

Bingwi Neyaashi Anishinaabek
Consolidated Financial Statements

March 31, 2020

Bingwi Neyaashi Anishinaabek

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For the year ended March 31, 2020

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Management's Responsibility

To the Chief and Council and Members of Bingwi Neyaashi Anishinaabek:

The accompanying consolidated financial statements of Bingwi Neyaashi Anishinaabek are the responsibility of management and have been approved by the Chief.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Bingwi Neyaashi Anishinaabek Chief is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Chief to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and management to discuss their audit findings.

February 12, 2021

Amaltese Director of Finance & Operations

Independent Auditor's Report

To the Chief and Council and Members of Bingwi Neyaashi Anishinaabek:

Opinion

We have audited the consolidated financial statements of Bingwi Neyaashi Anishinaabek and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net financial 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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 opinion.

Other Matter

The consolidated financial statements of the First Nation for the year ended March 31, 2019 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those statements on July 29, 2020.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Thunder Bay, Ontario

February 12, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP
LLP

Bingwi Neyaashi Anishinaabek
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Cash and cash equivalents (Note 3)	3,828,613	2,800,606
Accounts receivable (Note 4)	295,275	219,159
Due from government and other government organizations (Note 5)	162,556	440,807
Portfolio investments (Note 6)	25,000	26,064
Inventory held for resale (Note 7)	89,107	87,317
Investment in government business enterprise (Note 8)	186,424	-
	4,586,975	3,573,953
Liabilities		
Accounts payable and accruals (Note 10)	333,991	662,766
Due to government and other government organizations (Note 11)	29,389	7,116
Deferred revenue (Note 12)	384,723	548,008
Due to related First Nation entities (Note 13)	92,806	-
Long-term debt (Note 14)	1,615,129	582,855
	2,456,038	1,800,745
Net financial assets	2,130,937	1,773,208
Contingencies (Note 15)		
Non-financial assets		
Tangible capital assets (Note 16) (Schedule 1)	6,481,715	3,941,285
Prepaid expenses	52,489	28,841
	6,534,204	3,970,126
Accumulated surplus	8,665,141	5,743,334

Approved on behalf of the Council



Chief

Bingwi Neyaashi Anishinaabek
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada (Note 17)	2,139,853	2,603,245	1,746,429
First Nation and Inuit Health (Note 17)	503,382	141,745	595,824
Ministry of Children, Community and Social Services (Note 17)	275,468	275,348	280,811
Ministry of Indigenous Affairs (Note 17)	276,900	258,913	351,490
Ministry of Energy, Northern Development and Mines (Note 17)	-	-	17,545
Canada Mortgage and Housing Corporation	850,000	-	-
Natural Resources Canada (Note 17)	644,000	644,000	45,250
Other government funding (Note 17)	304,894	326,361	528,062
OFNLP2008	495,000	560,802	642,610
Other revenue	494,300	208,161	345,211
Independent First Nations	-	209,415	145,800
Royalties	125,000	89,026	159,610
Sales	17,495	131,660	41,247
Rental income	-	2,176	375
Interest income	15,750	33,547	9,490
Administration fees	10,925	531,474	120,408
Recovery (repayment) of funding	17,300	330,932	(420,607)
Income from investment in government business enterprise	-	62,424	-
Deferred revenue - prior year (Note 12)	1,180,367	548,008	205,634
Deferred revenue - current year (Note 12)	(125,495)	(384,723)	(548,008)
	7,225,139	6,572,514	4,267,181
Expenses			
Government and Administration	395,867	596,846	466,570
Employment, Education and Training	366,818	283,153	224,735
Health and Social Services	1,576,378	1,010,736	912,130
Planning and Development	2,164,740	1,756,472	1,179,443
	4,503,803	3,647,207	2,782,878
Surplus before other items	2,721,336	2,925,307	1,484,303
Other income (expense)			
Loss on disposal of capital assets	-	-	(28,034)
Corporate taxes payable	-	(3,500)	-
Loss due to unfulfilled commitment	-	-	(8,475)
	-	(3,500)	(36,509)
Surplus	2,721,336	2,921,807	1,447,794
Accumulated surplus, beginning of year, as previously stated	-	5,153,026	4,295,540
Correction of an error (Note 23)	-	655,102	-
Change in nature of investment in government business enterprise (Note 8)	-	(64,794)	-
Accumulated surplus, beginning of year, as restated	-	5,743,334	4,295,540
Accumulated surplus, end of year	-	8,665,141	5,743,334

The accompanying notes are an integral part of these consolidated financial statements

Bingwi Neyaashi Anishinaabek
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2020

	2020 Budget	2020	2019
Annual surplus			
Purchases of tangible capital assets	2,721,336	2,921,807	1,447,794
Amortization of tangible capital assets	(2,150,225)	(2,862,253)	(680,884)
Loss on sale of tangible capital assets	225,000	253,818	243,311
Change in nature of investment in government business enterprise tangible capital assets	-	-	28,034
Acquisition of prepaid expenses	-	(23,648)	(3,580)
Increase in net financial assets	796,111	357,729	1,034,675
Net financial assets, beginning of year	-	1,773,208	738,533
Net financial assets, end of year	796,111	2,130,937	1,773,208

Bingwi Neyaashi Anishinaabek
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Surplus	2,921,807	1,447,794
Non-cash items		
Amortization	253,818	243,311
Loss on disposal of capital assets	-	28,034
Income from investment in government business entities	(62,424)	-
Change in nature of investment in government business enterprise (Note 8)	37,875	-
	3,151,076	1,719,139
Changes in working capital accounts		
Accounts receivable	(76,116)	(10,618)
Due from government and other government organizations	278,251	(259,612)
Inventory held for resale	(1,790)	(78,343)
Accounts payable and accruals	(328,775)	274,576
Due to government and other government organizations	22,273	2,572
Deferred revenue	(163,285)	342,374
Prepaid expenses	(23,648)	(3,580)
	2,857,986	1,986,508
Financing activities		
Advances of long-term debt	1,206,250	342,921
Repayment of long-term debt	(173,976)	(135,750)
	1,032,274	207,171
Capital activities		
Purchases of tangible capital assets	(2,862,253)	(680,884)
Increase in cash resources	1,028,007	1,512,795
Cash resources, beginning of year	2,800,606	1,287,811
Cash resources, end of year	3,828,613	2,800,606

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

1. Operations

Bingwi Neyaashi Anishinaabek (the "First Nation") is located in the province of Ontario, and provides various services to its members. Bingwi Neyaashi Anishinaabek includes the First Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Investments in First Nation partnerships are accounted for using the proportionate consolidation method whereby the First Nation's pro-rata share of the assets, liabilities, revenue and expenses of the First Nation partnership are combined on a line-by-line basis with similar items of the First Nation. Partnerships which meet the definition of a government business partnership are included in the consolidated financial statements on a modified equity basis.

Under the modified equity basis of accounting, only the First Nation's investment in government business enterprises/partnerships and the enterprises'/partnerships' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from the First Nation.

Organizations consolidated in the First Nation's consolidated financial statements include:

- Papasay Management Corporation
- Papasay Value Added Wood Products Ltd.
- Papasay Value Added Wood Products LP
- Wawasum Group Limited
- 2626189 Ontario Ltd.

Organizations accounted for on a modified equity basis include:

- Papasay Management Limited Partnership
- Wawasum Group LP

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments that are cashable or have maturities of three months or less subsequent to year-end.

Portfolio investments

Portfolio investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Expense allocation

Certain expenses which pertain to the operations as a whole have been allocated to various programs at the discretion of Chief and Council.

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

2. Significant accounting policies *(Continued from previous page)*

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Tangible capital assets

Tangible capital assets are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Assets under construction are not amortized until the asset is available to be put into service.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	30 years
Equipment	straight-line	5 years
Infrastructure	straight-line	30 years
Computers hardware and software	straight-line	3 years
Heavy equipment	straight-line	7 years
Automobile	straight-line	7 years
Leasehold improvements	straight-line	2 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to the various programs. Such allocations are recorded as administration recovery revenue under Administration on the consolidated schedule of revenue and expenses.

Employee future benefits

The First Nation's employee future benefit program consists of a defined contribution plan. The First Nation contributions to the defined contribution plan are expensed as incurred.

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other

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.

Interest and investment income is recognized as revenue when earned.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred revenue is estimated based on management's review of revenue received, but unspent at year-end.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Segments

The First Nation conducts its business through four reportable segments: Governance and Administration; Employment, Education and Training; Health and Social Services; and Planning and Development. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2 the *Significant accounting policies*.

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

3. Cash and cash equivalents

	2020	2019
Operating accounts	1,956,777	2,271,298
Guaranteed Income Certificates	1,868,642	526,292
Other cash resources	3,153	2,976
Funds held in trust with Indigenous Services Canada	41	40
	3,828,613	2,800,606

4. Accounts receivable

	2020	2019
Interest receivable	19,558	5,043
Trade receivables	281,794	220,193
	301,352	225,236
Less: allowance for doubtful accounts	6,077	6,077
	295,275	219,159

5. Due from government and other government organizations

	2020	2019
Federal Government		
Indigenous Services Canada (ISC)	12,525	250,000
FedNor	-	61,918
Natural Resources Canada	64,400	6,050
Northern Ontario Heritage Fund Corporation	-	6,457
Canada Revenue Agency - HST recoverable	49,517	45,508
Canada Mortgage and Housing Corporation	16,114	-
	142,556	369,933
Provincial Government		
Ministry of Indigenous Affairs	20,000	49,939
Ministry of Energy, Northern Development and Mines	-	17,545
Ministry of Natural Resources and Forestry	-	3,390
	20,000	70,874
	162,556	440,807

6. Portfolio investments

	2020	2019
Waaskiinaysay Ziibi Inc. (20% interest, 250 Class A shares)	25,000	25,000
Lake Nipigon Forest Management Inc.	-	1,064
	25,000	26,064

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Inventory held for resale

	2020	2019
Raw materials inventory	3,137	3,137
Finished goods	<u>85,970</u>	84,180
	89,107	87,317

The cost of inventories recognized as an expense and included in material amounted to \$97,600 (2019 - \$78,343).

8. Investments in government business enterprise

The First Nation has an investment in the following entity:

	2020		
	<i>Net advances and cumulative share of earnings</i>	<i>Total investment</i>	
First Nation Business Entities – Modified Equity:			
Papasay Management Limited Partnership	100	186,324	186,424

Summary financial information for the government business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

<i>Papasay Management Limited Partnership As at March 31, 2020</i>		
Assets		
Cash	12,241	
Accounts receivable	21,972	
Prepaid expenses	710	
Investments	1,166	
Due from related parties	82,800	
Property, plant and equipment	<u>69,045</u>	
Total assets	187,934	
Liabilities		
Accounts payable and accruals	1,510	
Total liabilities	1,510	
	186,424	
Total revenue	91,799	
Total expenses	<u>51,292</u>	
Net income	40,507	

An adjustment to net assets of \$64,794, resulting from the change in the assessment of investments in government business enterprise from line-by-line consolidation to the modified equity method has been recorded to arrive at the amount included in the First Nation's consolidated financial statements.

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

9. Lines of credit

The First Nation has a Royal Bank operating line of credit with a limit of \$150,000. The line of credit bears interest at prime plus 1.45% (effective interest rate of 4.60%; 2019 - 5.40%) and is secured by a general security agreement. As at March 31, 2020, the First Nation has a balance available on the line of credit of \$150,000 (2019 - \$150,000).

10. Accounts payable and accruals

	2020	2019
Trade payables	228,301	613,280
Wages, vacation and benefits payable	77,169	49,486
Holdbacks payable	26,964	-
Other payables	1,557	-
	333,991	662,766

11. Due to government and other government organizations

	2020	2019
Federal Government		
Canada Revenue Agency - payroll deductions	25,889	7,116
Canada Revenue Agency - corporate taxes payable	3,500	-
	29,389	7,116

12. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada	481,651	2,603,245	3,084,896	-
Human Resource Development - New Horizons for Seniors	24,540	-	24,540	-
Human Resource Development - 2626189 Ontario Ltd.	22,750	-	22,750	-
Ministry of Children, Community and Social Services	366	275,348	275,714	-
Independent First Nations	10,984	209,415	109,502	110,897
Other First Nation organizations	4,066	48,777	52,843	-
TBDSSAB	1,777	146,200	147,977	-
Natural Resources Canada	-	644,000	370,174	273,826
Miscellaneous	1,874	13,000	14,874	-
	548,008	3,939,985	4,103,270	384,723

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

13. Related party transactions

During the year, the First Nation conducted the following transactions with related entities. The transactions were recorded at exchange amount at the date of transaction.

	2020	2019
Repairs and maintenance expense from Papasay Management Limited Partnership, a related First Nation business enterprise.	5,400	-
Amounts due to/from related First Nation entities are as follows:		
Due to:		
Papasay Management Limited Partnership, a government business enterprise. The advance bears no interest and has no fixed terms of repayment.	91,512	-
Wawasum Group Limited, a portfolio investment. The advance bears no interest and has no fixed terms of repayment.	1,294	-
	92,806	-

14. Long-term debt

	2020	2019
RBC term loan, repayable in monthly instalments of \$12,468 including interest at 4.39% (2019 - 4.39%), maturing November 2022 and secured by a general security agreement and assignment of anticipated minor capital funding from ISC.	97,992	239,934
RBC term loan, repayable in monthly instalments of \$2,865 including interest at prime plus 1.65% (4.60% per annum at year-end; 2019 - 5.25%), maturing April 2023 and secured by land and building having a net book value of \$458,379 (2019 - \$474,145).	324,740	342,921
BMO term loan, repayable in monthly principal plus interest instalments of \$1,979, bearing interest at prime plus 1.65% (4.60% per annum at year-end), maturing August 2025 and secured by land and building having a net book value of \$535,405.	342,397	-
CMHC term loan, repayable in monthly instalments of \$5,359 including interest at 1.72%, maturing March 2025.	850,000	-
	1,615,129	582,855

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2021	189,646
2022	93,442
2023	95,328
2024	97,259
2025	99,337
	575,012

Interest on long-term debt amounted to \$43,079 (2019 - \$31,407).

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

15. Contingencies

The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of these agreements.

In addition, in the normal course of operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur. To the extent that the future event is likely to occur, and a reasonable estimate of loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements. As of March 31, 2020, the First Nation is involved in a dispute over the legal ownership of certain property. The effects of any contingent claims relating to this dispute are not determinable at the date of this report and no liability has been recorded.

16. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Infrastructure includes an access road with a carrying value of \$651,350 (2019 - \$Nil). No amortization of this asset has been recorded during the year because it is under development at year-end.

Buildings includes a medical clinic with a carrying value of \$533,940 (2019 - \$18,000). No amortization of this asset has been recorded during the year because it is still under construction at year-end.

The First Nation holds works of art, historical documents and artifacts which have historical and cultural value, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

17. Government transfers

	<i>Operating</i>	<i>Capital</i>	<i>2020 Total</i>	<i>2019 Total</i>
Federal government transfers				
Indigenous Services Canada	2,603,245	-	2,603,245	1,746,429
First Nation and Inuit Health	141,745	-	141,745	595,824
Natural Resources Canada	-	644,000	644,000	45,250
FedNor	3,795	-	3,795	34,698
Human Resources Development Canada	6,497	-	6,497	52,592
Department of Canadian Heritage	-	-	-	3,750
	2,755,282	644,000	3,399,282	2,478,543
Provincial government transfers				
Ministry of Children, Community and Social Services	275,348	-	275,348	280,811
Ministry of Indigenous Affairs	258,913	-	258,913	351,490
Ministry of Energy, Northern Development and Mines	-	-	-	17,545
Ministry of Health (MOH)	85,635	-	85,635	56,871
Ministry of Natural Resources	244	-	244	3,768
Northern Ontario Heritage Fund Corporation	33,008	-	33,008	6,457
	653,148	-	653,148	716,942
Other government transfers	197,182	-	197,182	-
	3,605,612	644,000	4,249,612	3,195,485

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

18. Defined benefit and contribution plans and other post-employment benefits

Defined contribution pension plan

The First Nation has a defined contribution pension plan covering all elected officials and employees. The First Nation contributions and corresponding expense totalled \$39,427 in 2020 (2019 - \$30,310).

19. Segments

The First Nation has four reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Governance and Administration - This segment provides oversight of the First Nation and administrative activities that are needed to operate Bingwi Neyaashi Anishinaabek First Nation.

Employment, Education and Training - This segment focuses on the improvement and development of general and employment skills of the First Nation's members which includes recreational or cultural programming and career development programs.

Health and Social Services - This segment provides public health services to improve the overall health of the population and overcome health inequalities.

Planning and Development - This segment represents all activities that provide economic and infrastructure support for the First Nation.

20. Economic dependence

Bingwi Neyaashi Anishinaabek receives substantially all of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These Treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

21. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

22. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. As a result of the pandemic, the First Nation was forced, on multiple occasions, to temporarily close its offices and limit access to the First Nation lands which caused delays in operational activities and capital projects.

23. Correction of an error

During the year, the First Nation determined that in the prior year it had recorded deferred revenues from Indigenous Services Canada which did not meet the definition of a liability. The impact of this correction on the current year has resulted in an increase in opening accumulated surplus of \$655,102. The impact of this correction on the prior year has resulted in a decrease in deferred revenue, an increase in revenue, an increase in surplus and an increase in accumulated surplus in the amount of \$655,102.

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

24. First Nations Financial Transparency Act

The First Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2020. As the audit report date is after this date, the First Nation is not in compliance with the requirement. The possible effect of this non-compliance has not yet been determined.

Bingwi Neyaashi Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<i>Automobiles</i>	<i>Equipment</i>	<i>Computer hardware</i>	<i>Computer software</i>	<i>Subtotal</i>	<i>Subtotal</i>	<i>Land</i>
Cost							
Balance, beginning of year	200,967	389,086	58,070	24,063	672,186	672,186	1,011,228
Acquisition of tangible capital assets	10,800	81,537	6,806	-	99,143	99,143	85,000
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	211,767	470,623	64,876	24,063	771,329	771,329	1,096,228
Accumulated amortization							
Balance, beginning of year	86,564	259,050	43,592	24,063	413,269	413,269	-
Annual amortization	25,664	55,670	11,395	-	92,729	92,729	-
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	112,228	314,720	54,987	24,063	505,998	505,998	-
Net book value of tangible capital assets	99,539	155,903	9,889	-	265,331	265,331	1,096,228
	2019						
Net book value of tangible capital assets	114,403	144,843	14,475	-	273,721	273,721	1,011,228

Bingwi Neyaashi Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<i>Infrastructure</i>	<i>Building</i>	<i>Subtotal</i>	<i>Subtotal</i>	<i>Leasehold improvements</i>	<i>Heavy equipment</i>
Cost						
Balance, beginning of year	1,305,122	1,631,406	4,619,942	4,619,942	121,427	31,652
Acquisition of tangible capital assets	750,815	1,926,668	2,861,626	2,861,626	627	-
Disposal of tangible capital assets	-	-	-	-	-	-
Balance, end of year	2,055,937	3,558,074	7,481,568	7,481,568	122,054	31,652
Accumulated amortization						
Balance, beginning of year	157,950	271,088	842,307	842,307	31,085	26,349
Annual amortization	46,820	97,036	236,585	236,585	16,171	1,062
Accumulated amortization on disposals	-	-	-	-	-	-
Balance, end of year	204,770	368,124	1,078,892	1,078,892	47,256	27,411
Net book value of tangible capital assets	1,851,167	3,189,950	6,402,676	6,402,676	74,798	4,241
2019						
Net book value of tangible capital assets	1,147,172	1,360,318	3,792,439	3,792,439	90,342	58,504

Bingwi Neyaashi Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	2020	2019
	<i>Total</i>	<i>Total</i>
Cost		
Balance, beginning of year	4,773,021	4,331,804
Acquisition of tangible capital assets	2,862,253	680,884
Disposal of tangible capital assets	-	(77,426)
Balance, end of year	7,635,274	4,935,262
Accumulated amortization		
Balance, beginning of year	899,741	800,058
Annual amortization	253,818	243,311
Accumulated amortization on disposals	-	(49,392)
Balance, end of year	1,153,559	993,977
Net book value of tangible capital assets	6,481,715	3,941,285
Net book value of tangible capital assets	2019	3,941,285

Bingwi Neyaashi Anishinaabek
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2020

	2020 Budget	2020	2019
Consolidated expenses by object			
Administration	6,850	531,474	120,408
Advertising	46,500	75,167	86,195
Amortization	225,000	253,818	243,311
Band support	141,991	159,296	132,329
Bank charges and interest	5,500	11,961	11,337
Honouraria	164,900	166,589	194,930
Insurance	5,475	39,226	42,605
Interest on long-term debt	13,500	43,079	31,407
Materials	-	97,600	3,171
Occupancy costs	136,290	44,975	59,897
Office supplies and expenses	421,803	302,559	250,509
Professional development	131,120	38,445	35,245
Professional fees	1,727,573	701,239	618,756
Property tax	-	15,447	7,449
Repairs and maintenance	10,000	57,409	43,941
Salaries and benefits	1,316,831	974,500	788,421
Travel and meetings	147,020	83,784	92,371
Utilities	3,450	28,639	20,596
	4,503,803	3,625,207	2,782,878

Bingwi Neyaashi Anishinaabek
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2020

	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>
Government and Administration						
ISC Band Support	91,114	1,540	-	92,654	92,654	-
ISC Pension (BEB)	34,313	-	-	34,313	34,313	-
ISC Michano Litigation	-	-	-	-	88,865	(88,865)
MIA Michano Litigation	-	82,413	-	82,413	91,570	(9,157)
Sand Point First Nation	-	626,951	-	626,951	228,884	398,067
COVID 19	-	-	-	-	2,958	(2,958)
Staff Development/Appreciation	-	15,693	-	15,693	25,477	(9,784)
Sponsored Meeting	-	10,735	-	10,735	8,074	2,661
FN Organization Development	-	-	-	-	12,801	(12,801)
Namewaminikan	-	89,026	-	89,026	11,250	77,776
	125,427	826,358	-	951,785	596,846	354,939
Employment, Education and Training						
ISC Band Registry	5,000	2,400	-	7,400	5,699	1,701
ISC Housing Management	62,859	-	-	62,859	31,151	31,708
ISC P&ID CPP	-	-	-	-	75,000	(75,000)
ON150 Celebration (Jiikakamigad)	-	1,500	-	1,500	6,402	(4,902)
ISC Aboriginal Language Initiative	-	24,881	-	24,881	19,393	5,488
Summer Students (Park)	8,008	29,785	-	37,793	37,792	1
OPG	-	13,250	1,875	15,125	13,257	1,868
OFNLP2008 Cultural Development	-	85,000	-	85,000	86,359	(1,359)
OFNLP2008 Education	-	10,000	-	10,000	8,100	1,900
	75,867	166,816	1,875	244,558	283,153	(38,595)
Health and Social Services						
Family Week	-	5,000	-	5,000	5,001	(1)
ISC Child Welfare Prevention	147,870	-	-	147,870	54,882	92,988
ISC Band Representative	661,205	-	-	661,205	89,919	571,286
MCCSS Family Well Being	-	207,370	366	207,736	207,737	(1)
DSSAB Early On/Journey	-	146,201	1,777	147,977	166,894	(18,917)
Dilico FSW/NAADAP	-	14,489	-	14,489	14,490	(1)
HRDC New Horizons for Seniors	-	-	24,540	24,540	26,481	(1,941)
IFN Youth	-	114,707	(29,753)	84,954	84,954	-
IFN IELCCI	-	63,573	(57,773)	5,800	5,800	-
Community Well Worker	-	45,747	-	45,747	45,747	-
Violence Prevention	-	3,000	-	3,000	3,000	-
HBHC	-	19,231	-	19,231	19,231	-
MOH HCC	-	92,991	-	92,991	98,110	(5,119)
HC NAYSPS	-	2,241	-	2,241	200	2,041
HC Healthy Child Development	-	11,933	-	11,933	11,990	(57)
HC Brighter Futures	-	30,167	-	30,167	14,295	15,872
HC Aboriginal Diabetes Initiative	-	6,159	-	6,159	3,469	2,690

Bingwi Neyaashi Anishinaabek
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2020

	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>
HC Data Collection	-	9,898	-	9,898	1,444	8,454
HC BHC/Mental Health	-	30,452	-	30,452	36,279	(5,827)
HC Home Care HCCP	-	42,794	-	42,794	9,451	33,343
IFN Diabetes	-	27,100	(4,705)	22,395	22,395	-
IFN Gambling	-	8,535	(7,682)	853	854	(1)
OFNLP2008 Health	-	85,000	-	85,000	88,113	(3,113)
	809,075	966,588	(73,230)	1,702,432	1,010,736	691,696
Planning and Development						
WGL	-	84	-	84	3,101	(3,017)
WGLP	-	-	-	-	2,239	(2,239)
PVAWPLP	-	155,895	-	155,895	237,168	(81,273)
2626189	-	(3,500)	22,750	19,250	101,376	(82,126)
PMC	-	-	-	-	12,539	(12,539)
PVAWP	-	-	-	-	1,783	(1,783)
Community Energy Champion	-	47,030	-	47,030	47,031	(1)
FNLM Solid Waste	-	-	-	-	962	(962)
FNLM Environment Management	-	35,001	4,066	39,066	40,083	(1,017)
ISC FN Land Management Act	1,088,510	(261,481)	231,651	1,058,680	101,307	957,373
HC Special Projects	-	331,629	-	331,629	35,273	296,356
ISC FNIIIP Minor Capital	90,460	-	-	90,460	8,200	82,260
ISC FNIIIP On Reserve Housing	291,906	-	250,000	541,906	32,383	509,523
ISC Industrial Lot Development	20,000	-	-	20,000	20,875	(875)
Campsites	-	1,559	-	1,559	5,706	(4,147)
CMHC 4-Unit Housing	-	2,176	-	2,176	70,258	(68,082)
TC Navigable Waters	-	6,000	-	6,000	6,000	-
ISC CEDO Planning & Operations	42,000	-	-	42,000	40,446	1,554
Strategic Plan	-	36,803	-	36,803	9,993	26,810
ISC Other Economic Development	40,000	-	-	40,000	4,000	36,000
MIA Consultation Coordinator	-	76,003	-	76,003	76,003	-
MIA Trade Economy	-	100,000	-	100,000	100,000	-
Sawmill	20,000	741	-	20,741	15,028	5,713
Lands	-	3,000	-	3,000	3,000	-
Energy East	-	12,000	-	12,000	11,998	2
NRCAN Forestry Biomass	-	644,000	(273,826)	370,174	118,434	251,740
Hydro One	-	-	-	-	3,653	(3,653)
ISC Nation Rebuild	-	-	-	-	301,101	(301,101)
OFNLP2008 Community Development	-	250,000	-	250,000	224,457	25,543
OFNLP2008 Economic Development	-	130,802	-	130,802	122,075	8,727
	1,592,876	1,567,742	234,641	3,395,258	1,756,472	1,638,786
	2,603,245	3,527,504	163,286	6,294,033	3,647,207	2,646,826