

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

OJIBWAYS OF ONIGAMING FIRST NATION
MARCH 31, 2015

COUNCIL

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

FIRST NATION ADMINISTRATION

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

OJIBWAYS OF ONIGAMING FIRST NATION
INDEX
FOR THE YEAR ENDED MARCH 31, 2015

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

EXHIBIT

INDEPENDENT AUDITORS' REPORT	"A"
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	"B"
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS (DEFICIT)	"C"
CONSOLIDATED STATEMENT OF OPERATIONS	"D"
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/NET DEBT	"E"
CONSOLIDATED STATEMENT OF CASH FLOWS	"F"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	"G"

**OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015**

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.

Kathy Kecheway
CHIEF

SC
COUNCILLOR

Bob Gagnon
COUNCILLOR

Margaret
COUNCILLOR

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Massee, B.Comm. (Hons), C.A.
(Practising as Kevin Massee Chartered Accountant Ltd.)
Ralph Orr, B.Comm. (Hons), C.A.
(Practising as Ralph Orr Chartered Accountant Ltd.)

101 - 1180 Pembina Highway
Winnipeg, Manitoba R3T 2A4
Telephone (204) 452-6449
Fax (204) 452-3397

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 statement of financial position as at March 31, 2015 and the consolidated statements of accumulated surplus (deficit), operations, change in net financial assets/net debt 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 \$1,146,939 on the statement of financial position as at March 31, 2015. 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 Massee, B.Comm. (Hons), C.A.
(Practising as Kevin Massee Chartered Accountant Ltd.)
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Fax (204) 452-3397

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, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



WINNIPEG, MANITOBA
August 25, 2015.

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

EXHIBIT "B"

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Restricted cash and trust funds, Note 9	\$ 5,319,546	5,303,659
Accounts receivable, Note 4	524,354	537,819
Loans and advances receivable, Note 5	<u>56,658</u>	<u>61,045</u>
Total financial assets	<u>5,900,558</u>	<u>5,902,523</u>
LIABILITIES		
Bank indebtedness, Note 11	705,067	799,775
Accounts payable and accrued liabilities, Note 12	1,008,495	665,804
Deferred revenue, Note 13	85,506	75,866
Long term debt, Note 14	4,035,881	4,409,039
Replacement reserve fund, Note 15	<u>128,804</u>	<u>135,498</u>
Total liabilities	<u>5,963,753</u>	<u>6,085,982</u>
NET DEBT, Exhibit "E"	<u>(63,195)</u>	<u>(183,459)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses, Note 7	26,645	41,799
Investments, Note 6	64,230	50,048
Deferred expenses, Note 16	1,146,939	1,045,239
Native claims loan, Note 10	(1,290,417)	(1,290,417)
Tangible capital assets, Note 8	<u>17,604,423</u>	<u>18,579,535</u>
Total non-financial assets	<u>17,551,820</u>	<u>18,426,204</u>
ACCUMULATED SURPLUS, Exhibit "C"	\$ 17,488,625	18,242,745

APPROVED BY:

Kathy Sehiquil
CHIEF
COUNCILLOR

Sk
COUNCILLOR

Mark L
COUNCILLOR

EXHIBIT "C"

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS (DEFICIT)
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
BALANCE AT BEGINNING OF YEAR	\$ 18,242,745	18,489,054
ANNUAL DEFICIT, Exhibit "D"	<u>(754,120)</u>	<u>(246,309)</u>
BALANCE AT END OF YEAR	<u>\$ 17,488,625</u>	<u>18,242,745</u>

EXHIBIT "D"

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015

		2015	2014
		<u>Budget</u>	<u>Actual</u>
REVENUE			
Federal Government			
AANDC	\$ 3,901,776	3,478,156	3,339,761
Health Canada	535,233	610,440	537,827
Canada Mortgage and Housing Corporation	233,512	231,719	233,142
HRSDC	10,393	10,367	12,722
Citizenship and Immigration	2,785	2,785	5,539
Canadian Heritage	8,400	8,400	
Provincial government	1,118,193	1,752,831	1,696,827
Ontario First Nations Limited Partnership	593,309	593,309	578,888
Other	<u>1,754,430</u>	<u>2,652,413</u>	<u>2,518,929</u>
	<u>8,158,031</u>	<u>9,340,420</u>	<u>8,923,635</u>
EXPENSES			
First Nation Management	620,234	407,349	576,241
Economic Development	60,352	41,778	55,150
Band Housing	290,256	314,777	316,013
Capital	235,771	236,241	272,240
Health Services	594,459	952,513	732,433
Education	2,224,470	2,315,854	1,975,549
Social Services	994,178	975,788	916,396
Day Care	587,314	583,950	571,419
Child Welfare	794,353	848,874	723,217
Operations and Maintenance	234,279	407,395	447,297
Administration Building	88,000	122,796	161,138
Operating Programs	429,650	469,818	438,638
OFNLP	593,309	593,309	578,888
CMHC Housing Operations	322,325	151,259	176,931
Trust Funds		459,359	167,080
Flood Claims - Provincial		<u>238,368</u>	<u>184,556</u>
	<u>8,068,950</u>	<u>9,119,428</u>	<u>8,293,186</u>
ANNUAL SURPLUS (DEFICIT)			
BEFORE OTHER ITEMS	89,081	220,992	630,449
OTHER ITEMS			
Transfer to tangible capital assets			46,296
Amortization	<u>(804,999)</u>	<u>(975,112)</u>	<u>(923,054)</u>
ANNUAL SURPLUS (DEFICIT)	\$ (715,918)	(754,120)	(246,309)

EXHIBIT "D-1"

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015

	2015		Annual Surplus (Deficit)	2014 Annual Surplus (Deficit)
	<u>Revenue</u>	<u>Expenses</u>		
Operating Fund, Exhibit "D-2"	\$ 8,565,029	8,508,810	56,219	280,032
CMHC Housing, Exhibit "D-2"	313,319	151,259	162,060	141,761
Trust Fund, Exhibit "D-2"	<u>462,072</u>	<u>459,359</u>	<u>2,713</u>	<u>208,656</u>
	\$ 9,340,420	9,119,428	220,992	630,449
OTHER ITEMS				
Transfer to tangible capital assets				46,296
Amortization			<u>(975,112)</u>	<u>(923,054)</u>
ANNUAL SURPLUS (DEFICIT)			\$ (754,120)	(246,309)

EXHIBIT "D-2"

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS BEFORE OTHER ITEMS
FOR THE YEAR ENDED MARCH 31, 2015

<u>OPERATIONS</u>	<u>2015</u>			<u>2014</u>		
	<u>AANDC</u>	<u>Other</u>	<u>Total</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Annual Surplus (Deficit)</u>
First Nations Management	1	\$ 416,934	449,343	866,277	890,366	458,928
Economic Development	2	48,952		48,952	41,778	63,602
Band Housing	3	240,256	82,566	322,822	258,017	(7,002)
Capital	4	236,434		236,434	26,241	(5,693)
Health Services	5	924,560		924,560	952,513	420,498
Education	6	2,139,874		2,139,874	2,315,854	(9,631)
Social Services	7	142,321	823,190	965,511	975,788	49,637
Day Care	8	64,706	514,317	579,023	583,950	(13,957)
Child Welfare	9		847,816	847,816	848,874	(4,927)
Operation and Maintenance	10	188,679	54,700	243,379	572,395	(24,200)
Administration Building	11		89,680	89,680	122,796	(1,058)
Operating Programs	12		469,964	469,964	513,586	13,839
OFNLP	13		593,309	593,309	66,524	(159,944)
Flood & Highway Claims - Provincial	17	<u>3,478.156</u>	<u>5,086,873</u>	<u>237,428</u>	<u>238,368</u>	<u>(101,760)</u>
<u>CMHC HOUSING OPERATING</u>				<u>8,407,050</u>	<u>(940)</u>	<u>56,219</u>
CMHC	14	—	<u>313,319</u>	<u>313,319</u>	<u>253,019</u>	<u>101,760</u>
<u>TRUST FUND</u>					<u>162,060</u>	<u>141,761</u>
Onigaming Development Trust	15		293,297	293,297	222,895	70,402
Kitakiinaan Trust	16		100,691	100,691	43,964	56,727
Ottawa Trust Fund, Note 9			<u>68,084</u>	<u>68,084</u>	<u>192,500</u>	<u>(124,416)</u>
			<u>462,072</u>	<u>462,072</u>	<u>459,359</u>	<u>—</u>
<u>TOTAL</u>	<u>\$ 3,478.156</u>	<u>5,862.264</u>	<u>9,340.420</u>	<u>9,119.428</u>	<u>—</u>	<u>220,992</u>
						<u>630,449</u>

EXHIBIT "E"

OJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	\$ (754,120)	(246,309)
Acquisition of tangible capital assets		(46,296)
Amortization of tangible capital assets	975,112	923,054
Change in prepaid and deferred expenses	(86,546)	(210,481)
Change in Investments	(14,182)	(17,059)
Disposal of assets	<u>_____</u>	<u>33,999</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	120,264	436,908
NET FINANCIAL ASSETS (NET DEBT) AT BEGINNING OF YEAR	(183,459)	(620,367)
NET FINANCIAL ASSETS (NET DEBT) AT END OF YEAR	\$ <u>(63,195)</u>	<u>(183,459)</u>

EXHIBIT "F"

QJIBWAYS OF ONIGAMING FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ (754,120)	(246,309)
Non-cash item		
Amortization	975,112	923,054
Changes to financial assets/liabilities		
Restricted cash and trust funds	(15,887)	(208,656)
Accounts receivable	13,465	285,543
Loans and advances receivable	4,387	11,307
Accounts payable and accrued liabilities	342,691	370,646
Deferred revenue	9,640	(238,151)
Replacement reserve	(6,694)	(1,411)
Changes to prepaid, investments and deferred expenses	<u>(100,728)</u>	<u>(227,540)</u>
	<u>467,866</u>	<u>668,483</u>
CAPITAL TRANSACTIONS		
Disposal of assets		33,999
Acquisitions of tangible capital assets and assets under construction		<u>(46,296)</u> <u>(12,297)</u>
FINANCING TRANSACTIONS		
Principal repayments on long term debt	<u>(373,158)</u>	<u>(1,197,025)</u>
NET CHANGE IN CASH POSITION	94,708	(540,839)
BANK INDEBTEDNESS AT BEGINNING OF YEAR	<u>(799,775)</u>	<u>(258,936)</u>
BANK INDEBTEDNESS AT END OF YEAR	<u>\$ (705,067)</u>	<u>(799,775)</u>

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

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
FOR THE YEAR ENDED MARCH 31, 2015**

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.

**OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

2. SIGNIFICANT ACCOUNTING POLICIES - continued

d) Financial Instruments

Initial and subsequent measurement

The First Nation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The First Nation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

Financial assets measured at fair value include quoted shares.

Transaction costs

Transactions costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

e) 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.

f) 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.

EXHIBIT "G"

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

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>2015</u>	<u>2014</u>
ADMINISTRATION		
AANDC	\$ 11,743	21,930
Government of Canada	142,664	
Trade	66,487	43,889
AKRC	9,943	19,443
CMHC	4,200	4,200
Solart		157,000
Shooniyaa	10,867	37,076
Health Canada	66,652	91,938
Province of Ontario	113,028	150,796
HST & PST	<u>50,305</u>	<u>25,576</u>
	475,889	551,848
Allowance for doubtful accounts	(9,943)	(100,000)
Net Administration	<u>465,946</u>	<u>451,848</u>
CUSTOMARY CARE		
Weechi-it-te-win	23,377	61,855
HST	<u>22,262</u>	<u>11,062</u>
	<u>45,639</u>	<u>72,917</u>
CMHC		
Subsidy	12,769	13,054
TOTAL	<u>\$ 524,354</u>	<u>537,819</u>

5. LOANS AND ADVANCES

MEMBERS LOANS AND ADVANCES	<u>2015</u>	<u>2014</u>
Administration	\$ 116,828	71,478
Customary Care		
CMHC	<u>60,921</u>	<u>71,605</u>
	<u>177,749</u>	<u>143,083</u>
Allowance for doubtful accounts	(121,091)	(82,038)
TOTAL	<u>\$ 56,658</u>	<u>61,045</u>

EXHIBIT "G"

**OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

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>2015</u>	<u>2014</u>
Units	\$ 333	333
Contributed capital	<u>17,037</u>	<u>17,037</u>
	<u>\$ 17,370</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		
Units	\$ 509	509
Contributed capital	<u>46,351</u>	<u>32,169</u>
	<u>46,860</u>	<u>32,678</u>
Total Investments	<u>\$ 64,230</u>	<u>50,048</u>

7. PREPAID EXPENSES

	<u>2015</u>	<u>2014</u>
Student Allowances	\$ 26,645	27,716
April expense		108
Travel advances	—	<u>13,975</u>
	<u>\$ 26,645</u>	<u>41,799</u>

EXHIBIT "G"

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

8. TANGIBLE CAPITAL ASSETS

	2015				
	Cost Mar. 31/14	Additions (Disposals)	Cost Mar. 31/15	Accumulated Amortization	Net Book Value
Buildings	\$ 4,432,482		4,432,482	2,436,195	1,996,287
Infrastructure	14,066,398		14,066,398	3,479,898	10,586,500
Vehicles	192,969		192,969	192,069	900
Equipment	472,248		472,248	439,012	33,236
CMHC houses, 43 units	<u>5,958,968</u>		<u>5,958,968</u>	<u>971,468</u>	<u>4,987,500</u>
	\$ <u>25,123,065</u>		<u>25,123,065</u>	<u>7,518,642</u>	<u>17,604,423</u>
	2014				
	Cost Mar. 31/13	Additions (Disposals)	Cost Mar. 31/14	Accumulated Amortization	Net Book Value
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	<u>7,846,906</u>	<u>(1,887,938)</u>	<u>5,958,968</u>	<u>808,188</u>	<u>5,150,780</u>
Assets under construction	<u>1,598,866</u>	<u>(1,598,866)</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>

9. RESTRICTED CASH AND TRUST FUNDS

		2015	2014
Capital Fund			
CMHC replacement reserve fund, Note 15	\$	<u>24,321</u>	
Trust Fund			
Onigaming Development Fund		2,620,272	2,535,889
Kiitakiinaan Trust		2,588,439	2,556,840
Ottawa Trust accounts		<u>86,514</u>	<u>210,930</u>
		<u>5,295,225</u>	<u>5,303,659</u>
	\$	<u>5,319,546</u>	<u>5,303,659</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.

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

9. RESTRICTED CASH AND TRUST FUNDS, continued

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.

	2015		2014
	<u>Revenue</u>	<u>Capital</u>	<u>Total</u>
Balance at beginning of year	\$ 194,188	16,742	210,930
Payment to First Nation	(192,500)		(192,500)
Amounts placed on deposit during the year, interest and Hydro One	<u>68,084</u>	—	<u>68,084</u>
	\$ 69,772	16,742	86,514
			210,930

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, 2015 as reported by Royal Trust is \$2,769,628 (2014 - \$2,706,484)

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, 2015 is \$NIL (2014 - \$NIL).

The market value of the fund at March 31, 2015 as reported by CIBC Trust Corporation is \$2,754,739 (2014 - \$2,609,662).

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

EXHIBIT "G"

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.

		<u>2015</u>	<u>2014</u>
Government of Canada	- Flood claim loan	\$ 827,007	827,007
	- Highway claim loan	<u>463,410</u>	<u>463,410</u>
		\$ 1,290,417	1,290,417

11. CASH (BANK) INDEBTEDNESS

	<u>2015</u>	<u>2014</u>
The bank indebtedness consists of:		
Administration - Operations	\$ (398,798)	(490,422)
- Payroll	101	102
- Petty cash and clearing	3,001	6,603
- AANDC deposit	221	221
- OFNLP	4	24
- Building	286	14,391
Customary care	<u>10,118</u>	<u>(20,694)</u>
Operating line of credit	<u>(385,067)</u>	<u>(489,775)</u>
	<u>(320,000)</u>	<u>(310,000)</u>
	<u>\$ (705,067)</u>	<u>(799,775)</u>

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

EXHIBIT "G"

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

11. CASH (BANK INDEBTEDNESS), continued

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>2015</u>	<u>2014</u>
ADMINISTRATION		
Health Canada	\$ 4,705	35,000
Employee deductions	(16,885)	43,943
Trade payables	1,001,774	550,168
HST	<u>5,650</u>	<u>5,650</u>
	<u>995,244</u>	<u>634,761</u>
CMHC		
Trade	<u>11,400</u>	<u>11,400</u>
CUSTOMARY CARE		
Trade	1,325	18,856
Employee deductions	<u>526</u>	<u>787</u>
	<u>1,851</u>	<u>19,643</u>
TOTAL	\$ 1,008,495	665,804

13. DEFERRED REVENUE

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>
FASD, Schedule 5-7	\$	23,550	18,983	4,567
Community Recreation Activities, Schedule 12-1	12,640	45,000	43,102	14,538
Youth Suicide Counselling, Schedule 12-3		50,000	40,112	9,888
Participation Strategy, Schedule 12-4	13,226	11,602	24,828	
Economic Diversification, Schedule 12-6		14,337	7,824	6,513
Child Welfare Program, Schedule 12-9	<u>50,000</u>	<u>847,816</u>	<u>847,816</u>	<u>50,000</u>
	<u>\$ 75,866</u>	<u>992,305</u>	<u>982,665</u>	<u>85,506</u>

EXHIBIT "G"

**OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

14. LONG TERM DEBT	<u>2015</u>	<u>2014</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, 2015, secured by all personal property owned by the First Nation and irrevocable letter of direction from AANDC.	\$ 54,812	72,109
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, 2015, secured by all personal property owned by the First Nation and irrevocable letter of direction from AANDC.	152,253	237,474
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
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
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
Onigaming Development Trust - Administration Building Loan Promissory Note, interest at 6% per month and annual principal payments of \$25,000, due December 1, 2028.	350,000	375,000
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 May 1, 2015. Secured by Ministerial guarantee and assignment of insurance.	535,431	582,982

EXHIBIT "G"

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

14. LONG TERM DEBT, continued	<u>2015</u>	<u>2014</u>
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, 2017. Secured by Ministerial guarantee and assignment of insurance.	\$ 406,010	426,203
CMHC loan payable 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.	1,003,614	1,039,925
CMHC loan payable The First Nation obtained financing to build 7 houses. Through this program the CMHC Housing Authority receives government assistance of \$4,088.50 per month to operate the houses as rental units. Interest at 1.83% per annum, repayable at \$4,030.67 per month principal and interest, maturing December 1, 2019. Secured by Ministerial Guarantee and assignment of insurance.	802,889	834,906
CMHC loan payable 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.	730,867	758,077
Restrictive provisions on the loans may terminate the government assistance. The CMHC loans are guaranteed by Aboriginal Affairs and Northern Development Canada.	4,035,881	4,409,039
Current portion	<u>399,886</u>	<u>390,423</u>
	<u>\$ 3,635,995</u>	<u>4,018,616</u>

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

EXHIBIT "G"

**OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

14. LONG TERM DEBT, continued

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

2016	\$ 399,886
2017	196,382
2018	200,028
2019	203,755
2020	207,564
Thereafter	<u>2,828,266</u>
	<u>\$ 4,035,881</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>2015</u>	<u>2014</u>
Seven Units	\$ 8,500	8,500
Seven Units	5,950	5,950
Seven Units	8,400	8,400
Seven Units	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 is partially funded in a separate interest-bearing account at March 31, 2015.

	<u>2015</u>	<u>2014</u>
Cumulative Reserve funds allocation (net of expenditures)	\$ <u>128,804</u>	<u>135,498</u>

EXHIBIT "G"

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

16. DEFERRED EXPENSES

HIGHWAY CLAIM - FEDERAL

		<u>2014</u> <u>Deferred</u>	<u>2015</u> <u>Current</u>	<u>2015</u> <u>Deferred</u>
EXPENSES				
Honoraria	\$ 74,350			
Wages and benefits	41,869			
Travel	35,310			
Negotiation - Assistant fees	91,850			
Resource staff/Elder	9,900			
Consulting	76,989	31,353	108,342	
Legal	104,795	50,796	155,591	
Meeting	6,203			
Administration	<u>37,599</u>	—	—	
DEFERRED EXPENSES	478,865	82,149	561,014	
LESS: Recovery of costs - Government of Canada	—	<u>(142,500)</u>	<u>(142,500)</u>	
	\$ 478,865	<u>(60,351)</u>	<u>418,514</u>	

FLOOD CLAIM - FEDERAL

		<u>2014</u> <u>Deferred</u>	<u>2015</u> <u>Current</u>	<u>2015</u> <u>Deferred</u>
EXPENSES				
Honoraria	\$ 90,276	26,100	116,376	
Wages and benefits	43,259		43,259	
Travel	46,543	11,894	58,437	
Negotiation - Assistant fees	91,849		91,849	
Resource staff/Elder	9,900		9,900	
Consulting	66,551	55,196	121,747	
Legal	179,827	62,210	242,037	
Meeting costs	3,283	151	3,434	
Administration	<u>34,886</u>	<u>6,500</u>	<u>41,386</u>	
DEFERRED EXPENSES	566,374	162,051	728,425	
TOTAL DEFERRED EXPENSES	\$ 1,045,239	101,700	1,146,939	

The Government of Canada, in its letter dated June 11, 2013 to Ojibways of Onigaming First Nation, made available an amount of \$142,500 for the highway claim costs. Ojibways of Onigaming First Nation has officially filed a claim for these funds in its letter dated June 5, 2015.

17. ECONOMIC DEPENDENCE

The organization is economically dependent on the Government of Canada.

**OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

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 2015 was \$231,719 (2014 - \$233,142).

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.

EXHIBIT G

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

20. SEGMENT DISCLOSURE

	First Nations Management			Operations & Maintenance			Social Services		
	Budget	2015	2014	Budget	2015	2014	Budget	2015	2014
REVENUE									
Federal government	\$ 416,934	416,934	410,086	188,679	188,679	157,188	160,628	142,321	142,204
Provincial government							833,550	823,190	710,387
Economic activities									
Net income for investments in government business enterprises									
Other revenue	393,300	<u>449,343</u>	<u>124,416</u>	<u>793,513</u>	<u>45,600</u>	<u>54,700</u>	<u>175,165</u>	<u>—</u>	<u>49,848</u>
TOTAL REVENUE	<u>810,234</u>	<u>741,861</u>	<u>1,220,658</u>	<u>234,279</u>	<u>243,379</u>	<u>332,353</u>	<u>994,178</u>	<u>965,511</u>	<u>902,439</u>
EXPENSES									
Honoraria	331,400	297,250	309,136						
Chief and Councillors									
Elders and Board Members									
Wages and benefits	369,000	336,373	333,644	166,770	189,102	198,995	239,600	276,158	216,194
Amortization	804,999	804,999	753,403						
Tangible Capital Assets			(46,296)						
Interest	40,975	9,706					408	1,517	
Other expenses	(41,141)	<u>247,037</u>	<u>514,276</u>	<u>232,509</u>	<u>382,885</u>	<u>291,785</u>	<u>754,578</u>	<u>699,630</u>	<u>700,202</u>
TOTAL EXPENSES	<u>1,505,233</u>	<u>1,695,365</u>	<u>1,864,163</u>	<u>399,279</u>	<u>572,395</u>	<u>492,297</u>	<u>994,178</u>	<u>975,788</u>	<u>916,396</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS	(694,999)	(953,504)	(643,505)	(165,000)	(329,016)	(159,944)			
TRANSFERS	<u>80,000</u>	<u>483,017</u>	<u>—</u>	<u>165,000</u>	<u>165,000</u>	<u>—</u>	<u>(10,277)</u>	<u>(13,957)</u>	<u>—</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (614,999)</u>	<u>(470,487)</u>	<u>(643,505)</u>	<u>—</u>	<u>(164,016)</u>	<u>(159,944)</u>	<u>—</u>	<u>(10,277)</u>	<u>(13,957)</u>

**OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

20. SEGMENT DISCLOSURE

EXHIBIT G

OJIBWAYS OF ONIGAMING FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

20. SEGMENT DISCLOSURE

		Health		Total for Community Services			Total		
	Budget	2015	2014	Budget	2015	2014	Budget	2015	2014
REVENUE									
Federal government	\$ 475,233	512,235	486,549	361,140	407,962	404,509	4,156,866	4,328,932	4,128,991
Provincial government	89,226	193,092	194,458	537,715	652,503	791,982	1,653,429	1,668,785	1,696,827
Economic activities									17,059
Net income for investments in government business enterprises									
Other revenue	—	219,233	41,795	1,773,286	2,387,177	2,265,361	2,347,736	(124,416)	3,274,619
TOTAL REVENUE	564,459	924,560	722,802	2,672,141	3,447,642	3,461,852	8,158,031	9,147,920	9,337,528
EXPENSES									
Honoraria				65,800	45,100		331,400	363,050	354,236
Chief and Councillors									
Elders and Board Members	600	388,615	365,972	1,087,048	1,027,270	973,277	3,663,181	3,643,324	3,414,812
Wages and benefits	310,636	388,615	365,972	1,087,048	1,027,270	973,277	3,663,181	3,643,324	3,414,812
Amortization					6,833	11,377	962,999	975,112	923,054
Tangible Capital Assets									
Interest	283,823	563,298	366,461	929,583	1,556,926	1,858,796	19,421	121,975	(46,296)
Other expenses							3,372,438	4,814,948	14,520
TOTAL EXPENSES	594,459	952,513	732,433	2,016,631	2,676,250	2,901,553	8,451,993	9,902,040	9,583,837
SURPLUS (DEFICIT)									
BEFORE TRANSFERS									
(30,000)	(27,953)	(9,631)	655,510	771,392	560,299		(293,962)	(754,120)	(246,309)
TRANSFERS									
	—	—	—	(711,766)	(693,017)	—	(421,956)	—	—
ANNUAL SURPLUS (DEFICIT)	\$ (30,000)	(27,953)	(9,631)	(56,256)	78,375	560,299	(715,918)	(754,120)	(246,309)