	-	233,184	-	-	-	(490,000)	-	-	-	(256,816)	-	
Other adjustments	(10)	-	-	-	-	-	-	(81,974)	-	(203,875)	-	(285,859)	-	
Carrying value, March 31, 2017	-	-	-	253,923	-	127	-	759,665	-	957,013	-	1,970,728	-	
Purchase of shares/units	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of net income	-	-	-	173,793	-	-	-	433,024	-	314,551	-	921,368	-	
Changes in capital	-	-	-	-	-	-	-	(450,000)	-	-	-	(450,000)	-	
Other adjustments	-	-	-	-	-	-	-	-	-	(200,000)	-	(200,000)	-	
Carrying value, March 31, 2018	\$	-	\$	427,716	\$	127	\$	742,689	\$	1,071,564	\$	2,242,096		

# Nigigoosiminikaaning First Nation

## Notes to Consolidated Financial Statements

March 31, 2018

### 5. Government Business Enterprises and Partnerships, at modified equity (continued)

	Little Otter Economic Development Corporation	Little Otter Economic Development, LP	Dallan Holdings, Inc	Dallan Holdings, LP	Dallan Fort Willam, LP	2018 Total	2017 Total
<b>Financial position</b>							
Current assets	\$ -	\$ 262,177	\$ 310	\$ 73,388	\$ 2,262,516	\$ 2,598,391	\$ 2,255,709
Long-term assets	206,686	199,970	600,499	6,966,547	1,503,073	9,476,775	10,759,569
	206,686	462,147	600,809	7,039,935	3,765,589	12,075,166	13,015,278
Current liabilities	-	3,940	600,406	3,188,910	421,403	4,214,659	3,871,760
Long-term liabilities	206,676	263,674	-	1,517,867	212,505	2,200,722	3,667,955
	206,676	267,614	600,406	4,706,777	633,908	6,415,381	7,539,715
Share/unit capital	10	10,000	300	100	100	10,510	10,510
Net equity (deficit), end of year	-	184,533	103	2,333,058	3,131,581	5,649,275	5,465,053
	10	194,533	403	2,333,158	3,131,681	5,659,785	5,475,563
	\$ 206,686	\$ 462,147	\$ 600,809	\$ 7,039,935	\$ 3,765,589	\$ 12,075,166	\$ 13,015,278
<b>Results of operations</b>							
Revenues	\$ -	\$ 215,212	\$ 3,034	\$ 2,558,896	\$ 7,164,941	\$ 9,942,083	\$ 8,384,582
Operating expenses	-	25,102	3,014	1,812,152	6,221,058	8,061,326	6,233,663
Net income	-	190,110	20	746,744	943,883	1,880,757	2,150,919
Distributions	-	-	-	(1,080,019)	(600,000)	(1,680,019)	(1,234,843)
Net equity (deficit), beginning of year	-	(5,577)	83	2,666,433	2,787,798	5,448,737	4,548,977
Net equity, end of year	\$ -	\$ 184,533	\$ 103	\$ 2,333,158	\$ 3,131,681	\$ 5,649,475	\$ 5,465,053

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

**March 31, 2018**

### 6. Accounts Payable and Accrued Liabilities

	2018	2017
Trade payables	\$ 2,013,360	\$ 2,154,904
Due to Band members	18,064	11,489
Due to Little Otter Economic Development LP	65,535	-
Due to Little Otter Contracting LP	99,761	5,732
	<u>\$ 2,196,720</u>	<u>\$ 2,172,125</u>

### 7. Trust Funds Investments Held

	Balance March 31, 2017	Additions 2018	Withdrawals 2018	Balance March 31, 2018
Capital	\$ 174,884	\$ -	\$ -	\$ 174,884
Revenue	58,901	11,759	-	70,660
Rainy River District First Nations Trust	82,571	31,102	-	113,673
	<u>\$ 316,356</u>	<u>\$ 42,861</u>	<u>\$ -</u>	<u>\$ 359,217</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.

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2018

### 8. Deferred Revenue

	Balance March 31, 2017	Funding Received 2018	Revenue Recognized 2018	Balance March 31, 2018
<b>Federal Government</b>				
Capital projects	\$ 699,031	\$ 1,125,957	\$ 1,005,404	\$ 819,584
Education	301,610	1,129,036	1,260,309	170,337
	<u>1,000,641</u>	<u>2,254,993</u>	<u>2,265,713</u>	<u>989,921</u>
<b>Provincial Government</b>				
Other	-	30,000	-	30,000
<b>Other</b>				
Shooniyaa Wa-Biitong	-	500,000	22,936	477,064
OFNLP	635,056	-	381,902	253,154
Weechi-it-te-win	28,441	150,314	178,755	-
	<u>663,497</u>	<u>650,314</u>	<u>583,593</u>	<u>730,218</u>
	<u>\$ 1,664,138</u>	<u>\$ 2,935,307</u>	<u>\$ 2,849,306</u>	<u>\$ 1,750,139</u>

#### Capital Projects

Indigenous Services Canada advanced the First Nation funding in relation to capital projects. This funding must be spent on capital projects within the boundaries of the First Nation.

#### Education

Indigenous Services Canada advanced the First Nation funding in relation to post secondary, elementary and secondary education. This funding must be spent on education expenditures.

#### Other

Ontario Trillium advanced the First Nation funding relating to the Anishinaabe Ashandiiziwin food security project. This funding is to be spent on expenditures for this project.

#### Shooniyaa Wa-Biitong

Shooniyaa Wa-Biitong advanced the First Nation funding relating to daycare capital renovations. This funding is to be spent on expenditures for this project.

#### Weechi-it-te-win

Weechi-it-te-win advanced the First Nation funding relating to community care programs. This funding is to be spent on expenditures for these programs.

#### OFNLP

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

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2018

### 9. Long-term Debt

	2018	2017
<b>Secured debt</b>		
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 \$822,669.	\$ 545,181	\$ 574,457
CMHC mortgage with interest at 1.08%, repayable in monthly instalments of \$1,525 principal and interest, maturing June 2020. Carrying value of the secured asset is \$163,099.	209,955	225,902
CMHC mortgage with interest at 1.30% repayable in monthly instalments of \$922 principal and interest, maturing June 2022. Carrying value of the secured asset is \$315,938.	140,046	149,171
<b>Unsecured debt</b>		
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2020 or when litigation is settled, whichever comes first.	168,608	168,608
<b>Demand debt</b>		
TD loan with interest at prime plus 1.25% repayable by July 21, 2032.	1,162,990	1,424,463
	<b>\$ 2,226,780</b>	<b>\$ 2,542,601</b>

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
2019	\$ 131,537	\$ 62,019	\$ 193,556
2020	305,330	58,430	363,760
2021	137,359	53,980	191,339
2022	138,002	49,523	187,525
2023	138,653	45,058	183,711
Thereafter	1,375,899	205,579	1,581,478
	<b>\$ 2,226,780</b>	<b>\$ 474,589</b>	<b>\$ 2,701,369</b>

	2018	2017
Interest expense for the year on long-term debt	<b>\$ 60,753</b>	<b>\$ 11,561</b>

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2018

### 10. 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, 2016	\$ 7,318	\$ 17,496	\$ 28,269	\$ 25,677	\$ 51,875	\$ 130,635
Allocation to restricted funds	1,730	-	2,550	2,550	6,555	13,385
Balance March 31, 2017	9,048	17,496	30,819	28,227	58,430	144,020
Allocation to restricted funds	-	17,040	2,550	2,550	6,555	28,695
Allocation from restricted funds	-	(12,500)	-	-	-	(12,500)
Balance March 31, 2018	\$ 9,048	\$ 22,036	\$ 33,369	\$ 30,777	\$ 64,985	\$ 160,215

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$129,131. The amount held in a restricted bank account in relation to this reserve is \$145,449; therefore, the reserve is over funded by \$16,318 as of March 31, 2018.

### 11. Accumulated Surplus

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

	2018	2017
Investment in tangible capital assets		
Tangible capital assets	\$ 13,928,120	\$ 13,598,525
Tangible capital assets under construction	3,318,391	213,037
Debt relating to tangible capital assets	(2,058,172)	(2,373,993)
Total investment in tangible capital assets	15,188,339	11,437,569
Operations	2,589,722	2,806,564
Equity in trusts	268,866	244,691
Government business enterprises and partnerships	2,242,096	1,970,728
Replacement reserves		
Med van replacement reserve	9,046	9,046
CSST van replacement reserve	22,037	4,997
Bus replacement reserve	-	12,500
CMHC replacement reserve	129,131	117,477
Infrastructure replacement reserve	2,442,918	-
Total replacement reserves	2,603,132	144,020
Working capital reserve	750,000	-
	<b>\$ 23,642,155</b>	<b>\$ 16,603,572</b>

# Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2018

## 12. Tangible Capital Assets

	2018					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 8,682,929	\$ 6,040,812	\$ 405,400	\$ 754,351	\$ 3,897,969	\$ 654,080
Additions	-	-	274,307	397,537	-	477,656
Disposals	-	-	(60,000)	-	-	-
Cost, end of year	8,682,929	6,040,812	619,707	1,151,888	3,897,969	1,131,736
Accumulated amortization, beginning of year	2,083,798	1,667,641	287,979	373,924	2,059,065	364,609
Amortization	337,534	123,115	96,320	23,038	129,813	110,085
Disposals	-	-	(60,000)	-	-	-
Accumulated amortization, end of year	2,421,332	1,790,756	324,299	396,962	2,188,878	474,694
Net carrying amount, end of year	\$ 6,261,597	\$ 4,250,056	\$ 295,408	\$ 754,926	\$ 1,709,091	\$ 657,042
						<b>\$13,928,120</b>

The net book value of tangible capital assets not being amortized because they are under construction is \$3,318,391 (2017 - \$213,037). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position. This relates to the new head start building and water treatment plant upgrades.

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

March 31, 2018

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

	2017					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 2,519,679	\$ 6,040,812	\$ 366,445	\$ 754,351	\$ 3,897,969	\$ 342,317
Additions	6,163,250	-	115,291	-	-	311,763
Disposals	-	-	(76,336)	-	-	-
Cost, end of year	8,682,929	6,040,812	405,400	754,351	3,897,969	654,080
Accumulated amortization, beginning of year	1,746,264	1,544,524	294,538	358,839	1,929,252	339,390
Amortization	337,534	123,117	41,459	15,085	129,813	25,219
Disposals	-	-	(48,018)	-	-	-
Accumulated amortization, end of year	2,083,798	1,667,641	287,979	373,924	2,059,065	364,609
Net carrying amount, end of year	\$ 6,599,131	\$ 4,373,171	\$ 117,421	\$ 380,427	\$ 1,838,904	\$ 289,471
						<b>\$13,598,525</b>



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## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2018

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### 13. Commitments and Contingencies

Through Council Resolutions, the First Nation has guaranteed two loans for Band members. The total amount of these guarantees is \$245,544 (2017 - \$219,069). In the opinion of management, the likelihood of the guarantees being exercised is low.

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### 14. Indigenous Services Canada Funding Reconciliation

	<u>2018</u>
ISC revenue per funding confirmation	\$ 3,950,861
Deferred revenue, beginning of year	963,642
Deferred revenue, end of year	(989,921)
Estimated recovery of current year funding	(54,055)
Recovery of prior years' funding	<u>(32,459)</u>
ISC revenue per consolidated financial statements	<u>\$ 3,838,068</u>

Of the funding above \$1,111,000 relates to flexible contribution funding, \$2,057,750 relates to fixed contribution funding, \$579,576 relates to set contribution funding, and \$202,535 relates to grant funding.

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### 15. 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 2018 were \$66,820.

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### 16. 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, 2018.

At March 31, 2018, the First Nation had undrawn credit capacity under this facility of \$250,000.

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### 17. Economic Dependence

Nigigoonsiminikaaning First Nation receives a major portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada.

# Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2018

## 18. 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 2018 was \$221,619 (2017 - \$194,149).

## 19. Expenditure by Object

	2018	2017
Salaries, wages and employee benefits	\$ 2,409,555	\$ 2,081,307
Materials and supplies	2,170,207	2,137,534
Contracted services	1,191,370	1,282,336
Rents and financial expenses	470,015	223,287
Travel	363,186	337,748
Amortization	819,906	672,227
	<u>\$ 7,424,239</u>	<u>\$ 6,734,439</u>

## 20. 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:

	2018
Financial Plan (budget) by-law surplus for the year	\$ 1,654,804
Less:	
Transfers	(495,183)
Deferred revenue	(1,460,644)
Budget deficit per consolidated statement of operations	<u>\$ (301,023)</u>

## 21. 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.

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

**March 31, 2018**

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### **21. Segmented Information (continued)**

#### **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.

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

**March 31, 2018**

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### **22. 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 2018 Segment Disclosure

March 31, 2018	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
Indigenous Services Canada	\$ 357,861	\$ 61,569	\$ 1,747,727	\$ -	\$ 900,164	\$ 770,747	\$ 3,838,068
Canada	-	-	-	477,411	-	2,455,129	2,932,540
Province of Ontario	-	-	-	-	-	1,604,536	1,604,536
OFNLP	-	-	-	-	-	919,956	919,956
Trust income	11,759	-	-	-	-	-	11,759
Other Aboriginal Organizations	49,287	-	-	126,680	-	953,091	1,129,058
Interest, rentals and other	291,169	100,763	-	-	17,283	2,513,668	2,922,883
Administration	429,010	-	(143,722)	(88,504)	-	(196,784)	-
Transfers	44,103	26,093	-	29,975	-	(87,671)	12,500
Economic development revenue	-	-	-	-	-	1,091,522	1,091,522
	<b>1,183,189</b>	<b>188,425</b>	<b>1,604,005</b>	<b>545,562</b>	<b>917,447</b>	<b>10,024,194</b>	<b>14,462,822</b>
<b>Expenditures</b>							
Salaries, wages and benefits	488,613	51,986	414,620	297,267	34,419	1,122,650	2,409,555
Materials, supplies and capital	98,037	129,233	75,320	53,811	528,107	1,285,699	2,170,207
Contracted services	-	-	782,563	120,429	-	288,378	1,191,370
Rents and financial expenses	432,626	-	-	3,650	-	33,739	470,015
Travel	116,623	1,275	124,078	20,624	2,095	98,491	363,186
Amortization	819,906	-	-	-	-	-	819,906
	<b>1,955,805</b>	<b>182,494</b>	<b>1,396,581</b>	<b>495,781</b>	<b>564,621</b>	<b>2,828,957</b>	<b>7,424,239</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (772,616)</b>	<b>\$ 5,931</b>	<b>\$ 207,424</b>	<b>\$ 49,781</b>	<b>\$ 352,826</b>	<b>\$ 7,195,237</b>	<b>\$ 7,038,583</b>

# Nigigoonsiminikaaning First Nation 2017 Segment Disclosure

March 31, 2017	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
Indigenous Services Canada	\$ 293,322	\$ 60,400	\$ 1,578,878	\$ -	\$ 455,605	\$ 93,879	\$ 2,512,084
Canada	-	-	-	377,085	-	2,296,918	2,674,003
Province of Ontario	-	-	-	-	30,000	1,613,049	1,643,049
OFNLP	-	-	-	-	-	1,141,313	1,141,313
Trust income	10,929	-	-	-	-	-	10,929
Other Aboriginal Organizations	-	11,839	25,423	100,877	7,466	878,974	1,024,579
Interest, rentals and other	150,467	48,186	-	-	109,750	107,581	415,984
Administration	337,611	-	(73,284)	(33,946)	-	(230,381)	-
Transfers	40,000	20,560	-	(18,571)	-	(41,989)	-
Economic development revenue	-	-	-	-	-	957,774	957,774
	832,329	140,985	1,531,017	425,445	602,821	6,817,118	10,379,715
<b>Expenditures</b>							
Salaries, wages and benefits	414,722	28,013	415,937	284,413	33,799	904,423	2,081,307
Materials, supplies and capital	141,715	129,592	82,356	34,535	524,022	1,194,717	2,137,534
Contracted services	-	-	924,941	94,291	-	263,104	1,282,336
Rents and financial expenses	186,729	-	-	2,698	-	33,860	223,287
Travel	90,347	-	146,042	9,534	-	91,825	337,748
Amortization	672,227	-	-	-	-	-	672,227
	1,505,740	157,605	1,569,276	425,471	557,821	2,487,929	6,734,439
<b>Excess (deficiency) of revenue over expenditures</b>	\$ (673,411)	\$ (16,620)	\$ (38,259)	\$ (26)	\$ 45,000	\$ 4,329,189	\$ 3,645,276