

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

OJIBWAYS OF ONIGAMING FIRST NATION
MARCH 31, 2014

COUNCIL

Kathy Kishiqueb	- Chief
Sheila Kelly	- Education Portfolio
Vincent Kelly Sr.	- Finance Portfolio
Jimmie Spruce	- Housing Portfolio
Shawn Kelly	- Social Services Portfolio
Gus Copenace	- Health Portfolio

FIRST NATION ADMINISTRATION

Director of Finance and Administration	Terry Cranston
Principal	Steve Grindrod
Daycare Supervisor	Janet Bob
Health Director	Hazel Copenace
O & M Supervisor	Tom Copenace
Social Services Administrator	David Kelly
Customary Care Resource Coordinator	Lawrence Kelly

OJIBWAYS OF ONIGAMING FIRST NATION
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FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

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OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014 AND 2013

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Ojibways of Onigaming First Nation are the responsibility of management and have been approved by the Chief and Councillors.

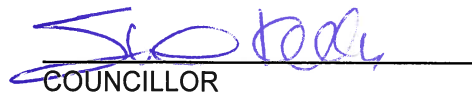
Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

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

The consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the members. Holukoff Chiarella have full and free access to Council.



CHIEF



COUNCILLOR



COUNCILLOR



COUNCILLOR

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.
(Practising as Kevin Masse Chartered Accountant Ltd.)
Ralph Orr, B.Comm. (Hons), C.A.
(Practising as Ralph Orr Chartered Accountant Ltd.)
Wayne H. Chiarella, B.A., C.A. (Retired 2011)
Sam Holukoff, C.A. (Retired 2005)

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INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors and Members of
Ojibways of Onigaming First Nation

We have audited the accompanying financial statements of Ojibways of Onigaming First Nation, which comprise the consolidated statements of financial position as at March 31, 2014 and 2013 and the consolidated statements of accumulated surplus (deficit), consolidated statements of operations, consolidated statements of change in net financial assets/net debt and consolidated statements of cash flows for the years 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 financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 auditors' judgement, 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 qualified audit opinion.

Basis for Qualified Opinion

The First Nation has incurred costs in the negotiation process regarding their flood and highway claims and has recorded deferred expenses of \$1,045,239 on the statement of financial position as at March 31, 2014. As the valuation of the claims is based on future settlements, we were unable to obtain appropriate audit evidence to verify the carrying value. Accordingly, we were not able to determine whether any adjustments might be necessary to the deferred expenses and its effect on the annual surplus for the year and the accumulated surplus.

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.
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INDEPENDENT AUDITORS' REPORT

The First Nation has undertaken to identify the total cost of tangible capital assets not previously recorded and any impairment or related amortization attributed to each of those assets. The full extent of these unrecorded assets and their appropriate amortization is not determinable as at the date of this audit report. As a result, we were unable to determine what further adjustments, if any, might be necessary to tangible capital assets, annual surplus and accumulated surplus.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Ojibways of Onigaming First Nation as at March 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



WINNIPEG, MANITOBA
August 7, 2014.


CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS


OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

EXHIBIT "B"

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Restricted cash and trust funds, Note 9	\$ 5,303,659	5,095,003
Accounts receivable, Note 4	537,819	823,362
Loans and advances receivable, Note 5	<u>61,045</u>	<u>72,352</u>
Total financial assets	<u>5,902,523</u>	<u>5,990,717</u>
LIABILITIES		
Bank indebtedness, Note 11	799,775	258,936
Accounts payable and accrued liabilities, Note 12	665,804	295,158
Deferred revenue, Note 13	75,866	314,017
Long term debt, Note 14	4,409,039	5,606,064
Replacement reserve fund, Note 15	<u>135,498</u>	<u>136,909</u>
Total liabilities	<u>6,085,982</u>	<u>6,611,084</u>
NET DEBT, Exhibit "E"	<u>(183,459)</u>	<u>(620,367)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses, Note 7	41,799	21,266
Investments, Note 6	50,048	32,989
Deferred expenses, Note 16	1,045,239	855,291
Native claims loan, Note 10	(1,290,417)	(1,290,417)
Tangible capital assets, Note 8	<u>18,579,535</u>	<u>19,490,292</u>
Total non-financial assets	<u>18,426,204</u>	<u>19,109,421</u>
ACCUMULATED SURPLUS, Exhibit "C"	\$ <u>18,242,745</u>	<u>18,489,054</u>

APPROVED BY:


 CHIEF


 COUNCILLOR


 COUNCILLOR



 COUNCILLOR

EXHIBIT "C"

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
BALANCE AT BEGINNING OF YEAR	\$ 18,489,054	18,678,698
ANNUAL DEFICIT, Exhibit "D"	<u>(246,309)</u>	<u>(189,644)</u>
BALANCE AT END OF YEAR	\$ <u>18,242,745</u>	<u>18,489,054</u>

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUE		
Federal Government		
AANDC	\$ 3,339,761	3,603,937
Health Canada	537,827	539,322
Canada Mortgage and Housing Corporation	233,142	305,198
HRSDC	12,722	25,479
Citizenship and Immigration	5,539	
Provincial government	1,696,827	1,329,848
Ontario First Nations Limited Partnership	578,888	583,889
Other	<u>2,932,822</u>	<u>2,246,359</u>
	<u>9,337,528</u>	<u>8,634,032</u>
EXPENSES		
First Nation Management	1,157,056	782,068
Economic Development	55,150	58,803
Band Housing	213,281	159,560
Capital	65,240	649,521
Health Services	732,433	752,152
Education	1,975,549	1,933,105
Social Services	916,396	659,137
Day Care	571,419	537,615
Child Welfare	723,217	694,488
Operations and Maintenance	492,297	514,338
Administration Building	161,138	148,825
Operating Programs	438,638	523,851
OFNLP	578,888	583,889
CMHC Housing Operations	274,741	290,463
Trust Funds	167,080	207,203
Flood Claims - Provincial	<u>184,556</u>	<u>168,543</u>
	<u>8,707,079</u>	<u>8,663,561</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	630,449	(29,529)
OTHER ITEMS		
Transfer to tangible capital assets	46,296	297,001
Amortization	(923,054)	(884,639)
Contributed surplus to CMHC	<u> </u>	<u>427,523</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(246,309)</u>	<u>(189,644)</u>

EXHIBIT "D-1"

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>			<u>2013</u>
	<u>Revenue</u>	<u>Expenses</u>	<u>Annual Surplus (Deficit)</u>	<u>Annual Surplus (Deficit)</u>
Operating Fund, Exhibit "D-2"	\$ 8,545,290	8,265,258	280,032	(131,066)
CMHC Housing, Exhibit "D-2"	416,502	274,741	141,761	(11,254)
Trust Fund, Exhibit "D-2"	<u>375,736</u>	<u>167,080</u>	<u>208,656</u>	<u>(23,694)</u>
	\$ <u>9,337,528</u>	<u>8,707,079</u>	630,449	(166,014)
OTHER ITEMS				
Transfer to tangible capital assets			46,296	297,001
Amortization			(923,054)	(748,154)
Contributed surplus to CMHC from operations			<u> </u>	<u>427,523</u>
ANNUAL SURPLUS (DEFICIT)			\$ <u>(246,309)</u>	<u>(189,644)</u>

QJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS BEFORE OTHER ITEMS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>		<u>2013</u> Annual Surplus (Deficit)
	<u>AANDC</u>	<u>Revenue</u> <u>Other</u> <u>Total</u>	
<u>OPERATIONS</u>		<u>Expenses</u>	<u>Annual Surplus (Deficit)</u>
First Nations Management	\$ 410,086	810,572	1,220,658
Economic Development	48,148	(28,721)	48,148
Band Housing	236,309	253,188	207,588
Capital	232,550	722,802	485,738
Health Services		14,330	722,802
Education	2,010,856	761,458	2,025,186
Social Services	140,981	483,576	902,439
Day Care	63,643	737,056	547,219
Child Welfare	157,188	175,165	332,353
Operation and Maintenance		140,892	140,892
Administration Building	40,000	371,777	411,777
Operating Programs		578,888	578,888
OFNLP		184,546	184,546
Flood & Highway Claims - Provincial			(10)
		<u>8,265,258</u>	<u>280,032</u>
<u>CMHC HOUSING OPERATING</u>	<u>3,339,761</u>	<u>5,205,529</u>	<u>(131,066)</u>
CMHC		<u>416,502</u>	<u>(11,254)</u>
<u>TRUST FUND</u>			
Onigaming Development Trust		101,802	9,795
Kiitakiinaan Trust		84,499	9,426
Ottawa Trust Fund, Note 9		189,435	189,435
		<u>375,736</u>	<u>(23,694)</u>
TOTAL	\$ 3,339,761	5,997,767	630,449
AANDC Revenue Per Confirmation	\$ 3,339,761	8,707,079	(166,014)

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

EXHIBIT "E"

	<u>2014</u>	<u>2013</u>
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	\$ (246,309)	(189,644)
Acquisition of tangible capital assets	(46,296)	(433,442)
Amortization of tangible capital assets	923,054	884,639
Change in prepaid and deferred expenses	(210,481)	(108,418)
Change in Investments	(17,059)	(32,989)
Disposal of assets	<u>33,999</u>	<u> </u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	436,908	120,146
NET FINANCIAL ASSETS (NET DEBT) AT BEGINNING OF YEAR	<u>(620,367)</u>	<u>(740,513)</u>
NET FINANCIAL ASSETS (NET DEBT) AT END OF YEAR	\$ <u>(183,459)</u>	<u>(620,367)</u>

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ (246,309)	(189,644)
Non-cash item		
Amortization	923,054	884,639
Changes to financial assets/liabilities		
Restricted cash and trust funds	(208,656)	153,385
Accounts receivable	285,543	(215,541)
Loans and advances receivable	11,307	588
Accounts payable and accrued liabilities	370,646	(347,247)
Deferred revenue	(238,151)	276,799
Replacement reserve	(1,411)	7,218
Changes to prepaid, investments and deferred expenses	<u>(227,540)</u>	<u>(141,407)</u>
	<u>668,483</u>	<u>428,790</u>
CAPITAL TRANSACTIONS		
Disposal of assets	33,999	
Acquisitions of tangible capital assets and assets under construction	<u>(46,296)</u>	<u>(433,442)</u>
	<u>(13,950)</u>	<u>(433,442)</u>
FINANCING TRANSACTIONS		
Proceeds of long term debt		1,692,000
Proceeds of construction advances (repayments)		(926,234)
Principal repayments on long term debt	<u>(1,197,025)</u>	<u>(302,880)</u>
	<u>(1,197,025)</u>	<u>462,886</u>
NET CHANGE IN CASH POSITION	(540,839)	458,234
CASH POSITION AT BEGINNING OF YEAR	<u>(258,936)</u>	<u>(717,170)</u>
CASH POSITION AT END OF YEAR	\$ <u>(799,775)</u>	<u>(258,936)</u>

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

1. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Public Sector Accounting and Auditing Handbook of the Institute of Chartered Accountants.

a) Nature and Purpose of Organization

The First Nation manages and administers all aspects of the Ojibways of Onigaming First Nation. The First Nation operates with a Chief and Council, who are ultimately responsible for the establishment and administration of all programs of the First Nation.

b) Fund Accounting

The Ojibways of Onigaming First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Ojibways of Onigaming First Nation maintains the following funds:

- The Operations Fund which reports the general activities of the First Nation.
- The CMHC Housing Operating Fund which reports the CMHC and former CMHC subsidy assisted assets of the First Nation, together with related activities.
- The Trust Fund which reports the Ojibways Development Trust assets, Kiitakiinaan Trust assets and AANDC Ottawa trust funds owned by the First Nation held by third parties.

c) Reporting Entity and Principles of Financial Reporting

Ojibways of Onigaming First Nation reporting entity includes the Ojibways of Onigaming First Nation Government 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 these entities, which all use accounting principles which lend themselves to consolidations.

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

Incorporated and unincorporated business entities, which are owned or controlled by the Ojibways of Onigaming First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

The First Nation follows the deferral method of accounting for restricted revenues. Revenues restricted by legislation, regulation or agreement and not available for general government purposes are deferred on the consolidated balance sheet. The revenue is recognized in the year in which it is used for the specified purpose. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

b) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services. The First Nation does not capitalize computer software.

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

c) Amortization

Capital assets recorded in the capital fund are amortized annually with a corresponding reduction in equity in capital assets. Assets are amortized over their expected useful life using the straight line method at the following rates:

Infrastructure	4%
Buildings	4%
General equipment	20%
Vehicles	20%

Amortization commences in the following year after acquisition.

Social Housing Assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt, which approximates its economic life.

d) Reserves

The reserves accounts are funded by an annual charge against earnings as opposed to an appropriation of surplus.

e) Financial Instruments

The First Nation's financial instruments consist of restricted cash and trust funds, accounts receivable, loans and advances receivable, bank indebtedness, accounts payable, accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES - continued

f) Net Debt/Net Financial Assets

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

g) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. SURPLUS (DEFICIT)

A portion of this balance includes surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements.

4. ACCOUNTS RECEIVABLE	<u>2014</u>	<u>2013</u>
ADMINISTRATION		
AANDC	\$ 21,930	196,740
Trade	43,889	178,811
AKRC	19,443	21,930
CMHC	4,200	
Solart	157,000	157,000
Shooniyaa	37,076	49,105
Health Canada	91,938	133,878
Province of Ontario	150,796	27,307
HST & PST	<u>25,576</u>	<u>35,242</u>
	551,848	800,013
Allowance for doubtful accounts	<u>100,000</u>	
Net Administration	<u>451,848</u>	<u>800,013</u>
CUSTOMARY CARE		
Weechi-it-te-win	61,855	
HST	<u>11,062</u>	<u>10,296</u>
	<u>72,917</u>	<u>10,296</u>
CMHC		
Subsidy	<u>13,054</u>	<u>13,053</u>
TOTAL	\$ <u>537,819</u>	<u>823,362</u>

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

5. LOANS AND ADVANCES

MEMBERS LOANS AND ADVANCES	<u>2014</u>	<u>2013</u>
Administration	\$ 71,478	75,290
Customary Care		30,880
CMHC	<u>71,605</u>	<u>21,375</u>
	143,083	127,545
Allowance for doubtful accounts	<u>(82,038)</u>	<u>(55,193)</u>
TOTAL	\$ <u>61,045</u>	<u>72,352</u>

6. INVESTMENTS

The First Nation has entered into a limited partnership agreement with other first nations as limited partners in Miitigoog Limited Partnership.

Miitigoog General Partner Inc., a company incorporated under the laws of Ontario is the general partner and is solely responsible for all losses incurred by the limited partnership. The limited partnership liability is limited to the amount of capital contributed.

Miitigoog Limited Partnership was formed to carry on business of a forest manager.

Long term investments, at cost

	<u>2014</u>
Units	\$ 333
Contributed capital	<u>17,037</u>
	\$ <u>17,370</u>

The First Nation has entered into a limited partnership agreement with S & K Enterprises Inc., as limited partners in Kakagi Lake Enterprises Limited Partnership.

1833389 Ontario Inc., a corporation incorporated under the laws of Ontario is the general partner and is solely responsible for all losses incurred by the limited partnership. The limited partnership liability is limited to the amount of capital contributed.

Kakagi Lake Enterprises Limited Partnership was formed to carry on general construction work.

Long term investments, at cost

Investment in Kakagi Lake Enterprises Limited Partnership

	<u>2014</u>
Units	\$ 509
Contributed capital	<u>32,169</u>
	<u>32,678</u>
Total Investments	\$ <u>50,048</u>

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

7. PREPAID EXPENSES

	<u>2014</u>	<u>2013</u>
Student Allowances	\$ 27,716	14,700
Welfare Subsidy		3,954
April expense	108	2,612
Travel advances	<u>13,975</u>	<u> </u>
	\$ <u>41,799</u>	<u>21,266</u>

8. TANGIBLE CAPITAL ASSETS

	<u>2014</u>				
	<u>Cost</u>	<u>Additions</u>	<u>Cost</u>	<u>Accumulated</u>	<u>Net Book</u>
	<u>Mar. 31/13</u>	<u>(Disposals)</u>	<u>Mar. 31/14</u>	<u>Amortization</u>	<u>Value</u>
Buildings	\$ 2,546,738	1,885,744	4,432,482	2,258,896	2,173,586
Infrastructure	12,421,236	1,645,162	14,066,398	2,917,243	11,149,155
Vehicles	238,405	(45,436)	192,969	169,652	23,317
Equipment	472,248		472,248	389,551	82,697
CMHC houses, 43 units	7,846,906	(1,887,938)	5,958,968	808,188	5,150,780
Assets under construction	<u>1,598,866</u>	<u>(1,598,866)</u>	<u> </u>	<u> </u>	<u> </u>
	\$ <u>25,124,399</u>	<u>(1,334)</u>	<u>25,123,065</u>	<u>6,543,530</u>	<u>18,579,535</u>

	<u>2013</u>				
	<u>Cost</u>	<u>Additions</u>	<u>Cost</u>	<u>Accumulated</u>	<u>Net Book</u>
	<u>Mar. 31/12</u>	<u>(Disposals)</u>	<u>Mar. 31/13</u>	<u>Amortization</u>	<u>Value</u>
Buildings	\$ 2,546,738		2,546,738	507,548	2,039,190
Infrastructure	12,421,236		12,421,236	2,420,393	10,000,843
Vehicles	191,655	46,750	238,405	153,919	84,486
Equipment	419,267	52,981	472,248	328,284	143,964
CMHC houses, 43 units	6,325,189	1,521,717	7,846,906	2,223,963	5,622,943
Assets under construction	<u>2,786,872</u>	<u>(1,188,006)</u>	<u>1,598,866</u>	<u> </u>	<u>1,598,866</u>
	\$ <u>24,690,957</u>	<u>433,442</u>	<u>25,124,399</u>	<u>5,634,107</u>	<u>19,490,292</u>

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

EXHIBIT "G"

9. RESTRICTED CASH AND TRUST FUNDS

	<u>2014</u>	<u>2013</u>
Capital Fund		
CMHC replacement reserve fund, Note 9	\$ <u>135,498</u>	<u>136,909</u>
Trust Fund		
Onigaming Development Fund	2,535,889	2,526,093
Kiitakiinaan Trust	2,556,840	2,547,415
Ottawa Trust accounts	<u>210,930</u>	<u>21,495</u>
	\$ <u>5,303,659</u>	<u>5,095,003</u>

Funds in Onigaming Development Fund and Kiitakiinaan Trust have been used to purchase various marketable securities. These investments in marketable securities are long term and recorded at cost. The unrealized losses have been treated as a temporary loss in the investment value and as a result not recorded in the accounts of Ojibways of Onigaming First Nation. Gains are recorded when realized.

Cash is subject to the restrictions imposed upon by outside parties and can only be used for the purposes specified.

i) Ottawa Trust Funds

The Ottawa Trust Accounts 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	<u>Revenue</u>	<u>2014 Capital</u>	<u>Total</u>	<u>2013 Total</u>
Balance at beginning of year	\$ 4,753	16,742	21,495	20,980
Amounts placed on deposit during the year	<u>189,435</u>	<u> </u>	<u>189,435</u>	<u>515</u>
	\$ <u>194,188</u>	<u>16,742</u>	<u>210,930</u>	<u>21,495</u>

ii) Onigaming Development Trust

The Onigaming First Nation Development Trust was established on May 30, 1994 pursuant to a settlement agreement with Ontario Hydro dated August 18, 1993. \$2,440,000 was placed with Royal Trust as Trustee to achieve a reasonable level of income and long term preservation of capital.

The market value of the Trust as at March 31, 2014 as reported by Royal Trust is \$2,706,484 (2013 - \$2,515,127)

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

9. RESTRICTED CASH AND TRUST FUNDS, continued

iii) Kiitakiinaan Trust

The land claims were settled by the establishment of Kiitakiinaan Trust in partnership and jointly controlled by Onigaming First Nation and Big Grassy First Nation. The funds are managed by CIBC Trust Corporation under a Trust Agreement. This trust was settled with a deposit of \$5,345,520. In January 2007 the trust was split into three parts, General, Onigaming and Big Grassy. Only the Onigaming portion of these funds is reflected in the financial statements. The General Fund is set up to cover fees by RBC Trust Corporation for both the Onigaming and Big Grassy Funds. The balance in this fund at March 31, 2014 is \$NIL (2013 - \$29,641).

The market value of the fund at March 31, 2014 as reported by CIBC Trust Corporation is \$2,609,662 (2013 - \$2,646,654).

10. NATIVE CLAIMS LOAN AGREEMENT

Flood Claim

The First Nation has entered into a loan agreement with AANDC for funds to pursue its flood claim against the Federal Government. The loan is secured by a promissory note made by the First Nation payable to the Receiver General for Canada in the amount of the loan. The loan is repayable on the earlier of March 31, 2015 or the date on which the claim is settled. If the claim is not settled by March 31, 2015 the loan repayment date will be extended by five years or a period deemed appropriate to coincide with the anticipated claim settlement date, whichever is sooner. Once the claim is settled, the proceeds received to repay the loan will be recognized as revenue and will be applied to the cumulative balance of the deferred expenses incurred to the time of settlement.

Highway Claim

The First Nation has entered into a loan agreement with AANDC for funds to pursue its highway claim against the Federal Government. The loan is secured by a promissory note made by the First Nation payable to the Receiver General for Canada in the amount of the loan. The loan is repayable on the earlier of March 31, 2015 or the date on which the claim is settled. If the claim is not settled by March 31, 2015 the loan repayment date will be extended by five years or a period deemed appropriate to coincide with the anticipated claim settlement date, whichever is sooner. Once the claim is settled, the proceeds received to repay the loan will be recognized as revenue and will be applied to the cumulative balance of the deferred expenses incurred to the time of settlement.

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

11. CASH (BANK INDEBTEDNESS)

	<u>2014</u>	<u>2013</u>
The bank indebtedness consists of:		
Administration - Operations	\$ (490,422)	(116,576)
- Payroll	102	103
- Petty cash and clearing	6,603	3,000
- AANDC deposit	221	87
- OFNLP	24	44
- Building	14,391	4,720
Customary care	(20,694)	(6,843)
Water and sewer project		(23,471)
CMHC Replacement Reserve	135,498	136,909
Less: Allocation to CMHC Replacement Reserve from Administration, Note 9	<u>(135,498)</u>	<u>(136,909)</u>
	(489,775)	(138,936)
Operating line of credit	<u>(310,000)</u>	<u>(120,000)</u>
	\$ <u>(799,775)</u>	<u>(258,936)</u>

The First Nation has an operating line of credit at an interest rate of prime plus 1½%.

The First Nation has obtained a revolving facility agreement with Royal Bank of Canada, revolving in increments of \$15,000 to a maximum of \$300,000 at an interest rate of prime plus 1½%. The operating line of credit and the demand loan is secured by a General Security Agreement constituting security interest in all personal property of the First Nation and an irrevocable letter of direction from AANDC.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
ADMINISTRATION		
Health Canada	\$ 35,000	
Employee deductions	43,943	35,972
Trade payables	550,168	245,035
HST	<u>5,650</u>	<u>3,947</u>
	<u>634,761</u>	<u>284,954</u>
CMHC		
Trade	<u>11,400</u>	<u>10,800</u>
CUSTOMARY CARE		
Trade	18,856	
Employee deductions	<u>787</u>	<u>(596)</u>
	<u>19,643</u>	<u>(596)</u>
TOTAL	\$ <u>665,804</u>	<u>295,158</u>

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

13. DEFERRED REVENUE

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>
Water Services Project, Schedule 4-3	\$ 298,188		298,188	
Community Recreation Activities, Schedule 12-1	12,640	45,000	45,000	12,640
OFNLP, Schedule 13				
Diabetes Workplan, Schedule 5-5	3,189	19,419	22,608	
Participation Strategy, Schedule 12-5		52,728	39,502	13,226
Child Welfare Program, Schedule 12-3		<u>779,352</u>	<u>729,352</u>	<u>50,000</u>
	\$ <u>314,017</u>	<u>896,499</u>	<u>1,134,650</u>	<u>75,866</u>

14. LONG TERM DEBT

	<u>2014</u>	<u>2013</u>
Royal Bank of Canada - Administration Building Loan Term loan, interest at Royal Bank prime plus 2.4% per annum, repayable at \$1,441.47 plus interest per month, due December 1, 2014, secured by all personal property owned by the First Nation and irrevocable letter of direction from AANDC.	\$ 72,109	89,407
Royal Bank of Canada - Administration Building Loan Term loan, interest at Royal Bank prime plus 2.7% per annum, blended monthly payments repayable at \$5,952.22, due October 1, 2017, secured by all personal property owned by the First Nation and irrevocable letter of direction from AANDC.	237,474	270,563
Royal Bank of Canada - Equipment Loan Term loan, interest at Royal Bank prime plus 2.5% per annum, repayable at \$1,667.00 plus interest per month, due January 20, 2015, secured by all personal property owned by the First Nation and irrevocable letter of direction by AANDC.	16,655	36,658

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

EXHIBIT "G"

14. LONG TERM DEBT, continued	<u>2014</u>	<u>2013</u>
Royal Bank of Canada - Term loan Interest at RBC prime plus 2.95%, repayable at \$40,000 per month, maturing April 1 2014, secured by all personal property owned by the First Nation and irrevocable letter of direction by AANDC.	\$ 64,547	562,836
Royal Bank of Canada - Water and Sewer Project Demand term loan, interest at Royal Bank prime plus 2.75%, repayable at \$23,500 principle and interest per month, due March 31, 2013, secured by all personal property owned by the First Nation and assignment of 2013 and 2014, AANDC project capital funding.		408,464
General Motors Acceptance Corporation - Vehicle Loan Term loan, interest at 8.49% per annum, repayable at \$526.45, per month principal and interest, maturing June 4, 2014, secured by vehicle.	1,161	7,071
Ally Credit Canada - Vehicle Term Loan Interest at 6.99% per annum, repayable at \$375.76 bi-weekly, secured by vehicle.		30,397
Onigaming Development Trust - Administration Building Loan Promissory Note, interest at 6% per month and annual principal payments of \$25,000, due December 1, 2028.	375,000	400,000
CMHC loan payable The First Nation obtained financing to build 10 houses. Through this program the CMHC Housing Authority receives government assistance of \$4,014.08 per month to operate the houses as rental units. Interest at 2.65% per annum, repayable at \$5,184.06 per month principal and interest, maturing February 1, 2015. Secured by Ministerial guarantee and assignment of insurance.	\$ 582,982	629,297
CMHC loan payable The First Nation obtained financing to build 7 houses. Through this program the CMHC Housing Authority receives government assistance of \$3,029.75 per month to operate the houses as rental units. Interest at 1.65% per annum, repayable at \$2,251.05 per month principal and interest, maturing June 1, 2013. Secured by Ministerial guarantee and assignment of insurance.	426,203	446,067

OJIBWAYS OF ONIGAMING FIRST NATION
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EXHIBIT "G"

14. LONG TERM DEBT, continued	<u>2014</u>	<u>2013</u>
CMHC loan payable	\$ 1,039,925	1,075,623
<p>The First Nation obtained financing to build 7 houses. Through this program the CMHC Housing Authority receives government assistance of \$4,366.50 per month to operate the houses as rental units. Interest at 1.71% per annum, repayable at \$4,472.72 per month principal and interest, maturing September 1, 2017. Secured by Ministerial guarantee and assignment of insurance.</p>		
CMHC loan payable	834,906	865,036
<p>The First Nation obtained financing to build 7 houses. Through this program the CMHC Housing Authority receives government assistance of \$4,373.08 per month to operate the houses as rental units. Interest at 2.57% per annum, repayable at \$4,315.28 per month principal and interest, maturing December 1, 2014. Secured by Ministerial Guarantee and assignment of insurance.</p>		
CMHC loan payable	\$ 758,077	784,645
<p>The First Nation obtained financing to build 7 houses. Through this program the CMHC Housing Authority receives government assistance of \$4,314.33 per month to operate the houses as rental units. Interest at 2.4% per annum, repayable at \$3,744.07 per month principal and interest, maturing October 1, 2015. Secured by Ministerial Guarantee and assignment of insurance.</p>		
	<u>4,409,039</u>	<u>5,606,064</u>
<p>Restrictive provisions on the loans may terminate the government assistance. The CMHC loans are guaranteed by Aboriginal Affairs and Northern Development Canada.</p>		
Current portion	<u>390,423</u>	<u>1,479,880</u>
	<u>\$ 4,018,616</u>	<u>4,126,184</u>

The current portion of the long term debt has been calculated on the term loans being refinanced on their respective renewal dates.

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

14. LONG TERM DEBT, continued

Estimated principal payments for the next five years and thereafter are as follows:

2015	\$ 390,423
2016	257,593
2017	263,178
2018	250,034
2019	201,943
Thereafter	<u>3,045,868</u>
	\$ <u>4,409,039</u>

15. REPLACEMENT RESERVE

Under the terms of the Section 95 operating agreements with CMHC, the replacement reserve is to be credited with an annual allocation as follows:

	<u>2014</u>	<u>2013</u>
Seven Units	\$ 8,500	8,500
Seven Units	5,950	5,950
Seven Units	8,400	8,400
Seven Units 2012	9,960	9,960
Ten Units	<u>6,125</u>	<u>6,125</u>
	\$ <u>38,935</u>	<u>38,935</u>

In accordance with the Section 95 operating agreements, these funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The reserve funds may only be used as approved by CMHC.

The reserve funds consist of an allocation of the Ojibways of Onigaming First Nation's operating bank account/indebtedness. The funds held with the First Nation are not deposited in a separate bank account and no interest is earned on the balance. The year end balances are as follows:

	<u>2014</u>	<u>2013</u>
Reserve funds allocation	\$ <u>135,498</u>	<u>136,909</u>

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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16. DEFERRED EXPENSES**HIGHWAY CLAIM - FEDERAL**

	2013 <u>Deferred</u>	<u>Current</u>	2014 <u>Deferred</u>
EXPENSES			
Honoraria	\$ 67,000	7,350	74,350
Wages and benefits	41,869		41,869
Travel	32,557	2,753	35,310
Negotiation - Assistant fees	68,450	23,400	91,850
Resource staff/Elder	9,900		9,900
Consulting	73,992	2,997	76,989
Legal	44,956	59,839	104,795
Meeting	5,863	340	6,203
Administration	<u>33,154</u>	<u>4,445</u>	<u>37,599</u>
DEFERRED EXPENSES	\$ <u>377,741</u>	<u>101,124</u>	<u>478,865</u>

FLOOD CLAIM - FEDERAL

EXPENSES			
Honoraria	\$ 82,926	7,350	90,276
Wages and benefits	43,259		43,259
Travel	46,543		46,543
Negotiation - Assistant fees	68,449	23,400	91,849
Resource staff/Elder	9,900		9,900
Consulting	57,269	9,282	66,551
Legal	135,549	44,278	179,827
Meeting costs	3,283		3,283
Administration	<u>30,372</u>	<u>4,514</u>	<u>34,886</u>
DEFERRED EXPENSES	\$ <u>477,550</u>	<u>88,824</u>	<u>566,374</u>
TOTAL DEFERRED EXPENSES	\$ <u>855,291</u>	<u>189,948</u>	<u>1,045,239</u>

17. ECONOMIC DEPENDENCE

The organization is economically dependent on the Government of Canada.

18. FEDERAL ASSISTANCE PAYMENTS

The projects have received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to enable the project to provide housing to low-income individuals. The amount of assistance received in 2014 was \$233,142 (2013 - \$212,648).

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

19. COMPARATIVE FIGURES

Prior year's comparative amounts have been reclassified where necessary to conform to the current period's presentation. Certain comparative figures for the previous period have not been shown as the information is considered not to be meaningful for comparison with the current period. The budget figures are unaudited.

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20. SEGMENT DISCLOSURE

	First Nations Management		Operations & Maintenance		Social Services	
	Budget	2014	2013	Budget	2014	2013
REVENUE						
Federal government	\$ 410,086	410,086	403,606	136,113	142,204	108,683
Provincial government				157,188	710,387	482,390
Economic activities		17,059				
Net income for investments in government business enterprises						
Other revenue	778,000	793,513	312,255	77,500	164,528	57,611
TOTAL REVENUE	1,188,086	1,220,658	715,861	213,613	902,439	648,684
EXPENSES						
Honoraria						
Chief and Councillors	303,300	309,136	250,000			
Elders and Board Members						
Wages and benefits	297,500	333,644	314,628	158,000	216,194	192,749
Amortization	923,054	753,403	732,234			
Tangible Capital Assets	(724,524)	(46,296)	(724,524)			
Other expenses	347,686	514,276	217,440	158,000	700,202	466,388
TOTAL EXPENSES	1,147,016	1,864,163	789,778	316,000	771,073	659,137
ANNUAL SURPLUS (DEFICIT)	\$ 41,070	(643,505)	(73,917)	(102,387)	(13,957)	(10,453)

OJIBWAYS OF ONIGAMING FIRST NATION
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20. SEGMENT DISCLOSURE

	<u>Economic Development</u>		<u>Education</u>		<u>Band Housing & CMHC</u>	
	<u>Budget</u>	<u>2014</u>	<u>Budget</u>	<u>2014</u>	<u>Budget</u>	<u>2014</u>
		<u>2013</u>		<u>2013</u>		<u>2013</u>
REVENUE						
Federal government	\$ 48,148	48,148	47,387	2,010,856	1,999,455	445,222
Provincial government					469,451	469,451
Economic activities						
Net income for investments in government business enterprises						
Other revenue			3,800	16,474	14,330	23,551
					215,210	217,949
TOTAL REVENUE	48,148	48,148	51,187	2,027,330	2,025,186	2,023,006
					684,661	663,171
EXPENSES						
Honoraria						
Chief and Councillors						
Elders and Board Members			200	125		
Wages and benefits	50,600	52,836	51,118	1,160,914	1,172,126	1,123,625
Amortization					93,600	77,853
Tangible Capital Assets					158,274	136,485
Other expenses	7,548	2,314	7,685	798,582	803,298	809,480
					360,041	372,170
TOTAL EXPENSES	58,148	55,150	58,803	1,959,696	1,975,549	1,933,105
					611,915	586,508
ANNUAL SURPLUS (DEFICIT)	\$ (10,000)	(7,002)	(7,616)	67,634	49,637	89,901
					72,746	(22,206)
						76,663

OJIBWAYS OF ONIGAMING FIRST NATION
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20. SEGMENT DISCLOSURE

	Health		Total for Community Services		Total	
	Budget	2014	Budget	2014	Budget	2013
REVENUE						
Federal government	\$ 480,801	486,549	396,193	404,509	4,096,852	4,128,991
Provincial government	181,985	194,458	442,378	791,982	1,085,704	1,696,827
Economic activities						17,059
Net income for investments in government business enterprises						
Other revenue	43,300	41,795	1,620,304	2,265,361	2,915,316	3,494,651
TOTAL REVENUE	706,086	722,802	2,458,875	3,461,852	8,097,872	9,337,528
						8,634,032
EXPENSES						
Honoraria					303,300	309,136
Chief and Councillors	7,500				7,700	125
Elders and Board Members	411,545	365,972	923,336	973,277	3,315,376	3,414,812
Wages and benefits				11,377	1,081,328	923,054
Amortization					(724,524)	(46,296)
Tangible Capital Assets	289,541	366,461	1,557,234	1,916,899	4,069,824	4,938,006
Other expenses						
TOTAL EXPENSES	708,586	732,433	2,480,570	2,901,553	8,053,004	9,583,837
ANNUAL SURPLUS (DEFICIT)	\$ (2,500)	(9,631)	(21,695)	560,299	44,868	(189,644)