

Consolidated Financial Statements of

**NIPISSING FIRST NATION**

Year ended March 31, 2016

## 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.

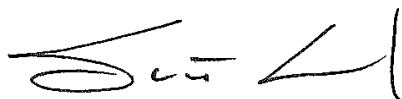
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management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



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, 2016, 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, 2016, 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*

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Chartered Professional Accountants, Licensed Public Accountants

July 26, 2016  
North Bay, Canada

# NIPISSING FIRST NATION

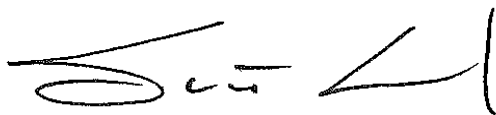
Exhibit A - Consolidated Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 7,639,682	\$ 5,194,792
Short-term investments (note 3)	3,078,527	3,029,698
Accounts and grants receivable (note 4)	4,053,660	1,977,658
Housing mortgages and other long-term receivables (note 5)	4,687,304	4,622,822
Restricted assets - Nipissing 2013 Boundary Claim Trust (note 6)	87,787,921	85,824,864
Funds held in trust by the Government of Canada (note 7)	290,779	290,779
	<u>107,537,873</u>	<u>100,940,613</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 8)	5,031,709	2,726,320
Prepaid leases	150,101	159,186
Deferred program revenue (note 9)	3,281,271	3,130,963
Long-term debt (note 10)	6,074,411	6,259,379
	<u>14,537,492</u>	<u>12,275,848</u>
Net financial assets	93,000,381	88,664,765
<b>Non-financial assets:</b>		
Tangible capital assets (note 11)	37,125,855	36,451,309
Prepaid expenses	62,842	99,601
	<u>37,188,697</u>	<u>36,550,910</u>
Commitments and contingent liabilities (notes 12)		
<b>Accumulated surplus (note 13)</b>	<b>\$ 130,189,078</b>	<b>\$ 125,215,675</b>

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, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Indigenous and Northern Affairs Canada (note 14)	\$ 9,759,777	\$ 8,489,817
Other	5,414,191	5,710,498
Health Canada	1,469,959	1,640,892
Ministry of Community and Social Services	1,690,704	1,663,432
Ontario First Nations Limited Partnership	1,139,394	1,131,558
Ministry of Education	415,072	443,039
Other Provincial	1,004,596	1,198,876
Union of Ontario Indians	552,277	717,605
Canada Mortgage and Housing Corporation	316,003	200,824
	<u>21,761,973</u>	<u>21,196,541</u>
<b>Expenses:</b>		
Education	6,120,556	6,360,641
Other	3,139,679	2,971,539
Community Operations	3,889,897	4,144,710
Health Services	2,590,800	2,834,816
Social Services	2,426,758	2,392,779
Capital	1,544,851	1,574,117
First Nation Enterprises	772,986	604,110
Housing	673,370	447,933
	<u>21,158,897</u>	<u>21,330,645</u>
Annual surplus (deficit) from operations before the undernoted	603,076	(134,104)
Gain (loss) on sale of tangible capital assets	14,522	(1,793)
Vacation (expense) recovery	36,274	(18,688)
	<u>653,872</u>	<u>(154,585)</u>
<b>The Nipissing 2013 Boundary Claim Trust:</b>		
Investment income	5,477,165	3,332,835
Per capita distributions	(594,699)	(569,090)
Other expenses	(562,935)	(975,236)
	<u>4,319,531</u>	<u>1,788,509</u>
<b>Annual surplus</b>	<u>4,973,403</u>	<u>1,633,924</u>
Accumulated surplus, beginning of year	125,215,675	123,581,751
<b>Accumulated surplus, end of year</b>	<u>\$ 130,189,078</u>	<u>\$ 125,215,675</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, 2016, with comparative information for 2015

	2016	2015
Annual surplus	\$ 4,973,403	1,633,924
Acquisition of tangible capital assets	(2,357,951)	(2,302,324)
Amortization of tangible capital assets	1,627,930	1,501,347
Loss (gain) on sale of tangible capital assets	(14,522)	1,793
Proceeds on sale of tangible capital assets	69,967	19,000
	4,298,827	853,740
Change in prepaid expenses	36,789	15,610
Change in net financial assets	4,335,616	869,350
Net financial assets, beginning of year	88,664,765	87,795,415
<b>Net financial assets, end of year</b>	<b>\$ 93,000,381</b>	<b>\$ 88,664,765</b>

See accompanying notes to consolidated financial statements.

# NIPISSING FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Operating activities:		
Annual surplus	\$ 4,973,403	\$ 1,633,924
Adjustments for non-cash items:		
Amortization of tangible capital assets	1,627,930	1,501,347
Loss (gain) on sale of tangible capital assets	(14,522)	1,793
Changes in non-cash working capital:		
Increase in accounts and grants receivable	(2,076,002)	(80,477)
Increase in accounts payable and accrued liabilities	2,305,389	664,266
Increase (decrease) in prepaid leases	(9,085)	15,871
Increase (decrease) in deferred program revenue	150,308	(227,400)
Decrease in prepaid expenses	36,759	15,610
	<u>6,994,180</u>	<u>3,524,934</u>
Capital activities:		
Acquisition of tangible capital assets	(2,357,951)	(2,302,324)
Proceeds on sale of tangible capital assets	69,967	19,000
	<u>(2,287,984)</u>	<u>(2,283,324)</u>
Financing activities:		
Principal payments on long-term debt	(192,253)	(1,029,166)
Repayment of obligation under capital lease	-	(5,658)
Proceeds on issuance of long-term debt	7,315	2,978,000
	<u>(184,938)</u>	<u>1,943,176</u>
Investing activities:		
Increase in restricted investments	(1,963,057)	(2,557,667)
Housing mortgages and other long-term receivables	(64,482)	126,931
Decrease in short-term investments	(48,829)	164,768
	<u>(2,076,368)</u>	<u>(2,265,968)</u>
<b>Increase in cash</b>	<b>2,444,890</b>	<b>918,818</b>
Cash and cash equivalents, beginning of year	5,194,792	4,275,974
<b>Cash and cash equivalents, end of year</b>	<b>\$ 7,639,682</b>	<b>\$ 5,194,792</b>

See accompanying notes to consolidated financial statements.



# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

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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

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 measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (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.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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

### (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, 2016

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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
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

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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, 2016

### 2. Consolidated entities:

Summarized financial information for the wholly-owned trust and incorporated entities is as follows:

	NFN Solar LP	Boundary Claim Trust	1073059 Ontario Inc.	N'Bisiing Forestry Inc.	Land Claims Settlement Trust	Total 2016	Total 2015
<b>Financial position</b>							
Current asset	\$ 170,691	1,902,093	14,438	5,037	608,212	\$ 2,700,471	\$ 5,560,792
Long-term assets	-	80,809,915	666,668	-	-	81,476,583	79,463,452
Capital assets	690,208	-	2,154,073	-	-	2,844,281	2,810,164
<b>Total assets</b>	<b>860,899</b>	<b>82,712,008</b>	<b>2,835,179</b>	<b>5,037</b>	<b>608,212</b>	<b>87,021,335</b>	<b>87,834,408</b>
Current liabilities	856,064	730,974	1,590,789	803,373	118,412	4,099,612	4,229,053
<b>Total liabilities</b>	<b>856,064</b>	<b>730,974</b>	<b>1,590,789</b>	<b>803,373</b>	<b>118,412</b>	<b>4,099,612</b>	<b>4,229,053</b>
<b>Net assets (deficiency)</b>	<b>\$ 4,835</b>	<b>81,981,034</b>	<b>1,244,390</b>	<b>(798,336)</b>	<b>489,800</b>	<b>\$ 82,921,723</b>	<b>\$ 83,605,355</b>
<b>Results of operations:</b>							
Revenues	\$ 191,625	5,477,165	30,000	52,649	11,691	\$ 5,763,130	\$ 3,403,711
Expenses	163,466	1,217,634	30,000	9,084	19,507	1,439,691	1,633,960
<b>Net income (loss)</b>	<b>\$ 28,159</b>	<b>4,259,531</b>	<b>-</b>	<b>43,565</b>	<b>(7,816)</b>	<b>\$ 4,323,439</b>	<b>\$ 1,769,751</b>

### 3. Short-term investments:

Short-term investments consist of the following:

	2016	2015
Term deposits	\$ 2,840,550	\$ 2,797,832
Bonds	237,977	231,866
	<b>\$ 3,078,527</b>	<b>\$ 3,029,698</b>

Term deposits consist of guaranteed investment certificates with maturities ranging from 2016 to 2017 and bear interest at rates ranging from 1.30 to 1.75%. Bonds consist of investments in various Province of Ontario bonds with maturities ranging from 2016 to 2023 and bear interest at rates ranging from 2.15% to 4.85%.

Under the terms of the agreement with the Ontario First Nations Limited Partnership \$ 2,840,550 (2015 - \$2,797,832) of short-term investments is restricted in use and is to be expended on community development, health, education, economic development and cultural development.

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 4. Accounts and grants receivable:

	2016	2015
Indigenous and Northern Affairs Canada	\$ 1,589,009	\$ 255,553
Nipissing Parry-Sound Catholic District Separate School Board	407,293	365,816
Health Canada	194,825	199,722
Near North District School Board	860,230	615,075
Union of Ontario Indians	239,713	151,962
Canada Revenue Agency	70,827	32,190
Other	1,015,635	690,420
	4,377,532	2,310,738
Less: Allowance for doubtful accounts	(323,872)	(333,080)
	\$ 4,053,660	\$ 1,977,658

### 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%.

	2016	2015
Housing mortgages	\$ 3,631,690	\$ 3,843,525
Fur Dresser building mortgage	666,668	750,001
Solar Power Network Bridge loan	385,750	-
First Nations Finance Authority debt reserve fund	118,561	117,540
	4,802,669	4,711,066
Provision for loan impairment – housing mortgages	(115,365)	(88,244)
	\$ 4,687,304	\$ 4,622,822

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

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

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

	Cost - December 31, 2015	Market - December 31, 2015
Cash and cash equivalents	\$ 6,978,006	\$ 6,709,366
Investments:		
Bonds	36,654,621	37,223,258
Marketable securities	44,155,294	52,627,626
	80,809,915	89,850,844
	<u>\$ 87,787,921</u>	<u>\$ 96,560,250</u>

	Cost - December 31, 2014	Market - December 31, 2014
Cash and cash equivalents	\$ 7,111,413	\$ 7,114,178
Investments:		
Bonds	33,739,625	34,409,102
Marketable securities	44,973,826	51,244,754
	78,713,451	85,653,856
	<u>\$ 85,824,864</u>	<u>\$ 92,768,034</u>

Included in bonds are various Federal, Provincial and Corporate Bonds maturing from 2016 - 2025 with interest rates ranging from 0.70% - 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, 2015, and there have been no significant changes as of March 31, 2016.

The cost and market value of investments at March 31, 2016 was \$84,291,812 and \$92,565,881 (2015 - \$84,506,316 and \$95,031,914 respectively).

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 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.

	2016	2015
Balance, beginning of year	\$ 290,779	\$ 290,779
Interest income	6,160	8,195
Withdrawals	(6,160)	(8,195)
Balance, end of year	\$ 290,779	\$ 290,779

### 8. Accounts payable and accrued liabilities:

	2016	2015
Miscellaneous	\$ 923,586	\$ 484,944
Union Gas	1,338,852	—
Educational institutions	1,116,224	594,155
Repayable funding	257,621	230,396
Personnel liabilities	539,638	522,086
Nipissing Band of Ojibways Land Settlement Trust - supplier accounts payable	118,412	19,431
1073059 Ontario Inc. supplier accounts payable	1,500	1,500
N'Bisiing Forestry Inc. supplier accounts payable	4,902	1,920
Boundary Claim Trust supplier accounts payable	730,974	871,888
	\$ 5,031,709	\$ 2,726,320

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

## 9. Deferred program revenue:

	2016	2015
Education Programs:		
SAPSCU	\$ 30,544	\$ 38,029
Capital Programs:		
Housing and Infrastructure	2,664,649	2,664,649
RRAP Grants	36,607	26,413
Health Services:		
Community Health Illness and Injury Prevention	35,816	17,638
Early Childhood Development	-	3,455
Health Planning and Quality Management	357,713	270,331
Canada Prenatal Nutrition Program	-	360
Aboriginal Diabetes Initiative	7,372	3,076
Home and Community Care	63,506	59,778
Maternal Child Health	25,868	12,645
Building Healthy Communities	13,521	-
Operations and Maintenance	147	-
Other Programs:		
Ontario Women's Directorate	45,528	34,589
	<u>\$ 3,281,271</u>	<u>\$ 3,130,963</u>



# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 10. Long-term debt:

	2016	2015
CMHC Phase 8 loan, construction loan with a term to be determined at the interest adjustment date	\$ 263,319	\$ 273,000
Cockburn Road Apartment Complex loan payable \$2,784 monthly including principal and interest at 2.69%, unsecured, maturing August, 2020	272,285	299,176
Duchesnay Apartment Complex loan, payable \$2,541 monthly including principal and interest at 2.26%, unsecured, maturing August, 2016	395,144	416,466
Margaret Drive Apartment Complex loan, payable \$4,438 monthly including principal and interest at 1.62%, unsecured, maturing March, 2018	438,170	483,931
CMHC Phase 5 loan, payable \$2,682 monthly including principal and interest at 2.56%, unsecured, maturing December, 2020	394,606	416,949
CMHC Phase 6 loan, payable \$2,852 monthly including principal and interest at 2.26%, unsecured, maturing August, 2016	559,450	580,799
CMHC Phase 9 loan, payable \$1,026 monthly including principal and interest at 0.98%, unsecured, maturing March, 2020	389,918	340,000
CMHC Phase 7 loan, payable \$5,181 monthly including principal and interest at 2.35%, unsecured, maturing September, 2018	1,086,507	1,122,743
First Nation Finance Authority debenture, payable \$10,821 monthly including principal and interest at 3.79%, unsecured, maturing June, 2024	2,256,051	2,298,842
Royal Bank of Canada loan, payable \$783 monthly including principal and interest at 3.75%, unsecured, maturing April, 2018	18,961	27,473
	<u>\$ 6,074,411</u>	<u>\$ 6,259,379</u>

Total interest expense during the year amounted to \$169,966 (2015 - \$199,455).

The aggregate maturities of long-term debt for loans with fixed repayment terms for each of the five years subsequent to March 31, 2016 are as follows: 2017 - \$1,168,242; 2018 - \$562,606; 2019 - \$1,138,776; 2020 - \$352,909; 2021 - \$839,568 and thereafter - \$2,012,310.

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 11. Tangible capital assets:

Cost	2015	Additions	Disposals	Transfers	2016
Land	\$ 1,667,270	\$ -	\$ -	\$ -	\$ 1,667,270
Land improvements	486,176	-	-	-	486,176
Buildings	18,010,735	105,864	-	-	18,116,599
Machinery and equipment	1,146,497	210,898	-	812,009	2,169,404
Furniture and equipment	631,198	21,377	-	-	652,575
Books and resource material	351,668	-	-	-	351,668
Computer equipment	478,890	51,370	-	-	530,260
Vehicles	2,464,152	200,477	(190,263)	-	2,474,366
Roads, bridges and culverts	10,955,103	264,838	-	-	11,219,941
Water and waste water	14,282,135	-	-	-	14,282,135
Street lights and signs	49,275	7,157	-	-	56,432
Assets under construction	1,293,771	1,495,970	-	(812,009)	1,977,732
<b>Total</b>	<b>\$ 51,816,870</b>	<b>\$ 2,357,951</b>	<b>\$ (190,263)</b>	<b>\$ -</b>	<b>\$ 53,984,558</b>

Accumulated Amortization	2015	Amortization expense	Disposals	Transfers	2016
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	342,782	8,370	-	-	351,152
Buildings	6,605,106	637,722	-	-	7,242,828
Machinery and equipment	1,005,789	57,593	-	-	1,063,382
Furniture and equipment	584,636	21,679	-	-	606,315
Books and resource material	226,192	17,981	-	-	244,173
Computer equipment	360,387	38,334	-	-	398,721
Vehicles	1,283,028	238,471	(134,788)	-	1,386,711
Roads, bridges and culverts	2,813,294	238,653	-	-	3,051,947
Water and waste water	2,140,240	364,736	-	-	2,504,976
Street lights and signs	4,107	4,391	-	-	8,498
Assets under construction	-	-	-	-	-
<b>Total</b>	<b>\$ 15,365,561</b>	<b>\$ 1,627,930</b>	<b>\$ (134,788)</b>		<b>\$ 16,858,703</b>

	Net book value 2015	Net book value 2016
Land	\$ 1,667,270	\$ 1,667,270
Land improvements	143,394	135,024
Buildings	11,405,629	10,873,771
Machinery and equipment	140,708	1,106,022
Furniture and equipment	46,562	46,260
Books and resource material	125,476	107,495
Computer equipment	118,503	131,539
Vehicles	1,181,124	1,087,655
Roads, bridges and culverts	8,141,809	8,167,994
Water and waste water	12,141,895	11,777,159
Street lights and signs	45,168	47,934
Assets under construction	1,293,771	1,977,732
<b>Total</b>	<b>\$ 36,451,309</b>	<b>\$ 37,125,855</b>

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 11. Tangible capital assets (continued):

Cost	2014	Additions	Disposals	Transfers	2015
Land	\$ 1,559,470	\$ 107,800	\$ -	\$ -	\$ 1,667,270
Land improvements	457,908	28,268	-	-	486,176
Buildings	16,991,717	592,052	-	426,966	18,010,735
Machinery and equipment	1,141,236	5,261	-	-	1,146,497
Furniture and equipment	628,630	2,568	-	-	631,198
Books and resource material	351,668	-	-	-	351,668
Computer equipment	444,237	34,653	-	-	478,890
Vehicles	1,905,820	213,340	(30,805)	375,797	2,464,152
Vehicles under capital lease	375,797	-	-	(375,797)	-
Roads, bridges and culverts	10,955,103	-	-	-	10,955,103
Water and waste water	14,282,135	-	-	-	14,282,135
Street lights and signs	24,664	24,611	-	-	49,275
Assets under construction	426,966	1,293,771	-	(426,966)	1,293,771
<b>Total</b>	<b>\$ 49,545,351</b>	<b>\$ 2,302,324</b>	<b>\$ (30,805)</b>	<b>\$ -</b>	<b>\$ 51,816,870</b>

Accumulated Amortization	2014	Amortization expense	Disposals	Transfers	2015
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	335,118	7,664	-	-	342,782
Buildings	6,117,777	487,329	-	-	6,605,106
Machinery and equipment	946,561	59,228	-	-	1,005,789
Furniture and equipment	551,593	33,043	-	-	584,636
Books and resource material	208,211	17,981	-	-	226,192
Computer equipment	323,199	37,188	-	-	360,387
Vehicles	821,413	251,788	(10,012)	219,839	1,283,028
Vehicles under capital lease	219,839	-	-	(219,839)	-
Roads, bridges and culverts	2,573,984	239,310	-	-	2,813,294
Water and waste water	1,775,504	364,736	-	-	2,140,240
Street lights and signs	1,027	3,080	-	-	4,107
Assets under construction	-	-	-	-	-
<b>Total</b>	<b>\$ 13,874,226</b>	<b>\$ 1,501,347</b>	<b>\$ (10,012)</b>	<b>\$ -</b>	<b>\$ 15,365,561</b>

	Net book value 2014	Net book value 2015
Land	\$ 1,559,470	\$ 1,667,270
Land improvements	122,790	143,394
Buildings	10,873,940	11,405,629
Machinery and equipment	194,675	140,708
Furniture and equipment	77,037	46,562
Books and resource material	143,457	125,476
Computer equipment	121,038	118,503
Vehicles	1,084,407	1,181,124
Vehicles under capital lease	155,958	-
Roads, bridges and culverts	8,381,123	8,141,809
Water and waste water	12,506,631	12,141,895
Street lights and signs	23,637	45,168
Assets under construction	426,966	1,293,771
<b>Total</b>	<b>\$ 35,671,129</b>	<b>\$ 36,451,309</b>

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 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 \$3,754,135 (2015 - \$4,351,919).
- (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, 2016, its proportional outstanding loan balance as part of the Trust is \$217,749 (2015 - \$Nil).

### 13. Accumulated surplus:

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

	2016	2015
Reserves set aside by Council:		
Bus replacement reserve	\$ 930,000	\$ 717,593
Education centre capital reserve	100,000	100,000
Education centre programming reserve	37,400	37,400
Health Services moveable capital asset reserve	(37,941)	(37,941)
Reserve funds set aside by Council:		
Senior's Complex	17,020	26,950
CMHC apartment complex	253,389	227,329
Funds held in trust by the Government of Canada	290,779	290,779
Enhancement funds	8,323,128	8,342,689
Boundary Claim Trust	5,797,207	2,240,972
Externally restricted	87,056,947	82,737,416
Unrestricted	27,421,149	30,532,488
	<u>\$ 130,189,078</u>	<u>\$ 125,215,675</u>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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## 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:

	2016	2015
INAC revenue per consolidated statement of operations	\$ 9,759,777	\$ 8,489,817
Less: prior year deferred revenue	(38,029)	(10,078)
Add: ending deferred revenue	30,543	38,029
Less: Late amendment (Water O&M)	(63,005)	–
Less: AMEC Study	(68,145)	–
<b>INAC revenue per funding confirmation</b>	<b>\$ 9,621,141</b>	<b>\$ 8,517,768</b>

Included in accounts and grants receivable are \$1,589,009 (2015 - \$255,553) relating to contributions receivable from INAC.

## 15. Economic dependence:

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

## 16. Employee future benefits:

The annual net expense for the First Nation's defined contribution pension plan was \$298,538 (2015 - \$275,450).

## 17. Budget information:

Budget information has not been presented.

## 18. Comparative information:

Certain 2015 comparative figures have been reclassified to conform with the presentation adopted in 2016.

## 19. Financing Agreement between Bank of Montreal and Robinson Huron Treaty:

(a) Restricted cash:

The First Nation has pledged \$485,750 as security for a loan guarantee arrangement with the Bank of Montreal as described in note 12(c).

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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## 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, 2016

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## **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, 2016

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2016 Total
<b>Revenue</b>									-
Indigenous and Northern Affairs Canada	\$ 1,856,023.00	\$ 5,398,123.00	\$ 1,780,897.00	\$ -	\$ 186,083	\$ 33,341	\$ -	\$ 497,825	\$ 9,752,292
Other	915,431	1,227,978	378,071	1,169,206	114,020	102,998	467,615	1,053,894	5,429,213
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	1,139,394	1,139,394
Ministry of Education	-	-	-	-	506,579	-	-	-	506,579
Ministry of Community and Social Services	-	-	-	-	1,335,349	321,595	-	33,760	1,690,704
Health Canada	7,500	-	-	-	-	1,599,119	-	-	1,606,619
Other Provincial	64,566	-	-	-	-	562,918	-	418,428	1,045,912
Union of Ontario Indians	-	-	-	-	174,802	67,024	-	310,451	552,277
Canada Mortgage and Housing Corporation	-	-	124,103	-	-	-	202,094	-	326,197
	2,843,520	6,626,101	2,283,071	1,169,206	2,316,833	2,686,995	669,709	3,453,752	22,049,187
<b>Expenses:</b>									
Material and supplies	1,694,358	4,722,790	667,909	711,209	1,157,742	827,646	407,023	1,327,641	11,516,318
Salaries, wages and employee benefits	1,781,335	1,215,017	273,055	-	1,306,878	1,709,217	-	1,590,253	7,875,755
Amortization of tangible capital assets	414,204	182,749	603,887	-	21,159	53,937	189,352	162,764	1,628,052
Interest on long-term debt	-	-	-	61,777	-	-	76,995	-	138,772
	3,889,897	6,120,556	1,544,851	772,986	2,485,779	2,590,800	673,370	3,080,658	21,158,897
<b>Excess (deficiency) of revenue over expenses before the undernoted items</b>	<b>(1,046,377)</b>	<b>505,545</b>	<b>738,220</b>	<b>396,220</b>	<b>(168,946)</b>	<b>96,195</b>	<b>(3,661)</b>	<b>373,094</b>	<b>890,290</b>
Loss on sale of tangible capital assets	-	-	-	-	-	-	-	-	-
Vacation (expense) recovery	(17,905)	3,369	12,029	-	(8,034)	(14,532)	-	61,347	36,274
<b>The Nipissing 2013 Boundary Claim Trust:</b>									
Investment income	-	-	-	-	-	-	-	5,477,165	5,477,165
Other expenses	-	-	-	-	-	-	-	(562,935)	(562,935)
Per capita distributions	-	-	-	-	-	-	-	(594,699)	(594,699)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,064,282)</b>	<b>\$ 508,914</b>	<b>\$ 750,249</b>	<b>\$ 396,220</b>	<b>\$(176,980)</b>	<b>\$ 81,663</b>	<b>\$ (3,661)</b>	<b>\$ 4,753,972</b>	<b>\$ 5,246,095</b>



# NIPISSING FIRST NATION

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

Year ended March 31, 2015

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2015 Total
<b>Revenue</b>									
Indigenous and Northern Affairs Canada	\$ 1,623,924	\$ 5,623,788	\$ 536,474	\$ -	\$ 170,816	\$ 32,583	\$ -	\$ 502,232	\$ 8,489,817
Other	1,415,913	856,180	1,037,285	1,129,380	77,693	77,653	333,736	782,658	5,710,498
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	1,131,558	1,131,558
Ministry of Education	-	-	-	-	443,039	-	-	-	443,039
Ministry of Community and Social Services	-	-	-	-	1,288,450	340,982	-	34,000	1,663,432
Health Canada	-	-	-	-	-	1,640,892	-	-	1,640,892
Other Provincial	64,566	-	24,900	4,000	-	638,440	-	466,970	1,198,876
Union of Ontario Indians	-	-	-	-	172,573	147,833	-	397,199	717,605
Canada Mortgage and Housing Corporation	-	-	22,783	-	-	-	178,041	-	200,824
	3,104,403	6,479,968	1,621,442	1,133,380	2,152,571	2,878,383	511,777	3,314,617	21,196,541
<b>Expenses:</b>									
Material and supplies	2,009,373	4,865,795	729,141	481,979	1,258,647	1,071,662	182,810	1,370,613	11,970,020
Salaries, wages and employee benefits	1,687,841	1,287,481	262,253	-	1,111,837	1,709,217	-	1,570,694	7,629,323
Amortization of tangible capital assets	416,995	205,883	582,723	-	22,295	53,937	189,282	30,232	1,501,347
Interest on long-term debt	30,501	1,482	-	122,131	-	-	75,841	-	229,955
	4,144,710	6,360,641	1,574,117	604,110	2,392,779	2,834,816	447,933	2,971,539	21,330,645
<b>Excess (deficiency) of revenue over expenses before the undernoted</b>	<b>(1,040,307)</b>	<b>119,327</b>	<b>47,325</b>	<b>529,270</b>	<b>(240,208)</b>	<b>43,567</b>	<b>63,844</b>	<b>343,078</b>	<b>(134,104)</b>
Loss on sale of tangible capital assets	-	-	-	-	-	(1,793)	-	-	(1,793)
Vacation (expense) recovery	14,287	(5,914)	3,806	-	(112)	(19,305)	-	(11,450)	(18,688)
<b>The Nipissing 2013 Boundary Claim Trust:</b>									
Investment income	-	-	-	-	-	-	-	3,332,835	3,332,835
Other expenses	-	-	-	-	-	-	-	(975,236)	(975,236)
Per capita distributions	-	-	-	-	-	-	-	(569,090)	(569,090)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,026,020)</b>	<b>\$ 113,413</b>	<b>\$ 51,131</b>	<b>\$ 529,270</b>	<b>\$ (240,320)</b>	<b>\$ 22,469</b>	<b>\$ 63,844</b>	<b>\$ 2,120,137</b>	<b>\$ 1,633,924</b>

See accompanying notes to consolidated financial statements.