

Consolidated Financial Statements of

# **NIPISSING FIRST NATION**

And Independent Auditors' Report thereon

Year ended March 31, 2021

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

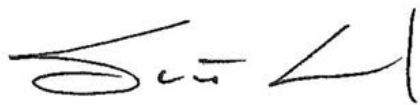
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Nipissing First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and Nipissing First Nation's assets are appropriately accounted for and adequately safeguarded.

Nipissing First Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

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



Chief



Chief Executive Officer



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## INDEPENDENT AUDITORS' REPORT

To the Members of Nipissing First Nation

### ***Opinion***

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

- the consolidated statement of financial position as at March 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of remeasurement gains
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB).

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

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

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

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations or has no realistic alternative but to do so.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group First Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 20, 2021

# NIPISSING FIRST NATION

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Year ended March 31, 2021

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# NIPISSING FIRST NATION

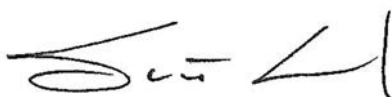
## Exhibit A - Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
<b>Financial assets</b>		
Cash and cash equivalents	\$ 27,765,040	\$ 18,677,688
Restricted cash and investments (note 4)	11,439,486	10,011,590
Accounts and grants receivable (note 5)	3,555,601	3,088,151
Housing mortgages and other long-term receivables (note 6)	9,431,952	9,376,071
Restricted assets - Nipissing 2013 Boundary		
Claim Trust (note 7)	96,507,744	94,733,352
Funds held in trust by the Government of Canada (note 8)	292,213	290,779
	<u>148,992,036</u>	<u>136,177,631</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 9)	7,584,011	6,771,702
Prepaid leases	165,236	85,502
Deferred program revenue (note 11)	13,224,521	6,383,046
Due to minors	6,282,520	6,931,804
Long-term debt (note 12)	6,097,168	6,418,578
	<u>33,353,456</u>	<u>26,590,632</u>
Net financial assets	115,638,580	109,586,999
<b>Non-financial assets</b>		
Tangible capital assets (note 13)	47,793,026	47,754,954
Prepaid expenses	178,731	184,587
	<u>47,971,757</u>	<u>47,939,541</u>
Commitments and contingent liabilities (notes 14)		
Effects of COVID-19 (note 20)		
Accumulated surplus (note 15)	\$ 163,610,337	\$ 157,526,540

See accompanying notes to consolidated financial statements.

Approved:



Chief



Chief Executive Officer

# NIPISSING FIRST NATION

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

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Indigenous Services Canada (note 16)	\$ 7,462,702	\$ 6,898,985
Other	5,716,734	9,606,163
Ministry of Community and Social Services	1,758,787	2,018,683
Ontario First Nations Limited Partnership	1,414,976	1,436,289
Ministry of Education	717,985	653,172
Other provincial	2,213,544	4,597,690
Kinoomaadziwin Education Body	5,998,019	6,065,688
Union of Ontario Indians (note 17)	1,639,660	1,276,300
Canada Mortgage and Housing Corporation	366,899	287,068
	27,289,306	32,840,038
Expenses:		
Education	6,651,833	6,530,615
Other	3,482,142	5,462,442
Community Operations	5,308,226	5,043,027
Health Services	4,774,432	8,212,881
Social Services	2,890,943	3,325,469
Capital	1,737,946	1,787,912
First Nation Enterprises	956,446	772,760
Housing	485,085	582,474
	26,287,053	31,717,580
Excess of revenue over expenses before the undernoted	1,002,253	1,122,458
Vacation expense (recovery)	(101,729)	20,808
	900,524	1,143,266
The Nipissing 2013 Boundary Claim Trust:		
Investment income	4,651,673	7,406,154
Nipissing First Nation expenditures	(1,652,512)	(902,607)
Other expenses	(525,280)	(502,395)
	2,473,881	6,001,152
Unrealized gain on investment	2,709,392	4,805,778
Annual surplus	6,083,797	11,950,196
Accumulated surplus, beginning of year	157,526,540	145,576,344
Accumulated surplus, end of year	\$ 163,610,337	\$ 157,526,540

See accompanying notes to consolidated financial statements.



# NIPISSING FIRST NATION

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

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus	\$ 6,083,797	\$ 11,950,196
Acquisition of tangible capital assets	(2,681,101)	(4,027,047)
Amortization of tangible capital assets	2,643,029	2,391,126
Proceeds on disposal of tangible capital assets	-	111,569
	6,045,725	10,425,844
Change in prepaid expenses	5,856	(133,052)
Change in net financial assets	6,051,581	10,292,792
Net financial assets, beginning of year	109,586,999	99,294,207
Net financial assets, end of year	\$ 115,638,580	\$ 109,586,999

See accompanying notes to consolidated financial statements.

# NIPISSING FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Operating activities:		
Annual surplus	\$ 6,083,797	\$ 11,950,196
Adjustments for non-cash items:		
Amortization of tangible capital assets	2,643,029	2,391,126
	8,726,826	14,341,322
Changes in non-cash working capital:		
Increase in accounts and grants receivable	(467,450)	(70,850)
Increase in accounts payable and accrued liabilities	812,309	1,504,410
Increase (decrease) in prepaid leases	79,734	(99,987)
Increase in deferred program revenue	6,841,475	3,183,995
Decrease (increase) in prepaid expenses	5,856	(133,052)
	15,998,750	18,725,838
Capital activities:		
Acquisition of tangible capital assets	(2,681,101)	(4,027,047)
Proceeds on disposal of tangible capital assets	-	111,569
	(2,681,101)	(3,915,478)
Financing activities:		
Principal payments on long-term debt	(322,844)	(266,931)
Due to minors	(649,284)	(596,612)
	(972,128)	(863,543)
Investing activities:		
Increase in restricted investments	(1,747,392)	(8,705,033)
Increase in housing mortgages and other long-term receivables	(55,881)	(2,161,790)
Increase in short-term investments	(1,427,896)	(364,652)
	(3,231,169)	(11,231,475)
Increase in cash	9,114,352	2,715,342
Cash and cash equivalents, beginning of year	18,677,688	15,962,346
Cash and cash equivalents, end of year	\$ 27,792,040	\$ 18,677,688

See accompanying notes to consolidated financial statements.

# NIPISSING FIRST NATION

## Exhibit E - Consolidated Statement Measurement of Gains

Year ended March 31, 2021, with comparative information for 2020

	2021		2020	
Accumulated remeasurement gains, beginning of year	\$	12,108,526	\$	7,302,748
Unrealized gains on investments		2,709,392		4,805,778
Accumulated remeasurement gains, end of year	\$	14,817,918	\$	12,108,526

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

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Nipissing First Nation (the "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. First-time adoption of PSAB Section 3450 – Financial Instruments:

These are the First Nation's first financial statements prepared in accordance with PSAB Section 3450. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the years ended March 31, 2021 and March 31, 2020.

The adoption of PSAB Section 3450 has resulted in recognizing an increase in investments of \$7,291,925, an increase of cash and cash equivalents of \$10,823 and an increase in opening First Nation accumulated surplus of \$7,302,748 as at April 1, 2019. For the year ended March 31, 2020, a change in unrealized gains on investments of \$4,805,778 was recognized on the statement of income which was not previously reported under the previous accounting framework. The \$4,805,778 change in unrealized gains has been reflected as a decrease to operating activities on the Statement of Cash Flows for the year ended March 31, 2020.

### 2. 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)
- 1073059 Ontario Inc.
- N'Bisiing Forestry Inc.
- Nipissing 2013 Boundary Claim Trust
- NFN Solar LP
- NFN Solar GP Inc.
- Nipissing Solar (SPN) LP
- Nipissing Solar (SPN) GP Inc.
- Bineshii Projects LP
- Bineshii Projects GP Inc.
- Nipissing (Community Developments) LP
- Nipissing (Community Developments) GP Inc.

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

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

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

(b) Basis of accounting:

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

(c) Government transfers and other revenue recognition:

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

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

(d) Deferred revenue:

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

(e) Employee future benefits:

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

(f) Tangible capital assets:

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

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

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

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

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

(g) 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.

(h) Cash and cash equivalents:

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

(i) 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.

(j) Financial instruments:

All financial instruments are initially recorded on the consolidated statement of financial position at fair value.

All investments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses until they are realized, when they are transferred to the consolidated statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains losses associated with that instrument is removed from net assets and recognized in the consolidated statement of operations.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

## 3. Consolidated entities:

Summarized financial information for the consolidated entities is as follows:

	Solar LP	Boundary Claim Trust	1073059 Ontario Inc.	N'Bisiing Forestry Inc.	Nipissing (Community Developments) LP	NFN Solar (SPN) LP	Bineshii Projects LP	General Partner Corporations	Total 2021	Total 2020
<b>Financial position:</b>										
Current asset	\$ 642,956	\$ 4,239,041	\$ 5,688	\$ 1,308	\$ 3,190,970	\$ 132,799	\$ 110,363	\$ 4	\$ 8,323,129	\$ 9,317,157
Long-term assets	-	92,268,703	250,000	-	2,267,560	843,266	-	-	95,629,529	91,785,045
Capital assets	393,525	-	2,129,633	-	-	-	-	-	2,523,158	2,548,758
Total assets	1,036,481	96,507,744	2,385,321	1,308	5,458,530	976,065	110,363	4	106,475,816	103,650,960
Current liabilities	1,034,002	1,272,183	7,500	145,569	-	-	27,280	-	2,486,534	2,943,864
Long term liabilities	-	5,410,568	-	-	-	-	-	-	5,410,568	6,224,413
Total liabilities	1,034,002	6,682,751	7,500	145,569	-	-	27,280	-	7,897,102	9,168,277
Net assets (deficiency)	\$ 2,479	\$ 89,824,993	\$ 2,377,821	\$ (144,261)	\$ 5,458,530	\$ 976,065	\$ 83,083	\$ 4	\$ 98,578,714	\$ 94,482,683
<b>Results of operations:</b>										
Revenues	\$ 107,568	\$ 7,361,065	\$ 11,463	\$ -	\$ 862,823	\$ 191,191	\$ 89,604	\$ -	\$ 8,623,714	\$ 12,740,074
Expenses	57,233	487,174	11,463	58,363	-	28,090	59,293	-	701,616	713,631
Net income (loss)	\$ 50,335	\$ 6,873,891	\$ -	\$ (58,363)	\$ 862,823	\$ 163,101	\$ 30,311	\$ -	\$ 7,922,098	\$ 12,026,443

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

### 4. Restricted cash and investments:

Restricted cash and investments consist of the following:

	2021	2020
Cash	\$ 7,056,874	\$ 6,566,930
Term deposits	3,311,250	3,236,121
Other	1,071,362	208,539
	<u>\$ 11,439,486</u>	<u>\$ 10,011,590</u>

Term deposits consist of guaranteed investment certificates with maturities ranging from 2021 to 2024 and bear interest at rates ranging from 0.55% to 3.01%.

Under the terms of the agreement with the Ontario First Nations Limited Partnership \$3,311,250 (2020 - \$3,236,122) of short-term investments is restricted in use and is to be expended on community development, health, education, economic development and cultural development.

Under the terms of the agreement with the Bank of Montreal \$500,434 (2020 - \$500,434) of short-term investments was pledged as security for a loan as described in note 12(c).

Other represents the First Nation's equity in a partnership with Miller Paving Limited.

### 5. Accounts and grants receivable:

	2021	2020
Indigenous Services Canada	\$ 148,719	\$ 139,452
School Boards	257,449	275,658
Union of Ontario Indians	966,848	541,407
Canada Revenue Agency	221,155	201,748
Kinoomaadziwin Education Body	4,860	464,798
Other	2,072,357	1,584,646
	<u>3,671,388</u>	<u>3,207,709</u>
Less: allowance for doubtful accounts	(115,787)	(119,558)
	<u>\$ 3,555,601</u>	<u>\$ 3,088,151</u>



# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

### 6. 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 15 at the bank's prime rate +1%.

	2021	2020
Housing mortgages	\$ 6,884,703	\$ 6,871,089
Fur Dresser building mortgage	250,000	333,333
Off-reserve solar projects loans	976,065	843,391
First Nations Finance Authority debt reserve fund	133,234	133,234
Natural Gas - Aid to construct loans	39,294	63,984
Nipissing-Miller LP - non-interest bearing note	1,196,198	1,196,198
	9,479,494	9,441,229
Provision for loan impairment - housing mortgages	(47,542)	(65,158)
	\$ 9,431,952	\$ 9,376,071

### 7. Restricted Assets - Nipissing 2013 Boundary Claim Trust:

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

	2020	2019
Cash and cash equivalents	\$ 4,740,942	\$ 6,046,606
Investments:		
Bonds	37,945,189	36,740,411
Marketable securities	53,821,613	51,946,335
	91,766,802	88,686,746
	\$ 96,507,744	\$ 94,733,352

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

### 7. Restricted Assets - Nipissing 2013 Boundary Claim Trust (continued):

Included in bonds are various Federal, Provincial and Corporate Bonds maturing from 2020 - 2032 with interest rates ranging from 1.00% - 6.5%.

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, 2020, and there have been no significant changes as of March 31, 2021.

The cost and market value of cash and cash equivalents and investments at March 31, 2021 was \$81,998,075 and \$96,620,607 (2020 - \$78,693,616 and \$82,182,197 respectively).

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

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

	2021	2020
Balance, beginning of year	\$ 290,779	\$ 290,779
Interest income	3,653	5,714
Withdrawals	(2,219)	(5,714)
Balance, end of year	\$ 292,213	\$ 290,779

### 9. Accounts payable and accrued liabilities:

	2021	2020
Trade payables	\$ 4,407,423	\$ 1,760,409
Educational institutions	-	1,070,136
Repayable funding	1,779,402	2,764,289
Personnel liabilities	843,879	699,984
1073059 Ontario Inc. supplier accounts payable	7,500	5,999
N'Bisiing Forestry Inc. supplier accounts payable	145,569	10,694
Boundary Claim Trust supplier accounts payable	400,238	460,191
	\$ 7,584,011	\$ 6,771,702

### 10. Due to minors:

During the year, as a result of the adoption of new accounting policies, The Nipissing 2013 Boundary Claim Trust retrospectively recognized a liability representing all contractual payments due to minors at the inception of the trust. For the year ended March 31, 2020, the impact of this transaction resulted in a decrease in opening accumulated surplus of \$7,304,635, a decrease in total charges against equity of \$372,831 during 2020 and an increase in due to minors of \$6,931,804.

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

### 11. Deferred program revenue:

	2021	2020
Community Operations Programs:		
Water and wastewater	\$ 356,502	\$ 336,358
CHRT Funding	390,161	190,600
Treatability Study (INAC)	353,532	-
Roads	-	4,337
Fire protection	438,379	12,080
Emergency funds (COVID-19)	773,856	47,887
Waste Management	606,345	-
Community Buildings	60,234	-
Education Programs:		
N'Bisiing Education Center	420,000	435,000
Special Education	240,240	419,835
Elementary/Secondary Tuition	1,902,116	847,747
N'Bisiing Bus Line	273,266	-
Capital Programs:		
RRAP Grants	27,045	26,725
General housing	589,380	303,530
Capital Buildings	282,502	-
Social Services Programs:		
Daycare	895,762	479,481
Ontario Works	289,209	55,641
Native Child Welfare Program	795,619	743,293
Food Bank	-	-
Child and family services	625,548	133,121
Health Services:		
Community Health Illness and Injury Prevention	84,073	110,749
Health Planning and Quality Management	261,054	203,172
Aboriginal Diabetes Initiative	135,447	82,413
Home and Community Care	366,120	295,376
Maternal Child Health	60,119	52,242
Building Healthy Communities	207,562	99,824
Medical Transportation	114,445	87,771
Aboriginal Working Group	141,007	4,719
Homemaker	65,834	23,626
NNADAP	52,005	53,631
Early Childhood Development	28,225	22,329
Operations and maintenance	12,528	-
Family Well Being	177,734	98,377
Child and family services	137,238	65,238
Health information management	805,867	253,232
Jordan Principle	61,930	-
Community Wellbeing Outreach	308,916	-
Other Programs:		
Ontario Women's Directorate	-	211,966
Ministry of Natural Resources	19,872	77,740
LMI Skills Inventory	19,957	15,521
Land Management	338,475	289,259
Little NHL Host	278,976	278,976
Economic development	93,748	21,250
Cultural Programming	34,487	-
Employment	99,206	-
	\$ 13,224,521	\$ 6,383,046

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

### 12. Long-term debt:

	2021	2020
CMHC Phase 8 loan, payable \$1,026 monthly including principal and interest at 0.98%, unsecured, maturing March, 2020	\$ 213,432	\$ 223,795
Cockburn Road Apartment Complex loan payable \$2,578 monthly including principal and interest at 1.08%, unsecured, maturing August, 2020	128,350	158,006
Duchesnay Apartment Complex loan, payable \$2,331 monthly including principal and interest at 1.05%, unsecured, maturing August, 2021	274,065	299,053
Margaret Drive Apartment Complex loan, payable \$4,554 monthly including principal and interest at 2.39%, unsecured, maturing March, 2023	200,448	249,809
CMHC Phase 5 loan, payable \$2,451 monthly including principal and interest at 1.30%, unsecured, maturing December, 2020	269,024	295,257
CMHC Phase 6 loan, payable \$2,543 monthly including principal and interest at 1.05%, unsecured, maturing August, 2021	434,632	460,484
CMHC Phase 9 loan, payable \$1,578 monthly including principal and interest at 1.39%, unsecured, maturing June, 2020	319,248	334,657
CMHC Phase 7 loan, payable \$5,260 monthly including principal and interest at 2.52%, unsecured, maturing September, 2023	895,233	935,539
First Nation Finance Authority debenture, payable \$10,821 monthly including principal and interest at 3.79%, unsecured, maturing June, 2024	2,015,014	2,067,075
CMHC Phase 10 loan, payable \$4,276 monthly including principal and interest at 2.21%, unsecured, maturing February 2024	925,785	956,497
Waubetek loan, payable \$3,753 monthly including principal and interest at 4.6%, secured by the assets of Bineshii Projects LP, maturing November 2038	359,637	371,906
Waubetek loan, payable \$292 monthly, interest free secured by the assets of Bineshii Projects LP, maturing November 2038	62,300	66,500
	\$ 6,097,168	\$ 6,418,578

Total interest expense during the year amounted to \$81,181 (2020 - \$168,838).

The aggregate maturities of long-term debt for loans with fixed repayment terms for each of the five years subsequent to March 31, 2021 are as follows: 2022 - \$986,486; 2023 - \$382,362; 2024 - \$1,835,993; 2025 - \$1,947,034; 2026 - \$615,075 and thereafter - \$321,255.

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

## 13. Tangible capital assets:

Cost	2020	Additions	Disposals	Transfers	2021
Land	\$ 1,667,270	\$ -	\$ -	\$ -	\$ 1,667,270
Land improvements	510,116	-	-	-	510,116
Buildings	31,877,663	1,166,596	-	-	33,044,259
Machinery and equipment	2,836,207	98,565	-	-	2,934,772
Furniture and equipment	1,094,781	64,365	-	-	1,159,146
Books and resource material	351,668	-	-	-	351,668
Computer equipment	1,087,876	451,984	-	-	1,539,860
Vehicles	4,652,568	692,352	-	-	5,344,920
Roads, bridges and culverts	11,939,676	207,240	-	-	12,146,916
Water and waste water	16,547,116	-	-	-	16,547,116
Street lights and signs	66,152	-	-	-	66,152
<b>Total</b>	<b>\$ 72,631,093</b>	<b>\$ 2,681,102</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,312,195</b>

Accumulated Amortization	2020	Amortization expense	Disposals	Transfers	2021
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	386,429	9,567	-	-	395,996
Buildings	10,166,612	1,087,584	-	-	11,254,196
Machinery and equipment	1,698,060	122,377	-	-	1,820,437
Furniture and equipment	770,743	97,012	-	-	867,755
Books and resource material	312,973	11,336	-	-	324,309
Computer equipment	634,008	161,860	-	-	795,868
Vehicles	2,744,888	476,309	-	-	3,221,197
Roads, bridges and culverts	4,024,671	248,208	-	-	4,272,879
Water and waste water	4,110,156	423,321	-	-	4,533,477
Street lights and signs	27,599	5,456	-	-	33,055
<b>Total</b>	<b>\$ 24,876,139</b>	<b>\$ 2,643,030</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,519,169</b>

	Net book value 2020	Net book value 2021
Land	\$ 1,667,270	\$ 1,667,270
Land improvements	123,687	114,120
Buildings	21,711,051	21,790,063
Machinery and equipment	1,138,147	1,114,335
Furniture and equipment	324,038	291,391
Books and resource material	38,695	27,359
Computer equipment	453,868	743,992
Vehicles	1,907,680	2,123,723
Roads, bridges and culverts	7,915,005	7,874,037
Water and waste water	12,436,960	12,013,639
Street lights and signs	38,553	33,097
<b>Total</b>	<b>\$ 47,754,954</b>	<b>\$ 47,793,026</b>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

## 13. Tangible capital assets (continued):

Cost	2019	Additions	Disposals	Transfers	2020
Land	\$ 1,667,270	\$ -	\$ -	\$ -	\$ 1,667,270
Land improvements	510,116	-	-	-	510,116
Buildings	28,557,252	2,449,200	-	871,211	31,877,663
Machinery and equipment	2,808,871	27,336	-	-	2,836,207
Furniture and equipment	992,138	214,212	(111,569)	-	1,094,781
Books and resource material	351,668	-	-	-	351,668
Computer equipment	752,187	335,689	-	-	1,087,876
Vehicles	3,919,396	733,172	-	-	4,652,568
Roads, bridges and culverts	11,829,092	110,584	-	-	11,939,676
Water and waste water	16,399,982	147,134	-	-	16,547,116
Street lights and signs	56,432	9,720	-	-	66,152
Assets under construction	871,211	-	-	(871,211)	-
Total	\$ 68,715,615	\$ 4,027,047	\$ (111,569)	\$ -	\$ 72,631,093

Accumulated Amortization	2019	Amortization expense	Disposals	Transfers	2020
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	376,861	9,568	-	-	386,429
Buildings	9,188,858	977,754	-	-	10,166,612
Machinery and equipment	1,578,163	119,897	-	-	1,698,060
Furniture and equipment	709,787	60,956	-	-	770,743
Books and resource material	298,116	14,857	-	-	312,973
Computer equipment	542,316	91,692	-	-	634,008
Vehicles	2,301,288	443,600	-	-	2,744,888
Roads, bridges and culverts	3,778,050	246,621	-	-	4,024,671
Water and waste water	3,689,042	421,114	-	-	4,110,156
Street lights and signs	22,532	5,067	-	-	27,599
Assets under construction	-	-	-	-	-
Total	\$ 22,485,013	\$ 2,391,126	\$ -	\$ -	\$ 24,876,139

	Net book value 2019	Net book value 2020
Land	\$ 1,667,270	\$ 1,667,270
Land improvements	133,255	123,687
Buildings	19,368,394	21,711,051
Machinery and equipment	1,230,708	1,138,147
Furniture and equipment	282,351	324,038
Books and resource material	53,552	38,695
Computer equipment	209,871	453,868
Vehicles	1,618,108	1,907,680
Roads, bridges and culverts	8,051,042	7,915,005
Water and waste water	12,710,940	12,436,960
Street lights and signs	33,900	38,553
Assets under construction	871,211	-
Total	\$ 46,230,602	\$ 47,754,954

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

### 14. Commitments and contingent liabilities:

- (a) The First Nation is involved in certain legal matters from time to time, the outcomes of which are not presently determinable. The effects, if any, from such contingencies will be accounted for in the periods in which the matters are resolved.
- (b) The First Nation has guaranteed the housing loans of various members. Total loans guaranteed amount to \$4,165,594 (2020 - \$3,821,966).
- (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, 2021, its proportional outstanding loan balance as part of the Trust is \$485,750 (2020 - \$485,750).

### 15. Accumulated surplus:

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

	2021	2020
Reserves set aside by Council:		
Bus replacement reserve	\$ 693,352	\$ 876,391
Education centre capital reserve	100,000	100,000
Education centre programming reserve	37,400	37,400
Senior's Complex	55,474	55,474
CMHC apartment complex	312,918	271,508
Funds held in trust by the Government of Canada	292,213	290,779
Enhancement funds	11,394,742	10,761,658
Housing reserve	2,646,238	2,646,238
Boundary Claim Trust	9,584,934	8,581,321
Nipissing Warriors fundraising reserve	623,076	623,076
Externally restricted	96,051,945	92,343,700
Invested in tangible capital assets	41,695,858	41,336,376
Unrestricted	122,227	(397,381)
	\$ 163,610,377	\$ 157,526,540

# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

### 16. Funding reconciliation:

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

	2021	2020
ISC revenue per consolidated statement of operations	\$ 7,462,702	\$ 6,898,985
Less: prior year deferred revenue	(2,577,241)	(1,207,856)
Add: ending deferred revenue	7,501,138	2,577,241
ISC revenue per funding confirmation	\$ 12,386,599	\$ 8,268,370

### 17. Union of Ontario Indians funding:

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

### 18. Employee future benefits:

The annual net expense for the First Nation's defined contribution pension plan was \$349,310 (2020 - \$362,220).

### 19. Budget information:

Budget information has not been presented.

### 20. Effects of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the First Nation's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect to the First Nation's business is not known at this time.



# NIPISSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

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### 21. Comparative Information:

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2021 financial statements.

### 22. 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, 2021

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## 22. 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 22 - Segmented Information (continued)

Year ended March 31, 2021

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2021 Total
<b>Revenue</b>									
Indigenous Services Canada	\$ 2,941,715	76,435	467,632	-	240,287	3,097,040	17,679	621,614	7,462,402
Other	307,602	1,078,071	327,541	1,442,551	137,687	(11,875)	445,707	1,989,450	5,716,734
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	1,414,976	1,414,976
Ministry of Education	-	-	-	-	678,662	39,323	-	-	717,985
Ministry of Community and Social Services	-	-	-	-	1,367,224	349,523	-	42,040	1,758,787
Kinoomaadziwin Education Body	176,324	5,821,695	-	-	-	-	-	-	5,998,019
Other Provincial	289,653	-	-	-	-	1,218,166	-	705,724	2,213,543
Union of Ontario Indians	99,583	70,746	-	-	364,797	236,041	-	868,523	1,639,690
Canada Mortgage and Housing Corporation	-	-	124,055	-	-	-	242,845	-	366,900
	3,814,877	7,046,947	919,228	1,442,551	2,788,657	4,928,218	706,231	5,642,327	27,289,036
<b>Expenses:</b>									
Material and supplies	2,030,045	4,796,985	419,166	894,669	1,548,414	2,558,612	230,800	1,407,555	13,886,246
Salaries, wages and employee benefits	2,385,421	1,595,934	301,986	-	1,288,163	2,121,494	-	1,893,165	9,586,163
Amortization of tangible capital assets	847,822	258,917	1,016,793	-	54,363	94,325	189,653	181,157	2,643,030
Interest on long-term debt	44,935	-	-	61,777	-	-	64,632	-	171,344
	5,308,223	6,651,836	1,737,945	956,446	2,890,940	4,774,431	485,085	3,481,877	26,286,783
<b>Excess (deficiency) of revenue over expenses before the undernoted items</b>	<b>(1,493,346)</b>	<b>395,111</b>	<b>(818,717)</b>	<b>486,105</b>	<b>(102,283)</b>	<b>153,787</b>	<b>221,146</b>	<b>2,160,450</b>	<b>1,002,253</b>
<b>Vacation (expense) recovery</b>	<b>(12,143)</b>	<b>(2,812)</b>	<b>(10,029)</b>	<b>-</b>	<b>(12,944)</b>	<b>(63,154)</b>	<b>-</b>	<b>(647)</b>	<b>(101,729)</b>
<b>The Nipissing 2013 Boundary Claim Trust:</b>									
Investment income	-	-	-	-	-	-	-	7,361,065	7,361,065
Other expenses	-	-	-	-	-	-	-	(2,177,792)	(2,177,792)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,505,489)</b>	<b>392,299</b>	<b>(828,746)</b>	<b>486,105</b>	<b>(115,227)</b>	<b>90,633</b>	<b>221,146</b>	<b>7,343,076</b>	<b>6,083,797</b>

# NIPISSING FIRST NATION

Notes to Consolidated Financial Statements  
Note 22 - Segmented Information (continued)

Year ended March 31, 2021

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2020 Total
<b>Revenue</b>									
Indigenous Services Canada	\$ 2,159,412	-	821,427	-	400,319	2,882,570	-	677,573	6,941,301
Other	1,574,708	1,075,729	442,667	1,327,139	153,211	1,075,861	443,069	3,513,779	9,606,163
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	1,436,289	1,436,289
Ministry of Education	-	-	-	-	617,174	35,998	-	-	653,172
Ministry of Community and Social Services	-	-	-	-	1,474,491	350,621	-	193,571	2,018,683
Kinooamaadziwin Education Body	176,324	5,889,364	-	-	-	-	-	-	6,065,688
Other Provincial	145,910	-	-	8,810	-	3,754,335	-	688,635	4,597,690
Union of Ontario Indians	188,500	81,731	155,010	-	288,448	116,512	-	446,099	1,276,300
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	244,752	-	244,752
	4,244,854	7,046,824	1,419,104	1,335,949	2,933,643	8,215,897	687,821	6,955,946	32,840,038
<b>Expenses:</b>									
Material and supplies	1,976,699	4,781,488	497,051	705,835	1,697,907	5,603,895	320,084	3,448,067	19,031,026
Salaries, wages and employee benefits	2,268,775	1,514,109	333,586	-	1,578,464	2,537,207	-	1,885,235	10,117,376
Amortization of tangible capital assets	759,163	235,018	957,275	-	49,098	71,779	189,653	129,140	2,391,126
Interest on long-term debt	38,390	-	-	66,925	-	-	72,737	-	178,052
	5,043,027	6,530,615	1,787,912	772,760	3,325,469	8,212,881	582,474	5,462,442	31,717,580
<b>Excess (deficiency) of revenue over expenses before the undernoted items</b>	(798,173)	516,209	(368,808)	563,189	(391,826)	3,016	105,347	1,493,504	1,122,458
<b>Vacation (expense) recovery</b>	(28,678)	19,827	1,859	-	(11,658)	(10,923)	-	50,381	20,808
<b>The Nipissing 2013 Boundary Claim Trust:</b>									
Investment income	-	-	-	-	-	-	-	12,211,932	12,211,932
Other expenses	-	-	-	-	-	-	-	(1,405,002)	(1,405,002)
<b>Excess (deficiency) of revenue over expenses</b>	\$ (826,851)	536,036	(366,949)	563,189	(403,484)	(7,907)	105,347	12,350,815	11,950,196