

**PIKANGIKUM FIRST NATION
INDEPENDENT AUDITOR'S REPORT
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021**

PIKANGIKUM FIRST NATION

MARCH 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of Pikangikum First Nation:

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada and as such include certain amounts based on estimates or 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 First Nation 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 Chief and Council review the First Nation's consolidated financial statements and recommends their approval to the membership. Chief and Council meet 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, to review the consolidated financial statements and the external auditor's report. The Chief and Council also consider and submit for approval by the Members, the engagement of the external auditors.

The consolidated financial statements have been audited by Fort Group Chartered Professional Accountants Inc. in accordance with Canadian generally accepted auditing standards on behalf of the members. Fort Group Chartered Professional Accountants Inc. have full and free access to Chief and Council.

Chief Shirley Lynne Keeper

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the accompanying consolidated financial statements of Pikangikum First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects and possible effects of the matters described in the *Basis for Qualified Opinion* section of this report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of Pikangikum First Nation as at March 31, 2021, and the results of its consolidated operations and its consolidated cash flow for the year then ended, in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation has identified and deferred revenue for surpluses to select programs with fixed contribution funding. Canadian public sector accounting standards require that program revenue that has no fixed timeline for use or stipulations for repayment, be included in surplus for the year. In these respects, the consolidated financial statements are not in accordance with Canadian public sector accounting standards. Had the revenue not been deferred, the following adjustments would be recorded: increase in total revenue of \$18,540,926 (2020 - \$12,203,167), a decrease of deferred revenue of \$18,540,926 (2020 - \$12,203,167), decrease in deficit of \$18,540,926 (2020 - \$12,203,167), increase in accumulated surplus of \$18,540,926 (2020 - \$12,203,167), and a decrease in net financial assets (net debt) of \$18,540,926 (2020 - \$12,203,167).

The predecessor auditor was unable to verify the completeness or occurrence of energy sales for the year ended March 31, 2020 and the completeness and existence of the related energy sales receivables as at March 31, 2020. The predecessor's testing indicated deficiencies in the hydro meter equipment, the recording of monthly meter readings and the recording of deposits against the appropriate hydro accounts. The predecessor auditor was unable to determine whether any adjustments to energy sales or accounts receivable were necessary. As a result, our opinion on the current year's results of operations and cash flows is modified because of the possible effects of this matter on the comparability of the current year's figures and the comparative information.

The predecessor auditor was unable to verify the occurrence of social assistance expenses for the year ended March 31, 2020. Due to the COVID-19 pandemic and the related travel restrictions imposed by all levels of government, we were unable to obtain sufficient, appropriate audit evidence to support the social assistance payments made during the year. The predecessor auditor was unable to determine whether any adjustments to social assistance expense were necessary. As a result, our opinion on the current year's results of operations and cash flows is modified because of the possible effects of this matter on the comparability of the current year's figures and the comparative information.

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 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 for the year ended March 31, 2020, were audited by another auditor who expressed a qualified opinion on those financial statements on July 15, 2021, for the reasons as described in the *Basis for Qualified Opinion* section above.

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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure, and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements representing the underlying transactions and events in a manner that achieved 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.


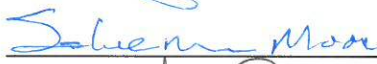
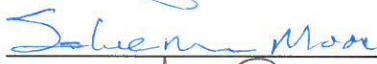

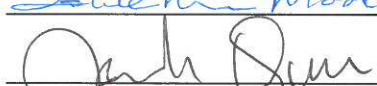
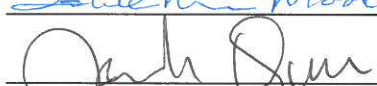
**Winnipeg, Manitoba
December 8, 2022**

Fort Group
**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

**PIKANGIKUM FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021**

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash (Note 3)	\$ 34,854,195	22,770,962
Accounts receivable (Note 4)	2,553,283	2,878,579
Due from government and other government organizations (Note 5)	3,957,990	4,292,319
Portfolio investments (Note 6)	1,000,023	1,000,023
Restricted cash (Note 7)	620,520	442,542
Deposits (Note 8)	<u>916,667</u>	<u>916,667</u>
	<u>43,902,678</u>	<u>32,301,092</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	7,089,279	10,218,062
Due to government and other government organizations (Note 10)	2,629,007	882,767
Deferred revenue (Note 11)	28,390,909	15,598,367
Debt (Note 12)	<u>4,399,169</u>	<u>4,684,550</u>
	<u>42,508,364</u>	<u>31,383,746</u>
NET FINANCIAL ASSETS	<u>1,394,314</u>	<u>917,346</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 14) (Schedule 1)	84,159,895	87,747,510
Inventories held for use (Note 15)	320,290	1,062,607
Prepaid expenses	<u>59,508</u>	<u>260,149</u>
	<u>84,539,693</u>	<u>89,070,266</u>
ACCUMULATED SURPLUS (Note 16)	<u>\$ 85,934,007</u>	<u>89,987,612</u>

APPROVED BY THE FIRST NATION:

 Deputy Chief		 Councillor	 Councillor
 Councillor		 Councillor	 Councillor

**PIKANGIKUM FIRST NATION
CONSOLIDATED SCHEDULE OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED MARCH 31, 2021**

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
REVENUES			
Federal government transfers			
Canada Mortgage and Housing Corporation	\$ 1,767,162	1,267,302	377,988
FedNor revenue	-	285,445	102,110
First Nation and Inuit Health Branch	7,784,823	7,821,592	8,486,226
Indigenous Services Canada	62,423,702	55,873,569	40,152,177
Natural Resources Canada	270,000	100,000	16,037
Public Safety Canada	-	208,000	-
Provincial government transfers			
Government of Ontario	-	192,000	-
Ministry of Children, Community and Social Service	10,540,952	10,585,445	10,976,553
Ministry of Health and Long-Term Care	521,370	800,725	546,515
Ministry of the Attorney General	529,137	505,406	368,986
Ministry of Indigenous Affairs	100,000	80,000	-
Ministry of Energy, Northern Development and Mines	37,884	52,027	50,512
Administration fees	2,996,003	1,870,661	1,423,449
Cando	1,457,481	1,418,405	39,077
Eshkotay Wayab power sales	-	-	666,415
Fuel sales	80,000	70,758	212,382
Hotel revenue	94,418	80,610	121,384
HST and Sales Tax rebates	83,888	(21,182)	599,576
IESO income	150,000	32,318	80,540
Lumber sales revenue	47,109	66,038	57,839
Nishnawbe Aski Development Fund	365,338	87,339	-
Nishnawbe Aski Nation	405,538	573,419	477,615
North West Company	115,000	275,747	143,811
OFNLP2008	1,882,530	1,848,503	1,881,720
OSLP revenue	47,840	47,840	758
Other revenue	1,785,745	2,524,008	4,570,052
Ottawa Trust Fund revenue	-	-	4,497
Primate World	299,985	299,985	-
Recovery of funding	(63,680)	13,507	(623,338)
Rental income	1,449,900	1,518,641	1,044,304
Sioux Lookout Area Aboriginal Management Board	263,082	319,086	157,361
Sioux Lookout First Nation Health Association	-	2,643,180	-
Tikinagan income	138,000	138,000	129,815
Treaty 5 income	54,500	54,500	-
User fees	31,000	83,240	32,164
Waabameeagwan revenue	702,188	590,092	589,307
Deferred revenue - prior year (Note 11)	24,965,942	15,557,989	11,837,346
Deferred revenue - current year (Note 11)	(609,689)	(28,179,627)	(14,207,624)
	<u>\$120,717,148</u>	<u>79,684,568</u>	<u>70,315,554</u>

(Continued on next page)

**PIKANGIKUM FIRST NATION
CONSOLIDATED SCHEDULE OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED MARCH 31, 2021**

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
TOTAL REVENUE	\$ <u>120,717,148</u>	<u>79,684,568</u>	<u>70,315,554</u>
<i>(Continued from previous page)</i>			
SEGMENT EXPENSES			
Administration	12,380,529	6,458,949	4,825,977
Capital Management	38,494,669	9,541,144	11,777,119
Canada Mortgage and Housing Corporation	628,976	274,747	349,070
Diesel Projects	-	-	108,965
Education	35,943,048	22,123,520	21,577,928
Eshkotay Power	-	16,908	1,070,700
Health Authority	16,799,963	14,046,419	9,003,295
Hotel	181,339	159,733	232,112
IT	595,710	603,161	583,897
Laundromat	-	59,280	66,714
Public Works	3,654,734	3,820,927	3,471,363
Social Administration	4,493,612	4,233,535	3,282,256
Social Welfare	<u>9,528,351</u>	<u>8,392,612</u>	<u>8,330,649</u>
	<u>122,700,931</u>	<u>69,730,935</u>	<u>64,680,045</u>
ANNUAL SURPLUS BEFORE OTHER ITEMS	<u>(1,983,783)</u>	<u>9,953,633</u>	<u>5,635,509</u>
OTHER ITEMS			
Amortization of tangible capital assets	-	(14,054,898)	(8,805,446)
Gain (loss) on disposal of tangible capital assets	-	-	(136)
Other revenue	<u>-</u>	<u>47,660</u>	<u>47,573</u>
	<u>-</u>	<u>(14,007,238)</u>	<u>(8,758,009)</u>
ANNUAL DEFICIT	(1,983,783)	(4,053,605)	(3,122,500)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>89,987,612</u>	<u>89,987,612</u>	<u>93,110,112</u>
ACCUMULATED SURPLUS, END OF YEAR	\$ <u>88,003,829</u>	<u>85,934,007</u>	<u>89,987,612</u>

**PIKANGIKUM FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2021**

	<u>Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
ANNUAL DEFICIT	\$ <u>(1,983,783)</u>	<u>(4,053,605)</u>	<u>(3,122,500)</u>
Tangible capital assets			
Purchase of tangible capital assets	-	(10,900,524)	(3,533,216)
Amortization not expensed in programs	-	14,054,898	8,805,446
Amortization of tangible capital assets	299,939	433,241	370,081
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>136</u>
	<u>299,939</u>	<u>3,587,615</u>	<u>5,642,447</u>
Other non-financial assets			
Change in prepaid expenses	-	200,641	(11,316)
Change in inventory	<u>-</u>	<u>742,317</u>	<u>(402,734)</u>
	<u>-</u>	<u>942,958</u>	<u>(414,050)</u>
CHANGE IN NET FINANCIAL ASSETS	(1,683,844)	476,968	2,105,897
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>917,346</u>	<u>917,346</u>	<u>(1,188,551)</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ <u><u>(766,498)</u></u>	<u><u>1,394,314</u></u>	<u><u>917,346</u></u>

**PIKANGIKUM FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2021**

	<u>2021</u>	<u>2020</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Annual deficit	\$ (4,053,605)	(3,122,500)
Add back non-cash item(s):		
Amortization of tangible capital assets	14,488,139	9,175,527
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>136</u>
	10,434,534	6,053,163
Change in non-cash working capital:		
Accounts receivable	325,296	(1,745,019)
Due from government and other government organizations	334,329	2,997,891
Prepaid expenses	200,641	(11,316)
Inventory held for use	742,317	(402,734)
Accounts payable and accrued liabilities	(3,128,783)	5,570,339
Due to government and other government organizations	1,746,240	78,711
Deferred revenue	<u>12,792,542</u>	<u>2,370,279</u>
	<u>23,447,116</u>	<u>14,911,314</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	<u>(10,900,524)</u>	<u>(3,533,237)</u>
FINANCING ACTIVITIES		
Repayment of debt	<u>(285,381)</u>	<u>(482,405)</u>
CHANGE IN CASH	12,261,211	10,895,672
CASH, BEGINNING OF YEAR	<u>23,213,504</u>	<u>12,317,832</u>
CASH, END OF YEAR	<u>35,474,715</u>	<u>23,213,504</u>
CASH IS REPRESENTED BY:		
Unrestricted cash	\$ 34,854,195	22,770,962
Restricted cash	<u>620,520</u>	<u>442,542</u>
	<u>\$ 35,474,715</u>	<u>23,213,504</u>

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

1. ACCOUNTING ENTITY

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The First Nation follows the Indigenous Services Canada ("ISC") accounting guidelines as set out in the "Year End Reporting Handbook for funding agreements covering fiscal year 2019-2020" which requires that the consolidated financial statements be prepared in accordance with Canadian generally accepted accounting principles for governments, as defined in the Chartered Professional Accountants of Canada Public Sector Accounting Handbook.

(b) Reporting Entity

The First Nation is a non-profit Indian Band as defined by ISC. The objective of the First Nation is to operate as the governing entity in providing services on the reserve in all areas. The First Nation reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

(c) Uncertainty Due to COVID-19

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

The First Nation's operations were impacted by COVID-19 due to closure of the band office, increased demand from members for assistance and cancellation of events. The impact of COVID-19 has been partially offset by announcements from Government funding agencies releasing held funds for immediate use for COVID-19 related expenses and announcements that unspent program funding may be used to offset COVID-19 related expenses in future periods.

The COVID-19 pandemic continued to impact the First Nation in the 2021 fiscal year though it is management's opinion that the First Nation has adequately adapted to the impact of this pandemic. While management will continue to monitor and evaluate the implications of the pandemic, it is difficult to predict whether the pandemic will further impact on the future finances and operations of the First Nation.

(d) Basis of Consolidation

All controlled entities are fully consolidated on a line-by-line basis. This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization. These financial statements include the financial assets, liabilities, net debt, non-financial assets, accumulated surplus, revenue and expenses for the following entities controlled or owned by the First Nation:

- Eshkotay Wayab Corporation
- Pikangikum Health Authority
- Pikangikum CMHC Housing Authority

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Basis of Presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(f) 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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, inventories held for use, and prepaid expense.

(g) Cash Resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purpose is included in restricted cash.

(h) Portfolio Investments

Portfolio investments include investments in common shares, guaranteed investment certificates and investments in entities that are not controlled by the First Nation. Investments in entities that are not controlled by the First Nation are recorded at cost, less any provision for other than temporary impairment.

(i) Funds Held in Trust

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 with an offsetting amount in accumulated surplus. Trust monies consist of:

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

(j) Net Financial Assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

(k) Deferred Revenue

Deferred revenue represents funding received or receivable under the terms of their respective funding arrangements for specified purposes and for which the related expenses have not been incurred. Unspent funding or expenses made which are not in accordance with the terms of the funding arrangements may constitute a debt to the funding authority upon review of the funding agreement. Note 11 contains a summary of deferred revenue by project.

(l) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Tangible Capital Assets (continued)

Tangible capital assets are reported at gross cost.

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.

Construction in progress represents the total cost of assets being constructed that are not available for use. When the construction phase has been completed and the assets are available for use they are amortized according to the rates indicated below.

(m) Amortization

Amortization of tangible capital assets is recognized as an expense in the Statement of Operations.

Amortization is provided for on a straight-line basis at the rates in the table that follows. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Buildings	4-20 years
Database	5 years
Equipment	4 years
Housing	4-25 years
Infrastructure	25 years
Roads	20 years
Vehicles	2-5 years

(n) Inventories Held for Use

Inventory of supplies held for consumption are recorded at the lower of cost and replacement cost.

(o) 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 a group of assets, exceeds the value of future economic benefits associated with the asset(s). Impairment is measured as the amount by which the asset's carrying value exceeds the residual value of the asset's service potential to the First Nation. Any impairment is included in the consolidated statement of operations during the year in which the asset becomes impaired.

(p) Intangible Assets

The First Nation owns various intangible assets inherited by the right of the Crown, such as Crown lands, forests, water, and mineral resources. These items are not recognized in the First Nation's consolidated financial statements in accordance with public sector accounting standards.

(q) Revenue Recognition

Government transfers

Government transfer revenue, including, but not limited to, Indigenous Services Canada, First Nations and Inuit Health, Province of Ontario and Canada Mortgage and Housing Corporation Funding, is recognized as the funding becomes receivable under the terms of applicable funding agreements. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Revenue Recognition (continued)

Other revenue

Rent and resident fees are recorded in the year they are earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt and allowance for doubtful accounts for amounts designated as unlikely to be collected.

Investment and interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

(r) Measurement Uncertainty

The preparation of the consolidated financial statements 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 periods presented. Actual results could differ from these estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management analysis of the extent to which eligibility requirements have been met on government transfer revenue.

These estimates are reviewed periodically, and, as adjustment becomes necessary, they are reported in the consolidated statement of operations in the year in which they become known.

(s) 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.

(t) Financial Instruments

Financial instruments include cash, accounts receivable, due from government and other government organizations, portfolio investments, restricted cash, deposits, accounts payable and accrued liabilities, due to government and other government organizations and debt.

The First Nation initially measures its financial instruments at fair value when the asset or liability is first recognized. The First Nation subsequently measures its financial instruments at cost or amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Segmented Information

As at year end the First Nation conducts its business through seven reportable segments as identified below (ten in 2020). 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. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Administration - includes administration, governance activities, and Band operations

Public Works - includes activities for the operation and maintenance of the First Nation's infrastructure

Education - includes activities delivering education and student success programming

Social services - includes activities delivering social and employment assistance programming

Economic Development - activities to increase economic opportunities for the First Nation; wound up in 2020

Capital Management - includes capital construction project activities for the First Nation

Canada Mortgage and Housing Corporation - includes activities operating the First Nations under CMHC's Section 95 subsidy program

Diesel Projects - includes activities to repair and upgrade the First Nation's diesel generating stations; wound up in 2020

Health Authority - includes the operations of the nursing station

Eshkotay Power Generation - includes the activities regarding providing electricity to the First Nation; wound up in 2021

3. CASH

	<u>2021</u>	<u>2020</u>
Unrestricted - Cash	\$ 34,052,316	22,770,962
Unrestricted - GIC	<u>801,879</u>	<u>-</u>
	<u>\$ 34,854,195</u>	<u>22,770,962</u>

All cash held is unrestricted except for amounts in Note 7.

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Pikangikum 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 the 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 reserve fund.

The First Nation has available to it the following overdraft facilities:

A \$350,000 Canadian Imperial Bank of Commerce overdraft facility on the First Nation's social assistance - Ontario Works account incurring interest at the bank's prime rate plus 2%. The bank's prime rate at March 31, 2021 was 2.45% (2020 - 3.95%). The balance of the line of credit was \$Nil at March 31, 2021 (2020 - \$Nil). Interest is charged only when the facility is used.

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

3. CASH (Continued)

A \$100,000 Canadian Imperial Bank of Commerce overdraft facility on the First Nation's education account incurring interest at the bank's prime rate plus 2%. The bank's prime rate at March 31, 2021 was 2.45% (2020 - 3.95%). The balance of the line of credit was \$Nil at March 31, 2021 (2020 - \$Nil). Interest is charged only when the facility is used.

A \$100,000 Canadian Imperial Bank of Commerce overdraft facility on the First Nation's health authority account incurring interest at the bank's prime rate plus 2%. The bank's prime rate at March 31, 2021 was 2.45% (2020 - 3.95%). The balance of the line of credit was \$Nil at March 31, 2021 (2020 - \$Nil). Interest is charged only when the facility is used.

A \$50,000 Canadian Imperial Bank of Commerce overdraft facility on the First Nation's public works account incurring interest at the bank's prime rate plus 2%. The bank's prime rate at March 31, 2021 was 2.45% (2020 - 3.95%). The balance of the line of credit was \$Nil at March 31, 2021 (2020 - \$Nil). Interest is charged only when the facility is used.

4. ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Trade receivables	\$ 1,277,142	2,840,341
OFNLP receivable	1,230,446	-
Nishnawbe Aski Nation	36,291	13,675
Due from members	21,786	36,045
First Nation Student Success Program	5,613	5,613
Allowance for doubtful accounts	<u>(17,995)</u>	<u>(17,095)</u>
	<u>\$ 2,553,283</u>	<u>2,878,579</u>

5. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2021</u>	<u>2020</u>
Federal		
Indigenous Services Canada	\$ 1,226,112	2,699,865
Harmonized Sales Tax receivable	554,925	660,217
First Nation and Inuit Health Branch	-	646,884
Canada Mortgage and Housing Corporation	<u>31,213</u>	<u>31,499</u>
	<u>1,812,250</u>	<u>4,038,465</u>
Provincial		
Ministry of Children, Community and Social Service	1,807,746	114,726
Federal Economic Development Agency for Northern Ontario	312,694	-
Trillium	25,300	126,500
Ministry of Energy, Northern Development and Mines	<u>-</u>	<u>12,628</u>
	<u>2,145,740</u>	<u>253,854</u>
	<u>\$ 3,957,990</u>	<u>4,292,319</u>

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

6. PORTFOLIO INVESTMENTS	<u>2021</u>	<u>2020</u>
Portfolio investments		
Investment in 2472881 Ontario Ltd.	\$ 10	10
Investment in OFN Asset Management GP Corporation	1	1
Investment in Sovereign Wealth LP	1	1
Investment in First Nation LP	10	10
Investment in Exchange Income Corporation	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,022</u>	<u>1,000,022</u>
Investments in First Nation business partnerships and business entities		
Ontario First Nation Limited Partnership	1	1
Investment in Wasaya Airways Limited Partnership	296,321	296,321
Investment in Wasaya Group Inc.	40,290	40,290
Less: provision for impairment	<u>(336,611)</u>	<u>(336,611)</u>
	<u>1</u>	<u>1</u>
	<u>\$ 1,000,023</u>	<u>1,000,023</u>
7. RESTRICTED CASH	<u>2021</u>	<u>2020</u>
Ottawa trust funds		
Revenue account	\$ 64,973	64,973
Other		
CMHC replacement reserve	<u>555,547</u>	<u>377,569</u>
	<u>\$ 620,520</u>	<u>442,542</u>

Ottawa Trust Fund

The Ottawa Trust Fund arises 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is similarly governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with consent of the First Nation's Chief and Council. Interest revenue earned in the Revenue account amounted to \$Nil (2020 - \$Nil). Interest revenue earned in the Capital account amounted to \$Nil (2020 - \$Nil).

CMHC replacement reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2021, the replacement reserve bank account was over funded by \$113,312 (2020 - \$4,216).

CMHC operating reserve

In accordance with the terms of the agreements with Canada Mortgage and Housing Corporation ("CMHC"), the First Nation established an operating surplus reserve. The operating surplus reserve is a component of accumulated surplus and is increased by interest revenue and increased or decreased by the annual surplus (deficit) from operations. The operating surplus reserve must be held or invested only in accounts or instruments guaranteed by Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. At March 31, 2021, the operating reserve account of \$21,792 was fully funded (2020 - \$21,792 was unfunded).

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

8. DEPOSITS

	<u>2021</u>	<u>2020</u>
Deposit to purchase shares of L.K.G.H. Group of Companies	\$ 1,000,000	1,000,000
Impairment of deposit	<u>(83,333)</u>	<u>(83,333)</u>
	<u>\$ 916,667</u>	<u>916,667</u>

In 2010, the First Nation entered into an agreement to purchase the shares of the L.K.G.H. Group of Companies. The terms of the purchase agreement detailed that if the First Nation could not complete the remainder of the purchase by April 1, 2012, they would be entitled to a right of a 1/6 interest in the proceeds of any subsequent sale to a third party.

In a prior year, the L.K.G.H. Group of Companies completed a valuation of its assets. It determined that the fair market value of its assets and timber rights was equal to \$5,500,000, which was greater than the value of operating the sawmill operations. As such, the value of the First Nation's deposit has decreased to 1/6 of the fair market value of the tangible capital assets and timber rights.

In the current year, there has been no action to dispose of the sawmill assets.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Trade payables	\$ 4,391,688	8,199,050
Wages and benefits payable	1,076,761	650,030
Holdbacks payable	673,090	700,664
Accrued liabilities	<u>947,740</u>	<u>668,318</u>
	<u>\$ 7,089,279</u>	<u>10,218,062</u>

10. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2021</u>	<u>2020</u>
Ministry of Children, Community and Social Service	\$ 1,826,306	-
Ministry of Health and Long-Term Care	396,684	396,684
Indigenous Services Canada	251,132	400,611
Other payables	<u>154,885</u>	<u>85,472</u>
	<u>\$ 2,629,007</u>	<u>882,767</u>

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

11. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Indigenous Services Canada		
Administration - ATR	\$ 134,161	29,724
Administration - Band Rep Reimbursement	1,642,909	-
Administration - Community Based Prevention	481,731	279,920
Administration - Community Well Being	617,453	63,266
Administration - DGS Capacity Upgrade	125,252	131,677
Administration - Economic Development Capital	136,718	-
Administration - Governance Capacity Development	81,579	5,250
Administration - PDIP - Community Planning	75,000	-
Administration - Treaty 5	-	408,136
Capital Management - 2 Burnout Housing Units	23,133	28,648
Capital Management - 20 Unit Housing	-	577,536
Capital Management - Aggregate Production Phase I	-	25,130
Capital Management - Comprehensive Road Repairs	158,912	3,044,825
Capital Management - DGS Decommissioning Project	29,798	29,892
Capital Management - DGS - Soil & Ground Water Remediation	255,000	-
Capital Management - Fire Hall Feasibility	-	10,000
Capital Management - Group Home	-	707,070
Capital Management - Landfill Planning	156,958	35,219
Capital Management - Soil Remediation	3,123,941	147,668
Capital Management - Water & Wastewater Servicing Study	8,837	23,385
Capital Management - Backup Power Project CRKUH	60,000	-
Education - COVID-19	476,040	-
Education - Flow Through	10,723,136	4,139,502
Education - Jordan's Principle Audiology	196,205	-
Education - Jordan's Principle Student Support	399,492	1,130,937
Education - Nursing	37,869	34,489
Education - Local Poverty Reduction Fund	-	157,671
Education - REA	40,278	-
Education - Structural Readiness	307,066	199,567
Health - Jordan's Principle	179,957	-
Public Works - Fire Protection	6,091	-
Public Works - O&M Community Buildings	85,025	-
Public Works - O&M Teacher Residence	174,336	-
Public Works - O&M Water & Sewage	109,000	69,093
Public Works - Sanitation	263,867	164,882
Public Works - Training Fire Protection	37,607	-
Public Works - Wastewater Systems	591,164	285,165
Social Administration - Administration	<u>1,247,203</u>	<u>454,481</u>
	<u>21,985,718</u>	<u>12,183,133</u>

(Continued on next page)

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

11. DEFERRED REVENUE (Continued)

	<u>2021</u>	<u>2020</u>
Indigenous Services Canada <i>(Continued from previous page)</i>	<u>21,985,718</u>	<u>12,183,133</u>
First Nations and Inuit Health		
Health - Aboriginal Diabetes Initiative	90,302	-
Health - BHC Mental Health	141,338	2,803
Health - BHC MH Case Management	-	25,794
Health - Brighter Future	1,750	10,653
Health - CHR Mental Wellness	8,198	-
Health - Community Health	9,260	-
Health - Dental Care	8,670	-
Health - Early Childhood Development	598,647	303,404
Health - Facilities O&M	9,370	6,455
Health - Federal Tobacco Control Study	47,535	6,944
Health - Home and Community Care	71,443	12,519
Health - Nutrition North	31,936	-
Health - Jordan's Principle Choose Life	-	1,692,496
Health - Jordan's Principle Rehab	816,893	-
Health - Management Formula	-	11,130
Health - Medical Transport Clerk	7,923	-
Health - NNADAP	31,754	41,087
Health - Oral Health	114,487	-
Health - Pandemic Covid-19	353,056	155,183
Health - Prenatal Nutrition	26,393	13,414
Health - Security Services	-	6,418
Health - Vision Care	<u>941</u>	<u>-</u>
	<u>2,369,896</u>	<u>2,288,300</u>
Other		
Administration - Casinorama	879,489	-
Administration - Economic Development	-	925,000
Administration - Penco	-	2,712
Administration - Pik Crisis	-	4,979
Administration - Northern Store Lease	517,651	61,904
Administration - Solary System	53,000	-
Administration - Treaty 5	19,508	-
Administration - Youth Sawmill Program	249,976	-
Education - Administration	123,880	-
Health - Administration	568,996	-
Health - COVID-19 Isolation Trailers	1,073,586	-
Health - MAGHUB	15,889	-
Health - MOHLTC Funding - OFN Action Plan	17,363	-
Health - Pharmacy	-	132,339
Health - Transitional Housing Unit	65,957	-
Public Works - Roads & Heavy Equipment	<u>450,000</u>	<u>-</u>
	<u>4,035,295</u>	<u>1,126,934</u>
	<u>\$ 28,390,909</u>	<u>15,598,367</u>

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

12. DEBT

2021

2020

Phase 1 - CMHC mortgage for a seven unit rental housing project, interest at 0.74%, repayable in blended monthly payments of \$5,162, maturing July 1, 2034 with a renewal date of February 1, 2026, secured by a Ministerial Guarantee and assignment of fire insurance.

\$ 786,276 842,080

Phase 2 - CMHC mortgage for a ten unit rental housing project, interest at 0.68%, repayable in blended monthly payments of \$6,079, maturing January 1, 2035 with a renewal date of October 1, 2025, secured by a Ministerial Guarantee and assignment of fire insurance.

962,932 1,028,509

Phase 3 - CMHC mortgage for a nine unit rental housing project, interest at 1.14%, repayable in blended monthly payments of \$6,831, maturing June 1, 2036 with a renewal date of June 1, 2021, secured by a Ministerial Guarantee and assignment of fire insurance.

1,147,105 1,215,636

Phase 4 - CMHC mortgage for a ten unit rental housing project, interest at 2.41%, repayable in blended monthly payments of \$9,086, maturing December 1, 2037 with a renewal date of April 1, 2023, secured by a Ministerial Guarantee and assignment of fire insurance.

1,502,856 1,574,992

IT equipment loan, interest at prime rate plus 2%, matured March 2021. Secured by equipment.

- 23,333
\$ 4,399,169 4,684,550

The principal portion of debt is repayable for the years ended as follows:

March 31, 2022	\$ 266,036
2023	269,489
2024	273,001
2025	276,572
2026	280,205
Thereafter	<u>3,033,866</u>
	\$ <u>4,399,169</u>

13. CONTINGENT LIABILITIES

The First Nation is subject to funding recoveries according to their agreement with federal agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2021 might be recovered.

In the normal course of its operations, the First Nation may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the 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, 2021, no contingent liabilities have been recorded in the consolidated financial statements.

14. CONSTRUCTION IN PROGRESS

Included in tangible capital assets are costs totaling \$9,434,001 (2020 - \$5,026,763) related to construction in progress.

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

15. INVENTORIES HELD FOR USE

	<u>2021</u>	<u>2020</u>
Fuel - Public works	\$ 120,290	120,290
Gravel - Public works	200,000	200,000
Repair supplies - Capital management	<u>-</u>	<u>742,317</u>
	<u>\$ 320,290</u>	<u>1,062,607</u>

16. ACCUMULATED SURPLUS

	<u>2021</u>	<u>2020</u>
Ottawa trust funds	\$ 64,973	64,973
Invested in tangible capital assets	79,760,726	83,062,960
Canada Mortgage and Housing Corporation Operating reserve	21,793	77,513
Canada Mortgage and Housing Corporation Replacement reserve	470,308	422,648
Reserve for capital replacement	500,000	500,000
Share capital	102	102
Unrestricted accumulated surplus	<u>5,116,105</u>	<u>5,859,416</u>
	<u>\$ 85,934,007</u>	<u>89,987,612</u>

17. INDIGENOUS SERVICES CANADA FUNDING

The Indigenous Services Canada ("ISC") revenue of \$55,873,569 (2020 – \$40,152,177) on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation.

18. FIRST NATIONS AND INUIT HEALTH FUNDING

The First Nations and Inuit Health revenue of \$7,821,592 (2020 – \$8,486,226) on the consolidated statement of operations and accumulated surplus agrees to the First Nations and Inuit Health confirmation.

19. ECONOMIC DEPENDENCE

Pikangikum First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") and First Nations and Inuit Health 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.

20. PENSION PLAN

The First Nation operates three defined contribution pension plans for which employees of the First Nation are eligible. Members are required to contribute 5% of their salary. The First Nation contributed 5% which is directed to the member's contribution account. The amount of the retirement benefit to be received by the employees will be the amount of the retirement annuity that could be purchased based on the members' share of the pension plan at the time of the members' withdrawal from the plan.

Employer contributions for the Education employees pension plan during the year were \$617,791 (2020 - \$457,596).

Employer contributions for the Ontario Works pension plan during the year were \$59,831 (2020 - \$46,097).

Employer contributions for the Public Works pension plan during the year were \$50,743 (2020 - \$52,993).

The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2021.

**PIKANGIKUM FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

21. BUDGET INFORMATION

The disclosed budget information was approved by the Chief and Council of the Pikangikum First Nation.

22. COMPLIANCE WITH LAWS AND REGULATIONS

First Nations Financial Transparency and Accountability Act

The First Nation is required by the First Nations Financial Transparency and Accountability Act to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 31, 2021. As the audit report is dated after this date, the First Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

23. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to reflect the financial statement presentation adopted for the current year.

SCHEDULE 1

PIKANGIKUM FIRST NATION CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED MARCH 31, 2021

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Additions	Transfers and Disposals	Closing Balance	Opening Balance	Amortization	Disposals and Write Offs	Closing Balance	Total 2021	Total 2020
Tangible Capital Assets										
Land	\$ 197,250	-	-	197,250	-	-	-	-	197,250	197,250
Buildings	114,541,354	4,261,105	-	118,802,459	56,080,503	6,877,671	-	62,958,174	55,844,285	58,460,851
Vehicles	3,773,206	373,169	-	4,146,375	3,273,597	446,092	-	3,719,689	426,686	499,609
Housing	73,811,047	490,858	-	74,301,905	56,328,749	4,756,982	-	61,085,731	13,216,174	17,482,298
Equipment	7,137,672	1,368,154	-	8,505,826	6,206,940	1,019,836	-	7,226,776	1,279,050	930,732
Database	43,000	-	-	43,000	17,200	8,600	-	25,800	17,200	25,800
Infrastructure	24,866,004	-	-	24,866,004	20,240,177	994,640	-	21,234,817	3,631,187	4,625,827
Roads	7,686,364	-	-	7,686,364	7,187,984	384,318	-	7,572,302	114,062	498,380
	<u>232,055,897</u>	<u>6,493,286</u>	<u>-</u>	<u>238,549,183</u>	<u>149,335,150</u>	<u>14,488,139</u>	<u>-</u>	<u>163,823,289</u>	<u>74,725,894</u>	<u>82,720,747</u>
Assets under construction	<u>5,026,763</u>	<u>6,802,959</u>	<u>(2,395,721)</u>	<u>9,434,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,434,001</u>	<u>5,026,763</u>
TOTAL	<u>\$ 237,082,660</u>	<u>13,296,245</u>	<u>(2,395,721)</u>	<u>247,983,184</u>	<u>149,335,150</u>	<u>14,488,139</u>	<u>-</u>	<u>163,823,289</u>	<u>84,159,895</u>	<u>87,747,510</u>

SCHEDULE 2

**PIKANGIKUM FIRST NATION
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT
YEAR ENDED MARCH 31, 2021**

CONSOLIDATED EXPENSES BY OBJECT	<u>2021</u>	<u>2020</u>
Administration	\$ 1,481,067	1,338,232
Amortization of tangible capital assets	433,241	370,081
Bad debts (recovery)	107,919	403,389
Bank charges and interest	34,152	43,072
Community donations	73,860	133,935
Consulting	1,472,507	1,257,444
Contingency	1,668,943	864,367
Contracted services	3,985,351	3,495,029
Employment related expenses	1,119,090	952,016
Food and beverage	170,424	84,647
Fuel and oil	369,605	333,038
Funeral	81,987	57,200
Furniture and equipment	12,286	7,841
Honourariums	1,774,631	1,374,576
Insurance	638,881	587,580
Interest on debt	64,061	127,986
Materials	926,772	430,225
Miscellaneous	68,785	47,150
Mobilizations	134,300	194,400
Office supplies	269,135	129,558
Postage	6,961	638
Professional development	21,388	157,592
Professional fees	2,118,868	1,309,257
Program education	5,640	6,093
Program expense	843,349	580,820
Rent	351,876	364,525
Repairs and maintenance	5,037,327	8,039,857
Residential plumbing housing project	298,523	-
Salaries and benefits	31,348,462	25,916,077
Social assistance	7,657,225	8,273,450
Special projects	400,000	-
Student expenses	319,043	213,985
Supplies and equipment	3,799,849	3,298,418
Telephone and internet	676,846	302,632
Training	108,226	188,405
Travel	943,313	2,383,420
Utilities	876,741	1,360,784
Vehicle	30,301	52,326
	<u>\$ 69,730,935</u>	<u>64,680,045</u>

SCHEDULE 3

PIKANGIKUM FIRST NATION CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS YEAR ENDED MARCH 31, 2021

	ISC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Transfers From (To)	Surplus (Deficit)
SEGMENTS SUMMARY							
Administration	\$ 6,321,848	4,650,972	(3,084,822)	7,887,998	6,458,949	284,918	1,144,131
Capital Management	11,001,966	3,649,616	812,796	15,464,378	9,541,144	(162,649)	6,085,883
Canada Mortgage and Housing Corporation	-	505,522	-	505,522	274,747	(66,716)	297,491
Education	29,186,227	2,216,353	(6,641,800)	24,760,780	22,123,520	1,191,604	1,445,656
Eshkotay Power	-	50	-	50	16,908	-	(16,858)
Health Authority	211,034	16,089,802	(1,871,276)	14,429,560	14,046,419	153,922	229,219
Hotel	73,536	82,860	-	156,396	159,733	(32,000)	28,663
IT	-	472,215	-	472,215	603,161	-	(130,946)
Laundromat	-	128,377	-	128,377	59,280	-	69,097
Public Works	2,677,764	1,399,689	(1,197,950)	2,879,503	3,820,927	(1,391,604)	450,180
Social Administration	2,838,451	2,423,953	(638,587)	4,623,817	4,233,535	22,525	367,757
Social Welfare	<u>718,640</u>	<u>7,657,332</u>	<u>-</u>	<u>8,375,972</u>	<u>8,392,612</u>	<u>-</u>	<u>(16,640)</u>
TOTAL	<u>\$ 53,029,466</u>	<u>39,276,741</u>	<u>(12,621,639)</u>	<u>79,684,568</u>	<u>69,730,935</u>	<u>-</u>	<u>9,953,633</u>