

**Nigigoonsiminikaaning First  
Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2020

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**Consolidated Financial Statements**  
For the year ended March 31, 2020

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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.

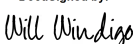
The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has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

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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, 2020, 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, 2020 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 for Canadian public sector accounting standards. 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  
January 6, 2021

## Nigigoonsiminikaaning First Nation Consolidated Statement of Financial Position

March 31	2020	2019
<b>Financial assets</b>		
Cash and cash equivalents (Note 1)	\$ 1,167,951	\$ 588,594
Accounts and loans receivable (Note 2)	1,042,371	1,738,209
Advances to affiliated Companies (Note 3)	112,463	112,463
Trust funds (Note 7)	299,327	399,057
Portfolio investments (Note 4)	5,439,920	4,958,677
Government business enterprises and partnerships (Note 5)	3,828,110	3,763,855
	<u>11,890,142</u>	<u>11,560,855</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	918,640	1,192,775
Deferred revenue (Note 8)	1,461,716	1,633,948
Long-term debt (Note 9)	3,178,987	3,172,586
	<u>5,559,343</u>	<u>5,999,309</u>
<b>Net assets</b>	<u>6,330,799</u>	<u>5,561,546</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 11)	18,919,933	17,910,989
Prepaid expense	112,601	104,554
Tangible capital assets under construction	-	825,854
	<u>19,032,534</u>	<u>18,841,397</u>
<b>Accumulated surplus (Note 10)</b>	<u>\$ 25,363,333</u>	<u>\$ 24,402,943</u>

### Commitments and Contingencies (Note 12)

Approved on behalf of Council:

DocuSigned by: <u>Will Windigo</u> 3945F64F5B964DF...	Chief
DocuSigned by: <u>Clayton Windigo</u> C569214C12D4417...	Councilor
DocuSigned by: <u>Sue Boskey</u> D612F964066C4C3...	Councilor

## Nigigoonsiminikaaning First Nation Consolidated Statement of Operations

March 31	Budget	2020	2019
	(Note 19)		
<b>Revenue</b>			
ISC (Note 13)	\$ 2,961,374	\$ 3,138,162	\$ 3,207,940
Revenue - trust fund	-	4,932	5,703
Fort Frances Tribal Area Health Services	122,915	122,915	122,915
Rental - housing/equipment	154,852	164,039	119,775
Ministry of Community and Social Services	96,505	266,656	240,483
Ministry of Indigenous Affairs	156,349	164,276	169,952
Ministry of Education	410,511	410,511	434,686
CMHC	100,737	99,282	116,873
Miscellaneous	745,982	1,137,611	476,504
Shooniyaa Wa-Biitong	298,279	308,530	816,910
Health Canada	557,610	615,123	593,859
OFNLP revenue	596,400	454,420	679,983
Weechi-It-Te-Win	882,512	1,228,484	682,662
Economic development revenue	-	424,324	961,733
Hydro One	-	-	29,010
	<b>7,084,026</b>	<b>8,539,265</b>	<b>8,658,988</b>
<b>Expenses</b>			
Education	1,762,902	1,347,481	1,411,921
Band support	681,282	1,055,829	1,173,419
Operations and maintenance	198,954	226,886	248,934
Economic Development	100,745	94,076	228,086
Day Care	641,649	612,945	571,693
Ontario Works	142,553	284,775	253,382
Water treatment plant	537,363	126,239	111,183
Health Canada	301,642	273,512	607,155
Summer student	-	-	39,308
Capital	276,147	318,613	290,621
Flood claim	74,712	74,712	167,192
New Relationship Fund	85,000	77,300	81,819
Weechi-It-Te-Win programs	849,130	1,134,264	608,801
Other programs	269,439	263,413	587,184
CMHC	140,838	55,294	82,391
OFNLP	420,540	131,097	247,559
Fire department	16,990	2,493	2,645
Poverty reduction	22,365	13,283	37,635
Energy plan	44,703	53,926	49,549
Flood vulnerability	120,507	50,019	19,899
Nuclear waste management	200,000	57,072	-
Child & family	157,540	237,634	75,274
Amortization	-	1,088,012	1,002,550
	<b>7,045,001</b>	<b>7,578,875</b>	<b>7,898,200</b>
<b>Annual surplus</b>	<b>\$ 39,025</b>	<b>\$ 960,390</b>	<b>\$ 760,788</b>

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

For the year ended March 31	2020	2019
Accumulated surplus, beginning of year	\$ 24,402,943	\$ 23,642,155
Annual surplus	<u>960,390</u>	<u>760,788</u>
Accumulated surplus, end of year	<u>\$ 25,363,333</u>	<u>\$ 24,402,943</u>



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

For the year ended March 31	Budget	2020	2019
	(Note 19)		
Annual surplus	\$ 39,025	\$ 960,390	\$ 760,788
Net acquisition of tangible capital assets	-	(1,271,102)	(2,519,272)
Amortization of tangible capital assets	-	1,088,012	1,002,550
Proceeds in excess of gain on asset disposal	-	-	26,390
	39,025	777,300	(729,544)
Use of prepaid expenses	-	(8,047)	24,486
Net changes in net assets (debt)	39,025	769,253	(705,058)
Net assets, beginning of year	5,561,546	5,561,546	6,266,604
Net assets, end of year	\$ 5,600,571	\$ 6,330,799	\$ 5,561,546

## Nigigoonsiminikaaning First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 960,390	\$ 760,788
Items not affecting cash		
Loss on disposal of tangible capital assets	-	7,023
Amortization of tangible capital assets	1,088,012	1,002,550
Bad debt expense	38,242	58,126
	<u>2,086,644</u>	<u>1,828,487</u>
 Changes in non-cash working capital		
Accounts and loans receivable	657,596	2,193,306
Prepaid expense	(8,047)	24,486
Accounts payable	(274,135)	(1,003,944)
Deferred revenue	(172,232)	(116,190)
Government business enterprises	(64,255)	(1,521,759)
	<u>138,927</u>	<u>(424,101)</u>
	<u>2,225,571</u>	<u>1,404,386</u>
 <b>Cash flows from capital activities</b>		
Proceeds from disposal of tangible capital assets	-	19,367
Purchase of tangible capital assets	(1,271,102)	(2,519,272)
	<u>(1,271,102)</u>	<u>(2,499,905)</u>
 <b>Cash flows from investing activities</b>		
Advances to affiliated enterprises	-	5,000
Purchase of investments	(481,243)	(115,976)
Trust funds	99,730	(39,840)
	<u>(381,513)</u>	<u>(150,816)</u>
 <b>Cash flows from financing activities</b>		
Advances of long-term debt	3,178,987	3,172,586
Repayment of long-term debt	(3,172,586)	(2,226,780)
	<u>6,401</u>	<u>945,806</u>
 <b>Net change in cash and cash equivalents</b>	<u>579,357</u>	<u>(300,529)</u>
 <b>Cash and cash equivalents, beginning of year</b>	<u>588,594</u>	<u>889,123</u>
 <b>Cash and cash equivalents, end of year</b>	<u>\$ 1,167,951</u>	<u>\$ 588,594</u>
 <b>Supplementary information</b>		
Interest received	\$ 29,442	\$ 24,346
Interest paid	\$ 15,378	\$ 9,833

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## Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2020

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### **Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian 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.

## Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2020

### 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, 2020**

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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, 2020**

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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, 2020

### 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 are comprised of the following:

	2020	2019
<b>Externally restricted</b>		
Unspent OFNLP revenue	\$ 397,904	\$ 255,925
Restricted by funding agreements	1,063,812	876,944
	<u>1,461,716</u>	<u>1,132,869</u>
<b>Internally restricted</b>		
Reserves	<u>191,970</u>	<u>175,760</u>
<b>Unrestricted</b>		
Operating (bank indebtedness)	<u>(485,735)</u>	<u>(720,035)</u>
<b>Total cash and cash equivalents</b>	<u>\$ 1,167,951</u>	<u>\$ 588,594</u>

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2020

### 2. Accounts and Loans Receivable

	2020	2019
Accounts receivable	\$ 1,106,542	\$ 1,795,227
Rental housing	588,671	557,680
Loans receivable	5,000	5,000
Advances to Band members	27,988	27,890
	<u>1,728,201</u>	<u>2,385,797</u>
Allowance for doubtful accounts	685,830	647,588
	<u>\$ 1,042,371</u>	<u>\$ 1,738,209</u>

### 3. Advances to Affiliated Companies

	Payment terms	Interest rate	2020	2019
Senic River Mall Inc.	unspecified	unspecified	\$ 112,463	\$ 112,463
All amounts due from affiliated Companies are unsecured.				

### 4. Portfolio Investments

	2020	2019
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
Nanico Ltd.	7,389	7,389
Securities	5,244,564	4,763,321
Senic River Mall Inc.	10	10
	<u>\$ 5,439,920</u>	<u>\$ 4,958,677</u>

Portfolio investments are valued at cost. Fair market value of securities as of March 31, 2020, is \$4,411,261 (2019 - \$4,517,052). 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, 2020**

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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, 2020

**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, 2018	\$	-	\$	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
Purchase of shares/units		-		-		-		-		-	-
Share of net income		596		877,247		-		-		-	877,843
Changes in capital		-		1,333,301		-		-		-	1,333,301
Other adjustments		(1,600)		(246,768)		(144)		(790,382)		(1,107,995)	(2,146,889)
<b>Carrying value, March 31, 2020</b>	\$	(2,890)	\$	3,831,000	\$	-	\$	-	\$	-	\$ 3,828,110

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

**March 31, 2020**

## **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	2020 Total	2019 Total
<b>Financial position</b>								
Current assets	10	\$	1,107,477	\$	-	\$	1,107,487	\$ 3,419,743
Long-term assets	1,130		7,393,767	-	-	-	7,394,897	10,559,029
	1,140		8,501,244	-	-	-	8,502,384	13,978,772
Current liabilities	1,635		3,301,287	-	-	-	3,302,922	4,253,421
Long-term liabilities	2,385		1,367,826	-	-	-	1,370,211	2,734,108
	4,020		4,669,113	-	-	-	4,673,133	6,987,529
Share/unit capital	10		10,000	-	-	-	10,010	10,510
Net equity (deficit), end of year	(2,890)		3,822,131	-	-	-	3,819,241	6,980,957
	(2,880)		3,832,131	-	-	-	3,829,251	6,991,467
	1,140	\$	8,501,244	\$	-	\$	8,502,384	\$ 13,978,996
<b>Results of operations</b>								
Revenues	897	\$	2,133,870	\$	-	\$	2,134,767	\$ 10,844,348
Operating expenses	301		1,255,745	-	-	-	1,256,046	8,848,849
Net income	596		878,125	-	-	-	878,721	1,995,499
Distributions	-		1,333,301	(133)	(2,320,769)	(3,071,236)	(4,058,837)	(904,619)
Net equity (deficit), beginning of year	(3,486)		1,610,705	133	2,320,769	3,071,236	6,999,357	5,890,077
Net equity (deficit), end of year	(2,890)	\$	3,822,131	\$	-	\$	3,819,241	\$ 6,980,957

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

### 6. Accounts Payable and Accrued Liabilities

	2020	2019
Trade payables	\$ 806,515	\$ 1,081,404
Due to Band members	12,364	11,610
Due to Little Otter Contracting, LP	99,761	99,761
	<u>\$ 918,640</u>	<u>\$ 1,192,775</u>

### 7. Trust Funds Investments Held

	Balance March 31, 2019	Additions 2020	Withdrawals 2020	Balance March 31, 2020
Capital	\$ 174,884	\$ -	\$ -	\$ 174,884
Revenue	76,363	4,932	-	81,295
Rainy River District First Nations Trust	147,810	34,338	(139,000)	43,148
	<u>\$ 399,057</u>	<u>\$ 39,270</u>	<u>\$ (139,000)</u>	<u>\$ 299,327</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, 2020

### 8. Deferred Revenue

	Balance March 31, 2019	Funding Received 2020	Revenue Recognized 2020	Balance March 31, 2020
<b>Federal Government</b>				
Capital projects	\$ 615,055	\$ 815,012	\$ 1,048,716	\$ 381,351
Education	306,412	1,701,640	1,574,645	433,407
Estate planning	49,800	105,000	19,702	135,098
Projects	167,821	190,860	287,653	71,028
	<u>1,139,088</u>	<u>2,812,512</u>	<u>2,930,716</u>	<u>1,020,884</u>
<b>Provincial Government</b>				
Other	22,365	-	22,365	-
<b>Other</b>				
Shooniyaa Wa-Biitong	-	308,530	308,530	-
OFNLP	255,924	596,400	454,420	397,904
Weechi-It-Te-Win	116,571	1,111,913	1,228,484	-
Nuclear Waste Management	100,000	-	57,072	42,928
	<u>472,495</u>	<u>2,016,843</u>	<u>2,048,506</u>	<u>440,832</u>
	<u>\$ 1,633,948</u>	<u>\$ 4,829,355</u>	<u>\$ 5,001,587</u>	<u>\$ 1,461,716</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, 2020

### 9. Long-term Debt

	2020	2019
<b>Secured debt</b>		
CMHC mortgage with interest at 1.12%, repayable in monthly installments of \$2,962 principal and interest, maturing May 2020. Carrying value of the secured asset is \$722,707.	\$ 485,652	\$ 515,576
CMHC mortgage with interest at 1.08%, repayable in monthly installments of \$1,525 principal and interest, maturing August 2020. Carrying value of the secured asset is \$134,154.	177,545	193,835
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 \$275,491.	121,321	130,742
CMHC mortgage with interest at 1.87%, repayable in monthly installments of \$1,485 principal and interest, maturing May 2024. Carrying value of the secured asset is \$422,376.	346,497	177,937
<b>Unsecured debt</b>		
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2025 or when litigation is settled, whichever comes first.	168,608	168,608
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2023 or when litigation is settled, whichever comes first.	142,500	142,500
<b>Demand debt</b>		
TD loan with interest at prime plus 1.25%, repayable by July 21, 2032.	1,000,712	1,081,851
TD loan with interest at prime plus 1.40%, repayable by July 21, 2032.	736,152	761,537
	<b>\$ 3,178,987</b>	<b>\$ 3,172,586</b>

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, 2020**

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

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

	Principal Repayments	Interest	Total
2021	\$ 197,847	\$ 13,781	\$ 211,628
2022	200,450	14,189	214,639
2023	343,820	13,318	357,138
2024	202,203	12,436	214,639
2025	371,705	11,541	383,246
Thereafter	1,862,962	79,800	1,942,762
	<u>\$ 3,178,987</u>	<u>\$ 145,065</u>	<u>\$ 3,324,052</u>

	2020	2019
Interest expense for the year on long-term debt	<u>\$ 15,378</u>	<u>\$ 9,833</u>

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

### 10. Accumulated Surplus

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

	2020	2019
Investment in tangible capital assets		
Tangible capital assets	\$ 18,919,933	\$ 17,910,989
Tangible capital assets under construction	-	825,854
Debt relating to tangible capital assets	(2,867,879)	(2,861,478)
Total investment in tangible capital assets	16,052,054	15,875,365
Operations	1,817,397	1,119,822
Equity in trusts	280,884	275,223
Government business enterprises and partnerships	3,828,110	3,763,855
Replacement reserves		
Med van replacement reserve	9,046	9,046
CSST van replacement reserve	22,037	22,037
CMHC replacement reserve	160,887	144,677
Infrastructure replacement reserve	2,442,918	2,442,918
Total replacement reserves	2,634,888	2,618,678
Working capital reserve	750,000	750,000
	<b>\$ 25,363,333</b>	<b>\$ 24,402,943</b>



## Nigigoosiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2020

### 11. Tangible Capital Assets

	2020					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 12,748,061	\$ 6,189,528	\$ 694,664	\$ 1,151,888	\$ 4,593,266	\$ 925,060
Additions	385,975	1,193,460	77,546	-	439,975	-
Disposals	-	-	-	-	-	-
Cost, end of year	13,134,036	7,382,988	772,210	1,151,888	5,033,241	925,060
Accumulated amortization, beginning of year	2,891,369	1,928,743	406,405	420,000	2,161,644	583,317
Amortization	485,474	185,725	115,209	23,038	176,790	101,776
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	3,376,843	2,114,468	521,614	443,038	2,338,434	685,093
Net carrying amount, end of year	\$ 9,757,193	\$ 5,268,520	\$ 250,596	\$ 708,850	\$ 2,694,807	\$ 239,967
						<b>\$ 18,919,933</b>

The net book value of tangible capital assets not being amortized because they are under construction is \$NIL (2019 - \$825,854). 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.

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

March 31, 2020

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

	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
						\$ 17,910,989

## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2020

### 12. 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 (2019 - \$193,560). In the opinion of management, the likelihood of the guarantees being exercised is low.

### 13. Indigenous Services Canada Funding Reconciliation

	2020	2019
ISC revenue per funding confirmation	\$ 3,007,937	\$ 3,012,107
Deferred revenue, beginning of year	794,088	989,921
Deferred revenue, end of year	(663,863)	(794,088)
ISC revenue per consolidated financial statements	<u>\$ 3,138,162</u>	<u>\$ 3,207,940</u>

Of the funding above \$55,000 relates to flexible contribution funding, \$2,288,455 relates to fixed contribution funding, \$504,036 relates to set contribution funding, and \$160,446 relates to grant funding.

### 14. 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 2020 were \$76,425.

### 15. 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, 2020.

At March 31, 2020, the First Nation had undrawn credit capacity under this facility of \$250,000.

### 16. 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, 2020

### 17. 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 2020 was \$99,282 (2019 - \$116,872).

### 18. Expenditure by Object

	2020	2019
Salaries, wages and employee benefits	\$ 2,822,270	\$ 2,483,089
Materials and supplies	1,839,536	1,958,023
Contracted services	1,054,942	1,704,407
Rents and financial expenses	364,205	402,085
Travel	409,910	348,046
Amortization	1,088,012	1,002,550
	<u>\$ 7,578,875</u>	<u>\$ 7,898,200</u>

### 19. 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:

	2020
Financial Plan (budget) by-law surplus for the year	\$ 1,313,629
Less:	
Transfers	(465,121)
Deferred revenue	(809,483)
Budget surplus per consolidated statement of operations	<u>\$ 39,025</u>

### 20. 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, 2020

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### 20. 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.



## Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2020

### 21. Replacement Reserve

	Medical Van	Community Service Van	10-Unit (1997) #22-164-198-1	10-Unit (2002) #22-164-198-2	10-Unit (2005) #22-164-198-3	10-Unit (2019) #22-164-198-4	Total
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	9,046	22,036	35,920	33,328	75,431	-	175,761
Annual surplus	-	-	-	-	-	-	-
Allocation to restricted funds	-	-	2,550	2,550	8,500	2,610	16,210
Balance March 31, 2020	\$ 9,046	\$ 22,036	\$ 38,470	\$ 35,878	\$ 83,931	\$ 2,610	\$ 191,971

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$191,971. The amount held in a restricted bank account in relation to this reserve is \$24,240; therefore, the reserve is under funded by \$167,731 as of March 31, 2020.

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

**March 31, 2020**

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### **22. Subsequent Events**

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

# Nigigoonsiminikaaning First Nation 2020 Segment Disclosure

March 31, 2020	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
Indigenous Services Canada	\$ 445,556	\$ 46,711	\$ 1,662,091	\$ -	\$ 276,147	\$ 707,657	\$ 3,138,162
Province of Ontario	-	10,989	-	248,478	345,000	109,938	714,405
OFNLP	-	-	-	-	-	841,443	841,443
Trust income	4,932	-	-	-	-	454,420	454,420
Other Aboriginal Organizations	13,054	-	-	-	-	-	4,932
Interest, rentals and other	592,287	83,362	-	122,915	-	1,523,960	1,659,929
Administration	761,991	-	(314,610)	144,788	-	476,984	1,297,421
Transfers	52,045	39,774	-	(77,390)	-	(324,826)	45,165
Economic development revenue	-	-	-	(49,846)	-	(82,909)	(40,936)
						424,324	424,324
	1,869,865	180,836	1,347,481	388,945	621,147	4,130,991	8,539,265
<b>Expenditures</b>							
Salaries, wages and benefits	499,623	60,676	454,129	205,662	88,539	1,513,641	2,822,270
Materials, supplies and capital	240,857	166,210	81,377	51,790	113,398	1,185,904	1,839,536
Contracted services	-	-	685,798	92,469	-	276,675	1,054,942
Rents and financial expenses	201,004	-	-	5,685	104,599	52,917	364,205
Travel	114,344	-	126,177	33,339	12,077	123,973	409,910
Amortization	1,088,012	-	-	-	-	-	1,088,012
	2,143,840	226,886	1,347,481	388,945	318,613	3,153,110	7,578,875
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (273,975)</b>	<b>\$ (46,050)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 302,534</b>	<b>\$ 977,881</b>	<b>\$ 960,390</b>

## Nigigoonsiminikaaning First Nation 2019 Segment Disclosure

March 31, 2019	Band Support	Operations 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
	1,332,537	163,403	1,410,768	549,360	728,188	4,474,732	8,658,988
<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
	2,175,969	248,934	1,411,921	563,922	290,621	3,206,833	7,898,200
Excess (deficiency) of revenue over expenditures	\$ (843,432)	\$ (85,531)	\$ (1,153)	\$ (14,562)	\$ 437,567	\$ 1,267,899	\$ 760,788