

Consolidated Financial Statements of

# **NIPISSING FIRST NATION**

Year ended March 31, 2018

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

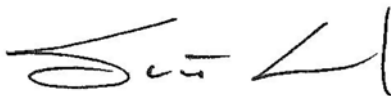
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management 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.

Nipissing 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 Nipissing First Nation's assets are appropriately accounted for and adequately safeguarded.

Nipissing 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 reviewed Nipissing First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. KPMG LLP has full access to the Council.



---

Chief



---

Chief Executive Officer



KPMG LLP  
925 Stockdale Road, Ste. 300, PO Box 990  
North Bay ON P1B 8K3  
Canada  
Telephone (705) 472-5110  
Fax (705) 472-1249

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Nipissing First Nation

We have audited the accompanying consolidated financial statements of Nipissing First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nipissing First Nation as at March 31, 2018, and its consolidated results of operations and changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Canada

July 30, 2018

# NIPISSING FIRST NATION

Index to Consolidated Financial Statements

Year ended March 31, 2018

---

## Consolidated Financial Statements:

Exhibit A	Consolidated Statement of Financial Position	1
Exhibit B	Consolidated Statement of Operations	2
Exhibit C	Consolidated Statement of Changes in Net Financial Assets	3
Exhibit D	Consolidated Statement of Cash Flows	4
	Notes to Consolidated Financial Statements	5 - 21

# NIPISSING FIRST NATION

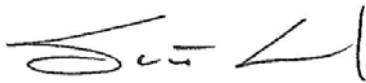
Exhibit A - Consolidated Statement of Financial Position

March 31, 2018, with comparative information for 2017

	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents	\$ 11,193,830	\$ 6,615,472
Short-term investments (note 3)	3,534,957	3,614,434
Accounts and grants receivable (note 4)	2,707,641	2,634,189
Housing mortgages and other long-term receivables (note 5)	6,385,298	6,244,092
Restricted assets - Nipissing 2013 Boundary Claim Trust (note 6)	82,385,807	85,008,641
Funds held in trust by the Government of Canada (note 7)	290,779	290,779
	<u>106,498,312</u>	<u>104,407,607</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 8)	3,351,950	3,281,301
Prepaid leases	218,589	128,317
Deferred program revenue (note 9)	1,464,999	690,524
Long-term debt (note 10)	5,552,317	5,819,447
	<u>10,587,855</u>	<u>9,919,589</u>
Net financial assets	95,910,457	94,488,018
<b>Non-financial assets</b>		
Tangible capital assets (note 11)	43,166,520	39,815,147
Prepaid expenses	144,791	227,042
	<u>43,311,311</u>	<u>40,042,189</u>
Commitments and contingent liabilities (notes 12)		
Accumulated surplus (note 13)	\$ 139,221,768	\$ 134,530,207

See accompanying notes to consolidated financial statements.

Approved:



Chief



Chief Executive Officer

# NIPISSING FIRST NATION

## Exhibit B - Consolidated Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
<b>Revenue:</b>		
Indigenous and Northern Affairs Canada (note 14)	\$ 9,070,715	\$ 8,171,199
Other	6,150,272	5,198,426
Health Canada	1,572,883	1,575,526
Ministry of Community and Social Services	1,808,433	1,653,225
Ontario First Nations Limited Partnership	1,308,467	1,288,430
Ministry of Education	680,569	571,145
Other Provincial	1,319,126	1,330,266
Union of Ontario Indians (note 15)	900,332	807,161
Canada Mortgage and Housing Corporation	401,907	336,600
	<u>23,212,704</u>	<u>20,931,978</u>
<b>Expenses:</b>		
Education	6,492,999	6,257,308
Other	3,213,326	3,261,775
Community Operations	4,168,653	3,931,683
Health Services	2,773,917	2,717,371
Social Services	2,735,378	2,530,216
Capital	1,666,156	1,330,986
First Nation Enterprises	605,061	804,446
Housing	480,125	433,503
	<u>22,135,615</u>	<u>21,267,288</u>
Annual surplus (deficit) from operations before the undernoted	1,077,089	(335,310)
Gain on sale of tangible capital assets	3,716	-
Vacation expense	(29,408)	(29,364)
	<u>1,051,397</u>	<u>(364,674)</u>
<b>The Nipissing 2013 Boundary Claim Trust:</b>		
Investment income	5,361,629	3,822,943
Per capita distributions	(674,813)	(873,236)
Nipissing First Nation expenditures	(524,898)	(305,896)
Other expenses	(521,754)	(602,657)
	<u>3,640,164</u>	<u>2,041,154</u>
Annual surplus	4,691,561	1,676,480
Accumulated surplus, beginning of year	134,530,207	132,853,727
Accumulated surplus, end of year	<u>\$ 139,221,768</u>	<u>\$ 134,530,207</u>

See accompanying notes to consolidated financial statements.

# NIPISSING FIRST NATION

## Exhibit C - Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Annual surplus	\$ 4,691,561	1,676,480
Acquisition of tangible capital assets	(5,201,014)	(4,491,708)
Amortization of tangible capital assets	1,843,357	1,788,159
Loss (gain) on sale of tangible capital assets	(3,716)	-
Proceeds on sale of tangible capital assets	10,000	14,257
	1,340,188	(1,012,812)
Change in prepaid expenses	82,251	(164,200)
Change in net financial assets (debt)	1,422,439	(1,177,012)
Net financial assets, beginning of year	94,488,018	95,665,030
Net financial assets, end of year	\$ 95,910,457	\$ 94,488,018

See accompanying notes to consolidated financial statements.



# NIPISSING FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Operating activities:		
Annual surplus	\$ 4,691,561	\$ 1,676,480
Adjustments for non-cash items:		
Amortization of tangible capital assets	1,843,357	1,788,159
Gain on sale of tangible capital assets	(3,716)	-
	<u>6,531,202</u>	<u>3,464,639</u>
Changes in non-cash working capital:		
Decrease (increase) in accounts and grants receivable	(73,452)	1,419,471
Increase (decrease) in accounts payable and accrued liabilities	70,649	(1,750,408)
Increase (decrease) in prepaid leases	90,272	(21,784)
Increase in deferred program revenue	774,475	73,902
Decrease (increase) in prepaid expenses	82,251	(164,200)
	<u>7,475,397</u>	<u>3,021,620</u>
Capital activities:		
Acquisition of tangible capital assets	(5,201,014)	(4,491,708)
Proceeds on sale of tangible capital assets	10,000	14,257
	<u>(5,191,014)</u>	<u>(4,477,451)</u>
Financing activities:		
Principal payments on long-term debt	(267,130)	(254,964)
Investing activities:		
Decrease in restricted investments	2,622,834	2,779,280
Increase in housing mortgages and other long-term receivables	(141,206)	(1,556,788)
Decrease in short-term investments	79,477	(535,907)
	<u>2,561,105</u>	<u>686,585</u>
Increase (decrease) in cash	4,578,358	(1,024,210)
Cash and cash equivalents, beginning of year	6,615,472	7,639,682
Cash and cash equivalents, end of year	<u>\$ 11,193,830</u>	<u>\$ 6,615,472</u>

See accompanying notes to consolidated financial statements.

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2018

---

Nipissing First Nation ("First Nation") operates under the Indian Act. The principal function of the First Nation is to provide for the well-being of all band members, as provided for in the Indian Act.

### 1. Basis of presentation and significant accounting policies:

These consolidated financial statements include the assets, liabilities, revenues and expenses of the First Nation subject to control by the First Nation Council. No inclusion has been made of assets, liabilities, revenues or expenses of First Nation members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of the First Nation Council.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements.

#### (a) Reporting entity and principles of financial reporting:

Nipissing First Nation's reporting entity includes the First Nation government and all related entities which are accountable to and either owned or controlled by the First Nation.

The consolidated financial statements include the assets, liabilities and results of operations for the following entities:

- First Nation government administration (operations and maintenance, capital and enhancement funds)
- Nipissing Band of Ojibways - Land Claims Settlement Trust
- 1073059 Ontario Inc.
- N'Bisiing Forestry Inc.
- Nipissing 2013 Boundary Claim Trust
- NFN Solar LP
- NFN Solar GP Inc.
- Nipissing Solar (SPN) LP
- Nipissing Solar (SPN) GP Inc.

All inter-entity balances and transfers have been eliminated on consolidation.

#### (b) Basis of accounting:

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measureable. Expenses are recognized as they are incurred and measureable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

---

## 1. Basis of presentation and significant accounting policies (continued):

### (c) Government transfers and other revenue recognition:

Transfers are recognized in the financial statements as revenues in the period in which events give rise to the transfer, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

Revenue from fees, contracts and sales of publications is recognized when the services are provided or the goods are sold.

### (d) Deferred revenue:

Deferred revenue consists of restricted funding from Indigenous and Northern Affairs Canada and other agencies for projects not completed as of the end of the year. These amounts will be recognized as revenues in the fiscal year the services are performed. Unspent contribution funding is recognized as a liability.

### (e) Employee future benefits:

The First Nation has a defined contribution plan providing pension for its employees. The cost of the defined contribution plan is recognized based on the contributions required to be made during each period.

### (f) Investments:

Investments in marketable securities are recorded at cost. Bonds are recorded at cost. A loss in the value of an investment in a marketable security other than a temporary decline shall be written down and recorded as a loss in the consolidated statement of operations. Any subsequent increases to the value of the investment are not recorded.

### (g) Housing mortgages and other long-term receivables:

Housing mortgages and other long-term receivables are recorded at cost upon initial recognition. Interest revenue is recognized in the period earned unless the collectability of either principal or interest is not reasonably assured. Management assesses the collectability of individual loans and mortgages receivable based on available information, including recent collection experience, recent financial performance of the borrower, security held for the loan, and economic conditions in the region and industry.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

---

## 1. Basis of presentation and significant accounting policies (continued):

### (h) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, are amortized on a straight line basis over their estimated useful lives as follows:

---

	Useful Life (Years)
Buildings	20 - 50
Machinery and equipment	6 - 15
Furniture and equipment	3 - 20
Computer equipment/software	1 - 10
Vehicles	3 - 15
Vehicles under capital lease	7
Roads, bridges and culverts	20 - 80
Water and waste water systems	10 - 50
Land improvements	15 - 25
Streetlights and signs	8 - 20
Books and resource materials	10 - 20

---

No amortization is taken on assets under construction until they are placed in use.

### (i) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

### (j) Cash and cash equivalents:

Cash and cash equivalents include short-term investments with a term to maturity of 90 days or less at acquisition.

### (k) Use of estimates:

The preparation of the 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 dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets, allowance for doubtful accounts receivable, housing mortgages and other long-term receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the year in which they become known.

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2018

### 2. Consolidated entities:

Summarized financial information for the consolidated entities is as follows:

	NFN Solar LP	Boundary Claim Trust	1073059 Ontario Inc.	N'Bisiing Forestry Inc.	Land Claims Settlement Trust	NFN Solar (SPN) LP	NFN Solar GP	NFN Solar (SPN) GP	Total 2018	Total 2017
<b>Financial position</b>										
Current asset	\$ 329,020	4,634,059	12,979	1,613	366,281	-	1	1	\$ 5,343,954	\$ 2,422,426
Long-term assets	-	83,489,208	500,000	-	234,663	756,046	(211)	-	84,979,706	85,593,976
Capital assets	458,988	-	2,144,297	-	-	-	-	-	2,603,285	2,632,330
<b>Total assets</b>	<b>788,008</b>	<b>88,123,267</b>	<b>2,657,276</b>	<b>1,613</b>	<b>600,944</b>	<b>756,046</b>	<b>1</b>	<b>1</b>	<b>92,926,945</b>	<b>90,648,732</b>
Current liabilities	892,964	4,119,533	1,412,886	863,326	119,112	816,832	-	-	8,224,653	6,500,286
<b>Total liabilities</b>	<b>892,964</b>	<b>4,119,533</b>	<b>1,412,886</b>	<b>863,326</b>	<b>119,112</b>	<b>816,832</b>	<b>-</b>	<b>-</b>	<b>8,224,653</b>	<b>6,500,286</b>
<b>Net assets (deficiency)</b>	<b>\$ (104,956)</b>	<b>84,003,734</b>	<b>1,244,390</b>	<b>(861,713)</b>	<b>481,832</b>	<b>(60,786)</b>	<b>(210)</b>	<b>1</b>	<b>\$ 84,702,292</b>	<b>\$ 84,148,446</b>
<b>Results of operations:</b>										
Revenues	\$ 97,272	5,361,629	19,728	8,844	7,974	112,297	61	-	\$ 5,607,805	\$ 4,014,405
Expenses	66,675	521,754	19,728	30,848	9,249	173,088	-	-	821,342	1,770,960
<b>Net income (loss)</b>	<b>\$ 30,597</b>	<b>4,839,875</b>	<b>-</b>	<b>(22,004)</b>	<b>(1,275)</b>	<b>(60,791)</b>	<b>61</b>	<b>-</b>	<b>\$ 4,786,463</b>	<b>\$ 2,243,445</b>

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2018

### 3. Short-term investments:

Short-term investments consist of the following:

	2018	2017
Term deposits	\$ 3,289,291	\$ 3,372,637
Bonds	245,666	241,797
	<u>\$ 3,534,957</u>	<u>\$ 3,614,434</u>

Term deposits consist of guaranteed investment certificates with maturities ranging from 2018 to 2019 and bear interest at rates ranging from 0.55% to 2.15%. Bonds consist of investments in various Province of Ontario bonds with maturities ranging from 2018 to 2028 and bear interest at rates ranging from 1.90% to 4.85%.

Under the terms of the agreement with the Ontario First Nations Limited Partnership \$2,755,841 (2017 - \$2,882,991) of short-term investments is restricted in use and is to be expended on community development, health, education, economic development and cultural development.

Under the terms of the agreement with the Bank of Montreal \$492,306 (2017 - \$489,647) of short-term investments was pledged as security for a loan as described in note 12(c).

### 4. Accounts and grants receivable:

	2018	2017
Indigenous and Northern Affairs Canada	\$ 67,500	\$ 20,865
Nipissing Parry-Sound Catholic District Separate School Board	438,596	686,240
Near North District School Board	863,273	890,267
Union of Ontario Indians	334,472	210,104
Canada Revenue Agency	100,876	74,393
Other	1,061,089	937,374
	<u>2,865,806</u>	<u>2,819,243</u>
Less: Allowance for doubtful accounts	(158,165)	(185,054)
	<u>\$ 2,707,641</u>	<u>\$ 2,634,189</u>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

## 5. Housing mortgages and other long-term receivables:

Housing mortgages are repayable over a 15-25 year amortization period bearing interest at rates ranging from Nil% to 5%. Housing mortgages are secured by the buildings for which the mortgages were issued. The Fur Dresser building mortgage is repayable over a period of 15 years bearing interest at the bank's prime rate plus 1%.

	2018	2017
Housing mortgages	\$ 5,108,972	\$ 4,739,083
Fur Dresser building mortgage	500,000	585,335
Solar Power Network	756,046	883,775
First Nations Finance Authority debt reserve fund	123,070	120,294
	6,488,088	6,328,487
Provision for loan impairment – housing mortgages	(102,790)	(84,395)
	\$ 6,385,298	\$ 6,244,092

## 6. Restricted Assets – Nipissing 2013 Boundary Claim Trust:

Restricted assets – Nipissing 2013 Boundary Claim Trust consist of the following:

	Cost - December 31, 2017	Market - December 31, 2017
Cash and cash equivalents	\$ 6,027,914	\$ 6,028,830
Investments:		
Bonds	37,884,671	36,999,991
Marketable securities	38,473,222	51,855,407
	76,357,893	88,855,398
	\$ 82,385,807	\$ 94,884,228

	Cost - December 31, 2016	Market - December 31, 2016
Cash and cash equivalents	\$ 5,339,645	\$ 5,342,613
Investments:		
Bonds	37,117,702	37,212,877
Marketable securities	42,551,294	52,791,772
	79,668,996	90,004,649
	\$ 85,008,641	\$ 95,347,262

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2018

### 6. Restricted Assets – Nipissing 2013 Boundary Claim Trust (continued):

Included in bonds are various Federal, Provincial and Corporate Bonds maturing from 2018 - 2029 with interest rates ranging from 0.50% - 6.80%.

Under the terms of the agreement with the Nipissing 2013 Boundary Claim Trust, the restricted assets are not available for the normal operating activities of the First Nation. They are to be expended on community development, investments in or loans to a Nipissing Business Entity, purchase of land and other trust administration costs upon approval of the Nipissing 2013 Boundary Claim Trust trustees.

The consolidation of the Nipissing 2013 Boundary Claim Trust was done for the period ended December 31, 2017, and there have been no significant changes as of March 31, 2018.

The cost and market value of investments at March 31, 2018 was \$83,062,851 and \$94,368,886 (2017 - \$84,689,222 and \$96,537,271 respectively).

### 7. Funds held in trust by the Government of Canada:

These funds are held in trust by the Government of Canada under the Indian Act.

	2018	2017
Balance, beginning of year	\$ 290,779	\$ 290,779
Interest income	-	5,366
Withdrawals	-	(5,366)
Balance, end of year	\$ 290,779	\$ 290,779

### 8. Accounts payable and accrued liabilities:

	2018	2017
Miscellaneous	\$ 1,126,793	\$ 1,067,028
Holdbacks payable	329,564	257,008
Educational institutions	431,836	493,412
Repayable funding	150,855	11,174
Personnel liabilities	576,729	557,264
Nipissing Band of Ojibways Land Settlement Trust - supplier accounts payable	119,112	121,612
1073059 Ontario Inc. supplier accounts payable	3,000	1,500
N'Bisiing Forestry Inc. supplier accounts payable	10,694	10,694
Boundary Claim Trust supplier accounts payable	603,367	761,609
	\$ 3,351,950	\$ 3,281,301



# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

## 9. Deferred program revenue:

	2018	2017
Community Operations Programs:		
Water	\$ 30,000	\$ -
Education Programs:		
SAPSCU	30,544	30,544
Special Education	154,908	-
Elementary/Secondary Tuition	273,242	-
Capital Programs:		
RRAP Grants	77,536	71,330
Capital buildings	91,975	-
Social Services Programs:		
Daycare	28,991	-
Ontario Works	14,840	-
Native Child Welfare Program	37,036	-
Health Services:		
Community Health Illness and Injury Prevention	60,041	43,098
Health Planning and Quality Management	301,051	342,734
Aboriginal Diabetes Initiative	35,427	5,837
Home and Community Care	107,960	67,754
Maternal Child Health	23,956	33,937
Building Healthy Communities	43,034	24,762
Medical Transportation	70,511	-
Jordan's Principle	12,069	-
Aboriginal Working Group	9,218	-
MOHLTC Homemaker	3,626	-
Other Programs:		
Ontario Women's Directorate	59,034	45,528
Ministry of Natural Resources	-	25,000
	\$ 1,464,999	\$ 690,524

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

## 10. Long-term debt:

	2018	2017
CMHC Phase 8 loan, payable \$1,026 monthly including principal and interest at 0.98%, unsecured, maturing March, 2020	\$ 243,855	253,742
Cockburn Road Apartment Complex loan payable \$2,578 monthly including principal and interest at 1.08%, unsecured, maturing August, 2020	215,882	244,357
Duchesnay Apartment Complex loan, payable \$2,331 monthly including principal and interest at 1.05%, unsecured, maturing August, 2021	348,234	372,443
Margaret Drive Apartment Complex loan, payable \$4,554 monthly including principal and interest at 2.39%, unsecured, maturing March, 2023	345,048	392,169
CMHC Phase 5 loan, payable \$2,451 monthly including principal and interest at 1.30%, unsecured, maturing December, 2020	345,786	370,567
CMHC Phase 6 loan, payable \$2,543 monthly including principal and interest at 1.05%, unsecured, maturing August, 2021	511,354	536,397
CMHC Phase 9 loan, payable \$1,578 monthly including principal and interest at 1.39%, unsecured, maturing June, 2020	362,887	376,716
CMHC Phase 7 loan, payable \$5,181 monthly including principal and interest at 2.35%, unsecured, maturing September, 2018	1,013,275	1,051,381
First Nation Finance Authority debenture, payable \$10,821 monthly including principal and interest at 3.79%, unsecured, maturing June, 2024	2,165,267	2,211,549
Royal Bank of Canada loan, payable \$783 monthly including principal and interest at 3.75%, unsecured, maturing April, 2018	729	10,126
	<b>\$ 5,552,317</b>	<b>\$ 5,819,447</b>

Total interest expense during the year amounted to \$154,305 (2017 - \$161,133).

The aggregate maturities of long-term debt for loans with fixed repayment terms for each of the five years subsequent to March 31, 2018 are as follows: 2019 - \$1,236,458; 2020 - \$451,910; 2021 - \$940,264; 2022 - \$812,936; 2023 - \$206,633 and thereafter - \$1,904,116.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

## 11. Tangible capital assets:

Cost	2017	Additions	Disposals	Transfers	2018
Land	\$ 1,667,270	\$ -	\$ -	\$ -	\$ 1,667,270
Land improvements	486,176	-	-	-	486,176
Buildings	18,711,981	343,197	-	4,363,860	23,419,038
Machinery and equipment	2,642,131	20,883	-	-	2,663,014
Furniture and equipment	679,653	98,367	-	-	778,020
Books and resource material	351,668	-	-	-	351,668
Computer equipment	595,655	52,766	-	-	648,421
Vehicles	3,084,113	663,244	(11,531)	-	3,735,826
Roads, bridges and culverts	11,376,264	-	-	-	11,376,264
Water and waste water	14,282,135	2,034,232	-	69,920	16,386,287
Street lights and signs	56,432	-	-	-	56,432
Assets under construction	4,433,779	1,988,325	-	(4,433,780)	1,988,324
<b>Total</b>	<b>\$ 58,367,257</b>	<b>\$ 5,201,014</b>	<b>\$ (11,531)</b>	<b>\$ -</b>	<b>\$ 63,556,740</b>

Accumulated Amortization	2017	Amortization expense	Disposals	Transfers	2018
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	359,522	8,370	-	-	367,892
Buildings	7,775,912	636,247	-	-	8,412,159
Machinery and equipment	1,345,699	115,749	-	-	1,461,448
Furniture and equipment	628,160	27,486	-	-	655,646
Books and resource material	262,154	17,981	-	-	280,135
Computer equipment	440,891	46,198	-	-	487,089
Vehicles	1,564,179	348,986	(5,247)	-	1,907,918
Roads, bridges and culverts	3,292,705	241,540	-	-	3,534,245
Water and waste water	2,869,712	396,122	-	-	3,265,834
Street lights and signs	13,176	4,678	-	-	17,854
Assets under construction	-	-	-	-	-
<b>Total</b>	<b>\$ 18,552,110</b>	<b>\$ 1,843,357</b>	<b>\$ (5,247)</b>	<b>\$ -</b>	<b>\$ 20,390,220</b>

	Net book value 2017	Net book value 2018
Land	\$ 1,667,270	\$ 1,667,270
Land improvements	126,654	118,284
Buildings	10,936,069	15,006,879
Machinery and equipment	1,296,432	1,201,566
Furniture and equipment	51,493	122,374
Books and resource material	89,514	71,533
Computer equipment	154,764	161,332
Vehicles	1,519,934	1,827,908
Roads, bridges and culverts	8,083,559	7,842,019
Water and waste water	11,412,423	13,120,453
Street lights and signs	43,256	38,578
Assets under construction	4,433,779	1,988,324
<b>Total</b>	<b>\$ 39,815,147</b>	<b>\$ 43,166,520</b>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

## 11. Tangible capital assets (continued):

Cost	2016	Additions	Disposals	Transfers	2017
Land	\$ 1,667,270	\$ -	\$ -	\$ -	\$ 1,667,270
Land improvements	486,176	-	-	-	486,176
Buildings	18,116,599	27,621	-	567,761	18,711,981
Machinery and equipment	2,169,404	472,727	-	-	2,642,131
Furniture and equipment	652,575	27,078	-	-	679,653
Books and resource material	351,668	-	-	-	351,668
Computer equipment	530,260	65,395	-	-	595,655
Vehicles	2,474,366	718,756	(109,009)	-	3,084,113
Roads, bridges and culverts	11,219,941	156,323	-	-	11,376,264
Water and waste water	14,282,135	-	-	-	14,282,135
Street lights and signs	56,432	-	-	-	56,432
Assets under construction	1,977,732	3,023,808	-	(567,761)	4,433,779
<b>Total</b>	<b>\$ 53,984,558</b>	<b>\$ 4,491,708</b>	<b>\$ (109,009)</b>	<b>\$ -</b>	<b>\$ 58,367,257</b>

Accumulated Amortization	2016	Amortization expense	Disposals	Transfers	2017
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	351,152	8,370	-	-	359,522
Buildings	7,242,828	533,084	-	-	7,775,912
Machinery and equipment	1,063,382	282,317	-	-	1,345,699
Furniture and equipment	606,315	21,845	-	-	628,160
Books and resource material	244,173	17,981	-	-	262,154
Computer equipment	398,721	42,170	-	-	440,891
Vehicles	1,386,711	272,220	(94,752)	-	1,564,179
Roads, bridges and culverts	3,051,947	240,758	-	-	3,292,705
Water and waste water	2,504,976	364,736	-	-	2,869,712
Street lights and signs	8,498	4,678	-	-	13,176
Assets under construction	-	-	-	-	-
<b>Total</b>	<b>\$ 16,858,703</b>	<b>\$ 1,788,159</b>	<b>\$ (94,752)</b>		<b>\$ 18,552,110</b>

	Net book value 2016	Net book value 2017
Land	\$ 1,667,270	\$ 1,667,270
Land improvements	135,024	126,654
Buildings	10,873,771	10,936,069
Machinery and equipment	1,106,022	1,296,432
Furniture and equipment	46,260	51,493
Books and resource material	107,495	89,514
Computer equipment	131,539	154,764
Vehicles	1,087,655	1,519,934
Roads, bridges and culverts	8,167,994	8,083,559
Water and waste water	11,777,159	11,412,423
Street lights and signs	47,934	43,256
Assets under construction	1,977,732	4,433,779
<b>Total</b>	<b>\$ 37,125,855</b>	<b>\$ 39,815,147</b>

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2018

### 12. Commitments and contingent liabilities:

- (a) The First Nation is involved in certain legal matters from time to time, the outcomes of which are not presently determinable. The effects, if any, from such contingencies will be accounted for in the periods in which the matters are resolved.
- (b) The First Nation has guaranteed the housing loans of various members. Total loans guaranteed amount to \$3,381,645 (2017 - \$3,593,058).
- (c) In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the "Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$485,750. As of March 31, 2018, its proportional outstanding loan balance as part of the Trust is \$484,190 (2017 - \$289,167).

### 13. Accumulated surplus:

Accumulated surplus consists of reserves, reserve funds set aside by Council and surplus:

	2018	2017
Reserves set aside by Council:		
Bus replacement reserve	\$ 801,391	\$ 686,599
Education centre capital reserve	100,000	100,000
Education centre programming reserve	37,400	37,400
Health Services moveable capital asset reserve	–	(37,941)
Senior's Complex	51,474	17,020
CMHC apartment complex	304,697	212,662
Funds held in trust by the Government of Canada	290,779	290,779
Enhancement funds	9,386,134	8,889,612
Housing reserve	2,664,649	2,664,649
Boundary Claim Trust	5,088,683	1,822,987
Externally restricted	84,485,566	84,247,032
Invested in tangible capital assets	37,614,203	33,995,700
Unrestricted	(1,603,208)	1,603,708
	<u>\$ 139,221,768</u>	<u>\$ 134,530,207</u>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

---

## 14. Funding reconciliation:

The following is a reconciliation of funding received from the Indigenous and Northern Affairs Canada (INAC) funding confirmation to revenue reported in the consolidated statement of operations:

	2018	2017
INAC revenue per consolidated statement of operations	\$ 9,070,715	\$ 8,171,199
Less: prior year deferred revenue	(30,543)	(30,543)
Add: ending deferred revenue	569,560	30,543
Less: prior year funding set-off	(6,586)	-
<b>INAC revenue per funding confirmation</b>	<b>\$ 9,603,146</b>	<b>\$ 8,171,199</b>

Included in accounts and grants receivable are \$67,500 (2017 - \$67,500) relating to contributions receivable from INAC.

## 15. Union of Ontario Indians funding:

The Union of Ontario Indians receives funding each year from various Federal and Provincial government sources under specific funding agreements. These funds are transferred to member First Nations to facilitate the delivery of a variety of programs including Health, Social Services, Employment and Education.

## 16. Economic dependence:

The First Nation receives a significant portion of its revenue pursuant to a funding arrangement with INAC.

## 17. Employee future benefits:

The annual net expense for the First Nation's defined contribution pension plan was \$327,166 (2017 - \$304,912).

## 18. Budget information:

Budget information has not been presented.

## 19. Comparative information:

Certain 2017 comparative figures have been reclassified to conform with the presentation adopted in 2018.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

---

## 20. Segmented information:

Nipissing First Nation is a diversified governmental institution that provides a wide range of services to its Members, including community operations, education, capital, First Nation enterprises, social services, health services, housing and other programs. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information provided in the schedules, along with the services they provide, are as follows:

### **Community Operations:**

Community operations is responsible for providing road maintenance, water and waste water, fire protection, information technology, band support and membership, and community buildings services to members. This department also oversees the delivery of all governmental services. The program is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

### **Education:**

The education department provides services to secondary school students through the operation of the N'Bisiing Secondary School. Service contracts with provincially funded area school boards are entered into for secondary students. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

### **Capital:**

The capital department is responsible for all tangible capital asset activities occurring in the First Nation during the year, including housing construction and renovations as well as major projects such as water services and building construction.

### **First Nation Enterprises:**

First Nation enterprises is responsible for the ongoing lease and rental arrangements between the First Nation and various third parties, as well as a variety of other programs not directly funded by government grants or contributions.

### **Social Services:**

The social services department delivers a variety of programming including Ontario Works and offers employment support services. In addition, the department manages the homemakers and national child benefit programs.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018

---

## 20. Segmented information (continued):

### **Health Services:**

The health services department provides a diverse range of services directed towards the well-being of the members including the delivery of programming such as long-term care, diabetes, mental health, healthy babies, home and community care and many other programs designed to enhance the health of members. The health services department also manages the operations of the Lawrence Commanda Health Centre.

### **Housing:**

The housing department oversees the operations of the various rental housing units owned by the First Nation including both CMHC and other housing. These operations include tenant identification, rent collection and maintenance management.

### **Other:**

The other programs department includes programs that are ancillary to the core services of the First Nation as well as the operations of wholly-owned subsidiaries. Some of the more significant programs include library services, fisheries, employment and training, and lands management.



# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements  
Note 20 - Segmented Information (continued)

Year ended March 31, 2018

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2018 Total
<b>Revenue</b>									
Indigenous and Northern Affairs Canada	\$ 2,125,165	5,541,545	487,614	-	185,405	34,934	200,000	496,052	9,070,715
Other	901,424	1,282,417	1,006,228	1,222,918	108,479	70,968	387,599	1,170,239	6,150,272
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	1,308,467	1,308,467
Ministry of Education	-	-	-	-	680,569	-	-	-	680,569
Ministry of Community and Social Services	-	-	-	-	1,457,107	305,227	-	46,099	1,808,433
Health Canada	25,000	-	-	-	-	1,547,883	-	-	1,572,883
Other Provincial	64,566	-	50,000	3,890	-	600,427	-	600,243	1,319,126
Union of Ontario Indians	-	87,214	-	-	224,645	208,773	-	379,700	900,332
Canada Mortgage and Housing Corporation	-	-	205,044	-	-	-	196,863	-	401,907
	3,116,155	6,911,176	1,748,886	1,226,808	2,656,205	2,768,212	784,462	4,000,800	23,212,704
<b>Expenses:</b>									
Material and supplies	1,625,640	4,894,672	678,502	543,284	1,263,434	1,013,108	235,971	1,451,239	11,705,850
Salaries, wages and employee benefits	1,908,254	1,383,764	319,216	-	1,446,892	1,698,776	-	1,675,200	8,432,102
Amortization of tangible capital assets	596,294	214,563	668,438	-	25,052	62,033	190,091	86,887	1,843,358
Interest on long-term debt	38,465	-	-	61,777	-	-	54,063	-	154,305
	4,168,653	6,492,999	1,666,156	605,061	2,735,378	2,773,917	480,125	3,213,326	22,135,615
<b>Excess (deficiency) of revenue over expenses before the undernoted items</b>									
	(1,052,498)	418,177	82,730	621,747	(79,173)	(5,705)	304,337	787,474	1,077,089
Gain on sale of tangible capital assets	-	-	-	-	3,716	-	-	-	3,716
Vacation (expense) recovery	12,707	(11,467)	(3,767)	-	(5,032)	(10,900)	-	(10,949)	(29,408)
<b>The Nipissing 2013 Boundary Claim Trust:</b>									
Investment income	-	-	-	-	-	-	-	5,361,629	5,361,629
Other expenses	-	-	-	-	-	-	-	(1,046,652)	(1,046,652)
Per capita distributions	-	-	-	-	-	-	-	(674,813)	(674,813)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,039,791)</b>	<b>406,710</b>	<b>78,963</b>	<b>621,747</b>	<b>(80,489)</b>	<b>(16,605)</b>	<b>304,337</b>	<b>4,416,689</b>	<b>4,691,561</b>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements  
 Note 20 - Segmented Information (continued)

Year ended March 31, 2018

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2017 Total
<b>Revenue</b>									
Indigenous and Northern Affairs Canada	\$ 1,607,088	5,425,026	495,855	-	163,104	34,042	-	446,084	8,171,199
Other	801,583	1,095,306	492,329	1,174,427	106,583	39,511	365,111	1,123,576	5,198,426
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	1,288,430	1,288,430
Ministry of Education	-	-	-	-	571,145	-	-	-	571,145
Ministry of Community and Social Services	-	-	-	-	1,301,002	319,522	-	32,701	1,653,225
Health Canada	16,547	-	-	-	-	1,558,979	-	-	1,575,526
Other Provincial	64,566	-	-	4,000	-	549,355	-	712,345	1,330,266
Union of Ontario Indians	51,617	-	-	-	232,288	147,238	-	376,018	807,161
Canada Mortgage and Housing Corporation	-	-	137,777	-	-	-	198,823	-	336,600
	2,541,401	6,520,332	1,125,961	1,178,427	2,374,122	2,648,647	563,934	3,979,154	20,931,978
<b>Expenses:</b>									
Material and supplies	1,690,715	4,872,498	486,956	742,669	1,131,600	1,013,062	182,278	1,349,680	11,469,458
Salaries, wages and employee benefits	1,751,915	1,188,942	238,930	-	1,375,410	1,647,283	-	1,646,058	7,848,538
Amortization of tangible capital assets	450,947	195,868	605,100	-	23,206	57,026	189,975	266,037	1,788,159
Interest on long-term debt	38,106	-	-	61,777	-	-	61,250	-	161,133
	3,931,683	6,257,308	1,330,986	804,446	2,530,216	2,717,371	433,503	3,261,775	21,267,288
<b>Excess (deficiency) of revenue over expenses before the undernoted items</b>									
	(1,390,282)	263,024	(205,025)	373,981	(156,094)	(68,724)	130,431	717,379	(335,310)
<b>Vacation (expense) recovery</b>									
	12,708	(11,467)	(3,767)	-	(3,076)	(10,899)	-	(12,863)	(29,364)
<b>The Nipissing 2013 Boundary Claim Trust:</b>									
Investment income	-	-	-	-	-	-	-	3,822,943	3,822,943
Other expenses	-	-	-	-	-	-	-	(908,553)	(908,553)
Per capita distributions	-	-	-	-	-	-	-	(873,236)	(873,236)
<b>Excess (deficiency) of revenue over expenses</b>									
	\$ (1,377,574)	251,557	(208,792)	373,981	(159,170)	(79,623)	130,431	2,745,670	1,676,480