

**Mississaugas of the New Credit  
First Nation  
Consolidated Financial Statements**  
*March 31, 2017*

# Mississaugas of the New Credit First Nation

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For the year ended March 31, 2017

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## **Management's Responsibility**

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To the Chief and Council and Members of Mississaugas of the New Credit First Nation:

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Mississaugas of the New Credit First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

July 28, 2017



Executive Director

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## Independent Auditors' Report

To the Chief and Council and Members of Mississaugas of the New Credit First Nation:

We have audited the accompanying consolidated financial statements of Mississaugas of the New Credit First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, the consolidated statements of operations and accumulated surplus, changes in net financial assets, changes in financial position and related schedules for the year then ended, and 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 the auditors' 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, the auditor considers 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 financial position of Mississaugas of the New Credit First Nation as at March 31, 2017 and the results of its operations, changes in net financial assets, and its changes in financial position for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

The prior year comparative consolidated financial information was audited by a predecessor auditor, who issued an unqualified opinion dated August 2, 2016.

**MNP LLP**

Chartered Professional Accountants

Licensed Public Accountants

Cambridge, Ontario

July 28, 2017

**MNP**

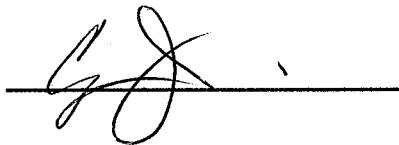
**Mississaugas of the New Credit First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2017*

	2017	2016
<b>Financial assets</b>		
Cash and cash equivalents	9,995,154	4,939,866
Restricted cash (Note 3)	7,638,681	9,039,284
Accounts receivable (Note 4)	982,267	938,551
Inventory held for resale (Note 5)	411,635	205,591
Portfolio investments (Note 6)	14,245,863	17,920,419
Due from First Nation members (Note 7)	3,950,818	3,791,710
Due from Community Trust Land Claim fund (Note 8)	2,264,035	1,595,986
Investment in government business enterprise (Note 9)	186,826	-
Ottawa trust fund (Note 10)	292,428	285,054
Loans receivable (Note 11)	162,500	411,555
<b>Total of financial assets</b>	<b>40,130,207</b>	39,128,016
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 12)	1,482,820	1,400,130
Deferred revenue (Note 13)	795,733	355,624
Loan payable (Note 14)	36,826	-
Investment in government business enterprise (Note 9)	-	96,555
Toronto Purchase Trust funds payable (Note 15)	6,528,921	7,577,322
Long-term debt (Note 16)	1,411,312	1,482,224
<b>Total of financial liabilities</b>	<b>10,255,612</b>	10,911,855
<b>Net financial assets</b>	<b>29,874,595</b>	28,216,161
<b>Contingencies (Note 17)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 18) (Schedule 1)	21,308,851	21,687,582
Prepaid expenditures	202,492	101,972
<b>Total non-financial assets</b>	<b>21,511,343</b>	21,789,554
<b>Accumulated surplus (Note 19)</b>	<b>51,385,938</b>	50,005,715

Approved on behalf of the First Nation



Chief



Executive  
Director

**Mississaugas of the New Credit First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 23)</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	6,303,590	7,546,890	5,933,756
Health Canada	852,017	844,517	856,515
Canada Mortgage and Housing Corporation	63,976	114,141	62,673
Aboriginal Labour Force Development Circle	405,174	464,740	384,214
Ministry of Community and Social Services	779,743	617,655	675,629
Ministry of Children and Youth Services	443,270	654,887	444,754
Ministry of Health and Long-term Care	214,115	207,886	211,264
Ministry of Education	679,710	642,070	633,034
Income from portfolio investments	-	351,488	447,153
Ontario First Nation Limited Partnership revenue	-	1,200,579	1,054,548
Toronto Purchase Trust revenue	-	6,152,530	7,636,991
Community Trust Land Claim Fund revenue	64,000	730,057	1,032,548
Sales from business enterprises	-	12,296,680	13,138,751
Gain (loss) on investment in government business enterprise	-	283,381	(3,096)
Other income	9,350,231	6,155,787	5,063,260
Repayment of funding	-	(198,702)	(90,318)
Deferred revenue - prior year (Note 13)	355,624	355,624	1,170,087
Deferred revenue - current year (Note 13)	-	(795,733)	(355,624)
	<b>19,511,450</b>	<b>37,624,477</b>	<b>38,296,139</b>
<b>Program expenditures</b>			
Council administration	2,424,200	8,022,975	12,218,727
Public works and housing	3,354,767	2,683,501	2,373,946
Economic development	1,931,054	1,485,658	1,654,137
Health and social services	3,188,273	2,687,611	2,674,361
Education	4,539,448	4,395,739	4,067,357
Land, membership and research	448,515	404,248	375,376
Childcare	1,132,447	1,143,827	1,009,758
Employment and training	-	326,397	281,245
Consultation and accommodation	2,137,122	1,989,477	1,420,529
Business enterprises	-	11,872,183	12,802,654
Amortization of tangible capital assets	-	1,232,638	1,169,707
	<b>19,155,826</b>	<b>36,244,254</b>	<b>40,047,797</b>
<b>Surplus (deficit)</b>	<b>355,624</b>	<b>1,380,223</b>	<b>(1,751,658)</b>
<b>Accumulated surplus, beginning of year</b>	<b>50,005,715</b>	<b>50,005,715</b>	<b>51,757,373</b>
<b>Accumulated surplus, end of year</b>	<b>50,361,339</b>	<b>51,385,938</b>	<b>50,005,715</b>

*The accompanying notes are an integral part of these financial statements*

**Mississaugas of the New Credit First Nation**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 23)</b>	<b>2017</b>	<b>2016</b>
<b>Annual surplus (deficit)</b>	<b>355,624</b>	<b>1,380,223</b>	<b>(1,751,658)</b>
Purchases of tangible capital assets	-	(888,907)	(857,257)
Amortization of tangible capital assets	-	1,232,638	1,169,707
Loss on disposal of tangible capital assets	-	35,000	-
Acquisition of prepaid expenditures	-	(100,520)	(30,427)
<b>Increase (decrease) in net financial assets</b>	<b>355,624</b>	<b>1,658,434</b>	<b>(1,469,635)</b>
<b>Net financial assets, beginning of year</b>	<b>28,216,161</b>	<b>28,216,161</b>	<b>29,685,796</b>
<b>Net financial assets, end of year</b>	<b>28,571,785</b>	<b>29,874,595</b>	<b>28,216,161</b>

**Mississaugas of the New Credit First Nation**  
**Consolidated Statement of Changes in Financial Position**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus (deficit)	1,380,223	(1,751,658)
Non-cash items		
Amortization	1,232,638	1,169,707
(Gain) loss from investments in government business enterprises	(283,381)	3,096
Loss on disposal of tangible capital asset	35,000	-
	2,364,480	(578,855)
Changes in working capital accounts		
Accounts receivable	(43,716)	69,190
Prepaid expenditures	(100,520)	(30,427)
Inventory held for resale	(206,044)	(94,091)
Due from Community Trust Land Claim fund	(668,049)	(1,032,548)
Accounts payable and accrued liabilities	82,690	(261,201)
Deferred revenue	440,109	(551,902)
Toronto Purchase Trust funds payable	(1,048,401)	(2,337,678)
	820,549	(4,817,512)
<b>Financing activities</b>		
Repayment of long-term debt	(70,912)	(68,360)
Advances of loans payable	36,826	-
	(34,086)	(68,360)
<b>Capital activities</b>		
Purchases of tangible capital assets	(888,907)	(857,257)
<b>Investing activities</b>		
Change in portfolio investments (net)	3,674,556	385,451
Repayments of loans receivable	249,055	13,824
Advances to First Nations members	(159,108)	(187,436)
Increase in restricted cash - Social Housing reserves	(24,391)	(18,859)
Decrease in restricted cash - Toronto Purchase Trust funds	1,424,994	3,290,307
Increase in Ottawa trust fund	(7,374)	(5,027)
	5,157,732	3,478,260
<b>Increase (decrease) in cash resources</b>	<b>5,055,288</b>	(2,264,869)
<b>Cash resources, beginning of year</b>	<b>4,939,866</b>	7,204,735
<b>Cash resources, end of year</b>	<b>9,995,154</b>	4,939,866

*The accompanying notes are an integral part of these financial statements*

**Mississaugas of the New Credit First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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**1. Operations**

The Mississaugas of the New Credit First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Mississaugas of the New Credit First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

**2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Reporting entity***

The financial statements consolidate the financial activities of the First Nation government and all related entities, except for First Nation business entities. Trusts administered on behalf of third parties by Mississaugas of the New Credit First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenditures of the following entities which are controlled by the First Nation:

- New Credit Variety & Gas
- Country Style (discontinued operations during the year ended March 31, 2016)

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Mississaugas of the New Credit First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- 8392692 Canada Inc.

***Basis of presentation***

Sources of revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Inventory***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- The First Nation has committed to sell the asset prior to March 31, 2017;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

**Mississaugas of the New Credit First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

**Portfolio investments**

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

**Loans receivable**

Loans receivable are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis.

**Net financial assets**

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

**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. The change in non-financial assets during the year, together with surplus, provides the change in net financial assets.

**Tangible capital assets**

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

**Amortization**

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until the asset is available to be put into service.

	<b>Method</b>	<b>Years</b>
Buildings	straight-line	40 years
Income producing properties	straight-line	40 years
Income producing properties - CMHC	straight-line	25 years
Infrastructure	straight-line	25 years
Equipment and furniture	straight-line	5 to 10 years
Vehicles	straight-line	10 years
Land improvements	straight-line	15 years

**Long-lived assets and discontinued operations**

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

**Funds held in Ottawa Trust Fund**

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

**Mississaugas of the New Credit First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

***Revenue recognition***

***Government Transfers***

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

***Externally restricted revenue***

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

***Funds held in Ottawa Trust Fund***

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

***Other income***

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

***Retirement benefits***

The First Nation has a defined contribution pension plan covering substantially all full-time employees. There are no prior service costs. Plan members are required to contribute 3.05% of their salary up to a maximum of 8% of their base salary. The First Nation matches 100% of the amounts contributed by members which are directed to the member's contribution account. Pension costs are charged to operations as contributions are due.

***Use of estimates***

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable, loans receivable and amounts due from First Nation members are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Accrued liabilities are based on the expectation of amounts payable for goods and services for which invoices were not received prior to year end.

***Segments***

The First Nation conducts its business through ten reportable segments: Council administration; Public works and housing; Economic development; Health and social services; Education; Land, membership and research; Childcare; Employment and training; Consultation and accommodation and Business enterprises. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

**Mississaugas of the New Credit First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**3. Restricted cash**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue in the statement of operations and allocated to the New Housing and Sanitation Reserve fund in the First Nation's accumulated surplus.

Under the terms of the Toronto Purchase Trust agreement, the First Nation shall use the funds retained in the bank account to fund the Community Wellness Policy and Estate Policy. All remaining funds are to be spent by Council on researching, negotiating further land claims, education, health, housing, culture, and economic and community development.

	<b>2017</b>	<b>2016</b>
Social housing reserves - externally restricted	186,324	161,933
Toronto Purchase Trust funds - internally restricted	7,452,357	8,877,351

**4. Accounts receivable**

	<b>2017</b>	<b>2016</b>
<b>Federal government</b>		
Aboriginal Labour Force Development Circle	13,873	7,117
Canada Mortgage and Housing Corporation	41,148	-
Health Canada	360	40,453
Indigenous and Northern Affairs Canada	39,250	-
	<b>94,631</b>	<b>47,570</b>
<b>Province of Ontario</b>		
Ministry of Aboriginal Affairs	-	25,000
Ministry of Children and Youth Services	35,688	1,140
Ministry of Community and Social Services	36,148	77,295
Ministry of Education	7,347	12,094
Ministry of Health and Long-term Care	4,329	3,468
Ministry of Tourism, Culture and Sport	-	50,000
Ministry of Transportation	-	51,207
	<b>83,512</b>	<b>220,204</b>
<b>Other</b>		
Chiefs of Ontario	9,000	-
Chippewas of Kettle & Stony Point	5,000	-
Community Trust Land Claim Fund	6,151	1,504
National Aboriginal Lands Managers Association	12,500	-
Trade receivables	842,984	683,118
	<b>875,635</b>	<b>684,622</b>
<b>Gross accounts receivable</b>	<b>1,053,778</b>	<b>952,396</b>
Less: Allowance for doubtful accounts on trade receivables	(71,511)	(13,845)
	<b>982,267</b>	<b>938,551</b>

**Mississaugas of the New Credit First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**5. Inventory held for resale**

	2017	2016
Gas	71,991	62,539
Tobacco	330,842	134,469
General	8,802	8,583
	<b>411,635</b>	<b>205,591</b>

The cost of inventories recognized as an expenditure for the year ending March 31, 2017 and included in Business enterprises on the consolidated statement of operations amounted to \$11,233,277 (2016 – \$11,977,496).

**6. Portfolio investments**

	2017	2016		
	Cost	Market	Cost	Market
Equities	1,383,966	2,323,246	3,074,113	3,560,353
Mutual funds	12,861,897	13,640,762	14,846,306	15,358,596
<b>Total</b>	<b>14,245,863</b>	<b>15,964,008</b>	<b>17,920,419</b>	<b>18,918,949</b>

**7. Due from First Nation Members**

	2017	2016
New homes	3,340,097	3,250,663
Sanitation	10,508	14,713
Renovation	600,213	526,334
	<b>3,950,818</b>	<b>3,791,710</b>

New home allotments are 75-100% repayable by the borrower. During the year, allotments of \$332,000 (2016 - \$330,000) were provided of which \$332,000 (2016 - \$330,000) is repayable. The outstanding loans are secured by a Transfer of Lands to Council provision which remains in effect until all terms and conditions have been met. The repayable portion of these allotments bears interest at rates from 3-6% per annum.

Sanitation and renovation allotments for existing homes are 25-100% repayable by the borrower. The loans bear interest at rates from 3-6% of the gross loan amount. Any allotment exceeding \$10,000 is secured by a Transfer of Lands to Council provision until the terms and conditions attached to the loan have been met.

**8. Due from Community Trust Land Claim fund**

The Community Trust Land Claim fund represents funds receivable from the Mississaugas of the New Credit First Nation Community Trust (the "Trust"). The Trust is governed by their own Board of Trustees who are responsible for administering the Trust's assets in accordance with the Trust agreement. The agreement states that land claim proceeds received in 1997 are to be held for the long-term benefit of the members of the First Nation. The Trust is not controlled by the First Nation and as such, the operations of the Trust have not been included in the First Nation's consolidated financial statements.

Under the terms of the Trust's agreement with the First Nation, the net annual income of the Trust will be allocated to the First Nation on or before December 31 of each year. The amount due from the Trust at year end is non-interest bearing, unsecured and is to be paid to the First Nation upon project approval from the Board of Trustees.

**Mississaugas of the New Credit First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**9. Investment in government business enterprise**

The First Nation owns 100% of 8392692 Canada Inc. which was established for the purposes of investing in and/or operating various on-reserve and off-reserve business ventures.

Summary financial information for the investment in 8392692 Canada Inc., accounted for using the modified equity method, for the year ended March 31, 2017 is as follows:

	<i>March 31, 2017</i>	<i>March 31, 2016</i>
<b>Assets</b>		
Other assets	150,000	150,000
Loans receivable	36,826	-
<b>Total assets</b>	<b>186,826</b>	<b>150,000</b>
<b>Liabilities</b>		
Loans payable	-	246,555
<b>Total liabilities</b>	<b>-</b>	<b>246,555</b>
<b>Accumulated surplus</b>	<b>186,826</b>	<b>(96,555)</b>
<b>Total revenue</b>	<b>332,877</b>	<b>-</b>
<b>Total expenditures</b>	<b>49,496</b>	<b>3,096</b>
<b>Annual surplus (deficit)</b>	<b>283,381</b>	<b>(3,096)</b>

The loan receivable from the First Nation is non-interest bearing, unsecured and has no set terms of repayment.

**10. Ottawa trust fund**

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Chief and Council as follows:

	<i>2017</i>	<i>2016</i>
<b>Capital Trust</b>		
Balance, beginning and end of year	30,473	30,473
<b>Revenue Trust</b>		
Balance, beginning of year	254,581	249,554
Interest	7,374	5,027
Balance, end of year	261,955	254,581
	<b>292,428</b>	<b>285,054</b>

**11. Loans receivable**

	<i>2017</i>	<i>2016</i>
SN Technologies Corp. loan receivable, unsecured, 10% of the balance due May 2017, with the remaining balance due June 2017.	162,500	165,000
8392692 Canada Inc. loan receivable, repaid during the year.	-	246,555
	<b>162,500</b>	<b>411,555</b>

**Mississaugas of the New Credit First Nation**  
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**12. Accounts payable and accrued liabilities**

	2017	2016
Trade accounts payable	1,054,828	1,051,310
Accrued salaries and benefits payable	377,736	279,048
Other payable	50,256	69,772
	<b>1,482,820</b>	<b>1,400,130</b>

**13. Deferred revenue**

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
Indigenous and Northern Affairs Canada	348,543	775,759	348,543	775,759
Province of Ontario - Other	5,388	6,889	5,388	6,889
Other	1,693	13,085	1,693	13,085
	<b>355,624</b>	<b>795,733</b>	<b>355,624</b>	<b>795,733</b>

**14. Loan payable**

Loan payable to 8392692 Canada Inc. is non-interest bearing, unsecured and has no set terms of repayment.

**15. Toronto Purchase Trust funds payable**

On February 22, 2010, Her Majesty the Queen in Right of Canada ("Canada") signed the Mississaugas of the New Credit First Nation Toronto Purchase Specific Claim and Brant Tract Specific Claim Settlement Agreement ("Settlement Agreement") with the First Nation. Under the terms of the Settlement Agreement, Canada agreed to pay compensation to the First Nation for breaching the terms of the Toronto Purchase Claim in 1805 and for lack of compensation received related to the Brant Tract claim in 1797. As compensation for this settlement, Canada paid \$144,386,724 into a Trust Account governed by the Mississaugas of the New Credit First Nation Trust Agreement ("Trust Agreement"). The First Nation members gave assent and ratification of the terms of the Settlement Agreement and the Trust Agreement on May 29, 2010 and June 7, 2010.

The Settlement Agreement required the First Nation to establish the Mississaugas of the New Credit First Nation Toronto Purchase Trust ("the Trust") to hold the compensation and any income there from for the benefit of the current and future generation of members of the First Nation. The Trust is a separate legal entity and as such, the operations of the Trust have not been included in these consolidated financial statements. Under the terms of the Trust Agreement, the net annual income of the Trust will be allocated to the First Nation on or before December 31 of each year and paid within sixty days of December 31.

During the year, \$5,699,211 (2016 - \$7,439,360) was transferred to the First Nation from the Trust. The Trust funds payable at year end are as follows:

	2017	2016
Wellness policy payments	4,802,000	5,825,000
Amounts owing to members turning 18 years old	666,921	652,322
Initial payment upon agreement finalization	1,060,000	1,100,000
	<b>6,528,921</b>	<b>7,577,322</b>

**Mississaugas of the New Credit First Nation**  
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**16. Long-term debt**

	2017	2016
CMHC construction loan payable, guaranteed by Indigenous and Northern Affairs Canada, to be repaid over 20 years with interest at 1.71% and monthly blended payments of \$2,038, a renewal date of September 1, 2017, due 2032.	330,720	349,397
CMHC construction loan payable, guaranteed by Indigenous and Northern Affairs Canada, to be repaid over 20 years with interest at 1.85% and monthly blended payments of \$2,404, a renewal date of August 1, 2019, due 2034.	426,854	447,659
CMHC construction loan payable, guaranteed by Indigenous and Northern Affairs Canada, to be repaid over 20 years with interest at 1.39% and monthly blended payments of \$3,392, a renewal date of June 1, 2020, due 2035.	653,738	685,168
	<b>1,411,312</b>	<b>1,482,224</b>

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2018	71,937
2019	73,103
2020	74,289
2021	75,494
2022	76,720
Thereafter	1,039,769

Interest on long-term debt amounted to \$23,092 (2016 - \$27,418).

**17. Contingencies**

The First Nation is involved in certain legal matters, the outcome of which is not presently determinable. The loss, if any will be accounted for in the year in which the matters are resolved.

The First Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

**18. Tangible capital assets**

The tangible capital assets reconciliation is included in Schedule 1.

**Mississaugas of the New Credit First Nation**  
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**19. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2017</b>	<b>2016</b>
<b>Internally restricted</b>		
Invested in tangible capital assets	19,897,539	20,205,359
Invested in government business enterprise	186,826	(96,555)
Reserve funds (Note 20)	6,957,981	6,594,214
Toronto Purchase Trust fund (Note 15)	12,497,311	13,120,165
Tom Howe Landfill Site Trust	719,434	681,386
Gaming Revenue - Sharing Fund (Note 21)	4,675,756	4,431,710
	<b>44,934,847</b>	<b>44,936,279</b>
<b>Externally restricted</b>		
Community Trust Land Claim fund	2,326,043	1,595,986
Ottawa trust fund	292,428	282,964
	<b>2,618,471</b>	<b>1,878,950</b>
<b>Unappropriated members' equity</b>		
General	3,832,620	3,190,486
	<b>51,385,938</b>	<b>50,005,715</b>

The invested in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

The Community Trust Land Claim Fund represents funds receivable from the Mississaugas of the New Credit First Nation Community Trust (the "Trust"). The Trust is governed by their own Board of Trustees who are responsible for administering the Trust's assets in accordance with the Trust agreement. The agreement states that land claim proceeds received in 1997 are to be held for the long-term benefit of the members of the First Nation. The Trust is a separate legal entity and as such, the operations of the Trust have not been included in the First Nation's consolidated financial statements. Under the terms of the Trust's agreement, the net annual income of the Trust will be allocated to the First Nation on or before December 31 of each year. The amount due from the Trust at year end is non-interest bearing, unsecured, and is to be paid to the First Nation upon project approval from the Board of Trustees of the Trust.

The Tom Howe Landfill Site Trust represents funds received from the Municipality of Haldimand and are to be used for the benefit of the First Nation as determined by Chief and Council.

The Ottawa trust fund represents trust funds held in Ottawa trust accounts derived from capital or revenue sources.

**Mississaugas of the New Credit First Nation**  
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**20. Reserve funds**

	<b>2017</b>	<b>2016</b>
Community buildings reserve	165,739	289,510
Replacement of road equipment reserve	34,373	112,371
New housing and sanitation reserve	3,950,818	3,791,710
Social housing reserve	213,445	184,574
Sustainable economic development fund	375,955	915,024
Water and sewer reserve	84,580	155,914
Hydro One Networks Inc. reserve	146,852	157,727
Consultation and accommodation reserve	1,594,915	987,384
Other department reserves	391,304	-
	<b>6,957,981</b>	<b>6,594,214</b>

Reserve funds are set aside by chief and council resolution for specific purposes.

**21. Ontario First Nations Limited Partnership**

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership ("OFNLP"), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The First Nation holds one unit in the Ontario First Nations Limited Partnership and a share in a related company Ontario First Nations General Partner Inc. – the carrying values of which are nominal and are therefore not recorded in these non-consolidated financial statements.

**22. Defined contribution pension plan**

The First Nation's contributions and corresponding expenditures totalled \$260,369 for the year ended March 31, 2017 (2016 - \$244,943).

**23. Budget information**

The disclosed budget information has been approved by the Chief and Council of the Mississaugas of the New Credit First Nation at the meeting held on June 20, 2016.

**24. Economic dependence**

Mississaugas of the New Credit First Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada ("INAC") as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**25. Comparative figures**

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

**Mississaugas of the New Credit First Nation**  
**Notes to the Consolidated Financial Statements**  
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**26. Segments**

The First Nation provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are as follows:

**Council Administration**

The Council administration department oversees the delivery of all services. The department 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.

**Public Works and Housing**

The public works department is responsible for the infrastructure, including roads, water, sewer and building maintenance. The housing department is responsible for affordable housing.

**Economic Development**

The economic development department is responsible for promoting economic growth within the First Nation. Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency.

**Health and Social Services**

The health department provides a diverse bundle of services directed towards the well-being of members, including such activities as pre-natal care, nursing, health representation, traditional healing, family violence and many other smaller programs designed to enhance the health of members. The social services department is responsible for administering social assistance payments as well as providing services directed towards members.

**Education**

The education department provides direct elementary school services and secondary education by entering into service contracts with provincially funded area school boards. In addition, the department provides sponsorship to students attending post secondary institutions.

**Land, Membership and Research**

The land, membership and research department is responsible for issuing status cards, registering members and processing land transfers.

**Childcare**

The childcare department provides services for the children of the First Nation aged 0-5 years old.

**Employment and Training**

The employment and training department focuses on programs that improve and develop on the general and employment skills for the First Nation's members. The programs offered are recreational or cultural programs, English as a second language and career development programs, which are held as multi-purpose centres and community centres.

**Consultation and Accommodation**

The consultation and accommodation departments mandate is to engage with governments and private sector proponents on land and resource matters that may impact the rights and interests of the First Nation.

**Business Enterprises**

The business enterprise department are comprised of related entities that are controlled by the First Nation including New Credit Variety & Gas, Country Style and 8392692 Canada Inc.