

Nicomen Indian Band
Consolidated Financial Statements
March 31, 2020

Nicomen Indian Band
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For the year ended March 31, 2020

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Management's Responsibility

To the Members of Nicomen Indian Band:

The accompanying consolidated financial statements of Nicomen Indian Band 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 Nicomen Indian Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. 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 Nation's external auditors.

MNP LLP is appointed by the Members 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.

January 21, 2021

Original Signed By: Cassie James

Administrator

To the Members of Nicomen Indian Band:

Qualified Opinion

We have audited the consolidated financial statements of Nicomen Indian Band (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The financial statements do not include completed budgeted information. The exclusion of such information is a departure from Canadian public sector accounting standards as the comparison of budgeted to actual results is a significant measurement of performance.

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

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.

Chilliwack, British Columbia

January 21, 2021

MNP LLP

Chartered Professional Accountants

Nicomen Indian Band
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Cash	623,536	553,822
Accounts receivable	215,812	224,200
Portfolio investments (Note 4)	11,300	11,190
Investments in Nation partnerships and business entities (Note 6)	314,315	236,471
Funds held in trust (Note 5)	268,056	260,664
	1,433,019	1,286,347
Liabilities		
Bank indebtedness (Note 7)	96,051	89,474
Accounts payable and accruals	226,372	257,191
Deferred revenue (Note 8)	8,340	8,340
Long-term debt (Note 9)	390,554	145,933
	721,317	500,938
Net financial assets	711,702	785,409
Contingencies (Note 10)		
Significant events (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	3,080,595	2,832,238
Prepaid expenses	2,889	5,201
Total non-financial assets	3,083,484	2,837,439
Accumulated surplus (Note 12)	3,795,186	3,622,848
Approved on behalf of the Council		

Original Signed By: Chief Donna Aljam

Chief

Original Signed By: Arlene Edwards

Councilor

Nicomen Indian Band
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada	416,232	671,379
Department of Fisheries and Oceans	28,000	26,500
Economic activity	22,954	400,250
Canada Mortgage and Housing Corporation	18,737	19,390
Nlaka'pamux Legacy Trust	-	307,000
Province of British Columbia	654,107	137,500
Investment income	262,254	-
Kwoiek Creek Resources Limited Partnership	92,446	57,073
Other revenue	75,793	43,923
Union of BC Municipalities	75,468	71,191
Aboriginal Skills Employment and Training Strategy	30,005	74,852
New Relationship Trust	26,400	-
Rental income	19,200	19,200
Ottawa Trust Fund income	7,393	13,148
First Nations Education Steering Committee	2,781	3,573
First Nations Health Authority	-	15,000
Earnings (loss) from investment in Nation partnerships and business entities	(18,212)	45,307
Funding reimbursement (recovery)	(104,535)	(20,957)
	1,609,023	1,884,329
Expenses		
Administration	639,369	761,597
Capital Projects	56,621	18,025
Social Development	107,197	116,942
Education	31,406	42,825
Housing	35,236	22,286
Maintenance	44,910	179,312
Economic Development	408,203	414,112
Other	113,743	124,848
	1,436,685	1,679,947
Annual surplus	172,338	204,382
Accumulated surplus, beginning of year	3,622,848	3,418,466
Accumulated surplus, end of year	3,795,186	3,622,848

The accompanying notes are an integral part of these financial statements

Nicomen Indian Band
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2020

	2020	2019
Annual surplus	172,338	204,382
Purchases of tangible capital assets	(362,100)	(241,866)
Amortization of tangible capital assets	113,743	124,848
	(248,357)	(117,018)
Change in prepaid expenses	2,312	3,474
Increase (decrease) in net financial assets	(73,707)	90,838
Net financial assets, beginning of year	785,409	694,571
Net financial assets, end of year	711,702	785,409

The accompanying notes are an integral part of these financial statements

Nicomen Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	172,338	204,382
Non-cash items		
Amortization of tangible capital assets	113,743	124,848
Ottawa Trust Fund income	(7,393)	(13,149)
Earnings (loss) from investment in Nation partnerships and business entities	18,212	(45,307)
	296,900	270,774
Changes in working capital accounts		
Accounts receivable	8,388	(85,655)
Prepaid expenses	2,312	3,474
Accounts payable and accruals	(30,818)	67,427
Deferred revenue	-	(54,232)
	276,782	201,788
Financing activities		
Advances of long-term debt	287,814	-
Repayment of long-term debt	(43,193)	(49,179)
Change in bank indebtedness	6,577	(5,242)
	251,198	(54,421)
Capital activities		
Purchases of tangible capital assets	(362,100)	(241,866)
Investing activities		
Purchase of portfolio investments	(110)	-
Investment in Nation partnerships and business entities	(96,056)	(88,895)
	(96,166)	(88,895)
Increase (decrease) in cash resources	69,714	(183,394)
Cash resources, beginning of year	553,822	737,216
Cash resources, end of year	623,536	553,822
Supplementary cash flow information		
Interest paid	17,104	10,290

The accompanying notes are an integral part of these financial statements

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

1. Operations

Nicomen Indian Band (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Nicomen Indian Band includes the Band's 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

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:

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.

Reporting entity consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Nicomen Indian Band are excluded from the First Nation reporting entity.

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.

Nicomen Indian Band business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing 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 that 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. Entities accounted for by the modified equity basis include:

- Squianny Limited Liability Partnership
- Zakwaski Limited Partnership
- Squianny Development Corporation
- K'en T'em Limited Partnership

Asset classification

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

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated 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 consolidated financial position, accumulated surplus.

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

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for all tangible capital assets. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is recorded using the following rates or periods and intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Housing	declining balance	5 %
Equipment	declining balance	20 %
Community infrastructure	straight-line	40-100 years

Long-lived assets and discontinued operations

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 Band determines that a long-lived asset no longer has any long-term service potential to the Band, the excess of its net carrying amount over any residual value is recognized as an expense in the consolidated statement of operations. Write-downs are not reversed.

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

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

Portfolio investments

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

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 collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

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

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

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.

Externally restricted revenue

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

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Other revenue

Other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Segments

The First Nation conducts its business through eight reportable segments: Administration, Capital Projects, Social Development, Education, Housing, Maintenance, Economic Development, and Other. 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2020, management has determined no liability is required to be recorded.

3. Replacement reserve

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Nation established a replacement reserve, established by an annual allocation of \$4,914 (2019 - \$4,914), to ensure replacement of buildings financed by CMHC. At March 31, 2020, \$10,856 has been set aside to fund this reserve (2019 - \$8,388). The unfunded portion at March 31, 2020 was \$27,897 (2019 - \$25,451).

In accordance with terms of the agreements, CMHC reserve moneys 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.

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

4. Portfolio investments

	2020	2019
Measured at cost:		
Class A common shares of All Nations Trust Company	11,190	11,190
One partnership unit of BC FN Gaming Revenue Sharing Limited Partnership	100	-
One common share of BC FN Gaming Sharing General Partner Ltd.	10	-
	11,300	11,190

5. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2020	2019
Capital Trust		
Balance, beginning and end of year	159,273	159,273
Revenue Trust		
Balance, beginning of year	101,391	88,242
Interest	7,091	2,934
Band Revenue Distributions	-	9,913
BC Special Distribution	301	302
Balance, end of year	108,783	101,391
	268,056	260,664

6. Investments in Nation partnerships and business entities

The First Nation has investments in the following partnerships and business entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	2020 <i>Total investment</i>
First Nation Business Entities – Modified Equity:				
Squianny Development Corporation - 100%	1	1	(78)	(76)
First Nation Partnerships – Modified Equity:				
Zakwaski Resources Limited Partnership - 99.9%	1	248,304	(45,462)	202,843
Squianny Limited Liability Partnership - 99.9%	1	22,007	(23,314)	(1,306)
K'en T'em Limited Partnership - 12.5%	100	-	112,754	112,854
	102	270,311	43,978	314,391
	103	270,312	43,900	314,315

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

6. Investments in Nation partnerships and business entities *(Continued from previous page)*

				2019
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
First Nation Business Entities – Modified Equity:				
Squianny Development Corporation - 100%	1	1	(9)	(7)
First Nation Partnerships – Modified Equity:				
Zakwaski Resources Limited Partnership - 99.9%	1	173,091	993	174,085
Squianny Limited Liability Partnership - 99.9%	1	-	170	171
K'en T'em Limited Partnership - 12.5%	100	-	62,122	62,222
	102	173,091	63,285	236,478
	103	173,092	63,276	236,471

Consolidated financial information for Squianny Development Corporation is as follows:

	2020	2019
Assets	-	-
Liabilities	76	9
Equity, end of year	(76)	(9)
	-	-
	2020	2019
Revenue	(69)	(17)
Expenses	-	-
Net loss	(69)	(17)

Financial information for Squianny Limited Liability Partnership is as follows:

	2020	2019
Assets	6,021	6,919
Liabilities	29,196	6,757
Equity, end of year	(23,175)	162
	6,021	6,919
	2020	2019
Revenue	13	40,963
Expenses	23,350	30,513
Net income (loss)	(23,337)	10,450

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

6. Investments in Nation partnerships and business entities *(Continued from previous page)*

Financial information for Zakwaski Resources Limited Partnership is as follows:

	2020	2019
Assets	194,277	186,634
Liabilities	238,785	185,636
Equity, end of year	(44,508)	998
	194,277	186,634

	2020	2019
Revenue	605,558	575,057
Expenses	651,107	602,423
Net loss	(45,549)	(27,366)

Financial information for K'en T'em Limited Partnership is as follows:

	2020	2019
Assets	1,045,774	526,849
Liabilities	142,852	29,025
Equity, end of year	902,922	497,824
	1,045,774	526,849

	2020	2019
Revenue	1,119,011	500,000
Expenses	713,913	1,976
Net income	405,098	498,024

7. Bank indebtedness

Bank indebtedness includes an operating loan amounting to \$96,051 (2019 – \$89,474) and bearing interest at prime plus 1.5% (2019 – 1.5%). The prime rate at March 31, 2020 was 2.45%. The maximum credit of the operating loan is \$100,000, and the undrawn portion at March 31, 2020 was \$3,949 (2019 – \$10,526). This arrangement does not have a termination date and can be withdrawn at the bank's option. The credit line is secured by a general security agreement covering all property of the Band.

8. Deferred revenue

Deferred revenue consists of the following deferred government transfers and other revenues:

	2020	2019
Skeesht Health Society - Diabetic Members	8,340	8,340

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

9. Long-term debt

	2020	2019
Non-Profit Housing IV All Nations Trust mortgage; payments of \$1,349 per month, including interest at 1.37% per annum; maturity date of October 1, 2021.	25,346	41,072
CAT Financial Services Equipment financing; payments of \$1,338 per month, non-interest bearing; maturity date of December 5, 2022, secured by equipment with a book value of \$51,998.	44,151	60,206
Ford Credit Services Vehicle financing; payments of \$1,095 per month, including interest at 8.09% per annum; maturity date of August 22, 2021, secured by a vehicle with a book value of \$29,476.	17,528	28,748
Ford Credit Services Vehicle financing; payments of \$452 per month, including interest at 6.29% per annum; maturity date of June 22, 2022, secured by a vehicle with a book value of \$16,563.	11,353	15,907
Non-Profit Housing All Nations Trust mortgage; first advance, accruing interest at 0.47% per annum until the interest adjustment date.	292,176	-
	390,554	145,933

Principal repayments on long-term debt in each of the next three years are estimated as follows:

2021	49,012
2022	35,983
2023	13,382

Long-term debt for housing projects is secured by Ministerial guarantees of the Minister of Indigenous Services Canada.

10. Contingencies

As at March 31, 2020, Nicomen Indian Band is contingently liable for guaranteed housing mortgages with CMHC, totaling \$465,024 (2019 - \$465,024). CMHC future advances of \$172,848 in excess of non-profit housing debt received (2019 - \$172,848).

11. Significant event

During the year, there was a global outbreak of the COVID-19 virus, which has had a significant impact on businesses and entities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada to fight the virus.

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

12. Accumulated surplus

Annual surplus is comprised of the following:

	2020	2019
Operating surplus	798,336	642,040
Tangible capital assets surplus	2,690,041	2,686,305
Ottawa trust surplus	268,056	260,664
CMHC replacement reserve surplus	38,753	33,839
	3,795,186	3,622,848

13. Economic dependence

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

14. Segments

The First Nation receives revenue and incurs expenses from various projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by segments. Schedule 2 discloses the First Nation's revenue and expenses in the following segments:

Administration

Includes general operations, support and financial management of the First Nation.

Capital Projects

Includes revenue and expenses related to capital projects.

Social Development

Includes revenue and expenses relating to the social assistance of the members of the First Nation and the provision of health services within the First Nation.

Education

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the First Nation.

Housing

Includes rent collection and maintenance related to the mortgaged homes owned by the First Nation.

Maintenance

Includes revenue and expenses related to ongoing community maintenance.

Economic Development

Includes activities related to the growth of revenue producing projects with the First Nation.

Other

Includes revenue and expenses related to Tangible Capital Assets and the Ottawa Trust Fund.

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

15. Financial Instruments

Nicomen Indian Band's financial instruments consist of cash, receivables, marketable securities, accounts payable accrued liabilities and long-term debt. It is management's opinion that the Nicomen Indian Band is not exposed to significant currency, credit, or interest rate risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

16. First Nations Financial Transparency Act

The Band is required to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2020. As the audit report is dated after this date, the Band is in violation of this requirement. The possible effect of this violation has not yet been determined.

Nicomen Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	Land	Equipment	Community infrastructure	Housing	Buildings under construction	2020	2019
Cost							
Balance, beginning of year	128,693	761,021	3,757,077	532,190	231,352	5,410,333	5,168,467
Acquisition of tangible capital assets	-	40,656	-	-	321,444	362,100	241,866
Balance, end of year	128,693	801,677	3,757,077	532,190	552,796	5,772,433	5,410,333
Accumulated amortization							
Balance, beginning of year	-	477,041	1,815,693	285,361	-	2,578,095	2,453,247
Annual amortization	-	60,862	40,540	12,341	-	113,743	124,848
Balance, end of year	-	537,903	1,856,233	297,702	-	2,691,838	2,578,095
Net book value of tangible capital assets	128,693	263,774	1,900,844	234,488	552,796	3,080,595	2,832,238
2019 Net book value of tangible capital assets	128,693	283,980	1,941,384	246,829	231,352	2,832,238	

Nicomen Indian Band

Schedule 2 - Segmented Information

For the year ended March 31, 2020

	Administration	Capital Projects	Social Development	Education	Housing	Maintenance	Economic Development	Other	2020
Revenue									
Indigenous Services Canada	\$ 180,117	\$ -	\$ 131,695	\$ 42,600	\$ -	\$ 46,820	\$ 15,000	\$ -	\$ 416,232
Other government	860,320	-	(24,003)	(71,557)	-	(7,067)	82,133	-	839,826
Economic activities and other	253,946	-	-	2,781	37,937	-	50,908	7,393	352,965
	1,294,383	-	107,692	(26,176)	37,937	39,753	148,041	7,393	1,609,023
Expenses									
Amortization	-	-	-	-	-	-	-	113,743	113,743
Operating expenses	321,814	-	1,613	2,809	11,514	26,322	127,920	-	491,992
Salaries, wages and benefits	205,815	-	41,765	7,093	10,614	-	175,411	-	440,698
Program and services delivery expenses	111,740	56,621	63,819	21,504	13,107	18,589	104,872	-	390,252
	639,369	56,621	107,197	31,406	35,236	44,910	408,202	113,743	1,436,685
Annual surplus (deficit)	\$ 655,014	\$ (56,621)	\$ 495	\$ (57,582)	\$ 2,701	\$ (5,157)	\$ (260,162)	\$ (106,350)	\$ 172,338

	Administration	Capital Projects	Social Development	Education	Housing	Maintenance	Economic Development	Other	2019
Revenue									
Indigenous Services Canada	\$ 196,426	\$ 109,528	\$ 131,359	\$ 61,814	\$ -	\$ 162,252	\$ 10,000	\$ -	\$ 671,379
Other government	83,367	(6,150)	(14,807)	-	-	-	80,633	-	143,043
Economic activities and other	564,984	-	-	3,573	38,590	-	449,612	13,148	1,069,908
	844,777	103,378	116,552	65,387	38,590	162,252	540,245	13,148	1,884,329
Expenses									
Amortization	-	-	-	-	-	-	-	124,848	124,848
Operating expenses	250,019	-	429	6,021	11,237	30,112	18,246	-	316,064
Salaries, wages and benefits	368,353	-	46,134	6,701	6,871	25,169	230,209	-	683,438
Program and services delivery expenses	143,225	18,025	70,380	30,103	4,178	124,031	165,657	-	555,598
	761,597	18,025	116,942	42,825	22,286	179,312	414,112	124,848	1,679,947
Annual surplus (deficit)	\$ 83,180	\$ 85,353	\$ (391)	\$ 22,562	\$ 16,304	\$ (17,060)	\$ 126,134	\$ (111,700)	\$ 204,382