

**Kasabonika Lake First Nation  
Consolidated Financial Statements**  
*March 31, 2020*

**Kasabonika Lake First Nation**  
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*For the year ended March 31, 2020*

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## **Management's Responsibility**

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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.

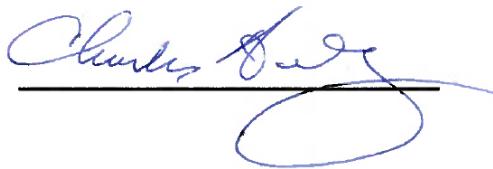
Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting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

MNP LLP, an independent firm of Chartered Professional Accountants, 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.

September 15, 2021



Financial Advisor

To the Members of Kasabonika Lake First Nation:

## Opinion

We have audited the consolidated financial statements of Kasabonika Lake First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, changes in its net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Winnipeg, Manitoba

September 15, 2021

**MNP LLP**

Chartered Professional Accountants  
Licensed Public Accountants

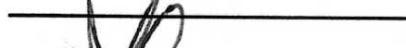
**MNP**

**Kasabonika Lake First Nation**  
**Consolidated Statement of Financial Position**

As at March 31, 2020

|  | 2020               | 2019         |
|--|--------------------|--------------|
| <b>Financial assets</b>                                  |                    |              |
| Cash   | 24,933,989         | 10,736,236   |
| Accounts receivable (Note 3)                             | 3,887,051          | 2,029,108    |
| Guaranteed Investment Certificate (Note 4)               | 1,400,000          | -            |
| Portfolio investments (Note 5)                           | 100,143            | 100,023      |
| Investments in Government Business Partnerships (Note 6) | 922,942            | 811,161      |
| Restricted cash (Note 7)                                 | 257,377            | 36,085       |
|  | <b>31,501,502</b>  | 13,712,613   |
| <b>Liabilities</b>                                       |                    |              |
| Bank indebtedness (Note 8)                               | -                  | 115,000      |
| Accounts payable and accruals (Note 9)                   | 2,155,102          | 2,482,794    |
| Deferred revenue (Note 10)                               | 23,260,499         | 8,044,788    |
| Long-term debt (Note 11)                                 | 13,247,816         | 13,230,501   |
| Capital lease obligation (Note 12)                       | 385,286            | 367,725      |
|  | <b>39,048,703</b>  | 24,240,808   |
| <b>Net debt</b>  | <b>(7,547,201)</b> | (10,528,195) |
| <b>Contingencies (Note 13)</b>                           |                    |              |
| <b>Non-financial assets</b>                              |                    |              |
| Tangible capital assets (Note 14) (Schedule 1)           | 56,610,741         | 55,631,943   |
| Inventory held for use (Note 15)                         | 1,193,312          | 1,183,993    |
| Prepaid expenses   | 18,633             | 98,604       |
|  | <b>57,822,686</b>  | 56,914,540   |
| <b>Accumulated surplus (Note 16)</b>                     | <b>50,275,485</b>  | 46,386,345   |

Approved on behalf of the Chief and Council


Chief

Deputy Chief

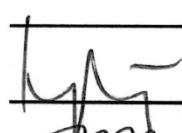
Head  
Councillor

Councillor

Councillor

Councillor

Councillor


**Kasabonika Lake First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2020*

|  | <i>Schedules</i> | <i>2020<br/>Budget</i> | <i>2020</i>       | <i>2019</i> |
|--|------------------|------------------------|-------------------|-------------|
| <b>Revenue</b>   |                  |                        |                   |             |
| Indigenous Services Canada (Note 17)                             |                  | 40,722,985             | 38,282,434        | 24,174,793  |
| Other revenue (Note 18)  |                  | 7,648,624              | 5,563,819         | 5,163,289   |
| Government of Ontario  |                  | 316,441                | 4,062,899         | 4,082,429   |
| Ontario First Nations Limited Partnership (Note 19)              |                  | 1,128,000              | 1,304,711         | 1,506,402   |
| Canada Mortgage and Housing Corporation                          |                  | 72,051                 | 456,213           | 463,455     |
| Revenue deferred in prior year (Note 10)                         |                  | 8,044,788              | 8,044,788         | 1,826,192   |
| Revenue deferred to subsequent year (Note 10)                    |                  | -                      | (23,260,499)      | (8,044,788) |
|  |                  | <b>57,932,889</b>      | <b>34,454,365</b> | 29,171,772  |
| <b>Segment expenses</b>  |                  |                        |                   |             |
| Business Enterprises   | 4                | 1,056,434              | 3,048,135         | 3,179,757   |
| Economic Development   | 5                | 242,100                | 210,148           | 300,805     |
| Governance   | 6                | 818,259                | 2,189,676         | 1,940,831   |
| Health Services  | 7                | 6,718,659              | 4,580,782         | 3,584,504   |
| Infrastructure Services  | 8                | 27,658,391             | 7,744,289         | 7,433,177   |
| Ontario First Nations Limited Partnership                        | 9                | -                      | 11                | 24          |
| Other  | 10               | 2,517,157              | 1,265,191         | 1,073,559   |
| Sineonokway Education Authority                                  | 11               | 7,650,354              | 5,131,144         | 3,773,612   |
| Social Services  | 12               | 2,846,953              | 5,857,756         | 4,444,752   |
| Subsidized Housing   | 13               | -                      | 598,046           | 536,195     |
| <b>Total segment expenses (Schedule 2)</b>                       |                  | <b>49,508,307</b>      | <b>30,625,178</b> | 26,267,216  |
| <b>Annual surplus before other items</b>                         |                  | <b>8,424,582</b>       | <b>3,829,187</b>  | 2,904,556   |
| <b>Other income (expenses)</b>                                   |                  |                        |                   |             |
| Loss on disposal of capital assets                               |                  | -                      | (14,762)          | -           |
| Gain on investments in government business partnerships (Note 6) |                  | -                      | 74,715            | 657,531     |
|  |                  | -                      | <b>59,953</b>     | 657,531     |
| <b>Annual surplus</b>  |                  | <b>8,424,582</b>       | <b>3,889,140</b>  | 3,562,087   |
| <b>Accumulated surplus, beginning of year</b>                    |                  | <b>46,386,345</b>      | <b>46,386,345</b> | 42,824,258  |
| <b>Accumulated surplus, end of year</b>                          |                  | <b>54,810,927</b>      | <b>50,275,485</b> | 46,386,345  |

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

**Kasabonika Lake First Nation**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2020*

|   | <b>2020<br/>Budget</b> | <b>2020</b>         | <b>2019</b>         |
|---|------------------------|---------------------|---------------------|
| <b>Annual surplus</b>                   | <b>8,424,582</b>       | <b>3,889,140</b>    | <b>3,562,087</b>    |
| Purchases of tangible capital assets    | -                      | (5,472,887)         | (3,603,331)         |
| Amortization of tangible capital assets | -                      | 4,725,550           | 4,430,939           |
| Capital leasing obligation              | -                      | (246,223)           | -                   |
| Loss on disposal of capital assets      | -                      | 14,762              | -                   |
| Change in inventory held for use        | -                      | (9,319)             | 27,425              |
| Change in prepaid expenses              | -                      | 79,971              | (98,604)            |
|   | -                      | (908,146)           | 756,429             |
| <b>Change in net debt</b>               | <b>8,424,582</b>       | <b>2,980,994</b>    | <b>4,318,516</b>    |
| <b>Net debt, beginning of year</b>      | <b>(10,528,195)</b>    | <b>(10,528,195)</b> | <b>(14,846,711)</b> |
| <b>Net debt, end of year</b>            | <b>(2,103,613)</b>     | <b>(7,547,201)</b>  | <b>(10,528,195)</b> |

*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, 2020*

|   | <b>2020</b>        | <b>2019</b> |
|---|--------------------|-------------|
| <b>Cash provided by (used for) the following activities</b> |                    |             |
| <b>Operating activities</b>                                 |                    |             |
| Annual surplus  | 3,889,140          | 3,562,087   |
| Amortization  | 4,725,550          | 4,430,939   |
| Gain on investments in government business partnerships     | (74,715)           | (657,531)   |
| Loss on disposal of capital assets                          | 14,762             | -           |
|   | <b>8,554,737</b>   | 7,335,495   |
| Changes in working capital accounts                         |                    |             |
| Accounts receivable   | (1,857,943)        | 614,666     |
| Accounts payable and accruals                               | (327,692)          | (1,439,367) |
| Deferred revenue  | 15,215,711         | 6,218,596   |
| Inventory held for use                                      | (9,319)            | 27,425      |
| Prepaid expenses  | 79,971             | (98,604)    |
|   | <b>21,655,465</b>  | 12,658,211  |
| <b>Financing activities</b>                                 |                    |             |
| Advances of long-term debt                                  | 2,474,400          | 1,400,000   |
| Repayment of long-term debt                                 | (2,457,085)        | (2,593,795) |
| Repayment of capital lease obligations                      | (228,662)          | (327,105)   |
|   | <b>(211,347)</b>   | (1,520,900) |
| <b>Capital activity</b>                                     |                    |             |
| Purchases of tangible capital assets                        | <b>(5,472,887)</b> | (3,603,331) |
| <b>Investing activities</b>                                 |                    |             |
| Purchase of Guaranteed Investment Certificate               | (1,400,000)        | -           |
| Increase in portfolio investment                            | (120)              | -           |
| Investments in Government Business Partnerships             | (37,066)           | (75,001)    |
| Increase in restricted cash                                 | (221,292)          | (337)       |
|   | <b>(1,658,478)</b> | (75,338)    |
| <b>Increase in cash</b>                                     | <b>14,312,753</b>  | 7,458,642   |
| <b>Cash, beginning of year</b>                              | <b>10,621,236</b>  | 3,162,594   |
| <b>Cash, end of year</b>                                    | <b>24,933,989</b>  | 10,621,236  |
| <b>Cash is composed of:</b>                                 |                    |             |
| Cash  | 24,933,989         | 10,736,236  |
| Bank indebtedness   | -                  | (115,000)   |
|   | <b>24,933,989</b>  | 10,621,236  |

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**1. Operations**

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. 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. These consolidated 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
- Wechimachida Construction Services (GP) Corporation
- Wechimachida Construction Limited Partnership

All inter-entity balances have been eliminated on consolidation.

Kasabonika Lake First Nation has consolidated its interest in government business partnerships known as Asabanaka Drill Services (GP) Corporation, Asabanaka Drill Services Limited Partnership and Wechimachida - Penn-Co business 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 plus any additional investments and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

***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***

Cash 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 in Government Business Partnerships***

The First Nation follows the modified equity method to account for its investment in Government Business Partnerships. The investments are stated at cost plus (less) the First Nation's share of earnings (losses) since acquisition plus (less) capital and operating transfers to (from) the Government Business Partnerships. The consolidated statement of operations includes the First Nation's share of the Government Business Partnerships' annual surplus (deficit).

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Portfolio investments***

Portfolio investments are investments which are owned by Kasabonika Lake First Nation but not controlled or influenced by the First Nation. Portfolio investments 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 Inn Limited Partnership
- First Nations Limited Partnership
- 2472881 Ontario Inc.
- Ontario First Nations Limited Partnership
- Ontario First Nations Sovereign Wealth Limited Partnership
- OFN Asset Management GP Corporation
- Landmark Inn General Partner Ltd.
- Thawikayhigan Limited Partnership
- 2665686 Ontario Inc.

***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.

***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.

***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, inventory held for use and prepaid expenses.

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Inventory held for use***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Inventories are written down to net realizable value when the cost is not estimated to be recoverable. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in retail selling price, the amount of the write-down previously recorded is reversed.

***Tangible capital assets***

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

***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. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

|                              | <b>Method</b>     | <b>Rate</b> |
|------------------------------|-------------------|-------------|
| Buildings - class A          | straight-line     | 6.67%       |
| Buildings - class B          | declining balance | 5% - 10%    |
| CMHC Housing                 | straight-line     | 6.67%       |
| Computers                    | straight-line     | 33.33%      |
| Equipment - class A          | straight-line     | 20%         |
| Equipment - class B          | declining balance | 20%         |
| Infrastructure               | straight-line     | 6.67%       |
| Store tanks                  | declining balance | 3%          |
| Vehicles - class A           | straight-line     | 33.33%      |
| Vehicles - class B           | declining balance | 20% - 30%   |
| Vehicles under capital lease | straight-line     | 33.33%      |

***Asset under construction***

Asset under construction represents the total cost of assets being constructed that are not available for use. When the construction phase has been completed and the assets are available for use they are amortized according to the rates indicated above.

***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, 2020*

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

**Revenue recognition**

*Government transfers*

Government transfer revenue, including, but not limited to, Indigenous Services Canada 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.

*Ontario First Nations Limited Partnership*

Revenue from Ontario First Nations Limited Partnership is recognized in the period in which the revenue was earned.

*Other revenue*

Rent and resident fees is recorded in the year it is earned.

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. No liability was considered necessary at March 31, 2020 and 2019.

**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, 2020.

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.

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

**Segments**

The First Nation conducts its business through ten 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:

*Business Enterprises* - reports on the activities of the businesses that operate both within and outside of the community.

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

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

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

*Infrastructure Services* - 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.

*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.

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

*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.

*Subsidized Housing* - activities include the management and administration of houses that are subsidized by CMHC.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2 (*Significant accounting policies*).

**3. Accounts receivable**

|  | 2020      | 2019      |
|--|-----------|-----------|
| Indigenous Services Canada                                 | 1,645,021 | 1,004,780 |
| Trade  | 2,074,234 | 1,579,678 |
| Thawikaygan Limited Partnership                            | 274,228   | -         |
| GST and Sales Tax rebates                                  | 134,784   | -         |
| Sioux Lookout Area Aboriginal Management Board             | 121,552   | 97,966    |
| Nishnawbe-Aski Nation                                      | 62,500    | 73,450    |
| Ontario Ministry of Energy, Northern Development and Mines | 19,899    | -         |
|  | <hr/>     | <hr/>     |
|  | 4,332,218 | 2,755,874 |
| Less: allowance for doubtful accounts                      | 445,167   | 726,766   |
|  | <hr/>     | <hr/>     |
|  | 3,887,051 | 2,029,108 |

The allowance for doubtful accounts pertains to trade receivables.

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**4. Guaranteed Investment Certificate**

The Guaranteed Investment Certificate matured May 11, 2020. The interest rate was 1.95% per annum. Subsequent to year-end, the Guaranteed Investment Certificate was renewed with a new maturity date of May 11, 2022 with an interest rate at 1.95% per annum.

**5. Portfolio investments**

|  | <b>2020</b>    | <b>2019</b> |
|--|----------------|-------------|
| Landmark Inn Limited Partnership - 2 units constituting 7.69% interest           | <b>98,000</b>  | 98,000      |
| Landmark Inn General Partner Ltd. - 20 common shares constituting 7.41% interest | <b>2,000</b>   | 2,000       |
| Thawikayhigan Limited Partnership - 16% interest                                 | <b>100</b>     | -           |
| 2665686 Ontario Inc. - 20 units constituting 20% interest                        | <b>20</b>      | -           |
| First Nations Limited Partnership - 1 unit constituting 4.55% interest           | <b>10</b>      | 10          |
| 2472881 Ontario Inc. - 1 unit, 4.55% interest                                    | <b>10</b>      | 10          |
| Ontario First Nations Limited Partnership - 1 unit constituting 0.77% interest   | <b>1</b>       | 1           |
| Ontario First Nations Sovereign Wealth LP ("OFNSWLP") - 1 unit, 0.77% interest   | <b>1</b>       | 1           |
| OFN Asset Management GP Corp. - 1 unit, 0.77% interest                           | <b>1</b>       | 1           |
|  | <b>100,143</b> | 100,023     |

**6. Investments in Government Business Partnerships**

|  | <b>2020</b>            |                 |  |                         |
|--|------------------------|-----------------|--|-------------------------|
|  | <i>Investment cost</i> | <i>Advances</i> | <i>Cumulative share of income (loss)</i> | <i>Total investment</i> |
| <b>First Nation Businesses: Modified equity method</b> |                        |                 |  |                         |
| Asabanaka Drill Services Limited Partnership - 50.9%   | 41,528                 | 212,802         | (177,746)                                | 76,584                  |
| Asabanaka Drill Services Corporation (GP) - 51%        | 51                     | 5,576           | (4,093)                                  | 1,534                   |
| Wechimachida - Penn-Co Joint Venture - 51%             | 1                      | -               | 844,823                                  | 844,824                 |
|  | <b>41,580</b>          | <b>218,378</b>  | <b>662,984</b>                           | <b>922,942</b>          |
|  |                        |                 |  |                         |
|  | <b>2019</b>            |                 |  |                         |
|  | <i>Investment cost</i> | <i>Advances</i> | <i>Cumulative share of income (loss)</i> | <i>Total investment</i> |
| <b>First Nation Businesses: Modified equity method</b> |                        |                 |  |                         |
| Asabanaka Drill Services Limited Partnership - 50.9%   | 41,528                 | 178,702         | (117,601)                                | 102,629                 |
| Asabanaka Drill Services Corporation - 51%             | 51                     | 2,610           | (4,484)                                  | (1,823)                 |
| Wechimachida - Penn-Co Joint Venture - 51%             | 1                      | -               | 710,354                                  | 710,355                 |
|  | <b>41,580</b>          | <b>181,312</b>  | <b>588,269</b>                           | <b>811,161</b>          |

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**6. Investments in Government Business Partnerships** *(Continued from previous page)*

|  | <i>Asabanaka Drill<br/>Services<br/>Corporation</i><br><i>As at March 31,<br/>2020</i> | <i>Asabanaka Drill<br/>Services LP</i><br><i>As at March 31,<br/>2020</i> | <i>Wechimachida -<br/>Penn-Co Joint<br/>Venture</i><br><i>As at March 31,<br/>2020</i> |
|--|--|---|--|
| <b>Summary Financial Information for each Government Business Partnership:</b> |  |   |  |
| <b>Assets</b>  |  |   |  |
| Cash   | -  | 5,275   | 1,582,038  |
| Investment in Asabanaka Drill Services LP                                      | 1  | -   | -  |
| Inventory  | -  | 100,000   | -  |
| Due from related parties   | 49   | 1   | -  |
| Accounts receivable  | -  | 951   | 2,832,501  |
| Property and equipment   | -  | 186,850   | -  |
| Mining Claims  | -  | 4,400   | -  |
| Account receivable Kasabonika Lake First Nation (note 8)                       | -  | -   | 476,243  |
| <b>Total assets</b>  | <b>50</b>  | <b>297,477</b>  | <b>4,890,782</b>   |
| <b>Liabilities</b>   |  |   |  |
| Accounts payable and accruals  | 2,050  | 74,206  | 2,556,375  |
| Due to Asabanaka Drill Services LP   | 349  | -   | -  |
| Due to Kasabonika Lake First Nation  | 5,576  | 212,802   | -  |
| Deferred revenue   | -  | 99,989  | -  |
| Long-term debt   | -  | 176,631   | -  |
| Holdback payable   | -  | -   | 677,890  |
| <b>Total liabilities</b>   | <b>7,975</b>   | <b>563,628</b>  | <b>3,234,265</b>   |
| <b>Contribution and partnership units</b>                                      | <b>-</b>   | <b>83,056</b>   | <b>-</b>   |
| <b>Accumulated surplus (deficit)</b>   | <b>(7,925)</b>   | <b>(349,207)</b>  | <b>1,656,517</b>   |
| <b>Total revenue</b>   | <b>-</b>   | <b>80,738</b>   | <b>2,901,063</b>   |
| <b>Total expenses</b>  | <b>(766)</b>   | <b>198,900</b>  | <b>2,637,398</b>   |
| <b>Net income (loss)</b>   | <b>766</b>   | <b>(118,162)</b>  | <b>263,665</b>   |

• *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 Nimkie Mining Services ("NMS") the intent was to maintain the alliance with 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*.

• *Wechimachida - Penn-Co Joint Venture* was created to construct the Emily Anderson Memorial Menoyawin Health Centre and is also being used for the new teacherage construction and other projects in the community.

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**7. Restricted cash**

|                          | <b>2020</b>    | <b>2019</b> |
|--------------------------|----------------|-------------|
| CMHC replacement reserve | 241,302        | 6,496       |
| Ottawa Trust Funds       | 15,154         | 14,862      |
| CMHC operating reserve   | 921            | 14,727      |
|                          | <b>257,377</b> | 36,085      |

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*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, 2020, the replacement reserve bank account was overfunded by \$89,600 (2019 - underfunded by \$107,604).

*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 (2019 - \$828); interest revenue \$nil (2019 - \$nil)       |
| Revenue trust | \$14,326 (2019 - \$14,034); interest revenue \$292 (2019 - \$337) |

*CMHC operating reserve*

The Agreements require that the Authority maintain a separate bank account to fund the full amount of the operating surplus reserve. At year-end the bank account was underfunded by \$7,666 (2019 - underfunded by \$27,606).

**8. Bank indebtedness**

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

- The first facility is \$500,000 at a rate of prime plus 1.5% per annum to be used to finance general operating requirements. As at March 31, 2020 the line of credit balance was \$nil (2019 - \$nil).
- The second facility is \$125,000 at a rate of prime plus 1.5% per annum to be used on general operating requirements for payroll. As at March 31, 2020 the line of credit balance was \$nil (2019 - \$115,000).
- The third facility is \$70,000 at a rate of prime plus 1.5% per annum to be used on the operating requirements for social services. As at March 31, 2020 the line of credit balance was \$nil (2019 - \$nil).

Prime rate as at March 31, 2020 was 2.45 % (2019 - 3.95%).

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**9. Accounts payable and accruals**

|  | <b>2020</b>      | <b>2019</b> |
|--|------------------|-------------|
| Trade payables and accruals                                  | 1,507,397        | 1,471,256   |
| Related party - Wechimachida - Pennco Joint Venture (Note 6) | 476,243          | 771,717     |
| Government remittances                                       | 129,121          | 156,010     |
| Related party - Shibogama First Nations Council              | 42,341           | 83,811      |
|  | <b>2,155,102</b> | 2,482,794   |

Accounts payable with Shibogama First Nations Council ("Shibogama") is unsecured, non-interest bearing, due on demand and has arisen from transactions in the normal course of operations. The First Nation is a Member of Shibogama.

**10. Deferred revenue**

|   | <b>2020</b>       | <b>2019</b> |
|---|-------------------|-------------|
| <b>Indigenous Services Canada</b>                     |                   |             |
| New School  | 22,358,826        | 6,500,000   |
| Aboriginal Headstart                                  | 142,720           | -           |
| Regional Marketing Plan Project                       | 100,603           | 139,424     |
| Fire Hydrant Repairs                                  | 93,338            | 130,822     |
| Governance  | 49,125            | -           |
| Tobacco Control                                       | 6,944             | -           |
| Nursing Station Upgrade Station                       | -                 | 712,596     |
| Community Based Prevention Services                   | -                 | 363,487     |
| Adapt Project   | -                 | 111,029     |
| Resource Business Structure                           | -                 | 40,467      |
|   | <b>22,751,556</b> | 7,997,825   |
| <b>Ontario First Nations Limited Partnership</b>      |                   |             |
| Ontario First Nations Limited Partnership             | <b>281,742</b>    | -           |
| <b>Other</b>  |                   |             |
| Insurance Claims                                      | <b>112,869</b>    | -           |
| <b>Government of Ontario</b>                          |                   |             |
| General Welfare Assistance                            | <b>67,619</b>     | -           |
| <b>Ministry of the Attorney General</b>               |                   |             |
| Revitalizing Indigenous Legal Services                | <b>34,750</b>     | 35,000      |
| <b>Sioux Lookout Area Aboriginal Management Board</b> |                   |             |
| Daycare Repairs                                       | <b>11,963</b>     | 11,963      |
|   | <b>23,260,499</b> | 8,044,788   |

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**11. Long-term debt**

|  | <b>2020</b>      | <b>2019</b> |
|--|------------------|-------------|
| Phase 1: CMHC mortgage repayable in monthly payments of \$4,261 including interest at 1.14% per annum, maturity date of June 2031 with a renewal date of June 2021, secured by a Ministerial guarantee and assignment of fire insurance for a seven-unit rental housing project.                             | <b>539,732</b>   | 584,437     |
| Phase 2: CMHC mortgage repayable in monthly payments of \$5,527 including interest at 2.21% per annum, maturity date of November 2033 with a renewal date of February 2024, secured by a Ministerial guarantee and assignment of fire insurance for a eight-unit rental housing project.                     | <b>782,199</b>   | 830,696     |
| Phase 3: CMHC mortgage repayable in monthly payments of \$2,089 including interest at 2.70% per annum, maturity date of July 2033 with a renewal date of November 2023, secured by a Ministerial guarantee and assignment of fire insurance for a six-unit rental housing project.                           | <b>280,666</b>   | 297,927     |
| Phase 4: CMHC mortgage repayable in monthly payments of \$8,647 including interest at 1.83% per annum, maturity date of October 2034 with a renewal date of May 2020, secured by a Ministerial guarantee and assignment of fire insurance for a ten-unit rental housing project.                             | <b>1,327,924</b> | 1,406,644   |
| Phase 5: CMHC mortgage repayable in monthly payments of \$3,124 including interest at 1.43% per annum, maturity date of March 2037 with a renewal date of April 2022, secured by a Ministerial guarantee and assignment of fire insurance for a four-unit rental housing project.                            | <b>565,641</b>   | 594,818     |
| Phase 6: CMHC mortgage repayable in monthly payments of \$3,138 including interest at 1.05% per annum, maturity date of April 2040 with a renewal date of April 2020, secured by a Ministerial guarantee and assignment of fire insurance for a four-unit rental housing project.                            | <b>681,824</b>   | 712,152     |
| Phase 7: CMHC mortgage repayable in monthly payments of \$4,395 including interest at 1.84% per annum, maturity date of September 2042 with a renewal date of September 2022, secured by a Ministerial guarantee and assignment of fire insurance for a six-unit rental housing project.                     | <b>971,687</b>   | 1,006,225   |
| Phase 8: CMHC mortgage repayable in monthly payments of \$6,827 including interest at 1.83% per annum, maturity date of December 2034 with a renewal date of December 2024, secured by a Ministerial guarantee and assignment of fire insurance for a six-unit rental housing project.                       | <b>1,060,215</b> | -           |
| Loan payable in monthly payments of \$4,239 including interest prime plus 2% per annum, maturity date of December 2020 and secured by a general security agreement. Subsequent year-end, the loan was renewed with maturity date December 2021.  | <b>129,052</b>   | 169,432     |
| Loan payable in monthly payments of \$47,560 including interest at 5.23% per annum, maturity date of March 1, 2023; secured by a general security agreement and assignment of Ontario First Nation Limited Partnership revenue. Subsequent year-end, the loan was renewed with maturity date March 2023 (*). | <b>4,847,423</b> | 5,154,351   |

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
| Loan payable in monthly payments of \$33,739 including interest at 3.90% per annum, maturity date of December 2021, secured by a general security agreement and an assignment of OFNLP revenues.  | 785,430           | 1,023,613         |
| Loan payable in monthly payments of \$129,736 including interest at 3.85% per annum, maturity date of February 2021, secured by a general security agreement on the First Nation's assets and a guarantee by the Kasabonika Lake First Nation. Subsequent to year-end, the loan was repaid (*). | 1,276,023         | -                 |
| <u>Loan repaid during the year</u>  | <u>-</u>          | <u>1,450,206</u>  |
|   | <b>13,247,816</b> | <b>13,230,501</b> |

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:

|      |           |
|------|-----------|
| 2021 | 2,378,512 |
| 2022 | 1,143,767 |
| 2023 | 762,064   |
| 2024 | 750,279   |
| 2025 | 777,028   |

Prime rate as at March 31, 2020 was 2.45 % (2019 - 3.95%).

(\*) Long-term debt is subject to certain covenants with respect to timely submission of the annual audited consolidated financial statements and financial statements with a Notice to Reader Report for Petrokas Ltd. and Kasabonika Lake Community Development Corporation to their lender. As at March 31, 2020, the First Nation was not in compliance with this covenant.

Subsequent to year-end, 3 mortgages with CMHC were subject to renewed loan terms, as follows:

- Phase 1 was renewed with required monthly payments of \$4,259 including interest at 1.13% per annum, maturing June 2031, with a scheduled renewal date of June 2026.
- Phase 4 was renewed with required monthly payments of \$8,068 including interest at 0.79% per annum, maturing October 2034, with a scheduled renewal date of January 2026.
- Phase 6 was renewed with required monthly payments of \$3,029 including interest at 0.68% per annum, maturing April 2040, with a scheduled renewal date of October 2025.

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**12. Capital lease obligations**

|   | <b>2020</b>    | <b>2019</b>    |
|---|----------------|----------------|
| Obligation under capital lease payable in equal monthly installments of \$5,248 including interest at 2.19% per annum, maturity date February 2024. Secured by vehicle with a net book value of \$190,921.  | 241,415        | -              |
| Obligation under capital lease payable in equal monthly installments of \$4,216 including interest at 4.89% per annum, maturity date March 2022. Secured by equipment with a net book value of \$67,202 (2019 - \$112,004).   | 96,960         | 147,550        |
| Obligation under capital lease payable in equal monthly installments of \$4,691 including interest at 5.05% per annum, maturity date September 2021. Secured by vehicle with a net book value of \$26,080 (2019 - \$78,208). Subsequent to year-end, the capital lease obligation was paid in full. | 46,911         | 103,205        |
| <u>Lease repaid during the year.</u>  | -              | 116,970        |
|   | <b>385,286</b> | <b>367,725</b> |

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

|                               |                 |
|-------------------------------|-----------------|
| 2021                          | 165,463         |
| 2022                          | 113,567         |
| 2023                          | 62,978          |
| 2024                          | 63,450          |
|                               | <u>405,458</u>  |
| <u>Less: imputed interest</u> | <u>(20,170)</u> |
| <u>Balance of obligation</u>  | <u>385,286</u>  |

**13. 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, 2020 might be recovered.

**14. Tangible capital assets**

|                                       | <b>2020</b>       | <b>2019</b> |
|---------------------------------------|-------------------|-------------|
| <b>Construction in progress</b>       |                   |             |
| New school and teacherage             | 5,732,487         | 1,146,984   |
| Nursing station                       | -                 | 13,272,672  |
|                                       |                   |             |
| <b>Tangible capital assets in use</b> | <b>5,732,487</b>  | 14,419,656  |
|                                       | <b>50,878,254</b> | 41,212,287  |
|                                       | <b>56,610,741</b> | 55,631,943  |

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**15. Inventory held for use**

|       | <b>2020</b>      | <b>2019</b>      |
|-------|------------------|------------------|
| Fuel  | 1,135,157        | 1,142,793        |
| Other | 58,155           | 41,200           |
|       | <b>1,193,312</b> | <b>1,183,993</b> |

**16. Accumulated surplus**

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
| Investment in tangible capital assets           | 49,230,137        | 48,807,708        |
| Unrestricted accumulated deficit                | (53,037)          | (3,403,819)       |
| Investments in Government Business Partnerships | 922,942           | 811,161           |
| CMHC replacement reserve required               | 151,702           | 114,100           |
| Ottawa Trust Funds                              | 15,154            | 14,862            |
| CMHC operating reserve required                 | 8,587             | 42,333            |
|   | <b>50,275,485</b> | <b>46,386,345</b> |

**17. Reconciliation of funding from Indigenous Services Canada**

The Indigenous Services Canada ("ISC") revenue of \$38,282,434 (2019 – \$24,174,793) on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation.

**18. Other revenue**

|                                     | <b>2020</b>      | <b>2019</b>      |
|-------------------------------------|------------------|------------------|
| Other                               | 2,450,223        | 1,694,778        |
| Sales                               | 2,062,385        | 2,265,230        |
| Hotel revenue                       | 512,383          | 591,667          |
| Nishnawbe Aski Nation               | 395,397          | 373,537          |
| Sioux Lookout Area Aboriginal Board | 143,431          | 238,077          |
|                                     | <b>5,563,819</b> | <b>5,163,289</b> |

**19. Ontario First Nations Limited Partnership**

Based on the agreement between the Province of Ontario and Ontario First Nations Limited Partnership ("OFNLP"), the Province of Ontario shall pay to OFNLP twelve monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenue. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

**20. Economic dependence**

Kasabonika Lake First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

**Kasabonika Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**21. Budget information**

The disclosed budget information has been approved by the Chief and Council of the Kasabonika Lake First Nation.

**22. Compliance with laws and regulations**

*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, 2020. 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.

*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. Comparative figures**

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

**24. Significant event**

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

**Kasabonika Lake First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2020*

|  | <i>Land</i>   | <i>Buildings</i>  | <i>CMHC<br/>Housing</i> | <i>Computers</i> | <i>Equipment</i> | <i>Vehicles</i> | <i>Subtotal</i>   |
|--|---------------|-------------------|-------------------------|------------------|------------------|-----------------|-------------------|
| <b>Cost</b>                                      |               |                   |                         |                  |                  |                 |                   |
| Balance, beginning of year                       | 50,000        | 20,964,024        | 11,353,055              | 19,088           | 2,397,924        | 3,123,439       | 37,907,530        |
| Acquisition of tangible capital assets           | -             | -                 | -                       | -                | 57,000           | 135,011         | 192,011           |
| Disposal of tangible capital assets              | -             | -                 | -                       | -                | -                | (330,993)       | (330,993)         |
| Transfer   | -             | 12,355,560        | 1,629,608               | -                | 312,820          | 185,745         | 14,483,733        |
| Balance, end of year                             | 50,000        | 33,319,584        | 12,982,663              | 19,088           | 2,767,744        | 3,113,202       | 52,252,281        |
| <b>Accumulated amortization</b>                  |               |                   |                         |                  |                  |                 |                   |
| Balance, beginning of year                       | -             | 9,427,710         | 4,784,827               | 19,088           | 2,212,020        | 2,801,162       | 19,244,807        |
| Annual amortization                              | -             | 1,540,246         | 811,596                 | -                | 78,683           | 208,550         | 2,639,075         |
| Accumulated amortization on disposals            | -             | -                 | -                       | -                | -                | (316,231)       | (316,231)         |
| Transfer   | -             | (701,806)         | 701,806                 | -                | 281,538          | 117,354         | 398,892           |
| Balance, end of year                             | -             | 10,266,150        | 6,298,229               | 19,088           | 2,572,241        | 2,810,835       | 21,966,543        |
| <b>Net book value of tangible capital assets</b> | <b>50,000</b> | <b>23,053,434</b> | <b>6,684,434</b>        | <b>-</b>         | <b>195,503</b>   | <b>302,367</b>  | <b>30,285,738</b> |
| 2019 Net book value of tangible capital assets   | 50,000        | 11,536,314        | 6,568,228               | -                | 185,904          | 322,277         | 18,662,723        |

**Kasabonika Lake First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2020*

|  | <i>Subtotal</i>   | <i>Infrastructure</i> | <i>Vehicles and equipment under capital lease</i> | <i>Store tanks</i> | <i>Assets under construction</i> | <b>2020</b>       | <b>2019</b> |
|--|-------------------|-----------------------|---|--------------------|----------------------------------|-------------------|-------------|
| <b>Cost</b>                                      |                   |                       |   |                    |                                  |                   |             |
| Balance, beginning of year                       | <b>37,907,530</b> | <b>30,563,375</b>     | <b>878,974</b>                                    | <b>919,435</b>     | <b>14,419,656</b>                | <b>84,688,970</b> | 81,085,639  |
| Acquisition of tangible capital assets           | <b>192,011</b>    | -                     | <b>229,100</b>                                    | -                  | <b>5,297,999</b>                 | <b>5,719,110</b>  | 3,603,331   |
| Disposal of tangible capital assets              | <b>(330,993)</b>  | -                     | -   | -                  | -                                | <b>(330,993)</b>  | -           |
| Transfer   | <b>14,483,733</b> | -                     | <b>(498,565)</b>                                  | -                  | <b>(13,985,168)</b>              | -                 | -           |
| Balance, end of year                             | <b>52,252,281</b> | <b>30,563,375</b>     | <b>609,509</b>                                    | <b>919,435</b>     | <b>5,732,487</b>                 | <b>90,077,087</b> | 84,688,970  |
| <b>Accumulated amortization</b>                  |                   |                       |   |                    |                                  |                   |             |
| Balance, beginning of year                       | <b>19,244,807</b> | <b>8,748,957</b>      | <b>509,427</b>                                    | <b>553,836</b>     | -                                | <b>29,057,027</b> | 24,626,088  |
| Annual amortization                              | <b>2,639,075</b>  | <b>1,860,736</b>      | <b>214,771</b>                                    | <b>10,968</b>      | -                                | <b>4,725,550</b>  | 4,430,939   |
| Accumulated amortization on disposals            | <b>(316,231)</b>  | -                     | -   | -                  | -                                | <b>(316,231)</b>  | -           |
| Transfer   | <b>398,892</b>    | -                     | <b>(398,892)</b>                                  | -                  | -                                | -                 | -           |
| Balance, end of year                             | <b>21,966,543</b> | <b>10,609,693</b>     | <b>325,306</b>                                    | <b>564,804</b>     | -                                | <b>33,466,346</b> | 29,057,027  |
| <b>Net book value of tangible capital assets</b> | <b>30,285,738</b> | <b>19,953,682</b>     | <b>284,203</b>                                    | <b>354,631</b>     | <b>5,732,487</b>                 | <b>56,610,741</b> | 55,631,943  |
| 2019 Net book value of tangible capital assets   | 18,662,723        | 21,814,418            | 369,547   | 365,599            | 14,419,656                       | 55,631,943        |             |

**Kasabonika Lake First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2020*

|  | <b>2020</b>       | <b>2019</b> |
|--|-------------------|-------------|
| <b>Consolidated expenses by object</b> |                   |             |
| Amortization                           | 4,725,550         | 4,430,939   |
| Bad debt expense (recovery)            | (247,310)         | 58,017      |
| Bank charges                           | 89,353            | 77,550      |
| Community activities                   | 1,502,390         | 646,842     |
| Cost of sales                          | 1,251,840         | 1,508,427   |
| Employee compensation                  | 10,366,936        | 9,609,950   |
| Financial assistance                   | 470,449           | 102,839     |
| Food and beverage                      | 69,332            | 49,423      |
| Funerals                               | 276,002           | 182,279     |
| Honoraria                              | 129,755           | 154,589     |
| Insurance                              | 543,494           | 354,428     |
| Interest on long-term debt             | 497,467           | 519,729     |
| Materials and supplies                 | 664,565           | 208,575     |
| Office supplies                        | 172,731           | 15,496      |
| Other                                  | 843,403           | 730,338     |
| Professional fees                      | 544,827           | 653,248     |
| Program education                      | 197,250           | 58,964      |
| Program expense                        | 132,282           | 233,791     |
| Repairs and maintenance                | 628,496           | 919,629     |
| Social assistance                      | 2,343,759         | 2,224,910   |
| Supplies                               | 2,344,927         | 1,047,035   |
| Training                               | 549,579           | 489,650     |
| Travel                                 | 1,123,775         | 1,071,553   |
| Utilities                              | 1,404,326         | 919,015     |
|  | <b>30,625,178</b> | 26,267,216  |

**Kasabonika Lake First Nation**  
**Schedule 3 - Consolidated Summary Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|   | <i>Schedule #</i> | <i>Revenue and other items</i> | <i>Expenses</i>   | <i>Transfers From (To)</i> | <i>2020 Surplus (Deficit)</i> | <i>2019 Surplus (Deficit)</i> |
|---|-------------------|--------------------------------|-------------------|----------------------------|-------------------------------|-------------------------------|
| <b>Segments</b>                           |                   |                                |                   |                            |                               |                               |
| Business Enterprises                      | 4                 | 2,560,006                      | 3,048,135         | (12,000)                   | (500,129)                     | (612,800)                     |
| Economic Development                      | 5                 | 167,300                        | 210,148           | (9,011)                    | (51,859)                      | 64,930                        |
| Governance                                | 6                 | 1,284,405                      | 2,189,676         | 2,330,335                  | 1,425,064                     | (610,540)                     |
| Health Services                           | 7                 | 5,413,232                      | 4,580,782         | (687,176)                  | 145,274                       | 4,127,033                     |
| Infrastructure Services                   | 8                 | 8,345,960                      | 7,744,289         | (296,579)                  | 305,092                       | (2,327,111)                   |
| Ontario First Nations Limited Partnership | 9                 | 1,022,969                      | 11                | (1,022,958)                | -                             | -                             |
| Other                                     | 10                | 1,998,268                      | 1,265,191         | 578,139                    | 1,311,216                     | 655,720                       |
| Sineonokway Education Authority           | 11                | 8,172,843                      | 5,131,144         | (1,591,742)                | 1,449,957                     | 1,626,796                     |
| Social Services                           | 12                | 4,898,682                      | 5,857,756         | 155,784                    | (803,290)                     | 561,913                       |
| Subsidized Housing                        | 13                | 650,653                        | 598,046           | 555,208                    | 607,815                       | 76,146                        |
| <b>Total</b>                              |                   | <b>34,514,318</b>              | <b>30,625,178</b> | -                          | <b>3,889,140</b>              | <b>3,562,087</b>              |

**Kasabonika Lake First Nation**  
**Business Enterprises**  
**Schedule 4 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|                                    | <b>2020</b>      | <b>2019</b> |
|------------------------------------|------------------|-------------|
| <b>Revenue</b>                     |                  |             |
| Sales                              | <b>2,574,768</b> | 2,856,897   |
| <b>Expenses</b>                    |                  |             |
| Amortization                       | 263,034          | 296,418     |
| Bad debt recovery                  | (234)            | -           |
| Bank charges                       | 28,899           | 23,506      |
| Community events and donations     | -                | 23,190      |
| Cost of sales                      | 1,251,840        | 1,508,427   |
| Employee compensation              | 528,903          | 396,670     |
| Honoraria                          | 5,650            | 6,500       |
| Insurance                          | 93,000           | 112,980     |
| Interest on long-term debt         | 47,465           | 46,851      |
| Materials and supplies             | -                | 41,013      |
| Office supplies                    | 62,659           | 15,496      |
| Other                              | 63,512           | 11,711      |
| Professional fees                  | 48,551           | 48,533      |
| Repairs and maintenance            | 44,731           | 238,581     |
| Supplies                           | 497,718          | 323,664     |
| Travel                             | 39,107           | 43,820      |
| Utilities                          | 73,300           | 42,397      |
|                                    | <b>3,048,135</b> | 3,179,757   |
| <b>Deficit before other items</b>  | <b>(473,367)</b> | (322,860)   |
| <b>Other items</b>                 |                  |             |
| Loss on disposal of capital assets | (14,762)         | -           |
| <b>Deficit before transfers</b>    | <b>(488,129)</b> | (322,860)   |
| <b>Transfers between segments</b>  | <b>(12,000)</b>  | (289,940)   |
| <b>Deficit</b>                     | <b>(500,129)</b> | (612,800)   |

**Kasabonika Lake First Nation**  
**Economic Development**  
**Schedule 5 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|   | <b>2020</b>     | <b>2019</b> |
|---|-----------------|-------------|
| <b>Revenue</b>                            |                 |             |
| Government of Ontario                     | 85,000          | 90,000      |
| Indigenous Services Canada                | 82,300          | 82,300      |
| Other revenue                             | -               | 141,063     |
| Revenue deferred in prior year            | -               | 52,372      |
|   | <b>167,300</b>  | 365,735     |
| <b>Expenses</b>                           |                 |             |
| Community activities                      | -               | 8,552       |
| Employee compensation                     | 172,266         | 178,160     |
| Honoraria                                 | -               | 400         |
| Other                                     | 3,672           | 11,001      |
| Professional fees                         | 1,000           | 45,997      |
| Supplies                                  | 7,679           | 20,880      |
| Travel                                    | 25,531          | 35,815      |
|   | <b>210,148</b>  | 300,805     |
| <b>Surplus (deficit) before transfers</b> | <b>(42,848)</b> | 64,930      |
| <b>Transfers between segments</b>         | <b>(9,011)</b>  | -           |
| <b>Surplus (deficit)</b>                  | <b>(51,859)</b> | 64,930      |

**Kasabonika Lake First Nation**  
**Governance**  
**Schedule 6 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|   | <b>2020</b>      | <b>2019</b> |
|---|------------------|-------------|
| <b>Revenue</b>                          |                  |             |
| Indigenous Services Canada              | 713,987          | 994,129     |
| Other revenue                           | 678,047          | 91,943      |
| Canada Mortgage and Housing Corporation | 36,000           | -           |
| Revenue deferred in prior year          | -                | 27,978      |
| Revenue deferred to subsequent year     | (83,875)         | -           |
|   | <b>1,344,159</b> | 1,114,050   |
| <b>Expenses</b>                         |                  |             |
| Bad debt expense (recovery)             | (73,880)         | 58,017      |
| Bank charges                            | 33,712           | 40,507      |
| Community activities                    | 117,190          | 1,050       |
| Employee compensation                   | 1,206,874        | 951,196     |
| Honoraria                               | -                | 6,600       |
| Insurance                               | 352,649          | 147,482     |
| Other                                   | 526              | 188,928     |
| Professional fees                       | 216,544          | 128,151     |
| Supplies                                | 90,394           | 79,817      |
| Training                                | 30,985           | 6,636       |
| Travel                                  | 148,866          | 283,476     |
| Utilities                               | 65,816           | 48,971      |
|   | <b>2,189,676</b> | 1,940,831   |
| <b>Deficit before other items</b>       | <b>(845,517)</b> | (826,781)   |
| <b>Other items</b>                      |                  |             |
| Loss on investment                      | (59,754)         | (52,823)    |
| <b>Deficit before transfers</b>         | <b>(905,271)</b> | (879,604)   |
| <b>Transfers between segments</b>       | <b>2,330,335</b> | 269,064     |
| <b>Surplus (deficit)</b>                | <b>1,425,064</b> | (610,540)   |

**Kasabonika Lake First Nation**  
**Health Services**  
**Schedule 7 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|                                     | <b>2020</b>      | <b>2019</b>      |
|-------------------------------------|------------------|------------------|
| <b>Revenue</b>                      |                  |                  |
| Indigenous Services Canada          | 4,337,594        | 6,914,822        |
| Other revenue                       | 369,986          | 469,095          |
| Revenue deferred in prior year      | 712,596          | 1,055,175        |
| Revenue deferred to subsequent year | (6,944)          | (712,596)        |
|                                     | <b>5,413,232</b> | <b>7,726,496</b> |
| <b>Expenses</b>                     |                  |                  |
| Bank charges                        | 10               | 28               |
| Community activities                | 935,933          | 321,817          |
| Employee compensation               | 1,710,767        | 1,924,497        |
| Food and beverage                   | -                | 31,653           |
| Honoraria                           | 95,484           | 111,489          |
| Other                               | 81,334           | 26,792           |
| Professional fees                   | 124,669          | 140,080          |
| Program education                   | 197,250          | 12,066           |
| Program expense                     | -                | 4,816            |
| Repairs and maintenance             | 80,137           | 85,864           |
| Supplies                            | 495,630          | 307,207          |
| Training                            | 89,053           | 139,610          |
| Travel                              | 240,315          | 293,599          |
| Utilities                           | 530,200          | 184,986          |
|                                     | <b>4,580,782</b> | <b>3,584,504</b> |
| <b>Surplus before transfers</b>     | <b>832,450</b>   | <b>4,141,992</b> |
| <b>Transfers between segments</b>   | <b>(687,176)</b> | <b>(14,959)</b>  |
| <b>Surplus</b>                      | <b>145,274</b>   | <b>4,127,033</b> |

**Kasabonika Lake First Nation**  
**Infrastructure Services**  
**Schedule 8 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|   | <b>2020</b>      | <b>2019</b> |
|---|------------------|-------------|
| <b>Revenue</b>                            |                  |             |
| Indigenous Services Canada                | 23,417,055       | 9,686,133   |
| Other revenue                             | 596,701          | 684,974     |
| Government of Ontario                     | 153,547          | 239,486     |
| Revenue deferred in prior year            | 6,630,822        | 397,114     |
| Revenue deferred to subsequent year       | (22,452,165)     | (6,630,822) |
|   | <b>8,345,960</b> | 4,376,885   |
| <b>Expenses</b>                           |                  |             |
| Amortization                              | 4,165,104        | 3,855,212   |
| Employee compensation                     | 1,268,089        | 1,467,505   |
| Honoraria                                 | 7,800            | 5,800       |
| Interest on long-term debt                | 319,818          | 333,846     |
| Materials and supplies                    | 455,587          | 112,393     |
| Other                                     | 182,439          | 271,765     |
| Professional fees                         | 53,702           | 197,092     |
| Repairs and maintenance                   | 402,782          | 495,888     |
| Supplies                                  | 176,540          | 105,287     |
| Travel                                    | 56,868           | 61,341      |
| Utilities                                 | 655,560          | 527,048     |
|   | <b>7,744,289</b> | 7,433,177   |
| <b>Surplus (deficit) before transfers</b> | <b>601,671</b>   | (3,056,292) |
| <b>Transfers between segments</b>         | <b>(296,579)</b> | 729,181     |
| <b>Surplus (deficit)</b>                  | <b>305,092</b>   | (2,327,111) |

**Kasabonika Lake First Nation**  
**Ontario First Nations Limited Partnership**  
**Schedule 9 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|   | <b>2020</b>        | <b>2019</b> |
|---|--------------------|-------------|
| <b>Revenue</b>                            |                    |             |
| Ontario First Nations Limited Partnership | 1,304,711          | 1,506,402   |
| Revenue deferred to subsequent year       | (281,742)          | -           |
|   | <b>1,022,969</b>   | 1,506,402   |
| <b>Expenses</b>                           |                    |             |
| Bank charges                              | 11                 | 24          |
| <b>Surplus before transfers</b>           | <b>1,022,958</b>   | 1,506,378   |
| <b>Transfers between segments</b>         | <b>(1,022,958)</b> | (1,506,378) |
| <b>Surplus (deficit)</b>                  | <b>-</b>           | -           |

**Kasabonika Lake First Nation**  
**Other**  
**Schedule 10 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|   | <b>2020</b>      | <b>2019</b> |
|---|------------------|-------------|
| <b>Revenue</b>                              |                  |             |
| Indigenous Services Canada                  | 691,427          | 594,419     |
| Other revenue                               | 789,023          | 292,082     |
| Government of Ontario                       | 38,170           | 145,097     |
| Revenue deferred in prior year              | 701,370          | 179,891     |
| Revenue deferred to subsequent year         | (356,191)        | (701,370)   |
|   | <b>1,863,799</b> | 510,119     |
| <b>Expenses</b>                             |                  |             |
| Bank charges                                | 36               | 60          |
| Community activities                        | 406,657          | 206,694     |
| Employee compensation                       | 572,614          | 664,844     |
| Honoraria                                   | 1,450            | -           |
| Interest on long-term debt                  | 31,729           | 45,219      |
| Other                                       | 140,324          | 13,963      |
| Professional fees                           | 81,139           | 61,580      |
| Repairs and maintenance                     | 26,268           | -           |
| Supplies                                    | -                | 35,929      |
| Travel                                      | 4,974            | 45,270      |
|   | <b>1,265,191</b> | 1,073,559   |
| <b>Surplus (deficit) before other items</b> | <b>598,608</b>   | (563,440)   |
| <b>Other items</b>                          |                  |             |
| Gain on investments                         | 134,469          | 710,354     |
| <b>Surplus before transfers</b>             | <b>733,077</b>   | 146,914     |
| <b>Transfers between segments</b>           | <b>578,139</b>   | 508,806     |
| <b>Surplus</b>                              | <b>1,311,216</b> | 655,720     |

**Kasabonika Lake First Nation**  
**Sineonokway Education Authority**  
**Schedule 11 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|                                   | <b>2020</b>        | <b>2019</b> |
|-----------------------------------|--------------------|-------------|
| <b>Revenue</b>                    |                    |             |
| Indigenous Services Canada        | 7,925,810          | 4,958,074   |
| Other revenue                     | 247,033            | 285,351     |
| Revenue deferred in prior year    | -                  | 4,450       |
|                                   | <b>8,172,843</b>   | 5,247,875   |
| <b>Expenses</b>                   |                    |             |
| Bad debt recovery                 | (173,196)          | -           |
| Bank charges                      | -                  | 6,903       |
| Community activities              | -                  | 29,971      |
| Employee compensation             | 3,771,386          | 3,148,635   |
| Food and beverage                 | 69,332             | 17,770      |
| Honoraria                         | 12,170             | 18,200      |
| Other                             | 153,480            | 11,680      |
| Program education                 | 193,540            | 46,897      |
| Program expense                   | -                  | 107,137     |
| Repairs and maintenance           | -                  | 28,877      |
| Supplies                          | 836,501            | 104,756     |
| Travel                            | 239,088            | 193,701     |
| Utilities                         | 28,843             | 59,085      |
|                                   | <b>5,131,144</b>   | 3,773,612   |
| <b>Surplus before transfers</b>   | <b>3,041,699</b>   | 1,474,263   |
| <b>Transfers between segments</b> | <b>(1,591,742)</b> | 152,533     |
| <b>Surplus</b>                    | <b>1,449,957</b>   | 1,626,796   |

**Kasabonika Lake First Nation**  
**Social Services**  
**Schedule 12 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|   | <b>2020</b>      | <b>2019</b> |
|---|------------------|-------------|
| <b>Revenue</b>                            |                  |             |
| Government of Ontario                     | 3,786,182        | 3,607,846   |
| Indigenous Services Canada                | 1,114,261        | 944,915     |
| Other revenue                             | 77,821           | 90,451      |
| Revenue deferred in prior year            | -                | 109,212     |
| Revenue deferred to subsequent year       | (79,582)         | -           |
|   | <b>4,898,682</b> | 4,752,424   |
| <b>Expenses</b>                           |                  |             |
| Bank charges                              | 26,425           | 6,054       |
| Community activities                      | 42,611           | 55,568      |
| Employee compensation                     | 1,136,038        | 878,444     |
| Finance assistance                        | 470,449          | 102,839     |
| Funerals                                  | 276,002          | 182,279     |
| Honoraria                                 | 7,200            | 5,600       |
| Materials and supplies                    | 208,978          | 55,169      |
| Office supplies                           | 110,072          | -           |
| Other                                     | 218,117          | 194,499     |
| Professional fees                         | 2,127            | 7,866       |
| Program expense                           | 132,282          | 114,108     |
| Repairs and maintenance                   | -                | 52,940      |
| Social assistance                         | 2,343,759        | 2,224,910   |
| Supplies                                  | 240,464          | 124,120     |
| Training                                  | 236,000          | 296,507     |
| Travel                                    | 369,026          | 114,532     |
| Utilities                                 | 38,206           | 29,317      |
|   | <b>5,857,756</b> | 4,444,752   |
| <b>Surplus (deficit) before transfers</b> | <b>(959,074)</b> | 307,672     |
| <b>Transfers between segments</b>         | <b>155,784</b>   | 254,241     |
| <b>Surplus (deficit)</b>                  | <b>(803,290)</b> | 561,913     |

**Kasabonika Lake First Nation**  
**Subsidized Housing**  
**Schedule 13 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2020*

|   | <b>2020</b>    | <b>2019</b> |
|---|----------------|-------------|
| <b>Revenue</b>                          |                |             |
| Canada Mortgage and Housing Corporation | 420,213        | 463,455     |
| Rent                                    | 230,440        | 251,436     |
|   | <b>650,653</b> | 714,891     |
| <b>Expenses</b>                         |                |             |
| Amortization                            | 297,412        | 279,309     |
| Bank charges                            | 261            | 467         |
| Insurance                               | 97,845         | 93,966      |
| Interest on long-term debt              | 98,455         | 93,813      |
| Professional fees                       | 17,095         | 23,950      |
| Repairs and maintenance                 | 74,578         | 17,479      |
| Utilities                               | 12,400         | 27,211      |
|   | <b>598,046</b> | 536,195     |
| <b>Surplus before transfers</b>         | <b>52,607</b>  | 178,696     |
| <b>Transfers between segments</b>       | <b>555,208</b> | (102,550)   |
| <b>Surplus</b>                          | <b>607,815</b> | 76,146      |