

Kasabonika Lake First Nation
Consolidated Financial Statements
March 31, 2023

Kasabonika Lake First Nation
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Management's Responsibility

To the Members of Kasabonika Lake First Nation:

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

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

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

MNP LLP, 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.



Financial Advisor

MNP LLP

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To the Members of Kasabonika Lake First Nation:

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, 2023, and the consolidated statements of operations and accumulated surplus, remeasurement gains, 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.

Qualified Opinion

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2023, and the results of its operations, remeasurement gains, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation's consolidated statement of operations and accumulated surplus and consolidated statement of change in net debt do not present a comparison of the results for the accounting period with those originally planned which constitutes a departure from Canadian public sector accounting standards.

Section PS 3280 *Asset Retirement Obligations* of the Canadian Public Sector Accounting Standards ("PSAS") was adopted by the First Nation on April 1, 2022 with prospective application. This standard requires the recognition of an asset retirement obligation ("ARO") liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The First Nation has not identified any ARO liabilities as at March 31, 2023 and we were unable to satisfy ourselves concerning the completeness of those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to total liabilities, net debt, tangible capital assets, accumulated surplus, expenses, operating surplus (deficit), or change in net debt as at and for the year-ended March 31, 2023.

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 qualified 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 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

MNP LLP Those charged with governance are responsible for overseeing the First Nation's financial reporting process.
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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 consolidated financial statements, including the disclosures, and whether the consolidated 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

June 6, 2024

MNP LLP

Chartered Professional Accountants



Kasabonika Lake First Nation

Consolidated Statement of Financial Position

As at March 31, 2023


	2023	2022
Financial assets		
Cash	29,553,200	19,153,246
Accounts receivable (Note 4)	14,143,300	4,978,514
Due from Government Business Enterprises (Note 5)	4,491,740	3,100,510
Investment in Government Business Enterprises (Note 6)	1,776,939	1,099
Guaranteed Investment Certificate (Note 7)	-	1,430,634
Portfolio investments (Note 8)	976,652	100,143
Restricted cash (Note 9)	1,053,169	432,964
	51,995,000	29,197,110
Liabilities		
Accounts payable and accruals (Note 11)	2,658,101	4,449,320
Deferred revenue (Note 12)	38,143,266	10,427,894
Long-term debt (Note 13)	11,396,397	14,635,777
Capital lease obligations (Note 14)	52,482	115,460
	52,250,246	29,628,451
Net debt	(255,246)	(431,341)
Contingencies (Note 15)		
Non-financial assets		
Tangible capital assets (Note 16) (Schedule 1)	94,011,056	89,548,191
Inventory held for use (Note 17)	2,142,290	971,915
Prepaid expenses	39,117	340,186
	96,192,463	90,860,292
Accumulated surplus	95,937,217	90,428,951
Accumulated surplus is comprised of:		
Accumulated surplus from operations	94,161,377	90,428,951
Accumulated remeasurement gains	1,775,840	-
	95,937,217	90,428,951

Approved on behalf of the Chief and Council

Chief
Councillor
Councillor





Deputy Chief
Councillor
Councillor

Kasabonika Lake First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	<i>Schedules</i>	2023	2022
Revenue			
Indigenous Services Canada (Note 18)		71,965,852	41,628,319
Other revenue (Note 19)		13,539,763	13,510,493
Government of Ontario		3,410,798	3,013,817
Ontario First Nations Limited Partnership (Note 20)		1,090,365	771,468
Canada Mortgage and Housing Corporation		473,540	469,822
Ontario Ministry of Northern Development		81,982	81,982
Sioux Lookout Area Aboriginal Management Board		665,732	439,375
Nishnawbe Aski Nation		312,759	412,294
Ministry of Health and Long-Term Care		591,923	363,956
Revenue deferred in prior year (Note 12)		10,427,894	7,090,662
Revenue deferred to subsequent year (Note 12)		(38,143,266)	(10,427,894)
		64,417,342	57,354,294
Segment expenses			
Business Enterprises	4	5,050,377	5,347,549
Economic Development	5	486,652	391,454
Governance	6	3,934,544	2,863,667
Health Services	7	12,005,210	8,802,221
Capital Projects	8	19,801,790	11,225,238
Other	9	6,152,759	2,692,372
Sineonokway Education Authority	10	7,346,749	7,581,830
Social Services	11	4,242,347	4,093,413
Subsidized Housing	12	664,488	599,706
Total segment expenditures (Schedule 2)		59,684,916	43,597,450
Surplus before other items		4,732,426	13,756,844
Other items			
Bad debt (Note 4)		(1,000,000)	-
Surplus		3,732,426	13,756,844
Accumulated surplus from operations, beginning of year		90,428,951	76,672,107
Accumulated surplus from operations, end of year		94,161,377	90,428,951

Kasabonika Lake First Nation
Consolidated Statement of Remeasurement Gains
For the year ended March 31, 2023

	2023	2022
Accumulated remeasurement gains, beginning of year	-	-
Unrealized gains attributable to:		
Investment in Government Business Enterprises <i>(Note 6)</i>	1,775,840	-
Accumulated remeasurement gains, end of year	1,775,840	-

Kasabonika Lake First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2023

	2023	2022
Surplus	3,732,426	13,756,844
Purchases of tangible capital assets	(10,374,885)	(16,463,847)
Amortization of tangible capital assets	5,912,020	5,630,596
Change in inventory held for use	(1,170,375)	324,946
	(5,633,240)	(10,508,305)
Acquisition of prepaid expenses	-	(309,848)
Use of prepaid expenses	301,069	-
Change in remeasurement gains for the year	1,775,840	-
	2,076,909	(309,848)
Decrease in net debt	176,095	2,938,691
Net debt, beginning of year	(431,341)	(3,370,032)
Net debt, end of year	(255,246)	(431,341)

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, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Surplus	3,732,426	13,756,844
Amortization	5,912,020	5,630,596
	9,644,446	19,387,440
Changes in working capital accounts		
Accounts receivable	(9,164,786)	(1,853,620)
Prepaid expenses	301,069	(309,848)
Due from Government Business Enterprises	(1,391,230)	(3,100,510)
Accounts payable and accruals	(1,791,219)	897,877
Deferred revenue	27,715,372	3,337,232
Inventory held for use	(1,170,375)	324,946
	24,143,277	18,683,517
Financing activities		
Advances of long-term debt	-	2,645,000
Repayment of long-term debt	(3,239,380)	(382,980)
Repayment of capital lease obligations	(62,978)	(109,350)
	(3,302,358)	2,152,670
Capital activities		
Purchases of tangible capital assets	(10,374,885)	(16,463,847)
Investing activities		
Proceeds on disposal of Guaranteed Investment Certificate	1,430,634	(6,409)
Increase in restricted cash	(620,205)	(175,296)
Purchase of portfolio investments	(876,509)	-
Investment in Government Business Enterprises	-	(1,099)
	(66,080)	(182,804)
Increase in cash resources	10,399,954	4,189,536
Cash resources, beginning of year	19,153,246	14,963,710
Cash resources, end of year	29,553,200	19,153,246

Kasabonika Lake First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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. Change in accounting policy

Effective April 1, 2022, the First Nation adopted the following public sector accounting standards on a prospective basis, in conjunction with the adoption of *PS 3450 Financial Instruments*, described below.

- 1) *PS 3280 Asset Retirement Obligations*
- 2) *PS 3041 Portfolio Investments*
- 3) *PS 1201 Financial Statement Presentation*

More information on the related significant accounting policies of the First Nation is provided in Note 3.

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section *PS 3450 Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. The adoption of this accounting standard has resulted in the First Nation's tracking of its consolidated remeasurement gains separately from operations,

3. Significant accounting policies

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

Reporting entity

The Kasabonika Lake First Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. 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 Community Development Corporation
- Wechimachida Construction Services (GP) Corporation
- Wechimachida Construction Limited Partnership

All inter-entity balances have been eliminated on consolidation.

Government Business Enterprises

Kasabonika Lake First Nation has consolidated its wholly owned subsidiaries known as Kasabonika SGR GP Inc. and Kasabonika SGR Limited Partnership according to the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting policies are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost plus any additional investments and is increased for post acquisition earnings and decreased by post acquisition losses and distributions received.

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

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.

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.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity recorded as portfolio investments and are accounted for in accordance with the First Nation's financial instruments accounting policy.

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.

3. 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.

	<i>Method</i>	<i>Rate</i>
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 and equipment 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.

3. 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 are 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.

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 and due from Government Business Enterprises 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.

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

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, 2023.

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.

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

Segments

The First Nation conducts its business through nine 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.

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

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 consolidated financial statements as disclosed in Note 3 (*Significant accounting policies*).

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument.

Fair value designation

All financial instruments are initially recorded at their fair value. At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

Transaction costs

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Amortized cost classification

The First Nation has classified the following financial assets in the amortized cost category: cash, accounts receivable, due from government business enterprises, guaranteed investment certificate, portfolio investments and restricted cash. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Cash, accounts receivable, due from government business enterprises, guaranteed investment certificate, portfolio investments and restricted cash are subsequently measured at their amortized cost, using the effective interest rate method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

The First Nation has classified the following liabilities in the amortized cost category: accounts payable and accruals and long-term debt. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Accounts payable and accruals and long-term debt are subsequently measured at amortized cost using the effective interest rate method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Accounts receivable

	2023	2022
Indigenous Services Canada	11,758,673	1,683,211
Trade	2,250,923	3,149,429
Ontario First Nation Limited Partnership	709,000	-
Sioux Lookout Area Aboriginal Management Board	665,732	196,794
Other	13,857	-
Thawikaygan Limited Partnership	-	179,911
GST and Sales Tax rebates	97,846	97,846
GIC interest	-	13,985
Nishnawbe Aski Nation	28,539	59,104
Ontario Ministry of Northern Development	20,496	-
	15,545,066	5,380,280
Less: allowance for doubtful accounts	1,401,766	401,766
	14,143,300	4,978,514

The allowance for doubtful accounts pertains to trade receivables.

5. Due from Government Business Enterprises

The First Nation has provided a temporary advance to its Government Business Enterprises and expects to receive full repayment by March 31, 2025.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

6. Investment in Government Business Enterprises

The consolidated assets, liabilities and accumulated surplus of the government business enterprises as at December 31, 2022 are as follows:

	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Assets (Liabilities)		
Cash	1,388,228	810,996
Accounts receivable	371,514	621,723
Inventory for resale	2,149,718	1,353,871
Due from Kasabonika Lake First Nation	1,099	1,099
Investment in Kasabonika MCL Limited Partnership	510	510
Deposit	500,000	500,000
Tangible capital assets	2,078,260	795,013
Accounts payable and accruals	(220,650)	(913,668)
Deferred revenue	-	(67,935)
Due to Kasabonika Lake First Nation	(4,491,740)	(3,100,510)
Accumulated surplus	1,776,939	1,099

The increase in the accumulated surplus of \$1,775,840 has been recognized in the consolidated statement of remeasurement gains.

The consolidated revenue, expenses and cash flows of the government business enterprises for the year ended December 31, 2022 are as follows:

Revenue	
Sales	\$8,176,758
Expenses	
Cost of sales	\$5,279,153
Amortization expense	\$260,273
Salaries and benefits	\$440,462
Other operating expenses	\$421,030
Total expenses	\$6,400,918
Surplus	\$1,775,840
Accumulated surplus, beginning of year	\$1,099
Accumulated surplus, end of year	\$1,776,939
Cash flows	
Cash flows from operating activities	\$729,522
Cash flows from financing activities	\$1,391,230
Cash flows from capital activities	(\$1,543,520)
Increase in cash resources	\$577,232

Kasabonika Lake First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

7. Guaranteed Investment Certificate

The Guaranteed Investment Certificate matured on May 11, 2022. Upon maturity, it was not reinvested.

8. Portfolio investments

	2023	2022
Landmark Inn Limited Partnership - 2 units constituting 7.69% interest	98,000	98,000
Landmark Inn General Partner Ltd. - 20 common shares constituting 7.41% interest	2,000	2,000
Thawikayhigan Limited Partnership - 100 units constituting 16% interest	100	100
2665686 Ontario Inc. - 20 units constituting 20% interest	20	20
First Nations Limited Partnership - 1 unit constituting 4.55% interest	10	10
2472881 Ontario Inc. - 1 unit, 4.55% interest	10	10
Ontario First Nations Limited Partnership - 1 unit constituting 0.77% interest	1	1
Ontario First Nations Sovereign Wealth LP ("OFNSWLP") - 1 unit, 0.77% interest	1	1
OFN Asset Management GP Corp. - 1 unit, 0.77% interest	1	1
Partnership units in Happy Time Real Estate Holdings LP - 14.39% interest	327,309	-
Partnership units in FN Motel One LP - 14.39% interest	399,000	-
Common shares of Carrick Express Inc. - 14.39% interest	150,000	-
Common shares of FN Motel One GP Inc. - 16.67% interest	100	-
Common shares of Happy Time Real Estate GP Inc. - 16.67% interest	100	-
	976,652	100,143

9. Restricted cash

	2023	2022
CMHC replacement reserve	736,295	416,299
Ottawa Trust Funds	15,979	15,744
CMHC operating reserve	895	921
Deposit with legal counsel - held for future investment opportunities	300,000	-
	1,053,169	432,964

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, 2023, the replacement reserve bank account was overfunded by \$409,753 (2022 - overfunded by \$148,037).

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 (2022 - \$828); interest revenue \$nil (2022 - \$nil)
Revenue trust	\$15,151 (2022 - \$14,916); interest revenue \$235 (2022 - \$297)

CMHC operating surplus reserve

When applicable, CMHC requires that a separate bank account be set up for the purposes of saving funds obtained through operating surpluses. The required balance as at March 31, 2023 was \$0 (March 31, 2022 - \$0).

Kasabonika Lake First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

10. 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, 2023 the line of credit balance was \$nil (2022 - \$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, 2023 the line of credit balance was \$nil (2022 - \$nil).
- 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, 2023 the line of credit balance was \$nil (2022 - \$nil).

Prime rate as at March 31, 2023 was 6.7% (2022 - 6.7%).

11. Accounts payable and accruals

	2023	2022
Government remittances	20,995	66,686
Due to Kasabonika SGR GP Inc.	100	100
Due to Kasabonika SGR Limited Partnership	999	999
Trade	2,636,007	4,381,535
	2,658,101	4,449,320

12. Deferred revenue

	2023	2022
Indigenous Services Canada		
New school construction	16,032,678	8,833,404
Governance	-	1,500,000
Representative services for children and families	19,077,488	-
Other	3,033,100	94,490
	38,143,266	10,427,894

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

13. Long-term debt

Phase 1: CMHC mortgage repayable in monthly payments of \$4,259 including interest at 1.13% per annum, maturity date of June 2031 with a renewal date of June 2026, secured by a Ministerial guarantee and assignment of fire insurance for a seven-unit rental housing project.	402,440	448,727
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.	629,985	681,829
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. Subsequent to year end, this mortgage was renewed with the following terms: monthly payments of \$1,111 including interest at 1.11%, maturity date of July 2033 with a renewal date of November 2028.	225,948	244,673
Phase 4: CMHC mortgage repayable in monthly payments of \$8,068 including interest at 0.79% per annum, maturity date of October 2034 with a renewal date of January 2026, secured by a Ministerial guarantee and assignment of fire insurance for a ten-unit rental housing project.	1,071,410	1,159,401
Phase 5: CMHC mortgage repayable in monthly payments of \$3,095 including interest at 1.30% per annum, maturity date of March 2037 with a renewal date of October 2027, secured by a Ministerial guarantee and assignment of fire insurance for a four-unit rental housing project.	477,160	505,969
Phase 6: CMHC mortgage repayable in monthly payments of \$3,029 including interest at 0.68% per annum, maturity date of April 2040 with a renewal date of October 2025, secured by a Ministerial guarantee and assignment of fire insurance for a four-unit rental housing project.	586,117	618,366
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 March 2028, secured by a Ministerial guarantee and assignment of fire insurance for a six-unit rental housing project.	867,379	900,559
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.	867,328	932,783
Loan payable in monthly payments of \$47,560 including interest at 5.23% per annum, maturing and due for renewal March 2024, secured by a general security agreement and assignment of Ontario First Nations Limited Partnership revenue (*).	3,819,147	4,179,693
Loan payable in monthly payments of \$25,000 including interest at 3.39% per annum, maturing and due for renewal February 2024, secured by a general security agreement (*)	2,449,483	2,587,349
Other	-	2,376,428
	11,396,397	14,635,777

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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

2024	945,195
2025	894,726
2026	925,451
2027	957,526
2028	991,015

Prime rate as at March 31, 2023 was 6.7% (2022 - 6.7%).

(*) 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 Compiled Financial Information Report for Petrokas Ltd. and Kasabonika Lake Community Development Corporation to their lender. As at March 31, 2023, the First Nation was not in compliance with this covenant.

14. Capital lease obligations

	2023	2022
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 a vehicle with net book value of \$17,473 (2022 - \$38,202).	52,482	115,460

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

2024	56,648
Less: imputed interest	4,166
	<u>52,482</u>

15. Contingencies

Funding recoveries

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year end it was not yet determined to what extent any funding amounts relating to the year ending March 31, 2023 might be recovered.

Kasabonika Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

16. Tangible capital assets

	2023	2022
New school and teacherage - construction in progress	50,606,925	41,720,118
Tangible capital assets in use	43,404,131	47,828,073
	94,011,056	89,548,191

Subsequent to year end, the school construction was completed and the school was put into active use.

17. Inventory held for use

	2023	2022
Fuel	2,020,961	850,587
Other	121,329	121,328
	2,142,290	971,915

18. Reconciliation of funding from Indigenous Services Canada

The Indigenous Services Canada ("ISC") revenue of \$71,965,852 (2022 – \$41,628,319) on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation.

19. Other revenue

	2023	2022
Sales	4,937,846	4,232,249
Other	8,601,917	9,278,244
	13,539,763	13,510,493

20. 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.

21. 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.

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 ISC by July 29, 2023. 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 intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

23. Fair value of financial instruments

Fair value hierarchy:

Assets and liabilities recorded at fair value on the statement of financial position are measured and classified in the hierarchy consisting of three levels for disclosure purposes. The three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

- Level 1: Unadjusted quoted prices in an active market for identical assets and liabilities.

Level 1 inputs include unadjusted quoted prices for assets in market that are considered active. There are no assets of the First Nation measured at fair value classified as Level 1.

- Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 2 inputs include quoted prices for assets in markets that are considered less active. There are no assets of the First Nation measured at fair value classified as Level 2.

- Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities.

Level 3 assets and liabilities would include financial instruments whose values are determined using pricing models, discounted methodologies, or similar techniques, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. There are no assets of the First Nation measured at fair value classified as Level 3.

24. Comparative figures

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

Kasabonika Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Land</i>	<i>Buildings</i>	<i>CMHC Housing</i>	<i>Computers</i>	<i>Equipment</i>	<i>Vehicles</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	50,000	39,204,038	12,982,663	19,088	2,767,744	5,111,214	60,134,747
Acquisition of tangible capital assets	-	270,456	-	-	140,000	352,928	763,384
Construction-in-progress	-	-	-	-	-	-	-
Balance, end of year	50,000	39,474,494	12,982,663	19,088	2,907,744	5,464,142	60,898,131
Accumulated amortization							
Balance, beginning of year	-	14,611,404	8,030,118	19,088	2,658,076	3,661,443	28,980,129
Annual amortization	-	2,323,027	865,944	-	34,008	775,481	3,998,460
Balance, end of year	-	16,934,431	8,896,062	19,088	2,692,084	4,436,924	32,978,589
Net book value of tangible capital assets	50,000	22,540,063	4,086,601	-	215,660	1,027,218	27,919,542
2022 Net book value of tangible capital assets	50,000	24,592,634	4,952,545	-	109,668	1,449,771	31,154,618

Kasabonika Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Infrastructure</i>	<i>Vehicles and equipment under capital lease</i>	<i>Store tanks</i>	<i>Assets under construction</i>	<i>2023</i>	<i>2022</i>
Cost							
Balance, beginning of year	60,134,747	30,563,375	609,509	919,435	41,720,117	133,947,183	117,483,336
Acquisition of tangible capital assets	763,384	734,585	-	-	-	1,497,969	4,560,836
Construction-in-progress	-	-	-	-	8,876,916	8,876,916	11,903,011
Balance, end of year	60,898,131	31,297,960	609,509	919,435	50,597,033	144,322,068	133,947,183
Accumulated amortization							
Balance, beginning of year	28,980,129	14,331,165	501,935	585,763	-	44,398,992	38,768,396
Annual amortization	3,998,460	1,894,796	8,754	10,010	-	5,912,020	5,630,596
Balance, end of year	32,978,589	16,225,961	510,689	595,773	-	50,311,012	44,398,992
Net book value of tangible capital assets	27,919,542	15,071,999	98,820	323,662	50,597,033	94,011,056	89,548,191
2022 Net book value of tangible capital assets	31,154,618	16,232,210	107,574	333,672	41,720,117	89,548,191	

Kasabonika Lake First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2023

	2023	2022
Consolidated expenses by object		
Amortization	5,912,020	5,630,596
Bad debt expense (recovery)	15,306	(976)
Bank charges	77,847	64,729
Community activities	3,145,985	1,569,300
Cost of sales	3,660,677	3,644,820
Economic	1,050,000	555,468
Employee compensation	12,621,332	12,399,632
Financial assistance	1,709,676	139,806
Food and beverage	292,909	402,914
Fuel	2,090,480	557,229
Funerals	252,455	91,920
Honoraria	126,053	83,197
Hydro	-	9,964
Insurance	688,444	634,426
Interest on long-term debt	460,362	367,082
Materials and supplies	388,949	1,157,952
Professional fees	1,025,686	877,035
Program education	170,684	284,551
Program expense	634,283	1,107,118
Repairs and maintenance	3,149,213	1,432,355
Social assistance	3,016,713	2,429,552
Supplies	13,423,483	6,960,744
Training	401,960	117,097
Travel	3,769,204	2,054,517
Utilities	1,601,195	1,026,422
	59,684,916	43,597,450

Kasabonika Lake First Nation

Schedule 3 - Consolidated Summary Schedule of Segment Operations

For the year ended March 31, 2023

	<i>Schedule #</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Transfers From (To)</i>	<i>2023 Surplus (deficit) before other items</i>	<i>2022 Surplus (deficit) before other items</i>
Segments						
Business Enterprises	4	4,937,846	5,050,377	-	(112,531)	2,514,344
Economic Development	5	255,209	486,652	(25,095)	(256,538)	(34,934)
Governance	6	3,779,650	3,934,544	1,206,416	1,051,522	586,413
Health Services	7	15,410,349	12,005,210	(3,471,954)	(66,815)	1,416,956
Capital Projects	8	21,205,705	19,801,790	1,353,289	2,757,204	4,409,062
Other	9	3,351,232	6,152,759	3,616,127	814,600	1,818,282
Sineonokway Education Authority	10	9,741,521	7,346,749	(1,559,869)	834,903	2,832,409
Social Services	11	5,069,081	4,242,347	(1,118,914)	(292,180)	95,436
Subsidized Housing	12	666,749	664,488	-	2,261	118,876
Total		64,417,342	59,684,916	-	4,732,426	13,756,844

Kasabonika Lake First Nation
Business Enterprises
Schedule 4 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Sales	4,937,846	7,861,893
Expenses		
Amortization	328,217	309,109
Bad debt	-	5,274
Bank charges	5,446	5,267
Cost of sales	3,660,677	3,644,820
Employee compensation	567,889	684,750
Honoraria	5,800	4,600
Hydro	-	9,964
Insurance	104,000	50,000
Interest on long-term debt	34,460	25,791
Professional fees	21,027	11,970
Repairs and maintenance	43,174	23,533
Supplies	108,415	497,272
Travel	128,045	73,807
Utilities	43,227	1,392
	5,050,377	5,347,549
Surplus (deficit)	(112,531)	2,514,344

Kasabonika Lake First Nation
Economic Development
Schedule 5 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	82,300	198,745
Government of Ontario	76,500	73,307
Other revenue	96,409	125,254
	255,209	397,306
Expenses		
Employee compensation	212,086	249,407
Professional fees	65,164	25,090
Program expense	374	87,024
Supplies	91,831	15,894
Training	48,000	-
Travel	69,197	14,039
	486,652	391,454
Surplus (deficit) before transfers	(231,443)	5,852
Transfers between segments	(25,095)	(40,786)
Deficit	(256,538)	(34,934)

Kasabonika Lake First Nation
Governance
Schedule 6 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	1,098,124	1,125,332
Other revenue	2,681,526	868,193
Revenue deferred in prior year	-	24,833
	3,779,650	2,018,358
Expenses		
Bad debt expense (recovery)	3,675	(6,250)
Bank charges	64,773	52,777
Community activities	164	73,324
Employee compensation	1,679,099	1,629,514
Honoraria	8,800	9,200
Insurance	442,080	439,690
Office supplies	903,686	274,443
Professional fees	212,278	222,422
Repairs and maintenance	373,112	2,066
Training	43,329	4,593
Travel	167,027	91,100
Utilities	36,521	70,788
	3,934,544	2,863,667
Deficit before transfers	(154,894)	(845,309)
Transfers between segments	1,206,416	1,431,722
Surplus	1,051,522	586,413

Kasabonika Lake First Nation
Health Services
Schedule 7 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	31,858,983	12,386,115
Government of Ontario	-	368,706
Other revenue	256,629	211,503
Sioux Lookout First Nations Health Authority	-	196,793
Nishnawbe Aski Nation	312,759	412,294
Ministry of Health and Long-Term Care	591,923	363,956
Revenue deferred in prior year	1,467,543	-
Revenue deferred to subsequent year	(19,077,488)	(1,467,543)
	15,410,349	12,471,824
Expenses		
Community activities	819,119	387,281
Employee compensation	3,668,066	2,964,268
Food and beverage	281,110	232,660
Fuel	43,972	-
Honoraria	69,333	35,976
Insurance	10,000	10,000
Materials and supplies	14,264	340,236
Professional fees	246,867	78,060
Program education	-	80,164
Program expense	428,948	599,297
Repairs and maintenance	109,671	63,769
Social assistance	244,225	107,164
Supplies	3,849,941	2,494,963
Training	59,096	6,061
Travel	1,991,631	1,163,027
Utilities	168,967	239,295
	12,005,210	8,802,221
Surplus before transfers	3,405,139	3,669,603
Transfers between segments	(3,471,954)	(2,252,647)
Surplus (deficit)	(66,815)	1,416,956

Kasabonika Lake First Nation
Capital Projects
Schedule 8 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	27,231,458	15,087,490
Other revenue	4,124,639	2,769,116
Ministry of Northern Development and Mines	81,982	81,982
Revenue deferred in prior year	8,833,404	6,957,705
Revenue deferred to subsequent year	(19,065,778)	(8,833,404)
	21,205,705	16,062,889
Expenses		
Amortization	5,219,263	4,957,264
Bad debt expense	11,631	-
Employee compensation	1,584,595	1,422,325
Fuel	656,256	557,229
Honoraria	7,500	7,400
Interest on long-term debt	333,494	252,351
Materials and supplies	374,686	796,437
Professional fees	403,814	451,877
Repairs and maintenance	2,493,279	1,331,801
Social assistance	220,758	-
Supplies	6,692,240	450,479
Training	101,190	62,982
Travel	419,240	310,327
Utilities	1,283,844	624,766
	19,801,790	11,225,238
Surplus before transfers	1,403,915	4,837,651
Transfers between segments	1,353,289	(428,589)
Surplus	2,757,204	4,409,062

Kasabonika Lake First Nation
Other
Schedule 9 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	423,012	373,600
Ontario First Nations Limited Partnership	1,090,365	771,468
Other revenue	1,201,692	1,421,988
Sioux Lookout First Nations Health Authority	636,163	242,582
Revenue deferred in prior year	-	108,124
	3,351,232	2,917,762
Expenses		
Community activities	1,978,057	997,530
Economic	1,050,000	555,468
Employee compensation	555,271	755,869
Finance assistance	1,709,676	139,806
Food and beverage	7,113	19,493
Fuel	18,264	-
Funerals	201,344	-
Honoraria	7,000	7,000
Interest on long-term debt	-	5,796
Materials and supplies	-	10,328
Professional fees	52,710	68,591
Repairs and maintenance	2,800	10,437
Supplies	123,460	47,929
Training	1,933	-
Travel	440,747	73,902
Utilities	4,384	223
	6,152,759	2,692,372
Surplus (deficit) before transfers	(2,801,527)	225,390
Transfers between segments	3,616,127	1,592,892
Surplus	814,600	1,818,282

Kasabonika Lake First Nation
Sineonokway Education Authority
Schedule 10 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	9,569,297	10,541,186
Other revenue	45,277	-
Revenue deferred in prior year	126,947	-
Revenue deferred to subsequent year	-	(126,947)
	9,741,521	10,414,239
Expenses		
Bank charges	161	-
Community activities	348,647	111,166
Employee compensation	3,408,109	3,769,151
Food and beverage	3,450	139,794
Fuel	1,371,988	-
Honoraria	27,620	19,021
Materials and supplies	-	10,950
Professional fees	6,080	2,000
Program education	170,684	204,387
Program expense	55,505	45,150
Repairs and maintenance	70,367	750
Supplies	1,516,180	3,014,420
Travel	340,060	208,317
Utilities	27,898	56,724
	7,346,749	7,581,830
Surplus before transfers	2,394,772	2,832,409
Transfers between segments	(1,559,869)	-
Surplus	834,903	2,832,409

Kasabonika Lake First Nation
Social Services
Schedule 11 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	1,702,678	1,915,852
Government of Ontario	3,334,298	2,571,804
Other revenue	2,536	3,785
Sioux Lookout First Nations Health Authority	29,569	-
	5,069,081	4,491,441
Expenses		
Bank charges	6,846	6,108
Employee compensation	946,216	924,347
Food and beverage	1,236	10,967
Funerals	51,111	91,920
Program expense	149,457	375,646
Social assistance	2,551,730	2,322,388
Supplies	137,730	165,345
Training	148,412	43,461
Travel	213,258	119,997
Utilities	36,351	33,234
	4,242,347	4,093,413
Surplus before transfers	826,734	398,028
Transfers between segments	(1,118,914)	(302,592)
Surplus (deficit)	(292,180)	95,436

Kasabonika Lake First Nation
Subsidized Housing
Schedule 12 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Rent	193,209	248,760
Canada Mortgage and Housing Corporation	473,540	469,822
	666,749	718,582
Expenses		
Amortization	364,540	364,223
Bank charges	621	577
Insurance	132,364	134,736
Interest on long-term debt	92,408	83,145
Professional fees	17,745	17,025
Repairs and maintenance	56,810	-
	664,488	599,706
Surplus	2,261	118,876