

Consolidated Financial Statements of

SAGAMOK ANISHNAWBEK

Year ended March 31, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Sagamok Anishnawbek are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Sagamok maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and Sagamok's assets are appropriately accounted for and adequately safeguarded.

Sagamok is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council reviewed Sagamok's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. KPMG LLP has full access to the Council.



Chief



Chief Executive Officer



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INDEPENDENT AUDITORS' REPORT

To the Chief and Council of Sagamok Anishnawbek

We have audited the accompanying consolidated financial statements of Sagamok Anishnawbek which comprise the consolidated statement of financial position as at March 31, 2018, the consolidated statements of operations, changes in net financial assets (net debt) and cash flows for the year then ended, and notes, comprising 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 our 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, we consider 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, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sagamok Anishnawbek as at March 31, 2018 and its consolidated results of 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
July 30, 2018

SAGAMOK ANISHNAWBEK

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Year ended March 31, 2018

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Consolidated Statement of Financial Position

March 31, 2018, with comparative information for 2017

	2018	2017
Financial Assets		
Cash	\$ 636,387	\$ 613,038
Restricted cash	1,836,124	1,749,654
Accounts receivable	3,901,367	3,989,015
Investments (note 2)	547,197	621,559
Investment in business enterprise (note 3)	1	1
	6,921,076	6,973,267
Financial Liabilities		
Bank indebtedness	133,619	76,619
Accounts payable and accrued liabilities	1,985,934	2,428,275
Deferred revenue	1,069,924	1,378,353
Long-term debt (note 5)	11,834,421	9,685,968
	15,023,898	13,569,215
Net financial assets (net debt)	(8,102,822)	(6,595,948)
Non-Financial Assets		
Prepaid expenses	183,331	180,522
Tangible capital assets (note 4)	27,931,140	25,575,600
	28,114,471	25,756,122
Contingent liabilities (note 8)		
Accumulated surplus (note 6)	\$ 20,011,649	19,160,174

See accompanying notes to consolidated financial statements.

Approved on behalf of Council:



Chief



Chief Executive Officer

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Consolidated Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Indigenous and Northern Affairs Canada (note 11)	\$ 12,143,556	\$ 9,017,151
North Shore Tribal Council	3,062,918	3,501,306
Health Canada	2,464,870	2,295,480
Ontario First Nations Limited Partnership	1,370,841	1,349,955
Ministry of Education	519,538	526,488
Canada Mortgage and Housing Corporation	915,200	564,126
Other	10,056,404	8,980,908
	30,533,327	26,235,414
Expenses:		
Education	7,017,880	6,357,766
Medical Services	5,169,468	4,521,706
Band Government	2,469,501	2,245,432
Social Assistance - Income Support	2,241,161	2,435,702
Community Infrastructure	2,000,002	1,865,845
Treaty Support	1,826,000	-
Sagamok Development Corporation	1,237,829	994,695
Community Housing	1,194,060	1,123,901
Housing Renovations	1,038,784	615,373
Ritchie Falls	675,517	448,126
Day Nursery Program	649,525	598,759
Mining Initiative	592,801	731,491
Land and Environment	487,365	197,538
Aboriginal Skills and Employment Training Strategy - Employment Strategy	470,864	697,136
Housing Administration	394,206	375,745
Restricted Funds	391,528	493,413
MTO Settlement	350,292	1,163,512
Employment Programs	268,909	172,210
Infrastructure Expansion / Minor Capital	231,606	439,763
Business Enterprises	211,358	222,021
Economic Development	201,165	301,311
Seniors Complex	154,990	144,739
First Nations Child Care Initiative	90,673	110,988
Aboriginal Skills and Employment Training Strategy - Employment Insurance	89,019	64,264
Lottery Operations	84,766	-
Community Hall Operations	43,076	41,047
Federal School Capital	33,894	38,410
Fisheries	25,000	27,203
Foster Home	21,031	17,612
School Feasibility Study	17,220	-
Pulpwood operations	2,362	-
CMHC Housing Phase 18	-	11,183
	29,681,852	26,456,891
Excess (deficiency) of revenue over expenses	851,475	(221,477)
Accumulated surplus, beginning of year	19,160,174	19,381,651
Accumulated surplus, end of year	\$ 20,011,649	\$ 19,160,174

See accompanying notes to consolidated financial statements.

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Consolidated Statement of Changes in Net Financial Assets (Net Debt)

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Excess (deficiency) of revenue over expenses	\$ 851,475	\$ (221,477)
Acquisition of tangible capital assets	(3,939,757)	(4,120,338)
Amortization of tangible capital assets	1,584,217	1,438,174
	<u>(1,504,065)</u>	<u>(2,903,641)</u>
Use of prepaid expenses	180,522	184,548
Acquisition of prepaid expenses	(183,331)	(180,522)
Change in net financial assets (net debt)	<u>(1,506,874)</u>	<u>(2,899,615)</u>
Net debt, beginning of year	(6,595,948)	(3,696,333)
Net debt, end of year	\$ (8,102,822)	(6,595,948)

See accompanying notes to consolidated financial statements.

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Consolidated Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ 851,475	\$ (221,477)
Adjustment for:		
Amortization of tangible capital assets	1,584,217	1,438,174
	2,435,692	1,216,697
Change in non-cash working capital:		
Decrease in accounts receivable	87,648	3,864,089
Increase (decrease) in prepaid expenses	(2,809)	4,026
Decrease in accounts payable and accrued liabilities	(442,341)	(84,107)
Increase (decrease) in deferred revenue	(308,429)	1,059,982
	1,769,761	6,060,687
Cash flow from financing activities:		
Long-term debt issued	2,877,010	446,874
Principal payments on long-term debt	(728,557)	(1,890,305)
	2,148,453	(1,443,431)
Cash flows from capital activity:		
Purchase of tangible capital assets	(3,939,757)	(4,120,338)
Cash flow from investing activities:		
Decrease in investments	74,362	705,694
Net increase in cash	52,819	1,202,612
Cash, beginning of year	2,286,073	1,083,461
Cash, end of year	\$ 2,338,892	\$ 2,286,073
Represented by:		
Cash	\$ 636,387	\$ 613,038
Bank indebtedness	(133,619)	(76,619)
Restricted cash	1,836,124	1,749,654
	\$ 2,338,892	\$ 2,286,073

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

1. Significant accounting policies:

These consolidated financial statements of Sagamok Anishnawbek ("the First Nation") have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Reporting entity:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of all programs under the control of Chief and Council.

All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transaction are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's portion of the enterprise that are different from those of the First Nation, and inter-organizational balances and transactions are eliminated.

Organizations consolidated include:

Sagamok Development Corporation ("SDC")

8826927 Canada Inc. (Operating as "Ritchie Falls Resort", "RFR")

7007710 Canada Inc. (Operating as "Sagamok Becker Enterprises", "SBE")

Organizations accounted for on a modified equity basis include:

Z'Gamok Enterprises Inc.

(b) Basis of accounting:

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measureable. Expenses are recognized as they are incurred and measureable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Government transfers and other revenue recognition:

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

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

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land is amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Estimated Life - Years
Computer equipment	4 years
Vehicles	15 years
Furniture and equipment	5 - 10 years
Machinery and equipment	6 - 25 years
Water systems	10 - 50 years
Roads	25 - 50 years
Housing	25 - 40 years
Buildings	25 - 40 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

1. Significant accounting policies (continued):

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying value of capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Investments:

	2018	2017
Knowledge First Financial Education Fund	\$ 547,196	621,558
Manitoulin Hotel Project	1	1
	\$ 547,197	621,559

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

3. Investment in business enterprises:

Z'Gamok Enterprises Inc.

The First Nation has a direct 100% interest in Z'Gamok Enterprises Inc. Z'Gamok Enterprises Inc. is engaged primarily in contracted services for mining, ore hauling, and custodial services.

The following table presents condensed supplementary financial information of Z'Gamok Enterprises Inc. for the year ended March 31, 2018:

	2018	2017
Financial position:		
Current assets	\$ 1,519,126	1,135,964
Total assets	1,519,126	1,135,964
Current liabilities	429,627	222,519
Due to Sagamok Anishnawbek	1,089,559	953,414
Total liabilities	1,519,186	1,175,933
Net debt	\$ (60)	(39,969)
Results of operations:		
Revenues	\$ 1,288,984	1,247,771
Expenses	1,249,075	1,248,971
Net loss	\$ 39,909	(1,200)

Transactions between Z'Gamok Enterprises Inc., Sagamok Anishnawbek, and Sagamok Development Corporation are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

The investment in Z'Gamok Enterprises Inc. is impaired at March 31, 2018 and has been reduced to a nominal amount.

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Notes to Financial Statements

Year ended March 31, 2018

4. Tangible capital assets:

Cost	Balance at March 31, 2017	Additions	Disposals	Balance at March 31, 2018
Land and land improvements	\$ 518,025	\$ 70,548	-	\$ 588,573
Buildings	30,989,965	2,890,776	-	33,880,741
Furniture and equipment	860,170	141,641	-	1,001,811
Vehicles	1,523,671	180,324	-	1,703,995
Machinery and equipment	1,585,889	349,487	-	1,935,376
Roads infrastructure	6,058,829	17,853	-	6,076,682
Water and sewer infrastructure	2,076,010	128,750	-	2,204,760
Computer	601,363	160,378	-	761,741
Total	\$ 44,213,922	\$ 3,939,757	-	\$ 48,153,679

Accumulated Amortization	Balance at March 31, 2017	Amortization	Disposals	Balance at March 31, 2018
Land and land improvements	\$ 165,415	\$ 11,017	-	\$ 176,432
Buildings	11,721,840	957,736	-	12,679,576
Furniture and equipment	487,478	79,275	-	566,753
Vehicles	630,607	236,805	-	867,412
Machinery and equipment	164,269	57,517	-	221,786
Roads infrastructure	4,012,013	119,184	-	4,131,197
Water and sewer infrastructure	978,322	55,627	-	1,033,949
Computer	478,378	67,056	-	545,434
Total	\$ 18,638,322	\$ 1,584,217	-	\$ 20,222,539

	Net book value, March 31, 2017	Net book value, March 31, 2018
Land and land improvements	\$ 352,610	\$ 412,141
Buildings	19,268,125	21,201,165
Furniture and equipment	372,692	435,058
Vehicles	893,064	836,583
Machinery and equipment	1,421,620	1,713,590
Roads infrastructure	2,046,816	1,945,485
Water and sewer infrastructure	1,097,688	1,170,811
Computer	122,985	216,307
Total	\$ 25,575,600	\$ 27,931,140

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Notes to Financial Statements

Year ended March 31, 2018

4. Tangible capital assets (continued):

Cost	Balance at March 31, 2016	Additions	Disposals	Balance at March 31, 2017
Land and land improvements	\$ 518,025	\$ -	\$ -	\$ 518,025
Buildings	27,804,401	3,185,564	-	30,989,965
Furniture and equipment	841,787	18,383	-	860,170
Vehicles	1,182,467	341,204	-	1,523,671
Machinery and equipment	1,097,420	488,469	-	1,585,889
Roads infrastructure	6,058,829	-	-	6,058,829
Water and sewer infrastructure	2,076,010	-	-	2,076,010
Computer	514,645	86,718	-	601,363
Total	\$ 40,093,584	\$ 4,120,338	-	\$ 44,213,922

Accumulated Amortization	Balance at March 31, 2016	Amortization	Disposals	Balance at March 31, 2017
Land and land improvements	\$ 155,884	\$ 9,531	\$ -	\$ 165,415
Buildings	10,823,616	898,224	-	11,721,840
Furniture and equipment	410,730	76,748	-	487,478
Vehicles	445,955	184,652	-	630,607
Machinery and equipment	130,565	33,704	-	164,269
Roads infrastructure	3,877,584	134,429	-	4,012,013
Water and sewer infrastructure	925,176	53,146	-	978,322
Computer	430,638	47,740	-	478,378
Total	\$ 17,200,148	\$ 1,438,174	-	\$ 18,638,322

	Net book value, March 31, 2016	Net book value, March 31, 2017
Land and land improvements	\$ 362,141	\$ 352,610
Buildings	16,980,785	19,268,125
Furniture and equipment	431,057	372,692
Vehicles	736,512	893,064
Machinery and equipment	966,855	1,421,620
Roads infrastructure	2,181,245	2,046,816
Water and sewer infrastructure	1,150,834	1,097,688
Computer	84,007	122,985
Total	\$ 22,893,436	\$ 25,575,600

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

5. Long-term debt:

The details of the long-term debt are as follows:

	2018	2017
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$2,724 including interest at 1.43%, due April 2022	\$ 129,573	160,140
Mortgage payable to Royal Bank of Canada in monthly payments of \$2,350 including interest at 3.48%, due February 2023	125,121	148,560
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$2,649 including interest at 1.67%, due June 2018	159,673	188,537
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$9,397 including interest at 1.12%, due February 2020	732,777	836,721
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$7,583 including interest at 1.01%, due February 2021	678,038	761,738
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$4,550 including interest at 1.67%, due June 2018	506,529	552,286
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$3,029 including interest at 1.03%, due October 2021	457,969	489,433
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$3,132 including interest at 1.30%, due June 2022	488,809	519,627
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$5,443 including interest at 2.35%, due September 2018	840,857	885,932
Mortgage payable to Canada Mortgage and Housing Corporation, in monthly payments of \$4,773 including interest at 1.39%, due June 2020	878,301	923,064
Mortgage payable to Canada Mortgage and Housing Corporation, in monthly payments of \$2,543 including interest at 1.92%, due April 2019	543,682	563,590
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$2,190 including interest at 1.01%, due February 2021	428,790	450,630
TD Bank loan - John Deere Grader with monthly principal payments of \$2,042 plus interest at 4.086%, due September 2020	56,490	77,519
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$1,942 including interest at 1.48%, due January 2022	383,051	400,568
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$3,762 including interest at 1.97%, due December 2022	738,611	770,061
 Brought forward	 \$ 7,148,271	 7,728,406

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

5. Long-term debt (continued):

	2018	2017
Carried forward	\$ 7,148,271	7,728,406
Term loan payable to Royal Bank of Canada in monthly payments of \$2,904 including interest at 4.00%, due October 2021	146,220	177,273
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$2,649 including interest at 1.37%, due July 2020	611,655	634,918
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$2,807 including interest at 1.37%, due July 2020	648,009	672,655
TD term loan for Dodge Truck with monthly payments of \$710 including interest at 3.58%, due February 2021	23,552	31,080
TD term loan for Vehicle Fleet with monthly payments of \$3,015 including interest at 4.36%, due March 2022	191,310	217,620
TD term loan for Rental Building with monthly payments Of \$1,728 including interest at 4.28%, due April 2021	208,461	219,803
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of \$4,750 including interest at 1.84%, due September 2022	1,124,218	-
Mortgage payable to Canada Mortgage and Housing Corporation, terms to be settled upon completion of related construction project	1,692,180	-
TD term loan for Vehicle with monthly payments of \$619 including interest at 4.72%, due May 2024	40,545	-
TD Bank loan - John Deere Backhoe with monthly principal payments of \$1,410 plus interest at 4.24%, due June 2017	-	4,213
	<hr/> \$ 11,834,421	<hr/> 9,685,968

Principal payments required on long-term debt are as follows:

2019	\$ 3,826,984
2020	1,684,915
2021	3,145,479
2022	1,142,374
2023	2,025,138
Thereafter	9,531

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

6. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2018	2017
Surplus:		
Invested in tangible capital assets	\$ 16,242,938	16,066,905
Reserves and reserve funds	5,565,887	5,524,385
Restricted funds	912,139	751,818
Other	(2,709,315)	(3,182,934)
Total surplus	\$ 20,011,649	19,160,174

7. Replacement reserve funds:

The terms of the CMHC agreement require that the replacement reserves be funded in the amount of \$988,192 (2017 - \$933,473). At March 31, 2018, the reserve funds are underfunded by \$75,710 (2017 - \$75,024).

8. Contingent liabilities:

- (a) The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the governments.
- (b) The First Nation has endorsed CMHC loans made to various members under the Rural Rehabilitation Assistance Program and is contingently liable under the terms of the loan program.
- (c) The Department of Indigenous and Northern Affairs Canada (INAC) has guaranteed loans to various members. If any loans are in default and require payment by the Department, the amount paid will be charged back to the First Nation.
- (d) In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the "Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$514,750. As of March 31, 2018, its proportional outstanding loan balance as part of the Trust is \$514,750 (2017- \$230,878).

The loan guarantee is secured by an assignment of the First Nation's distributions from the Ontario First Nation Limited Partnership.

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

9. Comparative information:

Certain 2017 comparative information have been reclassified to conform to the presentation adopted in 2018.

10. Budget figures:

Budgets established for capital funds are based on a project-oriented basis, the costs of which may be carried out over several years. Current fund budgets are affected on an on-going basis, depending on when various government programs become available to the First Nation. Accordingly, the budgets are not directly comparable with current year actual amounts and therefore, budgets have not been reflected on the consolidated statement of operations.

11. Indigenous and Northern Development Canada:

	2018	2017
Revenue as reported	\$ 12,143,556	9,017,151
Deferred Revenue: Post-secondary education	317,932	—
Deferred Revenue: Prevention services	69,335	—
Deferred Revenue: New Paths	36,871	—
Deferred Revenue: Feasibility Study	37,150	—
Deferred Revenue: Const of multi-units	(571,387)	571,387
Deferred Revenue: Renovations and additions	(250,000)	250,000
Deferred Revenue: Lot Servicing	(125,000)	125,000
Deferred Revenue: Capacity development	(130,980)	130,980
Deferred Revenue: Innovation	(25,000)	25,000
Repayable: School effectiveness	—	59,375
Revenue per funding confirmation	(11,502,477)	(10,178,893)
	\$ —	—

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Notes to Consolidated Financial Statements

Year ended March 31, 2018

12. Segmented information:

Sagamok Anishnawbek is a diversified governmental institution that provides a wide range of services to its band members, including band support, health services, education, social assistance, and capital. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Band Support

The band support department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council and management and assistance for computer and communications related projects and services.

Health Services

The health services department provides a diverse bundle of services directed toward the well-being of the members of the member First Nations including such activities as long-term care, health centers, diabetes, fetal alcohol syndrome, mental health, smoke free programs, traditional healing and training designed to enhance the health of member communities.

Education

The education department provides education management services to the member First Nations as well as overseeing various small incentives on behalf of the communities.

Social Assistance

The social assistance department provides services under the Provincial Ontario Works Program including both active measures such as employment training and financial assistance components.

SAGAMOK ANISHNAWBEK

Notes to Consolidated Financial Statements

Year ended March 31, 2018

12. Segmented information (continued):

Capital

The capital department provides services for the longevity of the First Nation by the acquisition and development of land resources, equipment, roads and housing. Revenue and expenses included in the capital department are generally long-term in nature, capitalized in the accounts of the First Nation and amortized over their useful life.

For each reported segment, revenues and expenses include 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, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the summary of significant accounting policies.

SAGAMOK ANISHNAWBEK

Notes to Consolidated Financial Statements

Year ended March 31, 2018

12. Segmented information (continued):

	Social Assistance	Health	Education	General Band Support	Capital	Consolidated Entities	Reserves and Reserve Funds	2018 Consolidated Total
Revenue:								
Indigenous and Northern Affairs Canada	\$ -	116,460	5,577,823	5,162,660	1,286,613	-	-	12,143,556
Health Canada	-	2,440,870	-	24,000	-	-	-	2,464,870
Ontario First Nations Limited Partnership	-	-	-	-	-	-	1,370,841	1,370,841
Canada Mortgage and Housing Corporation	-	-	-	9,975	905,225	-	-	915,200
Other	2,241,161	2,575,450	469,759	3,608,823	3,188,516	1,531,612	23,439	13,638,860
	2,241,161	5,132,780	6,047,582	8,805,558	5,380,354	1,531,612	1,394,280	30,533,327

	Social Assistance	Health	Education	General Band Support	Capital	Consolidated Entities	Reserves and Reserve Funds	2018 Consolidated Total
Expenses:								
Salaries and benefits	287,657	2,649,961	2,746,715	3,494,539	309,774	269,568	-	9,758,214
Materials, supplies and subcontracts	36,993	576,299	184,243	1,106,295	2,263,037	-	-	4,166,867
Professional fees	3,045	85,822	387,702	2,558,311	215,736	126,145	-	3,376,761
Interest on long-term debt	-	-	-	3,475	183,021	7,465	-	193,961
Other	1,913,466	1,846,791	3,699,220	1,538,695	1,152,571	1,643,778	391,528	12,186,049
	2,241,161	5,158,873	7,017,880	8,701,315	4,124,139	2,046,956	391,528	29,681,852

Excess (deficiency) of revenue over expenses	\$	-	(26,093)	(970,298)	104,243	1,256,215	(515,344)	1,002,752	851,475
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	Social Assistance	Health	Education	General Band Support	Capital	Consolidated Entities	Reserves and Reserve Funds	2017 Consolidated Total
Revenue:								
Indigenous and Northern Affairs Canada	\$ -	20,269	5,538,391	2,737,989	720,502	-	-	9,017,151
Health Canada	-	2,270,497	-	24,983	-	-	-	2,295,480
Ontario First Nations Limited Partnership	-	-	-	-	-	-	1,349,955	1,349,955
Canada Mortgage and Housing Corporation	-	-	-	12,000	552,126	-	-	564,126
Other	2,435,702	1,840,526	321,221	3,124,884	3,070,126	2,195,210	21,033	13,008,702
	2,435,702	4,131,292	5,859,612	5,899,856	4,342,754	2,195,210	1,370,988	26,235,414

	Social Assistance	Health	Education	General Band Support	Capital	Consolidated Entities	Reserves and Reserve Funds	2017 Consolidated Total
Expenses:								
Salaries and benefits	299,198	2,590,838	2,181,119	3,198,407	296,327	194,027	-	8,759,916
Materials, supplies and subcontracts	46,643	266,777	264,276	906,884	1,976,928	-	-	3,461,508
Professional fees	2,830	80,862	257,818	883,423	67,192	49,108	-	1,341,233
Interest on long-term debt	-	-	-	2,199	53,921	8,674	-	64,794
Other	2,087,031	1,583,231	3,654,553	1,511,761	2,250,658	1,248,793	493,413	12,829,440
	2,435,702	4,521,708	6,357,766	6,502,674	4,645,026	1,500,602	493,413	26,456,891

Excess (deficiency) of revenue over expenses	\$	-	(390,416)	(498,154)	(602,818)	(302,272)	694,608	877,575	(221,477)
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