

**Nibinamik First Nation
Consolidated Financial Statements
*March 31, 2015***

Nibinamik First Nation
Contents
For the year ended March 31, 2015

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Management's Responsibility

To the Chief and Council and Members of Nibinamik First Nation:

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

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

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

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

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

July 29, 2015

A handwritten signature in black ink, appearing to read "Mark Ode", is written over a horizontal line. The signature is fluid and cursive, with a distinct "M" and "O" at the beginning.

Independent Auditors' Report

To the Chief and Council and Members of Nibinamik First Nation:

We have audited the accompanying consolidated financial statements of Nibinamik First Nation which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

The First Nation has investments in First Nation partnerships and business entities as disclosed in Note 5, the valuation of which is not susceptible to audit verification. At the time of our audit, the audits of Wasaya Partnership and Wasaya Group Inc. had not been completed and we did not have access to the financial information related to these investments. As a result, we were not able to determine whether any adjustments might be necessary to Investments in First Nation partnerships and business entities, expenses, deficit, accumulated surplus and net financial assets. Our audit opinion on the consolidated financial statements for the year March 31, 2014 were similarly qualified because of the limitation on access to the financial information related to these investments.

In addition, the First Nation does not have a formal process in place to approve the budget and in some instances no budget was prepared. As a result MNP was unable to gain appropriate audit evidence over the budgeted figures presented in the consolidated audit.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly in all material respects the financial position of Nibinamik First Nation as at March 31, 2015 and the results of its operations and accumulated surplus, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

MNP LLP

Thunder Bay, Ontario

July 29, 2015

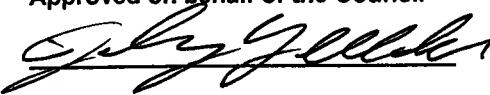
Chartered Professional Accountants

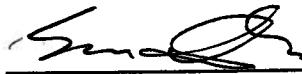
Licensed Public Accountants

Nibinamik First Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial assets		
Cash resources (Note 3), (Note 7)	69,645	258,428
Accounts receivable (Note 4)	921,467	895,495
Investments in First Nation partnerships and business entities (Note 5)	2,444,582	2,444,582
Funds held in Ottawa Trust Fund (Note 6)	12,418	12,081
Total financial assets	3,448,112	3,610,586
Liabilities		
Accounts payable and accruals (Note 8)	1,868,218	1,632,822
Deferred revenue (Note 9)	30,000	30,000
Long-term debt (Note 10)	1,107,305	1,691,323
Forgivable loans (Note 11)	24,146	33,646
Total liabilities	3,029,669	3,387,791
Net financial assets	418,443	222,795
Contingencies (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	20,300,215	20,936,324
Inventory (Note 13)	978,696	1,080,629
Total non-financial assets	21,278,911	22,016,953
Accumulated surplus (Note 14)	21,697,354	22,239,748

Approved on behalf of the Council

 **Chief**

 _____

Councillor

_____ **Councillor**

Nibinamik First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2015

	<i>Schedules</i>	<i>2015 Budget</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue				
Aboriginal Affairs and Northern Development Canada (Note 18)	3,569,412	4,270,518	4,731,148	
First Nations and Inuit Health (Note 18)	-	1,317,454	1,351,808	
Ontario First Nations Limited Partnership	390,650	826,409	805,709	
Other revenue	410,847	628,994	566,298	
Nibinamik Power Authority	995,500	965,288	945,593	
Investment income (loss)	-	342	(67,227)	
Ministry of Tourism and Culture (Note 18)	-	33,750	-	
Ministry of Northern Development and Mines (Note 18)	725,492	703,253	730,111	
Matawa First Nations	-	74,800	62,932	
Ministry of Community and Social Services (Note 18)	-	534,217	431,036	
Ministry of Health (Note 18)	-	86,269	86,268	
Ministry of Aboriginal Affairs (Note 18)	89,455	90,000	80,000	
Nishnawbe Aski Nations	-	87,399	79,726	
Network revenue	51,042	51,042	51,042	
Deferred revenue, beginning of year (Note 9)	-	30,000	110,787	
Deferred revenue, end of year (Note 9)	-	(30,000)	(30,000)	
Repayment of funding	-	(315,357)	(52,288)	
		6,232,398	9,354,378	9,882,943
Program expenses				
Administration	4	864,985	771,049	984,328
Band Operations and Maintenance	5	2,319,428	2,324,141	2,626,875
Economic/Employment Development	6	567,956	748,056	765,672
Education	7	2,619,031	2,462,742	2,434,184
Medical Services	8	-	1,298,788	1,410,866
Social Services	9	-	936,881	793,148
Community Support	10	252,555	377,513	610,099
Lands & Resources	11	1,187,555	977,602	885,972
Investment Fund	12	-	-	7,004
Total expenses (Schedule 2)		7,811,510	9,896,772	10,518,148
Deficit		(1,579,112)	(542,394)	(635,205)
Accumulated surplus, beginning of year		-	22,239,748	22,874,953
Accumulated surplus (deficit), end of year		(1,579,112)	21,697,354	22,239,748

The accompanying notes are an integral part of these financial statements

Nibinamik First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Annual deficit	(1,579,112)	(542,394)	(635,205)
Acquisition of tangible capital assets	-	(383,104)	(981,781)
Amortization of tangible capital assets	-	1,019,213	1,052,252
Decrease (increase) in inventory	-	101,933	(187,584)
Increase (decrease) in net financial assets	(1,579,112)	195,648	(752,318)
Net financial assets, beginning of year	-	222,795	975,113
Net financial assets, end of year	(1,579,112)	418,443	222,795

Nibinamik First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(542,394)	(635,205)
Non-cash items		
Amortization	1,019,213	1,052,252
Loss from investments	-	74,762
	476,819	491,809
Changes in working capital accounts		
Accounts receivable	(25,973)	183,919
Funds held in Ottawa Trust Fund	(336)	(298)
Accounts payable and accruals	235,395	477,265
Deferred revenue	-	(80,787)
Inventory	101,933	(187,584)
	787,838	884,324
Financing activities		
Forgivable loans	(9,500)	(9,500)
Repayment of long-term debt	(1,453,017)	(1,440,060)
Advances of long-term debt	869,000	1,317,600
	(593,517)	(131,960)
Capital activities		
Acquisition of tangible capital assets	(383,104)	(981,781)
Decrease in cash resources	(188,783)	(229,417)
Cash resources, beginning of year	258,428	487,845
Cash resources, end of year	69,645	258,428
Supplementary cash flow information		
Interest paid	104,818	152,729

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Operations

Nibinamik First Nation (the "First Nation") is located in the Province of Ontario, and provides various services to its members.

2. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Nibinamik First Nation
- Nibinamik Power Authority
- Nibinamik Education Authority

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

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

Basis of presentation

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

Funds held in Ottawa Trust Fund

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

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

Cash resources

Cash includes cash on hand and balances with banks net of bank overdrafts.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2015.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Tangible capital assets

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

Amortization

Tangible capital assets are amortized annually using the declining balance method at rates intended to amortize the cost of the assets over their estimated useful lives as follows:

	Rate
Band vehicles	30 %
Computer equipment	30 %
Office equipment	20 %
Housing	5 %
Arena building	5 %
Community buildings	5 %
Electrical infrastructure	4 %
Roads	4 %
Sewer infrastructure	4 %
Heavy equipment	20 %
Arena equipment	20 %

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in operations for the year.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and fuel inventory.

Inventory

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

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

Net financial assets

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

Revenue recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Rental revenue is recognized over the rental term. Other revenue is earned from other services provided by the First Nation and is recognized when the service has been provided and collection is reasonably assured.

Network revenue and retail sales are recognized when the sale is made and the customer takes possession of the merchandise or receives the services provided.

Investment income (loss) is recorded as the First Nation's annual proportionate share of earnings or losses.

Government transfers

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

Revenue from trust moneys is recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Inventory is estimated using the average cost of fuel per litre purchased and applying it to the actual volume of fuel counted on hand at year end.

Amortization is based on the estimated useful lives of tangible capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year end.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

Segments

The First Nation conducts its business through nine reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

Upcoming accounting pronouncements

New and Amended Standards

PS 3210 Assets (New)

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

PS 3320 Contingent Assets (New)

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3380 Contractual Rights (New)

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

PS 3430 Restructuring Transactions (New)

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.
- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.
- The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018.

Earlier application is encouraged.

3. Cash resources

	2015	2014
General account	(161,243)	(96,163)
Third Party Manager account	58,182	(85,433)
Health and social	18,768	2,678
Project account	31,527	(36,692)
Education Authority	(4,079)	(11,261)
Power Authority	30,855	(179)
Consolidation loan servicing	-	15
Lands and resources	(3,839)	99,676
Amik project	7,016	64,483
Investment account	51	92
Other cash resources	21,571	47,514
Trust savings account	70,836	273,698
	69,645	258,428

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

4. Accounts receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada	39,948	417,466
Health Canada	5,119	5,119
Ministry of Northern Development and Mines	330,605	167,260
HST	44,049	28,730
Advances to members	185,118	160,280
Ontario Clean Energy rebate	137,876	29,911
Residential hydro	337,106	309,993
Commercial hydro	120,787	120,045
Fuel sales	55,173	48,940
Education Authority	(1,000)	-
Network revenue	8,330	4,150
General	231,483	138,388
Other	16,807	34,757
<u>Allowance for doubtful accounts</u>	<u>(589,934)</u>	<u>(569,544)</u>
	921,467	895,495

5. Investments in First Nation partnerships and business entities

The First Nation holds investments in the following partnerships and business entities:

	<i>Opening</i>	<i>Income (Loss)</i>	<i>Drawings</i>	2015 Total investment
Significantly Influenced Businesses:				
Wasaya Partnership	1,319,019	-	-	1,319,019
Wasaya Group Inc.	1,125,563	-	-	1,125,563
	2,444,582	-	-	2,444,582
 2014				
	<i>Opening</i>	<i>Income (Loss)</i>	<i>Drawings</i>	<i>investment</i>
Wasaya Partnership	1,390,925	(67,906)	(4,000)	1,319,019
Wasaya Group Inc.	1,128,419	148	(3,004)	1,125,563
	2,519,344	(67,758)	(7,004)	2,444,582

Investment information, as at March 31, 2015 and March 31, 2014, was not available at the time of the audit engagement.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

6. Funds held in Ottawa Trust Fund

Capital and revenue trust moneys are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council.

	2015	2014
Capital Trust		
Balance, beginning of year	1,710	1,710
Balance, end of year	1,710	1,710
Revenue Trust		
Balance, beginning of year	10,371	10,073
Interest	337	298
Balance, end of year	10,708	10,371
	12,418	12,081

7. Bank indebtedness

At March 31, 2015, the First Nation had lines of credit totalling \$275,000 bearing interest at bank prime rate plus 3.25% (6.25% - March 31, 2015; 6.25% - March 31, 2014). At March 31, 2015, \$79,924 (2014 - \$119,600) was drawn and is recorded as a part of cash resources. A general security agreement has been collateralized in connection with the lines of credit.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Accounts payable and accruals

	2015	2014
Funding recoveries payable		
Aboriginal Affairs and Northern Development Canada	275,505	-
Trade Payables		
Amplap Source Inc.	8,371	36,974
CE Strategies	102,284	71,679
Confederation College	52,172	1,883
GCK Consulting	35,000	-
Lakehead District School Board	417,618	405,146
M.J. Fraser Electric Ltd.	-	43,780
Mistik North Ltd.	86,369	135,189
Nibinamik Community Store	199,773	27,600
Olympic Builders Supply	41,489	40,988
Pape Salter Teillet	32,591	58,994
Private Air	-	48,937
Wasaya Airways Limited Partnership	255,018	288,802
Wasaya Petroleum Limited Partnership	-	101,326
Other	270,137	334,524
	1,500,822	1,595,822
Accrued Liabilities		
Accrued salaries and employee benefits	54,891	-
Other accrued liabilities	37,000	37,000
	91,891	37,000
	1,868,218	1,632,822

9. Deferred revenue

	<i>Balance, beginning of year</i>	<i>Funding received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Northern Ontario School of Medicine	30,000	-	-	30,000

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

10. Long-term debt

	2015	2014
RBC Royal Bank fuel loan repayable in monthly instalments of \$70,000 plus interest at bank prime rate plus 2.95% (5.95% - March 31, 2015), due February 2016.	770,000	1,191,667
RBC Royal Bank debt control loan repayable in monthly instalments of \$8,464 including interest at 4.86%, due November 2016.	162,297	253,509
RBC Royal Bank fuel loan repayable in monthly instalments of \$7,167 plus interest at bank prime rate plus 2.95% (5.95% - March 31, 2015), due November 2016.	143,902	229,333
RBC Royal Bank vehicle loan repayable in monthly instalments of \$768 including interest at 4.45%, due November 2015.	6,038	14,774
RBC Royal Bank vehicle loan repayable in monthly instalments of \$660 including interest at 4.4%, due August 2018.	25,068	-
RBC Royal Bank vehicle loan - repaid.	-	2,040
	1,107,305	1,691,323

All loans are secured by a general security agreement, a first ranking and specific security interest on specific equipment of the First Nation, and an irrevocable letter of direction in respect to Ontario First Nations Limited Partnership funding due to the First Nation being forwarded to RBC.

Principal repayments on long-term debt in each of the next four years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2016	965,745
2017	132,332
2018	7,920
2019	1,308
	<hr/>
	1,107,305

11. Forgivable loans

The First Nation has received CMHC forgivable loans for residential rehabilitation in the amount of \$47,500.

	2015	2014
Balance outstanding	24,146	33,646
Schedule of forgiveness:		
2015	-	9,500
2016	9,500	9,500
2017	9,500	9,500
2018	5,146	5,146
	<hr/>	<hr/>
	24,146	33,646

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

12. Contingent liability

The First Nation has agreements with AANDC and other government bodies for each restricted fund which states that the First Nation may be required to return any surplus which may arise. The First Nation is solely responsible for any deficits. Recoveries are recorded in the year in which they are determined.

13. Inventory

	2015	2014
Fuel inventory	978,696	1,080,629

14. Accumulated surplus

The First Nation designates and tracks separately the operating and investment funds in accordance with internal management policies. These funds are designated to assist with fund management.

	2015	2014
Operating Fund		
Balance, beginning of year	19,795,166	20,355,609
Deficit	(542,394)	(560,443)
Balance, end of year	19,252,772	19,795,166
Investment Fund		
Balance, beginning of year	2,444,582	2,519,344
Investment loss for the year	-	(67,758)
Withdrawals	-	(7,004)
Balance, end of year	2,444,582	2,444,582
Total accumulated surplus		
Operating Fund	19,252,772	19,795,166
Investment Fund	2,444,582	2,444,582
Balance, end of year	21,697,354	22,239,748

15. Guarantee

The First Nation has guaranteed up to \$130,000 to suppliers of the Nibinamik Community Store. As at March 31, 2015 no liability (2014 - \$Nil) has been recorded associated with this guarantee.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

16. Economic dependence

Nibinamik First Nation receives 60% (2014 - 62%) of its revenue from the Government of Canada, and First Nations and Inuit Health as a result of Treaties entered into with the Government of Canada. These Treaties are administered by AANDC and First Nation and Inuit Health under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

17. Segments

The First Nation has nine reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Administration - includes administration and governance activities.

Band Operations and Maintenance - includes Band programs and maintenance.

Economic/Employment Development - includes activities for the maintenance of the community and its infrastructure.

Education - includes the operations of education programs.

Medical Services - reports on the First Nation's Health Canada funding.

Social Services - activities include delivering social programs.

Community Support - activities include delivering community support programs.

Lands & Resources - includes activities for the maintenance of the community.

Investment Fund - reports on gains and losses of the First Nation's investment in Wasaya Partnership and Wasaya Group Inc.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 2.

18. Government transfers

Nibinamik First Nation receives a significant portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada (AANDC). Under the terms of the agreement, funding from the Co-Management Agreement can be suspended if the First Nation does not comply with the terms of the agreement.

Due to certain deficiencies in working capital position, the First Nation was party to a Co-Management Agreement, under the approval by AANDC, that expired on March 31, 2015.

	<i>Operating</i>	<i>Capital</i>	2015	2014
Federal government transfers				
Aboriginal Affairs and Northern Development Canada	4,270,518	-	4,270,518	4,731,148
First Nations and Inuit Health	1,317,454	-	1,317,454	1,351,808
Total Federal	5,587,972	-	5,587,972	6,082,956
Provincial government transfers				
Ministry of Tourism and Culture	33,750	-	33,750	-
Ministry of Northern Development and Mines	703,253	-	703,253	730,111
Ministry of Community and Social Services	534,217	-	534,217	431,036
Ministry of Health	86,269	-	86,269	86,268
Ministry of Aboriginal Affairs	90,000	-	90,000	80,000
Total Provincial	1,447,489	-	1,447,489	1,327,415
	7,035,461	-	7,035,461	7,410,371

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

19. Budget information

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The full consolidated budgeted revenue and expenses, and surplus (deficit) have not been reported in these consolidated financial statements. While having no effect on reported revenue, expenses, and surplus (deficit), omission of this information is considered a departure from PSA standards.

Nibinamik First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Band vehicles</i>	<i>Computer equipment</i>	<i>Office equipment</i>	<i>Housing</i>	<i>Arena building</i>	<i>Community buildings</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	710,533	511,253	188,827	10,173,645	3,080,340	7,182,699	21,847,297
Acquisition of tangible capital assets	62,068	-	-	265,718	55,318	-	383,104
Balance, end of year	772,601	511,253	188,827	10,439,363	3,135,658	7,182,699	22,230,401
Accumulated amortization							
Balance, beginning of year	596,097	492,645	161,184	4,978,149	1,321,533	4,161,260	11,710,868
Annual amortization	52,952	5,582	5,529	273,061	90,706	151,072	578,902
Balance, end of year	649,049	498,227	166,713	5,251,210	1,412,239	4,312,332	12,289,770
Net book value of tangible capital assets	123,552	13,026	22,114	5,188,153	1,723,419	2,870,367	9,940,631
2014 Net book value of tangible capital assets	114,436	18,608	27,643	5,195,496	1,758,807	3,021,439	10,136,429

Nibinamik First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Electrical infrastructure</i>	<i>Roads</i>	<i>Sewer infrastructure</i>	<i>Heavy equipment</i>	<i>Arena equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	21,847,297	7,041,004	322,124	11,364,138	583,319	58,875	41,216,757
Acquisition of tangible capital assets	383,104	-	-	-	-	-	383,104
Balance, end of year	22,230,401	7,041,004	322,124	11,364,138	583,319	58,875	41,599,861
Accumulated amortization							
Balance, beginning of year	11,710,868	2,708,681	179,587	5,386,161	475,156	56,043	20,516,496
Annual amortization	578,902	173,293	5,701	239,119	21,632	566	1,019,213
Balance, end of year	12,289,770	2,881,974	185,288	5,625,280	496,788	56,609	21,535,709
Net book value of tangible capital assets	9,940,631	4,159,030	136,836	5,738,858	86,531	2,266	20,064,152
2014 Net book value of tangible capital assets	10,136,429	4,332,323	142,537	5,977,977	108,163	2,832	20,700,261

Nibinamik First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Land</i>	<i>2015</i>	<i>2014</i>
Cost				
Balance, beginning of year	41,216,757	236,063	41,452,820	40,471,039
Acquisition of tangible capital assets	383,104	-	383,104	981,781
Balance, end of year	41,599,861	236,063	41,835,924	41,452,820
Accumulated amortization				
Balance, beginning of year	20,516,496	-	20,516,496	19,464,244
Annual amortization	1,019,213	-	1,019,213	1,052,252
Balance, end of year	21,535,709	-	21,535,709	20,516,496
Net book value of tangible capital assets	20,064,152	236,063	20,300,215	20,936,324
2014 Net book value of tangible capital assets	20,700,261	236,063	20,936,324	

Nibinamik First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Consolidated expenses by object			
Administration fees	-	-	1,658
Amortization	-	1,019,213	1,052,252
Bad debts (recovery)	-	20,268	(145,053)
Bank charges and interest	37,300	28,702	38,232
Community donations	28,500	13,432	49,367
Contracts and consulting	734,130	385,444	667,886
Crisis	32,000	115,389	136,588
Honorarium	405,400	452,079	506,512
Insurance	6,600	19,200	20,893
Interest on long-term debt	-	76,116	114,497
Investment contributions	-	-	7,004
Miscellaneous	-	8,387	140,673
Office supplies	31,800	81,352	41,215
Professional fees	120,600	124,063	82,534
Program expense	1,020,123	1,753,948	1,797,964
Repairs and maintenance	221,000	140,011	151,552
Salaries and employee benefits	2,320,076	2,898,576	2,780,149
Telephone	47,800	52,680	63,288
Training	68,500	69,726	61,053
Travel	536,888	634,098	767,113
Tuition	332,300	229,817	173,632
Utilities	532,800	608,936	637,341
Vehicles and fuel	1,335,693	1,165,335	1,371,798
	7,811,510	9,896,772	10,518,148

Nibinamik First Nation

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2015

	Schedule #	AANDC Revenue	Other Revenue	Deferred Revenue, beginning of year	Deferred Revenue, end of year	Total Revenue	Total Expenses	Transfers From (To)	Current Surplus (Deficit)	Prior Year Operating Surplus (Deficit)
Program										
Administration	4	509,764	45,998	-	-	555,762	771,049	173,752	(41,535)	(232,714)
Band Operations and Maintenance	5	1,077,746	981,580	-	-	2,059,326	2,324,141	(83,558)	(348,373)	(152,734)
Economic/Employment Development	6	201,469	681,680	-	-	883,149	748,056	54,477	189,570	(48,056)
Education	7	2,310,791	(102,275)	-	-	2,208,516	2,462,742	-	(254,226)	(107,904)
Medical Services	8	-	1,335,562	30,000	(30,000)	1,335,562	1,298,788	(69,639)	(32,865)	(83,124)
Social Services	9	-	925,553	-	-	925,553	936,881	(5,686)	(17,014)	(33,893)
Community Support	10	-	370,621	-	-	370,621	377,513	-	(6,892)	(59,608)
Lands & Resources	11	170,748	845,141	-	-	1,015,889	977,602	(69,346)	(31,059)	157,590
Investment Fund	12	-	-	-	-	-	-	-	-	(74,762)
Total		4,270,518	5,083,860	30,000	(30,000)	9,354,378	9,896,772	-	(542,394)	(635,205)