

**Consolidated Financial Statements of**  
**DOKIS FIRST NATION**

**Year ended March 31, 2018**

**DOKIS FIRST NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**INDEX**

MANAGEMENT'S RESPONSIBILITY STATEMENT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

CONSOLIDATED STATEMENT OF CASH FLOWS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## MANAGEMENT'S RESPONSIBILITY STATEMENT

The accompanying consolidated financial statements of the Dokis First Nation are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to these consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Dokis First Nation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Chief and Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The consolidated financial statements have been audited by Freelandt Caldwell Reilly LLP, independent external auditors appointed by the Dokis First Nation. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Dokis First Nation's consolidated financial statements.

  
Chief

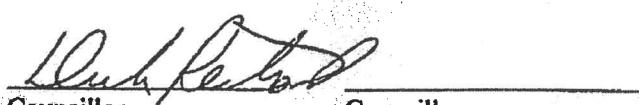
Councillor

Councillor

  
Councillor

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## INDEPENDENT AUDITOR'S REPORT

To: **The Members of the Dokis First Nation**

*Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of the **Dokis First Nation** which comprise the consolidated statement of financial position as at **March 31, 2018**, and the consolidated statements of operations and accumulated surplus, changes in net assets and cash flows 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.

*Auditor's 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 auditor's judgement, 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.

*Continued next page*

## **INDEPENDENT AUDITOR'S REPORT, continued**

### *Opinion*

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

### *Other Matter*

The financial statements as at and for the year ended March 31, 2017, presented as comparative figures in the accompanying consolidated financial statements, were reported on by another Chartered Professional Accountant who issued an unqualified audit opinion in his Independent Auditor's Report dated July 21, 2017.

**FREELANDT CALDWELL REILLY LLP**

*Freelandt Caldwell Reilly LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Sudbury, Canada  
July 30, 2018

**DOKIS FIRST NATION**

## Consolidated Statement of Financial Position

March 31, 2018, with comparative figures for 2017

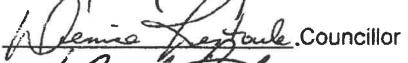
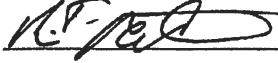
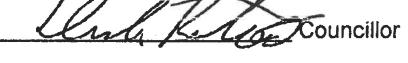
	2018	2017
	(note 20)	
<b>Financial assets:</b>		
Cash	\$ 1,791,973	\$ 2,141,168
Restricted cash - CMHC replacement and operating surplus reserves (note 2)	37,818	37,818
Short-term investments (note 3)	1,502,500	2,500
Accounts receivable (note 4)	546,027	460,427
Note receivable (note 5)	2,400,000	2,400,000
Funds held in trust by Indigenous and Northern Affairs Canada (note 6)	733,742	733,742
Investment in Migisi Hydro L.P. (note 7)	995	995
Investment in Ontario First Nation Sovereign Wealth L.P. (note 21)	2	-
Due from Migisi Development Corporation	77	77
<b>Total financial assets</b>	<b>7,013,134</b>	<b>5,776,727</b>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	145,061	164,745
Deferred contributions (note 8)	2,990,437	2,194,110
Investments and advances to Migisi Development Corporation (note 9)	338,727	337,691
Due to Migisi Hydro L.P.	995	995
Long-term debt (note 10)	359,439	386,676
<b>Total financial liabilities</b>	<b>3,834,659</b>	<b>3,084,217</b>
<b>Net financial assets</b>	<b>3,178,475</b>	<b>2,692,510</b>
<b>Non-financial assets (note 11):</b>		
Tangible capital assets (note 18)	7,947,921	7,418,652
Prepaid expenses	110,192	110,192
<b>Total non-financial assets</b>	<b>8,058,113</b>	<b>7,528,844</b>
<b>Accumulated surplus (note 12)</b>	<b>\$ 11,236,588</b>	<b>\$ 10,221,354</b>

Contingent liabilities (note 13)

Economic dependence (note 14)

See accompanying notes to consolidated financial statements

Approved on behalf of the Chief and Council of the Dokis First Nation:

 Chief  
 Councillor  Councillor  
 Councillor  Councillor

## DOKIS FIRST NATION

### Consolidated Statement of Operations and Accumulated Surplus

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

	Budget	2018	2017 (note 20)
<b>Revenues:</b>			
Indigenous and Northern Affairs Canada (note 16)	\$ 2,920,075	\$ 3,317,720	\$ 3,211,496
Other	3,664,853	5,145,157	5,211,568
Repayable to funders	-	(9,496)	-
Deferred contributions, beginning of year	2,194,110	2,194,110	1,996,218
	8,779,038	10,647,491	10,419,282
<b>Expenses (by program area):</b>			
Band Government	503,271	573,251	501,463
Maintenance Management	852,585	637,043	792,894
Education	1,820,364	1,563,546	1,503,153
Social Services	167,920	273,435	269,874
New Relationship Fund	90,000	89,853	-
Community Programs	319,827	443,534	566,957
Band Enterprises	102,302	225,209	669,698
Health Services	1,586,505	1,338,730	1,241,854
Land Management	181,899	195,007	170,040
Memberships	9,000	9,000	8,812
Housing	820,512	261,959	403,015
Ontario First Nations Limited Partnership Distributions	-	417,818	438,987
Community Services	-	29,363	25,647
Culture & Recreation	-	52,312	52,998
Capital Projects	94,517	584,526	962,495
Total expenses	6,548,702	6,694,586	7,607,887
Excess of revenues over expenses from general operations	2,230,336	3,952,905	2,811,395
Deferred contributions, end of year	-	(2,990,437)	(2,194,110)
Excess of revenues over expenses before undernoted item	2,230,336	962,468	617,285
Equity in Migisi Development Corporation	-	(1,036)	(48,826)
Transfer to CMHC Reserve	-	53,802	-
<b>Excess of revenues over expenses for the year</b>	<b>2,230,336</b>	<b>1,015,234</b>	<b>568,459</b>
<b>Accumulated surplus, beginning of year</b>	<b>10,221,354</b>	<b>10,221,354</b>	<b>9,652,895</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 12,451,690</b>	<b>\$ 11,236,588</b>	<b>\$ 10,221,354</b>

See accompanying notes to consolidated financial statements

**DOKIS FIRST NATION**

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 2018 with comparative figures for 2017

	Budget	2018	2017 (note 20)
<b>Excess of revenues over expenses for the year</b>	\$ 2,230,336	\$ 1,015,234	\$ 568,459
Amortization of tangible capital assets	-	516,240	417,397
Acquisition of tangible capital assets	-	(1,045,509)	(471,007)
Disposal of tangible capital assets		-	22,036
Change in prepaid expenses	-	-	(27,444)
<b>Increase in net assets for the year</b>	<b>2,230,336</b>	<b>485,965</b>	<b>509,441</b>
<b>Net assets, beginning of year</b>	<b>2,692,510</b>	<b>2,692,510</b>	<b>2,183,069</b>
<b>Net assets, end of year</b>	<b>\$ 4,922,846</b>	<b>\$ 3,178,475</b>	<b>\$ 2,692,510</b>

See accompanying notes to consolidated financial statements

## DOKIS FIRST NATION

### Consolidated Statement of Cash Flows

Year ended March 31, 2018 with comparative figures for 2017

	2018	2017 (note 20)
<b>Cash flows from operating activities:</b>		
Excess of revenues over expenses for the year	\$ 1,015,234	\$ 568,459
<b>Non-cash charges to operations:</b>		
Amortization of tangible capital assets	516,240	417,397
Loss on sale of tangible capital assets	-	17,536
Equity loss from Migisi Development Corporation	1,036	48,826
	1,532,510	1,052,218
<b>Change in financial assets and liabilities relating to operations:</b>		
Accounts receivable	(85,600)	(317,099)
Prepaid expenses	-	(27,444)
Accounts payable and accrued liabilities	(19,684)	(13,285)
Deferred contributions	796,327	197,892
<b>Net change in cash from operating activities</b>	2,223,553	892,282
<b>Cash flows from capital activities:</b>		
<b>Cash used to acquire tangible capital assets</b>	(1,045,509)	(466,507)
<b>Cash flows from financing activities:</b>		
<b>Repayment of long-term debt</b>	(27,237)	(2,547,580)
<b>Cash flows from investing activities:</b>		
Restricted cash - CMHC replacement and operating surplus reserves	-	(16)
Short-term investments	(1,500,000)	2,618,206
Investment in Ontario First Nation Sovereign Wealth L.P.	(2)	-
Due to Migisi Development Corporation	-	(1,000)
<b>Net change in cash from investing activities</b>	(1,500,002)	2,617,190
<b>Net change in cash for the year</b>	(349,195)	495,385
Cash, beginning of year	2,141,168	1,645,783
<b>Cash, end of year</b>	\$ 1,791,973	\$ 2,141,168

See accompanying notes to consolidated financial statements

# **DOKIS FIRST NATION**

## Notes to the Consolidated Financial Statements

March 31, 2018

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The Dokis First Nation is a First Nation community located on the boundaries that separate the Districts of Parry Sound, Sudbury and Nipissing, South-West of Lake Nipissing on the French River. The First Nation, under the direction of its Chief and Council and management, operate various programs for the benefit of its members including municipal services, health services, economic development, housing, education, and other services.

### **1. Significant accounting policies**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities established by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

**(a) Reporting entity and basis of consolidation:**

These consolidated financial statements include the assets, liabilities, accumulated surpluses/deficits, revenues and expenses of the entities that have been determined to be accountable to Dokis First Nation (“the First Nation”) and are either owned or under the control of the First Nation.

The consolidated financial statements include the assets, liabilities, and results of operations of the following entities which are currently inactive:

- Dokis Forestry Corporation Inc.
- Migisi Power Corporation
- Migisi Power Authority Inc.
- Migisi Utility Authority Inc.
- Migisi Tax Authority Inc.

Government business enterprises are accounted for using the modified equity method of accounting. The business enterprise’s accounting principles are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated. The investment in the Migisi Development Corporation is accounted for using this method.

Other investments in non-controlled entities are recorded at the lower of cost and net realizable value.

# **DOKIS FIRST NATION**

## Notes to the Consolidated Financial Statements

March 31, 2018

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### **1. Significant accounting policies, continued**

#### **(b) Basis of accounting:**

Revenues and expenses are reported using the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### **(c) Tangible capital assets:**

Tangible capital assets are recorded at cost. The First Nation provides for amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	40 years
Water & Sewer	20-40 years
Roads & bridges	30-40 years
Lagoon	20 years
Machinery & equipment	10 years
Parking lot	10 years
Fencing	10 years
Recreation facility	5 years
Office equipment	5 years

#### **(d) Revenue recognition and deferred contributions:**

Revenues from government grants and contributions are recognized in the period that the events giving rise to the government transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met; and the amount can reasonably be estimated. Funding received under the funding arrangements, which relate to a subsequent fiscal period and the unexpended portions of contributions received for specific purposes are reflected as deferred contributions in the year of receipt and are recognized as revenue in the period in which all of the recognition criteria have been met. Other revenues are recorded on the accrual basis when earned and the amount can be reasonably estimated and collection is reasonably assured. Revenue related to fees and services are recognized when the fee is earned or the service is performed.

# **DOKIS FIRST NATION**

## Notes to the Consolidated Financial Statements

March 31, 2018

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### **1. Significant accounting policies, continued**

#### **(e) Use of estimates:**

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the consolidated financial statements and reported amounts of certain revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the consolidated financial statements in future periods could be significant.

Amounts specifically affected by estimates in these consolidated financial statements are certain accounts receivable, allowance for doubtful accounts, useful lives of tangible capital assets, certain deferred contributions, amounts repayable to certain funders and fair value determinations.

#### **(f) Financial instruments:**

##### *Measurement of financial instruments*

The First Nation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The First Nation subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include cash, restricted cash, funds held in trust in by Indigenous and Northern Affairs Canada, accounts receivable, short-term investments and note receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

# **DOKIS FIRST NATION**

## Notes to the Consolidated Financial Statements

March 31, 2018

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### **1. Significant accounting policies, continued**

#### *Impairment*

Financial assets measured at other than fair value are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in operations. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the asset or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in operations up to the amount of the previously recognized impairment.

### **2. Restricted Cash - CMHC replacement and operating surplus reserves**

Under the terms of agreements with Canada Mortgage and Housing Corporation (“CMHC”) amounts are to be credited annually to replacement reserves and, where applicable, may be credited to the subsidy surplus and operating reserves. These funds must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

### **3. Short-term Investments**

Short-term investments consist of guaranteed investment certificates with maturity dates ranging from May 2018 to January 2020 at interest rates ranging from 0.05% to 1.5% per annum.

## **DOKIS FIRST NATION**

### Notes to the Consolidated Financial Statements

March 31, 2018

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#### **4. Accounts Receivable**

	2018	2017
Accounts receivable	\$ 646,921	\$ 499,555
Member loans	1,555,184	1,497,715
New housing loans	55,370	123,840
Government Remittances	22,276	34,523
Allowance for doubtful accounts	(1,733,724)	(1,695,206)
	<hr/> \$ 546,027	<hr/> \$ 460,427

#### **5. Note Receivable**

The note receivable from Migisi Development Corporation, a controlled business enterprise of the First Nation, is non-interest-bearing, unsecured and due on demand.

#### **6. Funds Held in Trust by Indigenous and Northern Affairs Canada**

Funds Held in Trust by Indigenous and Northern Affairs Canada accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

#### **7. Investment in Migisi Hydro L.P.**

Dokis First Nation holds a controlling partnership interest in Migisi Hydro L.P. The partnership is between Dokis First Nation (which holds 99.5% interest) and other corporations. The investment is being accounted for using the cost method.

# **DOKIS FIRST NATION**

## Notes to the Consolidated Financial Statements

March 31, 2018

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### **8. Deferred contributions**

Deferred contributions consist of the following:

	2018	2017
Social Services	\$ 6,705	\$ 2,273
Land Management	155,060	176,894
Maintenance Management	158,749	109,464
Culture and Recreation	690	-
Community Services	29,352	31,927
Health Services	560,096	333,104
Community Programs	46,931	37,750
Education	1,012,851	644,042
New Relationship Fund	11,799	-
Band Enterprise	535,845	731,159
Housing	309,283	33,331
Capital	163,076	94,166
	<b>\$2,990,437</b>	<b>\$ 2,194,110</b>

# DOKIS FIRST NATION

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 9. Investment and Advances to Migisi Development Corporation

The Dokis First Nation recognized a loss of \$1,036 during 2018 (2017 - \$48,826) in the accompanying financial statements.

The following summarizes the assets, liabilities, deficiency, revenues and expenses of Migisi Development Corporation:

	2018	2017
<b>Financial position</b>		
Current assets	\$ 34,817	\$ 34,848
Investments and advances	2,027,539	2,027,539
Total assets	<u>\$ 2,062,356</u>	<u>\$ 2,062,392</u>
 <b>Liabilities</b>		
Current	\$ 1,000	\$ -
Other liabilities	83	83
Note Payable	2,400,000	2,400,000
Equity (deficiency)	(338,727)	(337,691)
	<u>\$ 2,062,356</u>	<u>\$ 2,062,392</u>
 <b>Results of operations</b>		
Revenues	\$ -	\$ -
Expenses	1,036	48,826
Net Loss	<u>\$ (1,036)</u>	<u>\$ (48,826)</u>

The investment consists of the following:

Balance, beginning of year	\$ (337,691)	\$ (288,865)
First Nation share of earnings (loss)	(1,036)	(48,826)
Balance, end of year	<u>\$ (338,727)</u>	<u>\$ (337,691)</u>

## **DOKIS FIRST NATION**

### Notes to the Consolidated Financial Statements

March 31, 2018

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#### **10. Long-term debt**

	2018	2017
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$1,464 including interest at 1.82% per annum, due September 2019. Insured by Canada Mortgage and Housing Corporation. Secured by a guarantee from Indigenous and Northern Affairs Canada.	\$ 178,629	\$ 192,816
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$1,290 including interest at 1.30% per annum, due December 2020. Insured by Canada Mortgage and Housing Corporation. Secured by a guarantee from Indigenous and Northern Affairs Canada.	180,810	193,860
	<hr/> \$ 359,439	<hr/> \$ 386,676
Estimated principal re-payments, assuming renewal under similar terms and conditions, are as follows:		
2019	\$ 27,643	
2020	28,080	
2021	28,524	
2022	28,977	
2023	29,436	
Subsequent years	<hr/> 216,779	
	<hr/> \$ 359,439	

# **DOKIS FIRST NATION**

## Notes to the Consolidated Financial Statements

March 31, 2018

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### **11. Non-financial assets**

Tangible capital assets and prepaid expenses are accounted for as assets by the First Nation because they can be used to provide services to members in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

### **12. Accumulated Surplus**

	2018	2017
Unrestricted operating accumulated surplus (deficiency)	\$ 274,725	\$ 104,811
First Nation Enterprises	(338,727)	(337,691)
Restricted Ontario First Nations Limited Partnership		
Distributions, 9.1 reporting	3,071,095	2,835,046
Restricted funds held in trust in Ottawa	733,742	733,742
Restricted social housing operating surplus reserve (CMHC)	-	-
Restricted social housing replacement reserve (CMHC)	53,802	-
Equity in tangible capital assets	7,441,951	6,885,446
	<hr/> \$ 11,236,588	<hr/> \$ 10,221,354

### **13. Contingent liabilities**

#### **a) Loan guarantees:**

The First Nation is contingently liable as a guarantor with the Bank of Montreal for up to \$1,150,000 of band members housing mortgages and member loans. At March 31, 2018 these loans amounted to \$307,137 (2017-\$Nil). At March 31, 2018 a member of Council has received \$106,683 related to this mortgage program and has an approved borrowing limit of up to \$280,500.

Indigenous and Northern Affairs Canada (“INAC”) has guaranteed CMHC loans to the First Nation in the amount of \$359,439 (original \$637,600). Should the First Nation default on the loans and require payment by INAC, the amount will be deducted from the First Nation’s funds held in trust by the Government of Canada.

#### **b) Government funding:**

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various government agencies. Should these audits result in recoveries of grants, the amount of these recoveries would be recorded in the accounts in the year in which they are determined.

# **DOKIS FIRST NATION**

## Notes to the Consolidated Financial Statements

March 31, 2018

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### **14. Economic dependence**

The First Nation has a funding arrangement with Indigenous and Northern Affairs Canada which provides funds to administer operations and provide services to its members in accordance with the terms of the funding arrangement.

As this funding arrangement provides the First Nation's major source of revenue, its ability to continue viable operations are dependent upon maintaining this funding arrangement.

### **15. Financial instruments**

Transactions in financial instruments may result in an organization assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the consolidated financial statements in assessing the extent of the risk related to financial instruments. The First Nation is exposed to the following risks in respect of certain financial instruments held:

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation's main credit risk relate to its cash, accounts receivable and note receivable.

Credit risk associated with cash is minimized by ensuring these financial assets are placed with financial institutions with high credit ratings.

The First Nation is exposed to credit risk through its accounts receivables and band member loans of \$2,279,752 (2017 - \$2,155,633), exposure level is low and unchanged from the prior year.

The First Nation is also exposed to credit risk through its note receivable from Migisi Development Corporation in the amount of \$2,400,000 which is unchanged from prior year. The First Nation evaluates the credit worthiness of any borrower prior to advancing any funds and this note is currently determined to be fully collectible.

#### *Liquidity risk*

The First Nation is exposed to liquidity risk in the accounts payable and accrued liabilities of \$145,061 (2017 - \$164,745). Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains adequate assets in order to repay creditors when required.

## **DOKIS FIRST NATION**

### Notes to the Consolidated Financial Statements

March 31, 2018

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#### **16. Contribution arrangement funding provided by Indigenous and Northern Affairs Canada**

Included in the total funding of \$3,317,720 provided to the First Nation by Indigenous and Northern Affairs Canada is \$7,220 of funding provided under contribution funding arrangements. This contribution funding comprises part of the program funding of the following programs:

	Contribution Funding	Program Expenditures and Transfers
Basic Needs – Schedule 3	3,000	3,000
Funerals and Burials – Schedule 3	4,020	4,020
Special Needs– Schedule 3	200	200
	<b>\$ 7,220</b>	<b>\$ 7,220</b>

#### **17. Employee Future Benefits**

The First Nation provides a defined contribution plan for eligible employees. Members are required to contribute 5.5% of their salary. The Dokis First Nation contributes 5.5% to the member's contribution account. Employer contributions to the plan by the First Nation in the year amounted to \$70,184. Employer contributions match the employee's contributions for current service and are expensed during the year in which the services are rendered and represent the total pension obligation of the First Nation.

**DOKIS FIRST NATION**  
 Notes to the Consolidated Financial Statements  
 March 31, 2018

**18. Tangible capital assets**

2018											
Cost	Buildings	Water & Sewer	Lagoon	Roads/Bridges	Machinery & Equipment	CMHC Rental Buildings	Recreation Facility	Parking Lot	Fencing	Office Equipment	Totals
Cost											
Balance, beginning of year	\$ 6,081,622	\$ 2,028,722	\$ 1,055,121	\$ 1,417,970	\$ 1,276,840	\$ 1,002,381	\$ 580,610	\$ 17,206	\$ 28,070	\$ 63,820	\$ 13,552,362
Additions	421,383	341,196	-	15,895	137,941	349,666	-	-	-	85,928	1,045,509
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	6,503,505	2,062,918	1,055,121	1,433,865	1,414,781	1,352,047	580,610	17,206	28,070	149,748	14,597,871
Accumulated Amortization											
Balance, beginning of year	2,110,233	1,374,919	474,804	416,051	839,158	260,463	580,610	11,366	22,456	43,650	6,133,710
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	(39,154)	-	-	-	-	(39,154)
Amortization expense	267,369	51,573	52,756	40,061	92,024	19,813	-	-	-	-	555,394
Balance, end of year	2,377,602	1,426,492	527,560	456,112	931,182	241,122	580,610	13,087	2,807	27,270	-
Net book value	\$ 4,125,903	\$ 636,426	\$ 527,561	\$ 977,753	\$ 483,599	\$ 1,110,925	\$ 4,119	\$ 2,807	\$ 70,920	\$ 6,649,950	
2017											
Cost	Buildings	Water & Sewer	Lagoon	Roads/Bridges	Machinery & Equipment	CMHC Rental Buildings	Recreation Facility	Parking Lot	Fencing	Office Equipment	Totals
Cost											
Balance, beginning of year	\$ 6,081,622	\$ 2,028,722	\$ 1,055,121	\$ 1,040,858	\$ 1,214,425	\$ 1,002,381	\$ 580,610	\$ 17,206	\$ 28,070	\$ 63,820	\$ 13,112,835
Additions	-	-	-	377,112	93,895	-	-	-	-	-	471,007
Disposals	-	-	-	-	(31,480)	-	-	-	-	-	(31,480)
Balance, end of year	6,081,622	2,028,722	1,055,121	1,417,970	1,276,840	1,002,381	580,610	17,206	28,070	63,820	13,552,362
Accumulated Amortization											
Balance, beginning of year	1,958,192	1,324,201	422,048	376,520	770,372	233,634	580,610	9,645	19,649	30,886	5,725,757
Disposals	-	-	-	(9,444)	-	-	-	-	-	-	(9,444)
Amortization expense	152,041	50,718	52,756	39,531	78,230	26,829	-	1,721	2,807	12,764	417,397
Balance, end of year	2,110,233	1,374,919	474,804	416,051	839,158	260,463	580,610	11,366	22,456	43,650	6,133,710
Net book value	\$ 3,971,389	\$ 653,803	\$ 580,317	\$ 1,001,919	\$ 437,682	\$ 741,918	\$ 5,840	\$ 5,614	\$ 20,170	\$ 7,418,652	

# **DOKIS FIRST NATION**

## Notes to the Consolidated Financial Statements

March 31, 2018

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### **19. Segmented information**

The Dokis First Nation is a diversified government institution that provides a wide range of services to its members, including band government, community infrastructure, economic development, education, social development, community services, housing, and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds are 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, along with the services they provide are as follows:

#### **Band Government**

The band government function is responsible for carrying out all general band related services. This includes the setting of policies and procedures to be carried out throughout the First Nation's operations as well as overseeing the financial reporting activities of each department. The band government function also includes the activities of the Chief and Council.

#### **Community Infrastructure**

The community infrastructure department is responsible for providing public services, which include fire protection, road construction and maintenance, sanitation, water and the operation and upkeep of many of the buildings within the First Nation.

#### **Economic Development**

The economic development department is responsible for the identification and development of economic opportunities that will benefit the First Nation and its members. It also obtains funding for training and development opportunities to be carried out by its members and the employment of summer students.

#### **Band Enterprises**

This department is responsible for the operations of business activities carried out, including the rental of equipment and other activities.

## **DOKIS FIRST NATION**

### Notes to the Consolidated Financial Statements

March 31, 2018

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#### **19. Segmented information (Continued)**

##### **Education**

The education department is responsible for services provided to elementary and secondary schools primarily through service contracts with provincially funded school boards. The education department is also responsible for the tutoring of members and providing funding for post-secondary initiatives undertaken by students of the First Nation.

##### **Social Development**

The social development department provides services under the Provincial Ontario Works Program which include financial support initiatives as well as employment training initiatives.

##### **Health Services**

The community services department is responsible for the management of health and long-term care programs as well as programs for the development and engagement of the youth of the First Nation.

##### **Housing**

The housing segment reports the activities of the CMHC projects, including revenues, subsidies and expenses of the operation of each of the three phases currently in operation.

##### **Capital**

The capital department is responsible for the construction and purchasing of capital items to be used by the various departments within the First Nation. This department utilizes labour within the First Nation as well as contracts with third party entities.

19. Segmented information (Continued)

	2018												
	Band Government	Community Infrastructure	Community Programs	Economic Development	Enterprises	Band	Education	Development	Health Services	Housing	Capital	OFNLP	Totals
Revenue													
Indigenous and Northern Affairs Canada	\$ 536,294	\$ 535,083	\$ 37,381	\$ 122,466	\$ -	\$ 1,857,081	\$ 52,819	\$ 3,468	\$ -	\$ 173,128	\$ -	\$ 3,317,720	
Health Canada	-	-	-	-	-	-	-	1,410,430	-	-	-	1,410,430	
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-	-	-	-	817,730	
CMHC	-	-	-	-	-	-	-	-	278,803	-	-	278,803	
Ministry of Community and Social Services	-	-	-	-	-	-	194,219	-	-	-	-	194,219	
Deferred revenue, beginning of the year	176,894	109,464	31,927	37,750	573,396	644,042	2,273	333,104	191,094	94,166	-	2,194,110	
Other	429,608	151,245	144,261	302,981	214,021	75,274	30,829	130,353	75,994	1,043,976	(163,863)	2,434,479	
	1,142,796	795,792	213,269	463,197	787,417	2,576,397	280,140	1,877,355	54,891	1,311,270	653,887	10,641,491	
Expenses													
Wages and benefits	425,999	335,305	84,236	146,230	65,875	275,343	78,919	619,329	43,606	-	-	2,074,842	
Materials and program costs	170,912	336,053	71,655	188,999	111,089	1,141,880	203,065	195,378	25,999	102,586	-	2,548,216	
Contracted services	152,771	-	7,447	169,402	7,100	18,243	-	94,595	2,200	-	-	451,758	
Rents and financial expenses	9,043	-	-	-	-	-	-	-	6,290	-	-	15,333	
Amortization expense	-	-	-	-	-	-	-	7,662	26,738	481,840	-	516,240	
Program transfers and administration	18,533	(34,315)	8,190	(61,097)	41,145	128,080	(8,549)	421,266	157,126	-	417,818	1,083,197	
	777,258	637,043	171,528	443,534	222,209	1,563,546	273,335	1,338,730	261,959	584,526	417,818	6,694,586	
Deferred revenue, end of the year	(155,060)	(158,749)	(41,841)	(46,931)	(535,045)	(1,012,851)	(6,705)	(560,096)	(309,283)	(163,076)	-	(2,990,437)	
<b>Total</b>	<b>\$ 210,478</b>	<b>\$ -</b>	<b>\$ (27,268)</b>	<b>\$ 26,363</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (21,471)</b>	<b>\$ (25,351)</b>	<b>\$ 563,568</b>	<b>\$ 236,049</b>	<b>\$ 962,468</b>		

## **DOKIS FIRST NATION**

### Notes to the Consolidated Financial Statements

March 31, 2018

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#### **20. Comparative figures**

The comparative figures presented in these consolidated financial statements were reported on by another Chartered Professional Accountant who issued an unqualified audit opinion in his Independent Auditor's Report dated July 21, 2017.

Certain comparative figures have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year surplus.

#### **21. Investment in Ontario First Nations Sovereign Wealth L.P.**

During the year, the First Nation invested in 1 share of the Ontario First Nations Asset Management Corporation, and a 0.5915% interest in the Ontario First Nations Sovereign Wealth Limited Partnership. The Partnership and Corporation control a partnership that owns shares of Hydro One and hold capital wealth funds. The investment has been reflected in the accompanying consolidated financial statements using the cost method at \$2. During the year, there were no other contributions made to the Partnership. Also, the First Nation did not receive any distributions from the Partnership.