

THE KITIGAN ZIBI ANISHINABEG
INDEPENDANT AUDITOR'S REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

INDEPENDANT AUDITOR'S REPORT

To the Chief and Councillors
THE KITIGAN ZIBI ANISHINABEG

We have audited the accompanying consolidated financial statements of **THE KITIGAN ZIBI ANISHINABEG**, which comprises the consolidated balance sheet and the balance sheets of the administration fund, fixed assets fund, funds held in trust (INAC) and enterprise fund as at **MARCH 31, 2017**, and the consolidated statements of revenues and expenditures, the consolidated statement of changes in members' equity, the consolidated statement of cash flows, the statement of revenues and expenditures and fund balance, the revolving loans fund, the unappropriated and appropriated fund balance for the administration fund, the sources and expenditures, the changes in members' equity for the fixed assets fund and the statements of receipt and disposal of capital and revenue money for the capital and revenue funds, the statement of the moveable assets and the funding reconciliation for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **THE KITIGAN ZIBI ANISHINABEG** as at **MARCH 31, 2017**, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Comments

Without modifying our opinion, we draw your attention to the fact that **THE KITIGAN ZIBI ANISHINABEG** include in its consolidated financial statements some financial information not required by the Canadian Public Sector Accounting Standards. This information, compiled according to the model prescribed by the Department of Indigenous and Northern Affairs Canada and presented on pages 11 to 18, 22 to 26, 30 and 46 to 158, concern the program and service revenues and expenditures schedules, statement of receipt and expenditure of funds held in trust (INAC), funding reconciliation (INAC) and analysis of revenues and expenditures.

Our audit report does not cover the budget forecasts by service since we do not express an opinion on data based on estimates and assumptions.

*Languedoc Grondin, CPA Inc.*¹

Maniwaki, July 21, 2017.

¹ By Marie-Claude Grondin, CPA auditor, CA

THE KITIGAN ZIBI ANISHINABEG

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THE KITIGAN ZIBI ANISHINABEG

CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES

YEAR ENDED MARCH 31, 2017

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THE KITIGAN ZIBI ANISHINABEG

CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)

YEAR ENDED MARCH 31, 2017

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	2017						2016	
	BUDGET	ADMINIS- TRATION FUND	REVOLVING LOANS FUND	FIXED ASSETS FUND	FUNDS HELD IN TRUST (INAC)	ENTERPRISE FUND	ELIMINATION	TOTAL
EXPENDITURES	\$	\$	\$	\$	\$	\$	\$	\$
Education	7 995 038	7 440 323	-	-	-	-	-	7 440 323
Health	4 870 487	3 200 215	-	-	-	-	-	3 200 215
Economic Development	252 244	444 642						444 642
Housing	32 347	1 395 410	-	-	-	-	-	1 395 410
Community Services	2 868 016	506 759						506 759
Social Services	2 213 078	4 746 776	-	-	248 347	-	-	4 995 123
Band Government	747 985	1 595 571						1 595 571
Employment programs	903 210	694 521						694 521
Public works	502 102	1 241 396						1 241 396
General revenue funds	809 350	780 847						780 847
Police	1 033 793	1 054 225						1 054 225
Land claims	141 405	47 184						47 184
Sundry	-	3 975 232						3 975 232
Increase (decrease) of reserve for doubtful accounts	-	-	(39 368)	-	-	-	-	(39 368)
Share of (surplus) deficit for the year of "4106679 Canada Ltd."	-	-	-	-	-	72 745	-	72 745
"3183092 Canada Inc."	-	-	-	-	-	(2 954)	-	(2 954)
Internal charges	-	(1 083 135)	-	-	-	-	-	(1 083 135)
TOTAL EXPENDITURES	22 369 055	26 039 966	(39 368)	-	248 347	69 791	-	26 318 736
								24 537 672

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CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS (NET DEBT)

FOR THE YEAR ENDED MARCH 31, 2017

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	ADMINIS- TRATION FUND	REVOLVING LOANS FUND	FIXED ASSETS FUND	2017		2016 TOTAL
				FUNDS HELD IN TRUST (INAC)	ENTERPRISE FUND	
				\$	\$	\$
SURPLUS - (DEFICIT) FOR THE YEAR		1 667 819	266 048	1 177 149	(56 986)	(69 791) 2 984 239 173 224
Prepaid expenses		(1 283)				(1 283) -
Changes in fixed assets						
Net changes in capital assets		-	-	(3 587 138)	-	(3 587 138) (2 101 370)
Long term debt repayment		-	-	64 661	-	64 661 62 549
Depreciation		-	-	2 409 989	-	2 409 989 2 369 393
Sub-total		(1 283)	-	(1 112 488)	-	(1 113 771) 330 572
Changes in net financial assets (net debt)		1 666 536	266 048	64 661	(56 986)	(69 791) 1 870 468 503 796
NET FINANCIAL ASSETS (NET DEBT) AT THE BEGINNING OF THE YEAR		9 095 684	3 542 441	(735 155)	7 670 652	426 919 20 000 541 19 496 745
NET FINANCIAL ASSETS (NET DEBT) AT THE END OF THE YEAR		10 762 220	3 808 489	(670 494)	7 613 666	357 128 21 871 009 20 000 541

THE KITIGAN ZIBI ANISHINABEG

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

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	ADMINIS- TRATION FUND	REVOLVING LOANS FUND	FIXED ASSETS FUND	FUNDS HELD IN TRUST (INAC)	ENTERPRISE FUND	ELIMINATION	2017 TOTAL	2016 TOTAL
FINANCIAL ASSETS								
Cash	\$ 614 739	\$ -	\$ -	\$ 7 613 666	\$ -	\$ -	\$ 8 228 405	\$ 8 399 481
Temporary investments (note 2)	10 040 291	1 819 338	-	-	-	-	11 859 629	10 278 291
Agreements and accounts receivable (note 3)	555 644	-	-	-	-	-	555 644	973 196
Due from government and other government organizations (note 4)	4 611 899	-	-	-	-	-	4 611 899	1 537 817
Economic development loans (note 5)	135 546	-	-	-	-	-	135 546	67 322
Revolving loans (note 6)	-	1 989 151	-	-	-	-	1 989 151	1 964 859
Replacement reserve - CMHC	175 371	-	-	-	-	-	175 371	157 829
Investments (note 8)	-	-	-	-	357 128	(43 286)	313 842	375 633
	16 133 490	3 808 489	-	7 613 666	357 128	(43 286)	27 869 487	23 754 428
LIABILITIES								
Accounts payable and accrued charges (note 9)	2 778 889	-	-	-	-	(43 286)	2 735 603	2 614 995
Deferred revenue (note 10)	2 171 102	-	-	-	-	-	2 171 102	-
Replacement reserve - CMHC	175 371	-	-	-	-	-	175 371	157 829
Long term debt (note 11)	245 908	-	670 494	-	-	-	916 402	981 063
	5 371 270	-	670 494	-	-	(43 286)	5 998 478	3 753 887
NET FINANCIAL ASSETS (NET DEBT)								
	10 762 220	3 808 489	(670 494)	7 613 666	357 128	-	21 871 009	20 000 541
NON FINANCIAL ASSETS								
Prepaid expenses	1 283	-	-	-	-	-	1 283	-
Fixed Assets (note 7)	-	-	28 303 460	-	-	-	28 303 460	27 137 561
ACCUMULATED SURPLUS								
	10 763 503	3 808 489	27 632 966	7 613 666	357 128	-	50 175 752	47 138 102

Contingencies (note 15)

APPROVED BY CHIEF AND COUNCIL :

John Chitignak
Chairman/Councillor

Daphne Tenuay
Councillor

July 21 2017
 Date

THE KITIGAN ZIBI ANISHINABEG

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Members' equity		
Balance at beginning of year as previously reported	\$ 47 138 102	\$ 46 902 329
Add (Deduct) :		
(Loss) Gain on disposal of fixed assets	(3 250)	6 649
Proceeds from disposal of fixed assets	(8 000)	(6 649)
Long term debt repayment	64 661	62 549
Surplus for the year	2 984 239	173 224
	<hr/> 3 037 650	<hr/> 235 773
Balance at end of year	<hr/> \$ 50 175 752	<hr/> \$ 47 138 102

THE KITIGAN ZIBI ANISHINABEG

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Operating activities		
Surplus for the year	\$ 3 037 650	\$ 235 773
Non-cash items		
Amortization of fixed assets	2 409 989	2 369 393
Loss (Gain) on disposal of fixed assets	3 250	(6 649)
Share in net loss of related organizations	<u>69 791</u>	<u>808</u>
	5 520 680	2 599 325
Net changes in non-cash working capital items	<u>(374 103)</u>	<u>237 371</u>
	<u>5 146 577</u>	<u>2 836 696</u>
Investing activities		
Purchase of temporary investments	(1 581 338)	(642 518)
Proceeds of disposal of fixed assets	8 000	6 649
Purchase of fixed assets	(3 587 138)	(2 101 370)
New revolving loans during the year	(509 011)	(858 362)
Principal repayments on revolving loans	484 719	732 617
New CEDO loans during the year	(152 445)	(64 224)
Principal repayments on CEDO loans	<u>84 221</u>	<u>78 273</u>
	<u>(5 252 992)</u>	<u>(2 848 935)</u>
Financing activities		
Repayment of long term debt	<u>(64 661)</u>	<u>(62 549)</u>
Decrease in cash and cash equivalents	<u>(171 076)</u>	<u>(74 788)</u>
Cash and cash equivalents, beginning of year	<u>8 399 481</u>	<u>8 474 269</u>
Cash and cash equivalents, end of year	<u>\$ 8 228 405</u>	<u>\$ 8 399 481</u>
Net change in non-cash working capital items		
Accounts receivable	\$ (2 656 530)	\$ (114 337)
Prepaid expenses	(1 283)	-
Accounts payable	112 608	351 708
Deferred revenues	<u>2 171 102</u>	<u>-</u>
	<u>\$ (374 103)</u>	<u>\$ 237 371</u>
Cash and cash equivalents		
Cash	<u>\$ 8 228 405</u>	<u>\$ 8 399 481</u>

THE KITIGAN ZIBI ANISHINABEG

ADMINISTRATION FUND

BALANCE SHEET

AS AT MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Assets		
Current assets		
Cash	\$ 614 739	\$ 728 829
Temporary investments (note 2)	11 859 629	10 278 291
Agreements and accounts receivable (note 3)	555 644	973 196
Due from Government and other government organizations (note 4)	4 611 899	1 537 817
Prepaid expenses	1 283	-
Current portion of economic development loans (note 5)	72 944	39 927
Current portion of revolving loans (note 6)	342 910	333 274
	18 059 048	13 891 334
Replacement reserve (Post - 1996 program)	175 371	157 829
Economic development loans (note 5)	62 602	27 395
Revolving loans (note 6)	1 646 241	1 631 585
	\$ 19 943 262	\$ 15 708 143
Liabilities		
Current liabilities		
Accounts payable and accrued charges (note 9)	\$ 2 778 889	\$ 2 666 281
Deferred revenue (note 10)	2 171 102	-
	4 949 991	2 666 281
Long term debt (note 11)	245 908	245 908
	5 195 899	2 912 189
Reserve Fund		
Replacement reserve (Post - 1996 program)	175 371	157 829
Fund balance		
Revolving loans fund	3 808 489	3 542 441
Appropriated fund balance	6 531 325	5 975 232
Unappropriated fund balance	4 232 178	3 120 452
	14 571 992	12 638 125
	\$ 19 943 262	\$ 15 708 143

THE KITIGAN ZIBI ANISHINABEG

ADMINISTRATION FUND

REVOLVING LOANS FUND

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 3 542 441	\$ 3 452 118
Add (Deduct) :		
Decrease (Increase) in reserve for doubtful accounts	39 368	(26 710)
Indigenous and Northern Affairs Canada - Contribution	100 000	-
Interest on revolving loans for the year	126 680	117 033
	266 048	90 323
Balance at end of year	\$ 3 808 489	\$ 3 542 441

THE KITIGAN ZIBI ANISHINABEG

ADMINISTRATION FUND

APPROPRIATED AND UNAPPROPRIATED FUND BALANCE

YEAR ENDED MARCH 31, 2017

	2017	2016
Appropriated fund balance		
Balance at beginning of year as previously reported	\$ 5 975 232	\$ 6 319 985
Transferred to current year's operations	5 975 232	6 319 985
Surplus appropriated during the year	6 531 325	5 975 232
Balance at end of year	\$ 6 531 325	\$ 5 975 232
 Unappropriated fund balance		
Balance at beginning of year	\$ 3 120 452	\$ 2 362 163
Transferred from appropriated fund balance	5 975 232	6 319 985
	9 095 684	8 682 148
Surplus for the year	1 667 819	413 536
	10 763 503	9 095 684
Less :		
Surplus appropriated during the year	6 531 325	5 975 232
Balance at end of year	\$ 4 232 178	\$ 3 120 452

THE KITIGAN ZIBI ANISHINABEG

STATEMENT OF THE MOVEABLE ASSETS

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ -	\$ -
Add :		
Amount provided in Agreement for M.A.R.	14 883	14 521
Deduct :		
Acquisition and replacement during the year	14 883	14 521
Balance at end of year	\$ -	\$ -

**THE KITIGAN ZIBI ANISHINABEG
ADMINISTRATION FUND
STATEMENT OF REVENUES, EXPENSES
YEAR ENDED MARCH 31, 2017**

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ADMINISTRATION FUND

STATEMENT OF REVENUES, EXPENDITURES, FUND BALANCE AND SEGMENT DISCLOSURE

YEAR ENDED MARCH 31, 2017

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	PAGE NO	REVENUE			EXPEND	FUND BALANCE					
		DIAND	BAND REVENUE	OTHER		TOTAL ACTUAL	FIXED ASSETS ACQUIS.	CURRENT	ADJUST & TRANS	PRIOR YEAR	CUMUL
LAND MANAGEMENT R.L.A.P.	63	110,051	0	1,050	111,101	88,894	0	22,207	0	28,606	50,813
COMMUNITY BUILDINGS	64	3,689	0	0	3,689	3,808	0	(119)	(239)	(120)	(479)
ROADS & BRIDGES O/M - SECONDARY BUDGET	64	1,876	0	0	1,876	1,876	0	0	0	0	0
BAND EMPLOYEE BENEFITS	65	3,100	0	0	3,100	3,100	0	0	0	0	0
WELLS / NEW HOUSES	65	36,716	0	0	36,716	42,828	0	(6,112)	0	10,375	4,263
SEPTIC FIELD / NEW HOUSES	66	46,695	0	0	46,695	41,215	0	5,480	0	17,563	23,043
SURVEY PROJECT	66	29,900	0	0	29,900	19,500	0	10,400	0	0	10,400
SUB-TOTAL		232,027	0	1,050	233,077	201,221	0	31,856	(239)	56,424	88,041
FLEXIBLE FUNDING - INAC											
COMMUNITY ASSETS ADMINISTRATOR	67	216	0	0	216	216	0	0	0	0	0
EQUINOXE JMP CONTRACTING	-	0	0	0	0	0	0	0	(71,256)	71,256	0
WATER & SEWER ADMIN - KICHI/NOTRE DAME	-	0	0	0	0	0	0	0	0	1,571	1,571
PAGANAKOMIN W & S EXTENSION	67	50,173	0	0	50,173	0	15,042	35,131	0	(35,131)	0
34 LOT PROJECT	68	2,754,714	0	0	2,754,714	0	2,755,837	(1,123)	0	1,123	0
W & S PROJECT PLANS	68	90,282	0	0	90,282	0	90,282	0	0	0	0
SUB-TOTAL		2,895,385	0	0	2,895,385	216	2,861,161	34,008	(71,256)	38,819	1,571
SET FUNDING - INAC											
BAND EMPLOYEES BENEFITS	69	432,456	0	0	432,456	360,594	0	71,862	0	18,051	89,913
SPECIFIC LAND CLAIMS	69	5,220	0	0	5,220	33,582	0	(28,362)	0	19,780	(8,582)
MOLD MITIGATION	70	19,964	0	0	19,964	9,450	0	10,514	0	0	10,514
RECYCLE BINS	70	63,100	0	0	63,100	63,127	0	(27)	0	0	(27)
RADON MITIGATION PROJECT	71	0	0	0	0	44,601	0	(44,601)	(1,391)	42,559	(3,433)
EMERGENCY WATER	71	72,900	0	0	72,900	93,861	0	(20,961)	0	(41,261)	(62,222)
RUST OUT	72	209,312	0	0	209,312	210,031	0	(719)	0	0	(719)
CONSTRUCTION OF WINTER SAND SHELTER	72	38,510	0	0	38,510	0	79,570	(41,060)	32,754	8,306	0
FEASIBILITY STUDY - AWAZIBI	-	0	0	0	0	0	0	0	230	(230)	0
FEASIBILITY STUDY - F.N. TOURISM	-	0	0	0	0	0	0	0	7,000	(7,000)	0
WALKING PATH	73	46,230	0	0	46,230	46,096	0	134	0	0	134
WABOZ MIKAN ROAD REHABILITATION	73	200,000	0	0	200,000	0	199,922	78	0	0	78
KINIW ZIBI MIKAN	74	250,000	0	0	250,000	0	184,449	65,551	0	0	65,551
REVOLVING LOAN FUND	74	100,000	0	0	100,000	100,000	0	0	0	0	0
SUB-TOTAL		1,437,692	0	0	1,437,692	961,342	463,940	12,410	38,593	40,205	91,208
OTHER FUNDING - INAC											
SPECIFIC LAND NEGOTIATIONS	75	0	0	0	0	4,230	0	(4,230)	0	(425,408)	(429,638)
STRATEGIC PLANNING	75	0	0	0	0	9,372	0	(9,372)	9,372	0	0
W&S PROJECT KICHI/NOTRE DAME	-	0	0	0	0	0	0	0	2,576	(2,576)	0
GARAGE HEATING SYSTEM	-	0	0	0	0	0	0	0	(17,000)	17,000	0

**THE KITIGAN ZIBI ANISHINABEG
ADMINISTRATION FUND
STATEMENT OF REVENUES, EXPENSES
YEAR ENDED MARCH 31, 2017**

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**THE KITIGAN ZIBI ANISHINABEG
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STATEMENT OF REVENUES, EXPENSES
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ADMINISTRATION FUND

STATEMENT OF REVENUES, EXPENDITURES, FUND BALANCE AND SEGMENT DISCLOSURE

YEAR ENDED MARCH 31, 2017

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	PAGE NO	REVENUE			EXPEND	FUND BALANCE				
		DIAND	BAND REVENUE	OTHER		TOTAL ACTUAL	TOTAL ACTUAL	FIXED ASSETS ACQUIS.	CURRENT	ADJUST & TRANS
WAZOSON DAYCARE REPAIRS	108	0	0	117,700	117,700	54,381	5,675	57,644	0	0
DAYCARE 60 + MTHS	109	0	0	99,983	99,983	107,483	0	(7,500)	0	7,500
DAYCARE RENOVATIONS	-	0	0	0	0	0	0	0	1,495	(1,495)
CHILD CARE AID (WAZOSON)	110	0	0	399,766	399,766	320,168	0	79,597	0	63,407
SUB-TOTAL		0	0	617,449	617,449	482,032	5,675	129,742	1,495	69,412
EDUCATION - OTHER FUNDING AGREEMENTS										
MOTIVATE CANADA	-	0	0	0	0	0	0	0	(7,164)	7,164
QUEBEC EN FORME	111	0	0	20,772	20,772	36,437	0	(15,665)	2,450	13,215
CULTURAL EDUCATION CENTER	112	0	0	40,206	40,206	40,206	0	0	0	0
SPECIAL EDUCATION - BARRIERE LAKE	113	0	0	119,224	119,224	43,387	0	75,837	0	1,269
REPATRIATION COORDINATOR	-	0	0	0	0	0	0	0	(17,325)	17,325
CITY OF OTTAWA - CULTURAL FUNDS	113	0	0	0	0	18,877	0	(18,877)	0	21,627
REPATRIATION PROJECT EXPENSES	-	0	0	0	0	0	0	0	17,325	(17,325)
NCC FALL RHAPSODY 2015	114	0	0	5,000	5,000	4,850	0	150	(150)	0
CANADA DAY 2016	114	0	0	12,000	12,000	10,124	0	1,876	(1,876)	0
SUB-TOTAL		0	0	197,202	197,202	153,881	0	43,321	(6,740)	43,275
EDUCATION - SUNDAY										
EDUCATION	115	0	0	45,439	45,439	63,440	0	(18,001)	34,495	31,208
SUB-TOTAL		0	0	45,439	45,439	63,440	0	(18,001)	34,495	31,208
HSS-INAC- Social Assistance										
WELFARE BASIC NEEDS	116	2,324,804	0	0	2,324,804	2,054,810	0	269,994	297,895	(360,911)
COMPLIANCE REVIEW	116	0	0	0	0	0	0	0	38,922	(38,922)
WELFARE SPECIAL NEEDS	116	11,000	0	0	11,000	12,548	0	(1,548)	(194,107)	195,655
SERVICE DELIVERY	117	63,670	0	0	63,670	52,328	0	11,342	(142,710)	142,710
SUB-TOTAL		2,399,474	0	0	2,399,474	2,119,686	0	279,788	0	(61,468)
Assisted Living										
IN-HOME CARE - ADULTS	118	149,640	0	0	149,640	149,640	0	0	0	0
KIWEDA	119	426,980	0	0	426,980	507,771	0	(80,791)	80,791	0
DISABLED SERVICES - N.S.C.	120	35,350	0	0	35,350	42,417	0	(7,067)	0	0
ENDONG	121	50,684	0	0	50,684	48,386	0	2,298	0	(10,261)
SUB-TOTAL		662,654	0	0	662,654	748,214	0	(85,560)	80,791	(10,261)
HSS - FIXED FUNDING - INAC										
ENHANCED PREVENTION - PREVENTION	122	297,361	0	0	297,361	133,845	0	163,516	0	30,279
ENHANCED PREVENTION - PROTECTION	123	102,309	0	0	102,309	120,728	0	(18,419)	13,039	(73,984)
CFS-OPERATION	124	890,287	0	80	890,367	674,282	0	216,085	(8,073)	(76,692)
FIRST NATION GROUP HOME CARE	-	0	0	0	0	0	0	0	(13,039)	13,039

THE KITIGAN ZIBI ANISHINABEG

ADMINISTRATION FUND

STATEMENT OF REVENUES, EXPENDITURES, FUND BALANCE AND SEGMENT DISCLOSURE

YEAR ENDED MARCH 31, 2017

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	PAGE NO	REVENUE			EXPEND	FUND BALANCE					
		DIAND	BAND REVENUE	OTHER		TOTAL ACTUAL	FIXED ASSETS ACQUIS.	CURRENT	ADJUST & TRANS	PRIOR YEAR	CUMUL
INSTITUTION CARE	125	387,746	0	0	387,746	445,120	0	(57,374)	0	398,432	341,058
SUB-TOTAL		1,677,703	0	80	1,677,783	1,373,975	0	303,808	(8,073)	291,074	586,809
Waseya House		0	0	0	0	0	0	0	(5)	5	0
FAMILY VIOLENCE	-	259,543	0	0	259,543	185,102	0	74,441	0	50,501	124,942
CRISIS SHELTER O / M - WASEYA	126	197,220	0	15,500	212,720	179,281	0	33,439	92,482	134,416	260,337
SUB-TOTAL		456,763	0	15,500	472,263	364,383	0	107,880	92,477	184,922	385,279
HSS - FLEXIBLE FUNDING - INAC											
INCOME ASSISTANCE REFORM-Mnmt	128	46,000	0	0	46,000	50,940	0	(4,940)	0	0	(4,940)
INCOME ASSISTANCE REFORM - Client Supports	129	72,989	0	0	72,989	72,989	0	0	0	0	0
INCOME ASSISTANCE REFORM - Infrastructure	129	1,437	0	0	1,437	1,437	0	0	0	0	0
SUB-TOTAL		120,426	0	0	120,426	125,366	0	(4,940)	0	0	(4,940)
HSS - SET FUNDING - INAC											
EMERGENCY PLANNING	130	15,000	0	0	15,000	15,152	0	(152)	0	0	(152)
SUB-TOTAL		15,000	0	0	15,000	15,152	0	(152)	0	0	(152)
HSS - WASEYA HOUSE SURPLUS											
CONTRACT WORKER	-	0	0	0	0	0	0	0	(10,602)	10,602	0
TRAINING	-	0	0	0	0	0	0	0	(13,438)	13,438	0
FAMILY HEALING	-	0	0	0	0	0	0	0	(11,269)	11,269	0
EVALUATION	-	0	0	0	0	0	0	0	(9,130)	9,130	0
PROGRAM COSTS	-	0	0	0	0	0	0	0	(16,701)	16,701	0
FAMILY SAFETY MONTH	-	0	0	0	0	0	0	0	(4,894)	4,894	0
WASEYA HOUSE SURPLUS	-	0	0	0	0	0	0	0	(59,260)	59,260	0
SUB-TOTAL		0	0	0	0	0	0	0	(125,294)	125,294	0
HSS-BLOCK-H.C.- Healthy Child Dev.											
HEADSTART PROGRAM (ODEKAN)	131	0	0	106,074	106,074	73,143	0	32,931	0	0	32,931
ODEKAN REPAIRS	132	0	0	21,000	21,000	18,728	0	2,272	0	0	2,272
MATERNAL CHILD & HEALTH	132	0	0	46,865	46,865	18,518	0	28,347	0	47,299	75,646
F.A.S.D.	133	0	0	22,392	22,392	8,688	0	13,704	0	29,122	42,826
PRENATAL NUTRITION	133	0	0	44,228	44,228	13,989	0	30,239	0	57,580	87,819
SUB-TOTAL		0	0	240,559	240,559	133,066	0	107,493	0	134,001	241,494
Mental Wellness											
NICHOLAS STEVENS CENTER	134	0	0	50,093	50,093	56,553	0	(6,460)	0	15,956	9,496
YOUTH SPONSORSHIP	134	0	0	0	0	0	0	0	(1,035)	1,035	0
MENTAL WELLNESS	135	0	0	20,000	20,000	12,169	0	7,831	0	1,125	8,956
VISITING THERAPIST	135	0	0	20,000	20,000	29,640	0	(9,640)	0	7,926	(1,714)

THE KITIGAN ZIBI ANISHINABEG

ADMINISTRATION FUND

STATEMENT OF REVENUES, EXPENDITURES, FUND BALANCE AND SEGMENT DISCLOSURE

YEAR ENDED MARCH 31, 2017

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THE KITIGAN ZIBI ANISHINABEG
 ADMINISTRATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, FUND BALANCE AND SEGMENT DISCLOSURE
 YEAR ENDED MARCH 31, 2017

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	PAGE NO	REVENUE			EXPEND	FUND BALANCE					
		DIAND	BAND REVENUE	OTHER		TOTAL ACTUAL	TOTAL ACTUAL	FIXED ASSETS ACQUIS.	CURRENT	ADJUST & TRANS	PRIOR YEAR
MEDICAL TRANSPORTATION	152	0	0	952,216	952,216	945,287	116,908	(109,979)	0	(27,311)	(137,290)
DENTAL HEALTH	153	0	0	15,500	15,500	11,821	0	3,679	(6,820)	3,141	0
HOME AND COMMUNITY CARE	154	0	0	385,391	385,391	385,391	0	0	0	0	0
CONTROL MANAGEMENT (CDCM)	155	0	0	11,579	11,579	7,660	0	3,919	(3,919)	0	0
HEALTH CAREERS	155	0	0	8,652	8,652	8,004	0	648	(906)	0	(258)
JORDAN'S PRINCIPLE	156	0	0	24,477	24,477	734	0	23,743	0	0	23,743
FAMILY VIOLENCE	156	0	0	10,000	10,000	0	0	10,000	0	0	10,000
COMPUTER TECH.-UPGRADE	157	0	0	38,456	38,456	38,456	0	0	0	0	0
HEALTH CENTER ROOFING PROJECT	157	0	0	0	0	2,443	0	(2,443)	3,454	(1,011)	(0)
SUB-TOTAL		0	0	1,446,271	1,446,271	1,399,796	116,908	(70,433)	(8,191)	(25,181)	(103,805)
HSS- SUNDRY											
HSS - SUNDRY	158	0	0	72,223	72,223	32,434	0	39,789	(46,939)	196,162	189,012
SUB-TOTAL		0	0	72,223	72,223	32,434	0	39,789	(46,939)	196,162	189,012
ACCUMULATED SURPLUS											
SOCIAL SERVICES ACCUMULATED SURPLUS	-	0	0	0	0	14,432	0	(14,432)	0	63,676	49,244
HEALTH TRANSFER ACCUMULATED SURPLUS	-	0	0	0	0	0	0	0	0	3,155	3,155
SUB-TOTAL		0	0	0	0	14,432	0	(14,432)	0	66,831	52,399
GRAND TOTALS		17,535,755	248,347	14,593,955	32,378,057	27,123,100	3,587,138	1,667,819	0	9,095,683	10,763,502

THE KITIGAN ZIBI ANISHINABEG

FIXED ASSETS FUND

BALANCE SHEET

AS AT MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Assets		
Fixed assets (note 7)	\$ 28 303 460	\$ 27 137 561
Liabilities and members' equity		
Liabilities		
Long term debt (note 11)	670 494	735 155
Fund balance		
Investment in capital assets	27 632 966	26 402 406
	\$ 28 303 460	\$ 27 137 561

THE KITIGAN ZIBI ANISHINABEG

FIXED ASSETS FUND

CHANGES IN MEMBERS' EQUITY

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 26 402 406	\$ 26 607 880
Add :		
Investment in fixed assets	3 587 138	2 101 370
(Loss) Gain on disposal of fixed assets	(3 250)	6 649
Long term debt repayments	64 661	62 549
	<hr/> 3 648 549	<hr/> 2 170 568
Deduct :		
Proceeds from disposal of fixed assets	8 000	6 649
Depreciation of fixed assets	2 409 989	2 369 393
	<hr/> 2 417 989	<hr/> 2 376 042
Balance at end of year	<hr/> \$ 27 632 966	<hr/> \$ 26 402 406

THE KITIGAN ZIBI ANISHINABEG

FIXED ASSETS FUND

SOURCES AND EXPENDITURES

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Sources		
Administration fund contributions	\$ 3 587 138	\$ 2 101 370
Expenditures		
Land	18 000	-
Garage	79 570	91 694
34 Lot Infrastructure	2 755 837	81 242
Parking lots and roads	384 371	-
Water and sewer system	105 324	1 195 831
Equipment	16 431	91 811
Office equipment	63 514	9 196
Automotive equipment	150 767	604 164
Computer hardware	13 324	27 432
	3 587 138	2 101 370
Capital financing on hand at end of year	\$ -	\$ -

THE KITIGAN ZIBI ANISHINABEG

FUNDS HELD IN TRUST (INAC) - BALANCE SHEET

FUNDS ON DEPOSIT WITH DEPARTMENT OF INDIAN AFFAIRS
AND NORTHERN DEVELOPMENT

AS AT MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Cash in trust		
General capital funds	\$ 804 611	\$ 790 116
General revenue funds	467 650	654 552
Land claims settlements - capital funds	1 835 069	1 835 069
Land claims settlements - revenue funds	4 506 336	4 390 915
	<hr/> \$ 7 613 666	<hr/> \$ 7 670 652
Members' equity		
Equity in trust funds	\$ 7 613 666	\$ 7 670 652

THE KITIGAN ZIBI ANISHINABEG

STATEMENT OF RECEIPT AND DISPOSAL OF CAPITAL MONEY

GENERAL CAPITAL FUND

YEAR ENDED MARCH 31, 2017

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BCR DATE/NO	DATE FUNDS RELEASED	AMOUNT RECEIVED/ CARRIED FORWARD FROM 2015/16	AMOUNT RECEIVED	AMOUNT SPENT	YEAR-END BALANCE 2016/17	PUPOSE OF EXPENDITURE
		\$ 744 246 45 870	\$ - 14 495	\$ - -	\$ 744 246 60 365	carried forward timber dues
TOTAL :		790 116	14 495	-	804 611	

THE KITIGAN ZIBI ANISHINABEG

STATEMENT OF RECEIPT AND DISPOSAL OF REVENUE MONEY

GENERAL REVENUE FUND

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
<u>Carried forward from prior year</u>	\$ 654 552	\$ 868 382
Add :		
Interests	25 814	35 403
Rentals	34 031	46 385
Permit	500	600
Liquor permits	1 100	900
	61 445	83 288
Deduct : Expenditures by resolution		
B.C.R. - Community services	248 347	297 118
Balance at end of year	\$ 467 650	\$ 654 552

THE KITIGAN ZIBI ANISHINABEG

STATEMENT OF RECEIPT AND DISPOSAL OF CAPITAL MONEY

LAND CLAIMS SETTLEMENTS - CAPITAL FUND

YEAR ENDED MARCH 31, 2017

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BCR DATE/NO	DATE FUNDS RELEASED	AMOUNT RECEIVED/ CARRIED FORWARD FROM 2015/16	AMOUNT RECEIVED	AMOUNT SPENT	YEAR-END BALANCE 2016/17	PUPOSE OF EXPENDITURE
		\$ 1 835 069	\$ -	\$ -	\$ 1 835 069	carried forward
TOTAL :		1 835 069	-	-	1 835 069	

THE KITIGAN ZIBI ANISHINABEG

STATEMENT OF RECEIPT AND DISPOSAL OF REVENUE MONEY

LAND CLAIMS SETTLEMENTS - REVENUE FUND

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Carried forward from prior year	\$ 4 390 915	\$ 4 261 579
Add :		
Interest	115 421	129 336
Balance at end of year	\$ 4 506 336	\$ 4 390 915

THE KITIGAN ZIBI ANISHINABEG

ENTERPRISE FUND

BALANCE SHEET

AS AT MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Assets		
Investments		
"3183092 Canada Inc." (note 8)	\$ 29 204	\$ 26 250
"4106679 Canada Ltd." (note 8)	327 924	400 669
	<hr/>	<hr/>
	\$ 357 128	\$ 426 919
Members' equity		
Balance at beginning of year as previously reported	\$ 426 919	\$ 427 727
Add (Deduct) : Share of net earnings (loss) for the year of "3183092 Canada Inc."	2 954	(903)
Share of net (loss) earnings for the year of "4106679 Canada Inc."	(72 745)	95
	<hr/>	<hr/>
Balance at end of year	<hr/>	<hr/>
	\$ 357 128	\$ 426 919

THE KITIGAN ZIBI ANISHINABEG

OTHER REVENUES

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
GMR contracting	-	149 949
Dwayne Dumont trucking	388 386	19 744
N.C.C.	5 000	8 500
Western Quebec	40 749	62 983
Rezcycle sales	5 848	12 647
Sand/crushed stone sales	665 698	189 805
Administration rentals, fees and internal charges	1 083 135	692 089
Individual contributions	500 620	687 650
Donations	181 903	49 009
Sopfeu	214 489	64 539
Band funds	248 347	297 117
Resolute	564 568	574 209
Rent	284 957	335 331
C.M.H.C.	123 990	9 200
RexForet	1 230 638	1 100 603
Fisheries and Oceans	2 000	-
Barriere Lake Band	331 388	279 120
Sales of maple syrup	141 103	95 039
Insurance claim	13 624	-
C.M.H.C. subsidy	67 146	68 949
Economic development loans	138 569	74 749
MRC project	2 548	264 354
Provincial gas tax rebate	-	7 061
Bingo	218 384	201 510
REAMP postage collection	1 765	837
First Nation Quebec Labrador	-	85
Université de Montréal	-	449
N.A.C.E.C.	40 206	40 207
Québec en forme	20 772	45 772
Gain on sale of fixed assets	8 000	6 649
Fundraising	68 467	75 414
Motivate Canada	-	500
Instructional service	3 849	-
Lunch Money	67 790	65 886
Gym fees	9 865	11 966
Ministère de la justice - traffic tickets	4 580	11 705
Daycare parent contribution	94 007	61 663
Summer employment	25 890	11 888
Canadian Tire	5 012	8 507

THE KITIGAN ZIBI ANISHINABEG

OTHER REVENUES

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
FNQLHSSC	84 565	132 842
City of Ottawa	-	59 050
Our story book initiative	349	872
Education council - other revenue	432	(4 000)
Band support funding - other revenue	-	53
GST & PST reimbursement	33 382	24 364
Environment Canada	39 372	74 573
Ville de Maniwaki	3 792	41 878
Air exchanger sale	-	7 536
Sales of stovewood	5 025	10 335
Sale of lot	150	300
Sale of non - KZA status card	645	615
Canadian heritage	12 000	18 620
Other revenues	130 164	120 127
	7 113 169	6 072 850
Less : Transferred to replacement reserve fund	16 200	16 200
	\$ 7 096 969	\$ 6 056 650

THE KITIGAN ZIBI ANISHINABEG

FUNDING RECONCILIATION

YEAR ENDED MARCH 31, 2017

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	<u>2017</u>	<u>2016</u>
	\$	\$
INAC Revenue per Financial Statements	17 535 755	14 525 435
Less:		
Adjustment of prior years		
Income assistance	-	26 954
Adjustment of prior year - refundable contributions		
Band employee benefits	-	26 422
	-	53 376
Add:		
Refundable contributions		
Band employee benefits	47 059	-
Specific land claims	19 780	-
Feasibility study	-	7 230
Water & Sewer project - Paganakomin	16 508	-
Water & Sewer project - 34 Lot	1 123	-
Contribution received - flexible contributions		
Income assistance reform - Client	82 011	-
Income assistance reform - Infrastructure	2 563	-
Community assets administrator	34 114	-
Water & Sewer project - Paganakomin	35 132	-
Water & Sewer project - 34 Lot	1 952 068	-
	2 190 358	7 230
INAC Revenue per funding confirmation	19 726 113	14 479 289

THE KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note 1 - Basis of presentation and significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards which include the following significant accounting policies :

a) Fund accounting

The Kitigan Zibi Anishinabeg uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. It maintains the following funds :

- The Administration Fund which reports on the general activities of the First Nation administration.
- The Fixed Assets Fund which reports on the fixed assets of the First Nation, together with their related financing.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Enterprise Fund which reports on the First Nation's investments in related entities.

b) Reporting Entity and Principles of Financial Reporting

The Kitigan Zibi Anishinabeg entity includes the Kitigan Zibi Anishinabeg and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation :

- 1- First Nation Government Administration
- 2- First Nation Fixed Assets Fund
- 3- First Nation Trust Fund
- 4- First Nation Enterprise Fund

All inter-entity balances have been eliminated on consolidation, however in order to present the results of operations for each specific fund, transactions between funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by the Kitigan Zibi Anishinabeg Council and which are not dependent on them for their continuing operations, are included in the consolidated financial statements using the modified equity method.

THE KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note 1 - Basis of presentation and significant accounting policies

c) Fixed Assets

Fixed assets are valued at acquisition cost and recorded in the fixed assets fund.

d) Basis of presentation

Revenues and expenditures 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.

e) Measurement uncertainty

In preparing the consolidated financial statements, management is required 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 revenues and expenses during the current period. The most subjective estimates relate to the life duration of fixed assets and reserve for doubtful accounts. Management believes that these estimates are appropriate. However, actual information could differ from that determined based on these estimates and assumptions. These estimates are reviewed periodically and adjustments are made to income in the year they become known.

f) Depreciation

Fixed assets recorded are depreciated annually with a corresponding reduction in Equity in Fixed Assets. Assets are depreciated over their expected useful life using the straight-line method at the following periods :

Funeral home	25 years
Hardware store (rented)	25 years
K.Z. Store (rented)	25 years
Garage	25 years
Daycare	25 years
Band office extension	25 years
Community hall	25 years
Tribal office	25 years
Band houses	25 years
School extension	25 years

THE KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note 1 - Basis of presentation and significant accounting policies

Youth center extension	25 years
Warehouse extension	25 years
Health center extension	25 years
Waseya house	25 years
Sugarbush road	20 years
Sugarbush building	25 years
Sugarbush equipment	5 years
Sugarbush hydro line	15 years
Parking lots and roads	20 years
Cultural education center	25 years
Paginawatig school ramp	25 years
Mokasige warehouse	25 years
Forestry building	25 years
Skating rink	25 years
Signs	10 years
Nicolas Steven Center	10 years
Sewer system	20 years
Water and sewer system	20 years
Gravel pit	10 years
Health center generator	10 years
Fibre optic project	10 years
Police station construction	25 years
Immersion school	25 years
Group home construction	25 years
Congway construction	25 years
Walking path	20 years
Youth center playground	25 years
Education playground	25 years
Equipment	10 years
Office equipment	10 years
Automotive equipment	4 and 10 years
Computer hardware	3 years

In the year of acquisition, 50% of the normal depreciation is recorded.
 Fixed assets that are still in construction and not ready for use are not amortized.

THE KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note 1 - Basis of presentation and significant accounting policies

g) Pension plan

The Kitigan Zibi Anishinabeg contributes in a multiemployer pension plan and a money purchase plan. The multiemployer pension plan is a defined benefit plan and the money purchase plan is a defined contribution plan. However, the multiemployer plan is accounted for as a defined contribution plan since sufficient information is not available for the plan as the plan's benefits are capitalized in a pension fund for all its participants. The expense for the fiscal year is \$773 037 (\$771 138 in 2016).

h) Cash and cash equivalents

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

i) Temporary investments

Temporary investments are valued at the lower of cost and market value.

j) Loans receivable

Loans are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis.

THE KITIGAN ZIBI ANISHINABEG
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2017

Note 1 - Basis of presentation and significant accounting policies

k) Revenue recognition

Government transfers

Government transfers are recognized as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, revenue is recognized as the liability is settled. Transfer of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

Externally restricted revenues are recognized in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, externally restricted inflows are recorded as deferred revenues.

Funds held in Trust

Revenue related to the receipt of funds held in Trust Fund is recognized when received.

Investment income

Interest is recognized on the accrual basis as it is earned. Dividends are recognized when declared.

Rental income

Rental income is recognized on a straight line basis over the term of the lease

Other income

Revenue is recognized when a price is agreed and all significant contractual obligations have been satisfied, and collectibility is reasonably assured.

Note 2 - Temporary investments

Term deposits consist of various Canadian dollar term deposits which bear interest at 0.85% annually and have maturing dates varying from April to October 2017. The market value of the term deposits at March 31, 2017 approximates their carrying amount.

Note 3 - Agreements and accounts receivable

	<u>2017</u>	<u>2016</u>
Balance receivable at March 31 st	\$ 1 098 781	\$ 1 431 059
Reserve for doubtful accounts	(543 137)	(457 863)
	\$ 555 644	\$ 973 196

THE KITIGAN ZIBI ANISHINABEG
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2017

Note 4 - Due from government and other government organizations

	<u>2017</u>	<u>2016</u>
Indigenous and Northern Affairs Canada	\$ 3 867 222	\$ 476 329
Health Canada	92 533	259 132
Canada Mortgage and Housing Corporation	91 083	5 816
Provincial government	56 764	14 084
Other government organizations	<u>504 297</u>	<u>782 456</u>
	<u>\$ 4 611 899</u>	<u>\$ 1 537 817</u>

Note 5 - Economic development loans

	<u>2017</u>	<u>2016</u>
Loans receivable at March 31 st	\$ 150 515	\$ 112 028
Reserve for doubtful accounts	(14 969)	(44 706)
	135 546	67 322
Less : Current portion receivable	72 944	39 927
	<u>\$ 62 602</u>	<u>\$ 27 395</u>

The loans, secured by mortgages on land or equipment and maturing from 2018 to 2021, bear interest at rates varying between 1% and 11%.

Note 6 - Revolving loans

	<u>2017</u>	<u>2016</u>
Loans receivable at March 31 st	\$ 2 318 037	\$ 2 333 112
Reserve for doubtful accounts	(328 886)	(368 253)
	1 989 151	1 964 859
Less: Current portion receivable	342 910	333 274
	<u>\$ 1 646 241</u>	<u>\$ 1 631 585</u>

The loans, secured by mortgages on land and/or building and maturing from 2018 to 2028, bear interest at rates varying between 4.70% and 8.30%.

THE KITIGAN ZIBI ANISHINABEG
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2017

Note 7 - Fixed assets

	<u>Cost</u>		<u>Accumulated amortization</u>	
			<u>2017</u>	<u>2016</u>
Land	\$ 516 587	\$ -	\$ 516 587	\$ 498 587
34 Lot Project - In construction	2 837 079	-	2 837 079	81 242
Old burial-ground park	231 909	-	231 909	231 909
Land improvement	143 925	-	143 925	143 925
Funeral home	265 937	229 106	36 831	47 469
Hardware store (rented)	800 214	679 106	121 108	153 116
K.Z. Store (rented)	350 882	278 545	72 337	76 841
Garage	545 971	244 889	301 082	239 926
Daycare	1 244 835	968 944	275 891	325 685
Band office extension	394 551	344 191	50 360	57 495
Community hall	362 071	146 804	215 267	232 411
Tribal office	450 000	315 000	135 000	153 000
Band houses	3 162 225	1 385 665	1 776 560	1 903 049
School extension	6 495 022	4 364 666	2 130 356	2 263 700
Nicolas Steven Center	38 539	25 050	13 489	17 342
Youth center extension	364 127	276 413	87 714	98 033
Warehouse extension	40 856	25 331	15 525	17 160
Health center extension	1 293 666	841 463	452 203	496 852
Waseya house	382 973	229 867	153 106	162 478
Sugarbush road	80 913	70 799	10 114	14 159
Sugarbush building	359 150	244 823	114 327	128 693
Sugarbush equipment	115 025	105 042	9 983	16 639
Sugarbush hydro line	92 826	92 826	-	-
Parking lots and roads	3 049 407	1 842 305	1 207 102	945 493
Cultural education center	1 570 570	776 417	794 153	856 975
Paginawatig school ramp	113 400	61 236	52 164	56 700
Mokasige warehouse	16 852	9 100	7 752	8 426
Forestry building	91 821	49 584	42 237	45 909
Signs	56 708	56 708	-	-
Sewer system	164 601	160 486	4 115	12 345
Water and sewer system	25 161 752	10 491 819	14 669 933	15 793 016
Gravel pit	30 000	30 000	-	-
Health center generator	125 747	122 597	3 150	3 850
Fibre optic project	15 000	12 750	2 250	3 750
Police station construction	162 060	162 060	-	-
Immersion school	225 651	225 651	-	4 513
Group home construction	515 151	490 941	24 210	37 972
Congway construction	495 206	446 054	49 152	68 960
Youth center playground	97 125	79 643	17 482	21 367

THE KITIGAN ZIBI ANISHINABEG
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2017

Note 7 - Fixed assets

	<u>Cost</u>	<u>Accumulated amortization</u>	Book Value	
			<u>2017</u>	<u>2016</u>
Education playground	\$ 10 250	\$ 1 845	\$ 8 405	\$ 8 815
Walking path	33 852	4 331	29 521	31 213
Equipment	1 212 608	868 647	343 961	861 882
Skating rink	200 681	36 123	164 558	172 586
Office equipment	484 406	306 851	177 555	152 814
Automotive equipment	3 542 983	2 609 233	933 750	605 166
Computer hardware	252 773	181 516	71 257	86 098
	\$ 58 197 887	\$ 29 894 427	\$ 28 303 460	\$ 27 137 561

Note 8 - Investments

		<u>2017</u>	<u>2016</u>
Investment - "3183092 Canada Inc." - Pasahigan Home Centre			
Shares			
100 Class "A" shares		\$ 60 100	\$ 60 100
456 900 Class "D" shares		456 900	456 900
Long term advances		16 742	16 742
		533 742	533 742
Add : Accumulated equity in profits (loss)		(343 592)	(346 546)
Less : Dividends received		(160 946)	(160 946)
		29 204	26 250
Investment - "4106679 Canada Ltd." - Holding of Mitigog Forestry Enterprises Inc.			
Shares			
1 Common share - 100 %		1	1
Add : Accumulated equity in profits		877 923	950 668
Less : Dividends received		(550 000)	(550 000)
		327 924	400 669
		\$ 357 128	\$ 426 919

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note 8 - Investments

Financial information of the company for the year ended December 31st are as follows :

3183092 Canada Inc. - "Pasahigan Home Centre"

	<u>2017</u>	<u>2016</u>
Assets	\$ 176 623	\$ 173 750
Liabilities	\$ 3 002	\$ 3 083
Revenues	\$ 5 952	\$ 2 485
Net earnings (loss)	\$ 2 954	\$ (903)

4106679 Canada Ltd. - "Holding of Mitigog Forestry Enterprises Inc."

	<u>2017</u>	<u>2016</u>
Assets	\$ 454 498	\$ 406 230
Liabilities	\$ 124 670	\$ 3 657
Revenues	\$ 51 837	\$ 4 191
Net earnings (loss)	\$ (72 745)	\$ 95

Note 9 - Accounts payable and accrued charges

	<u>2017</u>	<u>2016</u>
Accounts payable and accrued charges	\$ 1 236 666	\$ 1 171 259
Salaries and employee benefits	1 331 234	1 244 637
Due to government and other government organizations	210 989	250 385
	<hr/>	<hr/>
	\$ 2 778 889	\$ 2 666 281

THE KITIGAN ZIBI ANISHINABEG
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2017

Note 10 - Deferred Revenue

Deferred revenues represent contributions received during the year but not yet spent. These deferred revenues should be used to cover capital and other expenses of the subsequent year. Changes in deferred contributions are as follows :

	<u>2017</u>	<u>2016</u>
INAC - Community assets administrator		
Balance, beginning of year	\$ -	\$ -
Funding received	34 330	-
Revenue recognized	(216)	-
Balance, end of year	<u>34 114</u>	-
INAC - Paganakomin W&S Extension		
Balance, beginning of year	-	-
Funding received	50 174	-
Revenue recognized	(15 042)	-
Balance, end of year	<u>35 132</u>	-
INAC - 34 lot project		
Balance, beginning of year	-	-
Funding received	4 707 905	-
Revenue recognized	(2 755 837)	-
Balance, end of year	<u>1 952 068</u>	-
INAC - Income assistance reform		
Balance, beginning of year	-	-
Funding received	155 000	-
Revenue recognized	(72 989)	-
Balance, end of year	<u>82 011</u>	-
INAC - Income assistance reform		
Balance, beginning of year	-	-
Funding received	4 000	-
Revenue recognized	(1 437)	-
Balance, end of year	<u>2 563</u>	-
AFNQL - Skills link program		
Balance, beginning of year	-	-
Funding received	113 270	-
Revenue recognized	(94 469)	-
Balance, end of year	<u>\$ 18 801</u>	\$ -

THE KITIGAN ZIBI ANISHINABEG
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2017

Note 10 - Deferred Revenue

	<u>2017</u>	<u>2016</u>
Ministère de la Famille - Wazoson Daycare		
Balance, beginning of year	\$ -	\$ -
Funding received for 2017-2018	23 331	-
Revenue recognized	-	-
Balance, end of year	<u>23 331</u>	<u>-</u>
Other revenues		
Balance, beginning of year	-	-
Funding received	23 082	-
Revenue recognized	-	-
Balance, end of year	<u>23 082</u>	<u>-</u>
Total deferred revenue at year end	<u>\$ 2 171 102</u>	<u>\$ -</u>

THE KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note 11 - Long term debt

	<u>2017</u>	<u>2016</u>
Canada Mortgage & Housing Corporation - loan, repayable by monthly instalments of \$792, including interest calculated at the rate of 1,82% amortized on a period of 4 years and 8 months, maturing May 1 st , 2019	\$ 20 180	\$ 29 231
Canada Mortgage & Housing Corporation - loan, repayable by monthly instalments of \$1 111, including interest calculated at the rate of 1,05% amortized on a period of 4 years and 10 months, maturing February 1 st , 2020	38 278	51 136
Canada Mortgage & Housing Corporation - loan, repayable by monthly instalments of \$3 117, including interest calculated at the rate of 1,12% amortized on a period of 15 years, renewable February 1 st , 2020 and maturing February 1 st , 2030	449 596	481 787
Canada Mortgage & Housing Corporation - loan, repayable by monthly instalments of \$1 044, including interest calculated at the rate of 1,11% amortized on a period of 14 years and 11 months, renewable April 1 st , 2021 and maturing March 1 st , 2031	162 440	173 001
	670 494	735 155
Department of Indigenous and Northern Affairs Canada - specific claim loan, repayable by one payment of \$193 063 on the earlier of March 31, 2022 and another payment of \$52 845 on the earlier of March 31, 2023 or on the date on which the claim is settled.	245 908	245 908
	\$ 916 402	\$ 981 063

THE KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note 11 - Long term debt

Long term debt repayments to be made during the next years are the following :

2018	\$ 65 520
2019	66 312
2020	58 031
2021	44 789
2022	238 355
2023 to 2031	443 395
	<hr/>
	\$ 916 402

Note 12 - Cash in trust

The Trust Accounts arise from monies received 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 primarily governed by Section 63 to 69 of the Indian Act.

Note 13 - Major funding source

The Kitigan Zibi Anishinabeg receives a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

Note 14 - Financial instruments

The company is exposed to various risks through its financial instruments. The following analysis provides a measure of the Company's risk exposure and concentrations as at March 31, 2017.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity's main credit risks relate to its accounts receivable as it provides credit to its customers in the normal course of its operations. The entity is also exposed to this risk with regard to its loans to community members made in the normal course of their activities. The Kitigan Zibi Anishinabeg reviews its loans policies and establishes reserves for doubtful accounts.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the entity to a fair value risk.

**THE KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017**

Note 14 - Financial instruments

Fair value

The fair value of short term assets and liabilities approximate their book value due to their short term maturity.

The fair value of economic development loans and revolving loans receivable corresponds to their book value since they bear interest at rates near the market rate.

The fair value of the long term debt approximates its book value since specific credit terms are attached.

Note 15 - Contingencies

An injunction was deposited against the Kitigan Zibi Anishinabeg Police Service for a request in damage and interest totalling \$74 200.

On the date of these financial statements, no judgment has been rendered by the court. It is currently impossible to evaluate the outcome of the above litigation and the amount, if any, that Kitigan Zibi Anishinabeg could be required to pay. Consequently, no provision has been made in the financial statements.

The Kitigan Zibi Anishinabeg insurance company has been notified for this contingency.

Note 16 - Comparative figures

Comparative figures have been reclassified to conform to the presentation adopted for the current year.

THE KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

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Note 17 - Expenses by object

The following is a summary of expenses by object.

	<u>2017</u>	<u>2016</u>
Salaries and wages	\$ 10 042 097	\$ 9 771 521
Employee benefits	1 190 211	1 141 426
Staff development	1 541 871	1 500 300
Supplies and services	249 044	194 557
Bank charges, contingency funds and bad debts	343 853	34 557
Professional services	3 505 844	2 351 625
Rental expenditures	115 005	198 713
Fees and contract services	592 030	391 176
Administration fees	317 721	308 811
Other	9 504 195	9 337 075
Amortization	2 409 989	2 369 393
	<hr/>	<hr/>
	\$ 29 811 860	\$ 27 599 154