

Nibinamik First Nation
Consolidated Financial Statements
For the year ended March 31, 2017

Nibinamik First Nation Contents

For the year ended March 31, 2017

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

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

March 2, 2018

A handwritten signature in blue ink, appearing to read "John Yawak", is placed here.

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, 2017 and the statements of operations and accumulated surplus, change in net financial assets (net debt) 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 an 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

Nibinamik First Nation has investments in First Nation partnerships and business entities as disclosed in Note 5 accounted for by the modified equity method, is carried at \$1,239,045 (2016 - \$1,284,110) on the consolidated statement of financial position. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Nibinamik First Nation's investment in First Nation partnerships and business entities and Nibinamik First Nation's share of net income for the year because financial information provided was not subject to audit. In addition, related disclosure of summary financial statement information of Nibinamik First Nation's investment in First Nation partnerships and business entities has been omitted from the notes to the consolidated financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly in all material respects the financial position of Nibinamik First Nation as at March 31, 2017 and the results of its operations and accumulated surplus, change in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Thunder Bay, Ontario
March 2, 2018

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

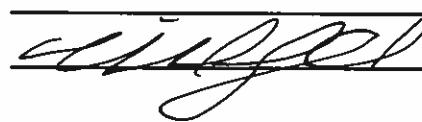
Nibinamik First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Cash and cash equivalents (Note 3)	1,550,424	128,723
Accounts receivable (Note 4)	1,969,332	849,970
Investments in First Nation partnership (Note 5)	1,239,045	1,284,110
Funds held in Ottawa Trust Fund (Note 6)	12,922	12,686
Total financial assets	4,771,723	2,275,489
Liabilities		
Accounts payable and accruals (Note 7)	2,465,696	1,814,994
Deferred revenue (Note 8)	1,536,974	30,000
Long-term debt (Note 9)	561,793	972,588
Forgiveable loans (Note 10)	38,396	57,396
Total liabilities	4,602,859	2,874,978
Net financial assets (net debt)	168,864	(599,489)
Contingencies (Note 11)		
Non-financial assets		
Tangible capital assets (Note 12)	19,008,387	19,825,726
Inventory (Note 13)	901,763	713,694
Prepaid expenses	108,861	-
Total non-financial assets	20,019,011	20,539,420
Accumulated surplus (Note 14)	20,187,875	19,939,931

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada (Note 18)	3,819,470	7,742,793	4,558,004
Health Canada (Note 18)	1,382,044	1,591,180	1,602,804
Ontario First Nations Limited Partnership	800,000	940,329	828,416
Other revenue	73,080	319,259	488,934
Nibinamik Power Authority	336,788	1,413,455	1,024,230
Investment income	-	387	344
Kiikenomaga Kikenjigewen Employment & Training Services	-	176,660	-
Ministry of Tourism and Culture (Note 18)	45,000	48,000	56,250
Ministry of Northern Development and Mines (Note 18)	657,559	753,059	639,308
Matawa First Nations	143,037	95,195	74,419
Ministry of Community and Social Services (Note 18)	463,856	712,014	454,415
Ministry of Health and Long-Term Care (Note 18)	86,268	86,269	86,269
Ministry of Indigenous Relations and Reconciliation (Note 18)	90,000	90,000	194,546
Nishnawbe Aski Nation	103,436	223,985	122,534
Network Revenue	51,042	17,760	51,042
Deferred revenue, prior year (Note 8)	-	30,000	30,000
Deferred revenue, end of year (Note 8)	-	(1,536,974)	(30,000)
Repayment of funding	-	(346,205)	(10,350)
	8,051,580	12,357,166	10,171,165
Program expenses			
Administration	824,143	1,234,000	859,806
Band Operations and Maintenance	2,653,816	3,541,338	2,754,918
Economic/Employment Development	287,856	420,295	857,090
Education	2,134,651	2,801,525	2,540,151
Medical Services	1,139,030	1,461,651	1,559,117
Social Services	487,598	748,409	981,474
Community Support	337,142	399,367	427,363
Lands & Resources	519,252	800,776	788,197
Casino Rama	688,500	656,796	-
Total expenses (Schedule 2)	9,071,988	12,064,157	10,768,116
Surplus (deficit) before other items	(1,020,408)	293,009	(596,951)
Loss on impairment of investment in First Nation Partnership (Note 5)	-	(45,065)	(1,160,472)
Surplus (deficit)	(1,020,408)	247,944	(1,757,423)
Accumulated surplus, beginning of year	-	19,939,931	21,697,354
Accumulated surplus (deficit), end of year (Note 14)	(1,020,408)	20,187,875	19,939,931

The accompanying notes are an integral part of these financial statements

Nibinamik First Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017 Actual</i>	<i>2016 Actual</i>
Annual deficit		247,944	(1,757,423)
Purchases of tangible capital assets	-	(161,111)	(536,561)
Amortization of tangible capital assets	1,000,000	978,450	1,011,050
Change in inventory	-	(188,069)	265,002
Acquisition of prepaid expenses	-	(108,861)	-
Increase (decrease) in net financial assets	1,000,000	768,353	(1,017,932)
Net financial assets (net debt), beginning of year	-	(599,489)	418,443
Net financial assets (net debt), end of year	1,000,000	168,864	(599,489)

Nibinamik First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	247,944	(1,757,423)
Non-cash items		
Amortization	978,450	1,011,050
Loss on impairment of investment in First Nation partnership	45,065	1,160,472
	1,271,459	414,099
Changes in working capital accounts		
Accounts receivable	(1,119,362)	71,497
Funds held in Ottawa Trust Fund	(236)	(268)
Prepaid expenses	(108,861)	-
Inventory	(188,069)	265,002
Accounts payable and accruals	650,702	(53,224)
Deferred revenue	1,506,974	-
	2,012,607	697,106
Financing activities		
Forgiveness of forgiveable loans	(19,000)	(14,250)
Advances of forgiveable loans	-	47,500
Repayment of long-term debt	(915,795)	(1,104,717)
Advances of long-term debt	505,000	970,000
	(429,795)	(101,467)
Capital activities		
Purchases of tangible capital assets	(161,111)	(536,561)
Increase in cash resources	1,421,701	59,078
Cash resources, beginning of year	128,723	69,645
Cash resources, end of year	1,550,424	128,723

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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:

Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Principles of consolidation

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for the investment in a First Nation business partnership.

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.

Nibinamik First Nation business partnerships, owned or controlled by the First Nation's Council 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. Entities accounted for by the modified equity basis include:

- Wasaya Partnership

Trust funds held by federal government

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 and cash equivalents

Cash and cash equivalents 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, 2017

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, 2017.

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, prepaid expenses 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, 2017

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, 2017

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

Segments

The First Nation conducts its business through ten 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.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the consolidated statement of operations and accumulated surplus. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations and accumulated surplus. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

3. Cash and cash equivalents

	2017	2016
General	1,443,802	15,339
Third Party Manager	-	102,767
Health and Social	72,237	(14,525)
Economic Development	(21,332)	(38,208)
Education Authority	(205,970)	45,989
Power Authority	115,652	1,313
Lands & Resources	80,097	(16,729)
Amik Project	14,529	6,278
Investment	6,653	418
Other cash resources	44,756	25,096
Trust Savings	-	985
	1,550,424	128,723

During the year the First Nation designated \$1,277,115 (2016 - \$Nil) of cash to be used specifically for community member housing renovations, diesel generator station upgrades and construction of multiplex housing.

	2017	2016
Housing renovation	250,000	-
Diesel generator station upgrades	313,883	-
Multiplex housing construction	713,232	-
	1,277,115	-

At March 31, 2017, the First Nation had lines of credit available totalling \$275,000 bearing interest at bank prime rate plus 3.25% (5.95% - March 31, 2017; 5.95% - March 31, 2016). At March 31, 2017, \$21,332 (2016 - \$13,321) was drawn and is recorded as a part of cash and cash equivalents. A general security agreement has been collateralized in connection with the line of credit.

4. Accounts receivable

	2017	2016
Indigenous and Northern Affairs Canada	760,884	77,590
Ministry of Northern Development and Mines	47,212	121,884
Harmonized Sales Tax rebates	86,352	61,154
Ministry of Community and Social Services	93,939	-
Commercial Hydro	141,527	131,319
Employee advances	624,523	434,539
Fuel sales	110,588	115,281
General	730,765	259,564
Economic Development Corporation	-	186,410
Education Authority	-	13,600
Network receivable	-	6,530
Ontario Clean Energy	-	68,557
Allowance for doubtful accounts	(626,458)	(626,458)
	1,969,332	849,970

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

5. Investments in First Nation business partnership

The First Nation holds investments in the following business partnership:

	<i>Opening</i>	<i>Loss on impairment of investment</i>	<i>Total investment</i>	<i>2017</i>
Significantly Influenced Business:				
Wasaya Partnership	1,284,110	(45,065)	1,239,045	
2016				
	<i>Opening</i>	<i>Loss on impairment of investment</i>	<i>Total investment</i>	
Wasaya Partnership	2,444,582	(1,160,472)	1,284,110	

Investment information, as at March 31, 2017 and March 31, 2016, is not audited.

The loss on impairment of investments in the First Nation partnership is the result of the following events:

On April 12, 2016, certain subsidiaries and related companies of the Wasaya Partnership filed notices of intention to make proposals under Division I of the Bankruptcy and Insolvency Act R.S.C., 1985, c. B-3. On or about April 26, 2016, the companies issued proposals to their unsecured creditors which proposals were approved by the requisite majority of creditors on May 17, 2016. On June 8, 2016, the Ontario Superior Court of Justice granted orders sanctioning the proposals and those orders were not appealed.

Under the proposals, certain claims of unsecured creditors were compromised requiring those companies to pay approximately \$1 million dollars to those creditors over the subsequent twelve months representing 10% of the claims of unsecured creditors. Amounts due to Wasaya First Nations Partners, including Nibinamik First Nation, were revalued to 10% of their original value under the proposal; however these amounts will remain payable.

As a result of the restructuring of the debt of Wasaya Partnership, a large gain was taken into equity, of which \$944,829 was allocated to Nibinamik First Nation and was incorporated into the impairment adjustment at March 31, 2016.

The impairment in the current year is the result of the valuation of the First Nation's investment in Wasaya Partnership decreasing as a result of the Partnership's operations for their March 31, 2017 year-end.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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.

	2017	2016
Capital Trust		
Balance, beginning of year	1,710	1,710
Balance, end of year	1,710	1,710
Revenue Trust		
Balance, beginning of year	10,976	10,708
Interest	236	268
Balance, end of year	11,212	10,976
	12,922	12,686

7. Accounts payable and accruals

	2017	2016
Funding recoveries payable		
Indigenous and Northern Affairs Canada	689,777	265,781
Trade Payables		
Aboriginal Strategies	91,631	-
Lakehead District School Board	353,755	340,535
Lakehead University	89,589	65,512
Nibinamik Community Store	99,259	81,098
Olympic Builders Supply	172,852	-
Wasaya Airways Limited Partnership	239,471	240,182
Other	452,326	711,239
	1,498,883	1,438,566
Accrued liabilities		
Accrued salaries and employee benefits	235,420	73,647
Other accrued liabilities	41,616	37,000
	277,036	110,647
	2,465,696	1,814,994

8. Deferred revenue

	<i>Balance, beginning of year</i>	<i>Funding received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Indigenous and Northern Affairs Canada	-	1,607,548	100,574	1,506,974
Northern Ontario School of Medicine	30,000	-	-	30,000
	30,000	1,607,548	100,574	1,536,974

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Long-term debt

	2017	2016
RBC Royal Bank fuel loan repayable in monthly instalments of \$30,833 plus interest at RBC prime plus 2% (4.7% - March 31, 2017), due March 2018.	370,000	770,000
RBC Royal Bank loan repayable in monthly instalments of \$1,363 including interest at 4.28%, due March 2019. This loan is secured by a specific vehicle having a net book value of \$39,154 (2016 - \$55,934)	45,949	60,000
RBC Royal Bank vehicle loan repayable in monthly instalments of \$660 including interest at 4.4%, due August 2018.	10,844	18,122
RBC Royal Bank equipment loan repayable in monthly instalments of \$1,787 including interest at 4.85%, due March 2022.	95,000	-
RBC Royal Bank vehicle loan repayable in monthly instalments of \$918 including interest at 4.78%, due March 2021.	40,000	-
RBC Royal Bank	-	66,564
RBC Royal Bank	-	57,902
	561,793	972,588

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 five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2018	418,778
2019	46,383
2020	45,169
2021	30,595
2022	20,868
	561,793

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

10. Forgiveable loans

During the year the First Nation has received CMHC forgiveable loans for residential rehabilitation in the amount of \$Nil (2016 - \$47,500).

	2017	2016
Balance outstanding	38,396	57,396
Schedule of forgiveness:		
2017	-	19,000
2018	14,646	14,646
2019	9,500	9,500
2020	9,500	9,500
2021	4,750	4,750
	38,396	57,396

11. Contingencies

The First Nation has agreements with INAC 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.

12. Tangible capital assets

The consolidated schedule of tangible capital assets (Schedule 1) presents all balances and charges in the year relating to the tangible capital assets owned by the First Nation. Tangible capital assets acquired after March 31, 1997 are recorded at cost less amortization on the consolidated statement of financial position. Tangible capital assets acquired prior to April 1, 1997 are deemed to have been fully amortized and are recorded at a nominal value.

13. Inventory

	2017	2016
Fuel inventory	901,763	713,694

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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.

	2017	2016
Operating Fund		
Balance, beginning of year	18,655,821	19,252,772
Surplus (deficit)	293,009	(596,951)
<hr/>		
Balance, end of year	18,948,830	18,655,821
Investment Fund		
Balance, beginning of year	1,284,110	2,444,582
Investment loss for the year	(45,065)	(1,160,472)
<hr/>		
Balance, end of year	1,239,045	1,284,110
Total accumulated surplus		
Operating Fund	18,948,830	18,655,821
Investment Fund	1,239,045	1,284,110
<hr/>		
Balance, end of year	20,187,875	19,939,931

15. Guarantee

The First Nation has guaranteed up to \$130,000 to suppliers of the Nibinamik Community Store. As at March 31, 2017 no liability (2016 - \$Nil) has been recorded associated with this guarantee.

16. Economic dependence

Nibinamik First Nation receives 74% (2016 - 61%) 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 INAC 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, 2017

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.

Casino Rama - reports on the Casino Rama funding.

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

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 Indigenous and Northern Affairs Canada (INAC). Under the terms of the agreement, funding can be suspended if the First Nation does not comply with the terms of the agreement.

	<i>Operating</i>	<i>Capital</i>	2017	2016
Federal government transfers				
Indigenous and Northern Affairs Canada	7,742,793	-	7,742,793	4,558,004
Health Canada	1,591,180	-	1,591,180	1,602,804
Total Federal	9,333,973	-	9,333,973	6,160,808
Provincial government transfers				
Ministry of Tourism and Culture	48,000	-	48,000	56,250
Ministry of Northern Development and Mines	760,335	-	760,335	639,308
Ministry of Community and Social Services	712,014	-	712,014	454,415
Ministry of Health and Long-Term Care	86,269	-	86,269	86,269
Ministry of Indigenous Relations and Reconciliation	90,000	-	90,000	194,546
Total Provincial	1,696,618	-	1,696,618	1,430,788
	11,030,591	-	11,030,591	7,591,596

19. Budget information

The disclosed budget information has been approved by the Chief and Council of Nibinamik First Nation at the meeting held on May 25, 2017.

Nibinamik First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

20. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

21. Comparative figures

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

Nibinamik First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<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	878,963	511,253	188,827	10,842,961	3,135,658	7,182,699	22,740,361
Acquisition of tangible capital assets	40,611	-	-	-	-	-	40,611
Balance, end of year	919,574	511,253	188,827	10,842,961	3,135,658	7,182,699	22,780,972
Accumulated amortization							
Balance, beginning of year	718,024	502,135	171,136	5,530,798	1,498,410	4,455,850	12,876,353
Annual amortization	60,465	2,735	3,538	265,608	81,862	136,342	550,550
Balance, end of year	778,489	504,870	174,674	5,796,406	1,580,272	4,592,192	13,426,903
Net book value of tangible capital assets	141,085	6,383	14,153	5,046,555	1,555,386	2,590,507	9,354,069
2016 Net book value of tangible capital assets	160,939	9,118	17,691	5,312,163	1,637,248	2,726,849	9,864,008

Nibinamik First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<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	22,740,361	7,041,004	322,124	11,364,138	609,920	58,875	42,136,422
Acquisition of tangible capital assets	40,611	-	-	-	120,500	-	161,111
Balance, end of year	22,780,972	7,041,004	322,124	11,364,138	730,420	58,875	42,297,533
Accumulated amortization							
Balance, beginning of year	12,876,353	3,048,335	190,761	5,854,834	519,414	57,062	22,546,759
Annual amortization	550,550	159,707	5,255	220,372	42,202	364	978,450
Balance, end of year	13,426,903	3,208,042	196,016	6,075,206	561,616	57,426	23,525,209
Net book value of tangible capital assets	9,354,069	3,832,962	126,108	5,288,932	168,804	1,449	18,772,324
2016 Net book value of tangible capital assets	9,864,008	3,992,669	131,363	5,509,304	90,506	1,813	19,589,663

Nibinamik First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Land</i>	<i>2017</i>	<i>2016</i>
Cost				
Balance, beginning of year	42,136,422	236,063	42,372,485	41,835,924
Acquisition of tangible capital assets	161,111	-	161,111	536,561
Balance, end of year	42,297,533	236,063	42,533,596	42,372,485
Accumulated amortization				
Balance, beginning of year	22,546,759	-	22,546,759	21,535,709
Annual amortization	978,450	-	978,450	1,011,050
Balance, end of year	23,525,209	-	23,525,209	22,546,759
Net book value of tangible capital assets	18,772,324	236,063	19,008,387	19,825,726
2016 Net book value of tangible capital assets	19,589,663	236,063	19,825,726	

Nibinamik First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Consolidated expenses by object			
Advertising	-	2,335	-
Amortization	1,000,000	978,450	1,011,050
Bad debts	56,005	8,877	37,942
Bank charges and interest	1,950	59,936	29,982
Community donations	-	15,797	11,868
Community events	-	307,045	-
Contracts and consulting	1,510,254	743,975	635,452
Crisis	125,000	299,472	160,483
Community Support	-	75,409	-
Hydro	-	538,883	-
Honouraria	239,108	256,013	292,864
Insurance	21,795	21,795	23,633
Interest on long-term debt	23,884	27,027	42,431
Meeting	-	160,521	-
Miscellaneous	-	423	11,901
Office supplies	62,400	119,502	71,086
Professional fees	155,000	177,958	176,134
Program expense	624,054	1,020,413	2,015,010
Repairs and maintenance	191,324	359,342	492,482
Salaries and employee benefits	3,084,576	3,762,743	2,986,270
Student expenses	51,000	361,654	-
Supplies	-	170,673	-
Telephone	76,036	118,215	55,056
Training	143,732	299,532	24,854
Travel	260,678	560,395	730,510
Tuition	392,300	316,812	200,764
Fuel	-	1,144,768	967,926
Utilities	16,640	36,557	594,927
Vehicles and fuel	1,036,252	119,635	195,491
	9,071,988	12,064,157	10,768,116

Nibinamik First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2017

	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue, beginning of year</i>	<i>Deferred Revenue, end of year</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Program								
Administration	467,212	166,972	-	-	634,184	1,234,000	666,962	67,146
Band Operations and Maintenance	3,322,971	1,489,977	-	(1,303,672)	3,509,276	3,541,338	182,040	149,978
Economic/Employment Development	199,115	343,107	-	-	542,222	420,295	(137,795)	(15,868)
Education	3,461,796	(328,508)	-	(203,302)	2,929,986	2,801,525	(112,658)	15,803
Medical Services	-	1,633,200	30,000	(30,000)	1,633,200	1,461,651	(184,000)	(12,451)
Social Services	44,060	797,620	-	-	841,680	748,409	-	93,271
Community Support	-	415,905	-	-	415,905	399,367	(32,394)	(15,856)
Lands & Resources	247,639	661,323	-	-	908,962	800,776	(91,191)	16,995
Investment Fund	-	(45,065)	-	-	(45,065)	-	-	(45,065)
Casino Rama	-	941,751	-	-	941,751	656,796	(290,964)	(6,009)
Total	7,742,793	6,076,282	30,000	(1,536,974)	12,312,101	12,064,157	-	247,944