

Consolidated Financial Statements of

NIPISSING FIRST NATION

And Independent Auditors' Report thereon

Year ended March 31, 2022

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, 2022
- the consolidated statement of operations and accumulated operating 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 for the year then ended
- and the notes and schedules 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 consolidated financial position of the First Nation as at March 31, 2022, and its consolidated results of operations, its consolidated remeasurement gains, and its consolidated 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.



Page 2

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

Responsibility of Management and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

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.



Page 3

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 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

August 5, 2022

NIPISSING FIRST NATION

Index to Consolidated Financial Statements

Year ended March 31, 2022

Consolidated Financial Statements:		Page
Exhibit A	Consolidated Statement of Financial Position	1
Exhibit B	Consolidated Statement of Operations and Accumulated Operating Surplus	2
Exhibit C	Consolidated Statement of Changes in Net Financial Assets	3
Exhibit D	Consolidated Statement of Cash Flows	4
Exhibit E	Consolidated Statement Remeasurement of Gains	5
Notes to Consolidated Financial Statements		6 - 22

NIPISSING FIRST NATION

Exhibit A - Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Financial assets		
Cash and cash equivalents	\$ 37,935,185	\$ 27,765,040
Restricted cash and investments (note 4)	13,711,930	11,439,486
Accounts and grants receivable (note 5)	9,697,070	3,555,601
Housing mortgages (note 6)	6,462,743	6,837,161
Other long-term receivables (note 6)	1,374,663	2,594,791
Restricted assets - Nipissing 2013 Boundary		
Claim Trust (note 7)	103,655,423	96,507,744
Funds held in trust by the Government of Canada (note 8)	290,779	292,213
	173,127,793	148,992,036
Financial liabilities		
Accounts payable and accrued liabilities (note 9)	6,713,311	7,584,011
Prepaid leases	38,259	165,236
Deferred program revenue (note 10)	31,287,377	13,224,521
Due to minors	5,842,309	6,282,520
Long-term debt (note 11)	6,330,621	6,097,168
	50,211,877	33,353,456
Net financial assets	122,915,916	115,638,580
Non-financial assets		
Tangible capital assets (note 12)	49,146,319	47,793,026
Prepaid expenses	204,656	178,731
	49,350,975	47,971,757
Commitments and contingent liabilities (note 13)		
Effects of COVID-19 (note 19)		
Accumulated surplus (note 14)	\$ 172,266,891	\$ 163,610,337
Accumulated surplus is comprised of:		
Accumulated operating surplus	156,088,643	148,792,419
Accumulated remeasurement gains	16,178,248	14,817,918
	172,266,891	163,610,337

See accompanying notes to consolidated financial statements.

Approved:


Chief


Chief Executive Officer

NIPISSING FIRST NATION

Exhibit B - Consolidated Statement of Operations and Accumulated Operating Surplus

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Indigenous Services Canada (note 15)	\$ 9,563,202	\$ 7,462,702
Other	8,370,444	5,716,734
Ministry of Community and Social Services	1,792,262	1,758,787
Ontario First Nations Limited Partnership	868,177	1,414,976
Ministry of Education	747,280	717,985
Other provincial	2,586,441	2,213,544
Kinoomaadziwin Education Body	5,902,556	5,998,019
Union of Ontario Indians (note 16)	1,127,017	1,639,660
Canada Mortgage and Housing Corporation	276,476	366,899
	31,233,855	27,289,306
Expenses:		
Education	7,271,925	6,651,833
Other	3,873,704	3,482,142
Community Operations	6,373,124	5,308,226
Health Services	4,515,136	4,774,432
Social Services	3,211,332	2,890,943
Capital	4,500,065	1,737,946
First Nation Enterprises	1,232,762	956,446
Housing	563,994	485,085
	31,542,042	26,287,053
Excess (deficiency) of revenue over expenses before the undern	(308,187)	1,002,253
Vacation expense (recovery)	(90,062)	(101,729)
	(398,249)	900,524
The Nipissing 2013 Boundary Claim Trust:		
Investment income	9,959,010	4,651,673
Nipissing First Nation expenditures	(1,512,307)	(1,652,512)
Other expenses	(752,230)	(525,280)
	7,694,473	2,473,881
Unrealized gains on investment	1,360,330	2,709,392
Excess of revenue over expenses	8,656,554	6,083,797
Accumulated surplus, beginning of year	163,610,337	157,526,540
Accumulated surplus, end of year	\$ 172,266,891	\$ 163,610,337

See accompanying notes to consolidated financial statements.

NIPISSING FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Excess of revenues over expenses	\$ 8,656,554	\$ 6,083,797
Acquisition of tangible capital assets	(4,132,776)	(2,681,101)
Amortization of tangible capital assets	2,779,483	2,643,029
	7,303,261	6,045,725
Change in prepaid expenses	(25,925)	5,856
Change in net financial assets	7,277,336	6,051,581
Net financial assets, beginning of year	115,638,580	109,586,999
Net financial assets, end of year	\$ 122,915,916	\$ 115,638,580

See accompanying notes to consolidated financial statements.

NIPISSING FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Operating activities:		
Excess of revenue over expenses	\$ 8,656,554	\$ 6,083,797
Adjustments for non-cash items:		
Amortization of tangible capital assets	2,779,483	2,643,029
	11,436,037	8,726,826
Changes in non-cash working capital:		
Increase in accounts and grants receivable	(6,141,469)	(467,450)
Increase (decrease) in accounts payable and accrued liabilities	(870,700)	812,309
Increase (decrease) in prepaid leases	(126,977)	79,734
Increase (decrease) in deferred program revenue	18,062,856	6,841,475
Decrease (increase) in prepaid expenses	(25,925)	5,856
	22,333,822	15,998,750
Capital activities:		
Acquisition of tangible capital assets	(4,132,776)	(2,681,101)
Proceeds on disposal of tangible capital assets	-	-
	(4,132,776)	(2,681,101)
Financing activities:		
Principal payments on long-term debt	(339,113)	(322,844)
Due to minors	(440,211)	(649,284)
Proceeds on issuance of long-term debt	574,000	-
	(205,324)	(972,128)
Investing activities:		
Increase in restricted assets	(7,147,679)	(1,774,392)
Decrease (increase) in housing mortgages	374,418	(13,614)
Decrease (increase) in other long-term receivables	1,220,128	(42,267)
Increase in short-term investments	(2,272,444)	(1,427,896)
	(7,825,577)	(3,258,169)
Increase in cash	10,170,145	9,087,352
Cash and cash equivalents, beginning of year	27,765,040	18,677,688
Cash and cash equivalents, end of year	\$ 37,935,185	\$ 27,765,040

See accompanying notes to consolidated financial statements.

NIPISSING FIRST NATION

Exhibit E - Consolidated Statement Remeasurement of Gains

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Accumulated remeasurement gains, beginning of year	\$ 14,817,918	\$ 12,108,526
Unrealized gains on investments	1,360,330	2,709,392
Accumulated remeasurement gains, end of year	\$ 16,178,248	\$ 14,817,918

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

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. Basis of presentation

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.

2. Significant accounting policies:

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 ("Boundary Claim Trust")
- NFN Solar LP ("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, 2022

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

(c) Government transfers and other revenue recognition:

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

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

(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 excluding land and landfill sites, 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, 2022

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.

Level 1	Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Fair value measurements are those derived from market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly
Level 3	Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

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 2022	Total 2021
Financial position:										
Current asset	\$ 750,298	\$ 4,944,371	\$ 2,876	\$ 1,308	\$ 3,185,183	\$ 881,008	\$ 148,934	\$ 4	\$ 9,913,982	\$ 8,323,129
Long-term assets	-	98,711,052	166,667	-	-	-	-	-	98,877,719	95,629,529
Capital assets	373,849	-	2,124,745	-	-	-	-	-	2,498,594	2,523,158
Total assets	1,124,147	103,655,423	2,294,288	1,308	3,185,183	881,008	148,934	4	111,290,295	106,475,816
Current liabilities	98,475	1,064,894	9,365	174,399	10,805	15	39,343	-	1,397,296	2,486,534
Long term liabilities	-	5,054,991	-	-	-	-	-	-	5,054,991	5,410,568
Total liabilities	98,475	6,119,885	9,365	174,399	10,805	15	39,343	-	6,452,287	7,897,102
Net assets (deficiency)	\$ 1,025,672	\$ 97,535,538	\$ 2,284,923	\$ (173,091)	\$ 3,174,378	\$ 880,993	\$ 109,591	\$ 4	\$ 104,838,008	\$ 98,578,714
Results of operations:										
Revenues	\$ 103,317	\$ 9,854,536	\$ 5,813	\$ -	\$ -	\$ 125,245	\$ 115,757	\$ -	\$ 10,204,668	\$ 8,623,714
Expenses	66,170	540,393	6,388	28,830	15,841	26,963	72,184	-	756,769	701,616
Net income (loss)	\$ 37,147	\$ 9,314,143	\$ (575)	\$ (28,830)	\$ (15,841)	\$ 98,282	\$ 43,573	\$ -	\$ 9,447,899	\$ 7,922,098

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

4. Restricted cash and investments:

Restricted cash and investments consist of the following:

	2022	2021
Cash	\$ 8,820,515	\$ 6,634,428
CMHC Reserve	422,687	422,446
Term deposits	3,381,577	3,311,250
Other	1,087,151	1,071,362
	<u>\$ 13,711,930</u>	<u>\$ 11,439,486</u>

Term deposits related to Ontario First Nations Limited Partnership in the amount of \$3,381,577 (2021 - \$3,311,250) of short-term investments are restricted in use and is to be expended on community development, health, education, economic development, and cultural development. The term deposits consist of guaranteed investment certificates with maturities ranging from 2022 to 2024 and bear interest at rates ranging from 0.55% to 3.01%.

Under the terms of the agreement with the Bank of Montreal \$505,663 (2021 - \$500,434) of term deposits was pledged as security for a loan as described in note 13(c).

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

5. Accounts and grants receivable:

	2022	2021
Indigenous Services Canada	\$ 3,141,806	\$ 148,719
School Boards	838,379	257,449
Union of Ontario Indians	286,870	966,848
Canada Revenue Agency	271,558	221,155
Kinoomaadziwin Education Body	1,049,275	4,860
Other	4,229,025	2,072,357
	<u>9,816,913</u>	<u>3,671,388</u>
Less: allowance for doubtful accounts	(119,843)	(115,787)
	<u>\$ 9,697,070</u>	<u>\$ 3,555,601</u>

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

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%.

	2022	2021
Housing mortgages	\$ 6,572,889	\$ 6,884,703
Provision for loan impairment - housing mortgages	(110,146)	(47,542)
	6,462,743	6,837,161
Fur Dresser building mortgage	166,667	250,000
Off-reserve solar projects loans	1,042,793	976,065
First Nation Finance Authority debt reserve fund	136,457	133,234
Natural Gas - Aid to construct loans	28,746	39,294
Nipissing-Miller LP - non-interest bearing note	-	1,196,198
	1,374,663	2,594,791
	\$ 7,837,406	\$ 9,431,952

7. Restricted Assets - Nipissing 2013 Boundary Claim Trust:

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

	2022	2021
Cash and cash equivalents	\$ 5,440,259	\$ 4,740,942
Investments:		
Bonds	36,611,073	37,945,189
Marketable securities	61,604,091	53,821,613
	98,215,164	91,766,802
	\$ 103,655,423	\$ 96,507,744

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

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

Included in bonds are various Federal, Provincial and Corporate Bonds maturing from 2022 - 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, 2021, and there have been no significant changes as of March 31, 2022.

The cost and market value of cash and cash equivalents and investments at March 31, 2022 was \$82,267,672 and \$99,322,500 (2021 - \$81,998,075 and \$96,620,607 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.

		2022		2021
Balance, beginning of year	\$	292,213	\$	290,779
Interest income		4,617		3,653
Withdrawals		(6,051)		(2,219)
Balance, end of year	\$	290,779	\$	292,213

9. Accounts payable and accrued liabilities:

		2022		2021
Trade payables	\$	2,922,863	\$	4,407,423
Repayable funding		2,316,055		1,779,402
Personnel liabilities		1,013,051		843,879
1073059 Ontario Inc. supplier accounts payable		9,365		7,500
N'Bisiing Forestry Inc. supplier accounts payable		174,400		145,569
Boundary Claim Trust supplier accounts payable		277,577		400,238
	\$	6,713,311	\$	7,584,011

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

10. Deferred program revenue:

	2022	2021
Community Operations Programs:		
Water and wastewater	\$ 334,917	\$ 356,502
CHRT Funding	–	390,161
Treatability Study (INAC)	390,119	353,532
ANGA Governance	178,494	–
Fire protection	1,191,419	438,379
Emergency funds (COVID-19)	1,810,776	773,856
Waste Management	608,921	606,345
Community Buildings	10,836	60,234
Water Treatment Plant Upgrades	9,807,274	–
Education Programs:		
N'Bisiing Education Center	1,184,441	420,000
Special Education	522,033	240,240
Elementary/Secondary Tuition	3,157,338	1,902,116
N'Bisiing Bus Line	219,080	273,266
Graduation Coach Program	37,858	–
Capital Programs:		
RRAP Grants	–	27,045
General housing	608,738	589,380
Capital Buildings	936,146	282,502
Bineshii Business Park	186,140	–
Duchesney Yellek Road	2,028,787	–
Jocko Point Bridge Road	20,742	–
Social Services Programs:		
Daycare	1,205,460	895,762
Ontario Works	572,655	289,209
Native Child Welfare Program	795,619	795,619
Child and family services	562,592	625,548
Health Services:		
Community Health Illness and Injury Prevention	155,943	84,073
Health Planning and Quality Management	336,137	261,054
Aboriginal Diabetes Initiative	170,092	135,447
Home and Community Care	920,240	366,120
Maternal Child Health	68,609	60,119
Building Healthy Communities	193,352	207,562
Medical Transportation	185,538	114,445
Aboriginal Working Group	115,615	141,007
Homemaker	122,335	65,834
NNADAP	41,370	52,005
Early Childhood Development	23,349	28,225
Operations and maintenance	38,712	12,528
Family Well Being	178,233	177,734
Child and family services	137,238	137,238
Health information management	70,572	805,867
Jordan Principle	6,711	61,930
Community Wellbeing Outreach	656,353	308,916
Other Programs:		
Ontario Women's Directorate	155,228	–
Ministry of Natural Resources	–	19,872
LMI Skills Inventory	11,684	19,957
Land Management	666,976	338,475
Little NHL Host	272,391	278,976
Economic development	114,246	93,748
Cultural Programming	–	34,487
Employment	192,125	99,206
Greenhouse Project	83,943	–
	\$ 31,287,377	\$ 13,224,521

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

11. Long-term debt:

	2022	2021
CMHC Phase 8 loan, payable \$998 monthly including principal and interest at 0.68%, unsecured, maturing March, 2040	\$ 202,872	\$ 213,432
Cockburn Road Apartment Complex loan payable \$2,552 monthly including principal and interest at 0.67%, unsecured, maturing June, 2025	98,476	128,350
Duchesnay Apartment Complex loan, payable \$2,326 monthly including principal and interest at 1.01%, unsecured, maturing August, 2026	248,783	274,065
Margaret Drive Apartment Complex loan, payable \$4,554 monthly including principal and interest at 2.39%, unsecured, maturing March, 2023	149,912	200,448
CMHC Phase 5 loan, payable \$2,426 monthly including principal and interest at 1.13%, unsecured, maturing December, 2030	242,709	269,024
CMHC Phase 6 loan, payable \$2,505 monthly including principal and interest at .86%, unsecured, maturing August, 2036	407,717	434,632
CMHC Phase 9 loan, payable \$1,485 monthly including principal and interest at .76%, unsecured, maturing June, 20	303,787	319,248
CMHC Phase 7 loan, payable \$5,260 monthly including principal and interest at 2.52%, unsecured, maturing September, 2023	853,953	895,233
First Nation Finance Authority debenture, payable \$10,821 monthly including principal and interest at 3.79%, unsecured, maturing June, 2024	1,960,870	2,015,014
CMHC Phase 10 loan, payable \$4,276 monthly including principal and interest at 2.21%, unsecured, maturing February 2024	894,434	925,785
CMHC Phase 11 loan, terms to be settled on completion of related construction project.	574,000	—
Waubetek loan, payable \$3,753 monthly including principal and interest at 4.6%, secured by the assets of Bineshii Projects LP, maturing November 2038	332,150	359,637
Waubetek loan, payable \$292 monthly, interest free secured by the assets of Bineshii Projects LP, maturing November 2038	60,958	62,300
	\$ 6,194,164	\$ 6,097,168

Total interest expense during the year amounted to \$87,270 (2021 - \$81,181).

The aggregate maturities of long-term debt for loans with fixed repayment terms for each of the five years subsequent to March 31, 2022 are as follows: 2023 - \$1,004,629; 2024 - \$1,893,867; 2025 - \$1,853,134; 2026 - \$669,172; 2027 - \$193,399 and thereafter - \$579,991.

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

12. Tangible capital assets:

Cost	2021	Additions	Disposals	Transfers	2022
Land	\$ 1,667,270	\$ -	\$ -	\$ -	\$ 1,667,270
Land improvements	510,116	-	-	-	510,116
Buildings	33,044,259	49,349	-	-	33,093,608
Machinery and equipment	2,934,772	667,420	-	-	3,602,192
Furniture and equipment	1,159,146	71,243	-	-	1,230,389
Books and resource material	351,668	-	-	-	351,668
Computer equipment	1,539,860	125,852	-	-	1,665,712
Vehicles	5,344,920	899,229	-	-	6,244,149
Roads, bridges and culverts	12,146,916	-	-	-	12,146,916
Water and waste water	16,547,116	-	-	-	16,547,116
Street lights and signs	66,152	-	-	-	66,152
Assets under construction	-	2,319,683	-	-	2,319,683
Total	\$ 75,312,195	\$ 4,132,776	\$ -	\$ -	\$ 79,444,971

Accumulated Amortization	2021	Amortization expense	Disposals	Transfers	2022
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	395,996	9,567	-	-	405,563
Buildings	11,254,196	1,125,630	-	-	12,379,826
Machinery and equipment	1,820,437	136,136	-	-	1,956,573
Furniture and equipment	867,755	105,732	-	-	973,487
Books and resource material	324,309	10,942	-	-	335,251
Computer equipment	795,868	207,969	-	-	1,003,837
Vehicles	3,221,197	505,486	-	-	3,726,683
Roads, bridges and culverts	4,272,879	249,244	-	-	4,522,123
Water and waste water	4,533,477	423,321	-	-	4,956,798
Street lights and signs	33,055	5,456	-	-	38,511
Total	\$ 27,519,169	\$ 2,779,483	\$ -	\$ -	\$ 30,298,652

	Net book value 2021	Net book value 2022
Land	\$ 1,667,270	\$ 1,667,270
Land improvements	114,120	104,553
Buildings	21,790,063	20,713,782
Machinery and equipment	1,114,335	1,645,619
Furniture and equipment	291,391	256,902
Books and resource material	27,359	16,417
Computer equipment	743,992	661,875
Vehicles	2,123,723	2,517,466
Roads, bridges and culverts	7,874,037	7,624,793
Water and waste water	12,013,639	11,590,318
Street lights and signs	33,097	27,641
Assets under construction	-	2,319,683
Total	\$ 47,793,026	\$ 49,146,319

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

12. 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
Total	\$ 72,631,093	\$ 2,681,102	\$ -	\$ -	\$ 75,312,195

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
Total	\$ 24,876,139	\$ 2,643,030	\$ -	\$ -	\$ 27,519,169

	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
Total	\$ 47,754,954	\$ 47,793,026

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

13 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 is contingently liable for loan guarantees to various chartered banks in favour of individual Band members for housing loans. Total loans guaranteed amount to \$9,327,382 (2021 - \$8,130,950).
- (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. As of March 31, 2022, its proportional outstanding loan balance as part of the Trust is \$1,181,150 (2021 - \$485,750).

14. Accumulated surplus:

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

	2022	2021
Reserves set aside by Council:		
Bus replacement reserve	\$ 871,985	\$ 693,352
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	312,918
Funds held in trust by the Government of Canada	292,213	292,213
Enhancement funds	10,387,084	10,702,404
Trust Income Fund	1,007,658	692,338
Housing reserve	2,646,238	2,646,238
Boundary Claim Trust	9,584,934	9,584,934
Nipissing Warriors fundraising reserve	623,076	623,076
Externally restricted	100,888,810	96,051,945
Invested in tangible capital assets	42,815,698	41,695,858
Unrestricted	(13,534,845)	(14,695,691)
	158,088,643	148,792,459
Accumulated remeasurement gains	16,178,248	14,817,918
	\$ 172,266,891	\$ 163,610,377

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

15. 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:

	2022	2021
ISC revenue per consolidated statement of operations	\$ 9,563,202	\$ 7,462,702
Less: prior year deferred revenue	(7,501,138)	(2,577,241)
Add: ending deferred revenue	21,028,423	7,501,138
ISC revenue per funding confirmation	\$ 23,090,487	\$ 12,386,599

16. 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.

17. Employee future benefits:

The annual net expense for the First Nation's defined contribution pension plan was \$406,193 (2021 - \$349,310).

18. Budget information:

Budget information has not been presented.

19. 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, 2022

20. Comparative Information:

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2022 financial statements.

21. 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, 2022

21. 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 21 - Segmented Information (continued)

Year ended March 31, 2022

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2022 Total
Revenue									
Indigenous Services Canada	\$ 2,052,992	196,250	2,521,913	390,161	607,146	2,410,812	200,000	1,183,928	\$ 9,563,202
Other	2,063,836	1,508,874	1,054,675	1,840,669	101,249	181,005	447,249	1,172,916	8,370,473
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	868,177	868,177
Ministry of Education	-	-	-	-	641,975	105,304	-	-	747,279
Ministry of Community and Social Services	-	-	-	-	1,375,741	349,524	-	67,000	1,792,265
Kinoomaadziwin Education Body	172,495	5,720,060	-	-	-	10,000	-	-	5,902,555
Other Provincial	360,426	-	-	3,452	-	1,165,791	-	1,056,742	2,586,411
Union of Ontario Indians	209,117	81,726	-	-	258,600	317,962	-	259,612	1,127,017
Canada Mortgage and Housing Corporation	-	-	33,989	-	-	-	242,487	-	276,476
	4,858,866	7,506,910	3,610,577	2,234,282	2,984,711	4,540,398	889,736	4,608,375	31,233,855
Expenses:									
Material and supplies	2,385,186	5,265,169	3,169,363	1,170,985	1,728,263	2,200,157	321,451	1,622,575	17,863,149
Salaries, wages and employee benefits	2,976,935	1,723,258	355,914	-	1,426,688	2,203,674	-	2,047,861	10,734,330
Amortization of tangible capital assets	966,144	283,498	974,788	-	56,381	111,305	184,103	203,264	2,779,483
Interest on long-term debt	44,864	-	-	61,777	-	-	58,440	-	165,081
	6,373,129	7,271,925	4,500,065	1,232,762	3,211,332	4,515,136	563,994	3,873,700	31,542,043
Excess (deficiency) of revenue over expenses before the undernoted items	(1,514,263)	234,985	(889,488)	1,001,520	(226,621)	25,262	325,742	734,675	(308,188)
Vacation (expense) recovery	(43,175)	(2,871)	(5,566)	-	(3,531)	(30,280)	-	(4,637)	(90,060)
The Nipissing 2013 Boundary Claim Trust:									
Investment income	-	-	-	-	-	-	-	11,214,866	11,214,866
Other expenses	-	-	-	-	-	-	-	(2,160,064)	(2,160,064)
Excess (deficiency) of revenue over expenses	\$ (1,557,438)	232,114	(895,054)	1,001,520	(230,152)	(5,018)	325,742	9,784,840	\$ 8,656,554

NIPISSING FIRST NATION

Notes to Consolidated Financial Statements
Note 21 - Segmented Information (continued)

Year ended March 31, 2022

	Community Operations	Education	Capital	First Nation Enterprises	Social Services	Health Services	Housing	Other	2021 Total
Revenue									
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
Expenses:									
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
Excess (deficiency) of revenue over expenses before the undernoted items									
	(1,493,346)	395,111	(818,717)	486,105	(102,283)	153,787	221,146	2,160,450	1,002,253
Vacation (expense) recovery	(12,143)	(2,812)	(10,029)	-	(12,944)	(63,154)	-	(647)	(101,729)
The Nipissing 2013 Boundary Claim Trust:									
Investment income	-	-	-	-	-	-	-	7,361,065	7,361,065
Other expenses	-	-	-	-	-	-	-	(2,177,792)	(2,177,792)
Excess (deficiency) of revenue over expenses	\$ (1,505,489)	392,299	(828,746)	486,105	(115,227)	90,633	221,146	7,343,076	\$ 6,083,797