

**Mishkeegogamang First Nation**  
**Consolidated Financial Statements**  
*March 31, 2021*

# Mishkeegogamang First Nation

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*For the year ended March 31, 2021*

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## Management's Responsibility

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To the Members and Chief and Council of Mishkeegogamang First Nation:

The accompanying consolidated financial statements of Mishkeegogamang First Nation are the responsibility of management and have been approved by the Chief and Council.

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 Mishkeegogamang First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Chief and Council 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 Council and management to discuss their audit findings.

July 25, 2022

  
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Charlene Chapman, Finance Manager  
Northern Waterworks Inc.

To the Members and to Chief and Council of Mishkeegogamang First Nation:

### Opinion

We have audited the consolidated financial statements of Mishkeegogamang First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, accumulated surplus, change in net debt 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, 2021, and the results of its consolidated operations, changes in its net debt 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.

### 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.

Kenora, Ontario

July 25, 2022

*MNP LLP*

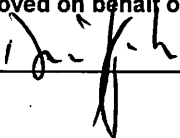
Chartered Professional Accountants

Licensed Public Accountants


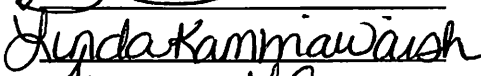
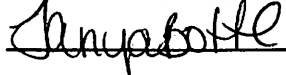
**Mishkeegogamang First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2021*

	2021	2020
<b>Financial assets</b>		
Cash (Note 3)	19,747,676	4,745,858
Temporary investments (Note 4)	3,070,408	3,051,856
Amounts due from government (Note 5)	1,394,692	1,947,936
Trade and other receivables (Note 6)	3,069,170	1,244,432
Portfolio investments (Note 7)	942,467	922,282
Sovereign Wealth investments (Note 7)	2	2
Funds held in Ottawa Trust Fund (Note 8)	171,708	164,815
Investment in Missabay Contracting (Note 9)	779,318	-
<b>Total assets</b>	<b>29,175,441</b>	<b>12,077,181</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 10)	4,974,586	4,179,479
Deferred revenue (Note 11)	12,582,344	5,921,723
CMHC replacement reserve (Note 12)	173,283	138,965
Term loans due on demand (Note 13)	2,110,836	2,229,602
Long-term debt (Note 14)	5,420,803	5,940,359
Capital lease obligations	-	40,130
<b>Total financial liabilities</b>	<b>25,261,852</b>	<b>18,450,258</b>
<b>Net financial assets (net debt)</b>	<b>3,913,589</b>	<b>(6,373,077)</b>
<b>Contingencies (Note 16)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	31,095,745	29,908,870
<b>Total non-financial assets</b>	<b>31,095,745</b>	<b>29,908,870</b>
<b>Accumulated surplus</b>	<b>35,009,334</b>	<b>23,535,793</b>

Approved on behalf of the Council

  
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Chief

Councillor

Councillor

Councillor

# Mishkeegogamang First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2021*

Schedules	2021 Budget (Note 21)	2021	2020
<b>Revenue</b>			
Indigenous Services Canada (Note 18), (Note 19)	6,009,725	18,791,006	10,902,367
First Nations and Inuit Health (Note 18), (Note 20)	6,098,166	7,512,121	6,277,523
Human Resources and Skills Development Canada (Note 18)	5,784,751	1,580,393	1,539,122
Canada Mortgage and Housing Corporation (Note 18)	83,492	921,293	144,656
Ministry of Community and Social Services (Note 18)	2,288,562	2,288,562	1,699,980
Ministry of Health and Long-Term Care (Note 18)	780,399	897,773	849,773
Ministry of Attorney General (Note 18)	160,000	360,000	160,000
Ministry of Indigenous Affairs (Note 18)	-	231,707	-
Ministry of Education (Note 18)	187,000	155,574	155,574
Ministry of Infrastructure (Note 18)	-	-	144,000
Ontario First Nations Limited Partnership	974,885	1,111,478	1,143,757
Missabay Contracting Limited Partnership (Note 9)	-	778,808	-
Newmont	-	776,976	-
Rental income	287,680	623,366	641,317
Outland Camps	-	566,368	-
Transfer from Kitchi'Minis Settlement Trust	-	563,364	510,815
Goldcorp Canada	-	555,469	322,983
10647802 Canada Inc.	-	520,688	-
Sigfussen Northern Ltd.	-	450,708	-
Nishnawbe Aski Nation	330,642	443,922	320,614
Other revenue	156,810	374,692	151,003
Sioux Lookout Area Aboriginal Management Board	57,571	157,871	74,540
Moncrief Construction Ltd.	-	154,370	-
Interest income	13,036	120,323	121,327
Northern Nishnawbe Education Council	35,856	124,848	76,680
Dexterra	-	102,108	-
Kwayaciiwin Education Resource Centre	112,000	101,500	53,092
Synterra Security Solutions LP	-	81,106	-
Lease income	76,000	75,000	76,450
Tikinagan Child and Family Services	-	73,644	19,803
Water and sewer fees	43,800	43,800	45,800
OSLP Revenue	35,880	43,056	35,880
Snow removal	30,000	30,000	30,000
Garbage pick up	28,920	29,370	28,920
Human Development Centre	-	23,333	-
Canada Post	21,745	21,745	20,421
Heavy equipment revenue	-	14,583	2,381
Nurse transportation revenue	-	11,216	40,940
Keewaytinook Okimakanak FNSSP Datavan	-	10,170	-
Sioux Lookout First Nations Health Authority	-	-	87,142
Cadillac Ventures	60,000	-	60,000
Aboriginal shelters of Ontario	24,000	-	20,000
Manicougan Minerals	3,000	-	-
Watay Power	-	-	361,183
Deferred revenue - prior year (Note 11)	359,276	5,921,723	4,910,063
Deferred revenue - current year (Note 11)	(28,542)	(12,582,344)	(5,921,723)
Repayment of funding	-	(657,127)	(208,996)
	<b>24,014,654</b>	<b>33,404,563</b>	<b>24,897,387</b>

*Continued on next page*

# Mishkeegogamang First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2021*

	<i>Schedules</i>	<i>2021 Budget (Note 21)</i>	<i>2021</i>	<i>2020</i>
<b>Total revenue</b> <i>(Continued from previous page)</i>		<b>24,014,654</b>	<b>33,404,563</b>	24,897,387
<b>Expenses</b>				
Administration	4	7,453,009	1,249,356	2,478,619
Economic Development	5	606,805	1,727,854	1,540,718
Education	6	2,123,078	3,232,402	3,150,587
Finance	7	-	35,794	302,107
Health	8	7,710,355	8,263,848	8,152,823
Housing	9	529,756	2,012,979	1,904,272
Social	10	5,181,635	3,888,979	3,006,041
Technical Services	11	1,046,583	1,519,810	1,644,510
<b>Total expenses</b> <i>(Schedule 2)</i>		<b>24,651,221</b>	<b>21,931,022</b>	22,179,677
<b>Surplus (deficit)</b>		<b>(636,567)</b>	<b>11,473,541</b>	2,717,710
<b>Accumulated surplus, beginning of year</b>		<b>23,535,793</b>	<b>23,535,793</b>	20,818,083
<b>Accumulated surplus, end of year</b>		<b>22,899,226</b>	<b>35,009,334</b>	23,535,793

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



**Mishkeegogamang First Nation**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
*For the year ended March 31, 2021*

	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
<b>Surplus (deficit)</b>	<b>(636,567)</b>	<b>11,473,541</b>	2,717,710
Purchases of tangible capital assets	-	<b>(3,728,794)</b>	(4,804,028)
Amortization of tangible capital assets	-	<b>2,499,619</b>	2,318,948
Disposal of tangible capital assets	-	<b>42,300</b>	-
Use of prepaid expenses	-	-	23,663
<b>Increase in net financial assets (net debt)</b>	<b>(636,567)</b>	<b>10,286,666</b>	256,293
<b>Net debt, beginning of year</b>	<b>(6,373,077)</b>	<b>(6,373,077)</b>	(6,629,370)
<b>Net financial assets (Net debt), end of year</b>	<b>(7,009,644)</b>	<b>3,913,589</b>	(6,373,077)

**Mishkeegogamang First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2021*

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus (deficit)	11,473,541	2,717,710
Non-cash items		
Amortization	2,499,619	2,318,948
Bad debts (recovery)	(25,253)	17,697
Partnership allocation in Missabay Contracting	(779,318)	-
	13,168,589	5,054,355
Changes in working capital accounts		
Trade and other receivables	(1,861,960)	(326,649)
Amounts due from government	557,811	92,859
Prepaid expenses	-	23,663
Accounts payable and accruals	646,078	694,694
Receiver General payable	169,596	19,337
Deferred revenue	6,697,962	1,011,660
	19,378,076	6,569,919
<b>Financing activities</b>		
Ottawa Trust Funds	(6,893)	(6,414)
CMHC replacement reserve	34,318	34,318
Portfolio investments	(20,185)	(7,412)
Repayment of term loan due on demand	(118,766)	(123,876)
Repayment of long-term debt	(519,556)	(873,800)
Repayment of capital lease obligations	(40,130)	(97,444)
	(671,212)	(1,074,628)
<b>Capital activities</b>		
Purchases of tangible capital assets	(3,728,794)	(4,804,028)
Disposal of tangible capital assets	42,300	-
	(3,686,494)	(4,804,028)
<b>Increase in cash resources</b>	15,020,370	691,263
<b>Cash resources, beginning of year</b>	7,797,714	7,106,451
<b>Cash resources, end of year</b>	22,818,084	7,797,714
<b>Cash resources are composed of:</b>		
Cash	19,747,676	4,745,858
Temporary investments (Note 4)	3,070,408	3,051,856
	22,818,084	7,797,714
<b>Supplementary cash flow information</b>		
Interest paid	218,201	278,436
Interest received	120,323	106,566

# Mishkeegogamang First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2021*

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### 1. Operations

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

#### **Impact on operations of COVID-19 (coronavirus)**

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on first nations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The impact of COVID-19 has been partially offset by available Government programs for which the First Nation was eligible. Eligibility requirements under these programs have evolved since first announced and can be subject to changes in legislation or administrative positions, further, there is significant uncertainty of the period of time into the future that the Government will continue these programs.

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. While the extent of the impact is unknown, we anticipate this outbreak may cause increased government regulations which may negatively impact the First Nation's financial condition.

### 2. Significant accounting policies

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

#### **Reporting entity**

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

Government partnerships are proportionally consolidated on a line-by-line basis except for the partnerships which meet the definition of government business partnership, which are included in the consolidated financial statements on a modified equity basis.

Under the modified equity method of accounting, only the Lac des Mille Lacs First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Lac des Mille Lacs First Nation.

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

- Mishkeegogamang First Nation
- CMHC Housing
- Missabay Contracting LP

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

#### **Cash resources**

Cash resources includes balances with banks and temporary investments with maturities of one year or less.

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

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation capital assets, and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Temporary investments***

Temporary investments consists of GIC's reported at fair market value.

***Portfolio investments***

The First Nation's investments consist of mutual funds from entities that are not owned, controlled, or influenced by the First Nation and are accounted for at cost, less any provision for other than temporary impairment.

***Investments in Government Business Partnerships***

Government Business Partnerships that are not dependent on the First Nation for their continued operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

# Mishkeegogamang First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2021*

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

#### ***Tangible capital assets***

Tangible capital assets are 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 attributed to construction and development, as well as interest costs that are directly attributable to the acquisition and construction of the asset.

Tangible capital assets are written down when the conditions indicate they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital asset are less than their net book value. The net write-downs are accounted for as an expense in the consolidated statement of operations and accumulated surplus.

Contributed capital assets are recorded into revenue at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

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

#### ***Amortization***

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives.

	Method	Rate
Housing	declining balance	10 %
Infrastructure	declining balance	10 %
Healing Centre	declining balance	10 %
Health Station	declining balance	10 %
Community Buildings	declining balance	10 %
Automotive	declining balance	20 %
Teacherages	declining balance	10 %
Lakeview Crescent	straight-line	10 %
Computers	declining balance	55 %
Heavy Equipment	declining balance	10 %
Equipment	declining balance	10 %
Community Centre	declining balance	10 %

Buildings with a total carrying value of \$3,621,022 (2020 - \$4,436,333) are not in use as of March 31, 2021. As such, amortization of these assets has not been recorded during the year.

#### ***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 value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in surplus for the year.

Discounted cash flows are used to measure fair value of long-lived assets.

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

***Non-financial assets***

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

***Net financial assets (net debt)***

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) is comprised of two components, non-financial assets and accumulated surplus.

***Revenue recognition***

***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***

Ongoing royalty fees, which are determined on a formula basis in accordance with the terms of the relevant land use agreements, are recognized as revenue when earned or when the related services have been provided.

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used as specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Lease and rent revenue from tenants is recorded monthly when the amounts have been earned and collection is reasonably assured.

Investment income is recorded on an accrual basis.

***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.

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

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

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

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

# Mishkeegogamang First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2021*

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

#### **Segments**

The First Nation conducts its business through eight reportable segments: Administration, Economic Development, Education, Finance, Health, Housing, Social, and Technical Services. These 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 the significant accounting policies.

### 3. Cash

	2021	2020
RBC bank	16,753,447	3,630,836
Cash held in trust - BDO	458,790	197,269
Scattered Housing	642,891	(56,464)
Welfare	98,623	173,647
Ontario First Nations Limited Partnership	104,647	104,647
CMHC replacement reserve	1,329,942	695,114
Desjardins	743	809
CRZKY General Bank	358,593	-
	<b>19,747,676</b>	<b>4,745,858</b>

### 4. Temporary investments

	2021	2020
Royal Bank of Canada - GIC (Variable Interest, matures November 18, 2021)	802,297	800,579
Royal Bank of Canada - GIC (Variable Interest, matures November 18, 2021)	802,297	800,579
Royal Bank of Canada - GIC (interest at 1.5%, matures October 30, 2021)	562,605	557,312
Royal Bank of Canada - GIC (interest at 1.0%, matures February 1, 2022)	416,533	411,143
Royal Bank of Canada - GIC (interest at 1.5%, matures November 26, 2021)	265,050	262,306
Royal Bank of Canada - GIC (interest at 1.5%, matures February 15, 2021)	160,384	159,616
Royal Bank of Canada - GIC (interest at 1.5%, matures November 20, 2021)	61,242	60,321
	<b>3,070,408</b>	<b>3,051,856</b>

**Mishkeegogamang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**5. Amounts due from government**

	<b>2021</b>	<b>2020</b>
<b>Federal</b>		
Indigenous Services Canada	458,603	1,312,458
Health Canada	389,890	376,440
Canada Mortgage and Housing Corporation	-	72,328
<b>Province of Ontario</b>	<b>387,566</b>	<b>151,710</b>
<b>Other government organizations</b>	<b>158,633</b>	<b>35,000</b>
	<b>1,394,692</b>	<b>1,947,936</b>

**6. Trade and other receivables**

	<b>2021</b>	<b>2020</b>
Trade receivables	3,067,765	1,077,901
Due from members	1,405	62,229
Other receivables	-	104,302
	<b>3,069,170</b>	<b>1,244,432</b>

**7. Portfolio investments**

	<b>2021</b>	<b>2020</b>
PH&N, ENH TTL RTN BD 71,809 units held at March 31, 2021 (2020 - 64,441 units) with a fair market value of \$711,645 (2020 - \$653,895)	<b>738,431</b>	661,265
PH&N, RBC GLB EQTY FOCUS 6,066 units held at March 31, 2021 (2020 - 8,807 units) with a fair market value of \$147,220 (2020 - \$147,894)	<b>84,677</b>	120,426
PH&N, CDN Equity Value 5,256 units held at March 31, 2021 (2020 - 6,267 units) with a fair market value of \$83,614 (2020 - \$73,650)	<b>69,018</b>	82,129
PH&N, CDN Money Market 5,034 units held at March 31, 2021 (2020 - 5,846 units) with a fair market value of \$50,341 (2020 - \$58,460)	<b>50,341</b>	58,460
	<b>942,467</b>	922,280
<b>Sovereign Wealth</b>		
Sovereign Wealth GP Inc. - 1 Common share	1	1
Sovereign Wealth LP. - 1 partnership unit (0.77% interest)	1	1
	<b>2</b>	<b>2</b>
<b>Total investments</b>	<b>942,469</b>	<b>922,282</b>



**Mishkeegogamang First Nation**  
**Notes to the Consolidated Financial Statements**  
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**8. Funds held in Ottawa Trust Fund**

	2021	2020
<b>Ottawa Trust Fund</b>		
<b>Capital Trust</b>		
Balance, beginning of year	7,162	7,162
Balance, end of year	7,162	7,162
<b>Revenue Trust</b>		
Balance, beginning of year	157,653	151,239
Add: Interest	6,893	6,414
Balance, end of year	164,546	157,653
<b>Total Funds Held in Ottawa Trust Fund</b>	<b>171,708</b>	<b>164,815</b>

**9. Missabay Contracting LP**

	2021	2020
Partnership units - 510 - 51% interest	510	-
Income earned less distributed	778,808	-
	<b>779,318</b>	<b>-</b>

The following table presents condensed financial information for the active limited partnerships accounted for using the modified equity basis:

<b>As at March 31</b>	<b>2021</b>	<b>2020</b>
Cash	1,708,018	146,756
Accounts receivable	1,716,513	1,972,970
Current assets	<b>3,424,531</b>	<b>2,119,726</b>
Accounts payable	<b>2,395,108</b>	1,634,381
Partners' Equity		
	Moncrief Construction Limited (General Partner)	Mishkeegogamang Independent Nations (Limited Partner)
Opening balance	279,166	206,179
Partner contribution/(withdrawal)	(278,186)	-
Net income for the year	249,125	573,139
Ending balance	<b>250,105</b>	<b>779,318</b>
	<b>3,424,531</b>	<b>2,119,726</b>

**Mishkeegogamang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**10. Accounts payable and accruals**

	2021	2020
Trade payables	2,855,586	2,596,134
Accrued salaries, wages and benefits	464,659	320,845
WSIB payable	50,495	1,503
Pension payable	3,172	19,778
Receiver General payable	209,663	40,067
Funding repayable	1,391,011	1,201,152
	<b>4,974,586</b>	<b>4,179,479</b>

**11. Deferred revenue**

	<i>Balance March 31, 2020</i>	<i>Funding Received 2021</i>	<i>Revenue Recognized 2021</i>	<i>Balance March 31, 2021</i>
<b>Federal</b>				
Administration	413,882	1,973,597	1,128,186	1,259,293
Economic Development	510,602	682,696	1,193,298	-
Education	2,605,057	4,540,876	6,117,625	1,028,308
Health	785,747	10,226,526	8,966,119	2,046,154
Housing	-	937,831	173,783	764,048
Social	839,395	2,858,211	2,749,775	947,831
Technical Services	537,485	7,570,847	1,838,077	6,270,255
	<b>5,692,168</b>	<b>28,790,584</b>	<b>22,166,863</b>	<b>12,315,889</b>
<b>Provincial</b>				
Economic Development	60,685	-	60,685	-
Health	119,374	201,735	54,654	266,455
Social	28,871	2,456,444	2,485,315	-
	<b>208,930</b>	<b>2,658,179</b>	<b>2,600,654</b>	<b>266,455</b>
<b>Other</b>				
Health	20,625	167,015	187,640	-
	<b>5,921,723</b>	<b>31,615,778</b>	<b>24,955,157</b>	<b>12,582,344</b>

**Mishkeegogamang First Nation**  
**Notes to the Consolidated Financial Statements**  
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**12. CMHC replacement reserve**

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following:

- A replacement reserve, established by an annual allocation of \$7,587 (2020 - \$7,587), for project #19-151-581-001, \$13,681 (2020 - \$13,681) for project #19-151-281-001 and \$13,050 (2020 - \$13,050) for project #19-151-281-003, to ensure replacement of buildings financed by CMHC.
- A subsidy surplus reserve established by retaining excess federal assistance payments received plus interest. Reserve funds may be used to meet future subsidy requirements of income tested occupants, over and above the maximum federal assistance.

In accordance with terms of the agreements, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal. As at March 31, 2021, the replacement reserve was unfunded.

	<b>2021</b>	2020
Opening CMHC Replacement Reserve	<b>138,965</b>	104,647
Annual replacement reserve allocation	<b>34,318</b>	34,318
Replacement reserve adjustment per CMHC	-	-
	<b>173,283</b>	138,965

**13. Term loans due on demand**

	<b>2021</b>	2020
Royal Bank of Canada term loan, repayable in monthly principal payments of \$10,368 plus interest at prime rate plus 1.5% (4.95% at March 31, 2021), secured by a general security agreement constituting a first ranking security interest, band council resolutions signed by a quorum of the Chief and Council, assignment of ISC capital funding and OFNLP funding.	<b>2,110,836</b>	2,229,602

**Mishkeegogamang First Nation**  
**Notes to the Consolidated Financial Statements**  
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**14. Long-term debt**

	<b>2021</b>	<b>2020</b>
Royal Bank of Canada loan, repayable in blended monthly payments of principal and interest in the amount of \$46,801 bearing interest at 4.59%, expired on March 04, 2021 but renewed after year end, secured by a general security agreement constituting a first ranking security interest, band council resolutions signed by a quorum of the Chief and Council, assignment of ISC capital funding and OFNLP funding.	<b>1,244,765</b>	1,736,897
Royal Bank of Canada loan, repayable in blended monthly payments of principal and interest in the amount of \$1,917, bearing interest at 5.1%, maturing November 21, 2021, secured by equipment with a net book value of \$73,575 (2020 - \$91,968)	<b>15,045</b>	36,625
CMHC loan, repayable in blended monthly payments of principal and interest in the amount of \$8,879 bearing interest at 2.13%, maturing October 01, 2042, secured by Ministerial guarantee.	<b>1,847,120</b>	1,913,991
CMHC loan, repayable once project is completed in blended monthly payments of principal and interest in the amount of \$30,478 bearing interest at 2.16%, on a term of 60 months, secured by Ministerial guarantee.	<b>1,935,370</b>	1,779,250
CMHC loan, repayable in blended monthly payments of principal and interest in the amount of \$3,669, bearing interest at 2.11%, maturing September 01, 2027, secured by Ministerial guarantee.	<b>268,045</b>	305,990
CMHC loan, repayable in blended monthly payments of principal and interest in the amount of \$2,263, bearing interest at 1.08%, maturing May 01, 2025, secured by Ministerial guarantee.	<b>110,458</b>	136,522
Royal Bank of Canada loan, repaid during the year.	-	19,922
Royal Bank of Canada loan, repaid during the year.	-	11,162
	<b>5,420,803</b>	5,940,359

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

2022	675,835
2023	663,752
2024	675,431
2025	327,908
2026	119,025
	<u>2,461,951</u>

# Mishkeegogamang First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2021*

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### 15. Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The First Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company Ontario First Nations General Partner Inc. - the carrying values of which are nominal and are therefore not recorded in these consolidated financial statements.

### 16. Contingencies

The First Nation has filed a statement of claim against a former co-manager and several companies for breach of contract, negligence and breach of fiduciary duty and claimed damages of \$2,000,000. A counterclaim has been filed against the First Nation for breach of contract and negligence without specifying a damage amount. The claims are in the discovery stage and at year-end the likelihood of any contingent asset or liability is indeterminable.

In prior years, the First Nation made payments to all members using funds from the Hydro Settlement and Canada Claims Settlement amounts. In cases where the First Nation was unable to locate certain members, it was decided to disclose as a contingent liability the value owing to these members, as members may request payment in future years. In 2018, \$290,160 and \$240,000 was written off related to the Hydro Settlement and Canada Claims Settlement respectively.

The First Nation has entered into contribution agreements with various 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 the agreements.

### 17. Economic dependence

The First Nation receives 46% (2020 - 43%) of its revenue from Indigenous Services Canada (ISC) as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC 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.

**Mishkeegogamang First Nation**  
**Notes to the Consolidated Financial Statements**  
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**18. Government transfers**

	Operating	Capital	2021	2020
<b>Federal government transfers</b>				
Indigenous Services Canada	13,559,461	5,231,545	18,791,006	10,902,367
First Nations and Inuit Health	7,512,121	-	7,512,121	6,277,523
Human Resources and Skills Development Canada	1,580,393	-	1,580,393	1,539,122
Canada Mortgage and Housing Corporation	157,245	764,048	921,293	144,656
<b>Total Federal</b>	<b>22,809,220</b>	<b>5,995,593</b>	<b>28,804,813</b>	<b>18,863,668</b>
<b>Provincial government transfers</b>				
Ministry of Community and Social Services	2,288,562	-	2,288,562	1,699,980
Ministry of Health and Long-Term Care	897,773	-	897,773	849,773
Ministry of Attorney General	360,000	-	360,000	160,000
Ministry of Indigenous Affairs	231,707	-	231,707	-
Ministry of Education	155,574	-	155,574	155,574
Ministry of Infrastructure	-	-	-	144,000
<b>Total Provincial</b>	<b>3,933,616</b>	<b>-</b>	<b>3,933,616</b>	<b>3,009,327</b>
	<b>26,742,836</b>	<b>5,995,593</b>	<b>32,738,429</b>	<b>21,872,995</b>

**19. Indigenous Service Canada funding reconciliation**

	2021	2020
ISC funding per Consolidated Financial Statements	18,791,006	10,902,367
Release of prior year funding - Acceptance of outstanding reporting	(37,500)	-
	<b>18,753,506</b>	<b>10,902,367</b>
ISC funding per funding confirmation	<b>18,753,506</b>	<b>10,902,367</b>

**20. First Nation and Inuit Health reconciliation**

	2021	2020
FNIH funding per Consolidated Financial Statements	7,512,121	6,277,523
FNIH funding per funding confirmation	<b>7,512,121</b>	<b>6,277,523</b>

**21. Budget information**

The disclosed budget information has been approved by the Chief and Council, and presented to the members of the First Nation.

**22. Comparative figures**

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

**23. 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, 2021. 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.