

Consolidated Financial Statements of

# **NIPISSING FIRST NATION**

Year ended March 31, 2019

## 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.

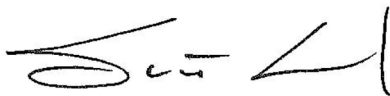
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management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



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Chief



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Chief Executive Officer



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## INDEPENDENT AUDITORS' REPORT

To the Members of Nipissing First Nation

### ***Opinion***

We have audited the consolidated financial statements of Nipissing First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB).

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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



### ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB), 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.

### ***Auditors' 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 auditors' 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 the 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 risk 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, internal 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 purposes 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 the 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 auditors' 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 auditors' 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 audit evidence regarding the financial information of the entities or business activities within the Group First Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 29, 2019

# NIPISSING FIRST NATION

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Year ended March 31, 2019

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# NIPISSING FIRST NATION

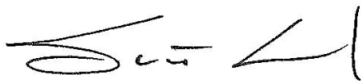
Exhibit A - Consolidated Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial assets</b>		
Cash and cash equivalents	\$ 15,962,346	\$ 11,193,830
Short-term investments (note 3)	3,579,442	3,534,957
Accounts and grants receivable (note 4)	3,017,301	2,707,641
Housing mortgages and other long-term receivables (note 5)	7,214,281	6,385,298
Restricted assets - Nipissing 2013 Boundary Claim Trust (note 6)	84,258,425	82,385,807
Funds held in trust by the Government of Canada (note 7)	290,779	290,779
	<u>114,322,574</u>	<u>106,498,312</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 8)	5,267,292	3,351,950
Prepaid leases	185,489	218,589
Deferred program revenue (note 9)	3,199,051	1,464,999
Long-term debt (note 10)	6,726,664	5,552,317
	<u>15,378,496</u>	<u>10,587,855</u>
Net financial assets	98,944,078	95,910,457
<b>Non-financial assets</b>		
Tangible capital assets (note 11)	46,230,602	43,166,520
Prepaid expenses	65,690	144,791
	<u>46,296,292</u>	<u>43,311,311</u>
Commitments and contingent liabilities (notes 12)		
Accumulated surplus (note 13)	\$ 145,240,370	\$ 139,221,768

See accompanying notes to consolidated financial statements.

Approved:



Chief



Chief Executive Officer

# NIPISSING FIRST NATION

## Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
<b>Revenue:</b>		
Indigenous Services Canada (note 14)	\$ 3,709,253	\$ 9,070,715
Other	9,175,219	6,150,272
Health Canada	2,016,687	1,572,883
Ministry of Community and Social Services	1,903,414	1,808,433
Ontario First Nations Limited Partnership	1,656,273	1,308,467
Ministry of Education	661,093	680,569
Other provincial	3,605,960	1,319,126
Kinoomaadziwin Education Body	5,289,965	-
Union of Ontario Indians (note 15)	987,696	900,332
Canada Mortgage and Housing Corporation	251,311	401,907
	<u>29,256,871</u>	<u>23,212,704</u>
<b>Expenses:</b>		
Education	6,519,641	6,492,999
Other	3,670,037	3,213,326
Community Operations	4,600,819	4,168,653
Health Services	6,617,407	2,773,917
Social Services	3,325,602	2,735,378
Capital	1,518,766	1,666,156
First Nation Enterprises	614,985	605,061
Housing	576,613	480,125
	<u>27,443,870</u>	<u>22,135,615</u>
Excess of revenue over expenses before the undernoted	1,813,001	1,077,089
Gain (loss) on sale of tangible capital assets	(2,954)	3,716
Vacation expense	(18,059)	(29,408)
	<u>1,791,988</u>	<u>1,051,397</u>
<b>The Nipissing 2013 Boundary Claim Trust:</b>		
Investment income	5,865,744	5,361,629
Per capita distributions	(736,455)	(674,813)
Nipissing First Nation expenditures	(387,568)	(524,898)
Other expenses	(515,107)	(521,754)
	<u>4,226,614</u>	<u>3,640,164</u>
Annual surplus	6,018,602	4,691,561
Accumulated surplus, beginning of year	139,221,768	134,530,207
Accumulated surplus, end of year	<u>\$ 145,240,370</u>	<u>\$ 139,221,768</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, 2019, with comparative information for 2018

	2019	2018
Annual surplus	\$ 6,018,602	4,691,561
Acquisition of tangible capital assets	(5,175,770)	(5,201,014)
Amortization of tangible capital assets	2,108,734	1,843,357
Loss (gain) on sale of tangible capital assets	2,954	(3,716)
Proceeds on sale of tangible capital assets	-	10,000
	2,954,520	1,340,188
Change in prepaid expenses	79,101	82,251
Change in net financial assets	3,033,621	1,422,439
Net financial assets, beginning of year	95,910,457	94,488,018
Net financial assets, end of year	\$ 98,944,078	\$ 95,910,457

See accompanying notes to consolidated financial statements.

# NIPISSING FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Operating activities:		
Annual surplus	\$ 6,018,602	\$ 4,691,561
Adjustments for non-cash items:		
Amortization of tangible capital assets	2,108,734	1,843,357
Gain (loss) on sale of tangible capital assets	2,954	(3,716)
	<u>8,130,290</u>	<u>6,531,202</u>
Changes in non-cash working capital:		
Increase in accounts and grants receivable	(309,660)	(73,452)
Increase in accounts payable and accrued liabilities	1,915,342	70,649
Increase (decrease) in prepaid leases	(33,100)	90,272
Increase in deferred program revenue	1,734,052	774,475
Decrease in prepaid expenses	79,101	82,251
	<u>11,516,025</u>	<u>7,475,397</u>
Capital activities:		
Acquisition of tangible capital assets	(5,175,770)	(5,201,014)
Proceeds on sale of tangible capital assets	-	10,000
	<u>(5,175,770)</u>	<u>(5,191,014)</u>
Financing activities:		
Principal payments on long-term debt	(291,653)	(267,130)
Proceeds on issuance of long-term debt	1,466,000	-
	<u>1,174,347</u>	<u>(267,130)</u>
Investing activities:		
Decrease in restricted investments	(1,872,618)	2,622,834
Increase in housing mortgages and other long-term receivables	(828,983)	(141,206)
Decrease (increase) in short-term investments	(44,485)	79,477
	<u>(2,746,086)</u>	<u>2,561,105</u>
Increase in cash	4,768,516	4,578,358
Cash and cash equivalents, beginning of year	11,193,830	6,615,472
Cash and cash equivalents, end of year	<u>\$ 15,962,346</u>	<u>\$ 11,193,830</u>

See accompanying notes to consolidated financial statements.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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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.
- Bineshii Projects LP
- Bineshii Projects 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, 2019

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## 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 Services 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, 2019

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## 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:

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	Useful Life (Years)
Buildings	20 - 50
Machinery and equipment	6 - 15
Furniture and equipment	3 - 20
Computer equipment/software	1 - 10
Vehicles	3 - 15
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

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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, 2019

### 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	Bineshii Projects LP	General Partner Corporations	Total 2019	Total 2018
<b>Financial position</b>										
Current asset	\$ 438,191	4,044,794	12,375	1,620	-	-	33,989	3	\$ 4,530,972	\$ 5,343,954
Long-term assets	-	85,274,990	416,667	-	-	786,951	5	-	86,478,613	84,979,706
Capital assets	436,039	-	2,139,409	-	-	-	-	-	2,575,448	2,603,285
Total assets	874,230	89,319,784	2,568,451	1,620	-	786,951	33,994	3	93,585,033	92,926,945
Current liabilities	940,797	4,452,903	1,324,061	899,003	-	788,535	24,232	-	8,429,531	8,224,653
Total liabilities	940,797	4,452,903	1,324,061	899,003	-	788,535	24,232	-	8,429,531	8,224,653
Net assets (deficiency)	\$ (66,567)	84,866,881	,1,244,390	(897,383)	-	(1,584)	9,762	3	\$ 85,155,502	\$ 84,702,292
<b>Results of operations:</b>										
Revenues	\$ 98,587	6,047,807	20,396	-	3,564	89,423	18,702	-	\$ 6,278,479	\$ 5,607,805
Expenses	60,198	515,107	20,396	35,670	8,043	30,221	8,945	-	678,580	821,342
Net income (loss)	\$ 38,389	5,532,700	-	(35,670)	(4,479)	59,202	9,757	-	\$ 5,599,899	\$ 4,786,463

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

### 3. Short-term investments:

Short-term investments consist of the following:

	2019	2018
Term deposits	\$ 3,579,442	\$ 3,289,291
Bonds	–	245,666
	<u>\$ 3,579,442</u>	<u>\$ 3,534,957</u>

Term deposits consist of guaranteed investment certificates with maturities ranging from 2019 to 2024 and bear interest at rates ranging from 0.55% to 3.07%.

Under the terms of the agreement with the Ontario First Nations Limited Partnership \$3,083,726 (2018 - \$2,755,841) 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 \$495,716 (2018 - \$492,306) of short-term investments was pledged as security for a loan as described in note 12(c).

### 4. Accounts and grants receivable:

	2019	2018
Indigenous Services Canada	\$ 65,531	\$ 67,500
Nipissing Parry-Sound Catholic District Separate School Board	649,434	438,596
Near North District School Board	820,789	863,273
Union of Ontario Indians	285,819	334,472
Canada Revenue Agency	–	100,876
Kinoomaadziwin Education Body	212,651	–
Other	1,104,882	1,061,089
	<u>3,139,106</u>	<u>2,865,806</u>
Less: allowance for doubtful accounts	(121,805)	(158,165)
	<u>\$ 3,017,301</u>	<u>\$ 2,707,641</u>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

## 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%.

	2019	2018
Housing mortgages	\$ 5,837,711	\$ 5,108,972
Fur Dresser building mortgage	416,667	500,000
Off-reserve solar project loans	786,951	756,046
First Nations Finance Authority debt reserve fund	127,919	123,070
Natural Gas – Aid to construct loans	89,670	–
	7,258,918	6,488,088
Provision for loan impairment – housing mortgages	(44,637)	(102,790)
	\$ 7,214,281	\$ 6,385,298

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

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

	Cost - December 31, 2018	Market - December 31, 2018
Cash and cash equivalents	\$ 4,522,147	\$ 4,983,074
Investments:		
Bonds	36,712,236	36,318,754
Marketable securities	43,024,042	49,426,921
	79,736,278	85,745,675
	\$ 84,258,425	\$ 90,728,749
	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



# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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

Included in bonds are various Federal, Provincial and Corporate Bonds maturing from 2019 - 2029 with interest rates ranging from 0.50% - 4.93%.

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, 2018, and there have been no significant changes as of March 31, 2019.

The cost and market value of investments at March 31, 2019 was \$84,011,586 and \$94,449,053 (2018 - \$83,062,851 and \$94,368,886 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.

	2019	2018
Balance, beginning of year	\$ 290,779	\$ 290,779
Interest income	6,727	5,366
Withdrawals	(6,727)	(5,366)
Balance, end of year	\$ 290,779	\$ 290,779

### 8. Accounts payable and accrued liabilities:

	2019	2018
Trade payables	\$ 1,453,552	\$ 1,126,793
Holdbacks payable	257,430	329,564
Educational institutions	486,597	431,836
Repayable funding	1,867,161	150,855
Personnel liabilities	667,553	576,729
Nipissing Band of Ojibways Land Settlement Trust - supplier accounts payable	–	119,112
1073059 Ontario Inc. supplier accounts payable	4,500	3,000
N'Bisiing Forestry Inc. supplier accounts payable	10,694	10,694
Boundary Claim Trust supplier accounts payable	519,805	603,367
	\$ 5,267,292	\$ 3,351,950

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

## 9. Deferred program revenue:

	2019	2018
Community Operations Programs:		
Water and wastewater	\$ 250,000	\$ 30,000
CHRT Funding	390,161	-
Robinson Huron Treaty Engagement	13,500	-
Education Programs:		
SAPSCU	-	30,544
Special Education	353,549	154,908
Elementary/Secondary Tuition	549,477	273,242
Capital Programs:		
RRAP Grants	69,041	77,536
Capital buildings	-	91,975
Social Services Programs:		
Daycare	97,995	28,991
Ontario Works	-	14,840
Native Child Welfare Program	443,624	37,036
Food Bank	5,981	-
Health Services:		
Community Health Illness and Injury Prevention	100,573	60,041
Health Planning and Quality Management	190,147	301,051
Aboriginal Diabetes Initiative	30,034	35,427
Home and Community Care	218,334	107,960
Maternal Child Health	39,377	23,956
Building Healthy Communities	98,109	43,034
Medical Transportation	70,980	70,511
Jordan's Principle	-	12,069
Aboriginal Working Group	2,832	9,218
Homemaker	18,731	3,626
NNADAP	26,579	-
Early Childhood Development	8,241	-
Operations and maintenance	1,216	-
Other Programs:		
Ontario Women's Directorate	114,600	59,034
Ministry of Natural Resources	52,431	-
LMI Skills Inventory	26,871	-
Land Management	26,668	-
	<u>\$ 3,199,051</u>	<u>\$ 1,464,999</u>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

## 10. Long-term debt:

	2019	2018
CMHC Phase 8 loan, payable \$1,026 monthly including principal and interest at 0.98%, unsecured, maturing March, 2020	\$ 233,872	243,855
Cockburn Road Apartment Complex loan payable \$2,578 monthly including principal and interest at 1.08%, unsecured, maturing August, 2020	187,098	215,882
Duchesnay Apartment Complex loan, payable \$2,331 monthly including principal and interest at 1.05%, unsecured, maturing August, 2021	323,769	348,234
Margaret Drive Apartment Complex loan, payable \$4,554 monthly including principal and interest at 2.39%, unsecured, maturing March, 2023	297,988	345,048
CMHC Phase 5 loan, payable \$2,451 monthly including principal and interest at 1.30%, unsecured, maturing December, 2020	320,681	345,786
CMHC Phase 6 loan, payable \$2,543 monthly including principal and interest at 1.05%, unsecured, maturing August, 2021	486,047	511,354
CMHC Phase 9 loan, payable \$1,578 monthly including principal and interest at 1.39%, unsecured, maturing June, 2020	348,865	362,887
CMHC Phase 7 loan, payable \$5,181 monthly including principal and interest at 2.35%, unsecured, maturing September, 2019	974,754	1,013,275
First Nation Finance Authority debenture, payable \$10,821 monthly including principal and interest at 3.79%, unsecured, maturing June, 2024	2,117,134	2,165,267
CMHC Phase 10 loan, payable \$4,276 monthly including principal and interest at 2.21%, unsecured, maturing February 2024	986,456	-
Waubetek loan, payable \$3,753 monthly including principal and interest at 4.6%, secured by the assets of Bineshii Projects LP, maturing November 2038	380,000	-
Waubetek loan, payable \$292 monthly, interest free secured by the assets of Bineshii Projects LP, maturing November 2038	70,000	-
Royal Bank of Canada loan, repaid in the year	-	729
	<b>\$ 6,726,664</b>	<b>\$ 5,552,317</b>

Total interest expense during the year amounted to \$150,865 (2018 - \$154,305).

The aggregate maturities of long-term debt for loans with fixed repayment terms for each of the five years subsequent to March 31, 2019 are as follows: 2020 - \$532,278; 2021 - \$1,028,459; 2022 - \$903,967; 2023 - \$299,427; 2024 - \$1,752,233 and thereafter - \$2,210,300.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

## 11. Tangible capital assets:

Cost	2018	Additions	Disposals	Transfers	2019
Land	\$ 1,667,270	\$ -	\$ -	\$ -	\$ 1,667,270
Land improvements	486,176	23,940	-	-	510,116
Buildings	23,419,038	3,180,325	(16,895)	1,974,784	28,557,252
Machinery and equipment	2,663,014	145,857	-	-	2,808,871
Furniture and equipment	778,020	214,118	-	-	992,138
Books and resource material	351,668	-	-	-	351,668
Computer equipment	648,421	103,766	-	-	752,187
Vehicles	3,735,826	183,570	-	-	3,919,396
Roads, bridges and culverts	11,376,264	452,828	-	-	11,829,092
Water and waste water	16,386,287	13,695	-	-	16,399,982
Street lights and signs	56,432	-	-	-	56,432
Assets under construction	1,988,324	857,671	-	(1,974,784)	871,211
<b>Total</b>	<b>\$ 63,556,740</b>	<b>\$ 5,175,770</b>	<b>\$ (16,895)</b>	<b>\$ -</b>	<b>\$ 68,715,615</b>

Accumulated Amortization	2018	Amortization expense	Disposals	Transfers	2019
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	367,892	8,969	-	-	376,861
Buildings	8,412,159	790,640	(13,941)	-	9,188,858
Machinery and equipment	1,461,448	116,715	-	-	1,578,163
Furniture and equipment	655,646	54,141	-	-	709,787
Books and resource material	280,135	17,981	-	-	298,116
Computer equipment	487,089	55,227	-	-	542,316
Vehicles	1,907,918	393,370	-	-	2,301,288
Roads, bridges and culverts	3,534,245	243,805	-	-	3,778,050
Water and waste water	3,265,834	423,208	-	-	3,689,042
Street lights and signs	17,854	4,678	-	-	22,532
Assets under construction	-	-	-	-	-
<b>Total</b>	<b>\$ 20,390,220</b>	<b>\$ 2,108,734</b>	<b>\$ (13,941)</b>	<b>\$ -</b>	<b>\$ 22,485,013</b>

	Net book value 2018	Net book value 2019
Land	\$ 1,667,270	\$ 1,667,270
Land improvements	118,284	133,255
Buildings	15,006,879	19,368,394
Machinery and equipment	1,201,566	1,230,708
Furniture and equipment	122,374	282,351
Books and resource material	71,533	53,552
Computer equipment	161,332	209,871
Vehicles	1,827,908	1,618,108
Roads, bridges and culverts	7,842,019	8,051,042
Water and waste water	13,120,453	12,710,940
Street lights and signs	38,578	33,900
Assets under construction	1,988,324	871,211
<b>Total</b>	<b>\$ 43,166,520</b>	<b>\$ 46,230,602</b>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

## 11. Tangible capital assets (continued):

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, 2019

### 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 \$4,153,171 (2018 - \$3,381,645).
- (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, 2019, its proportional outstanding loan balance as part of the Trust is \$485,750 (2018 - \$484,190).

### 13. Accumulated surplus:

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

	2019	2018
Reserves set aside by Council:		
Bus replacement reserve	\$ 801,391	\$ 801,391
Education centre capital reserve	100,000	100,000
Education centre programming reserve	37,400	37,400
Senior's Complex	55,474	51,474
CMHC apartment complex	339,672	304,697
Funds held in trust by the Government of Canada	290,779	290,779
Enhancement funds	10,054,935	9,386,134
Housing reserve	2,646,238	2,664,649
Boundary Claim Trust	7,978,038	5,088,683
Nipissing Warriors fundraising reserve	144,703	-
Externally restricted	84,214,010	84,485,566
Invested in tangible capital assets	39,503,939	37,614,203
Unrestricted	(926,209)	(1,603,208)
	<u>\$ 145,240,370</u>	<u>\$ 139,221,768</u>

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### 14. Funding reconciliation:

The following is a reconciliation of funding received from the Indigenous Services Canada (ISC) funding confirmation to revenue reported in the consolidated statement of operations and accumulated surplus:

	2019	2018
ISC revenue per consolidated statement of operations	\$ 3,709,253	\$ 9,070,715
Less: prior year deferred revenue	(569,560)	(30,543)
Add: ending deferred revenue	1,207,856	569,560
Less: prior year funding set-off	–	(6,586)
ISC revenue per funding confirmation	\$ 4,347,549	\$ 9,603,146

Included in accounts and grants receivable are \$65,531 (2018 - \$67,500) relating to contributions receivable from ISC.

### 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. Employee future benefits:

The annual net expense for the First Nation's defined contribution pension plan was \$344,825 (2018 - \$327,166).

### 17. Budget information:

Budget information has not been presented.

### 18. Comparative information:

Certain 2018 comparative figures have been reclassified to conform to the presentation adopted in 2019.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## 19. 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, 2019

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## 19. 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 19 - Segmented Information (continued)

Year ended March 31, 2019

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2019 Total
<b>Revenue</b>									
Indigenous Services Canada	\$ 1,840,309	557,444	511,817	-	154,992	18,213	-	626,478	3,709,253
Other	1,247,392	1,024,280	1,816,962	1,575,912	122,685	1,282,045	419,107	1,686,836	9,175,219
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	1,656,273	1,656,273
Ministry of Education	-	-	-	-	621,758	39,335	-	-	661,093
Ministry of Community and Social Services	-	-	-	-	1,494,727	351,906	-	56,781	1,903,414
Health Canada	-	-	-	-	-	2,016,687	-	-	2,016,687
Kinoomaadziwin Education Body	166,061	5,123,904	-	-	-	-	-	-	5,289,965
Other Provincial	76,980	-	-	6,810	-	2,820,882	-	701,288	3,605,960
Union of Ontario Indians	-	81,731	-	-	201,572	246,405	-	457,988	987,696
Canada Mortgage and Housing Corporation	-	-	45,005	-	-	-	206,306	-	251,311
	3,330,742	6,787,359	2,373,784	1,582,722	2,595,734	6,775,473	625,413	5,185,644	29,256,871
<b>Expenses:</b>									
Material and supplies	1,820,661	4,819,496	423,568	553,208	1,747,543	4,725,271	328,089	1,847,916	16,265,752
Salaries, wages and employee benefits	2,024,575	1,479,237	319,163	-	1,543,308	1,812,415	-	1,731,900	8,910,598
Amortization of tangible capital assets	717,445	220,908	776,035	-	34,751	79,721	189,653	90,221	2,108,734
Interest on long-term debt	38,138	-	-	61,777	-	-	58,871	-	158,786
	4,600,819	6,519,641	1,518,766	614,985	3,325,602	6,617,407	576,613	3,670,037	27,443,870
<b>Excess (deficiency) of revenue over expenses before the undernoted items</b>									
	(1,270,077)	267,718	855,018	967,737	(729,868)	158,066	48,800	1,515,607	1,813,001
<b>Gain (loss) on sale of tangible capital assets</b>									
	-	-	-	-	(2,954)	-	-	-	(2,954)
<b>Vacation (expense) recovery</b>									
	(14,589)	(3,657)	(3,223)	-	9,782	3,278	-	(9,650)	(18,059)
<b>The Nipissing 2013 Boundary Claim Trust:</b>									
Investment income	-	-	-	-	-	-	-	5,865,744	5,865,744
Other expenses	-	-	-	-	-	-	-	(902,675)	(902,675)
Per capita distributions	-	-	-	-	-	-	-	(736,455)	(736,455)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,284,666)</b>	<b>264,061</b>	<b>851,795</b>	<b>967,737</b>	<b>(723,040)</b>	<b>161,344</b>	<b>48,800</b>	<b>5,732,571</b>	<b>6,018,602</b>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Note 19 - Segmented Information (continued)

Year ended March 31, 2019

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2018 Total
<b>Revenue</b>									
Indigenous Services 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>