

Thessalon First Nation
Consolidated Financial Statements
For the year ended March 31, 2019

Contents

Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2
Consolidated Financial Statements	
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Change in Net Financial Debt	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Schedule 1 - Tangible Capital Assets	15
Schedule 2 - Segment Disclosure	17

Thessalon First Nation Management's Responsibility for Financial Reporting

March 31, 2019

The accompanying consolidated financial statements of Thessalon First Nation are the responsibility of management and have been approved by Chief and Council.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The external auditors, BDO Canada LLP, conduct an audit in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Thessalon First Nation and meet when required.

On behalf of Thessalon First Nation:

 Chief

 Band Manager



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Independent Auditor's Report

To the Members of Thessalon First Nation

Qualified Opinion

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

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2019, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation operated a dispensary/retail store during the year on a cash basis. The completeness of revenues and the existence of expenditures conducted on a cash basis are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues and expenditures was limited to the amounts recorded in the records of the First Nation. In addition, the First Nation did not perform an inventory count on the dispensary inventory at March 31, 2019. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, expenditures and annual surplus related to this operation for the year ended March 31, 2019, financial assets and liabilities as at March 31, 2019 and accumulated surplus as at March 31, 2019.

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 the 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the 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 Responsibilities for the Audit of the 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 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 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.
- 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 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 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 identify during our audit.

BDO Canada LLP

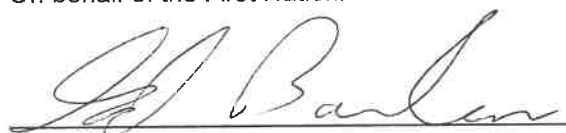
Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
August 27, 2019


Thessalon First Nation

Consolidated Statement of Financial Position

March 31, 2019	2019	2018
Financial assets		
Cash	1,005,768	828,959
Short term investment (Note 3)	312,179	309,395
Accounts receivable	1,421,150	643,677
Funds held in trust with Government of Canada (Note 2)	239,271	233,102
	<u>2,978,368</u>	<u>2,015,133</u>
Liabilities		
Accounts payable and accrued liabilities	314,629	340,995
Due to Indigenous Services Canada	213,638	165,424
Deferred revenue (Note 4)	2,015,425	720,352
Long term debt (Note 5)	115,833	55,077
Future landfill closure and post-closure costs (Note 6)	882,947	882,947
	<u>3,542,472</u>	<u>2,164,795</u>
Net financial debt	<u>(564,104)</u>	<u>(149,662)</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	3,929,605	3,236,919
Prepaid expenses	191,100	169,029
	<u>4,120,705</u>	<u>3,405,948</u>
Accumulated surplus (Note 8)	<u>\$ 3,556,601</u>	<u>\$ 3,256,286</u>

On behalf of the First Nation:

 Chief

 Band Manager

Thessalon First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	Budget	2019	2018
Revenue			
Indigenous Services Canada	\$ 2,450,450	2,504,262	1,915,848
Canada	364,039	407,605	348,504
Ontario	571,888	637,815	600,631
Ontario First Nations (2008) Limited Partnership	840,000	850,620	671,325
Other Indigenous organizations	898,309	922,939	700,464
Interest, rentals and other	255,790	533,859	236,893
	<u>5,380,476</u>	<u>5,857,100</u>	<u>4,473,665</u>
Expenses			
Social programs	574,346	617,266	443,661
Administration and governance	318,412	365,349	375,872
Infrastructure maintenance	447,445	487,058	386,331
Education	974,278	1,089,378	915,663
Housing and community development	618,407	734,976	666,374
Enterprises and economic development	911,925	916,731	873,193
Medical and other health services	1,030,287	1,047,025	815,491
Other programs	162,477	299,002	139,589
	<u>5,037,577</u>	<u>5,556,785</u>	<u>4,616,174</u>
Annual surplus (deficit)	342,899	300,315	(142,509)
Accumulated surplus, beginning of year	3,256,286	3,256,286	3,398,795
Accumulated surplus, end of year	<u>\$ 3,599,185</u>	<u>\$ 3,556,601</u>	<u>\$ 3,256,286</u>

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

Thessalon First Nation
Consolidated Statement of Change in Net Financial Debt

For the year ended March 31	Budget	2019	2018
Annual surplus (deficit)	\$ 342,899	\$ 300,315	\$ (142,509)
Acquisition of tangible capital assets	-	(901,113)	-
Amortization of tangible capital assets	202,000	208,427	201,645
Prepaid expenses	-	(22,071)	(105,056)
Net change in net financial assets (debt)	544,899	(414,442)	(45,920)
Net financial assets (debt), beginning of year	(149,662)	(149,662)	(103,742)
Net financial assets (debt), end of year	\$ 395,237	\$ (564,104)	\$ (149,662)

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

Thessalon First Nation

Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018
Cash flows from operating activities		
Annual surplus (deficit)	\$ 300,315	\$ (142,509)
Adjustment for non-cash items		
Amortization of capital assets	208,427	201,645
	508,742	59,136
Changes in non-cash working capital balances		
Accounts receivable	(777,473)	95,202
Due from members	-	80,222
Due from (to) Indigenous Services Canada	48,214	(44,682)
Prepaid expenses	(22,071)	(105,056)
Accounts payable and accrued liabilities	(26,366)	41,923
Deferred revenue	1,295,073	535,938
	1,026,119	662,683
Investing activities		
Short term investments	(2,784)	(2,760)
Increase in funds held in trust	(6,169)	(4,802)
	(8,953)	(7,562)
Capital transactions		
Purchase of tangible capital assets	(901,113)	-
Financing activities		
Long term debt obtained	145,000	-
Reduction in long term debt	(84,244)	(36,861)
Reduction in obligation under capital lease	-	(14,893)
	60,756	(51,754)
Increase in cash	176,809	603,367
Cash, beginning of year	828,959	225,592
Cash, end of year	\$ 1,005,768	\$ 828,959

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

Thessalon First Nation

Notes to Consolidated Financial Statements

March 31, 2019

1. Significant accounting policies

a. Basis of accounting

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

b. Reporting entity

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

c. Principles of consolidation

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 transactions are eliminated upon consolidation.

d. Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by external 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 being performed, is deferred and recognized when the fee is earned or service performed.

e. Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and term deposits having a maturity of three months or less at acquisition which are held for the purposes of meeting short term cash commitments.

f. Leased assets

Leased assets that transfer substantially all the benefits and risks of ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

g. Pension plan

Thessalon First Nation provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee.

Thessalon First Nation

Notes to Consolidated Financial Statements

March 31, 2019

1. Significant accounting policies (continued)

h. Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost 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.

Amortization is provided for on a straight-line basis over the estimated lives as follows:

Land improvements	10 to 30
Buildings	30 to 40
Housing	30
Machinery and equipment	5 to 30
Vehicles	10
Infrastructure	7 to 100
Automotive	7

Tangible capital assets are written down when conditions indicate that they no longer contribute to Thessalon First Nation's ability to provide goods and service, 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 financial statements.

Contributed tangible capital assets are recorded into revenues at their fair values on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case, they are recognized at nominal 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.

2. Trust funds

	Beginning	Additions	Withdrawals	Ending
Revenue	\$ 218,436	\$ 6,169	\$ -	\$ 224,605
Capital	14,666	-	-	14,666
	\$ 233,102	\$ 6,169	\$ -	\$ 239,271

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.

Thessalon First Nation

Notes to Consolidated Financial Statements

March 31, 2019

3. Bank indebtedness

The First Nation has available a \$300,000 revolving demand credit facility at prime plus 1.4%, secured by general security agreement constituting a first ranking security interest in all personal property of the borrower. At March 31, 2019, nothing has been drawn on this credit facility. In addition, the First Nation has credit card coverage to maximum of \$60,000.

4. Deferred revenue

	2019	2018
Special education	\$ 41,353	\$ -
Post-secondary education	72,668	118,132
Guidance counsellor	32,593	28,457
Transportation for education	67,294	58,850
Education allowances and supplies	2,092	1,600
Skills link/work crew	-	72,000
Housing renovations	-	22,400
Housing emergency renovations and repairs	-	174,600
Member housing renovations	-	3,892
Housing construction	1,243,579	-
Landfill remediation study	124,626	-
Strategic plan	44,000	-
Site development assessment	-	16,000
Cultural/Historical programs	-	23,815
Community support worker/family preservation programs	144,000	83,000
Family well being program	89,000	53,000
Start-up/expansion initial funding	-	21,431
Director of health	-	24,000
Healthy babies/healthy children	-	3,975
Community health programs	-	12,200
Least disruptive measures	81,860	-
Community well being	72,360	-
Other medical programs	-	3,000
	\$ 2,015,425	\$ 720,352

Reconciliation of deferred revenue

Balance, beginning of year	\$ 720,352	\$ 184,414
Additions during the year	2,015,425	720,352
Applied to operations during the year	(720,352)	(184,414)
Balance, end of year	\$ 2,015,425	\$ 720,352

Thessalon First Nation

Notes to Consolidated Financial Statements

March 31, 2019

5. Long term debt

	2019	2018
6.53% loan, secured by roads grader, repayable \$4,105 monthly including interest, maturing May 2021	\$ 99,273	\$ -
Term loan, secured by general security agreement, repayable \$3,348 monthly including interest at 4.40%, due August 2019	16,560	55,077
	<u>\$ 115,833</u>	<u>\$ 55,077</u>

Principal payments required on long term debt for the next three years are due as follows:

Year	Amount
2020	\$ 60,642
2021	47,048
2022	<u>8,143</u>
	<u>\$ 115,833</u>

Interest paid on long term debt during the year was \$7,677 (2018 - \$3,669).

6. Accrued landfill closure and post-closure costs

Landfill closure and post-closure requirements include final covering and landscaping of the landfill, storm water management, creation of buffer lands, monitoring wells, fees, ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a thirty year period using the best information currently available to management. Future events may result in significant changes to total estimated expenditures, capacity used or total capacity and estimated liability. Any such changes would be applied prospectively as a change in estimate, when applicable.

The estimated remaining useful life of the landfill site is one year, after which the period for post-closure care costs is estimated to be 30 years. The estimated liability for landfill closure and post-closure costs is recognized as the landfill site's capacity is used.

The estimated total net present value of expenditures to close and maintain the landfill site is approximately \$891,865 (2018 - \$891,865). As at March 31, 2019, 99.0% (2018 - 99.0%) of the total estimated expenditures have been recognized based on the cumulative capacity used at that date compared to the total estimated landfill capacity. The First Nation has not designated any source of revenue to fund the cost of closing and maintaining the landfill site.

The First Nation has received funding to study options and alternative arrangements as the landfill site is basically at capacity.

7. Pension agreement

The First Nation provides a defined contribution plan for eligible members of its staff. The First Nation matches employees' contributions. The amount to be received by employees will be the amount of retirement gratuity that could be purchased based on the employees share of the pension plan at the time of the employee's withdrawal from the plan. The First Nation contributed \$44,373 (2018 - \$43,677) during the year for retirement benefits.

Thessalon First Nation

Notes to Consolidated Financial Statements

March 31, 2019

8. Accumulated surplus

	2019	2018
Allocation of annual surplus (deficit)		
Reserves	\$ (141,233)	\$ -
Equity in tangible capital assets	692,686	(186,749)
General surplus (deficit)	(196,549)	2,576
Unfunded long term debt	(60,756)	36,861
Funds Held in Trust	6,167	4,803
	<u>\$ 300,315</u>	<u>\$ (142,509)</u>

Accumulated surplus, end of year

	2019	2018
Reserve set aside for specific purposes		
OFN(2008)LP - future generations fund	\$ 465,857	\$ 465,857
OFN(2008)LP - regular distributions	-	141,233
	<u>465,857</u>	<u>607,090</u>
Equity in tangible capital assets	3,929,605	3,236,919
General surplus (deficit)	(79,352)	117,197
Unfunded landfill liabilities	(882,947)	(882,947)
Unfunded long term debt	(115,833)	(55,077)
Funds held in trust	239,271	233,104
	<u>\$ 3,556,601</u>	<u>\$ 3,256,286</u>

9. Indigenous Services Canada funding

The Thessalon First Nation has a comprehensive funding arrangement with Indigenous Services Canada (ISC). The funds are used by the First Nation to administer its operations and provide service to its members in accordance with the terms of the funding arrangement.

The following is a reconciliation of ISC funding:

ISC funding per confirmation	\$ 3,716,346
Adjustments	
Funding not yet appearing on confirmation	174,417
Deferred revenue, beginning of year	492,039
Deferred revenue, end of year	(1,782,425)
Amounts due from ISC for set contribution programs	(96,115)
ISC revenue per financial statements	<u>\$ 2,504,262</u>

Thessalon First Nation

Notes to Consolidated Financial Statements

March 31, 2019

10. Contingencies and commitments

The First Nation is contingently liable to Canada Mortgage and Housing Corporation for housing renovations loans extended to band members. Loans are forgivable on a straight-line basis over four years as long as the occupant remains the same over the term. Any outstanding balance becomes payable by the First Nation if the terms of forgiveness are not met.

The First Nation is disputing the assessment of municipal taxes, interest and penalties of approximately \$900,000 at March 31, 2019 on property it acquired from a land claim settlement. The outcome of this matter is not presently determinable. Any loss resulting therefrom will be recorded in the year of settlement.

The First Nation has committed to providing financial support of \$239,250 to Robinson Huron Treaty Trust to finance costs of legal action against the governments of Canada and Ontario. This amount represents 3.30% of the total budgeted amount of \$7,250,000 being supported by the 21 participating First Nation Communities that are settlors and beneficiaries of the Robinson Huron Treaty Trust.

11. Segmented information

The Thessalon First Nation is a diversified government institution that provides a wide range of services to its members. 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:

Social programs

The social programs department is responsible for administering assistance payments as well as providing homemaking and other services directed towards members.

Education

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Infrastructure maintenance

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

Medical and other health services

The health services department provides a diverse bundle of services directed towards the well-being of members including such activities as long term care, medical transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

Thessalon First Nation

Notes to Consolidated Financial Statements

March 31, 2019

12. Segmented information (continued)

Administration and governance

The administration 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.

Housing and community development

This department is responsible for community development activities occurring in the First Nation during the year, including housing renovations.

Enterprises and economic development

Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency. These activities could include income generated from renting out band-owned equipment, lease income and other projects from time to time.

Other programs

The First Nation provides a wide array of other services, including the library, Rama and other activities.

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 consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Segment Disclosure.

12. Budget

Budgets are adopted by the First Nation based on the terms of agreements which do not vary significantly from year to year. This basis of preparation is not consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Board standards require a full accrual basis. The budget figures anticipated use of reserves to reduce current year expenditures. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense, and expensed principal payments of debt. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the budget adopted by the First Nation with adjustments as follows:

	<u>2019</u>
Budget surplus (deficit) for the year	\$ 544,899
Add:	
Capital expenditures	-
Less:	
Amortization	<u>(202,000)</u>
Budget surplus (deficit) per statement of operations	<u>\$ 342,899</u>

Thessalon First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2019

	Land	Land Improvements	Buildings	Housing	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 330,001	\$ 15,257	\$ 2,929,268	\$ 683,898	\$ 786,349	\$ 279,206	\$ 1,519,518	\$ -	\$ 6,543,497
Additions	-	-	73,870	-	191,750	-	-	635,493	901,113
Cost, end of year	330,001	15,257	3,003,138	683,898	978,099	279,206	1,519,518	635,493	7,444,610
Accumulated amortization, beginning of year	-	15,257	1,211,092	151,913	687,365	190,579	1,050,372	-	3,306,578
Amortization	-	-	87,055	22,870	24,171	15,554	58,777	-	208,427
Accumulated amortization, end of year	-	15,257	1,298,147	174,783	711,536	206,133	1,109,149	-	3,515,005
Net carrying amount, end of year	\$ 330,001	\$ -	\$ 1,704,991	\$ 509,115	\$ 266,563	\$ 73,073	\$ 410,369	\$ 635,493	\$ 3,929,605

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

Thessalon First Nation
Schedule 1 - Consolidated Tangible Capital Assets (Continued)

For the year ended March 31, 2018 (comparative figures)

	Land	Land Improvements	Buildings	Housing	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 330,001	\$ 15,257	\$ 2,929,268	\$ 683,898	\$ 786,349	\$ 279,206	\$ 1,519,518	\$ -	\$ 6,543,497
Additions	-	-	-	-	-	-	-	-	-
Cost, end of year	330,001	15,257	2,929,268	683,898	786,349	279,206	1,519,518	-	6,543,497
Accumulated amortization, beginning of year	-	15,257	1,125,884	129,043	669,157	175,025	990,567	-	3,104,933
Amortization	-	-	85,208	22,870	18,208	15,554	59,805	-	201,645
Accumulated amortization, end of year	-	15,257	1,211,092	151,913	687,365	190,579	1,050,372	-	3,306,578
Net carrying amount, end of year	\$ 330,001	\$ -	\$ 1,718,176	\$ 531,985	\$ 98,984	\$ 88,627	\$ 469,146	\$ -	\$ 3,236,919

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

Thessalon First Nation

Schedule 2 - Consolidated Segment Disclosure

For the year ended March 31, 2019

	Social Programs	Education	Infra- structure	Medical/ Health	Admini- stration	Housing/ Community	Enterprises/ Economic	Other	Consolidated Total
Revenue									
Indigenous Services Canada	\$ 27,804	\$ 1,084,946	\$ 200,106	\$ 252,267	\$ 207,375	\$ 373,585	\$ 263,228	\$ 94,951	\$ 2,504,262
Canada	-	-	-	388,005	-	-	-	19,600	407,605
Ontario	277,957	-	24,000	-	15,000	187,640	85,640	47,578	637,815
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	850,620	850,620
Other Aboriginal organizations	253,244	-	1,992	550,416	-	22,500	60,685	34,102	922,939
Interest, rentals and other	-	-	131	11,891	15,745	31,467	400,473	74,152	533,859
Transfers between segments	52,000	-	131,435	-	138,115	180,943	461,790	(964,283)	-
	611,005	1,084,946	357,664	1,202,579	376,235	796,135	1,271,816	156,720	5,857,100
Expenses									
Salaries, wages and benefits	472,887	197,694	134,752	667,950	457,291	415,327	484,570	160,926	2,991,397
Materials and supplies	35,782	25,916	67,437	252,125	68,417	192,290	349,591	108,940	1,100,498
Contracted services	-	-	36,667	40,699	76,254	73,912	22,865	4,046	254,443
Rents and financial expenses	2,400	-	94,961	5,737	19,791	7,677	-	-	130,566
External transfers	90,883	791,764	8,807	-	-	-	-	-	891,454
Amortization	5,622	5,054	129,394	29,449	6,253	22,870	9,785	-	208,427
Transfers between segments	9,692	68,950	15,040	51,065	(262,657)	22,900	49,920	25,090	(20,000)
	617,266	1,089,378	487,058	1,047,025	365,349	734,976	916,731	299,002	5,556,785
Excess (deficiency) of revenue over expenses	\$ (6,261)	\$ (4,432)	\$ (129,394)	\$ 155,554	\$ 10,886	\$ 61,159	\$ 355,085	\$ (142,282)	\$ 300,315

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

Thessalon First Nation

Schedule 2 - Consolidated Segment Disclosure (Continued)

For the year ended March 31, 2018 (comparative figures)

	Social Programs	Education	Infra- structure	Medical/ Health	Admini- stration	Housing/ Community	Enterprises/ Economic	Other	Consolidated Total
Revenue									
Indigenous Services Canada	\$ 23,555	\$ 907,783	\$ 167,508	\$ -	\$ 207,667	\$ 343,460	\$ 229,075	\$ 36,800	\$ 1,915,848
Canada	-	-	-	343,887	-	-	4,617	-	348,504
Ontario	169,998	-	19,176	55,300	30,000	46,615	265,837	13,705	600,631
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	671,325	671,325
Other Aboriginal organizations	267,412	2,800	4,738	360,040	-	450	65,024	-	700,464
Interest, rentals and other	1,631	13	315	7,127	26,984	37,437	153,452	9,934	236,893
Transfers between segments	-	-	70,139	-	110,060	301,636	145,490	(627,325)	-
	462,596	910,596	261,876	766,354	374,711	729,598	863,495	104,439	4,473,665
Expenses									
Salaries, wages and benefits	301,906	175,913	106,961	540,085	401,626	184,808	610,818	80,253	2,402,370
Materials and supplies	11,312	46,977	29,213	202,211	66,807	391,560	98,147	31,289	877,516
Contracted services	-	-	33,127	25,216	84,166	17,601	98,904	4,367	263,381
Rents and financial expenses	2,400	-	84,020	5,280	16,036	3,315	12,594	-	123,645
External transfers	114,616	624,449	8,551	-	-	-	-	-	747,616
Amortization	4,855	5,054	124,459	28,370	6,253	22,870	9,785	-	201,646
Transfers between segments	8,572	63,270	-	14,329	(199,016)	46,220	42,945	23,680	-
	443,661	915,663	386,331	815,491	375,872	666,374	873,193	139,589	4,616,174
Excess (deficiency) of revenue over expenses	\$ 18,935	\$ (5,067)	\$ (124,455)	\$ (49,137)	\$ (1,161)	\$ 63,224	\$ (9,698)	\$ (35,150)	\$ (142,509)

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