

**Nigigoonsiminikaaning First
Nation
Consolidated Financial Statements
For the year ended March 31, 2023**

Nigigoonsiminikaaning First Nation
Consolidated Financial Statements
For the year ended March 31, 2023

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Nigigoonsiminikaanning First Nation Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Nigigoonsiminikaanning 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 Nigigoonsiminikaanning 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.

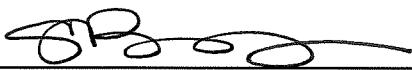
The Nigigoonsiminikaanning First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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.

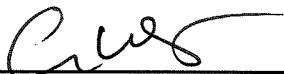
The consolidated financial statements have been audited by MNP LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. MNP LLP have full and free access to the Council.



Chief



Councilor



Councilor

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 and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, changes in accumulated surplus, remeasurement gains and losses, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its net assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In our opinion, the consolidated financial statements include investments in government business enterprises, government partnerships, government business partnership, 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The consolidated financial statements of the Nigigoonsiminikaaning First Nation for the year ended March 31, 2022 were audited by BDO Canada LLP of Fort Frances, Ontario, Canada, prior to its merger with MNP LLP. BDO Canada LLP expressed a qualified opinion on those statements on March 24, 2023 for the reasons described in the Basis for Qualified opinion paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 First Nation'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 First Nation'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 First Nation 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.

MNP LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Fort Frances, Ontario
December 2, 2025

MNP

Nigigoonsiminikaanning First Nation Consolidated Statement of Financial Position

March 31	2023	2022
Financial assets		
Cash and cash equivalents (Note 1)	\$ 11,995,765	\$ 3,298,919
Accounts and loans receivable (Note 2)	2,580,286	2,589,700
Advances to affiliated Companies (Note 3)	117,963	118,963
Trust funds (Note 7)	419,713	374,264
Portfolio investments (Note 4)	4,752,942	5,140,089
Government business enterprises and partnerships (Note 5)	<u>8,667,606</u>	<u>6,035,076</u>
	<u>28,534,275</u>	<u>17,557,011</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	1,384,904	862,097
Deferred revenue (Note 8)	11,954,013	4,663,689
Long-term debt (Note 9)	<u>922,993</u>	<u>2,907,448</u>
	<u>14,261,910</u>	<u>8,433,234</u>
Net assets	<u>14,272,365</u>	<u>9,123,777</u>
Non-financial assets		
Tangible capital assets (Note 11)	17,704,294	17,679,657
Prepaid expense	439,123	118,851
Tangible capital assets under construction	<u>4,008,789</u>	<u>906,921</u>
	<u>22,152,206</u>	<u>18,705,429</u>
Accumulated surplus	<u>\$ 36,424,571</u>	<u>\$ 27,829,206</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus (Note 10)	36,971,252	27,829,206
Accumulated remeasurement losses	<u>(546,681)</u>	-
	<u>\$ 36,424,571</u>	<u>\$ 27,829,206</u>

Commitments and Contingencies (Note 12)

Approved on behalf of Council:



Chief



Councilor



Councilor

Nigigoonsiminikaanning First Nation Consolidated Statement of Operations

March 31	Budget	2023	2022
(Note 19)			
Revenue			
ISC (Note 13)	\$ 10,831,681	\$ 5,340,367	\$ 4,753,780
Revenue - trust fund	-	5,699,394	2,357
Giishkaandago'ikwe Health Services	147,915	109,829	73,887
Rental - housing/equipment	162,110	166,387	163,370
Ministry of Community and Social Services	101,044	219,881	262,209
Ministry of Indigenous Affairs	85,000	347,080	484,960
Ministry of Education	412,040	449,676	428,597
CMHC	104,333	2,678,363	88,362
Miscellaneous (Note 19)	784,354	3,115,057	1,833,150
Shooniyaa Wa-Biitong	305,724	299,153	285,721
OFNLP revenue	355,000	1,075,192	300,190
Weechi-It-Te-Win	804,721	958,165	1,147,506
Economic development revenue	-	238,669	4,096
Hydro One	-	12,346	-
	14,093,922	20,709,559	9,828,185
Expenses			
Amortization	-	1,096,429	1,177,481
Band support	1,984,447	3,273,932	1,198,552
Capital	232,173	612,056	243,118
Child & family	278,036	92,254	39,691
CMHC	147,847	70,629	96,696
Day Care	706,279	643,437	657,356
Economic Development	-	6,242	15,262
Education	2,124,728	1,952,753	1,697,478
Energy plan	49,714	47,829	75,347
Fire department	73,611	266	7,893
Flood claim	-	146,704	91,272
Health Canada	1,285,775	377,113	301,971
New Relationship Fund	77,300	77,300	71,800
Nuclear waste management	237,133	129,823	122,109
OFNLP	325,000	-	79,491
Ontario Works	148,972	257,268	393,026
Operations and maintenance	851,298	824,454	261,141
Other programs	281,038	809,140	306,825
Summer student	22,000	16,578	12,093
Water treatment plant	8,523,698	141,374	170,935
Weechi-It-Te-Win programs	985,422	991,932	962,920
	18,334,471	11,567,513	7,982,457
Annual surplus (deficit)	\$ (4,240,549)	\$ 9,142,046	\$ 1,845,728

Nigigoonsiminikaaning First Nation
Consolidated Statement of Changes in Accumulated Surplus

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
Accumulated surplus, beginning of year	\$ 27,829,206	\$ 25,983,478
Transfers to replacement reserves	-	-
Accumulated surplus, beginning of year	27,829,206	25,983,478
Annual surplus	<u>9,142,046</u>	<u>1,845,728</u>
Accumulated surplus, end of year	<u>\$ 36,971,252</u>	<u>\$ 27,829,206</u>

Nigigoonsiminikaaning First Nation
Consolidated Statement of Remeasurement Gains or Losses

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
Accumulated remeasurement gains (losses), beginning of year	\$ -	\$ -
Unrealized losses attributable to:		
Portfolio investments	<u>(546,681)</u>	-
Accumulated remeasurement gains (losses), end of year	<u>\$ (546,681)</u>	\$ -

Nigigoonsiminikaanning First Nation Consolidated Statement of Changes in Net Assets

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2023</u>	<u>2022</u>
(Note 19)			
Annual surplus	\$ (4,240,549)	\$ 9,142,046	\$ 1,845,728
Net acquisition of tangible capital assets	- (4,222,934)	(1,627,705)	
Amortization of tangible capital assets	- 1,096,429	1,177,481	
Proceeds in excess of gain on asset disposal	- -	-	
	(4,240,549)	6,015,541	1,395,504
Use of prepaid expenses	- (320,272)	(51,789)	
Net changes in net assets net remeasurement gains (losses)	(4,240,549)	5,695,269	1,343,715
Net remeasurements gains (losses)	- (546,681)	-	-
Changes in net assets	(4,240,549)	5,148,588	1,343,715
Net assets, beginning of year	9,123,777	9,123,777	7,780,062
Net assets, end of year	\$ 4,883,228	\$ 14,272,365	\$ 9,123,777

Nigigoonsiminikaaning First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2023	2022
Cash flows from operating activities		
Annual surplus	\$ 9,142,046	\$ 1,845,728
Remeasurement loss	(546,681)	-
Items not affecting cash		
Amortization of tangible capital assets	1,096,429	1,177,481
Bad debt expense	119,623	150,939
	<hr/>	<hr/>
	9,811,417	3,174,148
Changes in non-cash working capital		
Accounts and loans receivable	(110,209)	(989,251)
Prepaid expense	(320,272)	(51,789)
Accounts payable	522,807	148,591
Deferred revenue	7,290,324	1,072,465
Government business enterprises	(2,632,530)	(1,090,177)
	<hr/>	<hr/>
	4,750,120	(910,161)
	<hr/>	<hr/>
	14,561,537	2,263,987
Cash flows from capital activities		
Purchase of tangible capital assets	<hr/>	<hr/>
	(4,222,934)	(1,627,705)
Cash flows from investing activities		
Advances to affiliated enterprises	1,000	(6,500)
Purchase of investments	387,147	629,712
Trust funds	(45,449)	(36,275)
	<hr/>	<hr/>
	342,698	586,937
Cash flows from financing activities		
Repayment of long-term debt	<hr/>	<hr/>
	(1,984,455)	(71,221)
Net change in cash and cash equivalents	8,696,846	1,151,998
Cash and cash equivalents, beginning of year	3,298,919	2,146,921
Cash and cash equivalents, end of year	\$ 11,995,765	\$ 3,298,919
Supplementary information		
Interest received	\$ 96,456	\$ 13,092
Interest paid	\$ 12,109	\$ 11,597

Nigigoonsiminikaanning First Nation Summary of Significant Accounting Policies

March 31, 2023

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, 2023

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

Portfolio Investments

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

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.

Nigigoonsiminikaanning First Nation Summary of Significant Accounting Policies

March 31, 2023

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.
Investments	<p>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.</p> <p>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.</p>
Replacement Reserves	The replacement reserve accounts are funded by an annual allocation based on amounts specified in agreements with CMHC.
Revenue Recognition	<p>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.</p> <p>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.</p> <p>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.</p>
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.

Nigigoonsiminikaaning First Nation Summary of Significant Accounting Policies

March 31, 2023

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.
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	<p>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.</p> <p>The estimates used in the preparation of these consolidated financial statements are the useful lives of property, plant and equipment and accrued liabilities.</p>

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

1. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Nigigoonsiminikaanning 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:

	2023	2022
Externally restricted		
Unspent OFNLP revenue	\$ -	\$ 572,544
Restricted by funding agreements	<u>11,954,013</u>	<u>4,091,145</u>
	<u>11,954,013</u>	<u>4,663,689</u>
Internally restricted		
Reserves	<u>318,479</u>	<u>302,270</u>
Unrestricted		
Operating (bank indebtedness)	<u>(276,727)</u>	<u>(1,667,040)</u>
Total cash and cash equivalents	<u>\$ 11,995,765</u>	<u>\$ 3,298,919</u>

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

2. Accounts and Loans Receivable

	2023	2022
Accounts receivable	\$ 2,536,571	\$ 2,718,569
Rental housing	798,396	717,266
Loans receivable	5,000	5,000
Advances to Band members	36,342	53,932
Agency One trust fund receivable	<u>228,667</u>	-
	3,604,976	3,494,767
Allowance for doubtful accounts	<u>1,024,690</u>	905,067
	<u>\$ 2,580,286</u>	\$ 2,589,700

3. Advances to Affiliated Companies

	Payment terms	Interest rate	2023	2022
Senic River Mall Inc.	unspecified	unspecified	<u>\$ 117,963</u>	<u>\$ 118,963</u>

All amounts due from affiliated companies are unsecured.

4. Portfolio Investments

	2023	2022
Boundary Waters Anishinabeg Development LP	\$ 158,331	\$ 80,922
Rainy Lake Tribal Development Corporation	-	100,000
Rainy Lake Tribal Resource Management Inc.	7,035	7,035
Nanicost Ltd.	7,389	7,389
Securities	<u>4,580,034</u>	4,944,690
Senic River Mall Inc.	10	10
Boundary Waters Forest Management Corporation	43	43
Agency One GP	<u>100</u>	-
	<u>\$ 4,752,942</u>	\$ 5,140,089

Portfolio investments are valued at fair market value. The fair market value of all the marketable securities as of March 31, 2023, was \$4,580,034 (2022 - \$5,200,544). The carrying value of the marketable securities at March 31, 2023 was \$5,126,715 (2022 - \$4,944,690). The securities are traded on an exchange.

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

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.

Agency One, LP

Agency One is a Limited Partnership that was created to manage the Agency One reserve land. Nigigoonsiminikaanning First Nation has 25% ownership in the entity and has significant influence.

Percentage ownership	Little Otter Economic Development Corporation	Little Otter Economic Development, LP	Agency One LP	Total
	100%	99.99%	24.94%	24.94%
Carrying value, March 31, 2021	\$ (4,058)	\$ 4,948,957	\$ -	\$ 4,944,899
Purchase of shares/units	-	-	100	100
Share of net income	(7)	(29,814)	(27,028)	(56,849)
Changes in capital	-	1,119,998	43,250	1,163,248
Carrying value, March 31, 2022	(4,065)	6,039,141	16,322	6,051,398
Purchase of shares/units	-	-	-	-
Share of net income	400	199,457	15,745	215,602
Changes in capital	-	2,279,391	119,246	2,398,637
Other adjustments	-	1,969	-	1,969
Carrying value, March 31, 2023	\$ (3,665)	\$ 8,519,958	\$ 151,313	\$ 8,667,606

March 31, 2023

NigigoonsiminiKaanning First Nation
Notes to Consolidated Financial Statements

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

	Little Otter	Little Otter	Agency	2023	2022
	Economic	Economic	One	Total	Total
	Development	Development, LP	LP		
Financial position					
Current assets	\$ 10	\$ 2,146,501	\$ 2,059,633	\$ 4,206,144	\$ 2,261,381
Long-term assets	450	7,108,612	9,492	7,118,554	7,359,480
	460	9,255,113	2,069,125	11,324,698	9,620,861
Current liabilities	1,600	212,693	963,047	1,177,340	690,034
Long-term liabilities	2,515	522,203	500,833	1,025,551	2,893,533
	4,115	734,896	1,463,880	2,202,891	3,583,567
Share/unit capital	10	10,000	401	10,411	10,010
Net equity (deficit), end of year	(3,665)	8,510,217	604,844	9,111,396	6,027,284
	(3,655)	8,520,217	605,245	9,121,807	6,037,294
	\$ 460	\$ 9,255,113	\$ 2,069,125	\$ 11,324,698	\$ 9,620,861
Results of operations					
Revenues	\$ 2,349	\$ 949,246	\$ 913,835	\$ 1,865,430	\$ 726,886
Operating expenses	1,949	749,769	850,849	1,602,567	756,737
	\$ 400	199,477	62,986	262,863	(29,851)
Net income					
Contributions (distributions)	2,279,391	476,984	2,756,375	1,119,998	
Net equity (deficit), beginning of year	(4,065)	6,031,349	64,874	6,092,158	4,937,137
Net equity (deficit), end of year	\$ (3,665)	\$ 8,510,217	\$ 604,844	\$ 9,111,396	\$ 6,027,284

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2023

6. Accounts Payable and Accrued Liabilities

	2023	2022
Trade payables	\$ 1,265,629	\$ 747,072
Due to Band members	19,314	15,264
Due to Agency One, LP & GP	200	-
Due to Little Otter Contracting, LP	<u>99,761</u>	<u>99,761</u>
	<hr/> \$ 1,384,904	<hr/> \$ 862,097

7. Trust Funds Investments Held

	Balance March 31, 2022	Additions 2023	Withdrawals 2023	Balance March 31, 2023
Capital	\$ 174,884	\$ -	\$ -	\$ 174,884
Revenue	88,613	6,639	-	95,252
Rainy River District First Nations Trust	<u>110,767</u>	<u>38,810</u>	<u>-</u>	<u>149,577</u>
	<hr/> \$ 374,264	\$ 45,449	\$ -	\$ 419,713

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.

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

8. Deferred Revenue

	Balance March 31, 2022	Funding Received 2023	Revenue Recognized 2023	Balance March 31, 2023
Federal Government				
ISC/Health Canada	\$ 760,773	\$ 408,815	\$ 368,800	\$ 800,788
ISC - Band Support	773,630	433,493	676,298	530,825
ISC - Education	1,106,822	2,646,952	2,327,880	1,425,894
ISC - Water Treatment Plant	203,764	8,170,647	468,437	7,905,974
ISC - Other	288,148	1,026,214	620,103	694,259
ISC - O & M	698,314	180,535	878,849	-
	<u>3,831,451</u>	<u>12,866,656</u>	<u>5,340,367</u>	<u>11,357,740</u>
Provincial Government				
Minister of Agriculture	26,106	-	3,937	22,169
Other				
Shooniyaa Wa-Biitong	93,173	254,974	299,153	48,994
OFNLP	572,544	502,648	1,075,192	-
Weechi-It-Te-Win	16,389	941,776	958,165	-
CMHC	-	3,041,363	2,678,363	363,000
Giishkaandago'lkwe Health Services	124,026	147,913	109,829	162,110
	<u>806,132</u>	<u>4,888,674</u>	<u>5,120,702</u>	<u>574,104</u>
	<u><u>\$ 4,663,689</u></u>	<u><u>\$ 17,755,330</u></u>	<u><u>\$ 10,465,006</u></u>	<u><u>\$ 11,954,013</u></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.

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

9. Long-term Debt

	2023	2022
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 \$572,763.	\$ 391,836	\$ 423,489
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 \$90,736.	126,954	143,979
CMHC mortgage with interest at 3.70%, repayable in monthly installments of \$1,026 principal and interest, maturing December 2027. Carrying value of the secured asset is \$214,822.	92,748	102,097
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 \$369,579.	311,455	323,349
Unsecured debt		
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2025 or when litigation is settled, whichever comes first.	-	298,985
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2023 or when litigation is settled, whichever comes first.	-	142,500
Demand debt		
TD loan with interest at prime plus 1.25%, repayable by July 21, 2032.	-	838,435
TD loan with interest at prime plus 1.40%, repayable by July 21, 2032.	-	634,614
	<u>\$ 922,993</u>	<u>\$ 2,907,448</u>

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

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

9. Long-term Debt (continued)

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

	Principal Repayments	Interest	Total
2024	\$ 71,196	\$ 11,395	\$ 82,591
2025	71,071	11,520	82,591
2026	72,000	10,592	82,592
2027	72,949	9,643	82,592
2028	73,918	8,673	82,591
Thereafter	<u>561,859</u>	<u>48,668</u>	<u>610,527</u>
	<u><u>\$ 922,993</u></u>	<u><u>\$ 100,491</u></u>	<u><u>\$ 1,023,484</u></u>
			<hr/> 2023
Interest expense for the year on long-term debt		\$ 12,109	\$ 11,597
			<hr/> 2022

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

10. Accumulated Surplus

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

	2023	2022
Investment in tangible capital assets		
Tangible capital assets	\$ 17,704,294	\$ 17,679,657
Tangible capital assets under construction	4,008,789	906,921
Debt relating to tangible capital assets	<u>(922,993)</u>	<u>(2,465,963)</u>
Total investment in tangible capital assets	<u>20,790,090</u>	<u>16,120,615</u>
Operations	3,704,287	1,887,832
Equity in trusts	<u>297,872</u>	<u>290,496</u>
Government business enterprises and partnerships	<u>8,667,606</u>	<u>6,035,076</u>
Replacement reserves		
Med van replacement reserve	35,792	35,792
CSST van replacement reserve	73,170	73,170
Medical transportation replacement reserve	-	-
CMHC replacement reserve	209,517	193,307
Infrastructure replacement reserve	<u>2,442,918</u>	<u>2,442,918</u>
Total replacement reserves	<u>2,761,397</u>	<u>2,745,187</u>
Working capital reserve	750,000	750,000
	<u>\$ 36,971,252</u>	<u>\$ 27,829,206</u>

Nigigoonsiminikaaning First Nation
Notes to Consolidated Financial Statements

March 31, 2023

11. Tangible Capital Assets

	2023						
	Buildings	Infrastructure	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 13,230,840	\$ 8,023,032	\$ 932,359	\$ 1,151,888	\$ 5,033,241	\$ 1,092,984	\$ 29,464,344
Additions	152,104	292,008	499,814	-	-	177,140	1,121,066
Disposals	-	-	-	-	-	-	-
Cost, end of year	13,382,944	8,315,040	1,432,173	1,151,888	5,033,241	1,270,124	30,585,410
Accumulated amortization, beginning of year	4,407,667	2,489,203	781,463	489,114	2,689,266	927,974	11,784,687
Amortization	454,030	189,010	171,290	23,038	175,416	83,645	1,096,429
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	4,861,697	2,678,213	952,753	512,152	2,864,682	1,011,619	12,881,116
Net carrying amount, end of year	\$ 8,521,247	\$ 5,636,827	\$ 479,420	\$ 639,736	\$ 2,168,559	\$ 258,505	\$ 17,704,294

The net book value of tangible capital assets not being amortized because they are under construction is \$4,008,789 (2022 - \$906,921). 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, 2023

11. Tangible Capital Assets (continued)

	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	<u>\$ 8,823,173</u>	<u>\$ 5,533,829</u>	<u>\$ 150,896</u>	<u>\$ 662,774</u>	<u>\$ 2,343,975</u>	<u>\$ 165,010</u>	<u>\$ 17,679,657</u>

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

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 (2022 - \$193,560). In the opinion of management, the likelihood of the guarantees being exercised is low.

13. Indigenous Services Canada Funding Reconciliation

	2023	2022
ISC revenue per funding confirmation	\$12,889,314	\$ 5,636,446
Deferred revenue, beginning of year	3,831,451	2,948,785
Deferred revenue, end of year	(11,357,740)	(3,831,451)
Recovery of prior years' funding	(22,658)	-
 ISC revenue per consolidated financial statements	 <u>\$ 5,340,367</u>	 <u>\$ 4,753,780</u>

Of the funding above, \$8,506,894 relates to flexible contribution funding, \$4,077,609 relates to fixed contribution funding, \$79,914 relates to set contribution funding, and \$224,897 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, 2023.

At March 31, 2023, the First Nation had undrawn credit capacity under this facility of \$250,000.

16. Economic Dependence

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

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 2023 was \$3,041,363 (2022 - \$88,362).

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

18. Expenditure by Object

	2023	2022
Salaries, wages and employee benefits	\$ 2,944,987	\$ 2,927,569
Materials and supplies	3,803,725	1,843,423
Contracted services	1,366,476	1,433,028
Rents and financial expenses	1,856,449	320,989
Travel	499,447	279,967
Amortization	<u>1,096,429</u>	<u>1,177,481</u>
	<u>\$ 11,567,513</u>	<u>\$ 7,982,457</u>

19. Miscellaneous Income

	2023	2022
Unrealized gains (losses) on investments	\$ 159,434	\$ -
Grand Council Treaty #3	1,030,338	617,246
Agency One Trust/LP Revenue	457,897	-
FN Drinking Water Settlement	500,000	-
Ministry of Health and Long-Term Care	109,235	107,311
Boundary Water Revenue	237,232	-
Other	<u>620,921</u>	<u>1,108,593</u>
	<u>\$ 3,115,057</u>	<u>\$ 1,833,150</u>

20. Budget Information

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated recovering deficits. In addition, the budget did not include amortization expense. As a result, the budget figures presented in the consolidated statement of operations represent the Financial Plan adopted by Council, with adjustments as follows:

	2023
Financial Plan (budget) by-law surplus for the year	\$ 1,069,375
Less:	
Transfers	196,453
Deferred revenue	<u>(5,506,377)</u>
Budget surplus per consolidated statement of operations	<u>\$ (4,240,549)</u>

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

March 31, 2023

21. Replacement Reserve

	Medical Van	Community Service Van	Weechi/ Health	10-Unit (1997) 10-Unit (2002) 10-Unit (2005) 10-Unit (2019) #22-164-198-1 #22-164-198-2 #22-164-198-3 #22-164-198-4	Total
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
Annual surplus	-	-	-	-	-
Allocation to restricted funds	-	-	-	2,550 2,550 8,500	2,609 16,209
Balance March 31, 2023	\$ 35,792	\$ 73,169	- \$ 46,120	\$ 43,528 \$ 109,431 \$ 10,439	\$ 318,479

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$209,519. The amount held in a restricted bank account in relation to this reserve is \$207,174; therefore, the reserve is under funded by \$2,345 as of March 31, 2023.

Nigigoonsiminikaaning First Nation Notes to Consolidated Financial Statements

March 31, 2023

22. 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.

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.

Nigigoonsiminikaanning First Nation Notes to Consolidated Financial Statements

March 31, 2023

22. Segmented Information (continued)

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.

Nigigoonsimikaaning First Nation
2023 Segment Disclosure

<u>March 31, 2023</u>	<u>Band Support</u>	<u>Operations and Maintenance</u>	<u>Education</u>	<u>Medical and Health</u>	<u>Capital</u>	<u>Other</u>	<u>Total</u>
Revenue							
Indigenous Services Canada	\$ 676,298	\$ 878,848	\$ 2,327,881	\$ 321,015	\$ 457,554	\$ 678,771	\$ 5,340,367
Canada	-	-	-	-	2,565,000	113,363	2,678,363
Province of Ontario	-	58,021	-	109,235	156,256	816,425	1,139,937
OFNLP	-	-	-	-	-	1,075,192	1,075,192
Trust income	5,699,394	-	-	-	-	-	5,699,394
Other Aboriginal organizations	48,275	-	-	109,829	-	1,209,043	1,367,147
Interest, rentals and other	2,789,399	36,867	11,600	35,233	-	297,391	3,170,490
Administration	122,903	-	(269,344)	(64,925)	-	(262,083)	(473,449)
Transfers	13,765	60,518	-	(11,427)	-	410,593	473,449
Economic development revenue	-	-	-	-	-	-	-
	9,350,034	1,034,254	2,070,137	498,960	3,178,810	4,577,364	20,709,559
Expenditures							
Salaries, wages and benefits	517,708	131,734	526,295	217,951	28,892	1,522,407	2,944,987
Materials, supplies and capital	926,774	690,575	242,383	135,652	573,577	1,234,764	3,803,725
Contracted services	-	-	1,010,218	51,294	-	304,964	1,366,476
Rents and financial expenses	1,700,339	-	-	8,598	-	147,512	1,856,449
Travel	129,111	2,145	173,857	62,020	9,587	122,727	499,447
Amortization	1,096,429	-	-	-	-	-	1,096,429
	4,370,361	824,454	1,952,753	475,515	612,056	3,332,374	11,567,513
Excess (deficiency) of							
revenue over expenditures							
	\$ 4,979,673	\$ 209,800	\$ 117,384	\$ 23,445	\$ 2,566,754	\$ 1,244,990	\$ 9,142,046

Nigigoonsimikaaning First Nation 2022 Segment Disclosure

	March 31, 2022								
	Band Support		Operations and Maintenance		Medical and Health				
	Band	Support	Operations	and	Maintenance	Education	Capital	Other	Total
Revenue									
Indigenous Services Canada	\$ 506,755	\$ 61,473	\$ 1,998,281	\$ -	\$ 203,113	\$ -	\$ 606,432	\$ 941,984	\$ 4,114,925
Canada	214,261	168,898	-	-	77,820	200,000	-	140,945	727,217
Province of Ontario	-	-	-	-	-	-	300,190	897,946	1,175,766
OFNLP	-	-	-	-	-	-	-	-	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)	(4,096)	(113,257)	4,096
Economic development revenue	-	-	-	-	-	-	-	-	-
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	151,201	1,643,199	1,927,569	
Materials, supplies and capital	376,993	194,484	96,199	85,404	-	-	939,142	1,843,423	
Contracted services	-	-	1,027,909	58,836	-	-	346,283	1,423,028	
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		