Biinjitiwaabik Zaaging Anishinaabek
Consolidated Financial Statements
March 31, 2019

Biinjitiwaabik Zaaging Anishinaabek
Contents
For the year ended March 31, 2019

Independent Auditor's Report

To the Chief and Council and Members of Biinjitiwaabik Zaaging Anishinaabek:

Opinion

We have audited the accompanying consolidated financial statements of Biinjitiwaabik Zaaging Anishinaabek (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

MNP LLP

Management's Responsibility

To the Chief and Council and Members of Biinjitiwaabik Zaaging Anishinaabek:

The accompanying consolidated financial statements of Biinjitiwaabik Zaaging Anishinaabek are the responsibility of management and have been approved by the Chief and Council.

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

MNP LLP is appointed by the 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.

September 23, 2019

Band Manager

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may identify during our audit.

MNP LLP

Thunder Bay, Ontario

September 23, 2019

Chartered Professional Accountants

Licensed Public Accountants

MNP LLP

Biinjitiwaabik Zaaging Anishinaabek
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	*2018*
Financial assets		
Cash resources *(Note 3)*	**2,560,265**	1,634,503
Portfolio investments *(Note 4)*	**1,948,691**	1,934,052
Accounts receivable *(Note 5)*	**523,351**	216,443
Due from government and other government organizations *(Note 6)*	**856,806**	926,109
Inventory for resale *(Note 7)*	**41,705**	48,144
Trust funds held by federal government *(Note 8)*	**4,013**	3,922
Total financial assets	**5,934,831**	4,763,173
Liabilities		
Lines of credit *(Note 9)*	**239,000**	245,000
Accounts payable and accruals *(Note 10)*	**730,146**	408,290
Due to government and other government organizations *(Note 11)*	**57,892**	144,104
Employee benefit obligations *(Note 12)*	**30,810**	11,313
Deferred revenue *(Note 13)*	**520,105**	30,000
Total liabilities	**1,577,953**	838,707
Net financial assets	**4,356,878**	3,924,466
Contingencies *(Note 14)*		
Non-financial assets		
Tangible capital assets *(Note 15) (Schedule 1)*	**10,070,325**	9,841,946
Prepaid expenses	**19,824**	33,311
Total non-financial assets	**10,090,149**	9,875,257
Accumulated surplus	**14,447,027**	13,799,723

Approved on behalf of the Council

Chief

Councillor

The accompanying notes are an integral part of these financial statements

Biinjitiwaabik Zaaging Anishinaabek
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	2019 Budget	2019	2018
Revenue			
Indigenous Services Canada *(Note 16)*	**1,579,528**	**1,936,087**	3,400,273
Fisheries and Oceans Canada *(Note 16)*	-	-	3,015
Canada Mortgage and Housing Corporation *(Note 16)*	-	-	8,170
First Nation and Inuit Health *(Note 16)*	**277,317**	**339,826**	462,975
Anishinabek Employment and Training Services	**131,981**	**131,982**	112,910
Dilico Anishinabek Family Care	**166,819**	**166,819**	158,129
Fednor *(Note 16)*	-	-	45,000
Fish sales	**110,000**	**98,997**	98,636
Gas bar sales	-	**815,348**	594,274
Interest income	-	**18,169**	18,272
Kinoomaadziwin Education Body	**2,063,248**	**2,025,542**	-
Ministry of Indigenous Affairs *(Note 16)*	**201,453**	**220,895**	260,480
Ministry of Community and Social Services *(Note 16)*	**558,983**	**512,330**	472,663
Ministry of Health and Long-Term Care *(Note 16)*	**136,890**	**240,890**	70,355
Ministry of Transportation *(Note 16)*	-	**686,237**	-
Northern Ontario Heritage Fund Corporation *(Note 16)*	-	-	33,712
Other revenue	**198,287**	**742,033**	626,040
OFNLP2008	**650,000**	**836,664**	660,821
Rental income	-	**14,047**	-
Union of Ontario Indians	**366,316**	**378,681**	346,087
Administration Recovery	**460,431**	**493,749**	-
Deferred revenue - prior year *(Note 13)*	-	**30,000**	-
Deferred revenue - current year *(Note 13)*	-	**(520,105)**	(30,000)
Repayment of funding	-	**(279)**	-
Total revenue	**6,901,253**	**9,167,912**	7,341,812
Expenses			
Administration	**159,736**	**1,128,837**	1,043,845
Medical Services	**360,920**	**314,984**	288,043
Education	**2,060,954**	**1,588,937**	1,458,639
Capital	**852,452**	**812,314**	292,097
Operations and Maintenance	**327,241**	**618,444**	682,567
Social Services	**733,182**	**820,865**	531,851
Social/Cultural Programs	**413,772**	**956,364**	620,580
Other Programs	**293,042**	**394,124**	119,088
Employment/Economic Programs	**608,478**	**890,234**	541,894
Business Enterprise Projects	-	**995,505**	759,551
OFNLP2008	**65,097**	-	-
Total expenses *(Schedule 2)*	**5,874,874**	**8,520,608**	6,338,155
Surplus before other items	**1,026,379**	**647,304**	1,003,657
Other income (expense)			
Loss on write-down of tangible capital assets	-	-	(67,574)
Annual surplus	**1,026,379**	**647,304**	936,083
Accumulated surplus, beginning of year	-	**13,799,723**	12,863,640
Accumulated surplus, end of year	**1,026,379**	**14,447,027**	13,799,723

The accompanying notes are an integral part of these financial statements

Biinjitiwaabik Zaaging Anishinaabek
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2019

	2019 Budget	***2019***	*2018*
Annual surplus	-	**647,304**	936,083
Purchases of tangible capital assets	-	**(681,824)**	-
Amortization of tangible capital assets	**465,860**	**453,445**	465,860
Loss on write-down of tangible capital assets	-	-	67,574
Acquisition of prepaid expenses	-	-	(21,948)
Use of prepaid expenses	**33,311**	**13,487**	-
Increase in net financial assets	**499,171**	**432,412**	1,447,569
Net financial assets, beginning of year	-	**3,924,466**	2,476,897
Net financial assets, end of year	**499,171**	**4,356,878**	3,924,466

The accompanying notes are an integral part of these financial statements

Biinjitiwaabik Zaaging Anishinaabek
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019	*2018*
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	**647,304**	936,083
Non-cash items		
Amortization	**453,445**	465,860
Trust funds held by federal government	**(91)**	(82)
Loss on write-down of tangible capital assets	**-**	67,574
	1,100,658	1,469,435
Changes in working capital accounts		
Accounts receivable	**(306,908)**	(81,239)
Due from government and other government organizations	**69,303**	(706,589)
Inventory for resale	**6,439**	(14,225)
Prepaid expenses	**13,487**	(21,948)
Accounts payable and accruals	**321,856**	119,916
Due to government and other government organizations	**(86,212)**	(26,811)
Employee benefit obligations	**19,497**	46
Deferred revenue	**490,105**	30,000
	1,628,225	768,585
Financing activities		
Line of credit advances	**-**	79,000
Line of credit repayments	**(6,000)**	-
Repayment of long-term debt	**-**	(11,156)
	(6,000)	67,844
Capital activities		
Purchases of tangible capital assets	**(681,824)**	-
Investing activities		
Purchase of portfolio investments	**(2,646,223)**	(897,032)
Proceeds from redemption of portfolio investments	**2,631,584**	1,180,670
	(14,639)	283,638
Increase in cash resources	**925,762**	1,120,067
Cash resources, beginning of year	**1,634,503**	514,436
Cash resources, end of year	**2,560,265**	1,634,503

The accompanying notes are an integral part of these financial statements

1. Operations

The Biinjitiwaabik Zaaging Anishinaabek (the "First Nation") is located in the province of Ontario, and provides various services to its members. Biinjitiwaabik Zaaging Anishinaabek includes the Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

Basis of accounting

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

Reporting entity

The First Nation reporting entity includes the First Nation government and all related entities that are controlled by the First Nation.

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the 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 transactions are eliminated upon consolidation.

Investments in First Nation partnerships are accounted for using the proportionate consolidation method whereby the First Nation's pro-rata share of the assets, liabilities, revenue and expenses of the First Nation partnership are combined on a line-by-line basis with similar items of the First Nation. Partnerships which meet the definition of a government business partnership are included in the consolidated financial statements on a modified equity basis.

Under the modified equity of accounting, only the First Nation's investment in government business enterprises/partnerships and the enterprises'/partnerships' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from the First Nation.

Organizations consolidated in the First Nation's consolidated financial statements include:

- Amik Business Trust
- Amik Forest Renewal Trust
- Asiniika Wiikwedong Sawmill Trust
- Gi-Niijaasinaanig Obimadiziwinowaa Community Corporation
- Biinjitiwaabik Zaaging Anishinaabek Development Inc.

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.

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

Cash and cash equivalents

Cash and cash equivalent include balances with banks, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn.

Portfolio investments

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

Loans receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations and accumulated surplus.

Contributed capital assets are recorded into revenue at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the asset is available to be put into service.

Amortization

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

	Method	*Rate*
Computer hardware	declining balance	30 %
Computer software	declining balance	55 %
Furniture and fixtures	declining balance	20 %
Automotive	declining balance	30 %
Bridge	declining balance	4 %
Equipment	declining balance	20 %
Houses and buildings	declining balance	4 %
Non-fixed building	declining balance	10 %
Firehall	declining balance	4 %
School	declining balance	4 %
Water and sewage retrofit	declining balance	20 %
Water treatment plant	declining balance	4 %
Roads	declining balance	4 %

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

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 amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus (deficit) for the year.

Revenue recognition

Funding

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

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.

Other

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Rental income is recognized on the accrual basis over the passage of time according to the terms of occupancy.

Interest and investment income is recognized as revenue when earned.

Administration fees are recognized when services are provided, the amount is measurable and collectability is reasonably assured.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to the various programs. Such allocations are recorded as administration fees revenue on the Administration program schedule of revenue and expenses.

Expense allocation

Certain expenses which pertain to the operations as a whole have been allocated to various programs at the discretion of Chief and Council.

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

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.

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.

Inventory for resale

Inventory for resale 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.

Segments

The First Nation conducts its business through eleven 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 Note 2 *Significant accounting policies*.

Employee future benefits

The First Nation's employee future benefit program consists of a defined contribution plan. The First Nation contributions to the defined contribution plan are expensed as incurred.

3. Cash resources

	2019	2018
General (unrestricted)	**316,388**	504,015
Education authority (unrestricted)	**170,538**	(150,319)
Capital (unrestricted)	**7,590**	7,662
Social services (unrestricted)	**(23,014)**	(6,471)
Recreation (unrestricted)	**121,802**	121,862
OFNLP2008 (unrestricted)	**1,770,828**	1,138,517
Youth fund (unrestricted)	**6,970**	6,970
Gas bar (unrestricted)	**(61,506)**	(35,203)
BZA Forestry (unrestricted)	**250,669**	47,470
	2,560,265	1,634,503

The First Nation has available to it, letters of guarantee in favour of Hydro One Networks Inc. in the amount of $18,000 and Pye Brothers Fuels Limited in the amount of $25,000. At year-end, the balance of these letters of guarantee was $Nil (2018 - $Nil). Secured without recourse by a general security agreement.

4. Portfolio investments

Portfolio investments consist of the following:

	2019	2018
- Non redeemable GIC with interest at 1.20% matured June 1, 2018	**-**	1,012,000
- Cashable GIC with interest at 0.50% matured February 2019	**-**	174,766
- Non redeemable GIC with interest at 0.45% matured June 2018	**-**	722,004
- Cashable GIC with interest at 1.5% maturing February 3, 2020	**175,640**	-
- Cashable GIC with interest at 1.5% maturing September 17, 2019	**723,625**	-
- Cashable GIC with interest at 1.5% maturing September 30, 2019	**524,144**	-
- Cashable GIC with interest at 1.5% maturing September 30, 2019	**500,000**	-
- Waaskiinaysay Ziibi Inc. (20% interest)	**25,000**	25,000
- Anishinabek Employment and Training Services General Partnership Inc. (12.5% interest)	**10**	10
- Anishinabek Employment and Training Services Limited Partnership (12.5% interest)	**10**	10
- Investment in Four Nations LP (25% interest)	**10**	10
- Investment in Four Nations GP Inc. (25% interest)	**250**	250
- Investment in Sovereign Wealth LP	**1**	1
- Investment in 2190565 Ont Ltd.	**1**	1
	1,948,691	1,934,052

5. Accounts receivable

	2019	2018
Due from members:		
Payroll advances	**4,119**	5,219
Trade receivables	**505,327**	199,268
Accrued interest on guaranteed investment certificates	**13,905**	11,956
	519,232	211,224
	523,351	216,443

6. Due from government and other government organizations

	2019	2018
Federal government		
Indigenous Services Canada	**339,671**	471,736
Fednor	**45,000**	45,000
Fisheries and Oceans Canada	**3,014**	3,014
First Nation and Inuit Health	**74,895**	101,144
Canada Revenue Agency - HST recoverable	**162,898**	170,711
	625,478	791,605
Provincial government		
Ministry of Children, Community and Social Services	**142,228**	69,619
Ministry of Indigenous Affairs	**69,607**	11,680
Northern Ontario Heritage Fund Corporation	**-**	33,712
Minister of Finance - First Nations gasoline retailers tax rebate receivable	**19,493**	19,493
	231,328	134,504
	856,806	926,109

7. Inventory for resale

	2019	2018
Fuel	**20,141**	19,938
Tobacco and confectionary	**21,564**	28,206
	41,705	48,144

The cost of inventories recognized as an expense and included in cost of goods sold amounted to $781,937 (2018 - $585,282).

8. Trust funds held by federal government

Capital and revenue trust monies are transferred to the First Nation on the authorization of Indigenous Services Canada (ISC), with the consent of the First Nation's Council.

	2019	2018
Capital Trust		
Balance, beginning of year	**1,635**	1,635
Balance, end of year	**1,635**	1,635
Revenue Trust		
Balance, beginning of year	**2,287**	2,205
Interest	**91**	82
Balance, end of year	**2,378**	2,287
	4,013	3,922

The Trust Funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

9. Lines of credit

	2019	2018
Social Services Account - Royal Bank of Canada operating line of credit to a maximum of $50,000, payable on demand, interest at prime plus 1.5% (5.45% per annum at year-end; 2018 - 4.95%)	**50,000**	45,000
Education Account - Royal Bank of Canada operating line of credit to a maximum of $15,000, payable on demand, interest at prime plus 1.5% (5.45% per annum at year-end; 2018 - 4.95%)	**-**	15,000
Amik Business Trust - Royal Bank of Canada operating line of credit to a maximum of $100,000, payable on demand, interest at prime plus 1.5% (5.45% per annum at year-end; 2018 - 4.95%)	**100,000**	100,000
Biinjitiwaabik Zaaging Anishinaabek Development Inc. - Royal Bank of Canada operating line of credit to a maximum of $100,000, payable on demand, interest at prime plus 1.5% (5.45% per annum at year-end; 2018 - 4.95%)	**89,000**	85,000
	239,000	245,000

The First Nation has available to it the following credit facilities:

Royal Bank of Canada operating lines of credit totalling $365,000 on five of the First Nation's bank accounts incurring interest at the bank's prime rate plus 1.5%. The bank's prime rate at March 31, 2019 was 3.95% (2018 - 3.45%).

The above lines of credit are secured by a general security agreement constituting a first ranking charge on all personal property of the First Nation.

10. Accounts payable and accruals

	2019	2018
Trade payables	693,471	355,790
Other accrued liabilities	36,675	52,500
	730,146	408,290

11. Due to government and other government organizations

	2019	2018
Federal government		
Canada Revenue Agency - payroll deductions	19,110	-
Canada Revenue Agency - HST	38,782	144,104
	57,892	144,104

12. Employee benefit obligations

	2019	2018
Vacation and overtime	30,810	11,313

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Pension plan

The First Nation has a defined contribution plan for which all full-time, permanent employees of the First Nation are eligible. Members are required to contribute between 3.5% and 5.5% of their salary. The First Nation contributes between 3.5% and 5.5% which is directed to the members' contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Employer contributions during the year were $28,734 (2018 - $27,392). The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2019.

13. Deferred revenue

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

	Balance, beginning of year	Contributions received	Revenue recognized	Balance, end of year
Long Lake #58 First Nation	30,000	-	30,000	-
ISC - Waste Management Study	-	40,000	-	40,000
KEB - Primary and Secondary Education	-	1,614,750	1,221,386	393,364
KEB - Post Secondary Education	-	410,792	324,051	86,741
	30,000	2,065,542	1,575,437	520,105

14. Contingencies

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

In addition, in the normal course of operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements. As of March 31, 2019, no contingent liabilities have been recorded in the consolidated financial statements.

15. Tangible capital assets

The consolidated schedule of tangible capital assets (Schedule 1) presents all balances and changes 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 acquisition 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.

Buildings include amounts under construction with a carrying value of $436,737 (2018 - $Nil). No amortization of this asset has been recorded during the year because it is currently under construction at year end.

Equipment includes amounts under construction or not put into use with a carrying value of $56,520 (2018 - $Nil). No amortization of this asset has been recorded during the year because the assets have yet to be installed or be put into use at year end.

Software include amounts not yet put into use with a carrying value of $15,000 (2018 - $Nil). No amortization of this asset has been recorded during the year because the asset has yet to be installed at year end.

The First Nation holds works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

16. Government transfers

	Operating	*Capital*	***2019 Total***	*2018 Total*
Federal government transfers				
Canada Mortgage and Housing Corporation	-	-	-	8,170
Fednor	-	-	-	45,000
Fisheries and Oceans Canada	-	-	-	3,015
First Nation and Inuit Health	319,780	20,046	**339,826**	462,975
Indigenous Services Canada	1,351,551	584,536	**1,936,087**	3,400,273
	1,671,331	604,582	**2,275,913**	3,919,433
Provincial government transfers				
Ministry of Indigenous Affairs	220,895	-	**220,895**	260,480
Ministry of Children, Community and Social Services	512,330	-	**512,330**	472,663
Ministry of Health and Long-Term Care	240,890	-	**240,890**	70,355
Ministry of Transportation	686,237	-	**686,237**	-
Northern Ontario Heritage Fund Corporation	-	-	-	33,712
	1,660,352	-	**1,660,352**	837,210
	3,331,683	604,582	**3,936,265**	4,756,643

17. Comparative figures

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

18. Economic dependence

The First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC 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.

19. Budget information

The disclosed budget information has been approved by the Chief and Council of the Biinjitiwaabik Zaaging Anishinaabek at the meeting held on December 15, 2018. The budget was prepared on a cash basis while Public Sector Accounting Standards require a full accrual basis. As a result, the budget figures presented in the consolidated statement of operations and changes in net financial assets were adjusted to add amortization of $465,860 and prepaid expenses of $33,311.

20. Segments

The First Nation has eleven 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, governance activities and Band operations.
Education - includes the operations of education programs.
Medical Services - activities include delivering health programs.
Operations & Maintenance - includes activities for the maintenance of the community and its infrastructure.
Social/Cultural Programs - activities include delivering community service programs.
Social Services - activities include delivering social programs.
Capital Projects - includes the operations of capital programs.
Other Programs - includes miscellaneous programs administered by the First Nation.
Employment/Economic Programs - includes the operations of economic programs.
Business Enterprise Projects - includes the operations of significantly influenced business enterprises for consolidation.
OFNLP2008 - reports on the First Nation's OFNLP2008 funding.

Biinjitiwaabik Zaaging Anishinaabek

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	Computer hardware	*Furniture and fixtures*	*Automotive*	*Bridge*	*Equipment*	*Houses and buildings*	*Subtotal*
Cost							
Balance, beginning of year	**131,876**	**56,385**	**586,759**	**20,516**	**485,940**	**5,505,345**	**6,786,821**
Acquisition of tangible capital assets	-	-	**81,081**	-	**89,365**	-	**170,446**
Construction-in-progress	-	-	-	-	**56,520**	**436,737**	**493,257**
Write-down of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	**131,876**	**56,385**	**667,840**	**20,516**	**631,825**	**5,942,082**	**7,450,524**
Accumulated amortization							
Balance, beginning of year	**127,076**	**44,730**	**536,678**	**20,516**	**365,138**	**2,065,435**	**3,159,573**
Annual amortization	**1,440**	**2,331**	**27,186**	-	**33,109**	**140,700**	**204,766**
Balance, end of year	**128,516**	**47,061**	**563,864**	**20,516**	**398,247**	**2,206,135**	**3,364,339**
Net book value of tangible capital assets	**3,360**	**9,324**	**103,976**	-	**233,578**	**3,735,947**	**4,086,185**
2018							
Net book value of tangible capital assets	4,800	11,655	50,081	-	120,802	3,439,910	3,627,248

Biinjitiwaabik Zaaging Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	Subtotal	*Non-fixed building*	*Firehall*	*School*	*Water and sewage retrofit*	*Water treatment plant*	*Subtotal*
Cost							
Balance, beginning of year	**6,786,821**	**144,623**	**228,329**	**3,659,137**	**1,218,082**	**4,128,262**	**16,165,254**
Acquisition of tangible capital assets	**170,446**	-	-	-	-	-	**170,446**
Construction-in-progress	**493,257**	-	-	-	-	-	**493,257**
Write-down of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	**7,450,524**	**144,623**	**228,329**	**3,659,137**	**1,218,082**	**4,128,262**	**16,828,957**
Accumulated amortization							
Balance, beginning of year	**3,159,573**	**118,861**	**116,412**	**897,188**	**1,164,330**	**1,324,234**	**6,780,598**
Annual amortization	**204,766**	**2,576**	**4,477**	**110,478**	**10,750**	**112,161**	**445,208**
Balance, end of year	**3,364,339**	**121,437**	**120,889**	**1,007,666**	**1,175,080**	**1,436,395**	**7,225,806**
Net book value of tangible capital assets	**4,086,185**	**23,186**	**107,440**	**2,651,471**	**43,002**	**2,691,867**	**9,603,151**
2018							
Net book value of tangible capital assets	3,627,248	25,762	111,917	2,761,949	53,752	2,804,028	9,384,656

Biinjitiwaabik Zaaging Anishinaabek

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	Subtotal	*Roads*	*Land*	*Other fully amortized assets*	*Computer software*	*2019*	*2018*
Cost							
Balance, beginning of year	**16,165,254**	**211,885**	**298,466**	**1**	**23,577**	**16,699,183**	16,766,757
Acquisition of tangible capital assets	**170,446**	-	-	-	**3,121**	**173,567**	-
Construction-in-progress	**493,257**	-	-	-	**15,000**	**508,257**	-
Write-down of tangible capital assets	-	-	-	-	-	-	(67,574)
Balance, end of year	**16,828,957**	**211,885**	**298,466**	**1**	**41,698**	**17,381,007**	16,699,183
Accumulated amortization							
Balance, beginning of year	**6,780,598**	**55,074**	-	-	**21,565**	**6,857,237**	6,391,377
Annual amortization	**445,208**	**6,272**	-	-	**1,965**	**453,445**	465,860
Balance, end of year	**7,225,806**	**61,346**	-	-	**23,530**	**7,310,682**	6,857,237
Net book value of tangible capital assets	**9,603,151**	**150,539**	**298,466**	**1**	**18,168**	**10,070,325**	9,841,946
2018							
Net book value of tangible capital assets	9,384,656	156,811	298,466	1	2,012	9,841,946	

Biinjitiwaabik Zaaging Anishinaabek

Schedule 2 - Consolidated Schedule of Expenses by Object

For the year ended March 31, 2019

	2019 Budget	2019	2018
Consolidated expenses by object			
Administration	460,431	493,749	4,073
Advertising	-	300	300
Amortization	4,800	453,445	465,860
Bad debts	-	-	2,617
Bank charges and interest	18,320	38,220	31,956
Contracted services	384,910	1,337,756	693,244
Cost of goods sold	-	781,937	585,282
Honoraria	109,600	104,935	101,597
Insurance	30,214	101,070	97,432
Interest on long-term debt	-	-	142
Materials	1,333,460	104,013	157,910
Meeting	-	1,350	577
Miscellaneous	-	5,417	2,497
Office rent	4,800	6,000	-
Office supplies	1,000	7,343	2,870
Professional fees	324,138	437,452	224,607
Property tax	5,000	20,577	-
Salaries and benefits	1,732,795	2,290,259	1,784,043
Social assistance	549,723	443,058	301,041
Special projects	-	-	600
Student expenses	-	6,769	100
Supplies	-	787,738	756,456
Training	11,153	5,542	4,521
Transportation	135,480	136,115	94,725
Travel	164,050	222,246	199,720
Tuition costs	465,000	337,362	375,571
Upgrading allowance	-	143,405	209,209
Utilities	140,000	254,550	241,205
	5,874,874	8,520,608	6,338,155

Biinjitiwaabik Zaaging Anishinaabek
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	ISC Revenue	*Other Revenue*	*Deferred Revenue*	*Total Revenue*	*Total Expenses*	*Adjustments/ Transfers From (To)*	*Current Operating Surplus (Deficit)*
Administration							
Administration - Band Operations	240,297	732,631	-	972,928	680,433	2,500	294,995
Administration - Band Employee Benefits	24,433	-	-	24,433	24,433	-	-
Administration - Governance Capacity Development	65,000	-	-	65,000	65,000	-	-
Administration - Negotiations	247,756	111,215	-	358,971	358,971	-	-
	577,486	843,846	-	1,421,332	1,128,837	2,500	294,995
Medical Services							
Medical Services - Scheduled Transportation	-	75,442	-	75,442	130,807	-	(55,365)
Medical Services - Facility Operations	-	131	-	131	450	-	(319)
Medical Services - Family Support Worker	-	104,815	-	104,815	104,815	-	-
Medical Services - Community Health Representative	-	62,004	-	62,004	62,004	-	-
Medical Services - Prescriptions	-	-	-	-	1,552	1,836	284
Medical Services - Children's Oral Health Initiative	-	13,356	-	13,356	13,356	-	-
Medical Services - Capital Investments	-	20,046	-	20,046	2,000	-	18,046
Medical Services - Medical Vehicle	-	45,000	-	45,000	-	-	45,000
	-	320,794	-	320,794	314,984	1,836	7,646
Education							
Education - Other Education Authority	-	1,638,250	(388,148)	1,250,102	1,270,102	20,000	-
Education - Post Secondary	-	410,792	(91,957)	318,835	318,835	-	-
	-	2,049,042	(480,105)	1,568,937	1,588,937	20,000	-
Capital							
Capital - New School	-	-	-	-	110,478	-	(110,478)
Capital - General Projects	584,536	153,329	-	737,865	701,836	-	36,029
Section subtotal	584,536	153,329	-	737,865	812,314	-	(74,449)
Operations and Maintenance							
Operations & Maintenance - Water Systems	56,985	-	-	56,985	169,146	-	(112,161)
Operations & Maintenance - Fire	20,283	-	-	20,283	24,760	-	(4,477)
Operations & Maintenance - Roads & Bridges	12,434	-	-	12,434	18,706	-	(6,272)
Operations & Maintenance - Waste Disposal	38,426	-	-	38,426	49,176	-	(10,750)
Operations & Maintenance - Community Buildings	29,597	150	-	29,747	209,200	-	(179,453)
Operations & Maintenance - Enhanced Water O&M	74,658	-	-	74,658	85,899	-	(11,241)
Operations & Maintenance - Enhanced Water	60,620	-	-	60,620	61,557	-	(937)
Operations & Maintenance - Waste Management Super Dump	40,000	-	(40,000)	-	-	-	-
	333,003	150	(40,000)	293,153	618,444	-	(325,291)

Biinjitiwaabik Zaaging Anishinaabek
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	ISC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)
Social Services							
Social Services - Ontario Works	27,600	512,330	-	539,930	539,930	-	-
Social Services - Homemakers	27,400	-	-	27,400	27,400	-	-
Social Services - Ministry of Health - Homemaking	-	240,890	-	240,890	253,535	-	(12,645)
	55,000	753,220	-	808,220	820,865	-	(12,645)
Social/Cultural							
Social/Cultural - ADI	-	23,507	-	23,507	23,507	-	-
Social/Cultural - Maternal Child Health	-	8,368	-	8,368	8,368	-	-
Social/Cultural - Building Healthy Communities	-	51,469	-	51,469	51,469	-	-
Social/Cultural - Union of Ontario Indians	-	378,402	-	378,402	378,402	-	-
Social/Cultural - Recreation	-	-	-	-	72,948	71,252	(1,696)
Social/Cultural - Land and Resources	-	90,000	-	90,000	90,892	-	(892)
Social/Cultural - Early Childhood Development	-	32,665	-	32,665	32,665	-	-
Social/Cultural - Brighter Futures	-	68,281	-	68,281	68,281	-	-
Social/Cultural - Suicide Prevention	-	1,000	-	1,000	1,000	-	-
Social/Cultural - Solvent Abuse	-	692	-	692	692	-	-
Social/Cultural Programs - Band Representative/ Children's Services	228,140	-	-	228,140	228,140	-	-
	228,140	654,384	-	882,524	956,364	71,252	(2,588)
Other Programs							
Other - Housing Coordinator	-	-	-	-	27,925	28,682	757
Other - Membership	5,422	-	-	5,422	5,436	-	(14)
Other - Pow Wow	-	3,700	-	3,700	28,058	35,000	10,642
Other - Funeral Services	-	-	-	-	22,271	43,133	20,862
Other - Emergency Crisis Planning	-	100,370	30,000	130,370	130,370	-	-
Other - Comprehensive Community Planning	75,000	-	-	75,000	75,000	-	-
Other - Alternative Highway Access	-	76,449	-	76,449	64,790	-	11,659
Other Programs - Resource Development Advisor	-	-	-	-	150	-	(150)
Other Programs - Community Support Readiness	35,500	-	-	35,500	40,124	-	(4,624)
	115,922	180,519	30,000	326,441	394,124	106,815	39,132
Employment/Economic Programs							
Employment/Economic - Economic Development	42,000	-	-	42,000	42,000	-	-
Employment/Economic - Work/Training	-	703,037	-	703,037	632,182	-	70,855
Employment/Economic - Rocky Bay Fisheries	-	98,997	-	98,997	109,233	3,384	(6,852)
Employment/Economic - Tree Plant	-	45,000	-	45,000	68,887	-	(23,887)
Employment/Economic - BZA Forestry Resources Inc.	-	206,979	-	206,979	270	-	206,709

Biinjitiwaabik Zaaging Anishinaabek
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	ISC Revenue	*Other Revenue*	*Deferred Revenue*	*Total Revenue*	*Total Expenses*	*Adjustments/ Transfers From (To)*	*Current Operating Surplus (Deficit)*
Employment/Economic Programs - Dump Truck	-	42,553	-	42,553	37,662	-	4,891
	42,000	1,096,566	-	1,138,566	890,234	3,384	251,716
Business Enterprise Projects							
Business Enterprise Project - Amik Business Trust	-	-	-	-	6,236	-	(6,236)
Business Enterprise Project - Gas Bar	-	815,348	-	815,348	968,692	-	(153,344)
Gi-Niijaasinaanig Obimaziziwinowaa Community Corp.	-	-	-	-	20,577	-	(20,577)
	-	815,348	-	815,348	995,505	-	(180,157)
OFNLP2008							
OFNLP2008	-	854,732	-	854,732	-	(205,787)	648,945
Total	1,936,087	7,721,930	(490,105)	9,167,912	8,520,608	-	647,304