

**Nigigoonsiminikaaning First  
Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2019

**Nigigoonsiminikaaning First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2019

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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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## Independent Auditor's Report

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To the Chief and Council of Nigigoonsiminikaaning First Nation

### Qualified Opinion

We have audited the consolidated financial statements of Nigigoonsiminikaaning First Nation as at March 31, 2019, and the Consolidated Statement of Financial Position, 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, in accordance with Canadian public sector accounting standards.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of Nigigoonsiminikaaning First Nation as at March 31, 2019 and its results of its operations.

### Basis for Qualified Opinion

In our opinion, the consolidated financial statements include investments in government business enterprises, government partnerships, government business partnerships, and other government Organizations as described in Note 5 to the consolidated financial statements. The financial information for the majority of these investments has not been audited and summary financial information has not been provided in the notes to the consolidated financial statements as required to Canadian public sector accounting standards. Also, the investment in government business partnerships, another government Organization, was recorded using the modified equity method in Little Otter Economic Development LP as opposed to consolidation. Recent financial information for this entity has not been made available to use. As a result of these issues, we are not able to determine if adjustments might be necessary to financial assets, other income (expenses), operating surplus and accumulated surplus.

### 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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





### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO CANADA LLP*

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
September 9, 2019

## Nigigoonsiminikaaning First Nation Consolidated Statement of Financial Position

March 31	2019	2018
<b>Financial assets</b>		
Cash and cash equivalents (Note 1)	\$ 588,594	\$ 889,123
Accounts and loans receivable (Note 2)	1,738,209	3,989,643
Advances to affiliated Companies (Note 3)	112,463	117,463
Trust funds (Note 7)	399,057	359,217
Portfolio investments (Note 4)	4,958,677	4,842,701
Government business enterprises and partnerships (Note 5)	3,763,855	2,242,096
	<u>11,560,855</u>	<u>12,440,243</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	1,192,775	2,196,720
Deferred revenue (Note 8)	1,633,948	1,750,139
Long-term debt (Note 9)	3,172,586	2,226,780
	<u>5,999,309</u>	<u>6,173,639</u>
<b>Net assets</b>	<u>5,561,546</u>	<u>6,266,604</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 12)	17,910,989	13,928,120
Prepaid expense	104,554	129,040
Tangible capital assets under construction	825,854	3,318,391
	<u>18,841,397</u>	<u>17,375,551</u>
<b>Accumulated surplus (Note 11)</b>	<u>\$24,402,943</u>	<u>\$ 23,642,155</u>

### Commitments and Contingencies (Note 13)

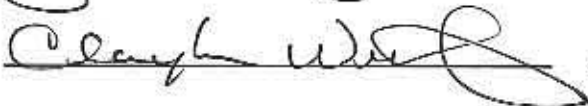
Approved on behalf of Council:



Chief



Councilor



Councilor



## Nigigoonsiminikaaning First Nation Consolidated Statement of Operations

March 31	Budget	2019	2018
	(Note 20)		
<b>Revenue</b>			
ISC (Note 14)	\$ 3,862,978	\$ 3,207,940	\$ 3,838,068
Revenue - trust fund	-	5,703	11,759
Fort Frances Tribal Area Health Services	106,685	122,915	129,180
Rental - housing/equipment	144,971	119,775	199,168
Ministry of Community and Social Services	79,365	240,483	269,772
Ministry of Indigenous Affairs	169,952	169,952	174,822
Ministry of Education	-	434,686	291,910
CMHC	472,812	116,873	221,619
Miscellaneous	1,120,921	476,504	553,133
NOHFC	-	-	727,500
Shooniyaa Wa-Biitong	816,910	816,910	278,886
Health Canada	1,143,404	593,859	2,720,570
OFNLP revenue	682,754	679,983	919,956
Weechi-It-Te-Win	682,233	682,662	711,876
Economic development revenue	650,000	961,733	987,190
Hydro One	-	29,010	2,414,913
	<b>9,932,985</b>	<b>8,658,988</b>	<b>14,450,322</b>
<b>Expenses</b>			
Education	1,899,696	1,411,921	1,396,581
Band support	570,215	1,173,419	1,135,899
Operations and maintenance	145,030	248,934	182,494
Economic Development	831,401	228,086	178,047
Day Care	695,494	571,693	498,062
Ontario Works	127,765	253,382	302,628
Water treatment plant	123,541	111,183	115,048
Health Canada	594,840	607,155	568,651
Summer student	40,937	39,308	13,427
Capital	4,608,012	290,621	564,621
Flood claim	222,452	167,192	134,182
New Relationship Fund	90,000	81,819	81,818
Weechi-It-Te-Win programs	672,233	608,801	755,592
Other programs	2,021,449	587,184	245,826
CMHC	152,503	82,391	204,060
OFNLP	682,754	247,559	214,898
Fire department	16,697	2,645	-
Poverty reduction	60,000	37,635	-
Energy plan	-	49,549	-
Flood vulnerability	126,961	19,899	-
Child & family	186,040	75,274	-
Amortization	-	1,002,550	819,905
	<b>13,868,020</b>	<b>7,898,200</b>	<b>7,411,739</b>
<b>Annual surplus (deficit)</b>	<b>\$ (3,935,035)</b>	<b>\$ 760,788</b>	<b>\$ 7,038,583</b>

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

<u>For the year ended March 31</u>	<u>2019</u>	<u>2018</u>
Accumulated surplus, beginning of year	\$ 23,642,155	\$ 16,603,572
Annual surplus	<u>760,788</u>	<u>7,038,583</u>
Accumulated surplus, end of year	<u>\$ 24,402,943</u>	<u>\$ 23,642,155</u>



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

For the year ended March 31	Budget	2019	2018
	(Note 20)		
Annual surplus (deficit)	\$ (3,935,035)	\$ 760,788	\$ 7,038,583
Net acquisition of tangible capital assets	-	(2,519,272)	(4,254,854)
Amortization of tangible capital assets	-	1,002,550	819,905
Proceeds in excess of gain on asset disposal	-	26,390	-
	(3,935,035)	(729,544)	3,603,634
Use of prepaid expenses	-	24,486	(1,901)
Net changes in net assets (debt)	(3,935,035)	(705,058)	3,601,733
Net assets, beginning of year	6,266,604	6,266,604	2,664,871
Net assets, end of year	\$ 2,331,569	\$ 5,561,546	\$ 6,266,604

## Nigigoonsiminikaaning First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 760,788	\$ 7,038,583
Items not affecting cash		
Loss (gain) on disposal of tangible capital assets	7,023	(8,000)
Amortization of tangible capital assets	1,002,550	819,905
Bad debt expense	58,126	93,387
	<u>1,828,487</u>	<u>7,943,875</u>
 Changes in non-cash working capital		
Accounts and loans receivable	2,193,306	(1,558,675)
Prepaid expense	24,486	(1,901)
Accounts payable	(1,003,944)	24,596
Deferred revenue	(116,190)	86,000
Government business enterprises	(1,521,759)	(271,368)
	<u>(424,101)</u>	<u>(1,721,348)</u>
	<u>1,404,386</u>	<u>6,222,527</u>
 <b>Cash flows from capital activities</b>		
Proceeds from disposal of tangible capital assets	19,367	8,000
Purchase of tangible capital assets	(2,519,272)	(4,254,854)
	<u>(2,499,905)</u>	<u>(4,246,854)</u>
 <b>Cash flows from investing activities</b>		
Advances to affiliated enterprises	5,000	35,928
Purchase of investments	(115,976)	(2,097,920)
Trust funds	(39,840)	(42,861)
	<u>(150,816)</u>	<u>(2,104,853)</u>
 <b>Cash flows from financing activities</b>		
Advances of long-term debt	3,172,586	-
Repayment of long-term debt	(2,226,780)	(315,821)
	<u>945,806</u>	<u>(315,821)</u>
 <b>Net change in cash and cash equivalents</b>	<u>(300,529)</u>	<u>(445,001)</u>
 <b>Cash and cash equivalents, beginning of year</b>	<u>889,123</u>	<u>1,334,124</u>
 <b>Cash and cash equivalents, end of year</b>	<u>\$ 588,594</u>	<u>\$ 889,123</u>
 <b>Supplementary information</b>		
Interest received	\$ 24,346	\$ 24,981
Interest paid	\$ 9,833	\$ 10,538

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## Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2019

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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, 2019

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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, 2019

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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 and cash equivalents, 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, 2019

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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, 2019

### 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 Canada Deposit Insurance Corporation or as otherwise approved by Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Capital Improvement Fund. Cash and cash equivalents is comprised of the following:

	2019	2018
<b>Externally restricted</b>		
Unspent OFNLP revenue	\$ 255,925	\$ 253,153
Restricted by funding agreements	876,944	1,810,246
	<u>1,132,869</u>	<u>2,063,399</u>
<b>Internally restricted</b>		
Reserves	<u>175,760</u>	<u>160,214</u>
<b>Unrestricted</b>		
Operating	<u>(720,035)</u>	<u>(1,334,490)</u>
<b>Total cash and cash equivalents</b>	<u><u>\$ 588,594</u></u>	<u><u>\$ 889,123</u></u>

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2019

### 2. Accounts and Loans Receivable

	2019	2018
Accounts receivable	\$ 1,795,227	\$ 4,045,569
Rental housing	557,680	505,078
Loans receivable	5,000	-
Advances to Band members	27,890	3,909
	<u>2,385,797</u>	<u>4,554,556</u>
Allowance for doubtful accounts	647,588	564,913
	<u>\$ 1,738,209</u>	<u>\$ 3,989,643</u>

### 3. Advances to Affiliated Companies

	Payment terms	Interest rate	2019	2018
Senic River Mall Inc.	unspecified	unspecified	\$ 112,463	\$ 117,463

All amounts due from affiliated Companies are unsecured.

### 4. Portfolio Investments

	2019	2018
Boundary Waters Anishinabeg 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
Nanicost Ltd.	7,389	7,389
Securities	4,763,321	4,647,345
Senic River Mall Inc.	10	10
	<u>\$ 4,958,677</u>	<u>\$ 4,842,701</u>

Portfolio investments are valued at cost. Fair market value of securities as of March 31, 2019, is \$4,517,052 (2018 - \$4,648,953). 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, 2019

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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, 2019

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

	Little Otter Economic Development Corporation	100%	Little Otter Economic Development, LP	99.99%	Dallan Holdings Inc.	33.33%	Dallan Holdings, LP	33.33%	Dallan Fort William, LP	33.33%	Total
<b>Percentage ownership</b>											
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)
<b>Carrying value, March 31, 2018</b>				427,716		127		742,689		1,071,564	2,242,096
Purchase of shares/units	-	-	-	-	-	-	-	-	-	-	-
Share of net income	(1,886)	-	-	213,009	-	17	-	507,693	-	316,431	1,035,264
Changes in capital	-	-	-	1,226,495	-	-	-	(460,000)	-	(280,000)	486,495
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying value, March 31, 2019</b>	\$	(1,886)	\$	1,867,220	\$	144	\$	790,382	\$	1,107,995	\$ 3,763,855

# Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2019

## 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 William, LP	2019 Total	2018 Total
<b>Financial position</b>							
Current assets	\$ 10	\$ 597,352	\$ 310	\$ 64,450	\$ 2,757,621	\$ 3,419,743	\$ 2,598,391
Long-term assets	356	2,870,534	600,499	6,140,319	947,321	10,559,029	9,476,775
	366	3,467,886	600,809	6,204,769	3,704,942	13,978,772	12,075,166
Current liabilities	35	312,833	600,400	2,769,900	570,253	4,253,421	4,214,659
Long-term liabilities	2,207	1,554,348	-	1,114,100	63,453	2,734,108	2,200,722
	2,242	1,867,181	600,400	3,884,000	633,706	6,987,529	6,415,381
Share/unit capital	10	10,000	300	100	100	10,510	10,510
Net equity (deficit), end of year	(1,886)	1,590,705	133	2,320,669	3,071,136	6,980,757	5,649,275
	(1,876)	1,600,705	433	2,320,769	3,071,236	6,991,267	5,659,785
	\$ 366	\$ 3,467,886	\$ 600,833	\$ 6,204,769	\$ 3,704,942	\$ 13,978,796	\$ 12,075,166
<b>Results of operations</b>						2019	2018
Revenues	\$ 1,833	\$ 559,879	\$ 3,056	\$ 2,694,044	\$ 7,585,536	\$ 10,844,348	\$ 9,942,083
Operating expenses	2,119	346,657	3,026	1,777,316	6,719,731	8,848,849	8,061,526
	(286)	213,222	30	916,728	865,805	1,995,499	1,880,557
Distributions	-	950,748	-	(929,117)	(926,250)	(904,619)	(1,680,019)
Net equity (deficit), beginning of year	(1,600)	426,735	103	2,333,158	3,131,681	5,890,077	5,448,737
Net equity (deficit), end of year	\$ (1,886)	\$ 1,590,705	\$ 133	\$ 2,320,769	\$ 3,071,236	\$ 6,980,957	\$ 5,649,275

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2019

### 6. Accounts Payable and Accrued Liabilities

	2019	2018
Trade payables	\$ 1,081,404	\$ 2,013,360
Due to Band members	11,610	18,064
Due to Little Otter Economic Development, LP	-	65,535
Due to Little Otter Contracting, LP	99,761	99,761
	<u>\$ 1,192,775</u>	<u>\$ 2,196,720</u>

### 7. Trust Funds Investments Held

	Balance March 31, 2018	Additions 2019	Withdrawals 2019	Balance March 31, 2019
Capital	\$ 174,884	\$ -	\$ -	\$ 174,884
Revenue	70,660	5,703	-	76,363
Rainy River District First Nations Trust	113,673	34,137	-	147,810
	<u>\$ 359,217</u>	<u>\$ 39,840</u>	<u>\$ -</u>	<u>\$ 399,057</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 Nations 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, 2019

### 8. Deferred Revenue

	Balance March 31, 2018	Funding Received 2019	Revenue Recognized 2019	Balance March 31, 2019
<b>Federal Government</b>				
Capital projects	\$ 819,584	\$ 690,000	\$ 894,529	\$ 615,055
Education	170,337	306,412	170,337	306,412
Estate planning	-	49,800	-	49,800
Projects	-	187,720	19,899	167,821
	<u>989,921</u>	<u>1,233,932</u>	<u>1,084,765</u>	<u>1,139,088</u>
<b>Provincial Government</b>				
Other	30,000	30,000	37,635	22,365
<b>Other</b>				
Shooniyaa Wa-Biitong	477,064	339,846	816,910	-
OFNLP	253,154	682,754	679,984	255,924
Weechi-It-Te-Win	-	789,233	672,662	116,571
Nuclear Waste Management	-	100,000	-	100,000
	<u>730,218</u>	<u>1,911,833</u>	<u>2,169,556</u>	<u>472,495</u>
	<u>\$ 1,750,139</u>	<u>\$ 3,175,765</u>	<u>\$ 3,291,956</u>	<u>\$ 1,633,948</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 Ashandiziwin 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, 2019

### 9. Long-term Debt

	2019	2018
<b>Secured debt</b>		
CMHC mortgage with interest at 1.12%, repayable in monthly installments of \$2,962 principal and interest, maturing February 2020. Carrying value of the secured asset is \$772,688.	\$ 515,576	\$ 545,181
CMHC mortgage with interest at 1.08%, repayable in monthly installments of \$1,525 principal and interest, maturing June 2020. Carrying value of the secured asset is \$148,627.	193,835	209,955
CMHC mortgage with interest at 1.30%, repayable in monthly installments of \$922 principal and interest, maturing June 2022. Carrying value of the secured asset is \$295,715.	130,742	140,046
CMHC mortgage with interest at 0% with no terms of repayment. Carrying value of the secured asset is \$428,730.	177,937	-
<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
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2025 or when litigation is settled, whichever comes first.	142,500	-
<b>Demand debt</b>		
TD loan with interest at prime plus 1.25%, repayable by July 21, 2032.	1,081,851	1,162,990
TD loan with interest at prime plus 1.40%, repayable by July 21, 2032.	761,537	-
	<u>\$ 3,172,586</u>	<u>\$ 2,226,780</u>

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

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2019

### 9. Long-term Debt (continued)

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

	Principal Repayments	Interest	Total
2020	\$ 304,629	\$ 57,607	\$ 362,236
2021	137,404	53,934	191,338
2022	138,049	49,476	187,525
2023	281,200	45,011	326,211
2024	139,359	40,539	179,898
Thereafter	2,171,945	164,485	2,336,430
	<u>\$ 3,172,586</u>	<u>\$ 411,052</u>	<u>\$ 3,583,638</u>

	2019	2018
Interest expense for the year on long-term debt	<u>\$ 9,833</u>	<u>\$ 60,753</u>

### 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, 2017	\$ 9,046	\$ 17,496	\$ 30,820	\$ 28,228	\$ 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	9,046	22,036	33,370	30,778	64,985	160,215
Annual surplus	-	-	-	-	1,946	1,946
Allocation to restricted funds	-	-	2,550	2,550	8,500	13,600
Balance March 31, 2019	<u>\$ 9,046</u>	<u>\$ 22,036</u>	<u>\$ 35,920</u>	<u>\$ 33,328</u>	<u>\$ 75,431</u>	<u>\$ 175,761</u>

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$144,677. The amount held in a restricted bank account in relation to this reserve is \$23,823; therefore, the reserve is under funded by \$120,854 as of March 31, 2019.

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2019

### 11. Accumulated Surplus

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

	2019	2018
Investment in tangible capital assets		
Tangible capital assets	\$ 17,910,989	\$ 13,928,120
Tangible capital assets under construction	825,854	3,318,391
Debt relating to tangible capital assets	(2,861,478)	(2,058,172)
Total investment in tangible capital assets	15,875,365	15,188,339
Operations	1,119,822	2,589,722
Equity in trusts	275,223	268,866
Government business enterprises and partnerships	3,763,855	2,242,096
Replacement reserves		
Med van replacement reserve	9,046	9,046
CSST van replacement reserve	22,037	22,037
CMHC replacement reserve	144,677	129,131
Infrastructure replacement reserve	2,442,918	2,442,918
Total replacement reserves	2,618,678	2,603,132
Working capital reserve	750,000	750,000
	<u>\$ 24,402,943</u>	<u>\$ 23,642,155</u>



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

March 31, 2019

**12. Tangible Capital Assets**

	2019					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 8,682,929	\$ 6,040,812	\$ 619,707	\$ 1,151,888	\$ 3,897,969	\$ 1,131,736
Additions	4,065,132	148,716	118,940	-	885,697	-
Disposals	-	-	(43,983)	-	(190,400)	(206,676)
Cost, end of year	12,748,061	6,189,528	694,664	1,151,888	4,593,266	925,060
Accumulated amortization, beginning of year	2,421,332	1,790,756	324,299	396,962	2,188,878	474,694
Amortization	470,037	137,987	99,699	23,038	163,166	108,623
Disposals	-	-	(17,593)	-	(190,400)	-
Accumulated amortization, end of year	2,891,369	1,928,743	406,405	420,000	2,161,644	583,317
Net carrying amount, end of year	\$ 9,856,692	\$ 4,260,785	\$ 288,259	\$ 731,888	\$ 2,431,622	\$ 341,743
						<b>\$ 17,910,989</b>

The net book value of tangible capital assets not being amortized because they are under construction is \$825,854 (2018 - \$3,318,391). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position. This relates to the new headstart building and water treatment plant upgrades.

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

March 31, 2019

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

	2018					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
						Total
Cost, beginning of year	\$ 8,682,929	\$ 6,040,812	\$ 405,400	\$ 754,351	\$ 3,897,969	\$ 20,435,541
Additions	-	-	274,307	397,537	-	1,149,500
Disposals	-	-	(60,000)	-	-	(60,000)
Cost, end of year	8,682,929	6,040,812	619,707	1,151,888	3,897,969	21,525,041
Accumulated amortization, beginning of year	2,083,798	1,667,641	287,979	373,924	2,059,065	6,837,016
Amortization	337,534	123,115	96,320	23,038	129,813	819,905
Disposals	-	-	(60,000)	-	-	(60,000)
Accumulated amortization, end of year	2,421,332	1,790,756	324,299	396,962	2,188,878	7,596,921
Net carrying amount, end of year	\$ 6,261,597	\$ 4,250,056	\$ 295,408	\$ 754,926	\$ 1,709,091	\$ 13,928,120

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## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2019

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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 \$193,560 (2018 - \$206,306). In the opinion of management, the likelihood of the guarantees being exercised is low.

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### 14. Indigenous Services Canada Funding Reconciliation

	2019	2018
ISC revenue per funding confirmation	\$ 3,012,107	\$ 3,950,861
Deferred revenue, beginning of year	989,921	963,642
Deferred revenue, end of year	(794,088)	(989,921)
Estimated recovery of current year funding	-	(54,055)
Recovery of prior years' funding	-	(32,459)
ISC revenue per consolidated financial statements	<u>\$ 3,207,940</u>	<u>\$ 3,838,068</u>

Of the funding above \$63,000 relates to flexible contribution funding, \$2,128,270 relates to fixed contribution funding, \$620,000 relates to set contribution funding, and \$200,837 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 2019 were \$76,425.

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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, 2019.

At March 31, 2019, 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, 2019

## 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 2019 was \$116,873 (2018 - \$221,619).

## 19. Expenditure by Object

	2019	2018
Salaries, wages and employee benefits	\$ 2,483,089	\$ 2,409,555
Materials and supplies	1,958,023	2,170,207
Contracted services	1,704,407	1,191,370
Rents and financial expenses	402,085	470,015
Travel	348,046	363,186
Amortization	1,002,550	819,905
	<u>\$ 7,898,200</u>	<u>\$ 7,424,238</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:

	2019
Financial Plan (budget) by-law deficit for the year	\$ (2,654,252)
Less:	
Transfers	(290,862)
Deferred revenue	(989,921)
Budget deficit per consolidated statement of operations	<u>\$ (3,935,035)</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, 2019

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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, 2019**

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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 2019 Segment Disclosure

March 31, 2019	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
Indigenous Services Canada	\$ 466,158	\$ 72,476	\$ 1,584,053	- \$	558,606	\$ 526,647	\$ 3,207,940
Canada	-	-	-	442,937	-	98,213	541,150
Province of Ontario	-	-	-	88,108	125,000	910,776	1,123,884
OFNLP	-	-	-	-	-	679,983	679,983
Trust income	5,703	-	-	-	-	-	5,703
Other Aboriginal Organizations	19,952	9,878	-	137,426	-	1,472,242	1,639,498
Interest, rentals and other	245,730	25,295	-	-	44,582	183,490	499,097
Administration	573,336	-	(173,285)	(63,541)	-	(336,510)	-
Transfers	21,658	55,754	-	(55,570)	-	(21,842)	-
Economic development revenue	-	-	-	-	-	961,733	961,733
	<b>1,332,537</b>	<b>163,403</b>	<b>1,410,768</b>	<b>549,360</b>	<b>728,188</b>	<b>4,474,732</b>	<b>8,658,988</b>
<b>Expenditures</b>							
Salaries, wages and benefits	413,823	74,293	352,419	294,228	51,152	1,297,174	2,483,089
Materials, supplies and capital	333,647	174,641	117,563	42,333	234,299	1,055,540	1,958,023
Contracted services	-	-	816,693	208,870	-	678,844	1,704,407
Rents and financial expenses	339,388	-	-	5,685	-	57,012	402,085
Travel	86,561	-	125,246	12,806	5,170	118,263	348,046
Amortization	1,002,550	-	-	-	-	-	1,002,550
	<b>2,175,969</b>	<b>248,934</b>	<b>1,411,921</b>	<b>563,922</b>	<b>290,621</b>	<b>3,206,833</b>	<b>7,898,200</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (843,432)</b>	<b>\$ (85,531)</b>	<b>\$ (1,153)</b>	<b>\$ (14,562)</b>	<b>\$ 437,567</b>	<b>\$ 1,267,899</b>	<b>\$ 760,788</b>

# 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
	1,183,189	188,425	1,604,005	545,562	917,447	10,024,194	14,462,822
<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	819,905	-	-	-	-	-	819,905
	1,955,804	182,494	1,396,581	495,781	564,621	2,828,957	7,424,238
<b>Excess (deficiency) of revenue over expenditures</b>	\$ (772,615)	\$ 5,931	\$ 207,424	\$ 49,781	\$ 352,826	\$ 7,195,237	\$ 7,038,584