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KITIGAN ZIBI ANISHINABEG
INDEPENDANT AUDITOR'S REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2018

KITIGAN ZIBI ANISHINABEG

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MANAGEMENT'S REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of **KITIGAN ZIBI ANISHINABEG** are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, **LANGEVIN GRONDIN, CPA INC.**, conduct an independent audit, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of **KITIGAN ZIBI ANISHINABEG** and meet when required.

On behalf of **KITIGAN ZIBI ANISHINABEG** :



Jean-Guy Whiteduck, Chief
Acting Community Services Director
December 3, 2018

ASSOCIÉS :
Marie-Claude Grondin, CPA, CA
François Langevin, CPA, CA

INDEPENDANT AUDITOR'S REPORT

To the Chief and Councillors of
KITIGAN ZIBI ANISHINABEG

We have audited the accompanying consolidated financial statements of **KITIGAN ZIBI ANISHINABEG**, which comprise the consolidated statement of financial position as at **MARCH 31, 2018**, and the consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows 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 consolidated 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **KITIGAN ZIBI ANISHINABEG** as at **MARCH 31, 2018**, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Langevin Grondin, CPA Inc.¹

Maniwaki, December 3, 2018.

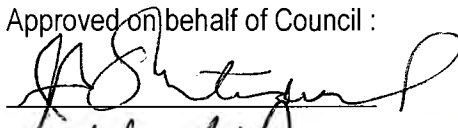
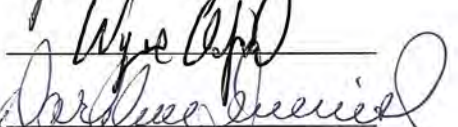
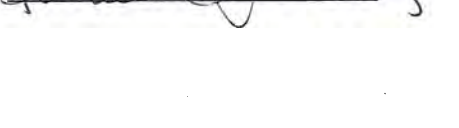
¹ By Marie-Claude Grondin, CPA auditor, CA

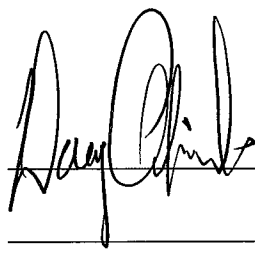


**KITIGAN ZIBI ANISHINABEG
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018**

	<u>2018</u>	<u>2017</u> (revised)
Financial assets		
Cash and cash equivalents (note 3)	\$ 2 726 976	\$ 614 739
Temporary investments (note 4)	11 927 236	11 859 629
Accounts receivable (note 5)	1 581 904	555 644
Trust funds held by federal government (note 6)	7 548 091	7 613 666
Due from government and other government organizations (note 7)	3 314 577	4 611 899
Economic development loans receivable (note 8)	183 090	135 546
Revolving loans receivable (note 9)	2 198 855	1 989 151
Investments in government business enterprises (note 10)	301 310	313 842
Total financial assets	29 782 039	27 694 116
Liabilities		
Accounts payable and accrued liabilities (note 11)	2 078 262	1 427 347
Due to government and other government organizations (note 12)	206 028	72 564
Deferred revenue (note 13)	2 183 453	2 314 977
Long-term debt (note 14)	1 395 110	916 402
Employee benefit obligations (note 15)	1 237 065	1 235 692
Total liabilities	7 099 918	5 966 982
Net financial assets	22 682 121	21 727 134
Non-financial assets		
Tangible capital assets (appendix A)	27 349 373	28 303 460
Inventories held for use	345 400	-
Prepaid expenses	-	1 283
Total non-financial assets	27 694 773	28 304 743
Accumulated surplus (note 16)	50 376 894	50 031 877

Contingencies (note 17)

Approved on behalf of Council :

**KITIGAN ZIBI ANISHINABEG
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>Budget</u>	<u>2018</u>	<u>2017</u> (revised)
Revenues			
Indigenous and Northern Affairs Canada	\$ 13 518 742	\$ 14 592 182	\$ 17 535 755
Health Canada	3 028 392	3 412 659	3 372 958
Canada Mortgage and Housing Corporation	-	239 445	191 136
Assembly of First Nations Québec-Labrador	-	671 992	737 908
Ministère des finances du Québec	-	501 790	496 221
Ministère de la Famille	268 970	242 665	325 076
First Nations Education Council	1 520 588	1 292 042	1 347 298
Solicitor General of Canada	537 572	543 606	537 572
Sales of timber	1 061 703	830 856	496 931
Interest on short term deposits and loans	-	137 444	138 976
Other revenues (appendix B)	1 502 782	6 875 530	6 656 187
Revolving loans fund	-	123 313	226 680
Band fund	753 734	199 308	191 361
Internal revenues eliminated		(888 789)	(689 104)
	<u>22 192 483</u>	<u>28 774 043</u>	<u>31 564 955</u>
Expenses			
Government operations (appendix C)	3 922 098	5 253 104	5 096 551
Economic development (appendix D)	437 951	275 114	306 074
Employment programs (appendix E)	436 244	818 306	694 526
Community services (appendix F)	356 750	217 923	200 287
Education (appendix G)	6 888 234	7 764 735	7 435 482
Health (appendix H)	2 737 305	2 798 544	3 200 224
Public works (appendix I)	954 688	791 300	742 366
Social services (appendix J)	5 081 863	4 754 087	4 746 781
Sundry (appendix K)	60 000	3 125 447	3 443 355
Policing (appendix L)	1 033 793	1 100 519	1 054 226
Amortization of tangible capital assets	-	2 417 495	2 409 989
Revolving loans fund	-	(11 301)	(39 368)
Enterprise fund	-	12 542	69 791
Band fund	283 557	-	-
Total expenses (note 21)	<u>22 192 483</u>	<u>29 317 815</u>	<u>29 360 284</u>
Internal charges eliminated	-	(888 789)	(689 104)
	<u>22 192 483</u>	<u>28 429 026</u>	<u>28 671 180</u>
Surplus	-	\$ 345 017	\$ 2 893 775

**KITIGAN ZIBI ANISHINABEG
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u> (revised)
Balance at beginning of year	\$ 50 175 752	\$ 47 138 102
Prior year adjustment (note 22)	(143 875)	-
As restated	50 031 877	47 138 102
Add :		
Surplus for the year	345 017	2 893 775
Balance at end of year	\$ 50 376 894	\$ 50 031 877

KITIGAN ZIBI ANISHINABEG
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	<u>Budget</u>	<u>2018</u>	<u>2017</u> <u>(revised)</u>
Annual surplus	-	\$ 345 017	\$ 2 893 775
Purchases of tangible capital assets	-	(1 463 408)	(3 587 138)
Amortization of tangible capital assets	-	2 417 495	2 409 989
(Gain) Loss on sale of tangible capital assets	-	(3 455)	3 250
Proceeds of disposal of tangible capital assets	-	3 455	8 000
Sub-total	-	954 087	(1 165 899)
Acquisition of prepaid expenses	-	-	(1 283)
Acquisition of inventories held for use	-	(345 400)	-
Use of prepaid expenses	-	1 283	-
	-	(344 117)	(1 283)
Change in net financial assets	-	954 987	1 726 593
Net financial assets, beginning of year	21 727 134	21 727 134	20 000 541
Net financial assets, end of year	\$ 21 727 134	\$ 22 682 121	\$ 21 727 134

**KITIGAN ZIBI ANISHINABEG
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u> (revised)
Operating activities		
Annual surplus	\$ 345 017	\$ 2 893 775
Items not affecting cash :		
Amortization of tangible capital assets	2 417 495	2 409 989
(Gain) Loss on disposal of tangible capital assets	(3 455)	3 250
Net loss from government business enterprises	12 532	69 791
Net changes in non-cash working capital items	581 173	(230 228)
	3 352 762	5 146 577
Investing activities		
Investments in temporary investments	(67 607)	(1 581 338)
Proceeds from disposal of tangible capital assets	3 455	8 000
Purchase of tangible capital assets	(1 463 408)	(3 587 138)
Investments in funds held in trust	65 575	56 986
New revolving loans during the year	(882 623)	(509 011)
Principal repayments on revolving loans	672 919	484 719
New CEDO loans during the year	(193 516)	(152 445)
Principal repayments on CEDO loans	145 972	84 221
	(1 719 233)	(5 196 006)
Financing activities		
New long-term debt issued	544 243	-
Repayment of long term debt	(65 535)	(64 661)
	478 708	(64 661)
Increase (Decrease) in cash and cash equivalents	2 112 237	(114 090)
Cash and cash equivalents, beginning of year	614 739	728 829
Cash and cash equivalents, end of year	\$ 2 726 976	\$ 614 739
Net change in non-cash working capital items		
Accounts receivables and due from government	\$ 271 062	\$ (2 656 530)
Inventories	(345 400)	-
Prepaid expenses	1 283	(1 283)
Accounts payable, due to government and employee obligations	785 752	112 608
Deferred revenues	(131 524)	2 314 977
	\$ 581 173	\$ (230 228)

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 1 - Operations

The Kitigan Zibi Anishinabeg ("KZA") is a First Nation government located in the province of Quebec that provides a large variety of services to the members of its community.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting

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

Reporting Entity

The Kitigan Zibi Anishinabeg reporting entity includes the Kitigan Zibi Anishinabeg government and all related entities that are controlled by the First Nation.

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only KZA's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of KZA.

KZA consolidates the assets, liabilities, revenues and expenses of the following entities:

- 1- KZA Administration Sector
- 2- KZA Band Council
- 3- KZA Education Sector and School
- 4- KZA Health and Social Services
- 5- KZA Pakinawatik
- 6- KZA Police Department
- 7- KZA Wasozon Daycare

All inter-entity balances have been eliminated on consolidation, however in order to present the results of operations for each specific department, transactions between departments have not been eliminated.

Organizations accounted for on a modified equity basis include :

- 1- 3183092 Canada Inc. - "Pasahigan Home Center"
- 2- 4106679 Canada Ltd - "Holding of Mitigog Forestry Enterprises Inc."
- 3- Mitigog Forestry Enterprises Inc.

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 2 - Summary of Significant Accounting Policies

Basis of presentation

Revenues 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.

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, prepaid expenses and deferred costs.

Net financial assets

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

Segments

KZA conducts its operations through ten reportable segments. These operating segments are established by senior management to facilitate the achievement of KZA's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

Segment disclosure is provided in the consolidated schedules of revenues and expenses in appendix C to L.

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.

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 2 - Summary of Significant Accounting Policies

Temporary investments

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

Loans receivable

Loans are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is accrued on loans receivable to the extent it is deemed collectable.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital assets and related lease obligations are recorded at an amount equal to the present value of the minimum lease payments. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Long term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt. Repayments of long term financing are recognized as a decrease in long-term debt.

Tangible capital assets are amortized annually using the straight-line basis over their estimated useful lives as follows :

Buildings	25 years
Social housing	25 years
Skating rink	25 years
Playgrounds	25 years
Parking lots and Roads	20 years
Water and Sewer system	20 years
Sugarbush hydro line	15 years
Fiber optic project	10 years
Gravel pit	10 years
Equipment	10 years
Sugarbush equipment	5 years
Automotive equipment	4 and 10 years
Computer hardware	3 years

In the year of acquisition, 50% of the normal depreciation is recorded.

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 2 - Summary of Significant Accounting Policies

Tangible capital assets are written down when conditions indicate that they no longer contribute to KZA's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. KZA performs impairment testing on long lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long lived asset is not recoverable if it exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

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

Certain assets which have historical or cultural value, including work of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Inventories

Inventories are measured at the lower of cost and replacement value. Cost is determined using the average cost method. Those inventories are recognized as an expense when consumed.

Measurement uncertainty

In preparing the consolidated financial statements for KZA, 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 period. The most subjective estimates relate to the useful lives of tangible capital assets and reserve for doubtful accounts related to accounts receivables and loans. Management believes that these estimates are appropriate. However, actual results could differ from these estimates. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the year in which they become known.

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 2 - Summary of Significant Accounting Policies

Revenue recognition

Government Transfers

Government transfer is 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.

Pension plan

The KZA 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 employee contributes between 6.80% and 9.50% of its salary while the employer contributes 1.82 to 2 times the contribution of the employee. The expense for the fiscal year is \$740 694 (\$773 037 in 2017).

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 2 - Summary of Significant Accounting Policies

Trust funds held by Federal Government

Funds held in trust on behalf of KZA by the Government of Canada are reported on the 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 tangible capital assets and revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Note 3 - Cash and cash equivalents

	<u>2018</u>	<u>2017</u>
Unrestricted		
Operating (overdraft)	\$ 2 194 070	\$ (77 169)
Policing	532 906	691 908
	<hr/>	<hr/>
	\$ 2 726 976	\$ 614 739

Externally restricted

Under the terms of an agreement with Canada Mortgage and Housing Corporation, KZA First Nation must set aside funds for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the replacement reserve. The replacement reserve included in temporary investments at year end is \$193 062 (\$175 371 in 2017). Temporary investments are reported separately on the consolidated statement of financial position and are not included in cash and cash equivalent

Externally restricted cash also relates to funds held in Ottawa trust funds which is reported separately on the consolidated statement of financial position and is not included in cash and cash equivalents.

Note 4 - Temporary investments

Term deposits consist of various Canadian dollar term deposits which bear interest at rates ranging from 0.85% to 1.10% annually and have maturing dates ranging from April to October 2018. The market value of the term deposits at March 31, 2018 approximates their carrying amount.

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 5 - Agreements and accounts receivable

	<u>2018</u>	<u>2017</u>
Rent	\$ 20 401	\$ 19 001
Wood sales	168 892	41 382
Other	1 916 997	1 038 398
	2 106 290	1 098 781
Less : allowance for doubtful accounts	(524 386)	(543 137)
	\$ 1 581 904	\$ 555 644

Note 6 - Trust funds held by Federal Government

	<u>March 31</u> <u>2017</u>	<u>Additions</u> <u>2018</u>	<u>Withdrawals</u> <u>2018</u>	<u>March 31</u> <u>2018</u>
General - Revenue Fund	467 650	52 451	264 883	255 218
Land claims settlements - Revenue Fund	4 506 336	134 574	-	4 640 910
General - Capital Fund	804 611	12 283	-	816 894
Land claims settlements - Capital Fund	1 835 069	-	-	1 835 069
	\$ 7 613 666	\$ 199 308	\$ 264 883	\$ 7 548 091

The Trust Funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the *Indian Act*.

KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

Note 7 - Due from government and other government organizations

	<u>2018</u>	<u>2017</u>
Federal government		
Indigenous and Northern Affairs Canada	\$ 2 266 575	\$ 3 867 222
Health Canada	-	92 533
Canada Mortgage and Housing Corporation	444 388	91 083
Provincial government	37 321	56 764
Other government organizations	566 293	504 297
	<u>\$ 3 314 577</u>	<u>\$ 4 611 899</u>

Note 8 - Economic development loans

	<u>2018</u>	<u>2017</u>
Loans receivable at March 31 st	\$ 198 059	\$ 150 515
Allowance for loan impairment	(14 969)	(14 969)
	183 090	135 546
Less : Current portion receivable	81 634	72 944
	<u>\$ 101 456</u>	<u>\$ 62 602</u>

The loans, secured by mortgages on land or equipment and maturing from 2018 to 2022, bear interest at rates varying between 4.2% and 11%.

Note 9 - Revolving loans

	<u>2018</u>	<u>2017</u>
Loans receivable at March 31 st	\$ 2 516 440	\$ 2 318 037
Allowance for loan impairment	(317 585)	(328 886)
	2 198 855	1 989 151
Less: Current portion receivable	403 619	342 910
	<u>\$ 1 795 236</u>	<u>\$ 1 646 241</u>

The loans, secured by mortgages on land and/or building and maturing from 2018 to 2038, bear interest at rates varying between 3% and 8.34%.

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 10 - Investments in Government Business Enterprises

KZA owns 100% of "3183092 Canada Inc. - Pasahigan Home Center" and "4106679 Canad Inc.", holding of "Mitigog Forestry Enterprises Inc."

	<u>2018</u>	<u>2017</u>
Investment - "3183092 Canada Inc. - Pasahigan Home Center"		
Shares		
100 Class "A" shares	\$ 60 100	\$ 60 100
456 900 Class "D" shares	456 900	456 900
Long term advances	(26 544)	(26 544)
	490 456	490 456
Add : Accumulated equity	(351 476)	(343 592)
Less : Dividends received	(160 946)	(160 946)
	(21 966)	(14 082)

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

Shares		
1 Common share - 100 %	1	1
Add : Accumulated equity	873 275	877 923
Less : Dividends received	(550 000)	(550 000)
	323 276	327 924
	\$ 301 310	\$ 313 842

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 10 - Investments in Government Business Enterprises

The following tables present condensed financial information for these commercial enterprises :

	<u>2018</u>	<u>2017</u>
3183092 Canada Inc. - "Pasahigan Home Centre"		
Cash	\$ 30 751	\$ 31 489
Temporary investments	74 725	74 319
Accounts receivable	984	7 965
Tangible capital assets	5 843	6 907
Other assets	56 425	55 943
Total assets	168 728	176 623
Accounts payable	3 001	3 002
Equity	165 727	173 621
Total liabilities and equity	168 728	176 623
Revenues	1 951	5 952
Expenses	9 845	2 998
Net earnings (loss)	(7 894)	2 954
4106679 Canada Ltd. - "Holding of Mitigog Forestry Enterprises Inc."		
Cash	14 022	18 169
Temporary investments	256 079	374 557
Accounts receivable	1 948	2 083
Tangible capital assets	108 256	59 688
Other assets	1	1
Total assets	380 306	454 498
Accounts payable	55 126	124 670
Equity	325 180	329 828
Total liabilities and equity	380 306	454 498
Revenues	50 094	51 837
Expenses	54 742	124 582
Net earnings (loss)	\$ (4 648)	\$ (72 745)

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 10 - Investments in Government Business Enterprises

"3183092 Canada Inc." is a holding company that manages investments.

"4106679 Canada Inc." is a holding company that manages investments and owns 100% of "Mitigog Forestry Enterprises Inc." that harvests timber for sale to local mills.

Note 11 - Accounts payable and accrued liabilities

	<u>2018</u>	<u>2017</u>
Trade payables	\$ 1 965 852	\$ 1 331 805
Accrued salaries and benefits payable	112 410	95 542
	<u>\$ 2 078 262</u>	<u>\$ 1 427 347</u>

Note 12 - Due to government and other government organizations

	<u>2018</u>	<u>2017</u>
Federal government	\$ 68 926	\$ 25 111
Provincial government	126 439	37 375
Other government organizations	10 663	10 078
	<u>\$ 206 028</u>	<u>\$ 72 564</u>

KZA's liabilities to other government organizations include workmen's compensations to the CSST at year end.

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 13 - 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>March 31</u> <u>2017</u> (revised)	<u>Funding</u> <u>received</u>	<u>Revenue</u> <u>recognized</u>	<u>March 31</u> <u>2018</u>
Federal government				
INAC - Community Assets Administrator	\$ 34 114	\$ -	\$ 34 114	\$ -
INAC - Discussion tables	-	135 000	-	135 000
INAC - Band operated school evaluation	-	64 740	55 357	9 383
INAC - Wastewater systems	-	46 695	15 077	31 618
INAC - Water systems	-	36 716	19 786	16 930
INAC - Capacity development	-	68 444	42 408	26 036
INAC - Paganakomin W&S Extension	35 132	16 508	112	51 528
INAC - 34 lot project	1 952 068	1 123	621 070	1 332 121
INAC - Income assistance client	82 011	-	82 011	-
INAC - Income assistance infra.	2 563	-	2 563	-
	<u>2 105 888</u>	<u>369 226</u>	<u>872 498</u>	<u>1 602 616</u>
Provincial government				
AFNQL - Skills link program	18 801	-	18 801	-
Ministère de la Famille - Wazoson Daycare	23 331	-	23 331	-
	<u>42 132</u>	<u>-</u>	<u>42 132</u>	<u>-</u>
Other				
First Nation Education Council	143 875	176 997	46 928	273 944
Unearned fees	23 082	306 893	23 082	306 893
	<u>166 957</u>	<u>483 890</u>	<u>70 010</u>	<u>580 837</u>
Total deferred revenue at year end	\$ 2 314 977	\$ 853 116	\$ 984 640	\$ 2 183 453

KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

Note 14 - Long term debt

	<u>2018</u>	<u>2017</u>
Canada Mortgage & Housing Corporation - loan, payable 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	\$ 10 964	\$ 20 180
Canada Mortgage & Housing Corporation - loan, payable 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	25 286	38 278
Canada Mortgage & Housing Corporation - loan, payable 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	417 056	449 596
Canada Mortgage & Housing Corporation - loan payable by monthly instalments of \$1,332, including interest calculated at the rate of 2,06%, amortized on a period of 20 years, renewable December 1 st , 2022 and maturing September 1 st , 2038	262 000	-
Canada Mortgage & Housing Corporation - loan, payable 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	151 653	162 440
Department of Indigenous and Northern Affairs Canada - specific claim loan, payable 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
Department of Indigenous and Northern Affairs Canada - specific claim loan, payable by one payment of \$282 243 on the earlier of March 31, 2022 or on the date on which the claim is settled.	282 243	-
	<u>\$ 1 395 110</u>	<u>\$ 916 402</u>

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 14 - Long term debt

Long term debt repayments to be made over the next years are as follows :

2019	\$	66 313
2020		68 736
2021		55 719
2022		531 754
2023		110 033
2024 to 2031		562 555
	\$	1 395 110

Note 15 - Employee benefits obligations

	<u>2018</u>	<u>2017</u>
Vacation and overtime	\$ 572 479	\$ 575 405
Post-employment benefits	664 586	660 287
	\$ 1 237 065	\$ 1 235 692

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

The post-employment benefits refers to the pension plan, the money purchase plan and severance pay payable at year-end.

Note 16 - Accumulated surplus

	<u>2018</u>	<u>2017</u> (revised)
Revolving loans fund	\$ 3 943 102	\$ 3 808 489
Appropriated fund balance	5 943 405	6 531 325
Unappropriated fund balance	5 853 284	4 088 303
Investment in capital assets	26 744 416	27 632 966
Equity in trust funds	7 548 091	7 613 666
Enterprise funds	344 596	357 128
	\$ 50 376 894	\$ 50 031 877

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 17 - Contingencies

A motion for a permanent injunction and damages was deposited by an individual against Kitigan Zibi Anishinabeg. The plaintiff is requesting access to his property located on the Gatineau river through a road that he has previously built himself on aboriginal lands without the authorization of the Council. The plaintiff is requesting damages and interests of \$ 199,200.

A \$800,000 lawsuit for damages and interest was instituted against Kitigan Zibi Anishinabeg by community members.

On the date of these financial statements, no judgment has been rendered by the court for these two cases. It is currently impossible to evaluate the outcome of the above litigations 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 18 -Economic dependence

Kitigan Zibi Anishinabeg receives 64% (66% in 2017) of its revenue from Indigenous and Northern Affairs Canada and other agencies of the Government of Canada. The ability of KZA to continue its operations relies on the Government of Canada's funding.

Note 19 - Budgeted Figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the directors.

Note 20 - Comparative figures

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

**KITIGAN ZIBI ANISHINABEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 21 - Expenses by object

	<u>2018</u>	<u>2017</u>
Salaries	\$ 10 016 433	\$ 9 874 560
Merc's and benefits	1 395 356	1 377 142
Administration / office expenses	515 155	489 125
Advertising and community Info	72 759	79 656
Allowances	3 720 131	3 601 862
Contribution to revolving loans fund	-	100 000
Bank charges, fees and contingency fund	(6 825)	323 651
Building, equipment and facilities maintenance	255 921	275 239
Communications	159 846	161 294
Community services	181 106	172 072
Depreciation	250	615
Donations and sponsorship	75 399	79 621
Equipment furniture and expense	338 423	137 448
Insurance	105 413	105 524
Legal fees	595 407	479 970
Materials and supplies	1 966 895	1 661 601
Membership / surbscription fees	42 253	47 629
Permits and licenses	47 156	51 452
Professionnal fees, services and honoraria	3 160 574	3 512 353
Program and other expenses	1 088 090	1 194 398
Rental fees and expenses	267 150	113 676
Training, conferences and meetings	1 363 073	1 541 871
Transportation (commercial)	299 931	284 540
Travel and fuel expenses	706 104	688 538
Utilities	315 009	328 445
Vehicle maintenance and repairs	218 070	237 590
Amortization of fixed assets	2 417 495	2 409 989
Revolving loans funds - Bad debts	(11 301)	(39 368)
Enterprise funds - share of deficit	12 542	69 791
	<u>\$ 29 317 815</u>	<u>\$ 29 360 284</u>

Note 22 - Prior years adjustment

In 2017, KZA failed to record a deferred revenue of \$ 143,875 for a program subsidised by First Nation Education Council (FNEC). The money received but not spent at year end should have been deferred to the 2017-2018 budget. This adjustment was intended to reduce FNEC's contribution for the year 2016-2017 by \$143 875 and increase deferred revenues by the same amount. It also reduced the accumulated surplus balance at the beginning of the year 2017-2018.

KITIGAN ZIBI ANISHINABEG
APPENDIX A - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	<i>Land</i>	<i>34 Lot Project in const.</i>	<i>Buildings</i>	<i>Social Housing</i>	<i>Skating rink</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	\$ 892 421	\$ 2 837 079	\$ 16 535 154	\$ 3 162 225	\$ 200 681	\$ 23 627 560
Acquisition of tangible capital assets	17 456	344 004	12 825	441 583	-	815 868
Disposal of tangible capital assets	-	-	-	-	-	-
Write down of tangible capital assets	-	-	-	-	-	-
Balance, end of year	909 877	3 181 083	16 547 979	3 603 808	200 681	24 443 428
Accumulated amortization						
Balance, beginning of year	-	-	11 424 154	1 385 665	36 123	12 845 942
Annual amortization	-	-	472 852	135 321	8 027	616 200
Accumulated amortization on disposals	-	-	-	-	-	-
Write down of capital assets	-	-	-	-	-	-
Balance, end of year	-	-	11 897 006	1 520 986	44 150	13 462 142
Net book value of tangible capital assets	909 877	3 181 083	4 650 973	2 082 822	156 531	10 981 286
2017 Net book value of tangible capital assets	\$ 892 421	\$ 2 837 079	\$ 5 111 000	\$ 1 776 560	\$ 164 558	\$ 10 781 618

KITIGAN ZIBI ANISHINABEG
APPENDIX A - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	<i>Subtotal</i>	<i>Playgrounds</i>	<i>Parking lots and roads</i>	<i>Water and Sewer system</i>	<i>Sugarbush hydro line</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	\$ 23 627 560	\$ 107 375	\$ 3 164 172	\$ 25 326 354	\$ 92 826	\$52 318 287
Acquisition of tangible capital assets	815 868	-	-	277 177	-	1 093 045
Disposal of tangible capital assets	-	-	-	-	-	-
Write down of tangible capital assets	-	-	-	-	-	-
Balance, end of year	24 443 428	107 375	3 164 172	25 603 531	92 826	53 411 332
Accumulated amortization						
Balance, beginning of year	12 845 942	81 488	1 917 435	10 652 305	92 826	25 589 996
Annual amortization	616 200	4 295	137 572	1 242 085	-	2 000 152
Accumulated amortization on disposals	-	-	-	-	-	-
Write down of capital assets	-	-	-	-	-	-
Balance, end of year	13 462 142	85 783	2 055 007	11 894 390	92 826	27 590 148
Net book value of tangible capital assets	10 981 286	21 592	1 109 165	13 709 141	-	25 821 184
2017 Net book value of tangible capital assets	\$ 10 781 618	\$ 25 887	\$ 1 246 737	\$ 14 674 049	-	\$26 728 291

KITIGAN ZIBI ANISHINABEG
APPENDIX A - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	<i>Subtotal</i>	<i>Fibre optic project</i>	<i>Gravel pit</i>	<i>Equipment</i>	<i>Sugarbush equipment</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	\$ 52 318 287	\$ 15 000	\$ 30 000	\$ 1 925 151	\$ 115 025	\$ 54 403 463
Acquisition of tangible capital assets	1 093 045	-	-	56 593	10 184	1 159 822
Disposal of tangible capital assets	-	-	-	-	-	-
Write down of tangible capital assets	-	-	-	-	-	-
Balance, end of year	53 411 332	15 000	30 000	1 981 744	125 209	55 563 285
Accumulated amortization						
Balance, beginning of year	25 589 996	12 750	30 000	1 367 221	105 042	27 105 009
Annual amortization	2 000 152	1 500	-	115 152	7 674	2 124 478
Accumulated amortization on disposals	-	-	-	-	-	-
Write down of capital assets	-	-	-	-	-	-
Balance, end of year	27 590 148	14 250	30 000	1 482 373	112 716	29 229 487
Net book value of tangible capital assets	25 821 184	750	-	499 371	12 493	26 333 798
2017 Net book value of tangible capital assets	\$ 26 728 291	\$ 2 250	-	\$ 557 930	\$ 9 983	\$ 27 298 454

KITIGAN ZIBI ANISHINABEG
APPENDIX A - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	<i>Subtotal</i>	<i>Automotive equipment</i>	<i>Computer hardware</i>	<i>2018</i>	<i>2017</i>
Cost					
Balance, beginning of year	\$ 54 403 463	\$ 3 542 984	\$ 252 770	\$ 58 199 217	\$ 54 627 079
Acquisition of tangible capital assets	1 159 822	295 048	8 538	1 463 408	3 587 138
Disposal of tangible capital assets	-	(105 257)	-	(105 257)	(15 000)
Write down of tangible capital assets	-	-	-	-	-
Balance, end of year	55 563 285	3 732 775	261 308	59 557 368	58 199 217
Accumulated amortization					
Balance, beginning of year	27 105 009	2 609 233	181 515	29 895 757	27 489 018
Annual amortization	2 124 478	270 167	22 850	2 417 495	2 409 989
Accumulated amortization on disposals	-	(105 257)	-	(105 257)	(3 250)
Write down of capital assets	-	-	-	-	-
Balance, end of year	29 229 487	2 774 143	204 365	32 207 995	29 895 757
Net book value of tangible capital assets	26 333 798	958 632	56 943	27 349 373	28 303 460
2017 Net book value of tangible capital assets	\$ 27 298 454	\$ 933 751	\$ 71 255	\$ 28 303 460	

**KITIGAN ZIBI ANISHINABEG
APPENDIX B - OTHER REVENUES
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Dwayne Dumont trucking	206 688	388 386
N.C.C.	15 650	5 000
Western Quebec	31 201	40 749
Rezcycle sales	-	5 848
Sand/crushed stone sales	147 290	665 698
Administration rentals, fees and internal charges	815 881	876 839
Individual contributions	853 133	437 663
Donations	5 512	181 903
Equipment rental	185 673	215 632
Sopfeu	192 927	214 489
Resolute	1 000 572	564 568
Rent	358 499	274 957
RexForet	1 028 366	1 230 638
Fisheries and Oceans	-	2 000
Restorative justice	35 485	70 000
Barriere Lake Band	191 193	331 388
Sales of maple syrup	149 360	141 103
Insurance claim	70 710	76 581
MRC project	(1 249)	2 548
Bingo	174 148	218 384
REAMP postage collection	60	1 765
N.A.C.E.C.	40 206	40 206
Québec en forme	-	20 772
Gain (loss) on sale of tangible capital assets	3 455	(3 250)
Policing - other revenue	25	-
Fundraising	160 903	68 467
Instructional service	22 587	3 849
Lunch Money	63 753	67 790
Gym fees	8 303	9 865
Ministère de la justice - traffic tickets	7 004	4 580
Daycare parent contribution	104 614	94 007
KZ education sector	1 500	-
C.K.W.E. Radio	66 277	30 644
Sub-total	5 939 701	6 283 069

**KITIGAN ZIBI ANISHINABEG
APPENDIX B - OTHER REVENUES
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Sub-total	5 939 701	6 283 069
Summer employment	24 017	25 890
Canadian Tire	5 012	5 012
FNQLHSSC	175 281	202 265
City of Ottawa	46 000	-
Breakfast club	3 531	-
Our story book initiative	-	349
Education council - other revenue	774	432
GST and PST reimbursement	13 864	33 382
Environment Canada	48 808	39 372
Ville de Maniwaki	-	3 792
Sales of stovewood	-	5 025
Sale of lot	-	150
Sale of non - KZA status card	780	645
Canadian heritage	287 187	12 000
Other revenues	346 750	61 004
	6 891 730	6 672 387
Less : Transferred to replacement reserve fund	16 200	16 200
	<u>\$ 6 875 530</u>	<u>\$ 6 656 187</u>

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX C - GOVERNMENT OPERATIONS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Indigenous and Northern Affairs Canada	\$ 2 998 533	\$ 6 104 114
Canada Mortgage and Housing Corporation	136 579	123 990
Environment Canada	48 808	39 372
Fisheries and Oceans Canada	-	2 000
National Capital Commission	10 650	-
Other Communities and Organizations	1 085 914	1 236 851
Other revenues	1 177 033	1 066 608
	<u>5 457 517</u>	<u>8 572 935</u>
Expenses		
Salaries	2 155 791	2 309 205
Merc's and benefits	581 107	582 331
Administration / office expenses	99 887	88 798
Advertising and community Info	17 726	21 188
Contribution to revolving loans fund	-	100 000
Bank charges, fees and contingency fund	1 259	478
Building, equipment and facilities maintenance	8 819	19 761
Communications	42 773	35 025
Community services	4 971	3 718
Donations and sponsorship	1 488	674
Equipment furniture and expense	15 523	71 756
Insurance	11 177	12 366
Materials and supplies	798 944	680 595
Membership / surbscription fees	2 964	5 146
Permits and licenses	7 006	4 638
Professionnal fees, services and honoraria	1 147 298	909 394
Program and other expenses	91 724	95 786
Rental fees and expenses	74 646	39 345
Training, conferences and meetings	3 471	5 526
Transportation (commercial)	-	1 050
Travel and fuel expenses	149 694	75 615
Utilities	19 562	23 485
Vehicle maintenance and repairs	17 274	10 671
	<u>5 253 104</u>	<u>5 096 551</u>
Surplus (deficit)	\$ 204 413	\$ 3 476 384

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX D - ECONOMIC DEVELOPMENT (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Indigenous and Northern Affairs Canada	\$ 252 244	\$ 247 219
Other revenues	4 526	12 211
	<u>256 770</u>	<u>259 430</u>
Expenses		
Salaries	228 983	260 170
Merc's and benefits	17 715	15 586
Administration / office expenses	1 215	2 172
Advertising and community Info	1 602	1 023
Bad debt expense (recovered)	-	(28 475)
Building, equipment and facilities maintenance	2 775	4 883
Communications	29	41
Community services	-	143
Donations and sponsorship	20	3 000
Equipment furniture and expense	722	3 463
Insurance	108	108
Materials and supplies	1 542	1 686
Membership / surbscription fees	1 115	1 309
Professionnal fees, services and honoraria	5 186	6 816
Program and other expenses	(3 690)	9 680
Rental fees and expenses	9 045	6 383
Training, conferences and meetings	1 273	1 071
Transportation (commercial)	3 600	9 400
Travel and fuel expenses	3 753	7 393
Utilities	121	81
Vehicle maintenance and repairs	-	141
	<u>275 114</u>	<u>306 074</u>
Surplus (deficit)	\$ (18 344)	\$ (46 644)

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX E - EMPLOYMENT PROGRAMS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Canada Mortgage Housing Corporation	\$ 46 658	\$ -
Assembly of First Nations Québec-Labrador	671 992	737 908
Other Communities and Organizations	36 467	25 890
Other revenues	7 625	7 195
	<u>762 742</u>	<u>770 993</u>
Expenses		
Salaries	327 807	298 481
Merc's and benefits	24 145	23 351
Administration / office expenses	23 633	39 948
Advertising and community Info	10 005	4 212
Allowances	236 865	210 863
Communications	22	22
Equipment furniture and expense	127	801
Materials and supplies	73 106	7 686
Permits and licenses	-	1 048
Professional fees, services and honoraria	26 760	31 931
Program and other expenses	547	574
Rental fees and expenses	1 920	-
Training, conferences and meetings	91 255	73 997
Travel and fuel expenses	2 114	1 612
	<u>818 306</u>	<u>694 526</u>
Surplus (deficit)	\$ (55 564)	\$ 76 467

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX F - COMMUNITY SERVICES (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Other Communities and Organizations	\$ 5 012	\$ 5 012
Other revenues	8 875	34 612
	<u>13 887</u>	<u>39 624</u>
Expenses		
Salaries	66 316	71 677
Merc's and benefits	4 546	4 961
Administration / office expenses	398	9 529
Advertising and community Info	459	675
Building, equipment and facilities maintenance	8 669	10 915
Communications	-	386
Community services	-	4
Donations and sponsorship	45 073	43 795
Equipment furniture and expense	2 705	-
Insurance	1 987	1 987
Materials and supplies	392	25
Membership / surbscription fees	15 439	7 725
Professional fees, services and honoraria	37 986	25 419
Program and other expenses	21 442	10 624
Rental fees and expenses	-	38
Training, conferences and meetings	-	432
Travel and fuel expenses	-	2 451
Utilities	12 511	9 644
	<u>217 923</u>	<u>200 287</u>
Surplus (deficit)	\$ (204 036)	\$ (160 663)

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX G - EDUCATION (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Indigenous and Northern Affairs Canada	\$ 5 344 266	\$ 5 176 391
Heritage Canada	287 187	12 000
Ministère de la Famille	242 665	325 076
First Nation Education Council	1 288 191	1 347 298
Western Québec School Board	31 201	40 749
Barriere Lake Band	191 193	331 388
Other communities and Organizations	266 125	265 043
Other revenues	180 129	162 178
	<u>7 830 957</u>	<u>7 660 123</u>
Expenses		
Salaries	2 935 233	2 709 902
Merc's and benefits	241 840	242 775
Administration / office expenses	68 149	40 763
Advertising and community Info	10 073	15 724
Allowances	1 152 913	1 187 711
Bank charges, fees and contingency fund	(9 526)	77 806
Building, equipment and facilities maintenance	68 605	80 933
Communications	38 410	44 594
Community services	2 175	802
Donations and sponsorship	2 179	3 247
Equipment furniture and expense	72 840	8 184
Insurance	30 362	32 771
Materials and supplies	793 329	606 061
Membership / surbscription fees	8 951	8 464
Permits and licenses	3 918	1 764
Professionnal fees, services and honoraria	535 827	349 296
Program and other expenses	159 341	183 764
Rental fees and expenses	10 016	5 055
Training, conferences and meetings	1 147 261	1 331 912
Transportation (commercial)	270 645	259 309
Travel and fuel expenses	65 503	96 855
Utilities	142 442	140 252
Vehicle maintenance and repairs	14 249	7 538
	<u>7 764 735</u>	<u>7 435 482</u>
Surplus (deficit)	\$ 66 222	\$ 224 641

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX H - HEALTH (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Indigenous and Northern Affairs Canada	\$ 2 000	\$ -
Health Canada	3 412 659	3 372 958
Other revenues	1 351	13 674
	<u>3 416 010</u>	<u>3 386 632</u>
Expenses		
Salaries	1 434 643	1 603 678
Merc's and benefits	185 181	202 038
Administration / office expenses	153 199	137 346
Advertising and community Info	14 642	12 684
Bank charges, fees and contingency fund	30	236 320
Building, equipment and facilities maintenance	70 228	48 467
Communications	23 600	21 559
Community services	89	802
Depreciation expense	121	-
Donations and sponsorship	23 300	-
Equipment furniture and expense	23 463	10 532
Insurance	18 235	14 099
Materials and supplies	84 453	94 816
Membership / subscription fees	12 232	22 925
Permits and licenses	10 620	5 814
Professional fees, services and honoraria	190 124	130 477
Program and other expenses	122 854	175 369
Rental fees and expenses	14 563	13 652
Training, conferences and meetings	69 954	34 019
Transportation (commercial)	21 056	11 946
Travel and fuel expenses	246 345	318 080
Utilities	24 241	20 985
Vehicle maintenance and repairs	55 371	84 616
	<u>2 798 544</u>	<u>3 200 224</u>
Surplus (deficit)	\$ 617 466	\$ 186 408

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX I - PUBLIC WORKS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Indigenous and Northern Affairs Canada	\$ 689 755	\$ 676 011
Provincial government	6 586	9 009
Other Communities and Organizations	-	3 792
Other revenues	5 728	-
	<u>702 069</u>	<u>688 812</u>
Expenses		
Salaries	223 949	275 009
Merc's and benefits	14 370	16 674
Administration / office expenses	2 832	3 745
Advertising and community Info	870	189
Building, equipment and facilities maintenance	7 063	3 461
Communications	8 106	6 444
Community services	74 461	77 315
Equipment furniture and expense	15 402	3 705
Insurance	1 580	1 621
Materials and supplies	81 644	49 725
Permits and licenses	4 369	3 179
Professional fees, services and honoraria	300 379	247 507
Program and other expenses	790	634
Rental fees and expenses	1 806	855
Travel and fuel expenses	7 533	6 796
Utilities	38 764	42 002
Vehicle maintenance and repairs	7 382	3 505
	<u>791 300</u>	<u>742 366</u>
Surplus (deficit)	\$ (89 231)	\$ (53 554)

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX J - SOCIAL SERVICES (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Indigenous and Northern Affairs Canada	\$ 5 207 688	\$ 5 332 020
Health Canada	-	15 500
Other revenues	222	80
	5 207 910	5 347 600
Expenses		
Salaries	1 335 872	1 220 359
Merc's and benefits	129 158	108 440
Administration / office expenses	15 531	7 414
Advertising and community Info	1 624	18 227
Allowances	2 176 653	2 058 688
Bank charges, fees and contingency fund	(6 188)	6 115
Building, equipment and facilities maintenance	66 297	71 116
Communications	21 066	25 666
Community services	5 111	3 540
Depreciation expense	129	615
Donations and sponsorship	350	23 976
Equipment furniture and expense	19 410	16 093
Insurance	8 132	9 190
Materials and supplies	53 543	50 890
Membership / surbscription fees	150	1 407
Permits and licenses	1 966	3 902
Professionnal fees, services and honoraria	442 483	735 083
Program and other expenses	156 179	145 513
Rental fees and expenses	149 116	40 657
Training, conferences and meetings	31 421	71 326
Transportation (commercial)	3 500	2 835
Travel and fuel expenses	106 080	62 621
Utilities	32 833	37 930
Vehicle maintenance and repairs	3 671	25 178
	4 754 087	4 746 781
Surplus (deficit)	\$ 453 823	\$ 600 819

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX K - SUNDRY (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Indigenous and Northern Affairs Canada	\$ 97 696	\$ -
Canada Mortgage and Housing Corporation	56 208	67 146
First Nation Education Council	3 851	-
Other Communities and Organizations	1 479 261	954 654
Other revenues	3 274 752	3 461 274
	<u>4 911 768</u>	<u>4 483 074</u>
Expenses		
Salaries	577 222	464 250
Merc's and benefits	51 430	45 310
Administration / office expenses	109 969	111 396
Advertising and community Info	15 542	4 905
Allowances	153 700	144 600
Bank charges, fees and contingency fund	7 414	31 407
Building, equipment and facilities maintenance	21 986	30 825
Communications	16 817	18 624
Community services	94 299	85 748
Donations and sponsorship	2 739	4 929
Equipment furniture and expense	187 694	15 681
Insurance	30 247	29 490
Legal Fees	595 407	479 970
Materials and supplies	47 105	116 222
Membership / surbscription fees	1 058	255
Permits and licenses	16 527	27 525
Professional fees, services and honoraria	428 037	1 023 267
Program and other expenses	531 928	571 924
Rental fees and expenses	5 747	6 761
Training, conferences and meetings	10 634	15 450
Transportation (commercial)	1 080	-
Travel and fuel expenses	81 977	81 494
Utilities	39 594	49 543
Vehicle maintenance and repairs	97 294	83 779
	<u>3 125 447</u>	<u>3 443 355</u>
Surplus (deficit)	\$ 1 786 321	\$ 1 039 719

**KITIGAN ZIBI ANISHINABEG
SEGMENT DISCLOSURE
APPENDIX L - POLICING (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenues		
Solicitor General of Canada	\$ 543 606	\$ 537 572
Ministère des Finances du Québec	501 790	496 221
Other Communities and Organizations	-	2 028
Other revenues	-	754
	<u>1 045 396</u>	<u>1 036 575</u>
Expenses		
Salaries	730 617	661 829
Merc's and benefits	145 864	135 676
Administration / office expenses	40 342	48 014
Advertising and community Info	216	829
Bank charges, fees and contingency fund	186	-
Building, equipment and facilities maintenance	1 479	4 878
Communications	9 023	8 933
Donations and sponsorship	250	-
Equipment furniture and expense	537	7 233
Insurance	3 585	3 892
Materials and supplies	32 837	53 895
Membership / surbscription fees	344	398
Permits and licenses	2 750	3 582
Professionnal fees, services and honoraria	46 494	53 163
Program and other expenses	6 975	530
Rental fees and expenses	291	930
Training, conferences and meetings	7 804	8 138
Transportation (commercial)	50	-
Travel and fuel expenses	43 105	35 621
Utilities	4 941	4 523
Vehicle maintenance and repairs	22 829	22 162
	<u>1 100 519</u>	<u>1 054 226</u>
Surplus (deficit)	\$ (55 123)	\$ (17 651)

KITIGAN ZIBI ANISHINABEG
APPENDIX M - FUNDING RECONCILIATION (INAC) (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
INAC Revenue per Financial Statements	\$ 14 592 182	\$ 17 535 755
Add (Less):		
Adjustment of prior year		
Water and Sewer project	17 631	-
Adjustment of prior year - refundable contributions		
Review of financial report	(201 926)	-
	(184 295)	-
Add (Less):		
Refundable contributions		
Band employee benefits	NGOM-001 116 139	47 059
Specific land claims	NGBL-001 -	19 780
Water and Sewer project	NTFV-001 -	17 631
Case management capacity	NP95-001 38 098	-
Social ass. Employment and training	NP99-001 88 376	-
Reimbursable deficit		
FNWWAP - Wastewater	NTFY-001 (1 300)	-
Fire protection	NTU5-001 (11 403)	-
Corp EcDev opportunities	NT90-001 (4 831)	-
Deferred revenue prior year	(2 105 888)	-
Deferred revenue current year		
Income assistance reform - Client	NP8X-001 -	82 011
Income assistance reform - Infrastructure	NP8Y-001 -	2 563
Capacity development	NTLE-001 26 036	34 114
Water and Sewer project	NTFV-001 1 383 649	1 987 200
Discussion tables	NG8R-001 135 000	-
Band operated school evaluation	NP09-001 9 383	-
Wastewater systems	NTFF-001 31 618	-
Water systems	NTFG-001 16 930	-
	(278 193)	2 190 358
INAC Revenue per funding confirmation	\$ 14 498 284	\$ 19 726 113

KITIGAN ZIBI ANISHINABEG
APPENDIX N - APPROPRIATED SURPLUS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Registration and membership	\$ 68 430	\$ 79 604
New water and sewer O/M	97 263	116 928
Economic development	524 531	472 783
Band support funding	-	81 006
Human Resource	17 198	5 582
Community capital facilities	-	10 178
On reserve construction	131 445	119 135
On reserve renovations	423 835	605 129
Land Management R.L.A.P.	77 658	50 813
Wells - New Houses	-	4 263
Septic Field / New Houses	-	23 043
Survey project	820	10 400
Band employee benefits	-	89 913
Mold mitigation	-	10 514
Walking path	-	134
Waboz Mikan road rehabilitation	-	78
Kiniw Zibi Mikan	-	65 551
Plans for new band office	80 400	80 400
Air exchangers - construction	-	15 046
Policing	-	71 098
Education	2 052 917	1 842 523
Wazonon daycare repairs	1	57 644
Daycare 60+ months	45 379	-
Child care aid (Wazonon)	113 395	143 005
Social assistance	433 867	218 320
Enhance prevention	784 960	586 809
Waseya house - Special project	460 534	385 279
Income assistance - reform	32 701	
Health Services Transfer	-	786 579
Health transfer surplus spending	502 590	599 568
Health flexible funding	95 481	-
	\$ 5 943 405	\$ 6 531 325