

**Wabigoon Lake Ojibway Nation
Consolidated Financial Statements
For the year ended March 31, 2015**

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Consolidated Financial Statements
For the year ended March 31, 2015

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Wabigoon Lake Ojibway Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of the Band.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Band 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 Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. BDO Canada LLP has full access to the Band Council.


Chief


First Nation Administrator



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PO Box 3010
Dryden ON P8N 3G3 Canada

Independent Auditors' Report

To the Members of
Wabigoon Lake Ojibway Nation

We have audited the accompanying consolidated financial statements of Wabigoon Lake Ojibway Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, change in 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 consolidated financial statements in accordance with Canadian public sector 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Basis for Qualified Opinion

We have consolidated the financial statements of government business enterprises owned by the First Nation using the modified equity method. We have not examined or expressed an opinion on all of these enterprises. We have been unable to determine whether there would be any adjustments to investments in incorporated business entities, equity in incorporated business entities or income of the incorporated business entities, had we audited these financial statements for the years ended March 31, 2014 and 2015.

The First Nation derives some of its revenue from fundraising efforts, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses and cash flows from operations for the years ended March 31, 2015 and 2014, current assets as at March 31, 2015 and 2014 and net assets as at April 1 and March 31 for both the 2015 and 2014 years.

Our audit opinion for the year ended March 31, 2014 was modified accordingly because of the possible effects of these limitations in scope.

Qualified Opinion

In our opinion, except for the possible effects of matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Wabigoon Lake Ojibway Nation as at March 31, 2015, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting principles.

A handwritten signature in black ink that reads 'BDO Canada LLP'. The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Licensed Public Accountants

Dryden, Ontario
October 16, 2015

Wabigoon Lake Ojibway Nation Consolidated Statement of Financial Position

March 31	2015	2014
Financial assets		
Bank (Note 1)	\$ 370,468	\$ 761,328
Accounts receivable (Note 2)	1,173,315	765,558
Investments in incorporated business entities (Note 3)	1,319,786	1,424,217
Due from Wabigoon Anishnaabe Gitigewin Corporation (Note 4)	393,745	393,745
Investment in common shares (Note 5)	188,584	188,584
	<u>3,445,898</u>	<u>3,533,432</u>
Financial liabilities		
Accounts payable (Note 7)	672,681	629,028
Deferred revenue and government transfers (Note 8)	811,287	789,757
Due to 1013215 Ontario Inc.	3,762	3,762
Debt financing (Note 9)	3,998,537	2,149,680
	<u>5,486,267</u>	<u>3,572,227</u>
Net debt	<u>(2,040,369)</u>	<u>(38,795)</u>
Non-financial assets		
Tangible capital assets (Note 10)	6,324,225	4,027,963
Accumulated surplus (Note 11)	<u>\$ 4,283,856</u>	<u>\$ 3,989,168</u>

Approved on behalf of the First Nation:


Chief


First Nation Administrator

Wabigoon Lake Ojibway Nation
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	Budget	2015	2014
(Note 17)			
Revenue			
Aboriginal Affairs and Northern Development Canada	\$ 1,422,321	\$ 1,422,321	\$ 1,477,305
Abinoojii Family Services		18,474	18,000
Bimose Tribal Council			1,353
Canada Mortgage and Housing Corporation		102,851	40,399
Fundraising		329,499	485,836
Grand Council Treaty #3		14,200	35,187
Health Canada	391,131	391,131	383,134
Human Resources Development Canada	2,111	2,111	49,649
Management fee from 1013215 Ontario Inc.		42,000	85,000
Management fee from Wabigoon Anishnaabe Gitigewin Corporation			20,000
Ministry of Aboriginal Affairs	190,000	138,130	173,000
Ministry of Community and Social Services	144,600	382,287	419,644
Ministry of Education		3,206	3,206
Ministry of Health	58,558	105,435	107,615
Northern Ontario Heritage Fund Corporation		-	49,148
NDL Construction		150,000	-
Nuclear Waste Management Organization		209,415	-
Ontario First Nations Limited Partnership		568,705	552,308
Other		1,580,224	882,990
Paawidigong First Nation Forum Inc.	77,970	77,970	78,330
Share of loss of 1013215 Ontario Inc.		(14,442)	(7,777)
Share of Income of Wabigoon Anishnaabe Gitigewin Corporation		(94,204)	(22,411)
Share of loss of WLON Distribution Ltd.		(37,594)	(24,086)
Shooniyaa Wa-Bitong	15,738	7,988	18,480
Sioux Lookout Area Aboriginal Management Board		137,696	144,957
Transfer from Incomplete Projects		789,757	960,602
Transfer to Incomplete Projects		(811,287)	(789,757)
Wabigoon Saaga'igan Anishinaabeg Development Corporation revenue		341,849	232,116
Prior year surplus recoveries and adjustments		(8,822)	(16,576)
Inter-organizational eliminations		(446,486)	(417,438)
	2,302,429	5,402,414	4,940,214
Expenses			
Education	606,025	723,851	555,587
General	1,110,506	3,669,078	3,412,701
Welfare	288,456	462,962	499,425
Fundraising		302,655	379,980
Canada Mortgage and Housing Corporation		95,817	95,411
Wabigoon Saaga'igan Anishinaabeg Development Corporation expenses		341,849	232,116
Inter-organizational eliminations		(446,486)	(417,438)
	2,004,987	5,149,726	4,757,782
Excess of revenue over expenses for the year	297,442	252,688	182,432
Financing, transfers and adjustments			
Contributed capital		42,000	105,000
Surplus for the year	297,442	294,688	287,432
Accumulated surplus, beginning of year	3,989,168	3,989,168	3,701,736
Accumulated surplus, end of year	\$ 4,286,610	\$ 4,283,856	\$ 3,989,168

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

Wabigoon Lake Ojibway Nation
Consolidated Statement of Change in Net Debt

For the year ended March 31	Budget	Actual 2015	Actual 2014
	(Note 17)		
Annual surplus (deficit)	\$ 297,442	\$ 294,688	\$ 287,432
Acquisition of tangible capital assets	(2,748,202)	(2,748,202)	(272,818)
Amortization of tangible capital assets	451,940	451,940	448,123
	(1,998,820)	(2,001,574)	462,737
Net change in net financial assets (debt)	(1,998,820)	(2,001,574)	462,737
Net debt, beginning of year	(38,795)	(38,795)	(501,532)
Net debt, end of year	\$ (2,037,615)	\$ (2,040,369)	\$ (38,795)

Wabigoon Lake Ojibway Nation Consolidated Statement of Cash Flows

For the year ended March 31	2015	2014
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 252,688	\$ 182,432
Item not involving cash		
Amortization	451,940	448,123
Changes in non-cash working capital balances		
Accounts receivable	(407,757)	(56,424)
Accounts payable	43,653	86,092
Incomplete projects	21,530	(170,845)
	<u>362,054</u>	<u>489,378</u>
Financing activities		
Decrease in bank indebtedness	-	(5,945)
Increase in debt financing	1,941,120	119,608
Decrease in debt financing	(92,263)	(95,092)
Increase in contributed capital	42,000	105,000
	<u>1,890,857</u>	<u>123,571</u>
Investing activities		
Purchase of tangible capital assets	(2,748,202)	(272,818)
Net change in investment in incorporated business entities	104,431	(50,726)
	<u>(2,643,771)</u>	<u>(323,544)</u>
Increase (decrease) in cash during the year	(390,860)	289,405
Bank, beginning of year	761,328	471,923
Bank, end of year	\$ 370,468	\$ 761,328

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

Wabigoon Lake Ojibway Nation Summary of Significant Accounting Policies

March 31, 2015

Basis of Presentation These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting standards for governments, as defined by the Public Sector Accounting Board.

Investment in Common Shares Investment in common shares is recorded at fair value.

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

Amortization of these assets is recorded on a straight-line basis commencing in the year of acquisition or construction as follows:

General and CMHC Housing	5%
Infrastructure and Community Buildings	5%
Equipment	20%
Automotive	30%

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

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

Assets under construction are not amortized until the asset is available to be put into service.

Wabigoon Lake Ojibway Nation Summary of Significant Accounting Policies

March 31, 2015

**Reporting Entity and
Principles of
Financial Reporting**

Wabigoon Lake Ojibway Nation reporting entity includes the Wabigoon Lake Ojibway Nation government and related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Wabigoon Lake Ojibway Nation Fundraising Account
- Wabigoon Lake Ojibway Nation CMHC
- Wabigoon Saaga'igan Anishinaabeg Development Corporation

Incorporated business entities, which are owned or controlled by Wabigoon Lake Ojibway Nation and which are not dependent on the First Nation for their continuing operations are included in the financial statements using the modified equity method. These include:

- Wabigoon Anishnaabe Gitigewin Corporation (o/a Wabigoon Lake Tree Nursery)
- 1013215 Ontario Inc. (o/a Wabigoon Lake Community Store)
- WLON Distribution Ltd.
WLON Distribution, LP
- Wabigoon Lake Ojibway Nation General Partner Inc.

These financial statements do not include the following:

Wabigoon Lake Ojibway Nation Trust

The First Nation entered into a Flooding Claim Settlement Agreement with the government of Ontario. Under the agreement, the First Nation agreed to create the Wabigoon Lake Ojibway Nation Trust (the "Trust") to manage and administer certain monies to be paid for the acquisition or construction of long-term community assets and other implementation administration. The Trust was created February 17, 2012. The beneficiary of the Trust is Wabigoon Lake Ojibway Nation. The Trust is managed and controlled by a Board of Trustees.

Wabigoon Lake Ojibway Nation Summary of Significant Accounting Policies

March 31, 2015

Revenue Recognition Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.

Rental and user fee revenue is recognized on a monthly basis as income is earned and when collection is reasonably assured.

Sale of goods and other revenue from services provided is recognized when title passes to the buyer and/or when services have been rendered and the transaction can be reasonably assured.

Use of Estimates The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

1. Bank		
	2015	2014
Education	\$ 2,460	\$ 4,435
General	14,818	215,715
CMHC - Operating	1,258	11,258
CMHC - Reserve Fund	3,448	6,563
Welfare	13,679	41,410
Casino Rama	61,083	231,399
Fundraising	116,495	188,621
Small Business Centre	96,421	378
Wabigoon Saaga'igan Anishinaabeg Development Corporation	35,204	44,964
Expense Account	501	501
WLON Trust Income	25,101	16,084
	\$ 370,468	\$ 761,328

The First Nation is, in the normal course of operations, exposed to credit risk from having account balances over the amounts insured by the Canadian Deposit Insurance Corporation.

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

2. Accounts Receivable

	2015	2014
General		
Aboriginal Affairs and Northern Development Canada	\$ 97,501	\$ 102,229
Bimose Tribal Council	12,925	-
Dave McKay Construction	20,231	-
Harmonized Sales Tax	19,456	15,072
Medical Services Branch	14,269	7,975
Ministry of Health	-	3,936
Nuclear Waste Management Organization	104,708	-
Health Canada	135	76,992
Sioux Lookout Area Aboriginal Management Board	13,024	18,291
Wabigoon Lake Ojibway Nation Trust	844,475	447,470
WLON Distribution Ltd.	27,549	27,549
Other	1,420	2,519
	<u>1,155,693</u>	<u>702,033</u>
Welfare		
Welfare recipients	<u>17,622</u>	<u>21,110</u>
Wabigoon Saaga'igan Anishinaabeg Development Corporation		
Domtar	<u>-</u>	<u>42,415</u>
	<u>\$ 1,173,315</u>	<u>\$ 765,558</u>

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

3. Investments in Incorporated Business Entities

	2015	2014
Wabigoon Anishnaabe Gitigewin Corporation	\$ 556,107	\$ 650,312
1013215 Ontario Inc. (o/a Wabigoon Lake Community Store)	815,389	787,831
WLON Distribution Ltd., WLON Distribution, LP, Wabigoon Lake Ojibway Nation General Partner Inc.	(51,720)	(14,126)
Two Feathers Forest Products, LP, 1670761 Ontario Inc., 1698294 Ontario Inc.	-	200
1876981 Ontario Inc., at cost	10	-
	<u>\$ 1,319,786</u>	<u>\$ 1,424,217</u>

Wabigoon Anishnaabe Gitigewin Corporation

Balance Sheet
as at December 31

Assets

	2015	2014
Current	\$ 1,044,564	\$ 1,233,736
Capital assets	797,867	791,611
	<u>\$ 1,842,431</u>	<u>\$ 2,025,347</u>

Liabilities and Shareholder's Equity

Current	\$ 670,199	\$ 730,903
Long-term debt	32,380	60,387
Due to Wabigoon Lake Ojibway Nation	583,745	583,745
	<u>1,286,324</u>	<u>1,375,035</u>

Shareholder's equity

Share capital	100	100
Contributed surplus	483,707	483,707
Retained earnings	72,300	166,505
	<u>556,107</u>	<u>650,312</u>
	<u>\$ 1,842,431</u>	<u>\$ 2,025,347</u>

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

3. Investments in Incorporated Business Entities (continued)

Wabigoon Anishnaabe Gitigewin Corporation

Statement of Operations and Retained
Earnings

For the year ended December 31

	2015	2014
Revenue	\$ 747,649	\$ 728,959
Cost of goods sold	623,865	564,635
Gross profit	123,784	164,324
Operating expenses	219,946	179,550
Loss before provision for income taxes	(96,162)	(15,226)
Provision for income taxes	(1,957)	7,185
Net loss for the year	(94,205)	(22,411)
Retained earnings, beginning of year	166,505	188,916
Retained earnings, end of year	\$ 72,300	\$ 166,505

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

3. Investments in Incorporated Business Entities (continued)
1013215 Ontario Inc. (o/a Wabigoon Lake Community Store)

Balance Sheet
as at March 31
(NOT SUBJECT TO AUDIT)

	2015	2014
Assets		
Current	\$ 613,546	\$ 589,031
Capital assets	243,824	284,035
	<u>\$ 857,370</u>	<u>\$ 873,066</u>
Liabilities and Shareholder's Equity		
Current	<u>\$ 41,981</u>	<u>\$ 85,235</u>
Shareholder's equity		
Share capital	100	100
Contributed surplus	669,300	627,300
Retained earnings	145,989	160,431
	<u>815,389</u>	<u>787,831</u>
	<u>\$ 857,370</u>	<u>\$ 873,066</u>

Statement of Operations and Retained Earnings
For the year ended March 31
(NOT SUBJECT TO AUDIT)

	2015	2014
Revenue	\$ 4,117,699	\$ 3,860,837
Cost of goods sold	<u>3,592,452</u>	<u>3,368,688</u>
Gross profit	525,247	492,149
Operating expenses	<u>539,689</u>	<u>499,926</u>
Net loss for the year	(14,442)	(7,777)
Retained earnings, beginning of year	<u>160,431</u>	<u>168,208</u>
Retained earnings, end of year	<u>\$ 145,989</u>	<u>\$ 160,431</u>

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

3. Investments in Incorporated Business Entities (continued)

WLON Distribution Ltd., WLON Distribution,
LP, Wabigoon Lake Ojibway Nation General
Partner Inc.

Balance Sheet
as at March 31
(NOT SUBJECT TO AUDIT)

Assets

	2015	2014
Current	\$ 26,904	\$ 40,177
Capital assets	186,997	195,250
	<u>\$ 213,901</u>	<u>\$ 235,427</u>

Liabilities and Shareholder's Equity

Current	\$ 265,621	\$ 249,553
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Shareholder's equity

Share capital	11	11
Contributed surplus	34,453	34,453
Deficit	(86,184)	(48,590)
	<u>(51,720)</u>	<u>(14,126)</u>
	<u>\$ 213,901</u>	<u>\$ 235,427</u>

Statement of Operations and Deficit
For the year ended March 31
(NOT SUBJECT TO AUDIT)

	2015	2014
Revenue	\$ 84,275	\$ 92,833
Operating expenses	121,869	116,919
Net loss for the year	(37,594)	(24,086)
Deficit, beginning of year	(48,590)	(24,504)
Deficit, end of year	<u>\$ (86,184)</u>	<u>\$ (48,590)</u>

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

4. Due from Wabigoon Anishnaabe Gitigewin Corporation

	2015	2014
Due from Wabigoon Anishnaabe Gitigewin Corporation	\$ 583,745	\$ 583,745
Allowance for doubtful accounts	(190,000)	(190,000)
	<u>\$ 393,745</u>	<u>\$ 393,745</u>

Amounts due from Wabigoon Anishnaabe Gitigewin Corporation are unsecured, interest free, are not due within one year and have no specific terms of repayment.

5. Investment in Common Shares

	2015	2014
214,300 common shares of Tamaka Gold Corporation at cost of \$0.40 per share	\$ 85,720	\$ 85,720
Market value adjustment	102,864	102,864
	<u>\$ 188,584</u>	<u>\$ 188,584</u>

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

6. Temporary Borrowings

The bank indebtedness is due on demand and bears interest at prime plus 2% payable monthly. The bank indebtedness is secured by a general security agreement covering a school bus and various band council resolutions with respect to asset purchases and borrowing.

The credit facility letter signed with the bank has certain reporting requirements, specifically to not record a cumulative operating deficit in the current fiscal year. This covenant has been met. As well, the reporting requirements of providing the bank with annual audited financial statements within 150 days of the fiscal year end will not be met in the current year.

7. Accounts Payable

	2015	2014
Education	\$ 199,546	\$ 90,865
CMHC Program	2,816	2,867
General	461,377	528,731
Welfare	5,442	3,065
Wabigoon Saaga'igan Anishinaabeg Development Corporation	3,500	3,500
	<u>\$ 672,681</u>	<u>\$ 629,028</u>

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

8. Deferred Revenue and Government Transfers

	Balance March 31 2014	Funding Received 2015	Funding Recognized 2015	Balance March 31 2015
Federal Government				
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 1,422,321	\$ 1,422,321	\$ -
Canada Mortgage and Housing Corporation	-	102,851	102,851	-
Health Canada	-	391,131	391,131	-
Human Resources Development Canada	-	2,111	2,111	-
Provincial Government				
Ministry of Aboriginal Affairs	-	138,130	138,130	-
Ministry of Community & Social Services	-	382,287	382,287	-
Ministry of Education	-	3,206	3,206	-
Ministry of Health and Long- Term Care	-	105,435	105,435	-
Ontario First Nation Limited Partnership	789,757	568,705	547,175	811,287
	<u>\$ 789,757</u>	<u>\$ 3,116,177</u>	<u>\$ 3,094,647</u>	<u>\$ 811,287</u>

The Ontario First Nation Limited Partnership balance relates to funds to be spent on specific areas. Until the funding has been utilized, it has not been earned, and therefore has been deferred.

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

9. Debt Financing

	2015	2014
Aboriginal Affairs and Northern Development Canada - no interest, loan repayable when timber claims settled	\$ 340,919	\$ 340,919
Aboriginal Affairs and Northern Development Canada - no interest, loan repayable when flood claims settled	1,142,034	1,142,034
Canada Mortgage and Housing Corporation - 2.11%, mortgage repayable in monthly payments of \$3,194 interest and principal, secured by ministerial guarantee; maturing 2019	457,375	485,771
Komatsu - no interest, loan repayable in monthly payments of \$5,322 and a payment of \$10,000 in April 2013, secured by equipment; maturing 2017	117,089	180,956
RBC Non-Revolving Term Loan - 5.25%, interest only payments until October 31, 2015, secured by general security agreement; maturing 2030	1,941,120	
	<u>\$ 3,998,537</u>	<u>\$ 2,149,680</u>

The principal repayments over the next five years and thereafter, assuming loans maturing are renewed with the same terms, are as follows:

	Principal	Interest	Total
2016	\$ 182,441	\$ 50,295	\$ 232,736
2017	341,252	103,750	445,002
2018	244,934	98,425	343,359
2019	468,573	91,658	560,231
2020	105,272	80,146	185,418
Thereafter	2,656,065	448,317	3,104,382
	<u>\$ 3,998,537</u>	<u>\$ 872,591</u>	<u>\$ 4,871,128</u>

March 31, 2015

	Land	General Housing	CMHC Housing	Infrastructure	Community Buildings	Automotive	Equipment	Total
Cost, beginning of year	\$ 299,740	\$ 2,382,063	\$ 1,337,428	\$ 781,846	\$ 1,700,119	\$ 781,025	\$ 621,125	\$ 7,903,346
Additions	-	160,427	-	-	2,515,755	45,520	76,500	2,748,202
Cost, end of year	\$ 299,740	\$ 2,542,490	\$ 1,337,428	\$ 781,846	\$ 4,215,874	\$ 826,545	\$ 647,625	\$ 10,651,548
Accumulated amortization, beginning of year	\$ -	\$ 1,082,954	\$ 773,058	\$ 635,003	\$ 303,282	\$ 756,426	\$ 324,660	\$ 3,875,383
Amortization	-	119,103	66,871	39,092	84,236	34,656	107,982	451,940
Accumulated amortization, end of year	\$ -	\$ 1,202,057	\$ 839,929	\$ 674,095	\$ 387,518	\$ 791,082	\$ 432,642	\$ 4,327,323
Net carrying amount, end of year	\$ 299,740	\$ 1,340,433	\$ 497,499	\$ 107,751	\$ 3,828,356	\$ 35,463	\$ 214,983	\$ 6,324,225

Wabigoon Lake Ojibway Nation **Notes to Consolidated Financial Statements**

March 31, 2015

10. Tangible Capital Assets (continued)

	2014					2014				
	Land	General Housing	CMHC Housing	Infrastructure	Community Buildings	Automotive	Equipment	Total		
Cost, beginning of year	\$ 299,740	\$ 2,296,770	\$ 1,337,428	\$ 781,846	\$ 1,572,094	\$ 781,025	\$ 561,625	\$ 7,630,528		
Additions		85,293	-	-	128,025	-	59,500	272,818		
Cost, end of year	\$ 299,740	\$ 2,382,063	\$ 1,337,428	\$ 781,846	\$ 1,700,119	\$ 781,025	\$ 621,125	\$ 7,903,346		
Accumulated amortization, beginning of year	\$ -	\$ 963,851	\$ 706,186	\$ 595,911	\$ 224,677	\$ 715,017	\$ 221,618	\$ 3,427,260		
Amortization		119,103	66,872	39,092	78,605	41,409	103,042	448,123		
Accumulated amortization, end of year	\$ -	\$ 1,082,954	\$ 773,058	\$ 635,003	\$ 303,282	\$ 756,426	\$ 324,660	\$ 3,875,383		
Net carrying amount, end of year	\$ 299,740	\$ 1,299,109	\$ 564,370	\$ 146,843	\$ 1,396,837	\$ 24,599	\$ 296,465	\$ 4,027,963		

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$2,691,592 (2014 - \$128,025).

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

11. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2015	2014
Equity in capital asset fund	\$ 6,324,225	\$ 4,027,963
Equity in investments	188,584	188,584
Equity in incorporated business entities (Note 3)	1,319,786	1,424,217
Amounts to be recovered	(3,998,537)	(2,149,680)
Restricted	912,837	463,465
Unrestricted	(463,039)	34,619
	<u>\$ 4,283,856</u>	<u>\$ 3,989,168</u>

The restricted surplus is an internal restriction imposed by Council. When applying for trust funds, Council agreed to spend the investment income from the trust on designated projects.

12. Cash Held in Trust by AANDC

Trust funds administered by AANDC for the benefit of the First Nation are not reflected in the consolidated statement of financial position nor is the trust fund operations reported in the consolidated statement of revenue and expenses and fund balance.

	Capital Account	Revenue Account	Total
Balance, beginning of year	\$ 2,718	\$ 9,798	\$ 12,516
Interest earned during the year	-	354	354
Balance, end of year	<u>\$ 2,718</u>	<u>\$ 10,152</u>	<u>\$ 12,870</u>

13. Economic Dependence

Wabigoon Lake Ojibway Nation received a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

14. Loan Guarantees

Wabigoon Lake Ojibway Nation has guaranteed the loans of Wabigoon Anishnaabe Gitigewin Corporation and WLON Distribution Ltd.

The guarantee to Wabigoon Anishnaabe Gitigewin Corporation is up to a maximum of \$450,000 of which \$nil is utilized.

The guarantee to WLON Distribution Ltd. is up to a maximum of \$386,000 of which \$nil is utilized.

15. AANDC Funding Reconciliation

	2015	2014
Funding per financial statements	\$ 1,422,321	\$ 1,477,305
Tuition funding repayable		4,319
AANDC funding per funding confirmation	\$ 1,422,321	\$ 1,481,624

16. Health Canada Funding Reconciliation

	2015	2014
Funding per financial statements	\$ 391,131	\$ 383,134
No differences		
Health Canada funding per funding confirmation	\$ 391,131	\$ 383,134

Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2015

17. Budget Figures

Under Canadian public sector accounting principles, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus for comparative purposes. These budget figures have been provided by management.

	<u>2015</u>
Financial Plan (Budget) Bylaw deficit for the year	\$ (1,998,820)
Add:	
Capital expenses	2,748,202
Less:	
Amortization	<u>(451,940)</u>
Budget surplus per statement of revenue and expenses	<u>\$ 297,442</u>

18. Comparative Figures

Certain of the comparative figures presented in the consolidated financial statements have been restated to conform to the current year's presentation.

19. Segmented Information

Wabigoon Lake Ojibway Nation is a diversified local government that provides a wide range of services to its citizens and members, including band support, Casino Rama, infrastructure, health, flood claims, economic development, social services, fundraising, education and training, CMHC and commercial enterprises.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administrative fees, based on a percentage of revenues, have been allocated to programs where permitted by the funder.

Wabigoon Lake Ojibway Nation
Notes to Consolidated Financial Statements

19. Segmented Information (continued)

Segmented Disclosure - Statement of Financial Activities

For the year ended March 31	Band Support	Cashio Rama	Infrastructure	Health	Flood Claims	Economic Development	Social Services	Fundraising	Education and Training	CMHC	Commercial Enterprises	Consolidated 2015	Consolidated 2014
Revenue													
Government transfers	\$ 301,925	\$ 568,705	\$ 454,526	\$ 509,066	\$ -	\$ 395,445	\$ 481,249	\$ -	\$ 606,025	\$ 22,851	\$ -	\$ 3,339,792	\$ 3,255,408
Transfer to incomplete		(21,538)										(21,530)	170,845
Other	960,608	169	122,839	77,970	844,475	4,620		329,499	500	3,171	(146,240)	2,197,611	1,715,859
Prior year funding adjustments				(8,822)								(8,822)	(16,576)
Wabigoon Saaga'igan													
Anishinaabeg Development													
Corporation revenue											341,849	341,849	232,116
Inter-organizational eliminations	(446,486)											(446,486)	(417,438)
	816,047	547,344	577,365	578,214	844,475	400,065	481,249	329,499	606,525	26,022	195,609	5,402,414	4,940,214
Expenses													
Amortization			451,940									451,940	448,123
Capital asset additions from operating			(2,748,202)									(2,748,202)	(272,818)
Contracted services, supplies and other	614,737	37,370	3,006,143	187,765	87,823	15,333	381,475	300,937	415,885	26,040		5,073,508	2,947,961
Salaries and benefits	703,859		402,141	394,759		179,245	85,440		298,872	2,906		2,067,222	1,625,181
Travel and training	107,635		21,880	4,490		166,000	5,647	1,717	9,094			314,746	86,512
Rent, utilities, telephone	23,925		69,507									95,149	108,145
Wabigoon Saaga'igan													
Anishinaabeg Development											341,849	341,849	232,116
Corporation expenses											(380,325)	(446,486)	(417,438)
Inter-organizational eliminations	(10,471)			(13,449)			(14,044)		(28,197)			5,149,726	4,757,782
	1,439,685	37,370	1,203,409	573,565	87,823	360,578	458,518	302,654	695,654	28,946	(38,476)	5,149,726	4,757,782
Excess (deficiency) of revenue over expenses for the year	(623,638)	509,974	(626,044)	4,649	756,652	39,487	22,731	26,845	(89,129)	(2,924)	234,085	252,688	182,432
Financing, transfers and adjustments											42,000	42,000	105,000
Surplus (deficit) for the year	\$ (623,638)	\$ 509,974	\$ (626,044)	\$ 4,649	\$ 756,652	\$ 39,487	\$ 22,731	\$ 26,845	\$ (89,129)	\$ (2,924)	\$ 276,085	\$ 294,688	\$ 287,432

