

ANISHINABE OF WAUZHUSHK ONIGUM NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

ANISHINABE OF WAUZHUSHK ONIGUM NATION
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FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

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ANISHINABE OF WAUZHUSHK ONIGUM NATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

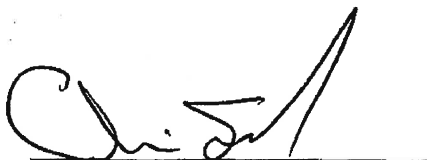

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The consolidated financial statements of Anishinabe of Wauzhushk Onigum Nation are the responsibility of management and have been approved by Chief and Council.

Management is responsible for the integrity and objectivity of the financial statements. Estimates are necessary in the preparation of these 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 Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The 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

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)

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

INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Members of
Anishinabe of Wauzhushk Onigum Nation

We have audited the accompanying consolidated financial statements of Anishinabe of Wauzhushk Onigum Nation, which comprise the consolidated statements of financial position as at March 31, 2014 and 2013 and the consolidated statements of accumulated surplus, consolidated statements of operations, consolidated statements of change in 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 consolidated 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 consolidated 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 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 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.

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

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INDEPENDENT AUDITORS' REPORT- CONTINUED

Basis for Qualified Opinion

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 appropriate amortization is not determinable at the date of the 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.

These financial statements consolidate the unaudited assets, liabilities and results of operations for the Golden Eagle Charitable Casino and Entertainment Centre, Kinew Day Care and Wauzhushk Onigum Foundation. Therefore we were unable to determine whether any adjustments might be necessary to the financial results.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which might have determined to be necessary, as detailed in the preceding paragraphs, the financial statements present fairly, in all material respects, the consolidated financial position of Anishinabe of Wauzhushk Onigum 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 5, 2014



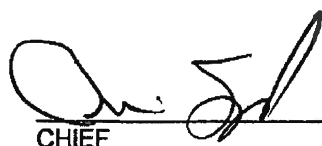
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS


ANISHINABE OF WAUZHUSHK ONIGUM NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014 AND 2013

EXHIBIT "B"

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Cash resources, Note 2	\$ 420,834	403,867
Restricted cash, Note 3	134,499	80,466
Accounts receivable, Note 4	554,333	749,621
Loan receivable, Note 5	404,317	377,994
Due from related First Nation entities, Note 6	284,129	181,553
Inventory for resale	32,818	22,566
Replacement reserve, Note 7	304,453	272,528
Business enterprise equity, Note 8	926,721	654,274
Ottawa Trust Funds, Note 9	44,689	43,533
	<u>3,106,793</u>	<u>2,786,402</u>
LIABILITIES		
Accounts payable and accrued liabilities, Note 10	1,368,090	1,701,544
Deferred revenue, Note 11	210,177	325,988
Long term debt, Note 12	3,626,675	4,278,261
Replacement reserve fund, Note 7	304,453	272,528
	<u>5,509,395</u>	<u>6,578,321</u>
NET DEBT	<u>(2,402,602)</u>	<u>(3,791,919)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses, Note 13	15,209	32,995
Tangible capital assets, Note 14	9,316,328	8,938,044
Assets under construction, Note 15	4,369,904	5,330,528
	<u>13,701,441</u>	<u>14,301,567</u>
ACCUMULATED SURPLUS, Note 16	\$ <u>11,298,839</u>	<u>10,509,648</u>

APPROVED BY:


 CHIEF


 COUNCILLOR

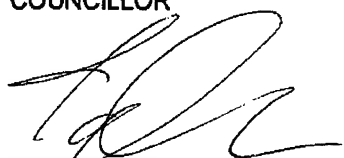

 COUNCILLOR

EXHIBIT "C"

ANISHINABE OF WAUZHUSHK ONIGUM NATION
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
BALANCE AT BEGINNING OF YEAR	\$ 10,509,648	10,017,914
ANNUAL SURPLUS, Exhibit "D"	<u>789,191</u>	<u>491,734</u>
BALANCE AT END OF YEAR	\$ <u>11,298,839</u>	<u>10,509,648</u>

ANISHINABE OF WAUZHUSHK ONIGUM 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>
SUMMARY			
Operations	\$ 4,211,716	4,108,014	103,702
Capital	294,074	294,074	(9,764)
Social Housing	515,436	515,752	(316)
Set Funding	2,141,090	2,100,239	40,851
Capital Projects	840,878	30,241	810,637
Enterprise	<u>10,511,343</u>	<u>10,224,282</u>	<u>287,061</u>
ANNUAL SURPLUS (DEFICIT) BEFORE THE FOLLOWING	18,514,537	17,272,602	1,241,935
LAND AND FLOOD CLAIMS	95,150	295,108	(199,958)
OTTAWA TRUST FUNDS, Note 9	1,156		1,156
AMORTIZATION NOT EXPENSED IN OPERATIONS		253,942	(253,942)
TRANSFER FROM OPERATIONS TO:			
Tangible capital assets			531,274
Construction in progress			<u>182,921</u>
ANNUAL SURPLUS	\$ <u>18,610,843</u>	<u>17,821,652</u>	<u>789,191</u>
			<u>491,734</u>

EXHIBIT "E"

ANISHINABE OF WAUZHUSHK ONIGUM NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ANNUAL SURPLUS, Exhibit "D"	\$ 789,191	491,734
Acquisition of tangible capital assets	(978,538)	(985,874)
Amortization of tangible capital assets	600,254	653,560
Change in prepaid expenses	17,786	(17,786)
Change in assets under construction	<u>960,624</u>	<u>255,522</u>
DECREASE IN NET DEBT	1,389,317	397,156
NET DEBT AT BEGINNING OF YEAR	<u>(3,791,919)</u>	<u>(4,189,075)</u>
NET DEBT AT END OF YEAR	\$ <u>(2,402,602)</u>	<u>(3,791,919)</u>

ANISHINABE OF WAUZHUSHK ONIGUM 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, Exhibit "D"	\$ 789,191	491,734
Add non-cash items		
Amortization - Operations	253,942	243,468
- CMHC	274,287	202,146
- Golden Eagle Casino	72,025	207,946
Net change in financial assets/liabilities and prepaid expenses		
Accounts receivable	195,288	(173,828)
Inventory for resale	(10,252)	4,922
Ottawa Trust Funds	(1,156)	(1,044)
Prepaid expenses	17,786	(17,786)
Accounts payable and accruals	(333,454)	(963,133)
Deferred revenue	<u>(115,811)</u>	<u>193,132</u>
	<u>1,141,846</u>	<u>187,557</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(978,538)	(985,874)
Change in assets under construction	<u>960,624</u>	<u>255,522</u>
	<u>(17,914)</u>	<u>(730,352)</u>
FINANCING TRANSACTIONS		
Proceeds from additional long term debt		1,065,865
Principal repayments on long term debt	<u>(651,586)</u>	<u>(857,720)</u>
	<u>(651,586)</u>	<u>208,145</u>
INVESTING TRANSACTIONS		
Increase in due from related First Nation entities	(102,576)	(495,096)
Principal receipts on (increase in) loan receivable	(26,323)	70,501
Increase in business enterprise equity	<u>(272,447)</u>	<u>(15,485)</u>
	<u>(401,346)</u>	<u>(440,080)</u>
NET CHANGE IN CASH POSITION	71,000	(774,730)
CASH POSITION AT BEGINNING OF YEAR	<u>484,333</u>	<u>1,259,063</u>
CASH POSITION AT END OF YEAR	\$ <u>555,333</u>	<u>484,333</u>
REPRESENTED BY:		
Cash resources, Note 2	\$ 420,834	403,867
Restricted cash, Note 3	<u>134,499</u>	<u>80,466</u>
	\$ <u>555,333</u>	<u>484,333</u>

ANISHINABE OF WAUZHUSHK ONIGUM NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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 Canadian Institute of Chartered Accountants.

a) Reporting Entity

These financial statements are presented on a consolidated basis which include the Not-For-Profit organizations and unincorporated business operations which are owned and/or controlled by Anishinabe of Wauzhushk Onigum Nation.

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

- Golden Eagle Casino and Charitable Entertainment Centre
- Wauzhushk Onigum Foundation
- Kinew Day Care

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

Wauzhushk Onigum Nation incorporated business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. An entity accounted for by the modified equity basis is the Ozhushk-Onegaming Corporation.

Long-term investment in non-consolidated entities is recorded at the lower of cost or net realizable value.

b) Fund Accounting

Anishinabe of Wauzhushk Onigum Nation uses fund accounting procedures that result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The funds have been amalgamated for the purpose of presentation in the financial statements.

Anishinabe of Wauzhushk Onigum Nation maintains the following funds:

- Ottawa Trust fund reports on trust monies owned by the First Nation and held by third parties.
- Replacement Reserve Fund reports on the CMHC replacement reserve.
- Operating fund reports the unrestricted net assets related to general activities of the First Nation.
- Enterprise Fund reports investments of incorporated business entities owned and controlled by the First Nation.

ANISHINABE OF WAUZHUSHK ONIGUM NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

c) 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 organization 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.

d) Amortization

Social housing assets acquired under CMHC sponsored programs are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, which approximates its economic life. Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives, as follows:

	<u>Method</u>	<u>Rate</u>
Infrastructure	Declining balance	4%
Community buildings	Declining balance	4%
Computer equipment	Declining balance	30%
Heavy equipment	Declining balance	30%
Equipment	Declining balance	20%
Automotive	Declining balance	30%

e) Net Debt/Net Financial Assets

The organization'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 organization are determined by its financial assets less its liabilities.

f) Revenue Recognition

Government transfer revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt, and is matched with the related department expenditures in the year of their occurrence.

g) Deferred Revenue

Deferred revenue represents funding received or receivable under the terms of their respective funding arrangements for specified purposes and for which the related expenses have not been incurred. Unspent funding or expenses made which are not in accordance with the terms of the funding arrangements may constitute a debt to the funding authority upon review of the funding arrangement expenses. Note 11 provides a summary of deferred revenue by project.

ANISHINABE OF WAUZHUSHK ONIGUM NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

h) Financial Instruments

The organization's financial instruments consist of cash resources, cash held in trust by legal representative, accounts receivable, loan receivable, Ottawa Trust Funds, accounts payable and accruals, amounts due to related First Nation entities and long-term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair market value of these financial instruments approximate their carrying charges.

i) 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 expenditures during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

j) Economic Dependence

The First Nation receives the majority of its annual operations revenue pursuant to an agreement with Aboriginal Affairs Northern Development Canada.

2. CASH RESOURCES

	<u>2014</u>	<u>2013</u>
Administration	\$ 53,496	97,683
Golden Eagle Charitable Casino and Entertainment Centre	209,143	245,767
Kinew Childcare Centre	715	36,708
Social Services	(21,585)	(22,490)
Wauzhushk Onigum Foundation	<u>179,065</u>	<u>46,199</u>
	\$ <u>420,834</u>	<u>403,867</u>

3. RESTRICTED CASH

Restricted cash consists of funds held in trust by legal counsel for flood claim proceedings and funds set aside for capital projects, as follows:

	<u>2014</u>	<u>2013</u>
Legal counsel	\$ 84,499	80,466
Capital projects	<u>50,000</u>	<u> </u>
	\$ <u>134,499</u>	<u>80,466</u>

ANISHINABE OF WAUZHUSHK ONIGUM NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

4. ACCOUNTS RECEIVABLE	<u>2014</u>	<u>2013</u>
AANDC	\$ 325,516	222,281
Other government agencies	42,646	252,226
Shooniyaa Wa-Biitong	6,874	8,783
Anishinaabeg of Kabapikotawangag Resource Council Inc.	69,482	70,094
Other	98,410	184,209
GST/HST	<u>11,405</u>	<u>12,028</u>
	\$ <u>554,333</u>	<u>749,621</u>

5. LOAN RECEIVABLE

Loan advanced to Ozhushk-Onegaming Corporation, a band controlled entity, for the building of a new marina store and gas bar. Payments of \$10,086, including interest at 6.49%, are payable monthly. The loan is due June 26, 2015, and is unsecured. No payments were made during the current year.

6. DUE FROM RELATED FIRST NATION ENTITIES

The amount due from related First Nation entities is due from Ozhushk-Onegaming Corporation, a band controlled entity, and is due on demand, without interest and is unsecured.

7. REPLACEMENT RESERVE

Under agreements with CMHC, the First Nation has established a replacement reserve, perpetuated by an annual allocation of funds to ensure replacement of buildings financed by CMHC as follows:

<u>Project No.</u>	
16-843-948-001	\$ 2,400
16-843-995-002	4,200
16-843-948-003	2,450
16-843-948-004	2,450
22-317-465-001	6,800
22-317-465-003	6,125
22-317-465-004	<u>7,500</u>
	\$ <u>31,925</u>

A subsidy surplus reserve may also be established by retaining excess federal assistance payments received plus interest. Reserve funds may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance. As at March 31, 2014, no subsidy surplus reserve has been established.

In accordance with terms of the agreements, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

ANISHINABE OF WAUZHUSHK ONIGUM NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

8. BUSINESS ENTERPRISE EQUITY

	<u>2014</u>	<u>2013</u>
Ozhushk-Onegaming Corporation		
Common share (100% equity interest), at cost	\$ 1	1
Advances, unsecured, non-interest bearing, with no fixed repayment terms	729,073	729,073
Accumulated deficit	<u>197,647</u>	<u>(74,800)</u>
	\$ <u>926,721</u>	<u>654,274</u>

Summary financial information for Ozhushk-Onegaming Corporation for the year ended March 31, 2014 is as follows:

Assets	\$ 1,858,990	1,713,508
Liabilities	<u>1,661,342</u>	<u>1,788,307</u>
Shareholders' deficit	\$ <u>197,648</u>	<u>(74,799)</u>
Revenues	\$ 7,605,685	6,966,605
Net income for the year	\$ 272,447	15,485

Revenues, expenses and net income of Ozhushk-Onegaming Corporation for the year are recognized as part of operations of the First Nation in the Enterprise Fund, as detailed on Exhibit "D".

9. 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. Those funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to an 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. Activity in Ottawa Trust Funds for the year ended March 31, 2014 is as follows:

	Opening Balance <u>Mar. 31/13</u>	Additions	Withdrawals	Closing Balance <u>Mar. 31/14</u>
Revenue	\$ 10,583	1,156		11,739
Capital	<u>32,950</u>	—	—	<u>32,950</u>
Fund Total	\$ <u>43,533</u>	<u>1,156</u>	—	<u>44,689</u>

ANISHINABE OF WAUZHUSHK ONIGUM NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 568,329	910,901
School Boards	778,753	780,140
Government deductions		3,000
Pension and group insurance liabilities	<u>21,008</u>	<u>7,503</u>
	\$ <u>1,368,090</u>	<u>1,701,544</u>

11. DEFERRED REVENUE

	March 31 2013			March 31 2014
	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>
Education				
K - 12 Instructional services	\$ 13,789		13,789	
Post Secondary	45,396	129,638	174,384	650
Transportation	81,512	160,591	150,802	91,301
Land Resource Management	13,433		13,433	
Leadership Governance Development	11,006		11,006	
Economic Development		<u>43,800</u>	<u>41,293</u>	<u>2,507</u>
Sub-total: AANDC funding	165,136	334,029	404,707	94,458
Land and Environment Action Fund		2,425		2,425
Miscellaneous staff events	1,264	3,491	2,408	2,347
Ontario Trillium Foundation	852		852	
Garden Island	14,650		6,988	7,662
Province of Ontario	10,000		2,657	7,343
Minor Capital		390,016	294,074	95,942
OFNLP	<u>134,086</u>		<u>134,086</u>	
	\$ 325,988	729,961	845,772	210,177

ANISHINABE OF WAUZHUSHK ONIGUM NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

EXHIBIT "G"

12. LONG TERM DEBT

	<u>2014</u>	<u>2013</u>
Bank of Nova Scotia mortgage, repayable in blended monthly payments of principal and interest in the amount of \$2,820, bearing interest at 5.39%, secured by a Ministerial guarantee, maturing January 2015.	\$ 43,454	74,079
Bank of Nova Scotia mortgage, repayable in blended monthly payments of principal and interest in the amount of \$6,250, bearing interest at 3.54%, secured by a Ministerial guarantee, maturing December 2014.	91,605	162,043
Bank of Nova Scotia mortgage.		283,914
Bank of Nova Scotia mortgage, repayable in blended monthly payments of principal and interest in the amount of \$5,359, bearing interest at 5.84%, secured by a Ministerial guarantee, maturing October 2014.	310,478	355,439
Loan payable to Royal Bank, repayable in 60 monthly payments of \$4,167 plus interest at prime plus 2%.	124,990	174,994
Loan payable to Royal Bank on demand to be paid in full by August 31, 2013 at an annual interest of prime plus 1.7%.		125,000
Loan payable to Royal Bank of Canada.		233,320
Loan payable to CMHC, with blended monthly payments of principal and interest in the amount of \$2,529, bearing interest at 1.5%, secured by a Ministerial guarantee, maturing December 2032.	494,688	517,308
Loan payable to CMHC with blended monthly payments of principal and interest in the amount of \$4,823 bearing interest at 2.26% secured by a Ministerial guarantee, maturing August 2036.	1,018,219	1,052,768
Loan payable to CMHC with blended monthly payments of principal and interest in the amount of \$3,963 bearing interest at 1.69% secured by a Ministerial guarantee, maturing February 2038.	935,324	966,947
Unadvanced funds		(42,308)
Loan payable to CMHC with blended monthly payments of principal and interest in the amount of \$4,239 bearing interest at 1.67% secured by a Ministerial guarantee, maturing June 1, 2018.	<u>233,160</u>	<u> </u>
Balance carried forward	\$ <u>3,251,918</u>	<u>924,639</u>

ANISHINABE OF WAUZHUSHK ONIGUM NATION
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12. LONG TERM DEBT, continued

	<u>2014</u>	<u>2013</u>
Balance brought forward	\$ 3,251,918	924,639
Flood claim advance from Government of Canada, non-interest bearing	171,331	171,331
Flood claim advance from Government of Canada, non-interest bearing	141,226	141,226
Advance from Minor Capital department of AANDC, non-interest bearing. This advance is being collected by a deduction of capital funding in 2014/2015.	<u>62,200</u>	<u>62,200</u>
	\$ <u>3,626,675</u>	<u>4,278,261</u>

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

2015 subject to refinancing	\$ 445,537
2015	559,590
2016	190,369
2017	171,179
2018	152,333
2019	106,876
Thereafter	<u>2,000,791</u>
	\$ <u>3,626,675</u>

13. PREPAID EXPENSES

Prepaid expenses are comprised of hydro deposits paid during the year for land development costs, building renovations and social services relating to the following year.

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14. TANGIBLE CAPITAL ASSETS

		2014			
		Cost	Additions	Cost	Accumulated
		Mar. 31/13	(Disposals)	Mar. 31/14	Amortization
					Net
					Book Value
Land	\$	49,000		49,000	49,000
Buildings		9,605,256	960,625	10,565,881	3,229,165
Infrastructure		2,935,557		2,935,557	1,212,182
Computer equipment		6,500		6,500	6,283
Heavy equipment		373,400		373,400	330,449
Equipment		259,009		259,009	202,332
Automotive and buses		633,215		633,215	579,785
Golden Eagle Casino building and land improvements		<u>2,784,954</u>	<u>17,913</u>	<u>2,802,867</u>	<u>2,748,905</u>
	\$	<u>16,646,891</u>	<u>978,538</u>	<u>17,625,429</u>	<u>8,309,101</u>
					<u>9,316,328</u>

		2013			
		Cost	Additions	Cost	Accumulated
		Mar. 31/12	(Disposals)	Mar. 31/13	Amortization
					Net
					Book Value
Land	\$	49,000		49,000	49,000
Buildings		8,635,539	969,717	9,605,256	2,828,311
Infrastructure		2,935,557		2,935,557	1,140,375
Computer equipment		6,500		6,500	6,190
Heavy equipment		373,400		373,400	312,042
Equipment		259,009		259,009	188,163
Automotive and buses		633,215		633,215	556,886
Golden Eagle Casino building and land improvements		<u>2,768,797</u>	<u>16,157</u>	<u>2,784,954</u>	<u>2,676,880</u>
	\$	<u>15,661,017</u>	<u>985,874</u>	<u>16,646,891</u>	<u>7,708,847</u>
					<u>8,938,044</u>

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EXHIBIT "G"

15. ASSETS UNDER CONSTRUCTION

Capital projects under construction at year end are recorded at cost and are segregated as part of the non-financial assets. As the construction of these assets is completed, they are added to the appropriate tangible capital asset category. Amortization is not taken until the asset is put into use.

The net changes in assets under construction for the year are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 5,330,528	5,586,050
Transfers in		
Community Housing		133,604
CMHC 6 Unit Project		531,274
Gymnasium, Schedule 45		49,317
Transfers out		
Community Housing	(495,559)	
AANDC Housing	(465,065)	
CMHC 6 Unit Project, transferred to Tangible capital assets	_____	(969,717)
Balance, end of year	\$ <u>4,369,904</u>	<u>5,330,528</u>

16. ACCUMULATED SURPLUS

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. Repayments or recoveries are reflected in the year in which they are repaid or received.

17. COMPARATIVE AND BUDGET FIGURES

Certain prior year comparative amounts have been reclassified to conform to the current year financial statement presentation. The budget figures are unaudited.

ANISHINABE OF WAUZHUSHK ONIGUM NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

18. SEGMENT DISCLOSURE

	Operations		Capital		Social Housing	
	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>
REVENUE						
Federal government	\$ 1,410,476	1,527,687	1,371,931			
Provincial government	50,000	1,106,155	1,256,583	260,016	260,016	258,316
Economic activities						
Net income for investments in government business enterprises						
Other revenue	<u>259,433</u>	<u>1,550,565</u>	<u>1,562,751</u>	<u>34,058</u>	<u>287,544</u>	<u>236,504</u>
TOTAL REVENUE	<u>1,719,909</u>	<u>4,184,407</u>	<u>4,191,265</u>	<u>260,016</u>	<u>515,436</u>	<u>434,106</u>
EXPENSES						
Honoraria						
Chief and Councillors	240,000	246,486				
Elders and Board Members						
Wages and benefits	628,000	1,100,173	1,375,699	4,000	4,439	73,005
Amortization						
Tangible Capital Assets						
Interest	18,000	28,381	65,055			
Other expenses	<u>1,027,303</u>	<u>2,704,509</u>	<u>3,321,647</u>	<u>73,000</u>	<u>289,635</u>	<u>195,075</u>
TOTAL EXPENSES	<u>1,913,303</u>	<u>4,079,549</u>	<u>4,762,401</u>	<u>77,000</u>	<u>294,074</u>	<u>268,080</u>
ANNUAL SURPLUS (DEFICIT)	\$ (193,394)	104,858	(571,136)	183,016	(316)	(406)

ANISHINABE OF WAUZHUSHK ONIGUM NATION
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FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

18. SEGMENT DISCLOSURE, continued

	Set Funding		Capital Projects		Enterprises	
	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>
REVENUE						
Federal government	\$ 1,972,297	2,111,184	2,161,503		95,000	
Provincial government						
Economic activities						
Net income for investments in government business enterprises		29,906				
Other revenue						
					10,511,493	9,459,347
TOTAL REVENUE	1,972,297	2,141,090	2,161,503		10,606,493	9,459,347
EXPENSES						
Honoraria						
Chief and Councillors						
Elders and Board Members						
Wages and benefits	322,500	319,791	146,334		1,282,247	1,176,627
Amortization					365,345	207,946
Tangible Capital Assets						
Interest			8,157		70,906	57,253
Other expenses	1,672,000	1,780,448	1,874,703		9,054,834	6,841,490
TOTAL EXPENSES	1,994,500	2,100,239	2,029,194		10,773,332	8,283,316
ANNUAL SURPLUS (DEFICIT)	\$ (22,203)	40,851	132,309		(166,839)	1,176,031

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18. SEGMENT DISCLOSURE, continued

	Total	
	<u>Budget</u>	<u>2013</u>
REVENUE		
Federal government	\$ 3,642,789	3,989,352
Provincial government	50,000	1,256,583
Economic activities		
Net income for investments in government business enterprises		
Other revenue	<u>259,433</u>	<u>11,260,395</u>
TOTAL REVENUE	<u>3,952,222</u>	<u>16,506,330</u>
EXPENSES		
Honoraria		
Chief and Councillors	240,000	246,486
Elders and Board Members		
Wages and benefits	954,500	2,771,725
Amortization		410,092
Tangible Capital Assets		658,700
Interest	18,000	235,323
Other expenses	<u>2,772,303</u>	<u>12,417,684</u>
TOTAL EXPENSES	<u>3,984,803</u>	<u>16,493,524</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(32,581)</u>	<u>12,806</u>