

**Nibinamik First Nation**  
**Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**Nibinamik First Nation**  
**Contents**  
*For the year ended March 31, 2018*

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## **Management's Responsibility**

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**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 fulfils 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.

December 19, 2018



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## Independent Auditors' Report

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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, 2018 and the consolidated 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 which are accounted for by the modified equity method and which have a carrying value of \$464,259 (2017 - \$1,239,045) on the consolidated statement of financial position. We were unable to obtain sufficient appropriate audit evidence regarding the carrying value 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. In addition, related disclosures 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.

Also, the accounting records for the Nibinamik Power Authority, a band entity, were not completed or available for audit. Only bank transactions have been included in the consolidated financial statements. Consequently, we were unable to determine whether any adjustments might be required to adjust the assets, liabilities, net financial assets (net debt), non-financial assets, revenues or expenses related to the entities operations.

### *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, 2018 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  
December 19, 2018

*MNP LLP*

Chartered Professional Accountants  
Licensed Public Accountants

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**MNP**

**Nibinamik First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	1,368,872	1,550,424
Accounts receivable (Note 4)	3,171,058	1,969,332
Portfolio investments	2	-
Investments in First Nation business partnership (Note 5)	464,259	1,239,045
Funds held in trust (Note 6)	13,196	12,922
<b>Total financial assets</b>	<b>5,017,387</b>	<b>4,771,723</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 7)	4,074,833	2,465,696
Deferred revenue (Note 8)	1,393,718	1,536,974
Long-term debt (Note 9)	142,962	561,793
Forgivable loans (Note 10)	23,750	38,396
<b>Total liabilities</b>	<b>5,635,263</b>	<b>4,602,859</b>
<b>Net financial assets (net debt)</b>	<b>(617,876)</b>	<b>168,864</b>
<b>Contingencies (Note 11)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 12)	20,369,479	19,008,387
Inventory (Note 13)	704,145	901,763
Prepaid expenses	50,698	108,861
<b>Total non-financial assets</b>	<b>21,124,322</b>	<b>20,019,011</b>
<b>Accumulated surplus</b>	<b>20,506,446</b>	<b>20,187,875</b>

Approved on behalf of the Council



Chief



Councillor

**Nibinamik First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>Revenue</b>			
Indigenous Services Canada (Note 18)	5,004,477	8,357,608	7,742,793
Health Canada (Note 18)	1,314,224	2,506,161	1,591,180
Ontario First Nations Limited Partnership	900,000	952,919	940,329
Other revenue	77,580	496,095	319,259
Nibinamik Power Authority	336,788	609,668	1,413,455
Investment income	-	387	
Ministry of Tourism and Culture (Note 18)	48,000	50,568	48,000
Ministry of Northern Development and Mines (Note 18)	272,166	226,967	753,059
Matawa First Nations	579,962	515,520	95,195
Ministry of Community and Social Services (Note 18)	452,840	582,446	712,014
Ministry of Health and Long-Term Care (Note 18)	86,280	141,569	86,269
Ministry of Indigenous Relations and Reconciliation (Note 18)	90,000	100,000	90,000
Nishnawbe Aski Nation	116,436	596,039	223,985
Network revenue	-	17,760	
KKETS	84,000	40,040	176,660
NADF	-	203,680	-
Deferred revenue, prior year (Note 8)	-	1,536,974	30,000
Deferred revenue, end of year (Note 8)	-	(1,393,718)	(1,536,974)
Repayment of funding	-	(475,578)	(346,205)
	<b>9,362,753</b>	<b>15,046,958</b>	<b>12,357,166</b>
<b>Program expenses</b>			
Administration	996,364	1,053,341	1,234,000
Band Operations and Maintenance	2,714,917	4,754,809	3,541,338
Economic/Employment Development	262,714	390,642	420,295
Education	2,710,207	3,135,768	2,801,525
Medical Services	1,128,334	2,249,342	1,461,651
Social Services	504,520	626,893	748,409
Community Support	344,654	406,554	399,367
Lands & Resources	818,355	705,201	800,776
Casino Rama	313,000	631,051	656,796
<b>Total expenses (Schedule 2)</b>	<b>9,793,065</b>	<b>13,953,601</b>	<b>12,064,157</b>
<b>Surplus (deficit) before other items</b>	<b>(430,312)</b>	<b>1,093,357</b>	<b>293,009</b>
<b>Other income (expense)</b>			
Loss on impairment of investment in First Nation Partnership (Note 5)	-	(774,786)	(45,065)
<b>Surplus (deficit)</b>	<b>(430,312)</b>	<b>318,571</b>	<b>247,944</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>20,187,875</b>	<b>19,939,931</b>
<b>Accumulated surplus (deficit), end of year (Note 14)</b>	<b>(430,312)</b>	<b>20,506,446</b>	<b>20,187,875</b>

*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, 2018*

	<i>2018 Budget</i>	<i>2018 Actual</i>	<i>2017 Actual</i>
<b>Annual surplus</b>		<b>318,571</b>	247,944
Purchases of tangible capital assets	-	(2,365,114)	(161,111)
Amortization of tangible capital assets	(882,856)	1,004,022	978,450
Change in inventory	-	197,618	(188,069)
Net acquisition of prepaid expenses	-	-	(108,861)
Net use of prepaid expenses	-	58,163	-
<b>Increase (decrease) in net financial assets</b>	<b>(882,856)</b>	<b>(786,740)</b>	768,353
<b>Net financial assets (net debt), beginning of year</b>	<b>-</b>	<b>168,864</b>	(599,489)
<b>Net financial assets (net debt), end of year</b>	<b>(882,856)</b>	<b>(617,876)</b>	168,864

*The accompanying notes are an integral part of these financial statements*

**Nibinamik First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	318,571	247,944
Non-cash items		
Amortization	1,004,022	978,450
Loss on impairment of investment in First Nation partnership	774,786	45,065
	<b>2,097,379</b>	1,271,459
Changes in working capital accounts		
Accounts receivable	(1,201,724)	(1,119,362)
Funds held in Ottawa Trust Fund	(274)	(236)
Prepaid expenses	58,163	(108,861)
Inventory	197,618	(188,069)
Accounts payable and accruals	1,609,133	650,702
Deferred revenue	(143,256)	1,506,974
	<b>2,617,039</b>	2,012,607
<b>Financing activities</b>		
Forgiveness of loans	(14,646)	(19,000)
Repayment of long-term debt	(418,831)	(915,795)
Advances of long-term debt	-	505,000
	<b>(433,477)</b>	(429,795)
<b>Capital activities</b>		
Purchases of tangible capital assets	(2,365,114)	(161,111)
<b>Increase (decrease) in cash resources</b>	<b>(181,552)</b>	1,421,701
<b>Cash resources, beginning of year</b>	<b>1,550,424</b>	128,723
<b>Cash resources, end of year</b>	<b>1,368,872</b>	1,550,424

*The accompanying notes are an integral part of these financial statements*

**Nibinamik First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**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, 2018*

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**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, 2018.

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, 2018*

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**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.

Deferred revenue is estimated based on management's review of revenue received, but unspent at year-end.

**Nibinamik First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**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 and 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, 2018*

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**3. Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
General	<b>740,866</b>	1,443,802
Health and Social	<b>471,838</b>	72,237
Economic Development	<b>180</b>	(21,332)
Education Authority	<b>55,733</b>	(205,970)
Power Authority	<b>5,600</b>	115,652
Lands & Resources	<b>461</b>	80,097
Amik Project	<b>49,121</b>	14,529
Investment	<b>317</b>	6,653
Other cash resources	<b>44,756</b>	44,756
	<b>1,368,872</b>	1,550,424

During the year the First Nation designated \$Nil (2017 - \$1,277,115) of cash to be used specifically for community member housing renovations, diesel generator station upgrades and construction of multiplex housing.

	<b>2018</b>	<b>2017</b>
Housing renovation	-	250,000
Diesel generator station upgrades	-	313,883
Multiplex housing construction	-	713,232
	<b>-</b>	<b>1,277,115</b>

At March 31, 2018, the First Nation had lines of credit available totalling \$275,000 bearing interest at bank prime rate plus 3.25% (5.95% - March 31, 2018). At March 31, 2018, \$Nil (2017 - \$21,332) 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**

	<b>2018</b>	<b>2017</b>
Indigenous Services Canada	<b>1,037,555</b>	760,884
Health and Welfare Canada	<b>9,412</b>	-
Ministry of Northern Development and Mines	<b>48,344</b>	47,212
Harmonized Sales Tax rebates	<b>86,352</b>	86,352
Ministry of Community and Social Services	<b>58,005</b>	93,939
Commercial Hydro	<b>141,527</b>	141,527
Employee advances	<b>602,588</b>	624,523
Fuel sales	<b>110,588</b>	110,588
General	<b>1,703,145</b>	730,765
Allowance for doubtful accounts	<b>(626,458)</b>	(626,458)
	<b>3,171,058</b>	1,969,332

**Nibinamik First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**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>2018</i>
			<i>Total investment</i>
<b>Significantly Influenced Business:</b>			
Wasaya Partnership	1,239,045	(774,786)	<b>464,259</b>
<b>2017</b>			
	<i>Opening</i>	<i>Loss on impairment of investment</i>	<i>Total investment</i>
Wasaya Partnership	1,284,110	(45,065)	1,239,045

Investment information, as at March 31, 2018 and March 31, 2017, is not audited.

On February 1, 2018, Wasaya Group Inc. ("WGI"), Wasaya Airways Limited Partnership ("WALP") and Wasaya Petroleum Limited Partnership ("WPLP") announced they had entered into an agreement to partner with Exchange Income Corporation ("EIC"). The transaction was completed on April 19, 2018, resulting in EIC purchasing 51% of the limited partnership units of WALP and WPLP as well as 49% of the common shares of WGI. The equity purchased by EIC was from existing equity holders of the Wasaya Group of companies; no new equity was issued as a result of this transaction. EIC shares with a fair market value of \$1,000,000 CDN were transferred to Nibinamik First Nation in consideration for 51% of its limited partnership units of WALP and WPLP as well as 49% of its common shares of WGI.

**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 Indigenous Services Canada, with the consent of the First Nation's Council.

	<i>2018</i>	<i>2017</i>
<b>Capital Trust</b>		
Balance, beginning of year	1,710	1,710
Balance, end of year	<b>1,710</b>	1,710
<b>Revenue Trust</b>		
Balance, beginning of year	11,212	10,976
Interest	274	236
Balance, end of year	<b>11,486</b>	11,212
	<b>13,196</b>	12,922

**Nibinamik First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

7. Accounts payable and accruals	2018	2017		
<b>Funding repayable</b>				
Indigenous Services Canada	826,276	689,777		
Nishnawbe Aski Nation	333,879	-		
	<b>1,160,155</b>	689,777		
<b>Trade Payables</b>				
Aboriginal Strategies	148,775	91,631		
Expedition Freight Solutions	85,737	-		
Lakehead District School Board	386,564	353,755		
Lakehead University	89,589	89,589		
Nibinamik Community Store	9,487	99,259		
Olympic Builders Supply	221,072	172,852		
Wasaya Airways Limited Partnership	239,923	239,471		
Matawa First Nations Management	229,646	-		
Other	581,330	452,326		
Peter G. Thiessen Homes Inc.	273,268	-		
Toromont Cat	92,959	-		
	<b>2,358,350</b>	1,498,883		
<b>Accrued liabilities</b>				
Accrued salaries and employee benefits	95,221	235,420		
Other accrued liabilities	461,107	41,616		
	<b>556,328</b>	277,036		
	<b>4,074,833</b>	2,465,696		
<b>8. Deferred revenue</b>				
	<i>Balance, beginning of year</i>	<i>Funding received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada	1,506,974	8,357,608	8,928,920	935,662
Northern Ontario School of Medicine	30,000	-	-	30,000
Other	-	789,605	361,549	428,056
	<b>1,536,974</b>	<b>9,147,213</b>	<b>9,290,469</b>	<b>1,393,718</b>

**Nibinamik First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**9. Long-term debt**

	<b>2018</b>	<b>2017</b>
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 \$27,408 (2017 - \$39,154).	31,217	45,949
RBC Royal Bank vehicle loan repayable in monthly instalments of \$660 including interest at 4.4%, due August 2018.	3,258	10,844
RBC Royal Bank equipment loan repayable in monthly instalments of \$1,787 including interest at 4.85%, due March 2022.	77,793	95,000
RBC Royal Bank vehicle loan repayable in monthly instalments of \$918 including interest at 4.78%, due March 2021.	30,694	40,000
RBC Royal Bank fuel loan paid in full March 2018.	-	370,000
	<b>142,962</b>	<b>561,793</b>

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:

	<b>Principal</b>
2019	46,392
2020	45,103
2021	30,595
2022	20,872
	<hr/> 142,962

**Nibinamik First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**10. Forgiveable loans**

During the year the First Nation has received CMHC forgiveable loans for residential rehabilitation in the amount of \$Nil (2017 - \$Nil). The forgiveable loans are subject to the stipulation that rehabilitation of a residence must be started within six months and completed within one year of the date of the loan approval letter in order to be forgiven.

	<b>2018</b>	<b>2017</b>
Balance outstanding	<b>23,750</b>	38,396
<b>Schedule of forgiveness:</b>		
2018	-	14,646
2019	9,500	9,500
2020	9,500	9,500
2021	4,750	4,750
	<b>23,750</b>	38,396

**11. Contingencies**

The First Nation has agreements with Indigenous Services Canada ("ISC") 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**

	<b>2018</b>	<b>2017</b>
Fuel inventory	<b>704,145</b>	901,763

**Nibinamik First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**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.

	<b>2018</b>	<b>2017</b>
<b>Operating Fund</b>		
Balance, beginning of year	18,948,830	18,655,821
Surplus	<u>1,093,357</u>	<u>293,009</u>
Balance, end of year	<b>20,042,187</b>	<b>18,948,830</b>
<b>Investment Fund</b>		
Balance, beginning of year	1,239,045	1,284,110
Investment loss for the year	<u>(774,786)</u>	<u>(45,065)</u>
Balance, end of year	<b>464,259</b>	<b>1,239,045</b>
<b>Total accumulated surplus</b>		
Operating Fund	2,042,187	18,948,830
Investment Fund	<u>464,259</u>	<u>1,239,045</u>
Balance, end of year	<b>2,506,446</b>	<b>20,187,875</b>

**15. Guarantee**

The First Nation has guaranteed up to \$130,000 to suppliers of the Nibinamik Community Store. As at March 31, 2018 no liability (2017 - \$Nil) has been recorded associated with this guarantee.

**16. Economic dependence**

Nibinamik First Nation receives 68% (2017 - 74%) 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, 2018*

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**17. Segments**

The First Nation has ten 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 ISC. 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>	<b>2018</b>	<b>2017</b>
<b>Federal government transfers</b>				
Indigenous Services Canada	8,357,608	-	<b>8,357,608</b>	7,742,793
Health Canada	2,506,161	-	<b>2,506,161</b>	1,591,180
Total Federal	10,863,769	-	<b>10,863,769</b>	9,333,973
<b>Provincial government transfers</b>				
Ministry of Tourism and Culture	50,568	-	<b>50,568</b>	48,000
Ministry of Northern Development and Mines	226,967	-	<b>226,967</b>	760,335
Ministry of Community and Social Services	582,446	-	<b>582,446</b>	712,014
Ministry of Health and Long-Term Care	141,569	-	<b>141,569</b>	86,269
Ministry of Indigenous Relations and Reconciliation	100,000	-	<b>100,000</b>	90,000
Total Provincial	1,101,550	-	<b>1,101,550</b>	1,696,618
	11,965,319	-	<b>11,965,319</b>	11,030,591

**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, 2018*

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**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, 2018*

	<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>
<b>Cost</b>							
Balance, beginning of year	919,574	511,253	188,827	10,842,961	3,135,658	7,182,699	22,780,972
Acquisition of tangible capital assets	297,924	-	-	1,576,491	-	79,613	1,954,028
<b>Balance, end of year</b>	<b>1,217,498</b>	<b>511,253</b>	<b>188,827</b>	<b>12,419,452</b>	<b>3,135,658</b>	<b>7,262,312</b>	<b>24,735,000</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	778,489	504,870	174,674	5,796,406	1,580,272	4,592,192	13,426,903
Annual amortization	131,703	1,915	2,831	252,328	77,769	133,506	600,052
<b>Balance, end of year</b>	<b>910,192</b>	<b>506,785</b>	<b>177,505</b>	<b>6,048,734</b>	<b>1,658,041</b>	<b>4,725,698</b>	<b>14,026,955</b>
<b>Net book value of tangible capital assets</b>	<b>307,306</b>	<b>4,468</b>	<b>11,322</b>	<b>6,370,718</b>	<b>1,477,617</b>	<b>2,536,614</b>	<b>10,708,045</b>
<b>2017 Net book value of tangible capital assets</b>	<b>141,085</b>	<b>6,383</b>	<b>14,153</b>	<b>5,046,555</b>	<b>1,555,386</b>	<b>2,590,507</b>	<b>9,354,069</b>

**Nibinamik First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<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>
<b>Cost</b>							
Balance, beginning of year	22,780,972	7,041,004	322,124	11,364,138	730,420	58,875	42,297,533
Acquisition of tangible capital assets	1,954,028	411,086	-	-	-	-	2,365,114
Balance, end of year	<b>24,735,000</b>	<b>7,452,090</b>	<b>322,124</b>	<b>11,364,138</b>	<b>730,420</b>	<b>58,875</b>	<b>44,662,647</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	13,426,903	3,208,042	196,016	6,075,206	561,616	57,426	23,525,209
Annual amortization	600,052	153,318	5,044	211,557	33,761	290	1,004,022
Balance, end of year	<b>14,026,955</b>	<b>3,361,360</b>	<b>201,060</b>	<b>6,286,763</b>	<b>595,377</b>	<b>57,716</b>	<b>24,529,231</b>
<b>Net book value of tangible capital assets</b>	<b>10,708,045</b>	<b>4,090,730</b>	<b>121,064</b>	<b>5,077,375</b>	<b>135,043</b>	<b>1,159</b>	<b>20,133,416</b>
2017 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

**Nibinamik First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<i>Subtotal</i>	<i>Land</i>	<b>2018</b>	<b>2017</b>
<b>Cost</b>				
Balance, beginning of year	42,297,533	236,063	<b>42,533,596</b>	42,372,485
Acquisition of tangible capital assets	2,365,114	-	2,365,114	161,111
Balance, end of year	<b>44,662,647</b>	<b>236,063</b>	<b>44,898,710</b>	42,533,596
<b>Accumulated amortization</b>				
Balance, beginning of year	23,525,209	-	<b>23,525,209</b>	22,546,759
Annual amortization	1,004,022	-	1,004,022	978,450
Balance, end of year	<b>24,529,231</b>	-	<b>24,529,231</b>	23,525,209
<b>Net book value of tangible capital assets</b>	<b>20,133,416</b>	<b>236,063</b>	<b>20,369,479</b>	19,008,387
2017 Net book value of tangible capital assets	18,772,324	236,063	19,008,387	

**Nibinamik First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>Consolidated expenses by object</b>			
Advertising	3,565	7,042	2,335
Amortization	882,856	1,004,022	978,450
Bad debts	56,005	16,764	8,877
Bank charges and interest	36,750	34,856	59,936
Community donations	-	4,144	15,797
Community events	-	216,761	307,045
Furniture and equipment	-	221,010	75,409
Consulting	-	278,825	-
Contracts and consulting	828,013	261,842	743,975
Crisis	216,600	371,331	299,472
Fuel	-	1,230,029	1,144,768
Honoraria	230,092	193,704	256,013
Hydro	-	489,185	538,883
Insurance	21,795	20,482	21,795
Interest on long-term debt	11,365	17,814	27,027
Meeting	-	84,098	160,521
Miscellaneous	-	2,918	423
Office expense	61,141	107,509	119,502
Other expenses	-	179,562	-
Professional fees	155,490	279,355	177,958
Program expense	978,396	2,130,941	1,020,413
Repairs and maintenance	1,735,838	995,549	359,342
Salaries and employee benefits	3,387,939	3,880,910	3,762,743
Student expenses	-	62,035	361,654
Supplies	-	262,668	170,673
Telephone	98,248	112,445	118,215
Training	449,339	250,467	299,532
Travel	125,186	784,859	560,395
Tuition	-	287,184	316,812
Utilities	24,804	32,657	36,557
Vehicle and fuel	369,643	132,633	119,635
Vehicle purchase	120,000	-	-
	<b>9,793,065</b>	<b>13,953,601</b>	<b>12,064,157</b>

**Nibinamik First Nation**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2018*

	<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>
<b>Program</b>								
Administration	712,974	116,733	-	-	829,707	1,053,341	510,876	287,242
Band Operations and Maintenance	3,366,386	1,118,520	1,303,672	(932,182)	4,856,396	4,754,809	676,217	777,804
Economic/Employment Development	279,286	196,136	-	-	475,422	390,642	(122,544)	(37,764)
Education	3,550,495	(78,875)	203,302	(315,913)	3,359,009	3,135,768	(52,160)	171,081
Medical Services	-	2,635,789	30,000	(30,000)	2,635,789	2,249,342	(334,911)	51,536
Social Services	37,000	577,246	-	-	614,246	626,893	-	(12,647)
Community Support	61,900	459,445	-	(42,239)	479,106	406,554	(23,944)	48,608
Lands & Resources	349,567	568,180	-	(73,383)	844,364	705,201	(31,666)	(192,503)
Casino Rama	-	952,919	-	-	952,919	631,051	(321,868)	-
<b>Total</b>	<b>8,357,608</b>	<b>6,546,093</b>	<b>1,536,974</b>	<b>(1,393,717)</b>	<b>15,046,958</b>	<b>13,953,601</b>	<b>-</b>	<b>1,093,357</b>