

**Nicomen Indian Band**  
**Financial Statements**  
*March 31, 2021*

**Nicomen Indian Band**  
**Contents**  
*For the year ended March 31, 2021*

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	Page
<b>Management's Responsibility</b>	
<b>Independent Auditor's Report</b>	
<b>Financial Statements</b>	
Statement of Financial Position.....	1
Statement of Operations and Accumulated Surplus.....	2
Statement of Changes in Net Financial Assets.....	3
Statement of Cash Flows.....	4
<b>Notes to the Financial Statements.....</b>	<b>5</b>
<b>Schedules</b>	
Schedule 1 - Schedule of Tangible Capital Assets.....	14
Schedule 2 - Segmented Information.....	15

## Management's Responsibility

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To the Members of Nicomen Indian Band

The accompanying 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 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 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 financial statements.

The Nicomen Indian Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Members to audit the 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.

Original Signed by Lorette Edzerza

Administrator

To the Members of Nicomen Indian Band:

## **Qualified Opinion**

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

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

## **Basis for Qualified Opinion**

### *No Budgeted Information*

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.

### *Financial Information for Government Business Enterprises (GBEs) and Government Business Partnerships (GBPs)*

We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the First Nation's investment in GBEs and GBPs as at March 31, 2021 and the First Nation's share of income (loss) from the GBEs and GBPs for the year ended March 31, 2021.

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 those standards are further described in the Auditor's Responsibilities for the Audit of the Financial relevant to our audit of the 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 Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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

February 10, 2023

**MNP LLP**

Chartered Professional Accountants

**Nicomen Indian Band**  
**Statement of Financial Position**  
*As at March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Financial assets</b>		
Cash	2,082,623	623,536
Accounts receivable	89,896	215,812
Portfolio investments <i>(Note 4)</i>	11,300	11,300
Funds held in trust <i>(Note 5)</i>	276,555	268,056
Investments in Nation partnerships and business entities <i>(Note 6)</i>	604,785	314,315
	<b>3,065,159</b>	1,433,019
<b>Liabilities</b>		
Bank indebtedness <i>(Note 7)</i>	100,877	96,051
Accounts payable and accruals	68,812	226,372
Deferred revenue <i>(Note 8)</i>	42,896	8,340
Long-term debt <i>(Note 9)</i>	508,701	390,554
	<b>721,286</b>	721,317
<b>Net financial assets</b>	<b>2,343,873</b>	711,702
<b>Non-financial assets</b>		
Tangible capital assets <i>(Schedule 1)</i>	2,996,618	3,080,595
Prepaid expenses	578	2,889
<b>Total non-financial assets</b>	<b>2,997,196</b>	3,083,484
<b>Accumulated surplus <i>(Note 10)</i></b>	<b>5,341,069</b>	3,795,186

**Approved on behalf of the Council**

Original Signed by Chief Norman Drynock    **Chief**

Original Signed by Clifford Walkem    **Councilor**

**Nicomen Indian Band**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2021*

	<b>2021</b>	2020
<b>Revenue</b>		
Indigenous Services Canada	720,676	416,232
Nlaka'pamux Legacy Trust	400,000	-
Economic activity	348,573	22,954
Department of Fisheries and Oceans	28,000	28,000
Canada Mortgage and Housing Corporation	11,801	18,737
Province of British Columbia	682,276	654,107
Investment income	281,783	262,254
Kwoiek Creek Resources Limited Partnership	31,950	92,446
Union of BC Municipalities	30,688	75,468
Other revenue	68,829	75,793
Funding reimbursement (recovery)	50,257	(104,535)
Rental income	19,200	19,200
First Nations Education Steering Committee	16,979	2,781
Ottawa Trust Fund income	8,499	7,393
Aboriginal Skills Employment and Training Strategy	-	30,005
New Relationship Trust	-	26,400
Loss from investment in Nation partnerships and business entities	(114,368)	(18,212)
	<b>2,585,143</b>	1,609,023
<b>Expenses</b>		
Administration	295,976	639,369
Capital Projects	-	56,621
Social Development	136,754	107,197
Education	49,362	31,406
Housing	53,906	35,236
Maintenance	43,898	44,910
Economic Development	355,531	408,203
Other	103,833	113,743
	<b>1,039,260</b>	1,436,685
<b>Annual surplus</b>	<b>1,545,883</b>	172,338
<b>Accumulated surplus, beginning of year</b>	<b>3,795,186</b>	3,622,848
<b>Accumulated surplus, end of year</b>	<b>5,341,069</b>	3,795,186

**Nicomen Indian Band**  
**Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Annual surplus</b>	<b>1,545,883</b>	172,338
Purchases of tangible capital assets	(19,856)	(362,100)
Amortization of tangible capital assets	103,833	113,743
Change in prepaid expenses	2,311	2,312
<b>Increase (decrease) in net financial assets</b>	<b>1,632,171</b>	(73,707)
<b>Net financial assets, beginning of year</b>	<b>711,702</b>	785,409
<b>Net financial assets, end of year</b>	<b>2,343,873</b>	711,702

**Nicomen Indian Band**  
**Statement of Cash Flows**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	1,545,883	172,338
Non-cash items		
Amortization of tangible capital assets	103,833	113,743
Ottawa Trust Fund income	(8,499)	(7,393)
Loss from investment in Nation partnerships and business entities	114,368	18,212
	1,755,585	296,900
Changes in working capital accounts		
Accounts receivable	125,916	8,388
Prepaid expenses	2,311	2,312
Accounts payable and accruals	(157,558)	(30,818)
Deferred revenue	34,556	-
	1,760,810	276,782
<b>Financing activities</b>		
Advances of long-term debt	172,061	287,814
Repayment of long-term debt	(53,914)	(43,193)
Net change in bank indebtedness	4,826	6,577
	122,973	251,198
<b>Capital activities</b>		
Purchases of tangible capital assets	(19,856)	(362,100)
<b>Investing activities</b>		
Purchase of portfolio investments	-	(110)
Investments in Nation partnerships and business entities	(404,840)	(96,056)
	(404,840)	(96,166)
<b>Increase in cash resources</b>	<b>1,459,087</b>	69,714
<b>Cash resources, beginning of year</b>	<b>623,536</b>	553,822
<b>Cash resources, end of year</b>	<b>2,082,623</b>	623,536
<b>Supplementary cash flow information</b>		
Interest paid	11,422	17,104

**Nicomen Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**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.

***Impact of COVID-19 on operations***

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on communities through the 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 not materially impacted by COVID-19. Additional funding was provided from Indigenous Services Canada to support the First Nation to deliver essential programs to members.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation's operations as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/ isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the First Nation's operations.

**2. Significant accounting policies**

These 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***

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

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

***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.

***Cash and cash equivalents***

Cash and cash equivalents 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:

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

***Long-lived assets***

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

The First Nation determines that a long-lived asset no longer has any long-term service potential to the First Nation, 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.

**Nicomen Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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

***Measurement uncertainty***

The preparation of 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 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 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.

***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 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 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, 2021.

**Nicomen Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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

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, 2021, 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 (2020 - \$4,914), to ensure replacement of buildings financed by CMHC. At March 31, 2021, \$10,856 has been set aside to fund this reserve (2020 - \$10,856). The unfunded portion at March 31, 2021 was \$32,810 (2020 - \$27,897).

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.

**4. Portfolio investments**

	<b>2021</b>	2020
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	100
One common share of BC FN Gaming Sharing General Partner Ltd.	10	10
	<b>11,300</b>	11,300

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**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.

	<b>2021</b>	2020
<b>Capital Trust</b>		
Balance, beginning and end of year	159,273	159,273
<b>Revenue Trust</b>		
Balance, beginning of year	108,783	101,391
Interest	8,209	7,091
BC Special Distribution	290	301
Balance, end of year	<b>117,282</b>	108,783
	<b>276,555</b>	268,056

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**Nicomen Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**6. Investments in Nation partnerships and business entities**

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

				<b>2021</b>
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
<b>First Nation Business Entities – Modified Equity:</b>				
Squianny Development Corporation - 100%	1	1	(78)	(76)
<b>First Nation Partnerships – Modified Equity:</b>				
Zakwaski Resources Limited Partnership - 99.9%	1	247,169	(159,136)	88,034
Squianny Limited Liability Partnership - 99.9%	101	426,817	89,909	516,827
	102	673,986	(69,227)	604,861
	103	673,987	(69,305)	604,785

				<b>2020</b>
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
<b>First Nation Business Entities – Modified Equity:</b>				
Squianny Development Corporation - 100%	1	1	(78)	(76)
<b>First Nation Partnerships – Modified Equity:</b>				
Zakwaski Resources Limited Partnership - 99.9%	1	248,304	(45,462)	202,843
Squianny Limited Liability Partnership - 99.9%	101	22,007	89,440	111,548
	102	270,311	43,978	314,391
	103	270,312	43,900	314,315

**Nicomen Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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

Consolidated financial information for Squianny Development Corporation is as follows:

	<b>2021</b>	<b>2020</b>
<b>Assets</b>	-	-
Liabilities	76	76
<b>Equity, end of year</b>	<b>(76)</b>	<b>(76)</b>
	-	-
	<b>2021</b>	<b>2020</b>
Revenue	-	(69)
Expenses	-	-
<b>Net loss</b>	<b>(69)</b>	<b>(69)</b>

Financial information for Squianny Limited Liability Partnership is as follows:

	<b>2021</b>	<b>2020</b>
<b>Assets</b>	<b>532,054</b>	118,875
Liabilities	42,145	29,196
<b>Equity, end of year</b>	<b>489,909</b>	89,679
	532,054	118,875
	<b>2021</b>	<b>2020</b>
Revenue	-	13
Expenses	14,813	23,350
<b>Net loss</b>	<b>(14,813)</b>	<b>(23,337)</b>

Financial information for Zakwaski Resources Limited Partnership is as follows:

	<b>2021</b>	<b>2020</b>
<b>Assets</b>	<b>165,454</b>	194,277
Liabilities	324,690	238,785
<b>Equity, end of year</b>	<b>(159,236)</b>	<b>(44,508)</b>
	165,454	194,277
	<b>2021</b>	<b>2020</b>
Revenue	293,876	605,558
Expenses	408,600	651,107
<b>Net loss</b>	<b>(114,724)</b>	<b>(45,549)</b>

**Nicomen Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**7. Bank indebtedness**

Bank indebtedness includes an operating loan amounting to \$100,876 (2020 – \$96,051) and bearing interest at prime plus 1.5% (2020 – 1.5%). The prime rate at March 31, 2021 was 2.45%. The maximum credit of the operating loan is \$100,000, and the undrawn portion at March 31, 2021 was nil (2020 – \$3,949). 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**

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

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada - ACRS (Q3B1-001)	-	42,896	-	42,896
Skeesht Health Society	8,340	-	8,340	-
	<b>8,340</b>	<b>42,896</b>	<b>8,340</b>	<b>42,896</b>

**9. Long-term debt**

	2021	2020
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.	9,403	25,346
Non-Profit Housing All Nations Trust mortgage; payments of \$1,692 per month, including interest at 0.71% per annum; renewal date of November 1, 2025	459,334	292,176
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 \$41,599.	28,096	44,151
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 \$23,581.	5,364	17,528
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 \$13,251.	6,504	11,353
	<b>508,701</b>	<b>390,554</b>

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

2022	53,079
2023	30,588
2024	17,329
2025	17,452
2026	17,576

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

**Nicomen Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**10. Accumulated surplus**

Annual surplus is comprised of the following:

	<b>2021</b>	<b>2020</b>
Operating surplus	1,928,434	484,021
Tangible capital assets surplus	2,487,630	2,690,041
Ottawa trust surplus	276,554	268,056
CMHC replacement reserve surplus	43,666	38,753
Investments in Nation partnerships and business entities	604,785	314,315
	<b>5,341,069</b>	3,795,186

**11. 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.

**12. 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 Financial Statements**  
*For the year ended March 31, 2021*

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**13. 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.

**14. 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, 2021. As the audit report is dated after this date, the First Nation is in violation of this requirement. The possible effect of this violation has not yet been determined.

**15. Comparative figures**

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

**Nicomen Indian Band**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2021*

	<i>Land</i>	<i>Equipment</i>	<i>Community infrastructure</i>	<i>Housing</i>	<i>Buildings under Construction</i>	<i>2021</i>	<i>2020</i>
<b>Cost</b>							
Balance, beginning of year	128,693	801,677	3,757,077	532,190	552,796	5,772,433	5,410,333
Acquisition of tangible capital assets	-	1,233	-	-	18,623	19,856	362,100
Balance, end of year	128,693	802,910	3,757,077	532,190	571,419	5,792,289	5,772,433
<b>Accumulated amortization</b>							
Balance, beginning of year	-	537,903	1,856,233	297,702	-	2,691,838	2,578,095
Annual amortization	-	52,878	39,231	11,724	-	103,833	113,743
Balance, end of year	-	590,781	1,895,464	309,426	-	2,795,671	2,691,838
<b>Net book value of tangible capital assets</b>	<b>128,693</b>	<b>212,129</b>	<b>1,861,613</b>	<b>222,764</b>	<b>571,419</b>	<b>2,996,618</b>	<b>3,080,595</b>
2020 Net book value of tangible capital assets	128,693	263,774	1,900,844	234,488	552,796	3,080,595	

**Nicomen Indian Band**  
**Schedule 2 - Segmented Information**  
*For the year ended March 31, 2021*

	Administration	Capital Projects	Social Development	Education	Housing	Maintenance	Economic Development	Other	2021
<b>Revenue</b>									
Indigenous Services Canada	\$ 293,113	\$ -	\$ 212,017	\$ 49,056	\$ 35,200	\$ 89,290	\$ 42,000	\$ -	\$ 720,676
Other government	493,992	-	13,966	37,218	-	(927)	500,068	-	1,044,316
Economic activities and other	519,243	-	278	16,979	31,001	-	119,152	8,499	695,150
	<b>1,306,348</b>	<b>-</b>	<b>226,261</b>	<b>103,253</b>	<b>66,201</b>	<b>88,363</b>	<b>661,220</b>	<b>8,499</b>	<b>2,460,143</b>
<b>Expenses</b>									
Amortization	-	-	-	-	-	-	-	103,833	103,833
Operating expenses	197,499	-	1,287	3,669	51,986	23,405	147,537	-	425,383
Salaries, wages and benefits	39,808	-	55,781	3,600	-	9,264	116,647	-	225,100
Program and services delivery expenses	58,669	-	79,686	42,093	1,920	11,229	91,347	-	284,945
	<b>295,976</b>	<b>-</b>	<b>136,754</b>	<b>49,362</b>	<b>53,906</b>	<b>43,898</b>	<b>355,531</b>	<b>103,833</b>	<b>1,039,260</b>
<b>Surplus (deficit) before transfers</b>	<b>1,010,372</b>	<b>-</b>	<b>89,507</b>	<b>53,891</b>	<b>12,295</b>	<b>44,465</b>	<b>305,689</b>	<b>(95,334)</b>	<b>1,420,883</b>
<b>Transfers between programs</b>	<b>(154,133)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,133</b>	<b>(1,233)</b>	<b>1,233</b>	<b>-</b>
<b>Annual surplus (deficit)</b>	<b>\$ 856,239</b>	<b>\$ -</b>	<b>\$ 89,507</b>	<b>\$ 53,891</b>	<b>\$ 12,295</b>	<b>\$ 198,598</b>	<b>\$ 304,456</b>	<b>\$ (94,101)</b>	<b>\$ 1,420,883</b>

	Administration	Capital Projects	Social Development	Education	Housing	Maintenance	Economic Development	Other	2020
<b>Revenue</b>									
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
	<b>1,294,383</b>	<b>-</b>	<b>107,692</b>	<b>(26,176)</b>	<b>37,937</b>	<b>39,753</b>	<b>148,041</b>	<b>7,393</b>	<b>1,609,023</b>
<b>Expenses</b>									
Amortization	-	-	-	-	-	-	-	113,743	113,743
Operating expenses	321,814	-	1,613	2,809	11,514	26,322	127,921	-	491,993
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
	<b>639,369</b>	<b>56,621</b>	<b>107,197</b>	<b>31,406</b>	<b>35,236</b>	<b>44,910</b>	<b>408,203</b>	<b>113,743</b>	<b>1,436,685</b>
<b>Surplus (deficit) before transfers</b>	<b>655,015</b>	<b>(56,621)</b>	<b>495</b>	<b>(57,582)</b>	<b>2,701</b>	<b>(5,157)</b>	<b>(260,163)</b>	<b>(106,350)</b>	<b>172,338</b>
<b>Transfers between programs</b>	<b>(5,629)</b>	<b>2,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37,416)</b>	<b>40,656</b>	<b>-</b>
<b>Annual surplus (deficit)</b>	<b>\$ 649,386</b>	<b>\$ (54,232)</b>	<b>\$ 495</b>	<b>\$ (57,582)</b>	<b>\$ 2,701</b>	<b>\$ (5,157)</b>	<b>\$ (297,579)</b>	<b>\$ (65,694)</b>	<b>\$ 172,338</b>