

**Kasabonika Lake First Nation
Consolidated Financial Statements**

March 31, 2018

Kasabonika Lake First Nation Contents

For the year ended March 31, 2018

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Changes in Net Debt.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements.....	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	20
Schedule 2 - Schedule of Consolidated Expenses by Object.....	22
Schedule 3 - Consolidated Schedule of Operations by Segment.....	23
Schedule 4 - Consolidated Schedule of Segment Operations - Band Support.....	24
Schedule 5 - Consolidated Schedule of Segment Operations - Municipal Services.....	25
Schedule 6 - Consolidated Schedule of Segment Operations - Sineonokway Education Authority.....	26
Schedule 7 - Consolidated Schedule of Segment Operations - Social Service.....	27
Schedule 8 - Consolidated Schedule of Segment Operations - Economic Development.....	28
Schedule 9 - Consolidated Schedule of Segment Operations - Capital Projects.....	29
Schedule 10 - Consolidated Schedule of Segment Operations - Kasabonika Lake Housing Authority.....	30
Schedule 11 - Consolidated Schedule of Segment Operations - Ontario First Nations Limited Partnership.....	31
Schedule 12 - Consolidated Schedule of Segment Operations - Health Services.....	32
Schedule 13 - Consolidated Schedule of Segment Operations - Other Programs.....	33
Schedule 14 - Consolidated Schedule of Segment Operations - Kasabonika Community Development Corporation.....	34
Schedule 15 - Consolidated Schedule of Segment Operations - Petrokas.....	35

Management's Responsibility

To the Members of Kasabonika Lake First Nation:

The accompanying consolidated financial statements of Kasabonika Lake First Nation (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

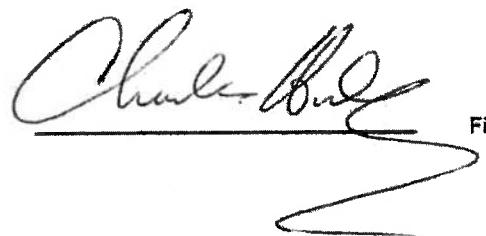
Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies 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 Kasabonika Lake First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council, on behalf of the Members, to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

December 18, 2018



Financial Controller

Independent Auditors' Report

To the Chief and Council and Members of Kasabonika Lake First Nation:

We have audited the accompanying consolidated financial statements of Kasabonika Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Inventory consists of fuel purchased for sale to the community of Kasabonika Lake First Nation plus materials and supplies for projects and operations. We did not observe the inventory counts at the beginning or end of the year and alternative means did not provide us with the necessary assurance regarding the cost of inventory. As a result, we were unable to determine what adjustments, if any, might be necessary to financial assets, expenses, annual surplus and accumulated surplus.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Kasabonika Lake First Nation as at March 31, 2018 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba

December 18, 2018

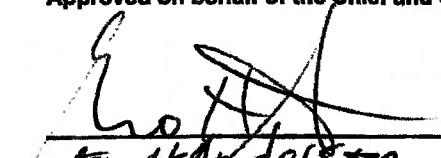
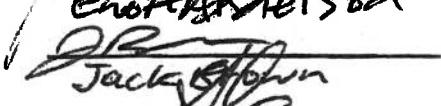
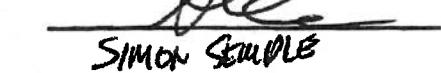
MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

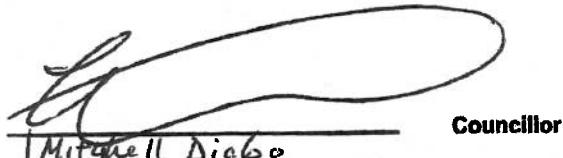
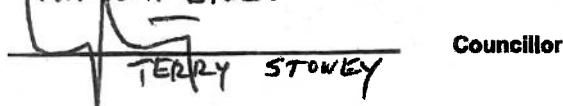
Kasabonika Lake First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
	<i>(Restated)</i>	
Financial assets		
Cash resources	3,189,167	5,201,699
Accounts receivable (Note 4)	2,643,773	2,057,846
Inventory for resale (Note 5)	1,160,914	547,027
Portfolio investments (Note 6)	100,024	100,012
Investments in First Nation partnerships (Note 7)	78,629	105,374
Restricted cash (Note 8)	29,252	172,486
	7,201,759	8,184,444
Liabilities		
Bank indebtedness (Note 9)	26,573	-
Accounts payable and accruals (Note 10)	3,922,161	5,390,530
Deferred revenue (Note 11)	1,826,192	1,430,789
Long-term debt (Note 12)	14,424,296	14,337,602
Capital lease obligation (Note 13)	694,830	802,071
	20,894,052	21,960,992
Net debt	(13,692,293)	(13,776,548)
Contingencies (Note 14)		
Non-financial assets		
Tangible capital assets (Note 15) (Schedule 1)	56,459,551	50,094,939
Inventory held for use	57,000	140,232
	56,516,551	50,235,171
Accumulated surplus (Note 16)	42,824,258	36,458,623

Approved on behalf of the Chief and Council


 Enoch Anderson

 Jack Johnson

 Simon Scoble

Chief
 Councillor
 Councillor


 Mitchell Diabo

 Terry Stoney

Councillor
 Councillor

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

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017 (Restated)</i>
Revenue				
Indigenous Services Canada (Note 17)		10,369,968	11,005,745	13,049,973
Health Canada (Note 18)		9,612,390	9,925,819	6,304,037
Other revenue		7,141,615	6,824,999	8,188,925
Provincial Government		3,355,210	3,394,194	3,213,072
Canada Mortgage and Housing Corporation		458,210	433,100	598,148
Deferred revenue from prior year (Note 11)		328,894	1,430,789	2,911,947
Deferred revenue to subsequent year (Note 11)		-	(1,826,192)	(1,430,789)
		31,266,287	31,188,454	32,835,313
Segment expenses				
Band Support	4	1,945,586	5,223,486	4,121,109
Municipal Services	5	2,230,797	1,919,139	2,415,481
Sineonokway Education Authority	6	4,078,231	4,052,283	3,928,575
Social Services	7	1,084,902	3,018,979	2,836,589
Economic Development	8	202,244	67,115	82,300
Capital Projects	9	219,726	337,583	848,060
Kasabonika Lake Housing Authority	10	663,040	592,523	584,453
Ontario First Nations Limited Partnership	11	-	13	16
Health Services	12	3,877,014	3,469,674	1,909,239
Other Programs	13	7,091,669	3,264,615	4,107,651
Kasabonika Community Development Corporation	14	1,377,948	1,714,095	2,040,723
Petrokas	15	484,958	1,163,314	1,430,382
Total segment expenses (Schedule 2)		23,256,115	24,822,819	24,304,578
Annual surplus		8,010,172	6,365,635	8,530,735
Accumulated surplus, beginning of year, as previously stated		33,345,039	33,345,039	25,240,277
Correction of an error (Note 19)		-	3,113,584	2,687,611
Accumulated surplus, beginning of year, as restated		33,345,039	36,458,623	27,927,888
Accumulated surplus, end of year		41,355,211	42,824,258	36,458,623

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

Kasabonika Lake First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2018

	2018 Budget	2018	2017 (Restated)
Annual surplus	8,010,172	6,365,635	8,530,735
Purchases of tangible capital assets	-	(9,982,111)	(12,232,921)
Amortization of tangible capital assets	-	3,617,499	2,751,303
Decrease (increase) in inventory held for use	-	83,232	(140,232)
	-	(6,281,380)	(9,621,850)
Change in net debt	8,010,172	84,255	(1,091,115)
Net debt, beginning of year	(13,776,548)	(13,776,548)	(12,685,433)
Net debt, end of year	(5,766,376)	(13,692,293)	(13,776,548)

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

Kasabonika Lake First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
	<i>(Restated)</i>	
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	6,365,635	8,530,735
Amortization	3,617,499	2,751,303
Loss from First Nation partnerships	30,728	39,856
	10,013,862	11,321,894
Changes in working capital accounts		
Accounts receivable	(585,927)	(187,018)
Inventory held for sale	(607,392)	(448,301)
Inventory held for use	83,232	(140,232)
Accounts payable and accruals	(1,468,369)	2,903,166
Deferred revenue	395,403	(1,481,158)
	7,830,809	11,968,351
Financing activities		
Advances of long-term debt	1,057,000	7,489,121
Repayment of long-term debt	(970,306)	(4,726,451)
Advances of capital lease obligations	159,498	224,009
Repayment of capital lease obligations	(266,739)	(240,204)
	(20,547)	2,746,475
Capital activities		
Purchases of tangible capital assets	(9,982,111)	(12,232,921)
Investing activities		
Investments in portfolio investments	(12)	(41,579)
Advances to First Nation Partnerships	(3,983)	(103,651)
Draw from restricted cash	136,739	(255)
	132,744	(145,485)
Increase (decrease) in cash resources	(2,039,105)	2,336,420
Cash resources, beginning of year	5,201,699	2,865,279
Cash resources, end of year	3,162,594	5,201,699
Cash resources are composed of:		
Cash and cash equivalents	3,189,167	5,201,699
Bank indebtedness	(26,573)	-
	3,162,594	5,201,699

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

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

1. Operations

The Kasabonika Lake First Nation (the "First Nation") is located in the Province of Ontario, and provides various services to its Members. Kasabonika Lake First Nation includes the First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Change on accounting policy

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 *Related Party Disclosures*
- PS 3420 *Inter-entity Transactions*
- PS 3210 *Assets*
- PS 3320 *Contingent Assets*
- PS 3380 *Contractual Rights*

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

3. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The Kasabonika Lake First Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following controlled organizations:

- Petrokas Ltd.
- Kasabonika Lake Construction Ltd.
- Kasabonika Community Development Corporation
- 846129 Ontario Inc.
- Wechimachida Construction Services (GP) Corporation
- Wechimachida Construction Limited Partnership
- Kasabonika Lake Resources Corporation
- Kasabonika Lake Resources Limited Partnership
- Kasabonika Minerals Corporation

All inter-entity balances have been eliminated on consolidation.

Kasabonika Lake First Nation has consolidated its interest in government business enterprises known as Asabanaka Drill Services (GP) Corporation and Asabanaka Drill Services Limited Partnership according to the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting policies are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

Significant accounting policies *(Continued from previous page)*

Portfolio investment which are owned by Kasabonika Lake First Nation but not controlled or influenced by the First Nation are accounted for using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported. The First Nation has the following portfolio investments:

- Landmark Limited Partnership
- First Nation Limited Partnership
- 2472881 Ontario Inc.
- Ontario First Nations Limited Partnership
- Ontario First Nations Sovereign Wealth Limited Partnership
- OFN Assets Management GP Corporation
- Landmark Inn General Partner Ltd.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

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

Investments

Marketable securities and portfolio investments are recorded at the lower of cost and market.

Funds held in Trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

Net debt

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

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and inventory held for use.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Tangible capital assets are amortized annually using the methods at the following rates which are intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until the assets are put into use.

	Rate
Buildings	straight-line 5% - 10%
Buildings	declining balance 5%
CMHC Housing	straight-line 6.67%
Computers	straight-line 20%
Equipment	straight-line 3% - 5%
Equipment	declining balance 3% - 20%
Infrastructure	straight-line 10% - 15%
Store tanks	declining balance 3%
Vehicles	straight-line 3% - 5%
Vehicles	declining balance 20%
Vehicles under capital lease	straight-line 5%

Investments in First Nation partnerships

The First Nation follows the modified equity method to account for its investment in First Nation Partnerships. The investment is stated at cost plus (less) the First Nation's share of earnings (losses) since acquisition plus (less) capital and operating transfers to (from) the First Nation Partnerships. The consolidated statement of operations includes the partnership's annual surplus (deficit) for the year ended March 31, 2018.

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying value exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Revenue recognition

Government transfer revenue, including, but not limited to, Indigenous Services Canada, First Nations and Inuit Health and Canada Mortgage and Housing Corporation funding, is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Rent and resident fees is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

Investment and interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. The First Nation's contributions to the defined contribution plans are expensed as incurred.

Financial Instruments

Financial instruments include cash resources, accounts receivable, portfolio investments, restricted cash, investments in First Nation partnerships, accounts payable and accruals, bank indebtedness, capital lease obligation and long-term debt. Unless otherwise stated, it is management's opinion that that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

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. Provisions are made for slow moving and obsolete inventory. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the year in which they become known.

Liability for contaminated sites

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Segments

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

The First Nation conducts its business through twelve reportable segments as identified below. 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 amounts that are directly attributable to the segment. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Band Support - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

Municipal Services - includes activities for the operations and maintenance of the First Nation's infrastructure.

Sineonokway Education Authority - activities include overseeing many aspects of educational opportunities for its members at all levels of learning both within the community and externally.

Social Services - activities include satisfying the economic, social or health related needs of members of the community who require assistance.

Economic Development - includes the activities of the First Nation's economic development initiatives.

Capital Projects - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.

Kasabonika Lake Housing Authority - activities include the management and maintenance of CMHC houses for community members.

Health Services - activities include delivering health services to the First Nation.

Other Programs - activities include community initiatives such as general repairs and maintenance, employment & training, research & development, justice services and cultural programs.

Kasabonika Community Development Corporation - services provided are building & hotel rentals, food services and internet & cell phone services.

Petrokas Limited - activities include providing fuel to the community.

Ontario first Nations Limited Partnership - Revenue received as part of a settlement with Ontario Government over gaming produced on First Nation territory and the allocation to the programs based on the agreement.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 3 (*Significant accounting policies*).

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation does not expect the adoption of these new standards to have a material impact on its consolidated financial statements.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Accounts receivable

	2018	2017
Indigenous Services Canada	1,009,844	581,370
Health Canada	213,018	74,083
Nishnawbe-Aski Nation	172,452	100,121
Sioux Lookout Area Aboriginal Management Board	147,982	124,532
Ministry of Northern Development and Mines	19,701	85,755
Trade	1,951,934	2,019,093
Other	30,316	29,433
	3,545,247	3,014,387
Less: allowance for doubtful accounts	901,474	956,541
	2,643,773	2,057,846

5. Inventory for resale

	2018	2017
Inventory for resale	6,496	1
Cell phones and cards	6,682	7,311
Fuel	1,147,736	539,715
	1,160,914	547,027

6. Portfolio investments

	2018	2017 (Restated)
Measured at cost:		
Landmark Inn Limited Partnership - 1 unit constituting 8.33% interest	100,000	100,000
First Nations Limited Partnership - 1 unit constituting 4.55% interest	10	10
2472881 Ontario Inc. (General Partner of First Nations LP) - 1 unit constituting 4.55% interest	10	-
Ontario First Nations Limited Partnership - 1 unit constituting 0.77% interest	1	1
Ontario First Nations Sovereign Wealth LP (OFNSWLP) - 1 unit constituting 0.77% interest	1	-
OFN Asset Management GP Corp. (General Partner of OFNSWLP) - 1 unit constituting 0.77% interest	1	-
Landmark Inn General Partner Ltd. - 1 unit constituting 0.01% interest	1	1
	100,024	100,012

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Investments in First Nation Partnerships

The First Nation has investments in the following limited partnership and business:

	<i>Investment cost</i>	<i>Advances</i>	<i>Cumulative share of loss</i>	<i>2018 Total investment</i>
First Nation Businesses: Modified equity method				
Asabanaka Drill Services Limited Partnership - 50.9%	41,528	103,702	(66,335)	78,895
Asabanaka Drill Services Corporation (GP) - 51%	51	2,610	(2,927)	(266)
	41,579	106,312	(69,262)	78,629
	<i>Investment cost</i>	<i>Advances</i>	<i>Cumulative share of loss</i>	<i>2017 Total investment (Restated)</i>
First Nation Businesses: Modified equity method				
Asabanaka Drill Services Limited Partnership - 50.9%	41,528	103,702	(37,158)	108,072
Asabanaka Drill Services Corporation - 51%	51	(1,373)	(1,376)	(2,698)
	41,579	102,329	(38,534)	105,374

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Investments in First Nation Partnerships *(Continued from previous page)*

Summary financial information for each First Nation business enterprise, accounted for using the modified equity method, for their respective year-end is as follows:

- Asabanaka Drill Services Limited Partnership was created to provide drill services with a focus on the Kasabonika Traditional Area and the Far North of Ontario in general. Although there is no shared ownership with NMS the intent was to maintain the alliance with Nimkie Mining Services (NMS) to cover off a complexity of training and safety requirements for the new company.
- Asabanaka Drill Services Corporation is the general partner of Asabanaka Drill Services Limited Partnership.

	Asabanaka Drill Services Corporation As at March 31, 2018	Asabanaka Drill Services LP As at March 31, 2018
Assets		
Cash	-	22,478
Investment in Asabanaka Drill Services LP	1	-
Inventory	-	100,000
Due from related parties	49	-
Accounts receivable	-	40,864
Property and equipment	-	401,792
Total assets	50	565,134
Liabilities		
Accounts payable and accruals	2,950	114,454
Due to Asabanaka Drill Services LP	130	-
Due to Kasabonika Lake First Nation	2,610	103,702
Deferred revenue	-	179,981
Long-term debt	-	214,266
Total liabilities	5,690	612,403
Contribution and partnership units	-	83,056
Accumulated deficit	(5,640)	(130,325)
Total revenue	-	518,119
Total expenses	3,042	575,442
Net loss	(3,042)	(57,323)

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Restricted cash

	2018	2017
Ottawa Trust Funds	14,525	14,223
CMHC replacement reserve	14,727	158,264
	29,252	172,487

Ottawa Trust Fund

The Ottawa Trust Fund arises 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is similarly governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with consent of the First Nation's Chief and Council.

Capital trust \$828 (2017 - \$828); interest revenue \$0 (2017 - \$0)
 Revenue trust \$13,697 (2017 - \$13,395); interest revenue \$302 (2017 - \$254)

CMHC replacement reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") housing program, a separate bank account has been established for replacement of qualifying items. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2018, the replacement reserve bank account was underfunded by \$61,050 (2017 - overfunded by \$72,751).

9. Bank indebtedness

The First Nation has 3 lines of credit available for use:

- The first facility is \$125,000 at a rate of prime plus 1.5% to be used to finance general operating requirements. As at March 31, 2018 the line of credit was \$nil (2017 - \$nil).
- The second facility is \$125,000 at a rate of prime plus 1.5% to be used on general operating requirements for Sineonokway Education Authority. As at March 31, 2018 the line of credit was \$25,000 (2017 - \$nil).
- The third facility is \$70,000 at a rate of prime plus 1.5% to be used on the operating requirements for Ontario works. As at March 31, 2018 the line of credit was \$nil (2017 - \$nil).

Prime rate as at March 31, 2018 was 3.45 % (2017 - 2.70%).

10. Accounts payable and accruals

	2018	2017
Trade payables	3,766,791	5,264,517
Salaries and benefits	127,218	78,374
Indigenous Services Canada	-	9,919
Health Canada	28,152	37,720
	3,922,161	5,390,530

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

11. Deferred revenue

	2018	2017 (Restated)
ISC - Governance	6,403	23,376
ISC - Resource Capacity Development	26,382	26,382
ISC - Governance Capacity Development	49,791	50,727
ISC - Counselling	4,450	166,699
ISC - Fire Hydrant Repairs	175,000	-
ISC - Winter Road Realignment (Nibinamek)	-	83,939
ISC - Immediate Needs New Housing	-	325,976
ISC - Immediate Needs	-	161,381
ISC - Immediate Needs Capacity	-	130,000
ISC - Resource Business Structure	40,467	111,005
ISC - Community Based Prevent Services	51,929	-
ISC - Regional Marketing Plan Project	139,424	-
ISC - New School Feasibility Study	19,037	49,929
ISC - RBC Decommissioning Project	-	5,251
FNIH - Suicide Prevention	-	2,838
FNIH - NNADAP/Prevention	-	4,570
FNIH - Brighter Futures	10,247	1,081
FNIH - Building Healthy Communities	3,470	1,730
FNIH - Aboriginal Diabetes Initiative	-	1,111
FNIH - Management and Support	-	1,045
FNIH - Early Childhood Development	12,241	9,420
FNIH - Health Planning Management and Governance	28,207	63,000
FNIH - Nutrition North	9,255	10,165
FNIH - Health Service/Health Promotion	6,318	49,009
FNIH - Nursing Station Upgrade Station	817,398	-
FNIH - HC Respite	13,169	-
FNIH - Jordan's Principle Choose Life	154,870	-
NOHF Corporation - Minerals Program	25,990	46,155
NOHF Corporation - Winter Road Realignment	89,675	98,000
SLAAMB - Daycare Repairs	57,283	-
CMHC - AHP Rent R&R	-	8,000
CMHC - repairs and renovations	63,611	-
RILS Indigenous Legal Services	21,575	-
	1,826,192	1,430,789

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

12. Long-term debt

	2018	2017
CMHC mortgage repayable in monthly payments of \$4,261 including interest at 1.14%, maturity date of June 2031 with a scheduled renewal date of June 2021, secured by a Ministerial guarantee and assignment of fire insurance for a 7 unit rental housing project.	628,650	672,364
CMHC mortgage repayable in monthly payments of \$5,489 including interest at 2.11%, maturity date of November 2033 with a scheduled renewal date of January 2019, secured by a Ministerial guarantee and assignment of fire insurance for a eight-unit rental housing project.	878,534	925,402
CMHC mortgage repayable in monthly payments of \$2,040. including interest at 2.35%, maturity date of July 2033 with a scheduled renewal date of December 2018, secured by a Ministerial guarantee and assignment of fire insurance for a six-unit rental housing project.	315,070	331,959
CMHC mortgage repayable in monthly payments of \$8,647 including interest at 1.83%, maturity date of October 2034 with a scheduled renewal date of December 2019, secured by a Ministerial guarantee and assignment of fire insurance for a ten-unit rental housing project.	1,483,998	1,559,955
CMHC mortgage repayable in monthly payments of \$3,124 including interest at 1.43%, maturity date of March 2037 with a scheduled renewal date of April 2022, secured by a Ministerial guarantee and assignment of fire insurance for a four-unit rental housing project.	623,600	652,016
CMHC mortgage repayable in monthly payments of \$3,138 including interest at 1.05%, maturity date of April 2040 with a scheduled renewal date of April 2020, secured by a Ministerial guarantee and assignment of fire insurance for a four-unit rental housing project.	742,180	771,795
Loan repayable in monthly payments of \$12,805 including interest at 5.20% per annum, due July 2019, secured by general security agreement.	196,679	337,208
Loan payable in monthly payments of \$4,075 including interest at bank prime plus 2.0%, due December 2018, secured by general security agreement.	207,502	236,377
Loan payable in monthly payments of \$137,650 including interest at bank prime plus 2.80%, due February 2019, secured by general security agreement.	1,480,000	1,361,405
Loan payable in monthly payments of \$42,862 including interest at 5.23%, due March 2023, secured by general security agreement and an assignment of OFNLP revenues.	5,447,005	5,764,572
Loan payable in monthly payments of \$33,739 including interest at bank prime plus 2.55%, due November 2018, secured by general security agreement and an assignment of OFNLP revenues.	1,380,901	1,724,549
CMHC mortgage repayable in monthly payments of \$4,395 including interest at 1.84%, maturity date of September 2042 with a scheduled renewal date of September 2022, secured by a Ministerial guarantee and assignment of fire insurance for a six-unit rental housing project.	1,040,177	-
	14,424,296	14,337,602

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

12. Long-term debt *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2019	2,801,696
2020	1,047,489
2021	1,029,260
2022	924,932
2023	678,074

Prime rate as at March 31, 2018 was 3.45 % (2017 - 2.70%).

13. Capital lease obligations

	2018	2017
Capital lease payable in monthly payments of \$2,476 including interest at 4.83% per annum. Secured by two Thunderbird school buses with a net book value of \$nil (2017- \$nil) Due February 2019.	24,760	54,314
Lease repaid during the year.	-	25,626
Capital lease payable in monthly payments of \$1,535 including interest at 4.83% per annum. Secured by EMS van with a net book value of \$nil (2017- \$nil). Due March 2019.	16,890	35,074
Capital lease payable in monthly payments of \$2,834 including interest at 4.76% per annum. Secured by Ford F750 water truck with a net book value of \$61,885 (2017 - \$86,639). Due December 2019.	56,684	87,562
Capital lease payable in monthly payments of \$4,328 per month including interest at 4.75% per annum. Secured by John Deere 624K loader with a net book value of \$94,525 (2017 - \$132,335). Due March 2020.	99,550	145,420
Capital lease payable in monthly payments of \$3,790 per month including interest at 3.65% per annum. Secured by Crawler tractor 650K with a net book value of \$84,550 (2017 - \$118,370). Due March 2019.	41,685	87,606
Capital lease payable in monthly payments of \$4,216 per month including interest at 4.89% per annum. Secured by Caterpillar excavator with a net book value of \$156,807 (2017 - \$201,608). Due March 2022.	198,138	224,009
Capital lease payable in monthly payments of \$4,245 per month including interest at 4.61% per annum. Secured by fuel truck with a net book value of \$96,428 (2017 - \$133,736). Due March 2020.	97,625	142,460
Capital lease payable in monthly payments of \$4,691 per month including interest at 5.05% per annum. Secured by fuel truck with a net book value of \$130,336. Due September 2021.	159,498	-
	694,830	802,071

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

12. Capital lease obligations *(Continued from previous page)*

Minimum lease payments related to the obligations under capital lease are as follows:

2019	334,908
2020	235,266
2021	102,189
2022	50,588
	<hr/>
	722,951
Less: imputed interest	28,121
	<hr/>
Balance of obligation	694,830

14. Contingencies

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2018 might be recovered.

15. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

16. Accumulated surplus

	2018	2017
		<i>(Restated)</i>
Ottawa Trust Funds	14,525	14,223
Investment in tangible capital assets	48,671,611	42,654,828
CMHC replacement reserve required	82,273	85,513
Investments in First Nation partnerships	178,653	205,386
Unrestricted deficit	(6,122,804)	(6,501,327)
	<hr/>	<hr/>
	42,824,258	36,458,623

17. Reconciliation of funding from Indigenous Services Canada ("ISC")

The ISC revenue of \$11,005,745 (2017 – \$13,049,973) on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation.

18. First Nations and Inuit Health Funding

The First Nations and Inuit Health revenue of \$9,925,819 (2017 – \$6,304,037) on the consolidated statement of operations and accumulated surplus agrees to the First Nations and Inuit Health confirmation.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

19. Correction of an error

The following amounts have been restated as at and for the year ended March 31, 2017:

	As previously stated	Adjustments	As restated
Consolidated Statement of Financial Position			
Portfolio investments	247,260	(147,248)	100,012
Tangible capital assets	48,399,122	1,695,817	50,094,939
Deferred revenue	2,995,804	(1,565,015)	1,430,789
<u>Accumulated surplus</u>	<u>33,345,039</u>	<u>3,113,584</u>	<u>36,458,623</u>
Consolidated Statement of Operations and accumulated surplus			
Revenue	33,080,255	(244,942)	32,835,313
Expenses	24,975,493	(670,915)	24,304,578
Annual surplus	8,104,762	425,973	8,530,735
Accumulated surplus, beginning of year	25,240,277	2,687,611	27,927,888
<u>Accumulated surplus, end of year</u>	<u>33,345,039</u>	<u>3,113,584</u>	<u>36,458,623</u>

- The First Nation determined that the investment in Landmark Inn LP should be recorded at cost. The investment in Landmark LP was previously recorded using the modified equity method. The restatement resulted in a decrease in portfolio investments by \$147,248, a decrease in revenue by \$71,051 and decrease in accumulated surplus beginning of year by \$76,197.
- The First Nation determined that capital contribution was incorrectly recorded in tangible capital assets and should have been presented as accumulated surplus. The restatement resulted in an increase of tangible capital assets and accumulated surplus by \$1,024,902.
- The First Nation determined that assets under construction was incorrectly recorded in expenses and should have been recorded as tangible capital assets. The restatement resulted in an increase of tangible capital assets and decrease in expenses by \$670,915.
- The First Nation determined that revenue that was deferred as at March 31, 2017 was not eligible for deferral. The restatement resulted in a decrease in deferred revenue by \$1,565,015, a decrease in revenue by \$173,891 and increase in accumulated surplus beginning of year by \$1,738,906.

20. Economic dependence

Kasabonika Lake First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") and First Nations and Inuit Health 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.

21. Budget information

The disclosed budget information has been approved by the Chief and Council of the Kasabonika Lake First Nation on June 27, 2017.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

22. Provision for site rehabilitation

The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the First Nation is bound by environmental laws of The Ontario Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

23. First Nations Financial Transparency Act

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2018. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

24. Comparative figures

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

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

	<i>Land</i>	<i>Buildings</i>	<i>CMHC Housing</i>	<i>Computer</i>	<i>Equipment</i>	<i>Vehicles</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	50,000	19,359,320	9,673,588	19,088	2,134,643	2,290,332	33,526,971
Acquisition of tangible capital assets	-	2,479,607	-	-	86,247	458,061	3,023,915
Transfer	-	(1,629,609)	1,629,609	-	-	-	-
Transfer	-	804,791	-	-	-	-	804,791
Balance, end of year	50,000	21,014,109	11,303,197	19,088	2,220,890	2,748,393	37,355,677
Accumulated amortization							
Balance, beginning of year	-	4,839,163	5,518,413	19,088	1,667,400	2,152,101	14,196,165
Annual amortization	-	1,070,123	799,509	-	268,375	130,249	2,268,256
Balance, end of year	-	5,909,286	6,317,922	19,088	1,935,775	2,282,350	16,464,421
Net book value of tangible capital assets	50,000	15,104,823	4,985,275	-	285,115	466,043	20,891,256
2017 Net book value of tangible capital assets	50,000	14,520,157	4,155,175	-	467,243	138,231	19,332,823

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

	<i>Subtotal</i>	<i>Assets under construction</i>	<i>Infrastructure</i>	<i>Vehicles under Capital Lease</i>	<i>Store tanks</i>	<i>2018</i>	<i>2017</i>
<i>(Restated)</i>							
Cost							
Balance, beginning of year	33,526,971	26,386,985	9,060,659	1,209,477	919,436	71,103,528	58,870,607
Acquisition of tangible capital assets	3,023,915	6,801,796	-	156,400	-	9,982,111	12,232,921
Transfer	-	-	-	-	-	-	-
Transfer	804,791	(22,307,285)	21,502,494	-	-	-	-
Balance, end of year	37,355,677	10,881,496	30,563,153	1,365,877	919,436	81,085,639	71,103,528
Accumulated amortization							
Balance, beginning of year	14,196,165	-	5,744,603	536,948	530,873	21,008,589	18,257,286
Annual amortization	2,268,256	-	1,143,621	193,965	11,657	3,617,499	2,751,303
Balance, end of year	16,464,421	-	6,888,224	730,913	542,530	24,626,088	21,008,589
Net book value of tangible capital assets	20,891,256	10,881,496	23,674,929	634,964	376,906	56,459,551	50,094,939
2017 Net book value of tangible capital assets	19,332,823	26,386,985	3,316,056	672,529	388,563	50,094,939	

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

	2018	2017 (Restated)
Consolidated expenses by object		
Amortization	3,617,499	2,751,303
Automotive	210,888	110,685
Bad debts	338,258	278,193
Bank charges and interest	113,595	66,724
Community events and donations	793,439	241,923
Contracted services	161,743	113,920
Food and beverage	95,486	226,092
Fuel	1,433,372	1,664,301
Funerals	211,096	146,141
GST and Sales tax	25,696	28,776
Honouraria	121,474	77,003
Insurance	609,753	661,006
Interest on long-term debt	563,448	400,041
Materials	188,086	714,794
Medical supplies and prescriptions	78,166	33,140
Other expense	509,402	729,395
Professional fees	526,947	999,887
Program education	252,821	89,834
Program expense	292,452	305,383
Rent	260,285	550,327
Repairs and maintenance	788,176	889,741
Salaries and benefits	7,627,462	7,791,274
Septic waste hauling	293,929	270,740
Social assistance	1,826,426	1,850,217
Supplies	1,383,096	1,009,725
Training	451,653	349,576
Travel	1,115,332	858,147
Utilities	932,839	1,096,290
	24,822,819	24,304,578

Kasabonika Lake First Nation
Schedule 3 - Consolidated Schedule of Operations by Segment
For the year ended March 31, 2018

	<i>Schedule #</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Transfers From (To)</i>	<i>2018 Surplus (Deficit)</i>	<i>2017 Surplus (Deficit) (Restated)</i>
Segments						
Band Support	4	1,548,002	5,223,486	(220,000)	(3,895,484)	(2,656,330)
Municipal Services	5	2,203,305	1,919,139	(125,194)	158,972	9,368
Sineonokway Education Authority	6	4,965,539	4,052,283	(322,000)	591,256	421,799
Social Services	7	3,194,415	3,018,979	-	175,436	115,013
Economic Development	8	82,300	67,115	(25,200)	(10,015)	-
Capital Projects	9	878,582	337,583	(516,000)	24,999	238,898
Kasabonika Lake Housing Authority	10	633,192	592,523	-	40,669	(24,577)
Ontario First Nations Limited Partnership	11	1,189,450	13	(1,189,437)	-	-
Health Services	12	9,286,594	3,469,674	43,000	5,859,920	4,596,603
Other Programs	13	4,396,946	3,264,615	2,364,831	3,497,162	6,467,012
Kasabonika Community Development Corporation	14	1,704,592	1,714,095	(5,000)	(14,503)	(600,317)
Petrokas	15	1,105,537	1,163,314	(5,000)	(62,777)	(36,734)
Total		31,188,454	24,822,819	-	6,365,635	8,530,735

Kasabonika Lake First Nation
Band Support
Schedule 4 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017 (Restated)
Revenue			
Indigenous Services Canada	938,387	971,069	938,748
Other revenue	1,052,045	576,933	564,733
Provincial Government	-	-	2,200
	1,990,432	1,548,002	1,505,681
Expenses			
Amortization	-	3,028,010	2,143,296
Automotive	-	1,000	-
Bad debts	-	165,447	135,176
Bank charges and interest	34,473	55,644	27,251
Community events and donations	-	49,435	446
GST and Sales tax	-	25,696	28,776
Insurance	439,565	400,815	396,207
Other expense	-	1,542	1,914
Professional fees	262,794	233,279	291,263
Salaries and benefits	893,764	863,430	780,257
Septic waste hauling	25,000	-	5,262
Supplies	85,364	59,006	41,491
Training	7,500	5,060	7,646
Travel	144,000	277,091	181,975
Utilities	53,126	58,031	80,149
	1,945,586	5,223,486	4,121,109
Surplus (deficit) before transfers	44,846	(3,675,484)	(2,615,428)
Transfers between segments	100,000	(220,000)	(40,902)
Surplus (deficit)	144,846	(3,895,484)	(2,656,330)

Kasabonika Lake First Nation
Municipal Services
Schedule 5 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	2,099,957	2,090,471	2,285,333
Other revenue	96,600	112,834	139,516
	2,196,557	2,203,305	2,424,849
Expenses			
Automotive	30,000	33,223	52,188
Contracted services	50,000	4,043	47,377
Fuel	476,160	404,602	404,899
Insurance	30,004	30,004	30,000
Interest on long-term debt	62,652	62,652	34,020
Other expense	5,000	20,000	80,240
Rent	66,000	5,075	120,971
Repairs and maintenance	182,000	175,720	326,015
Salaries and benefits	550,481	472,234	553,722
Supplies	81,000	131,317	29,352
Training	18,000	265	18,015
Travel	13,500	7,009	7,643
Utilities	666,000	572,995	711,039
	2,230,797	1,919,139	2,415,481
Surplus (deficit) before transfers	(34,240)	284,166	9,368
Transfers between programs	-	(125,194)	-
Surplus (deficit)	(34,240)	158,972	9,368

Kasabonika Lake First Nation
Sineonokway Education Authority
Schedule 6 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	3,890,539	4,406,294	3,938,161
Other revenue	348,220	396,996	469,740
Deferred revenue from prior year	-	166,699	-
Deferred revenue to subsequent year	-	(4,450)	(166,699)
	4,238,759	4,965,539	4,241,202
Expenses			
Automotive	53,712	53,712	29,712
Bank charges and interest	15,000	18,385	9,127
Community events and donations	65,300	78,149	-
Food and beverage	92,000	67,225	63,717
Fuel	48,000	12,212	72,519
Honouraria	22,200	22,200	26,800
Interest on long-term debt	34,361	15,600	22,141
Other expense	353,605	144,349	276,346
Professional fees	-	10,635	2,391
Program education	115,000	235,648	62,656
Program expense	91,560	148,910	170,874
Rent	34,200	34,200	34,200
Salaries and benefits	2,677,503	2,609,613	2,777,938
Supplies	175,512	195,666	117,904
Training	48,310	48,310	17,726
Travel	226,000	336,399	210,034
Utilities	25,968	21,070	34,490
	4,078,231	4,052,283	3,928,575
Surplus before transfers	160,528	913,256	312,627
Transfers between segments	(14,911)	(322,000)	109,172
Surplus	145,617	591,256	421,799

Kasabonika Lake First Nation
Social Services
Schedule 7 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Provincial Government	853,012	2,830,777	2,574,617
Indigenous Services Canada	229,700	349,100	325,515
Other revenue	-	14,538	51,470
	1,082,712	3,194,415	2,951,602
Expenses			
Bank charges and interest	5,000	5,575	5,126
Funerals	-	29,515	13,532
Other expense	4,160	102,456	73,766
Professional fees	-	2,500	2,500
Program expense	264,096	121,298	52,209
Rent	86,600	21,600	21,600
Salaries and benefits	539,850	490,932	435,616
Septic waste hauling	27,040	24,782	24,960
Social assistance	-	1,826,426	1,850,217
Supplies	32,156	35,308	25,192
Training	40,000	237,630	255,239
Travel	85,000	119,051	75,552
Utilities	1,000	1,906	1,080
	1,084,902	3,018,979	2,836,589
Surplus (deficit)	(2,190)	175,436	115,013

Kasabonika Lake First Nation
Economic Development
Schedule 8 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	82,300	82,300	82,300
Other revenue	180,000	-	-
	262,300	82,300	82,300
Expenses			
Community events and donations	-	44,871	-
Honouraria	7,200	-	-
Professional fees	10,000	-	-
Program expense	22,244	22,244	82,300
Salaries and benefits	156,371	-	-
Travel	6,429	-	-
	202,244	67,115	82,300
Surplus (deficit) before transfers	60,056	15,185	-
Transfers between segments	(60,056)	(25,200)	-
Surplus (deficit)	-	(10,015)	-

Kasabonika Lake First Nation
Capital Projects
Schedule 9 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017 (Restated)
Revenue			
Indigenous Services Canada	746,613	746,613	795,786
Other revenue	20,137	127,579	124,744
Canada Mortgage and Housing Corporation	68,001	68,001	66,601
Deferred revenue to subsequent year	-	(63,611)	-
	834,751	878,582	987,131
Expenses			
Bad debts	-	24,861	-
Bank charges and interest	-	41	55
Fuel	8,100	36,519	23,643
Honouraria	7,200	-	7,200
Insurance	-	24,919	20,160
Interest on long-term debt	-	-	7,200
Materials	10,000	6,656	419,509
Other expense	-	23,963	14,978
Repairs and maintenance	20,021	58,300	24,000
Salaries and benefits	159,705	146,455	253,594
Septic waste hauling	-	-	21,989
Travel	12,200	12,743	52,553
Utilities	2,500	3,126	3,179
	219,726	337,583	848,060
Surplus before transfers	615,025	540,999	139,071
Transfers between segments	(596,000)	(516,000)	99,827
Surplus	19,025	24,999	238,898

Kasabonika Lake First Nation
Kasabonika Lake Housing Authority
Schedule 10 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Canada Mortgage and Housing Corporation	390,209	365,099	331,768
Other revenue	275,280	268,093	228,108
	665,489	633,192	559,876
Expenses			
Amortization	-	258,283	237,058
Bad debts	-	-	29,367
Bank charges and interest	-	319	313
Insurance	97,035	97,035	90,639
Interest on long-term debt	369,910	96,682	85,632
Professional fees	15,900	24,749	21,450
Repairs and maintenance	168,495	104,245	110,244
Utilities	11,700	11,210	9,750
	663,040	592,523	584,453
Surplus (deficit)	2,449	40,669	(24,577)

Kasabonika Lake First Nation
Ontario First Nations Limited Partnership
Schedule 11 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 <i>Budget</i>	2018	2017
Revenue			
Ontario First Nations Limited Partnership	1,092,000	1,189,450	1,175,690
Expenses			
Bank charges and interest	-	13	16
Surplus before transfers	1,092,000	1,189,437	1,175,674
Transfers between segments	(997,000)	(1,189,437)	(1,175,674)
Surplus	95,000	-	-

Kasabonika Lake First Nation
Health Services
Schedule 12 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Health Canada	9,612,390	9,925,819	6,304,037
Other revenue	250,806	271,981	313,392
Deferred revenue from prior year	143,969	143,969	-
Deferred revenue to subsequent year	-	(1,055,175)	(143,969)
	10,007,165	9,286,594	6,473,460
Expenses			
Automotive	28,000	19,465	7,800
Community events and donations	588,655	420,249	-
Contracted services	106,188	149,389	-
Food and beverage	34,800	12,831	38,347
Fuel	10,167	12,695	9,437
Honouraria	42,800	60,044	11,303
Insurance	4,000	4,000	4,000
Materials	272,961	432,558	9,581
Medical supplies and prescriptions	77,008	78,166	33,140
Other expense	114,853	41,110	-
Professional fees	165,000	34,890	97,836
Program education	10,000	17,173	27,178
Rent	100,140	102,025	64,693
Salaries and benefits	1,497,401	1,350,177	1,011,279
Septic waste hauling	8,000	12,000	7,000
Supplies	274,784	235,684	219,162
Training	229,114	167,257	42,174
Travel	183,799	171,773	154,657
Utilities	129,344	148,188	171,652
	3,877,014	3,469,674	1,909,239
Surplus before transfers	6,130,151	5,816,920	4,564,221
Transfers between segments	48,000	43,000	32,382
Surplus	6,178,151	5,859,920	4,596,603

Kasabonika Lake First Nation
Other Programs
Schedule 13 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	2,213,227	2,359,898	4,684,130
Other revenue	1,792,095	1,056,466	2,287,479
Provincial Government	272,251	563,417	636,254
Canada Mortgage and Housing Corporation	-	-	199,779
Provincial Government	140,147	-	-
Deferred revenue from prior year	184,925	1,120,121	2,911,947
Deferred revenue to subsequent year	-	(702,956)	(1,120,121)
	4,602,645	4,396,946	9,599,468
Expenses			
Automotive	4,800	90,207	3,485
Bank charges and interest	-	276	3
Community events and donations	229,335	189,837	208,090
Contracted services	177,500	(5,643)	-
Food and beverage	14,400	15,430	124,028
Fuel	152,785	326,923	256,769
Funerals	80,000	181,581	132,609
Honouraria	28,800	26,500	25,200
Insurance	7,000	-	7,000
Interest on long-term debt	1,223,756	323,501	177,445
Materials	2,375,887	(257,133)	283,841
Other expense	205,882	63,097	81,193
Professional fees	429,802	201,320	515,498
Rent	106,000	88,410	299,462
Repairs and maintenance	175,382	400,780	316,706
Salaries and benefits	1,440,231	1,082,985	1,304,713
Septic waste hauling	56,500	257,147	211,530
Supplies	45,295	42,540	39,085
Telephone	12,000	-	-
Training	-	(6,869)	7,776
Travel	129,585	160,051	74,827
Utilities	196,729	83,675	38,391
	7,091,669	3,264,615	4,107,651
Surplus (deficit) before transfers	(2,489,024)	1,132,331	5,491,817
Transfers between segments	2,769,568	2,364,831	975,195
Surplus	280,544	3,497,162	6,467,012

Kasabonika Lake First Nation
Kasabonika Community Development Corporation
Schedule 14 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Other revenue			
Rental Income	560,852	925,618	948,531
Sales	587,080	702,141	491,875
Other revenue	397,500	76,833	-
	1,545,432	1,704,592	1,440,406
Expenses			
Amortization	-	287,060	318,618
Automotive	-	12,068	16,252
Bad debts	-	-	311
Bank charges and interest	-	29,541	17,045
Community events and donations	-	10,070	27,704
Contribution to minerals exploration	-	-	50,000
Food and beverage	375,000	-	-
Fuel	-	40,806	33,400
Honouraria	-	12,730	6,500
Insurance	60,000	-	60,000
Interest on long-term debt	195,896	22,710	33,064
Materials	378,600	6,005	1,863
Other expense	-	102,222	198,553
Professional fees	-	16,841	60,110
Rent	11,000	2,975	2,901
Repairs and maintenance	12,000	17,323	40,462
SBC & Hotel Upgrades	-	-	5,000
Salaries and benefits	190,440	420,480	503,395
Supplies	-	673,515	523,545
Training	30,000	-	1,000
Travel	30,000	30,693	98,453
Utilities	95,012	29,056	42,547
	1,377,948	1,714,095	2,040,723
Surplus (deficit) before transfers	167,484	(9,503)	(600,317)
Transfers between segments	-	(5,000)	-
Surplus (deficit)	167,484	(14,503)	(600,317)

Kasabonika Lake First Nation
Petrokas
Schedule 15 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Other revenue			
Sales	489,000	836,958	1,393,648
Other revenue	-	268,579	-
	489,000	1,105,537	1,393,648
Expenses			
Amortization	-	44,146	52,331
Automotive	-	1,213	1,247
Bad debts	-	147,950	113,338
Bank charges and interest	2,400	3,801	7,789
Community events and donations	-	828	5,683
Contracted services	10,440	13,954	11,544
Fuel	50,940	599,615	863,635
Insurance	52,980	52,980	53,000
Interest on long-term debt	30,000	42,303	40,540
Other expense	24,000	10,663	2,405
Professional fees	-	2,734	8,839
Rent	6,000	6,000	6,500
Repairs and maintenance	-	31,808	72,314
Salaries and benefits	164,698	191,156	170,761
Supplies	36,000	10,060	13,989
Training	6,000	-	-
Travel	-	522	2,453
Utilities	101,500	3,581	4,014
	484,958	1,163,314	1,430,382
Surplus (deficit) before transfers	4,042	(57,777)	(36,734)
Transfers between segments	(5,000)	(5,000)	-
Deficit	(958)	(62,777)	(36,734)