

Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Financial Statements
March 31, 2018

Ochiichagwe'Babigo'Ining Ojibway Nation

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For the year ended March 31, 2018

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Management's Responsibility

To the Members and Chief and Council of Ochiichagwe'Babigo'Ining Ojibway Nation:

The accompanying consolidated financial statements of Ochiichagwe'Babigo'Ining Ojibway Nation (the "Nation") are the responsibility of management and have been approved by the Chief and Council (the "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 consolidated financial statements.

The Ochiichagwe'Babigo'Ining Ojibway Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. 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 Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the 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.

October 12, 2018



Ernest Jameson - Band Manager

Independent Auditors' Report



To the Members and Chief and Council of Ochiichagwe'Babigo'Ining Ojibway Nation:

We have audited the accompanying consolidated financial statements of Ochiichagwe'Babigo'Ining Ojibway Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes 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 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 audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Ochiichagwe'Babigo'Ining Ojibway Nation as at March 31, 2018 and the results of its operations, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Kenora, Ontario

October 12, 2018

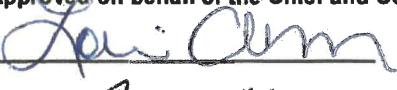
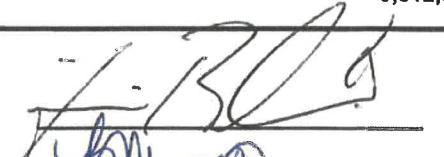


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Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017	
Financial assets			
Current			
Cash <i>(Note 3)</i>	1,601,759	1,818,599	
Accounts receivable <i>(Note 4)</i>	975,543	1,203,206	
	2,577,302	3,021,805	
Portfolio investments <i>(Note 5)</i>	104	-	
Restricted cash <i>(Note 6)</i>	262,514	260,608	
Funds Held in Ottawa Trust Fund <i>(Note 7)</i>	71,944	70,449	
CMHC replacement reserve <i>(Note 8)</i>	13,453	13,374	
Total financial assets	2,925,317	3,366,236	
Liabilities			
Current			
Accounts payable and accruals <i>(Note 9)</i>	497,555	490,275	
Funding repayable <i>(Note 10)</i>	443,548	512,516	
Deferred revenue <i>(Note 11)</i>	1,014,736	686,405	
	1,955,839	1,689,196	
Long-term debt <i>(Note 12)</i>	1,789,607	1,835,468	
Due to Indigenous and Northern Affairs Canada <i>(Note 13)</i>	-	580,941	
Total liabilities	3,745,446	4,105,605	
Net debt	(820,129)	(739,369)	
Non-financial assets			
Tangible capital assets <i>(Schedule 1)</i>	10,018,038	9,706,960	
Prepaid expenses	114,763	-	
Total non-financial assets	10,132,801	9,706,960	
Accumulated surplus <i>(Note 14)</i>	9,312,672	8,967,591	
Approved on behalf of the Chief and Councillors			
	Chief		Councillor
	Councillor		Councillor

Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous and Northern Affairs Canada (Note 15), (Note 16)	2,498,949	2,880,598	2,838,417	
First Nations and Inuit Health (Note 15)	-	372,171	341,232	
Canada Mortgage and Housing Corporation (Note 15)	291,523	62,936	593,240	
Human Resources and Skills Development Canada (Note 15)	-	7,736	7,658	
Natural Resources Canada (Note 15)	-	2,250	6,750	
Fisheries and Oceans (Note 15)	-	2,706	6,000	
Transport Canada (Note 15)	-	2,706	6,000	
Ministry of Indigenous Relations and Reconciliation (Note 15)	273,980	692,905	180,000	
Debt forgiveness (Note 13)	-	580,941	-	
Ontario First Nations Limited Partnership	-	565,625	557,013	
Ministry of Community and Social Services (Note 15)	4,732	467,833	471,928	
Kenora Chiefs Advisory Inc.	157,624	327,582	278,428	
Concentra Trust Fund investment revenue	-	184,065	211,623	
Administration fees	-	173,460	139,478	
Rental income	-	153,185	153,185	
Anishinaabe Abinoojii Family Services	144,294	150,880	149,423	
Ministry of Health and Long-Term Care (Note 15)	24,181	84,710	3,391	
Ministry of Natural Resources and Forestry (Note 15)	-	74,869	-	
Hydro One	42,187	71,505	49,560	
Miscellaneous revenue	-	77,332	67,692	
Shooniyyaa Wa-Biitong	-	67,510	48,306	
Trans Canada Pipeline	-	30,149	79,468	
Harmonized Sales Tax rebates	-	36,938	51,375	
Grand Council Treaty #3	34,700	36,039	32,164	
Ministry of Tourism, Culture and Sport (Note 15)	30,000	30,866	30,000	
Ontario Power Generation donations	-	30,000	2,500	
New Horizons for Seniors	24,550	25,000	25,000	
Non-insured health benefits	-	13,432	16,783	
Interest income	-	10,883	13,138	
Bimose Tribal Council	-	10,000	-	
Aboriginal Fund for Species at Risk	-	-	35,000	
Repayment of funding	-	(76,323)	(210,083)	
Deferred revenue - prior year (Note 11)	-	686,405	125,277	
Deferred revenue - current year (Note 11)	-	(1,014,736)	(686,405)	
	3,526,720	6,822,158	5,623,541	
Expenses				
Administration	4	305,300	1,416,524	1,495,851
Capital	5	-	649,755	871,078
Economic Development	6	123,483	435,194	456,932
Education	7	323,702	1,652,914	1,818,537
Health	9	596,323	1,005,221	893,135
Operations and Maintenance	10	76,500	603,842	536,600
Social	11	223,175	713,627	676,550
Total expenses (Schedule 2)		1,648,483	6,477,077	6,748,683
Surplus (deficit)		1,878,237	345,081	(1,125,142)

Continued on next page

Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	2018 Budget	2018	2017
Surplus (deficit) (Continued from previous page)	1,878,237	345,081	(1,125,142)
Accumulated surplus, beginning of year	8,967,591	8,967,591	10,092,733
Accumulated surplus, end of year	10,845,828	9,312,672	8,967,591

Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2018

	2018 Budget	2018	2017
Surplus (deficit)	1,878,237	345,081	(1,125,142)
Purchases of tangible capital assets	-	(764,763)	(157,291)
Amortization of tangible capital assets	-	453,685	445,798
	<u>(311,078)</u>	<u>288,507</u>	
Acquisition of prepaid expenses	-	(114,763)	-
Use of prepaid expenses	-	-	41,793
	<u>(114,763)</u>	<u>41,793</u>	
(Increase) decrease in net debt	1,878,237	(80,760)	(794,842)
Net financial assets (net debt), beginning of year	(739,369)	(739,369)	55,473
Net financial assets (net debt), end of year	1,138,868	(820,129)	(739,369)

Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	345,081	(1,125,142)
Non-cash items		
Amortization	453,685	445,798
Accrued interest	-	22,954
Debt forgiveness	(580,941)	-
	217,825	(656,390)
Changes in working capital accounts		
Accounts receivable	227,663	(876,458)
Prepaid expenses	(114,763)	41,793
Accounts payable and accruals	7,280	(144,843)
Deferred revenue	328,331	561,128
CMHC replacement reserve	(79)	(72)
Funding repayable	(68,968)	277,642
	597,289	(797,200)
Financing activities		
Advances of long-term debt	61,189	314,053
Repayment of long-term debt	(107,050)	(183,972)
	(45,861)	130,081
Capital activities		
Purchases of tangible capital assets	(764,763)	(157,291)
Investing activities		
Increase in restricted cash	(1,906)	(1,762)
Increase of Funds Held in Ottawa Trust Fund	(1,495)	(1,282)
Purchase of investments	(104)	-
	(3,505)	(3,044)
Decrease in cash and cash equivalents	(216,840)	(827,454)
Cash and cash equivalents, beginning of year	1,818,599	2,646,053
Cash and cash equivalents, end of year	1,601,759	1,818,599
Supplementary cash flow information		
Interest paid	12,452	21,825
Interest received	10,883	13,138

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

1. Operations

The Ochiichagwe'Babigo'Ining Ojibway Nation (the "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 principles and include the following significant accounting policies:

Reporting entity

The Nation reporting entity includes the Nation's government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation. Trust administered on behalf of third parties by the Nation are excluded from the Nation's reporting entity.

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

- Ochiichagwe'Babigo'Ining Ojibway Nation
- CMHC Housing

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.

Basis of presentation

Sources of financing and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes 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.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of one year or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in Ottawa Trust Fund

The funds held in trust in the consolidated revenue fund of the Government of Canada are subject to audit by the office of the Auditor General of Canada. Revenue from the funds held in trust are recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Trust monies consist of:

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

Portfolio investments

Portfolio investments not quoted in an active market are recorded at amortized cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Tangible capital assets

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

Amortization

Tangible capital assets are amortized annually using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Water and Sewer - Infrastructure	straight-line	40 years
Water and Sewer - Buildings	straight-line	30 years
Electrical Systems	straight-line	20 years
Roads	straight-line	40 years
Office Furniture and Equipment	straight-line	5 years
Heavy Equipment	straight-line	10 years
Automotive	straight-line	5-10 years
Machinery and Equipment	straight-line	5 years
Community Buildings	straight-line	30 years
Band Housing	straight-line	40 years
CMHC Housing	straight-line	40 years

The Community Centre and Residential Duplex with carrying values of \$282,695 and \$388,547 respectively are currently under construction. As such, amortization of these assets have not been recorded during the year.

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 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.

Discounted cash flows are used to measure fair value of long-lived assets.

Non-financial assets

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Revenue recognition

Government transfers

The 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 given rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Concentra Trust Fund Settlements

Income from trust is recorded when received.

Rent Revenue

CMHC rental revenue is recorded on an accrual basis with a corresponding allowance for doubtful accounts.

Other Revenue

Other revenue, such as miscellaneous, reimbursements, administration, and Hydro One are recognized when services are provided and collectability is reasonably assured.

Financial instruments

All significant financial assets, financial liabilities and equity instruments on the Nation are either recognized or disclosed in the consolidated financial statements together with other information relevant for the making a reasonable assessment of the future cash flows and interest rate, currency or credit risk.

Measurement uncertainty

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.

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

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

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

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

Segments

The Nation conducts its business through eight reportable segments: Administration, Capital, Economic Development, Education, Ontario First Nations Limited Partnership, Health, Operations and Maintenance and Social. These segments are established by senior management to facilitate the achievement of the 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.

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Net financial assets (net debt)

The Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net debt of the Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) is comprised of two components, non-financial assets and accumulated surplus.

Adoption of new standards

The Nation has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosure, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights. The adoption of these new standards did not have a material impact on the consolidated financial statements.

3. Cash

	2018	2017
Copperfin Credit Union - Investment Savings - OFNLP	824,962	918,682
Copperfin Credit Union - Development	286,962	319,579
Copperfin Credit Union - Investment Savings - War Chest	17,474	184,838
Copperfin Credit Union - Housing	164,769	157,592
BMO - Social Services	108,428	128,973
Bank of Nova Scotia - CMHC	177,278	102,339
Copperfin Credit Union - Investment Savings - Grievance	51,462	92,674
Copperfin Credit Union - Grievance Committee	60,264	60,216
Copperfin Credit Union - Membership shares	(488)	204
Copperfin Credit Union - Main	(89,352)	(146,498)
	1,601,759	1,818,599

4. Accounts receivable

	2018	2017
Rent receivable	862,136	742,350
Other receivables	507,551	115,543
CMHC subsidy assistance receivable	162,632	549,441
Indigenous and Northern Affairs Canada	120,611	201,110
Kiandamowziwin Corporation	102,335	65,184
Hydro One	79,010	79,010
Member advances	68,485	83,375
Kenora Chiefs Advisory Inc.	41,492	131,252
Shooniyyaa Wa-Biitong	34,078	45,306
Independent Electricity System Operator	26,994	26,994
Ministry of Indigenous Relations and Reconciliation	3,175	3,175
Harmonized Sales Tax receivable	-	51,375
	2,008,499	2,094,115
Allowance for doubtful accounts	(1,032,956)	(890,909)
	975,543	1,203,206

The allowance for doubtful accounts includes \$68,485 (2017 - \$83,375) relating to member advances, \$862,136 (2017 - \$742,350) relating to CMHC rent receivable, and \$102,335 (2017 - \$65,184) related to Kiandamowziwin Corporation.

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Portfolio investments

	<i>Number of Shares/Units</i>	2018	2017
Measured at cost:			
Investment in Ontario First Nations Asset Management GP Corporation	1	1	-
Investment in Sovereign Wealth LP	1	1	-
Investment in Ontario First Nations Limited Partnership	1	1	-
Investment in Kakina Economic Development Group LP	99,999	1	-
Investment in Kakina Economic Development Group GP	100	100	-
		104	-

6. Restricted cash

The investment savings with a current year balance of \$262,514 (2017 - \$260,608), referred to as "Housing Reserve" has been specifically externally restricted in the amount of \$250,000 to guarantee the housing construction loan balance with Copperfin Credit Union.

7. Funds Held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the Nation's Council.

	2018	2017
Capital Trust		
Balance, beginning of year	18,126	18,126
Balance, end of year	18,126	18,126
Revenue Trust		
Balance, beginning of year	52,323	51,040
Interest	1,495	1,283
Balance, end of year	53,818	52,323
	71,944	70,449

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. CMHC replacement reserve

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

- A replacement reserve established by an annual allocation of \$4,200.
- A subsidy surplus reserve established by retaining excess federal assistance payments received.

Replacement reserve funds may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance.

In accordance with the terms of the agreements, CMHC replacement monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Replacement reserve withdrawals are credited first to principal and then to interest.

	2018	2017
Funded balance, beginning of year	30,080	25,808
Annual allocation	4,200	4,200
Interest earned	78	72
 Funded balance, end of year	 34,358	 30,080
Less: Unfunded portion	(20,905)	(16,706)
 Replacement reserve cash at end of year	 13,453	 13,374

9. Accounts payable and accruals

	2018	2017
Trade payables	221,861	203,786
Tuition accrual	135,271	183,480
Accruals	67,812	56,564
Government remittances	28,325	5,572
Membership payable	26,200	26,200
Harmonized Sales Tax payable	18,086	14,673
 	 497,555	 490,275

10. Funding repayable

	2018	2017
Indigenous and Northern Affairs Canada	443,548	512,516

Ochiichagwe'Babigo'Ining Ojibway Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

11. Deferred revenue

Deferred revenue consists of revenue that has not yet been allocated to projects, revenue that has been allocated to projects to be carried out in future years, and the unexpended portion of revenue on projects in progress at March 31, 2018.

The following table represents changes in the deferred revenue balance attributable to each major category of external restriction:

	Balance March 31, 2017	Funding Received 2018	Other Revenue (Recoveries) 2018	Revenue Recognized 2018	Balance March 31, 2018
Federal Government					
Administration	75,586	870,887	481,954	839,537	588,890
Capital	493,200	395,384	214,552	782,766	320,370
Education	58,994	1,789,433	(71,898)	1,741,313	35,216
Operations and Maintenance	58,625	280,806	-	269,171	70,260
	686,405	3,336,510	624,608	3,632,787	1,014,736

12. Long-term debt

	2018	2017
Copperfin Credit Union housing loan, repayable in blended monthly payments of principal and interest in the amount of \$2,606, bearing interest at 3.99%, renewing October 17, 2018, secured by an assignment of a \$250,000 reserve fund.	281,695	299,135
Canada Mortgage and Housing Corporation mortgage, repayable \$4,252 monthly, including interest at 0.89%, maturing September 1, 2018, secured by Canada Mortgage and Housing Corporation and Ministerial guarantees.	25,467	76,060
Canada Mortgage and Housing Corporation mortgage, repayable with blended monthly payments of \$3,285, bearing interest at 1.06%, maturing September 1, 2018, secured by Ministerial guarantees.	19,658	58,675
Indigenous and Northern Affairs Canada Flooding Claim loan, unsecured, repayable when the flood claim is settled, non-interest bearing, maturing on March 31, 2019 unless the claim is still in negotiations at which time it will be extended for up to another five years.	1,462,787	1,401,598
	1,789,607	1,835,468

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:

2019	63,245
2020	18,891
2021	19,659
2022	20,458
2023	21,276
Thereafter	1,646,078

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

13. Due to Indigenous and Northern Affairs Canada

The amount due to Indigenous and Northern Affairs Canada was the result of the department fulfilling its Ministerial guarantee on certain CMHC mortgages in past years. During the 2017/2018 year, the outstanding debt including principal and accrued interest totalling \$580,941 was forgiven by the Government of Canada.

	2018	2017
CMHC Mortgage #1	214,281	214,281
CMHC Mortgage #2	366,660	366,660
	580,941	580,941
Debt forgiveness	(580,941)	-
	-	580,941

14. Accumulated surplus

	2018	2017
Accumulated surplus consists of the following:		
Equity in tangible capital assets	9,691,220	9,273,090
Equity (deficit) in unrestricted net assets	(463,945)	(389,322)
Equity in Ottawa Trust Fund	71,944	70,449
Equity in CMHC replacement reserve	13,453	13,374
	9,312,672	8,967,591

15. Government transfers

	Operating	Capital	2018	2017
Federal government transfers				
Indigenous and Northern Affairs Canada	2,880,598	-	2,880,598	2,838,417
First Nations and Inuit Health	372,171	-	372,171	341,232
Canada Mortgage and Housing Corporation	62,936	-	62,936	593,240
Human Resources and Skills Development Canada	7,736	-	7,736	7,658
Natural Resources Canada	2,250	-	2,250	6,750
Fisheries and Oceans	2,706	-	2,706	6,000
Transport Canada	2,706	-	2,706	6,000
Total Federal	3,331,103	-	3,331,103	3,799,297
Provincial government transfers				
Ministry of Indigenous Relations and Reconciliation	692,905	-	692,905	180,000
Ministry of Community and Social Services	467,833	-	467,833	471,928
Ministry of Health and Long-Term Care	84,710	-	84,710	3,391
Ministry of Natural Resources and Forestry	74,869	-	74,869	-
Ministry of Tourism, Culture and Sport	30,866	-	30,866	30,000
Total Provincial	1,351,174	-	1,351,174	685,319
	4,682,277	-	4,682,277	4,484,616

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

16. INAC funding reconciliation

	2018	2017
INAC funding per Consolidated Financial Statements	2,880,598	2,838,417
2015 Tuition Recovered	(67,558)	-
2018 Overpayment recovery	(71,898)	-
INAC funding per funding confirmation	2,741,142	2,838,417

17. Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development and permitted interim investments.

The Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company Ontario First Nations General Partner Inc.

18. Economic dependence

The Nation receives 42% (2017 - 50%) of its revenue from Indigenous and Northern Affairs Canada (INAC) as a result of treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

19. Contingent liabilities

The Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements.

20. Budget information

The disclosed budget information has been approved by the Chief and Council, and presented to the members of the Nation.

21. Comparative figures

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

22. First Nations Financial Transparency Act

The Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to INAC by July 28, 2018. As the audit report is dated after this date, the Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

Ochichagwe'Babigo'Ining Ojibway Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	Water and Sewer - Infrastructure	Water and Sewer - Buildings	Electrical Systems	Roads	Office Furniture and Equipment	Heavy Equipment	Subtotal
Cost							
Balance, beginning of year	5,387,013	124,292	17,314	2,464,864	151,244	204,000	8,348,727
Acquisition of tangible capital assets	-	-	11,801	-	-	-	11,801
Balance, end of year	5,387,013	124,292	29,115	2,464,864	151,244	204,000	8,360,528
Accumulated amortization							
Balance, beginning of year	1,701,141	42,725	9,202	690,474	117,076	173,595	2,734,213
Annual amortization	134,675	4,143	590	61,622	15,186	20,400	236,616
Balance, end of year	1,835,816	46,868	9,792	752,096	132,262	193,995	2,970,829
Net book value of tangible capital assets							
Net book value of tangible capital assets 2017	3,685,872	81,566	8,112	1,774,390	34,168	30,405	5,614,513

Ochichagwe'Babigo'Ining Ojibway Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Automotive</i>	<i>Machinery and Equipment</i>	<i>Community Buildings</i>	<i>Band Housing</i>	<i>CMH Housing</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	8,348,727	151,227	17,094	1,708,330	4,375,257	1,039,904	15,640,539
Acquisition of tangible capital assets	11,801	10,497	-	257,094	-	-	279,392
Balance, end of year	8,360,528	161,724	17,094	1,965,424	4,375,257	1,039,904	15,919,931
Accumulated amortization							
Balance, beginning of year	2,734,213	108,736	17,094	1,124,959	1,484,528	649,922	6,119,452
Annual amortization	236,616	19,743	-	61,943	109,382	25,999	453,663
Balance, end of year	2,970,829	128,479	17,094	1,186,902	1,593,910	675,921	6,573,135
Net book value of tangible capital assets							
Net book value of tangible capital assets 2017	5,389,699	33,245	-	778,522	2,781,347	363,983	9,346,796
Net book value of tangible capital assets 2018	5,614,513	42,491	-	583,371	2,890,730	389,982	9,521,087

Ochiichagwe'Babigo'Ining Ojibway Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Assets under construction</i>	<i>2018</i>	<i>2017</i>
Cost				
Balance, beginning of year	15,640,539	185,873	15,826,412	15,669,121
Acquisition of tangible capital assets	279,392	485,369	764,761	157,291
Balance, end of year	15,919,931	671,242	16,591,173	15,826,412
Accumulated amortization				
Balance, beginning of year	6,119,452	-	6,119,452	5,673,654
Annual amortization	453,683	-	453,683	445,798
Balance, end of year	6,573,135	-	6,573,135	6,119,452
Net book value of tangible capital assets	9,346,796	671,242	10,018,038	9,706,960
Net book value of tangible capital assets 2017	9,521,087	185,873	9,706,960	

Ochiichagwe'Babigo'Ining Ojibway Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	2018 Budget	2018	2017
Consolidated expenses by object			
Administration	85,933	173,460	146,158
Amortization	-	453,685	445,798
Automotive	7,000	8,080	4,244
Bad debts	-	142,047	198,557
Bank charges and interest	6,200	3,219	42,259
Community development, events and distribution	63,335	704,212	700,923
Education, training and travel	295,785	1,878,549	1,708,730
Honouraria, salaries, wages and benefits	743,068	1,576,253	1,576,869
Insurance	20,000	71,145	67,121
Interest on long-term debt	-	12,452	21,825
Office, supplies and utilities	112,219	195,708	162,809
Professional fees	91,986	617,473	637,970
Program expenses	177,349	455,502	708,008
Repairs, maintenance and supplies	45,608	185,292	327,412
	1,648,483	6,477,077	6,748,683

Ochiichagwe'Babigo'Ining Ojibway Nation
Schedule 3 - Summary of Consolidated Schedules of Revenue and Expenses by Segment
For the year ended March 31, 2018

	<i>Schedule #</i>	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/Transfers From (To)</i>	<i>Current Surplus (deficit)</i>
Administration	4	267,982	1,772,738	(513,304)	1,527,416	1,416,524	47,569	158,461
Capital	5	350,513	273,787	172,830	797,130	649,755	44,521	191,896
Economic Development	6	42,000	152,594	-	194,594	435,194	219,711	(20,889)
Education	7	1,781,697	(61,088)	23,778	1,745,387	1,652,914	-	92,473
Ontario First Nations Limited Partnership	8	-	571,905	-	571,905	-	(311,801)	260,104
Health	9	42,400	95,694	-	1,000,054	1,005,221	-	(5,127)
Operations and Maintenance	10	280,806	112,531	(11,635)	381,702	603,842	-	(222,140)
Social	11	115,200	488,730	-	603,930	713,627	-	(109,697)
		2,880,598	4,269,891	(328,331)	6,822,158	6,477,077	-	345,081

Ochiichagwe'Babigo'Ining Ojibway Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous and Northern Affairs Canada	217,154	267,982	287,254
First Nations and Inuit Health	-	45,000	-
Ministry of Indigenous Relations and Reconciliation	94,000	602,905	90,000
Debt forgiveness (Note 13)	-	580,941	-
Concentra Trust Fund investment revenue	-	184,065	211,623
Administration fees	-	173,460	139,478
Hydro One	42,187	49,560	49,560
Harmonized Sales Tax rebates	-	36,938	51,375
Miscellaneous revenue	-	44,017	48,145
Rental income	-	26,249	26,249
New Horizons for Seniors	24,550	25,000	25,000
Interest income	-	4,603	6,205
Deferred revenue - prior year (Note 11)	-	75,586	-
Deferred revenue - current year (Note 11)	-	(588,890)	(75,586)
	377,891	1,527,416	859,303

Continued on next page

Ochiichagwe'Babigo'Ining Ojibway Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
<i>(Continued from previous page)</i>	377,891	1,527,416	859,303
Expenses			
Administration	-	2,500	9,000
Amortization	-	31,479	35,272
Bad debts	-	22,261	65,184
Bank charges and interest	1,200	1,425	2,302
Christmas supplies and food	-	4,379	9,999
Community distribution	-	111,250	110,500
Contracted services	-	29,579	33,176
Cultural development	-	12,118	5,225
Honouraria	101,400	304,635	484,387
Income support	-	10,874	11,491
Insurance	20,000	71,145	67,121
Interest on overdue payables	-	31	22,954
Materials	-	3,003	1,626
Meetings	22,000	125,179	44,876
Miscellaneous	-	-	461
Pension	-	45,284	-
Professional fees	35,000	223,581	212,873
Program expense	-	800	18,665
Salaries and benefits	80,000	205,829	189,127
Special projects	-	-	24,750
Supplies	5,700	8,759	9,896
Telephone	20,000	22,332	16,642
Training	-	13,332	32,395
Travel	-	162,627	80,660
Utilities	20,000	4,122	7,269
	305,300	1,416,524	1,495,851
Surplus (deficit) before transfers	72,591	110,892	(636,548)
Transfers between segments	-	47,569	-
Surplus (deficit)	72,591	158,461	(636,548)

Ochiichagwe'Babigo'Ining Ojibway Nation
Capital
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous and Northern Affairs Canada	175,513	350,513	467,119
Canada Mortgage and Housing Corporation	-	62,935	593,240
Rental income	-	126,936	126,936
Shooniyaa Wa-Biitong	-	67,510	48,306
Miscellaneous revenue	-	20,106	655
Deferred revenue - prior year <i>(Note 11)</i>	-	493,200	-
Deferred revenue - current year <i>(Note 11)</i>	-	(320,370)	(493,200)
Repayment of funding	-	(3,700)	-
	175,513	797,130	743,056
Expenses			
Administration	-	17,551	-
Amortization	-	187,321	188,195
Bad debts	-	119,786	133,373
Bank charges and interest	-	127	150
Contracted services	-	53,638	95,377
Furniture and equipment	-	-	12,778
Interest on long-term debt	-	12,452	21,825
Materials	-	61,623	196,583
Meetings	-	2,366	-
Office equipment lease	-	4,386	31,430
Professional fees	-	3,413	6,825
Repairs and maintenance	-	21,329	11,453
Salaries and benefits	-	148,573	152,049
Supplies	-	7,180	2,350
Travel	-	8,681	5,890
Utilities	-	1,329	12,800
	-	649,755	871,078
Surplus (deficit) before transfers	175,513	147,375	(128,022)
Transfers between segments	-	44,521	75,899
Surplus (deficit)	175,513	191,896	(52,123)

Ochiichagwe'Babigo'Ining Ojibway Nation
Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous and Northern Affairs Canada	42,000	42,000	140,000
Ministry of Indigenous Relations and Reconciliation	90,000	90,000	90,000
Trans Canada Pipeline	-	30,149	79,468
Hydro One	-	21,945	-
Bimose Tribal Council	-	10,000	-
Miscellaneous revenue	-	500	3,100
	132,000	194,594	312,568
Expenses			
Administration	8,181	9,122	8,180
Committee costs	-	202,478	108,896
Contracted services	3,600	7,475	28,400
Honouraria	-	12,917	8,350
Materials	2,000	677	6,832
Meetings	7,935	-	4,250
Pension	-	1,165	-
Professional fees	1,165	21,842	125,335
Program expense	2,100	6,573	15,533
Salaries and benefits	83,402	133,362	115,753
Supplies	-	-	523
Training	1,600	18,176	7,025
Travel	13,500	21,407	27,855
	123,483	435,194	456,932
Surplus (deficit) before transfers	8,517	(240,600)	(144,364)
Transfers between segments	-	219,711	135,984
Surplus (deficit)	8,517	(20,889)	(8,380)

Ochiichagwe'Babigo'Ining Ojibway Nation
Education
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous and Northern Affairs Canada	1,630,306	1,781,697	1,680,802
Human Resources and Skills Development Canada	-	7,736	7,658
Grand Council Treaty #3	-	3,864	-
Miscellaneous revenue	-	210	5,786
Repayment of funding	-	(71,898)	(207,299)
Deferred revenue - prior year <i>(Note 11)</i>	-	58,994	56,938
Deferred revenue - current year <i>(Note 11)</i>	-	(35,216)	(58,994)
	1,630,306	1,745,387	1,484,891
Expenses			
Administration	23,322	57,054	53,799
Bus transportation	48,200	64,000	65,196
Program expense	-	173,153	363,855
Salaries and benefits	19,603	137,973	83,690
Student allowances	131,112	161,383	159,300
Student expenses	6,597	33,982	18,546
Training	-	21,320	4,675
Travel	4,868	12,704	16,587
Tuition	90,000	991,345	1,052,889
	323,702	1,652,914	1,818,537
Surplus (deficit)	1,306,604	92,473	(333,646)

Ochiichagwe'Babigo'Ining Ojibway Nation
Ontario First Nations Limited Partnership
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Ontario First Nations Limited Partnership	-	565,625	557,013
Interest income	-	6,280	6,932
	-	571,905	563,945
Surplus (deficit) before transfers	-	571,905	563,945
Transfers between segments	-	(311,801)	(349,294)
Surplus (deficit)	-	260,104	214,651

Ochiichagwe'Babigo'Ining Ojibway Nation
Health
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
First Nations and Inuit Health	291,523	327,171	341,232
Indigenous and Northern Affairs Canada	42,400	42,400	27,600
Kenora Chiefs Advisory Inc.	157,624	320,289	276,062
Anishinaabe Abinoojii Family Services	144,294	150,880	149,423
Ministry of Health and Long-Term Care	24,181	84,710	3,391
Grand Council Treaty #3	34,700	32,175	32,164
Ministry of Tourism, Culture and Sport	30,000	30,866	30,000
Non-insured health benefits	-	13,432	16,783
Repayment of funding	-	(1,829)	(1,209)
	724,722	1,000,094	875,446
Expenses			
Administration	28,321	78,483	68,904
Amortization	-	13,543	6,194
Automotive	7,000	8,080	4,244
Committee costs	-	-	1,800
Community events	5,000	29,718	20,038
Contracted services	-	17,127	18,595
Crisis worker	4,500	5,800	3,600
Cultural development	3,000	6,314	2,173
Environmental services	8,000	7,725	7,470
Fire and safety requirements	-	1,713	2,762
Honouraria	-	2,050	7,350
Management fees	17,404	19,000	-
Materials	10,848	27,557	31,303
Medical trips	-	21,773	25,650
Miscellaneous	10,322	993	3,087
Pension	-	6,653	-
Professional fees	16,820	38,323	34,363
Program expense	101,727	110,368	160,760
Repairs and maintenance	1,260	5,935	6,790
Salaries and benefits	332,312	419,861	385,111
Supplies	3,000	27,806	5,218
Telephone	10,581	8,689	7,149
Training	10,268	53,689	25,016
Travel	25,960	94,021	65,129
Utilities	-	-	429
	596,323	1,005,221	893,135
Surplus (deficit)	128,399	(5,127)	(17,689)

Ochiichagwe'Babigo'Ining Ojibway Nation
Operations and Maintenance
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous and Northern Affairs Canada	261,276	280,806	129,542
Transport Canada	-	2,706	6,000
Fisheries and Oceans	-	2,706	6,000
Natural Resources Canada	-	2,250	6,750
Ontario Ministry of Natural Resources and Forestry	-	74,869	-
Ontario Power Generation donations	-	30,000	-
Ministry of Indigenous Relations and Reconciliation	89,980	-	-
Aboriginal Fund for Species at Risk	-	-	35,000
Deferred revenue - prior year (Note 11)	-	58,625	68,339
Deferred revenue - current year (Note 11)	-	(70,260)	(58,625)
	351,256	381,702	193,006
Expenses			
Administration	-	-	1,275
Amortization	-	221,343	216,137
Chemical	-	20,807	26,271
Contracted services	-	14,199	37,736
Materials	-	20,957	9,288
Meetings	-	3,625	925
Office equipment lease	-	4,615	5,172
Pension	-	29	-
Professional fees	12,000	115,604	39,293
Repairs and maintenance	31,500	21,692	34,504
Salaries and benefits	-	75,724	69,641
Telephone	1,000	4,099	387
Training	-	1,607	-
Travel	-	21,281	16,327
Utilities	32,000	78,260	79,644
	76,500	603,842	536,600
Surplus (deficit) before transfers	274,756	(222,140)	(343,594)
Transfers between segments	-	-	137,411
Surplus (deficit)	274,756	(222,140)	(206,183)

Ochiichagwe'Babigo'Ining Ojibway Nation
Social
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous and Northern Affairs Canada	130,300	115,200	106,100
Ministry of Community and Social Services	4,732	467,833	471,928
Miscellaneous revenue	-	12,500	10,000
Kenora Chiefs Advisory Inc.	-	7,293	2,366
Recovery of funding	-	1,104	(1,575)
Ontario Power Generation donations	-	-	2,500
	135,032	603,930	591,319
Expenses			
Administration	26,110	8,750	5,000
Bank charges and interest	5,000	1,636	16,853
Basic needs assistance	-	333,674	433,390
Christmas supplies and food	25,400	16,595	23,429
Contracted services	-	60,922	-
Discretionary transitional support funds	-	56,708	-
Income support	-	22,469	17,640
Meetings	-	14,489	-
Memberships	1,000	1,000	-
Professional fees	5,997	12,770	5,997
Program expense	15,000	33,906	18,800
Rent	10,938	-	255
Salaries and benefits	121,850	76,397	77,811
Social assistance	-	11,161	16,987
Special needs	-	-	300
Supplies	-	24,408	-
Training	11,880	14,671	39,456
Travel	-	24,071	20,632
	223,175	713,627	676,550
Surplus (deficit)	(88,143)	(109,697)	(85,231)