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Wabigoon Lake Ojibway Nation  
Consolidated Financial Statements  
For the year ended March 31, 2016

**Wabigoon Lake Ojibway Nation  
Consolidated Financial Statements  
For the year ended March 31, 2016**

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## Management's Responsibility for Financial Reporting

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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.

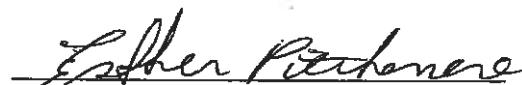
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has 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.

  
\_\_\_\_\_  
Esther Pitchonere  
Chief

  
\_\_\_\_\_  
S. Shabagay  
First Nation Administrator

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## Independent Auditors' Report

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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, 2016, 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, 2016 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, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1 and March 31 for both the 2016 and 2015 years.

Our audit opinion for the year ended March 31, 2015 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, 2016, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting principles.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Dryden, Ontario  
August 26, 2016

**Wabigoon Lake Ojibway Nation**  
**Consolidated Statement of Financial Position**

<u>March 31</u>	<u>2016</u>	<u>2015</u>
<b>Financial assets</b>		
Bank (Note 1)	\$ 463,569	\$ 370,468
Short-term investments (Note 2)	157,401	-
Accounts receivable (Note 4)	1,740,152	1,173,315
Investments in incorporated business entities (Note 3)	1,479,007	1,319,786
Due from Wabigoon Anishnaabe Gitigewin Corporation (Note 5)	393,745	393,745
Investment in common shares (Note 6)	64,290	188,584
	<u>4,298,164</u>	<u>3,445,898</u>
<b>Financial liabilities</b>		
Accounts payable (Note 9)	838,169	672,681
Deferred revenue and government transfers (Note 8)	927,058	811,287
Due to 1013215 Ontario Inc.	3,762	3,762
Debt financing (Note 10)	<u>5,248,816</u>	<u>3,998,537</u>
	<u>7,017,805</u>	<u>5,486,267</u>
<b>Net debt</b>	<b>(2,719,641)</b>	<b>(2,040,369)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 11)	<u>7,582,110</u>	<u>6,324,225</u>
<b>Accumulated surplus (Note 12)</b>	<b>\$ 4,862,469</b>	<b>\$ 4,283,856</b>

Approved on behalf of the First Nation:

Esther Pitikwane  
 Chief

A. Shabagay  
 First Nation Administrator

**Wabigoon Lake Ojibway Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**

For the year ended March 31	Budget	2016	2015
(Note 18)			
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	\$ 1,593,603	\$ 1,558,603	\$ 1,422,321
Abinoojii Family Services	-	18,474	
Bimose Tribal Council	-	94,076	500
Canada Mortgage and Housing Corporation	-	77,351	102,851
Fundraising	-	483,975	329,499
Grand Council Treaty #3	-	1,574	14,200
Health Canada	413,979	413,979	391,131
Human Resources Development Canada	-	2,111	
Management fee from 1013215 Ontario Inc.	-	150,000	42,000
Ministry of Aboriginal Affairs	90,000	90,000	138,130
Ministry of Community and Social Services	131,100	352,543	382,287
Ministry of Education	-	2,995	3,206
Ministry of Health	58,558	98,580	105,435
Ministry of Northern Development and Mines	48,846	48,846	
Northern Ontario Heritage Fund Corporation	-	26,957	
NDL Construction	-	150,000	
Nuclear Waste Management Organization	925,999	1,047,353	209,415
Ontario First Nations Limited Partnership	-	572,483	568,705
Other	-	679,904	735,249
Paawidigong First Nation Forum Inc.	87,768	87,768	77,970
Share of loss of 1013215 Ontario Inc.	-	(19,107)	(14,442)
Share of income of Wabigoon Anishnaabe Gitigewin Corporation	-	10,531	(94,204)
Share of income (loss) of WLON Distribution Ltd.	-	17,797	(37,594)
Share of loss of Two Feathers Forest Products, LP	-	-	(200)
Shooniyaa Wa-Bitong	-	-	7,988
Sioux Lookout Area Aboriginal Management Board	-	123,970	137,696
Transfer from Incomplete Projects	-	811,287	789,757
Transfer to Incomplete Projects	-	(927,058)	(811,287)
Wabigoon Lake Ojibway Nation Trust Income	844,475	931,231	844,475
Wabigoon Saaga'igan Anishinaabeg Development Corporation revenue	-	249,438	341,849
Prior year surplus recoveries and adjustments	-	-	(8,822)
Inter-organizational eliminations	-	(505,215)	(446,486)
	4,194,328	6,479,861	5,402,214
<b>Expenses</b>			
Education	565,729	679,113	723,851
General	2,349,809	4,748,970	3,668,878
Welfare	263,200	426,802	462,962
Fundraising	-	279,213	302,655
Canada Mortgage and Housing Corporation	-	45,038	95,817
Wabigoon Saaga'igan Anishinaabeg Development Corporation expenses	-	253,033	341,849
Inter-organizational eliminations	-	(505,215)	(446,486)
	3,178,738	5,926,954	5,149,526
<b>Excess of revenue over expenses for the year</b>	1,015,590	552,907	252,688
<b>Financing, transfers and adjustments</b>			
Contributed capital	-	150,000	42,000
Unrealized loss in common shares	-	(124,294)	-
	25,706	42,000	
<b>Surplus for the year</b>	1,015,590	578,613	294,688
<b>Accumulated surplus, beginning of year</b>	4,283,856	4,283,856	3,989,168
<b>Accumulated surplus, end of year</b>	\$ 5,299,446	\$ 4,862,469	\$ 4,283,856

**Wabigoon Lake Ojibway Nation**  
**Consolidated Statement of Change in Net Debt**

<u>For the year ended March 31</u>	<u>Budget</u>	<u>Actual 2016</u>	<u>Actual 2015</u>
(Note 18)			
Annual surplus	\$ 1,015,590	\$ 578,613	\$ 294,688
Acquisition of tangible capital assets	(1,893,152)	(1,893,152)	(2,748,202)
Amortization of tangible capital assets	635,267	635,267	451,940
<b>Net change in net financial assets (debt)</b>	<b>(242,295)</b>	<b>(679,272)</b>	<b>(2,001,574)</b>
<b>Net debt, beginning of year</b>	<b>(2,040,369)</b>	<b>(2,040,369)</b>	<b>(38,795)</b>
<b>Net debt, end of year</b>	<b>\$ (2,282,664)</b>	<b>\$ (2,719,641)</b>	<b>\$ (2,040,369)</b>

**Wabigoon Lake Ojibway Nation  
Consolidated Statement of Cash Flows**

<u>For the year ended March 31</u>	<u>2016</u>	<u>2015</u>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 552,907	\$ 252,688
<b>Item not involving cash</b>		
Amortization	635,267	451,940
<b>Changes in non-cash working capital balances</b>		
Accounts receivable	(566,837)	(407,757)
Accounts payable	165,488	43,653
Incomplete projects	<u>115,771</u>	<u>21,530</u>
	<u>902,596</u>	<u>362,054</u>
<b>Financing activities</b>		
Increase in debt financing	1,444,380	1,941,120
Decrease in debt financing	(194,101)	(92,263)
Increase in contributed capital	<u>150,000</u>	<u>42,000</u>
	<u>1,400,279</u>	<u>1,890,857</u>
<b>Investing activities</b>		
Purchase of tangible capital assets	(1,893,152)	(2,748,202)
Net change in investment in incorporated business entities	(159,221)	104,431
Acquisition of short-term investments	<u>(157,401)</u>	<u>—</u>
	<u>(2,209,774)</u>	<u>(2,643,771)</u>
<b>Increase (decrease) in cash during the year</b>	<b>93,101</b>	<b>(390,860)</b>
<b>Bank, beginning of year</b>	<b>370,468</b>	<b>761,328</b>
<b>Bank, end of year</b>	<b>\$ 463,569</b>	<b>\$ 370,468</b>

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## Wabigoon Lake Ojibway Nation Summary of Significant Accounting Policies

**March 31, 2016**

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**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.

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## Wabigoon Lake Ojibway Nation Summary of Significant Accounting Policies

**March 31, 2016**

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**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.

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## Wabigoon Lake Ojibway Nation Summary of Significant Accounting Policies

**March 31, 2016**

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**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.

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2016

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**1. Bank**

	<b>2016</b>	<b>2015</b>
Education	\$ (15,124)	\$ 2,460
General	(101,779)	14,818
CMHC - Operating	1,218	1,258
CMHC - Reserve Fund	(3,107)	3,448
Welfare	(3,592)	13,679
Casino Rama	13,545	61,083
Fundraising	215,201	116,495
Small Business Centre	2,601	96,421
Special Projects	29,991	-
Wabigoon Saaga'igan Anishinaabeg		
Development Corporation	210,832	35,204
Expense Account	481	501
WLON Trust Income	<u>113,302</u>	<u>25,101</u>
	<b>\$ 463,569</b>	<b>\$ 370,468</b>

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.

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**2. Short-Term Investments**

The short-term investment is comprised of a guaranteed investment certificate with an interest rate of 1.0% and a maturity date within the next fiscal year.

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**3. Investments in Incorporated Business Entities**

	<b>2016</b>	<b>2015</b>
Wabigoon Anishnaabe Gitigewin Corporation	\$ 566,638	\$ 556,107
1013215 Ontario Inc. (o/a Wabigoon Lake Community Store)	946,282	815,389
WLON Distribution Ltd., WLON Distribution, LP, Wabigoon Lake Ojibway Nation General Partner Inc.	(33,923)	(51,720)
1876981 Ontario Inc., at cost	<u>10</u>	<u>10</u>
	<b>\$ 1,479,007</b>	<b>\$ 1,319,786</b>

## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

**March 31, 2016**

### 3. Investments in Incorporated Business Entities (continued)

#### Wabigoon Anishnaabe Gitigewin Corporation

##### Balance Sheet as at December 31

	2016	2015
<b>Assets</b>		
Current	\$ 1,065,972	\$ 1,044,564
Capital assets	<u>757,117</u>	<u>797,867</u>
	<b><u>\$ 1,823,089</u></b>	<b><u>\$ 1,842,431</u></b>
<b>Liabilities and Shareholder's Equity</b>		
Current	\$ 670,137	\$ 670,199
Long-term debt	2,569	32,380
Due to Wabigoon Lake Ojibway Nation	<u>583,745</u>	<u>583,745</u>
	<b><u>1,256,451</u></b>	<b><u>1,286,324</u></b>
<b>Shareholder's equity</b>		
Share capital	100	100
Contributed surplus	483,707	483,707
Retained earnings	<u>82,831</u>	<u>72,300</u>
	<b><u>566,638</u></b>	<b><u>556,107</u></b>
	<b><u>\$ 1,823,089</u></b>	<b><u>\$ 1,842,431</u></b>
<b>Statement of Operations and Retained Earnings</b>		
For the year ended December 31		
Revenue	\$ 721,662	\$ 747,649
Cost of goods sold	<u>503,630</u>	<u>623,865</u>
Gross profit	218,032	123,784
Operating expenses	<u>227,044</u>	<u>219,946</u>
Loss before provision for income taxes	(9,012)	(96,162)
Provision for income taxes	<u>(19,543)</u>	<u>(1,957)</u>
Net income (loss) for the year	10,531	(94,205)
Retained earnings, beginning of year	<u>72,300</u>	<u>166,505</u>
Retained earnings, end of year	<b><u>\$ 82,831</u></b>	<b><u>\$ 72,300</u></b>

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2016

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)

	2016	2015
<b>Assets</b>		
Current	\$ 819,263	\$ 613,546
Capital assets	<u>215,672</u>	<u>243,824</u>
	<u>\$ 1,034,935</u>	<u>\$ 857,370</u>
<b>Liabilities and Shareholder's Equity</b>		
Current	<u>\$ 88,653</u>	<u>\$ 41,981</u>
<b>Shareholder's equity</b>		
Share capital	100	100
Contributed surplus	819,300	669,300
Retained earnings	<u>126,882</u>	<u>145,989</u>
	<u>946,282</u>	<u>815,389</u>
	<u>\$ 1,034,935</u>	<u>\$ 857,370</u>

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

	2016	2015
Revenue	\$ 4,155,087	\$ 4,117,699
Cost of goods sold	<u>3,516,762</u>	<u>3,592,452</u>
Gross profit	638,325	525,247
Operating expenses	<u>657,432</u>	<u>539,689</u>
Net loss for the year	(19,107)	(14,442)
Retained earnings, beginning of year	<u>145,989</u>	<u>160,431</u>
Retained earnings, end of year	<u>\$ 126,882</u>	<u>\$ 145,989</u>

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

**March 31, 2016**

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**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)

**2016** **2015**

**Assets**

Current	\$ 57,036	\$ 26,904
Capital assets	<u>178,718</u>	<u>186,997</u>
	<b>\$ 235,754</b>	<b>\$ 213,901</b>

**Liabilities and Shareholder's Deficit**

Current	<u>\$ 269,677</u>	<u>\$ 265,621</u>
Shareholder's deficit		
Share capital	\$ 11	\$ 11
Contributed surplus	34,453	34,453
Deficit	<u>(68,387)</u>	<u>(86,184)</u>
	<b>(33,923)</b>	<b>(51,720)</b>
	<b>\$ 235,754</b>	<b>\$ 213,901</b>

**Statement of Operations and Deficit**

For the year ended March 31

(NOT SUBJECT TO AUDIT)

**2016** **2015**

Revenue	\$ 107,313	\$ 84,275
Operating expenses	<u>89,516</u>	<u>121,869</u>
Net income (loss) for the year	17,797	(37,594)
Deficit, beginning of year	<u>(86,184)</u>	<u>(48,590)</u>
Deficit, end of year	<b>\$ (68,387)</b>	<b>\$ (86,184)</b>

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

**March 31, 2016**

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**4. Accounts Receivable**

	<b>2016</b>	<b>2015</b>
<b>General</b>		
Aboriginal Affairs and Northern Development Canada	\$ 222,782	\$ 97,501
Bimose Tribal Council	20,135	12,925
Dave McKay Construction	-	20,231
Harmonized Sales Tax	27,555	19,456
Medical Services Branch	10,961	14,269
Ministry of Northern Development and Mines	19,538	-
Ministry of Health	8,494	-
Nuclear Waste Management Organization	280,897	104,708
Health Canada	-	135
Sioux Lookout Area Aboriginal Management Board	58,340	13,024
Wabigoon Lake Ojibway Nation Trust	931,231	844,475
WLON Distribution Ltd.	38,160	27,549
Other	4,730	1,420
	<b>1,622,823</b>	<b>1,155,693</b>
<b>Education</b>		
Aboriginal Affairs and Northern Development Canada	46,188	-
Bimose Tribal Council	34,248	-
Other	142	-
	<b>80,578</b>	<b>-</b>
<b>Welfare</b>		
Welfare recipients	-	14,097
Ministry of Community and Social Services	<b>7,667</b>	<b>3,525</b>
	<b>7,667</b>	<b>17,622</b>
<b>Wabigoon Saaga'igan Anishinaabeg Development Corporation</b>		
Domtar	<b>29,084</b>	<b>-</b>
	<b>\$ 1,740,152</b>	<b>\$ 1,173,315</b>

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2016

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**5. Due from Wabigoon Anishnaabe Gitigewin Corporation**

	<u>2016</u>	<u>2015</u>
Due from Wabigoon Anishnaabe Gitigewin Corporation	\$ 583,745	\$ 583,745
Allowance for doubtful accounts	<u>(190,000)</u>	<u>(190,000)</u>
	<u><u>\$ 393,745</u></u>	<u><u>\$ 393,745</u></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.

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**6. Investment in Common Shares**

	<u>2016</u>	<u>2015</u>
214,300 common shares of Tamaka Gold Corporation at cost of \$0.40 per share	\$ 85,720	\$ 85,720
Market value adjustment	<u>(21,430)</u>	<u>102,864</u>
	<u><u>\$ 64,290</u></u>	<u><u>\$ 188,584</u></u>

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2016

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### 7. Temporary Borrowings

The bank indebtedness is due on demand and bears interest at prime plus 2.15% and prime plus 5% payable monthly. The bank indebtedness is secured by a general security agreement and various band council resolutions with respect to assignment of revenues, asset purchases and borrowing.

The credit facility letter signed with the bank has certain reporting requirements, specifically the reporting requirements of providing the bank with annual audited financial statements within 180 days of the fiscal year end will not be met in the current year.

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### 8. Deferred Revenue and Government Transfers

	Balance March 31 2015	Funding Received 2016	Funding Recognized 2016	Balance March 31 2016
<b>Federal Government</b>				
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 1,558,603	\$ 1,558,603	\$ -
Canada Mortgage and Housing Corporation	-	77,351	77,351	-
Health Canada	-	413,979	413,979	-
<b>Provincial Government</b>				
Ministry of Aboriginal Affairs	-	90,000	90,000	-
Ministry of Community & Social Services	-	352,543	352,543	-
Ministry of Education	-	2,995	2,995	-
Ministry of Health and Long-Term Care	-	98,580	98,580	-
Northern Ontario Heritage Fund Corporation	-	26,957	26,957	-
Ontario First Nation Limited Partnership	811,287	572,483	456,712	927,058
	<hr/> <b>\$ 811,287</b>	<hr/> <b>\$ 3,193,491</b>	<hr/> <b>\$ 3,077,720</b>	<hr/> <b>\$ 927,058</b>

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.

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

**March 31, 2016**

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**9. Accounts Payable**

	<b>2016</b>	<b>2015</b>
Education	\$ 137,084	\$ 199,546
CMHC Program	6,655	2,816
General	644,878	461,377
Welfare	13,373	5,442
Wabigoon Saaga'igan Anishinaabeg Development Corporation	<u>36,179</u>	<u>3,500</u>
	<hr/>	<hr/>
	<b>\$ 838,169</b>	<b>\$ 672,681</b>

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

**March 31, 2016**

**10. Debt Financing**

	<b>2016</b>	<b>2015</b>
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	428,398	457,375
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	53,222	117,089
Komatsu - no interest, repayable in monthly payments of \$3,865, secured by equipment; maturing 2019	154,583	-
RBC Non-Revolving Term Loan - 3.25%, interest only payments until October 31, 2015, secured by general security agreement, assignment of trust income, and assignment of OFNLP funds ; maturing 2030	<u>3,129,660</u>	<u>1,941,120</u>
	<b><u>\$ 5,248,816</u></b>	<b><u>\$ 3,998,537</u></b>

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 520,900	\$ 108,171	\$ 629,071
2018	372,491	101,655	474,146
2019	259,308	95,229	354,537
2020	235,056	88,565	323,621
2021	226,473	81,689	308,162
Thereafter	<u>3,634,588</u>	<u>451,972</u>	<u>4,086,560</u>
	<b><u>\$ 5,248,816</u></b>	<b><u>\$ 927,281</u></b>	<b><u>\$ 6,176,097</u></b>

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

**March 31, 2016**

**11. Tangible Capital Assets**

	<b>2016</b>								
	Land	General Housing	CMHC Housing	Infrastructure	Community Buildings	Automotive	Equipment	Total	
Cost, beginning of year	\$ 299,740	\$ 2,542,490	\$ 1,337,428	\$ 781,846	\$ 4,215,874	\$ 826,545	\$ 647,625	\$ 10,651,548	
Additions	-	5,327	-	-	1,622,866	220,500	44,459	1,893,152	
Cost, end of year	\$ 299,740	\$ 2,547,817	\$ 1,337,428	\$ 781,846	\$ 5,838,740	\$ 1,047,045	\$ 692,084	\$ 12,544,700	
Accumulated amortization, beginning of year	\$ -	\$ 1,202,057	\$ 839,929	\$ 674,095	\$ 387,518	\$ 791,082	\$ 432,642	\$ 4,327,323	
Amortization	-	127,124	66,871	39,092	210,794	83,404	107,982	635,267	
Accumulated amortization, end of year	\$ -	\$ 1,329,181	\$ 906,800	\$ 713,187	\$ 598,312	\$ 874,486	\$ 540,624	\$ 4,962,590	
Net carrying amount, end of year	\$ 299,740	\$ 1,218,636	\$ 430,628	\$ 68,659	\$ 5,240,428	\$ 172,559	\$ 151,460	\$ 7,582,110	

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

March 31, 2016

**11. Tangible Capital Assets (continued)**

	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	26,500	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

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$NIL (2015 - \$2,691,592).

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2016

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### 12. Accumulated Surplus

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

	2016	2015
Equity in capital asset fund	\$ 7,582,110	\$ 6,324,225
Equity in investments	64,290	188,584
Equity in incorporated business entities (Note 3)	1,479,007	1,319,786
Amounts to be recovered	(5,248,817)	(3,998,537)
Restricted	1,320,537	912,837
Unrestricted	(334,658)	(463,039)
	<hr/> <u>\$ 4,862,469</u>	<hr/> <u>\$ 4,283,856</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.

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### 13. 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	\$ 10,152	\$ 12,870
Interest earned during the year	-	273	273
Balance, end of year	<hr/> <u>\$ 2,718</u>	<hr/> <u>\$ 10,425</u>	<hr/> <u>\$ 13,143</u>

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### 14. 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.

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

**March 31, 2016**

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### **15. 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.

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### **16. AANDC Funding Reconciliation**

	<b>2016</b>	<b>2015</b>
Funding per financial statements	\$ 1,558,603	\$ 1,422,321
Tuition funding receivable	(29,308)	-
Governance funding repayable	<u>35,000</u>	-
 AANDC funding per funding confirmation	 <u>\$ 1,564,295</u>	 <u>\$ 1,422,321</u>

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### **17. Health Canada Funding Reconciliation**

	<b>2016</b>	<b>2015</b>
Funding per financial statements	\$ 413,979	\$ 391,131
No differences	-	-
 Health Canada funding per funding confirmation	 <u>\$ 413,979</u>	 <u>\$ 391,131</u>

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2016

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### 18. 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>2016</u>
Financial Plan (Budget) Bylaw deficit for the year	\$ (242,295)
Add:	
Capital expenses	1,893,152
Less:	
Amortization	<u>(635,267)</u>
Budget surplus per statement of revenue and expenses	<u>\$ 1,015,590</u>

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### 19. Comparative Figures

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

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### 20. 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.

20. Segmented Information (continued)

Wabigoon Lake Ojibway Nation  
Notes to Consolidated Financial Statements  
Segmented Disclosure - Statement of Financial Activities

For the year ended March 31	Band Support	Casino Rama	Infrastructure	Health	Flood Claims	Economic Development	Social Services	Fundraising	Education and Training	CMHC	Commercial Enterprises	Consolidated 2016
<b>Revenue</b>												
Government transfers	\$ 293,607	\$ 572,483	\$ 638,341	\$ 560,485	\$ 1,266,755	\$ 440,636	\$ 566,531	\$ 22,851	\$ 4,361,689			
Transfer to incomplete		(115,771)										(115,771)
Other	884,759	277	71,479	87,768	931,231		483,975	55,685	325	9,221		2,524,720
Prior year funding adjustments						(35,000)						(35,000)
Wabigoon Saaga'igan Anishinaabeg Development Corporation revenue											249,438	249,438
Inter-organizational eliminations												(505,215)
	<b>1,178,366</b>	<b>456,989</b>	<b>709,820</b>	<b>648,253</b>	<b>931,231</b>	<b>1,266,755</b>	<b>405,636</b>	<b>483,975</b>	<b>622,216</b>	<b>23,176</b>	<b>258,659</b>	<b>6,479,861</b>
<b>Expenses</b>												
Amortization			635,268									635,268
Capital asset additions from operating			(1,782,689)					(110,463)				(1,893,152)
Contracted services, supplies and other	718,285	4,017	2,170,572	215,136	117,926	44,433	340,550	388,739	316,267	42,788		4,358,713
Salaries and benefits	960,749		218,871	384,690		115,505	89,320		357,402	2,250		2,128,787
Travel and training	33,880		8,140	5,357		775,860	6,532		5,449			835,218
Rent, utilities, telephone	33,316		80,049					937				114,302
Wabigoon Saaga'igan Anishinaabeg Development Corporation expenses											253,033	253,033
Inter-organizational eliminations												(505,215)
	<b>1,746,230</b>	<b>4,017</b>	<b>1,330,211</b>	<b>605,183</b>	<b>117,926</b>	<b>935,798</b>	<b>436,402</b>	<b>279,213</b>	<b>679,118</b>	<b>45,038</b>	<b>253,033</b>	<b>5,926,954</b>
Excess (deficiency) of revenue over expenses for the year	<b>(567,864)</b>	<b>452,972</b>	<b>(620,391)</b>	<b>43,070</b>	<b>813,305</b>	<b>330,957</b>	<b>(30,766)</b>	<b>204,762</b>	<b>(56,902)</b>	<b>(21,862)</b>	<b>5,626</b>	<b>552,907</b>
Financing, transfers and adjustments		<b>(124,294)</b>									<b>150,000</b>	<b>25,706</b>
Surplus (deficit) for the year	\$ (692,158)	\$ 452,972	\$ (620,391)	\$ 43,070	\$ 813,305	\$ 330,957	\$ (30,766)	\$ 204,762	\$ (56,902)	\$ (21,862)	\$ 155,626	\$ 578,613

20. Segmented Information (continued)

Wabigoon Lake Ojibway Nation  
Notes to Consolidated Financial Statements  
Segmented Disclosure - Statement of Financial Activities

For the year ended March 31	Band Support	Casino Rama	Infrastructure	Health	Flood Claims	Economic Development	Social Services	Fundraising	Education and Training	CMHC	Commercial Enterprises	Consolidated 2015
<b>Revenue</b>												
Government transfers	\$ 301,925	\$ 568,705	\$ 454,526	\$ 509,066	\$ 395,445	\$ 481,249	\$ 606,025	\$ 22,851	\$ 3,339,792			
Transfer to incomplete		(21,530)										(21,530)
Other	960,608	169	122,839	77,970	844,475	4,620	500	3,171	(146,440)			2,197,411
Prior year funding adjustments				(8,822)								(8,822)
Wabigoon Saaga'igan Anishinaabeg Development Corporation revenue											341,849	341,849
Inter-organizational eliminations	(446,486)											(446,486)
	<u>816,047</u>	<u>547,344</u>	<u>577,365</u>	<u>578,214</u>	<u>844,475</u>	<u>400,065</u>	<u>481,249</u>	<u>329,499</u>	<u>606,525</u>	<u>26,022</u>	<u>195,409</u>	<u>5,402,214</u>
<b>Expenses</b>												
Amortization			451,940									451,940
Capital asset additions from operating			(2,748,202)									(2,748,202)
Contracted services, supplies and other	614,537	37,370	3,006,143	187,765	87,823	15,333	381,475	300,937	415,885	26,040		5,073,308
Salaries and benefits	703,859		402,141	394,759		179,245	85,440		298,872	2,906		2,067,222
Travel and training	107,635		21,880	4,490		166,000	5,647		9,094			314,746
Rent, utilities, telephone	23,925		69,507					1,717				95,149
Wabigoon Saaga'igan Anishinaabeg Development Corporation expenses											341,849	341,849
Inter-organizational eliminations	(10,471)			(13,449)			(14,044)		(28,197)		(380,325)	(446,486)
	<u>1,439,485</u>	<u>37,370</u>	<u>1,203,409</u>	<u>573,565</u>	<u>87,823</u>	<u>360,578</u>	<u>458,518</u>	<u>302,654</u>	<u>695,654</u>	<u>28,946</u>	<u>(38,476)</u>	<u>5,149,526</u>
<b>Excess (deficiency) of revenue over expenses for the year</b>												
	(623,438)	509,974	(626,044)	4,649	756,652	39,487	22,731	26,845	(89,129)	(2,924)	233,885	252,688
<b>Financing, transfers and adjustments</b>												
										42,000		42,000
<b>Surplus (deficit) for the year</b>												
	\$ (623,438)	\$ 509,974	\$ (626,044)	\$ 4,649	\$ 756,652	\$ 39,487	\$ 22,731	\$ 26,845	\$ (89,129)	\$ (2,924)	\$ 275,885	\$ 294,688