

**Nigigoonsiminikaaning First
Nation
Consolidated Financial Statements
For the year ended March 31, 2022**

Nigigoonsiminikaaning First Nation
Consolidated Financial Statements
For the year ended March 31, 2022

	Contents
Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3
Consolidated Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Accumulated Surplus	7
Consolidated Statement of Changes in Net Assets	8
Consolidated Statement of Cash Flows	9
Summary of Significant Accounting Policies	10
Notes to Consolidated Financial Statements	14
2022 Segment Disclosure	29
2021 Segment Disclosure	30

Nigigoonsiminikaaning First Nation Management's Responsibility for Financial Reporting

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



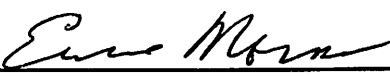
The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has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

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

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

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

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

	Chief
	Councilor
	Councilor



Tel: 807-274-9848
Fax: 807-274-5142
www.bdo.ca

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, 2022, 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, 2022, 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



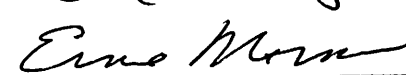
March 24, 2023

Nigigoonsiminikaaning First Nation Consolidated Statement of Financial Position

March 31	2022	2021
Financial assets		
Cash and cash equivalents (Note 1)	\$ 3,298,919	\$ 2,146,921
Accounts and loans receivable (Note 2)	2,589,700	1,751,388
Advances to affiliated Companies (Note 3)	118,963	112,463
Trust funds (Note 7)	374,264	337,989
Portfolio investments (Note 4)	5,140,089	5,769,801
Government business enterprises and partnerships (Note 5)	6,035,076	4,944,899
	<u>17,557,011</u>	<u>15,063,461</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	862,097	713,506
Deferred revenue (Note 8)	4,663,689	3,591,224
Long-term debt (Note 9)	2,907,448	2,978,669
	<u>8,433,234</u>	<u>7,283,399</u>
Net assets	<u>9,123,777</u>	<u>7,780,062</u>
Non-financial assets		
Tangible capital assets (Note 11)	17,679,657	18,109,229
Prepaid expense	118,851	67,062
Tangible capital assets under construction	906,921	27,125
	<u>18,705,429</u>	<u>18,203,416</u>
Accumulated surplus (Note 10)	<u>\$ 27,829,206</u>	<u>\$ 25,983,478</u>

Commitments and Contingencies (Note 12)

Approved on behalf of Council:

 <hr style="border: 0; border-top: 1px solid black; margin-top: 5px;"/>	Chief
 <hr style="border: 0; border-top: 1px solid black; margin-top: 5px;"/>	Councilor
 <hr style="border: 0; border-top: 1px solid black; margin-top: 5px;"/>	Councilor

Nigigoonsiminikaaning First Nation Consolidated Statement of Operations

March 31	Budget	2022	2021
	(Note 19)		
Revenue			
ISC (Note 13)	\$ 4,819,779	\$ 4,114,925	\$ 2,368,923
Revenue - trust fund	-	2,357	4,961
Fort Frances Tribal Area Health Services	125,420	73,887	127,926
Rental - housing/equipment	162,110	163,370	165,800
Ministry of Community and Social Services	216,558	262,209	172,155
Ministry of Indigenous Affairs	365,112	484,960	234,589
Ministry of Education	427,799	428,597	453,092
CMHC	89,748	88,362	114,035
Miscellaneous	487,064	1,833,150	1,395,327
Shooniyaa Wa-Biitong	288,132	285,721	298,999
Health Canada	506,553	638,855	306,519
OFNLP revenue	-	300,190	465,625
Weechi-It-Te-Win	1,074,450	1,147,506	904,067
Economic development revenue	-	4,096	840,333
	8,562,725	9,828,185	7,852,351
Expenses			
Education	1,553,515	1,697,478	1,341,094
Band support	1,564,990	1,198,552	1,480,384
Operations and maintenance	965,225	261,141	158,588
Economic Development	10,000	15,262	22,796
Day Care	804,612	657,356	597,423
Ontario Works	376,915	393,026	282,002
Water treatment plant	575,930	170,935	163,390
Health Canada	523,559	301,971	266,002
Summer student	15,960	12,093	15,414
Capital	803,400	243,118	179,646
Flood claim	-	91,272	129,480
New Relationship Fund	85,000	71,800	77,300
Weechi-It-Te-Win programs	1,180,215	962,920	793,471
Other programs	172,398	306,825	261,599
CMHC	140,838	96,696	56,474
OFNLP	753,157	79,491	159,512
Fire department	17,639	7,893	1,100
Energy plan	74,714	75,347	24,770
Flood vulnerability	-	-	70,488
Nuclear waste management	216,492	122,109	101,436
Child & family	222,224	39,691	-
Amortization	-	1,177,481	1,127,716
	10,056,783	7,982,457	7,310,085
Annual surplus (deficit)	\$ (1,494,058)	\$ 1,845,728	\$ 542,266

Nigigoonsiminikaaning First Nation
Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2022	2021
Accumulated surplus, beginning of year	\$ 25,983,478	\$ 25,363,333
Transfers to replacement reserves	-	77,879
Accumulated surplus, beginning of year	25,983,478	25,441,212
Annual surplus	1,845,728	542,266
Accumulated surplus, end of year	\$ 27,829,206	\$ 25,983,478

Nigigoonsiminikaaning First Nation Consolidated Statement of Changes in Net Assets

For the year ended March 31	Budget	2022	2021
	(Note 19)		
Annual surplus	\$ (1,494,058)	\$ 1,845,728	\$ 542,266
Net acquisition of tangible capital assets	-	(1,627,705)	(344,137)
Transfers to replacement reserves	-	-	77,879
Amortization of tangible capital assets	-	1,177,481	1,127,716
	(1,494,058)	1,395,504	1,403,724
Use of prepaid expenses	-	(51,789)	45,539
Net changes in net assets	(1,494,058)	1,343,715	1,449,263
Net assets, beginning of year	7,780,062	7,780,062	6,330,799
Net assets, end of year	\$ 6,286,004	\$ 9,123,777	\$ 7,780,062

Nigigoonsiminikaaning First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Annual surplus	\$ 1,845,728	\$ 542,266
Items not affecting cash		
Amortization of tangible capital assets	1,177,481	1,127,716
Bad debt expense	150,939	61,353
Prior period adjustment	-	77,879
	<u>3,174,148</u>	<u>1,809,214</u>
 Changes in non-cash working capital		
Accounts and loans receivable	(989,251)	(770,370)
Prepaid expense	(51,789)	45,539
Accounts payable	148,591	(205,134)
Deferred revenue	1,072,465	2,129,508
Government business enterprises	(1,090,177)	(1,116,789)
	<u>(910,161)</u>	<u>82,754</u>
	<u>2,263,987</u>	<u>1,891,968</u>
 Cash flows from capital activities		
Purchase of tangible capital assets	(1,627,705)	(344,137)
 Cash flows from investing activities		
Advances to affiliated enterprises	(6,500)	-
Purchase of investments	629,712	(329,881)
Trust funds	(36,275)	(38,662)
	<u>586,937</u>	<u>(368,543)</u>
 Cash flows from financing activities		
Repayment of long-term debt	(71,221)	(200,318)
	<u>(71,221)</u>	<u>(200,318)</u>
 Net change in cash and cash equivalents	<u>1,151,998</u>	<u>978,970</u>
 Cash and cash equivalents, beginning of year	<u>2,146,921</u>	<u>1,167,951</u>
 Cash and cash equivalents, end of year	<u>\$ 3,298,919</u>	<u>\$ 2,146,921</u>
 Supplementary information		
Interest received	\$ 13,092	\$ 11,661
Interest paid	\$ 11,597	\$ 13,312

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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>2022</u>	<u>2021</u>
Externally restricted		
Unspent OFNLP revenue	\$ 572,544	\$ 518,366
Restricted by funding agreements	<u>4,091,145</u>	<u>3,072,858</u>
	<u>4,663,689</u>	<u>3,591,224</u>
Internally restricted		
Reserves	<u>302,270</u>	<u>286,060</u>
Unrestricted		
Operating (bank indebtedness)	<u>(1,667,040)</u>	<u>(1,730,363)</u>
Total cash and cash equivalents	<u><u>\$ 3,298,919</u></u>	<u><u>\$ 2,146,921</u></u>

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2022

2. Accounts and Loans Receivable

	2022	2021
Accounts receivable	\$ 2,718,569	\$ 1,820,910
Rental housing	717,266	657,169
Loans receivable	5,000	5,000
Advances to Band members	53,932	22,437
	<u>3,494,767</u>	<u>2,505,516</u>
Allowance for doubtful accounts	905,067	754,128
	<u>\$ 2,589,700</u>	<u>\$ 1,751,388</u>

3. Advances to Affiliated Companies

	Payment terms	Interest rate	2022	2021
Senic River Mall Inc.	unspecified	unspecified	\$ 118,963	\$ 112,463

All amounts due from affiliated companies are unsecured.

4. Portfolio Investments

	2022	2021
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
Nanicoast Ltd.	7,389	7,389
Securities	4,944,690	5,574,402
Senic River Mall Inc.	10	10
Boundary Waters Forest Management Corporation	43	43
	<u>\$ 5,140,089</u>	<u>\$ 5,769,801</u>

Portfolio investments are valued at cost. Fair market value of securities as of March 31, 2022, is \$5,200,544 (2021 - \$5,936,241). The fair market value of all other investments approximate their costs.

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2022

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.

	Little Otter Economic Development Corporation	Little Otter Economic Development, LP	Total
Percentage ownership	100%	99.99%	
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
Purchase of shares/units	-	-	-
Share of net income	(7)	(29,814)	(29,821)
Changes in capital	-	1,119,998	1,119,998
Other adjustments	-	-	-
Carrying value, March 31, 2022	\$ (4,065)	\$ 6,039,141	\$ 6,035,076

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2022

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

	Little Otter Economic Development Corporation	Little Otter Economic Development, LP	2022 Total	2021 Total
Financial position				
Current assets	\$ 10	\$ 2,261,371	\$ 2,261,381	\$ 1,107,487
Long-term assets	2,207	7,357,273	7,359,480	7,394,897
	<u>2,217</u>	<u>9,618,644</u>	<u>9,620,861</u>	<u>8,502,384</u>
Current liabilities	1,600	688,434	690,034	3,302,922
Long-term liabilities	4,672	2,888,861	2,893,533	1,370,211
	<u>6,272</u>	<u>3,577,295</u>	<u>3,583,567</u>	<u>4,673,133</u>
Share/unit capital	10	10,000	10,010	10,010
Net equity (deficit), end of year	(4,065)	6,031,349	6,027,284	3,819,241
	<u>(4,055)</u>	<u>6,041,349</u>	<u>6,037,294</u>	<u>3,829,251</u>
	<u>\$ 2,217</u>	<u>\$ 9,618,644</u>	<u>\$ 9,620,861</u>	<u>\$ 8,502,384</u>
Results of operations			2022	2021
Revenues	\$ 23	\$ 726,863	\$ 726,886	\$ 2,134,767
Operating expenses	30	756,707	756,737	1,256,046
Net income	(7)	(29,844)	(29,851)	878,721
Distributions	-	1,119,998	1,119,998	(4,058,837)
Net equity (deficit), beginning of year	(4,058)	4,941,195	4,937,137	6,999,357
Net equity (deficit), end of year	<u>\$ (4,065)</u>	<u>\$ 6,031,349</u>	<u>\$ 6,027,284</u>	<u>\$ 3,819,241</u>

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2022

6. Accounts Payable and Accrued Liabilities

	2022	2021
Trade payables	\$ 747,072	\$ 606,964
Due to Band members	15,264	6,781
Due to Little Otter Contracting, LP	99,761	99,761
	\$ 862,097	\$ 713,506

7. Trust Funds Investments Held

	Balance March 31, 2021	Additions 2022	Withdrawals 2022	Balance March 31, 2022
Capital	\$ 174,884	\$ -	\$ -	\$ 174,884
Revenue	86,256	2,357	-	88,613
Rainy River District First Nations Trust	76,849	33,918	-	110,767
	\$ 337,989	\$ 36,275	\$ -	\$ 374,264

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, 2022

8. Deferred Revenue

	Balance March 31, 2021	Funding Received 2022	Revenue Recognized 2022	Balance March 31, 2022
Federal Government				
Health Canada	\$ 841,257	\$ 558,371	\$ 638,855	\$ 760,773
ISC - Band Support	749,637	530,748	506,755	773,630
ISC - Education	551,716	2,553,387	1,998,281	1,106,822
ISC - Water Treatment Plant	558,307	395,634	750,177	203,764
ISC - Other	247,868	696,903	656,623	288,148
ISC - O & M	-	759,787	61,473	698,314
	2,948,785	5,494,830	4,612,164	3,831,451
Provincial Government				
Minister of Agriculture	-	48,370	22,264	26,106
Ministry of Indigenous Affairs	14,140	470,820	484,960	-
	14,140	519,190	507,224	26,106
Other				
Shooniyaa Wa-Biitong	93,441	285,453	285,721	93,173
OFNLP	518,366	354,368	300,190	572,544
Weechi-It-Te-Win	15,000	1,148,895	1,147,506	16,389
Nuclear Waste Management	1,492	160,617	162,109	-
Fort Frances Tribal Area Health	-	197,913	73,887	124,026
	628,299	2,147,246	1,969,413	806,132
	\$ 3,591,224	\$ 8,161,266	\$ 7,088,801	\$ 4,663,689

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, 2022

9. Long-term Debt

	2022	2021
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 \$622,744.	\$ 423,489	\$ 454,921
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 \$105,209.	143,979	160,890
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 \$235,045.	102,097	111,770
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 \$387,178.	323,349	335,023
Unsecured debt		
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2025 or when litigation is settled, whichever comes first.	298,985	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.	838,435	919,574
TD loan with interest at prime plus 1.40%, repayable by July 21, 2032.	634,614	685,383
	\$ 2,907,448	\$ 2,978,669

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, 2022

9. Long-term Debt (continued)

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

	Principal Repayments	Interest	Total
2023	\$ 345,672	\$ 10,079	\$ 355,751
2024	202,953	10,300	213,253
2025	502,636	9,601	512,237
2026	204,358	8,894	213,252
2027	205,074	8,178	213,252
Thereafter	1,446,755	53,967	1,500,722
	<u>\$ 2,907,448</u>	<u>\$ 101,019</u>	<u>\$ 3,008,467</u>

	2022	2021
Interest expense for the year on long-term debt	<u>\$ 11,597</u>	<u>\$ 13,312</u>

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2022

10. Accumulated Surplus

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

	2022	2021
Investment in tangible capital assets		
Tangible capital assets	\$ 17,679,657	\$ 18,109,229
Tangible capital assets under construction	906,921	27,125
Debt relating to tangible capital assets	(2,465,963)	(2,667,561)
Total investment in tangible capital assets	<u>16,120,615</u>	<u>15,468,793</u>
Operations	<u>1,887,832</u>	<u>1,804,964</u>
Equity in trusts	<u>290,496</u>	<u>285,845</u>
Government business enterprises and partnerships	<u>6,035,076</u>	<u>4,944,899</u>
Replacement reserves		
Med van replacement reserve	35,792	9,046
CSST van replacement reserve	73,170	22,037
Weechi replacement reserve	-	51,133
Medical transportation replacement reserve	-	26,746
CMHC replacement reserve	193,307	177,097
Infrastructure replacement reserve	<u>2,442,918</u>	<u>2,442,918</u>
Total replacement reserves	<u>2,745,187</u>	<u>2,728,977</u>
Working capital reserve	<u>750,000</u>	<u>750,000</u>
	<u>\$ 27,829,206</u>	<u>\$ 25,983,478</u>

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

March 31, 2022

11. Tangible Capital Assets

	2022						
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 13,196,940	\$ 7,445,996	\$ 932,359	\$ 1,151,888	\$ 5,033,241	\$ 956,011	\$28,716,435
Additions	33,900	577,036	-	-	-	136,973	747,909
Disposals	-	-	-	-	-	-	-
Cost, end of year	13,230,840	8,023,032	932,359	1,151,888	5,033,241	1,092,984	29,464,344
Accumulated amortization, beginning of year	3,876,922	2,300,193	655,275	466,076	2,513,850	794,890	10,607,206
Amortization	530,745	189,010	126,188	23,038	175,416	133,084	1,177,481
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	4,407,667	2,489,203	781,463	489,114	2,689,266	927,974	11,784,687
Net carrying amount, end of year	\$ 8,823,173	\$ 5,533,829	\$ 150,896	\$ 662,774	\$ 2,343,975	\$ 165,010	\$17,679,657

The net book value of tangible capital assets not being amortized because they are under construction is \$906,921 (2021 - \$27,125). 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, 2022

11. Tangible Capital Assets (continued)

	2021						
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 13,134,036	\$ 7,382,988	\$ 772,210	\$ 1,151,888	\$ 5,033,241	\$ 925,060	\$ 28,399,423
Additions	62,904	63,008	160,149	-	-	30,951	317,012
Disposals	-	-	-	-	-	-	-
Cost, end of year	13,196,940	7,445,996	932,359	1,151,888	5,033,241	956,011	28,716,435
Accumulated amortization, beginning of year	3,376,843	2,114,468	521,614	443,038	2,338,434	685,093	9,479,490
Amortization	500,079	185,725	133,661	23,038	175,416	109,797	1,127,716
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	3,876,922	2,300,193	655,275	466,076	2,513,850	794,890	10,607,206
Net carrying amount, end of year	\$ 9,320,018	\$ 5,145,803	\$ 277,084	\$ 685,812	\$ 2,519,391	\$ 161,121	\$ 18,109,229

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2022

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 (2021 - \$193,560). In the opinion of management, the likelihood of the guarantees being exercised is low.

13. Indigenous Services Canada Funding Reconciliation

	2022	2021
ISC revenue per funding confirmation	\$ 5,078,075	\$ 3,812,588
Deferred revenue, beginning of year	2,107,528	663,863
Deferred revenue, end of year	<u>(3,070,678)</u>	<u>(2,107,528)</u>
ISC revenue per consolidated financial statements	<u>\$ 4,114,925</u>	<u>\$ 2,368,923</u>

Of the funding above, \$302,941 relates to flexible contribution funding, \$4,566,615 relates to fixed contribution funding, \$NIL relates to set contribution funding, and \$208,519 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 2022 were \$323,675.

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, 2022.

At March 31, 2022, 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, 2022

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 2022 was \$88,362 (2021 - \$114,035).

18. Expenditure by Object

	2022	2021
Salaries, wages and employee benefits	\$ 2,927,569	\$ 2,555,902
Materials and supplies	1,843,423	1,893,892
Contracted services	1,433,028	1,253,366
Rents and financial expenses	320,989	308,215
Travel	279,967	170,994
Amortization	1,177,481	1,127,716
	\$ 7,982,457	\$ 7,310,085

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:

	2022
Financial Plan (budget) by-law surplus for the year	\$ 852,047
Less:	
Transfers	(296,772)
Deferred revenue	(2,049,333)
Budget surplus per consolidated statement of operations	\$ (1,494,058)

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, 2022

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, 2022

21. Replacement Reserve

	Medical Van	Community Service Van	Weechi/ Health	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, 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	94,089
Balance March 31, 2021	9,046	22,036	77,879	41,020	38,428	92,431	5,220	286,060
Annual surplus	-	-	-	-	-	-	-	-
Allocation to restricted funds	26,746	51,133	(77,879)	2,550	2,550	8,500	2,610	16,210
Balance March 31, 2022	\$ 35,792	\$ 73,169	\$ -	\$ 43,570	\$ 40,978	\$ 100,931	\$ 7,830	\$ 302,270

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$193,307. The amount held in a restricted bank account in relation to this reserve is \$177,790; therefore, the reserve is under funded by \$15,517 as of March 31, 2022.

**Nigigoonsiminikaaning First Nation
2022 Segment Disclosure**

March 31, 2022	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 506,755	\$ 61,473	\$ 1,998,281	\$ -	\$ 606,432	\$ 941,984	\$ 4,114,925
Canada	214,261	168,898	-	203,113	-	140,945	727,217
Province of Ontario	-	-	-	77,820	200,000	897,946	1,175,766
OFNLP	-	-	-	-	-	300,190	300,190
Trust income	2,357	-	-	-	-	-	2,357
Other Aboriginal organizations	-	-	16,209	73,887	-	1,417,018	1,507,114
Interest, rentals and other	1,155,558	41,750	1,000	109,933	-	688,279	1,996,520
Administration	671,404	-	(221,995)	(82,939)	-	(253,213)	113,257
Transfers	27,726	53,060	-	(7,482)	(40,000)	(146,561)	(113,257)
Economic development revenue	-	-	-	-	-	4,096	4,096
	2,578,061	325,181	1,793,495	374,332	766,432	3,990,684	9,828,185
Expenditures							
Salaries, wages and benefits	499,338	64,005	452,645	180,711	87,671	1,643,199	2,927,569
Materials, supplies and capital	376,993	194,484	96,199	85,404	151,201	939,142	1,843,423
Contracted services	-	-	1,027,909	58,836	-	346,283	1,433,028
Rents and financial expenses	269,614	-	-	1,900	-	49,475	320,989
Travel	52,607	2,652	120,725	41,525	4,246	58,212	279,967
Amortization	1,177,481	-	-	-	-	-	1,177,481
	2,376,033	261,141	1,697,478	368,376	243,118	3,036,311	7,982,457
Excess (deficiency) of revenue over expenditures	\$ 202,028	\$ 64,040	\$ 96,017	\$ 5,956	\$ 523,314	\$ 954,373	\$ 1,845,728

**Nigigoonsiminikaaning First Nation
2021 Segment Disclosure**

March 31, 2021	Band Support	Operations and 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