

**Nigigoonsiminikaaning First
Nation
Consolidated Financial Statements
For the year ended March 31, 2021**

Nigigoonsiminikaaning First Nation
Consolidated Financial Statements
For the year ended March 31, 2021

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Nigigoonsiminikaaning First Nation Management's Responsibility for Financial Reporting

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


The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

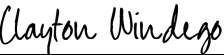
The Council reviews the First Nation's consolidated financial statements and meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Council.

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BDO Canada LLP
607 Portage Avenue
Fort Frances ON P9A 0A7 Canada

Independent Auditor's Report

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, 2021, 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, 2021, 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
December 21, 2021

Nigigoonsiminikaaning First Nation Consolidated Statement of Financial Position

March 31	2021	2020
Financial assets		
Cash and cash equivalents (Note 1)	\$ 2,146,921	\$ 1,167,951
Accounts and loans receivable (Note 2)	1,751,388	1,042,371
Advances to affiliated Companies (Note 3)	112,463	112,463
Trust funds (Note 7)	337,989	299,327
Portfolio investments (Note 4)	5,769,801	5,439,920
Government business enterprises and partnerships (Note 5)	4,944,899	3,828,110
	<u>15,063,461</u>	<u>11,890,142</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	713,506	918,640
Deferred revenue (Note 8)	3,591,224	1,461,716
Long-term debt (Note 9)	2,978,669	3,178,987
	<u>7,283,399</u>	<u>5,559,343</u>
Net assets	<u>7,780,062</u>	<u>6,330,799</u>
Non-financial assets		
Tangible capital assets (Note 11)	18,109,229	18,919,933
Prepaid expense	67,062	112,601
Tangible capital assets under construction	27,125	-
	<u>18,203,416</u>	<u>19,032,534</u>
Accumulated surplus (Note 10)	<u>\$ 25,983,478</u>	<u>\$ 25,363,333</u>

Commitments and Contingencies (Note 12)

Approved on behalf of Council:

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Will Windigo

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Clayton Windego

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Chief

Councilor

Councilor

Nigigoonsiminikaaning First Nation Consolidated Statement of Operations

March 31	Budget	2021	2020
	(Note 19)		
Revenue			
ISC (Note 13)	\$ 3,846,213	\$ 2,368,923	\$ 3,138,162
Revenue - trust fund	-	4,961	4,932
Fort Frances Tribal Area Health Services	127,925	127,926	122,915
Rental - housing/equipment	139,244	165,800	164,039
Ministry of Community and Social Services	79,558	172,155	266,656
Ministry of Indigenous Affairs	85,000	234,589	164,276
Ministry of Education	453,092	453,092	410,511
CMHC	114,823	114,035	99,282
Miscellaneous	146,089	1,395,327	1,137,611
Shooniyaa Wa-Biitong	272,172	298,999	308,530
Health Canada	639,889	306,519	615,123
OFNLP revenue	594,912	465,625	454,420
Weechi-It-Te-Win	913,552	904,067	1,228,484
Economic development revenue	-	840,333	424,324
	7,412,469	7,852,351	8,539,265
Expenses			
Education	1,671,855	1,341,094	1,347,481
Band support	570,511	1,480,384	1,055,829
Operations and maintenance	203,294	158,588	226,886
Economic Development	16,000	22,796	94,076
Day Care	650,454	597,423	612,945
Ontario Works	175,719	282,002	284,775
Water treatment plant	617,175	163,390	126,239
Health Canada	421,176	266,002	273,512
Summer student	15,414	15,414	-
Capital	279,648	179,646	318,613
Flood claim	-	129,480	74,712
New Relationship Fund	85,000	77,300	77,300
Weechi-It-Te-Win programs	1,009,795	793,471	1,134,264
Other programs	275,763	261,599	263,413
CMHC	140,838	56,474	55,294
OFNLP	753,157	159,512	131,097
Fire department	29,326	1,100	2,493
Poverty reduction	-	-	13,283
Energy plan	49,714	24,770	53,926
Flood vulnerability	-	70,488	50,019
Nuclear waste management	142,928	101,436	57,072
Child & family	109,865	-	237,634
Amortization	-	1,127,716	1,088,012
	7,217,632	7,310,085	7,578,875
Annual surplus	\$ 194,837	\$ 542,266	\$ 960,390

Nigigoonsiminikaaning First Nation Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2021	2020
Accumulated surplus, beginning of year	\$ 25,363,333	\$ 24,402,943
Transfers to replacement reserves	<u>77,879</u>	-
Accumulated surplus, beginning of year	25,441,212	24,402,943
Annual surplus	<u>542,266</u>	960,390
Accumulated surplus, end of year	<u>\$ 25,983,478</u>	<u>\$ 25,363,333</u>

Nigigoonsiminikaaning First Nation Consolidated Statement of Changes in Net Assets

For the year ended March 31	Budget	2021	2020
	(Note 19)		
Annual surplus	\$ 194,837	\$ 542,266	\$ 960,390
Net acquisition of tangible capital assets	-	(344,137)	(1,271,102)
Transfers to replacement reserves	-	77,879	-
Amortization of tangible capital assets	-	1,127,716	1,088,012
	194,837	1,403,724	777,300
Use of prepaid expenses	-	45,539	(8,047)
Net changes in net assets	194,837	1,449,263	769,253
Net assets, beginning of year	6,330,799	6,330,799	5,561,546
Net assets, end of year	\$ 6,525,636	\$ 7,780,062	\$ 6,330,799

Nigigoonsiminikaaning First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Annual surplus	\$ 542,266	\$ 960,390
Items not affecting cash		
Amortization of tangible capital assets	1,127,716	1,088,012
Bad debt expense	61,353	38,242
Prior period adjustment	77,879	-
	<u>1,809,214</u>	<u>2,086,644</u>
 Changes in non-cash working capital		
Accounts and loans receivable	(770,370)	657,596
Prepaid expense	45,539	(8,047)
Accounts payable	(205,134)	(274,135)
Deferred revenue	2,129,508	(172,232)
Government business enterprises	(1,116,789)	(64,255)
	<u>82,754</u>	<u>138,927</u>
	<u>1,891,968</u>	<u>2,225,571</u>
 Cash flows from capital activities		
Purchase of tangible capital assets	(344,137)	(1,271,102)
 Cash flows from investing activities		
Purchase of investments	(329,881)	(481,243)
Trust funds	(38,662)	99,730
	<u>(368,543)</u>	<u>(381,513)</u>
 Cash flows from financing activities		
Advances of long-term debt	-	177,235
Repayment of long-term debt	(200,318)	(170,834)
	<u>(200,318)</u>	<u>6,401</u>
 Net change in cash and cash equivalents	<u>978,970</u>	<u>579,357</u>
 Cash and cash equivalents, beginning of year	<u>1,167,951</u>	<u>588,594</u>
 Cash and cash equivalents, end of year	<u>\$ 2,146,921</u>	<u>\$ 1,167,951</u>
 Supplementary information		
Interest received	\$ 11,661	\$ 29,442
Interest paid	\$ 13,312	\$ 15,378

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2021

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, 2021

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the First Nation, forests, water, and other natural resources are not recognized as tangible capital assets.

Amortization

Amortization is calculated on the cost, net of contributions on a straight-line basis over the following number of years:

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

Program Surplus

Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements and could result in adjustments to prior year funding.

Long-term Loans Receivable

Loans are carried at the unpaid principal less allowances for doubtful loans.

Allowance for Doubtful Loans

The First Nation maintains specific allowances for doubtful loans that reduce the carrying value of loans identified as impaired to their estimated realizable amounts.

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2021

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.

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2021

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, 2021

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:

	<u>2021</u>	<u>2020</u>
Externally restricted		
Unspent OFNLP revenue	\$ 518,366	\$ 397,904
Restricted by funding agreements	<u>3,072,858</u>	<u>1,063,812</u>
	<u>3,591,224</u>	<u>1,461,716</u>
Internally restricted		
Reserves	<u>286,060</u>	<u>191,970</u>
Unrestricted		
Operating (bank indebtedness)	<u>(1,730,363)</u>	<u>(485,735)</u>
Total cash and cash equivalents	<u>\$ 2,146,921</u>	<u>\$ 1,167,951</u>

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

2. Accounts and Loans Receivable

	2021	2020
Accounts receivable	\$ 1,820,910	\$ 1,106,542
Rental housing	657,169	588,671
Loans receivable	5,000	5,000
Advances to Band members	22,437	27,988
	2,505,516	1,728,201
Allowance for doubtful accounts	754,128	685,830
	<u>\$ 1,751,388</u>	<u>\$ 1,042,371</u>

3. Advances to Affiliated Companies

	Payment terms	Interest rate	2021	2020
Senic River Mall Inc.	unspecified	unspecified	<u>\$ 112,463</u>	<u>\$ 112,463</u>

All amounts due from affiliated Companies are unsecured.

4. Portfolio Investments

	2021	2020
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	5,574,402	5,244,564
Senic River Mall Inc.	10	10
Boundary Waters Forest Management Corporation	43	-
	<u>\$ 5,769,801</u>	<u>\$ 5,439,920</u>

Portfolio investments are valued at cost. Fair market value of securities as of March 31, 2021, is \$5,936,241 (2020 - \$4,411,261). The fair market value of all other investments approximate their costs.

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

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, 2021

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		
Percentage ownership												
Carrying value, March 31, 2019	\$	(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)
Carrying value, March 31, 2020		(2,890)		3,831,000		-		-		-		3,828,110
Purchase of shares/units		-		-		-		-		-		-
Share of net income		(408)		1,105,608		-		-		-		1,105,200
Changes in capital		-		12,349		-		-		-		12,349
Other adjustments		(760)		-		-		-		-		(760)
Carrying value, March 31, 2021	\$	(4,058)	\$	4,948,957	\$	-	\$	-	\$	-	\$	4,944,899

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

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	2021 Total	2020 Total
Financial position							
Current assets	\$ 10	\$ 1,930,422	\$ -	\$ -	\$ -	\$ 1,930,432	\$ 1,107,487
Long-term assets	2,237	7,260,919	-	-	-	7,263,156	7,394,897
	2,247	9,191,341	-	-	-	9,193,588	8,502,384
Current liabilities	1,600	683,650	-	-	-	685,250	3,302,922
Long-term liabilities	4,695	3,556,496	-	-	-	3,561,191	1,370,211
	6,295	4,240,146	-	-	-	4,246,441	4,673,133
Share/unit capital	10	10,000	-	-	-	10,010	10,010
Net equity (deficit), end of year	(4,058)	4,941,195	-	-	-	4,937,137	3,819,241
	(4,048)	4,951,195	-	-	-	4,947,147	3,829,251
	\$ 2,247	\$ 9,191,341	\$ -	\$ -	\$ -	\$ 9,193,588	\$ 8,502,384
Results of operations							
Revenues	\$ 1,107	\$ 1,742,061	\$ -	\$ -	\$ -	\$ 1,743,168	\$ 2,134,767
Operating expenses	1,515	635,346	-	-	-	636,861	1,256,046
Net income	(408)	1,106,715	-	-	-	1,106,307	878,721
Distributions	(760)	12,349	(133)	(2,320,769)	(3,071,236)	(5,380,549)	(4,058,837)
Net equity (deficit), beginning of year	(2,890)	3,822,131	133	2,320,769	3,071,236	9,211,379	6,999,357
Net equity (deficit), end of year	\$ (4,058)	\$ 4,941,195	\$ -	\$ -	\$ -	\$ 4,937,137	\$ 3,819,241

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

6. Accounts Payable and Accrued Liabilities

	2021	2020
Trade payables	\$ 606,964	\$ 806,515
Due to Band members	6,781	12,364
Due to Little Otter Contracting, LP	99,761	99,761
	\$ 713,506	\$ 918,640

7. Trust Funds Investments Held

	Balance March 31, 2020	Additions 2021	Withdrawals 2021	Balance March 31, 2021
Capital	\$ 174,884	\$ -	\$ -	\$ 174,884
Revenue	81,295	4,961	-	86,256
Rainy River District First Nations Trust	43,148	33,701	-	76,849
	\$ 299,327	\$ 38,662	\$ -	\$ 337,989

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, 2021

8. Deferred Revenue

	Balance March 31, 2020	Funding Received 2021	Revenue Recognized 2021	Balance March 31, 2021
Federal Government				
Health Canada	\$ 357,021	\$ 790,755	\$ 306,519	\$ 841,257
ISC - Band Support	135,098	849,408	234,869	749,637
ISC - Education	433,407	1,690,021	1,571,712	551,716
ISC - Flood Vulnerability	70,488	-	70,488	-
ISC - Other	24,870	1,273,159	491,854	806,175
	<u>1,020,884</u>	<u>4,603,343</u>	<u>2,675,442</u>	<u>2,948,785</u>
Provincial Government				
Ministry of Indigenous Affairs	-	248,729	234,589	14,140
Other				
Shooniyaa Wa-Biitong	-	392,440	298,999	93,441
OFNLP	397,904	586,087	465,625	518,366
Weechi-It-Te-Win	-	919,067	904,067	15,000
Nuclear Waste Management	42,928	60,000	101,436	1,492
	<u>440,832</u>	<u>1,957,594</u>	<u>1,770,127</u>	<u>628,299</u>
	<u>\$ 1,461,716</u>	<u>\$ 6,809,666</u>	<u>\$ 4,680,158</u>	<u>\$ 3,591,224</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.

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, 2021

9. Long-term Debt

	2021	2020
Secured debt		
CMHC mortgage with interest at 0.70%, repayable in monthly installments of \$2,876 principal and interest, maturing September 2025. Carrying value of the secured asset is \$672,726.	\$ 454,921	\$ 485,652
CMHC mortgage with interest at 0.68%, repayable in monthly installments of \$1,496 principal and interest, maturing August 2025. Carrying value of the secured asset is \$119,681.	160,890	177,545
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 \$255,268.	111,770	121,321
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 \$404,777.	335,023	346,497
Unsecured debt		
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
Demand debt		
TD loan with interest at prime plus 1.25%, repayable by July 21, 2032.	919,574	1,000,712
TD loan with interest at prime plus 1.40%, repayable by July 21, 2032.	685,383	736,152
	\$ 2,978,669	\$ 3,178,987

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, 2021

9. Long-term Debt (continued)

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

	Principal Repayments	Interest	Total
2022	\$ 199,550	\$ 10,721	\$ 210,271
2023	344,723	11,029	355,752
2024	202,913	10,339	213,252
2025	372,220	9,640	381,860
2026	204,318	8,934	213,252
Thereafter	1,654,945	62,836	1,717,781
	<u>\$ 2,978,669</u>	<u>\$ 113,499</u>	<u>\$ 3,092,168</u>

	<u>2021</u>	<u>2020</u>
Interest expense for the year on long-term debt	<u>\$ 13,312</u>	<u>\$ 15,378</u>

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

10. Accumulated Surplus

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

	2021	2020
Investment in tangible capital assets		
Tangible capital assets	\$ 18,109,229	\$ 18,919,933
Tangible capital assets under construction	27,125	-
Debt relating to tangible capital assets	(2,667,561)	(2,867,879)
Total investment in tangible capital assets	15,468,793	16,052,054
Operations	1,804,964	1,817,397
Equity in trusts	285,845	280,884
Government business enterprises and partnerships	4,944,899	3,828,110
Replacement reserves		
Med van replacement reserve	9,046	9,046
CSST van replacement reserve	22,037	22,037
Weechi replacement reserve	51,133	-
Medical transportation replacement reserve	26,746	-
CMHC replacement reserve	177,097	160,887
Infrastructure replacement reserve	2,442,918	2,442,918
Total replacement reserves	2,728,977	2,634,888
Working capital reserve	750,000	750,000
	\$ 25,983,478	\$ 25,363,333

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

11. Tangible Capital Assets

	2021					
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 13,134,036	\$ 7,382,988	\$ 772,210	\$ 1,151,888	\$ 5,033,241	\$ 925,060
Additions	62,904	63,008	160,149	-	-	30,951
Disposals	-	-	-	-	-	-
Cost, end of year	13,196,940	7,445,996	932,359	1,151,888	5,033,241	956,011
Accumulated amortization, beginning of year	3,376,843	2,114,468	521,614	443,038	2,338,434	685,093
Amortization	500,079	185,725	133,661	23,038	175,416	109,797
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	3,876,922	2,300,193	655,275	466,076	2,513,850	794,890
Net carrying amount, end of year	\$ 9,320,018	\$ 5,145,803	\$ 277,084	\$ 685,812	\$ 2,519,391	\$ 161,121
						\$ 18,109,229

The net book value of tangible capital assets not being amortized because they are under construction is \$27,125 (2020 - \$NIL). 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, 2021

11. Tangible Capital Assets (continued)

	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
						\$18,919,933

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

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 (2020 - \$193,560). In the opinion of management, the likelihood of the guarantees being exercised is low.

13. Indigenous Services Canada Funding Reconciliation

	2021	2020
ISC revenue per funding confirmation	\$ 3,812,588	\$ 3,007,937
Deferred revenue, beginning of year	663,863	794,088
Deferred revenue, end of year	<u>(2,107,528)</u>	<u>(663,863)</u>
ISC revenue per consolidated financial statements	<u>\$ 2,368,923</u>	<u>\$ 3,138,162</u>

Of the funding above \$283,622 relates to flexible contribution funding, \$3,334,097 relates to fixed contribution funding, \$2,000 relates to set contribution funding, and \$192,869 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 2021 were \$132,058.

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, 2021.

At March 31, 2021, 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, 2021

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 2021 was \$114,035 (2020 - \$99,282).

18. Expenditure by Object

	<u>2021</u>	<u>2020</u>
Salaries, wages and employee benefits	\$ 2,555,902	\$ 2,822,270
Materials and supplies	1,893,892	1,839,536
Contracted services	1,253,366	1,054,942
Rents and financial expenses	308,215	364,205
Travel	170,994	409,910
Amortization	1,127,716	1,088,012
	<u>\$ 7,310,085</u>	<u>\$ 7,578,875</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:

	<u>2021</u>
Financial Plan (budget) by-law surplus for the year	\$ 2,021,426
Less:	
Transfers	(992,696)
Deferred revenue	(833,893)
Budget surplus per consolidated statement of operations	<u>\$ 194,837</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.

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

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, 2021

21. Replacement Reserve

	Medical Van	Community Service Van	Weechi/10-Unit (1997)10-Unit (2002)10-Unit (2005)10-Unit (2019) Health#22-164-198-1#22-164-198-2#22-164-198-3#22-164-198-4	Total
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
Annual surplus	-	-	- - - - -	-
Allocation to restricted funds	-	-	77,879 2,550 2,550 8,500 2,610	16,210
Balance March 31, 2021	\$ 9,046 \$	22,036 \$	77,879 \$ 41,020 \$ 38,428 \$ 92,431 \$ 5,220 \$	286,060

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$208,181. The amount held in a restricted bank account in relation to this reserve is \$177,258; therefore, the reserve is under funded by \$30,923 as of March 31, 2021.

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2021

22. Uncertainty Due to COVID-19

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 2021 Segment Disclosure

March 31, 2021	Band Support	Operations Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 234,869	\$ 43,311	\$ 1,571,712	\$ -	\$ 179,646	\$ 339,385	\$ 2,368,923
Canada	-	47,784	-	283,860	-	88,910	420,554
Province of Ontario	50,642	-	-	-	-	809,194	859,836
OFNLP	-	-	-	-	-	465,625	465,625
Trust income	4,961	-	-	-	-	-	4,961
Other Aboriginal Organizations	5,051	-	-	127,926	-	1,198,015	1,330,992
Interest, rentals and other	1,050,081	54,433	1,000	130,082	-	325,531	1,561,127
Administration	748,206	-	(231,618)	(54,991)	-	(295,660)	165,937
Transfers	3,145	13,060	-	(49,846)	-	(132,296)	(165,937)
Economic development revenue	-	-	-	-	-	840,333	840,333
	2,096,955	158,588	1,341,094	437,031	179,646	3,639,037	7,852,351
Expenditures							
Salaries, wages and benefits	518,881	59,977	332,452	284,959	94,119	1,265,514	2,555,902
Materials, supplies and capital	691,235	98,611	37,368	45,175	85,007	936,496	1,893,892
Contracted services	-	-	860,832	36,425	-	356,109	1,253,366
Rents and financial expenses	253,807	-	-	1,900	-	52,508	308,215
Travel	16,461	-	110,442	22,479	520	21,092	170,994
Amortization	1,127,716	-	-	-	-	-	1,127,716
	2,608,100	158,588	1,341,094	390,938	179,646	2,631,719	7,310,085
Excess (deficiency) of revenue over expenditures	\$ (511,145)	\$ -	\$ -	\$ 46,093	\$ -	\$ 1,007,318	\$ 542,266

Nigigoonsiminikaaning First Nation 2020 Segment Disclosure

March 31, 2020	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 445,556	\$ 46,711	\$ 1,662,091	\$ -	\$ 276,147	\$ 707,657	\$ 3,138,162
Canada	-	10,989	-	248,478	345,000	109,938	714,405
Province of Ontario	-	-	-	-	-	841,443	841,443
OFNLP	-	-	-	-	-	454,420	454,420
Trust income	4,932	-	-	-	-	-	4,932
Other Aboriginal Organizations	13,054	-	-	122,915	-	1,523,960	1,659,929
Interest, rentals and other	592,287	83,362	-	144,788	-	476,984	1,297,421
Administration	761,991	-	(314,610)	(77,390)	-	(324,826)	45,165
Transfers	52,045	39,774	-	(49,846)	-	(82,909)	(40,936)
Economic development revenue	-	-	-	-	-	424,324	424,324
	1,869,865	180,836	1,347,481	388,945	621,147	4,130,991	8,539,265
Expenditures							
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
Excess (deficiency) of revenue over expenditures	\$ (273,975)	\$ (46,050)	\$ -	\$ -	\$ 302,534	\$ 977,881	\$ 960,390