

**Wabigoon Lake Ojibway Nation  
Consolidated Financial Statements  
For the year ended March 31, 2017**

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Consolidated Financial Statements  
For the year ended March 31, 2017**

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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.

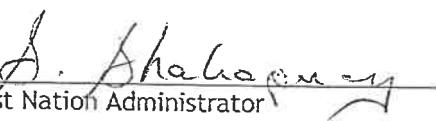
The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted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

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
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, 2017, and the consolidated statements of operations and accumulated surplus, change in net financial assets (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, 2017 and 2016.

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, 2017 and 2016, current assets as at March 31, 2017 and 2016, and net assets as at April 1 and March 31 for both the 2017 and 2016 years.

Our audit opinion for the year ended March 31, 2016 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, 2017, 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  
January 26, 2018

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

March 31	2017	2016
<b>Financial assets</b>		
Bank (Note 1)	\$ 2,459,053	\$ 463,569
Short-term investments (Note 2)	19,221,638	157,401
Accounts receivable (Note 4)	4,568,178	1,740,152
Investments in incorporated business entities (Note 3)	1,312,070	1,479,007
Due from Wabigoon Anishnaabe Gitigewin Corporation (Note 5)	393,745	393,745
Investment in common shares (Note 6)	97,322	64,290
	<u>28,052,006</u>	<u>4,298,164</u>
<b>Financial liabilities</b>		
Accounts payable (Note 8)	1,130,701	838,169
Deferred revenue and government transfers (Note 7)	1,557,109	927,058
Due to 1013215 Ontario Inc.	3,762	3,762
Debt financing (Note 9)	4,608,790	5,248,816
	<u>7,300,362</u>	<u>7,017,805</u>
<b>Net financial assets (debt)</b>	<b>20,751,644</b>	<b>(2,719,641)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	<u>7,525,810</u>	<u>7,582,110</u>
<b>Accumulated surplus (Note 11)</b>	<b>\$ 28,277,454</b>	<b>\$ 4,862,469</b>

Approved on behalf of the First Nation:

  
\_\_\_\_\_  
Esther Parcherose  
Chief

  
\_\_\_\_\_  
D. Shabogay  
First Nation Administrator

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 Operations and Accumulated Surplus**

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2017</u>	<u>2016</u>
(Note 18)			
<b>Revenue</b>			
Abinoojii Family Services	\$ -	\$ 500	\$ -
Bimose Tribal Council	- -	102,246	94,076
Canada Mortgage and Housing Corporation	- -	200,246	77,351
Employment and Social Development Canada	- -	14,835	- -
Energy East	168,190	71,253	- -
Fundraising	- -	506,478	483,975
Grand Council Treaty #3	- -	69,239	1,574
Health Canada	602,679	561,593	413,979
Indigenous and Northern Affairs Canada	5,562,115	5,475,364	1,558,603
Management fee from 1013215 Ontario Inc.	- -	41,000	150,000
Ministry of Community and Social Services	132,100	352,118	352,543
Ministry of Education	- -	3,490	2,995
Ministry of Health	95,884	95,884	98,580
Ministry of Indigenous Relations and Reconciliation	90,000	137,074	90,000
Ministry of Northern Development and Mines	128,359	125,334	48,846
Northern Ontario Heritage Fund Corporation	- -	31,500	26,957
Nuclear Waste Management Organization	1,063,694	1,063,694	1,047,353
Ontario First Nations Limited Partnership	- -	645,515	572,483
Other	- -	774,322	679,904
Paawidigong First Nation Forum Inc.	167,768	167,768	87,768
Share of income of WLON Distribution Ltd.	- -	22,199	17,797
Share of income (loss) of Wabigoon Anishnaabe Gitigewin Corporation	- -	(205,637)	10,531
Share of loss of 1013215 Ontario Inc.	- -	(24,499)	(19,107)
Sioux Lookout Area Aboriginal Management Board	175,006	131,213	123,970
Transfer from Incomplete Projects	- -	927,058	811,287
Transfer from WLON Trust	- -	19,033,042	- -
Transfer to Incomplete Projects	- -	(1,557,109)	(927,058)
Wabigoon Lake Ojibway Nation Trust Income	931,231	1,358,946	931,231
Wabigoon Saaga'igan Anishinaabeg Development Corporation revenue	- -	452,992	249,438
Prior year surplus recoveries and adjustments	- -	4,122	- -
Inter-organizational eliminations	- -	(688,453)	(505,215)
	<u>9,117,026</u>	<u>29,893,327</u>	<u>6,479,861</u>
<b>Expenses</b>			
Education	735,191	732,667	679,113
General	4,538,718	5,247,777	4,748,970
Welfare	198,100	392,086	426,802
Fundraising	- -	412,616	279,213
Canada Mortgage and Housing Corporation	- -	26,120	45,038
WLON Trust	702,917	96,812	- -
Wabigoon Saaga'igan Anishinaabeg Development Corporation expenses	- -	332,749	253,033
Inter-organizational eliminations	- -	(688,453)	(505,215)
	<u>6,174,926</u>	<u>6,552,374</u>	<u>5,926,954</u>
<b>Excess of revenue over expenses for the year</b>	<b>2,942,100</b>	<b>23,340,953</b>	<b>552,907</b>
<b>Financing, transfers and adjustments</b>			
Contributed capital	- -	41,000	150,000
Realized gain (loss) in common shares	- -	33,032	(124,294)
	<u>74,032</u>	<u>25,706</u>	
<b>Surplus for the year</b>	<b>2,942,100</b>	<b>23,414,985</b>	<b>578,613</b>
<b>Accumulated surplus, beginning of year</b>	<b>4,862,469</b>	<b>4,862,469</b>	<b>4,283,856</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 7,804,569</b>	<b>\$ 28,277,454</b>	<b>\$ 4,862,469</b>

**Wabigoon Lake Ojibway Nation**  
**Consolidated Statement of Change in Net Financial Assets (Debt)**

<u>For the year ended March 31</u>	<u>Budget</u>	<u>Actual 2017</u>	<u>Actual 2016</u>
(Note 18)			
<b>Annual surplus</b>	\$ 2,942,100	<b>\$ 23,414,985</b>	\$ 578,613
Acquisition of tangible capital assets	(837,757)	(837,757)	(1,893,152)
Amortization of tangible capital assets	894,057	894,057	635,267
<b>Net change in net financial assets (debt)</b>	<b>2,998,400</b>	<b>23,471,285</b>	(679,272)
<b>Net debt, beginning of year</b>	<b>(2,719,641)</b>	<b>(2,719,641)</b>	(2,040,369)
<b>Net financial assets (debt), end of year</b>	<b>\$ 278,759</b>	<b>\$ 20,751,644</b>	<b>\$ (2,719,641)</b>

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 Cash Flows**

<u>For the year ended March 31</u>	<u>2017</u>	<u>2016</u>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 23,340,953	\$ 552,907
<b>Item not involving cash</b>		
Amortization	894,057	635,267
<b>Changes in non-cash working capital balances</b>		
Accounts receivable	(2,828,026)	(566,837)
Accounts payable	292,532	165,488
Incomplete projects	630,051	115,771
	<u>22,329,567</u>	<u>902,596</u>
<b>Financing activities</b>		
Increase in debt financing	-	1,444,380
Decrease in debt financing	(640,026)	(194,101)
Increase in contributed capital	41,000	150,000
	<u>(599,026)</u>	<u>1,400,279</u>
<b>Investing activities</b>		
Purchase of tangible capital assets	(837,757)	(1,893,152)
Net change in investment in incorporated business entities	166,937	(159,221)
Acquisition of short-term investments	(19,064,237)	(157,401)
	<u>(19,735,057)</u>	<u>(2,209,774)</u>
<b>Increase in cash during the year</b>	<b>1,995,484</b>	<b>93,101</b>
<b>Bank, beginning of year</b>	<b>463,569</b>	<b>370,468</b>
<b>Bank, end of year</b>	<b>\$ 2,459,053</b>	<b>\$ 463,569</b>

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

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## Wabigoon Lake Ojibway Nation Summary of Significant Accounting Policies

March 31, 2017

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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 cost.

**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, 2017

**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
- Wabigoon Lake Ojibway Nation Trust

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.

**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.

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## Wabigoon Lake Ojibway Nation Summary of Significant Accounting Policies

March 31, 2017

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**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, 2017

**1. Bank**

	2017	2016
CMHC - Operating	\$ 1,178	\$ 1,218
CMHC - Reserve Fund	11,033	(3,107)
Casino Rama	39,039	13,545
Concessions	13,638	-
Education	(37,609)	(15,124)
Expense Account	461	481
Fundraising	249,461	215,201
General	163,963	(101,779)
NWMO - Cash on hand	2,002	-
Small Business Centre	11,096	2,601
Special Projects	29,991	29,991
WLON Trust Account	1,145,595	-
WLON Trust Income	233,941	113,302
Wabigoon Saaga'igan Anishinaabeg		
Development Corporation	618,032	210,832
Welfare	(22,768)	(3,592)
	<hr/>	<hr/>
	<u>\$ 2,459,053</u>	<u>\$ 463,569</u>

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.

**2. Short-Term Investments**

	2017	2016
WLON Trust		
- Cash	\$ 416,785	-
- Fixed Income	7,643,373	-
- Equities	<hr/>	<hr/>
	11,094,022	-
	19,154,180	-
GIC, interest at 1%		
- Maturing within the next fiscal year	<hr/>	<hr/>
	67,458	157,401
	<hr/>	<hr/>
	<u>\$ 19,221,638</u>	<u>\$ 157,401</u>

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

March 31, 2017

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**3. Investments in Incorporated Business Entities**

	<u>2017</u>	<u>2016</u>
Wabigoon Anishnaabe Gitigewin Corporation	\$ 361,001	\$ 566,638
1013215 Ontario Inc. (o/a Wabigoon Lake Community Store)	962,783	946,282
WLON Distribution Ltd., WLON Distribution, LP, Wabigoon Lake Ojibway Nation General Partner Inc.	(11,724)	(33,923)
1876981 Ontario Inc., at cost	<u>10</u>	<u>10</u>
	<u><u>\$ 1,312,070</u></u>	<u><u>\$ 1,479,007</u></u>

## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2017

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

#### Wabigoon Anishnaabe Gitigewin Corporation

**Balance Sheet**  
as at December 31

	2017	2016
<b>Assets</b>		
Current	\$ 847,658	\$ 1,065,972
Capital assets	<u>730,056</u>	<u>757,117</u>
	<u><b>\$ 1,577,714</b></u>	<u><b>\$ 1,823,089</b></u>
<b>Liabilities and Shareholder's Equity</b>		
Current	\$ 632,968	\$ 670,137
Long-term debt	-	2,569
Due to Wabigoon Lake Ojibway Nation	<u>583,745</u>	<u>583,745</u>
	<u><b>1,216,713</b></u>	<u><b>1,256,451</b></u>
<b>Shareholder's equity</b>		
Share capital	100	100
Contributed surplus	<u>483,707</u>	<u>483,707</u>
Retained earnings	<u>(122,806)</u>	<u>82,831</u>
	<u><b>361,001</b></u>	<u><b>566,638</b></u>
	<u><b>\$ 1,577,714</b></u>	<u><b>\$ 1,823,089</b></u>
<b>Statement of Operations and Deficit</b> For the year ended December 31		
	2017	2016
Revenue	\$ 677,479	\$ 721,662
Cost of goods sold	<u>666,490</u>	<u>503,630</u>
Gross profit	<u>10,989</u>	<u>218,032</u>
Operating expenses	<u>230,103</u>	<u>227,044</u>
Loss before provision for income taxes	<u>(219,114)</u>	<u>(9,012)</u>
Provision for income taxes	<u>(13,477)</u>	<u>(19,543)</u>
Net income (loss) for the year	<u>(205,637)</u>	<u>10,531</u>
Retained earnings, beginning of year	<u>82,831</u>	<u>72,300</u>
Retained earnings (deficit), end of year	<u><b>\$ (122,806)</b></u>	<u><b>\$ 82,831</b></u>

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

**March 31, 2017**

**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)**

	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Current	\$ 846,864	\$ 819,263
Capital assets	<u>201,906</u>	<u>215,672</u>
	<b><u>\$ 1,048,770</u></b>	<b><u>\$ 1,034,935</u></b>

**Liabilities and Shareholder's Equity**

Current	<b><u>\$ 85,987</u></b>	<b><u>\$ 88,653</u></b>
<b>Shareholder's equity</b>		
Share capital	100	100
Contributed surplus	860,300	819,300
Retained earnings	<u>102,383</u>	<u>126,882</u>
	<b><u>962,783</u></b>	<b><u>946,282</u></b>
	<b><u>\$ 1,048,770</u></b>	<b><u>\$ 1,034,935</u></b>

**Statement of Operations and Retained Earnings**

**For the year ended March 31**

**(NOT SUBJECT TO AUDIT)**

	<b>2017</b>	<b>2016</b>
Revenue	\$ 4,151,825	\$ 4,155,087
Cost of goods sold	<u>3,626,512</u>	<u>3,516,762</u>
Gross profit	525,313	638,325
Operating expenses	<u>549,812</u>	<u>657,432</u>
Net loss for the year	(24,499)	(19,107)
Retained earnings, beginning of year	<u>126,882</u>	<u>145,989</u>
Retained earnings, end of year	<b><u>\$ 102,383</u></b>	<b><u>\$ 126,882</u></b>

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

March 31, 2017

**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)

	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Current	\$ 66,411	\$ 57,036
Capital assets	<u>171,414</u>	<u>178,718</u>
	<b><u>\$ 237,825</u></b>	<b><u>\$ 235,754</u></b>
<b>Liabilities and Shareholder's Deficit</b>		
Current	<b><u>\$ 249,549</u></b>	<b><u>\$ 269,677</u></b>
<b>Shareholder's deficit</b>		
Share capital	11	11
Contributed surplus	34,453	34,453
Deficit	<u>(46,188)</u>	<u>(68,387)</u>
	<b><u>(11,724)</u></b>	<b><u>(33,923)</u></b>
	<b><u>\$ 237,825</u></b>	<b><u>\$ 235,754</u></b>

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

	<b>2017</b>	<b>2016</b>
Revenue	\$ 101,884	\$ 107,313
Operating expenses	<u>79,685</u>	<u>89,516</u>
Net income for the year	22,199	17,797
Deficit, beginning of year	<u>(68,387)</u>	<u>(86,184)</u>
Deficit, end of year	<b><u>\$ (46,188)</u></b>	<b><u>\$ (68,387)</u></b>

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

March 31, 2017

**4. Accounts Receivable**

	<b>2017</b>	<b>2016</b>
<b>General</b>		
Bimose Tribal Council	\$ 18,070	\$ 20,135
First Mining Corporation	52,335	-
Grand Council Treaty #3	3,145	-
Harmonized Sales Tax	21,904	27,555
Health Canada	6,724	-
Indigenous and Northern Affairs Canada	254,669	222,782
Medical Services Branch	-	10,961
Ministry of Health	3,590	8,494
Ministry of Northern Development and Mines	38,508	19,538
Nuclear Waste Management Organization	521,901	280,897
Paawidigong First Nation Forum Inc.	80,000	-
Sioux Lookout Area Aboriginal Management Board	40,826	58,340
WLON Distribution Ltd.	27,549	38,160
Wabigoon Lake Ojibway Nation Trust	-	931,231
Other	3,295	4,730
	<b>1,072,516</b>	<b>1,622,823</b>
<b>CMHC Housing</b>		
Canada Mortgage and Housing Corporation	1,904	-
<b>Education</b>		
Bimose Tribal Council	44,085	34,248
Indigenous and Northern Affairs Canada	16,880	46,188
Other	21,733	142
	<b>82,698</b>	<b>80,578</b>
<b>Welfare</b>		
Ministry of Community and Social Services	7,015	7,667
<b>Wabigoon Saaga'igan Anishinaabeg Development Corporation</b>		
Domtar	42,048	29,084
<b>WLON Trust</b>		
Indigenous and Northern Affairs Canada	3,361,997	-
	<b>\$ 4,568,178</b>	<b>\$ 1,740,152</b>

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

March 31, 2017

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

	<b>2017</b>	<b>2016</b>
Due from Wabigoon Anishnaabe Gitigewin Corporation	\$ 583,745	\$ 583,745
Allowance for doubtful accounts	<u>(190,000)</u>	<u>(190,000)</u>
	<b>\$ 393,745</b>	<b>\$ 393,745</b>

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**

	<b>2017</b>	<b>2016</b>
129,763 common shares of First Mining Finance Corporation at cost of \$0.75 per share (FMV of \$0.82 per share on March 31, 2017)	\$ 97,322	\$ -
214,300 common shares of Tamaka Gold Corporation at cost of \$0.40 per share	-	85,720
Market value adjustment	<u>-</u>	<u>(21,430)</u>
	<b>\$ 97,322</b>	<b>\$ 64,290</b>

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

March 31, 2017

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**7. Deferred Revenue and Government Transfers**

	Balance March 31 2016	Funding Received 2017	Funding Recognized 2017	Balance March 31 2017
<b>Federal Government</b>				
Indigenous and Northern Affairs Canada	\$ -	\$ 5,475,364	\$ 5,273,764	\$ 201,600
Canada Mortgage and Housing Corporation	-	200,246	200,246	-
Health Canada	-	561,593	561,593	-
<b>Provincial Government</b>				
Ministry of Indigenous Relations and Reconciliation	-	137,074	137,074	-
Ministry of Community & Social Services	-	352,118	352,118	-
Ministry of Education	-	3,490	3,490	-
Ministry of Health and Long-Term Care	-	95,884	95,884	-
Northern Ontario Heritage Fund Corporation	-	31,500	31,500	-
Ontario First Nation Limited Partnership	927,058	645,515	453,914	1,118,659
<b>Other</b>				
Nuclear Waste Management Organization	-	1,063,694	895,403	168,291
Paawidigong First Nation Forum Inc.	-	167,768	99,209	68,559
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$ 927,058</b>	<b>\$ 8,734,246</b>	<b>\$ 8,104,195</b>	<b>\$ 1,557,109</b>

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

March 31, 2017

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**8. Accounts Payable**

	<b>2017</b>	<b>2016</b>
Education	\$ 219,082	\$ 137,084
CMHC Program	2,711	6,655
General	612,426	644,878
Welfare	64,968	13,373
Wabigoon Saaga'igan Anishinaabeg		
Development Corporation	227,255	36,179
WLON Trust	4,259	-
	<hr/>	<hr/>
	<b>\$ 1,130,701</b>	<b>\$ 838,169</b>

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

March 31, 2017

**9. Debt Financing**

	<b>2017</b>	<b>2016</b>
Indigenous and Northern Affairs Canada - no interest, loan repayable when timber claims settled	\$ -	\$ 340,919
Indigenous and Northern Affairs 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	398,765	428,398
Komatsu - no interest, loan repayable in monthly payments of \$5,322 and a payment of \$10,000 in April 2013, secured by equipment	-	53,222
Komatsu - no interest, repayable in monthly payments of \$3,865, secured by equipment; maturing 2019	108,209	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	2,959,782	3,129,660
	<b><u>\$ 4,608,790</u></b>	<b><u>\$ 5,248,816</u></b>

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
2018	\$ 252,883	\$ 101,655	\$ 354,538
2019	259,308	95,299	354,607
2020	541,219	88,565	629,784
2021	194,293	75,539	269,832
2022	200,702	69,130	269,832
Thereafter	<u>3,160,385</u>	<u>297,074</u>	<u>3,457,459</u>
	<b><u>\$ 4,608,790</u></b>	<b><u>\$ 727,262</u></b>	<b><u>\$ 5,336,052</u></b>

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

March 31, 2017

**10. Tangible Capital Assets**

	<b>2017</b>								
	Land	General Housing	CMHC Housing	Infrastructure	Community Buildings	Automotive	Equipment	Total	
Cost, beginning of year	\$ 299,740	\$ 2,547,817	\$ 1,337,428	\$ 781,846	\$ 5,838,740	\$ 1,047,045	\$ 692,084	\$ 12,544,700	
Additions	-	260,981	-	-	276,835	247,670	52,271	837,757	
Cost, end of year	\$ 299,740	\$ 2,808,798	\$ 1,337,428	\$ 781,846	\$ 6,115,575	\$ 1,294,715	\$ 744,355	\$ 13,382,457	
Accumulated amortization, beginning of year	\$ -	\$ 1,329,181	\$ 906,800	\$ 713,187	\$ 598,312	\$ 874,486	\$ 540,624	\$ 4,962,590	
Amortization	-	132,721	66,871	36,718	386,350	158,659	112,738	894,057	
Accumulated amortization, end of year	\$ -	\$ 1,461,902	\$ 973,671	\$ 749,905	\$ 984,662	\$ 1,033,145	\$ 653,362	\$ 5,856,647	
Net carrying amount, end of year	\$ 299,740	\$ 1,346,896	\$ 363,757	\$ 31,941	\$ 5,130,913	\$ 261,570	\$ 90,993	\$ 7,525,810	

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

March 31, 2017

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

	2016							
	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

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$11,442 (2016 - \$NIL).

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2017

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### 11. Accumulated Surplus

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

	2017	2016
Equity in capital asset fund	\$ 7,525,810	\$ 7,582,110
Equity in investments	97,322	64,290
Equity in incorporated business entities (Note 3)	1,312,070	1,479,007
Amounts to be recovered	(4,608,789)	(5,248,817)
Restricted	1,609,074	1,320,537
WLON Trust	22,087,536	-
Unrestricted	254,431	(334,658)
	<hr/> <u>\$ 28,277,454</u>	<hr/> <u>\$ 4,862,469</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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### 12. Cash Held in Trust by INAC

Trust funds administered by INAC 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 operations and accumulated surplus.

	Capital Account	Revenue Account	Total
Balance, beginning of year	\$ 2,718	\$ 10,425	\$ 13,143
Interest earned during the year	-	244	244
Balance, end of year	<hr/> <u>\$ 2,718</u>	<hr/> <u>\$ 10,669</u>	<hr/> <u>\$ 13,387</u>

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### 13. Economic Dependence

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

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2017

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### 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.

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### 15. INAC Funding Reconciliation

	2017	2016
Funding per financial statements	\$ 5,475,364	\$ 1,558,603
Tuition funding payable (receivable)	46,845	(29,308)
Service Delivery Infrastructure funding repayable	<u>30,306</u>	<u>35,000</u>
INAC funding per funding confirmation	<u>\$ 5,552,515</u>	<u>\$ 1,564,295</u>

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### 16. Health Canada Funding Reconciliation

	2017	2016
Funding per financial statements	\$ 561,593	\$ 413,979
No differences	-	-
Health Canada funding per funding confirmation	<u>\$ 561,593</u>	<u>\$ 413,979</u>

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### 17. Subsequent Event

After the year end, WLON Trust transferred \$3,000,000 to the First Nation which was used to repay the RBC Non-Revolving Term loan. In addition, WLON Trust transferred \$600,000 which is being used to make per capita distributions.

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## Wabigoon Lake Ojibway Nation Notes to Consolidated Financial Statements

March 31, 2017

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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>2017</u>
Financial Plan (Budget) Bylaw surplus for the year	\$ 2,998,400
Add:	
Capital expenses	837,757
Less:	
Amortization	<u>(894,057)</u>
Budget surplus per statement of operations and accumulated surplus	<u>\$ 2,942,100</u>

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### 19. Comparative Figures

Certain of the comparative figures presented in the consolidated financial statements have been reclassified 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	WLON Trust	Economic Development	Social Services	Fundraising	Education and Training	CMHC	Commercial Enterprises	Consolidated 2017
<b>Revenue</b>												
Government transfers	\$ 479,280	\$ 645,515	\$ 648,997	\$ 718,279	\$ 3,702,916	\$ 1,368,102	\$ 386,211	\$ 691,836	\$ 22,851	\$ -	\$ 8,663,987	
Transfer to incomplete		(191,601)	(201,600)	(68,558)	19,246,733	(168,291)					(630,050)	
Other	2,122,879	1,748	31,200	167,768	96,200		558,467	73,671			(207,937)	22,090,729
Prior year funding adjustments	(7,462)	-	-	-	-	(4,787)	-	16,371	-	-	4,122	
Wabigoon Saaga'igan Anishinaabeg Development Corporation revenue	-	-	-	-	-	-	-	-	-	452,992	452,992	
Inter-organizational eliminations	-	-	-	-	-	-	-	-	-	-	(688,453)	
	<b>2,594,697</b>	<b>455,662</b>	<b>478,597</b>	<b>817,489</b>	<b>22,949,649</b>	<b>1,296,011</b>	<b>381,424</b>	<b>558,467</b>	<b>781,878</b>	<b>22,851</b>	<b>245,055</b>	<b>29,893,327</b>
<b>Expenses</b>												
Amortization	-	-	894,057	-	-	-	-	-	-	-	894,057	
Capital asset additions from operating	-	-	(721,109)	-	-	-	-	-	-	(116,648)	(837,757)	
Contracted services, supplies and other	1,326,598	17,114	691,394	187,763	96,812	464,019	324,064	351,802	305,906	24,545	-	3,790,017
Salaries and benefits	666,498	6,724	271,582	394,876	-	239,697	58,071	62,372	440,440	1,575	-	2,141,835
Travel and training	54,858	4,552	2,547	-	-	472,178	9,951	-	29,494	-	-	573,580
Rent, utilities, telephone	31,883	-	149,315	-	-	48,500	-	-	-	-	-	229,698
Wabigoon Saaga'igan Anishinaabeg Development Corporation expenses	-	-	-	-	-	-	-	-	-	449,397	449,397	
Inter-organizational eliminations	-	-	-	-	-	-	-	-	-	-	(688,453)	
	<b>2,079,837</b>	<b>23,838</b>	<b>1,289,791</b>	<b>585,186</b>	<b>96,812</b>	<b>1,224,394</b>	<b>392,086</b>	<b>414,174</b>	<b>775,840</b>	<b>26,120</b>	<b>332,749</b>	<b>6,552,374</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>												
	<b>514,860</b>	<b>431,824</b>	<b>(811,194)</b>	<b>232,303</b>	<b>22,852,837</b>	<b>71,617</b>	<b>(10,662)</b>	<b>144,293</b>	<b>6,038</b>	<b>(3,269)</b>	<b>(87,694)</b>	<b>23,340,953</b>
<b>Financing, transfers and adjustments</b>												
	<b>33,032</b>	-	-	-	-	-	-	-	-	41,000	74,032	
<b>Surplus (deficit) for the year</b>												
	<b>\$ 547,892</b>	<b>\$ 431,824</b>	<b>\$ (811,194)</b>	<b>\$ 232,303</b>	<b>\$ 22,852,837</b>	<b>\$ 71,617</b>	<b>\$ (10,662)</b>	<b>\$ 144,293</b>	<b>\$ 6,038</b>	<b>\$ (3,269)</b>	<b>\$ (46,694)</b>	<b>\$ 23,414,985</b>

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	WLON Trust	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	\$ 403,443	\$ -	\$ 566,531	\$ 22,851	\$ -	\$ 4,324,496
Transfer to incomplete			(115,771)									(115,771)
Other	1,815,990	277	71,479	87,768				483,975	55,685	325	9,221	2,524,720
Wabigoon Saaga'igan Anishinaabeg Development Corporation revenue											249,438	249,438
Inter-organizational eliminations												(505,215)
	<b>2,109,597</b>	<b>456,989</b>	<b>709,820</b>	<b>648,253</b>		<b>1,266,755</b>	<b>403,443</b>	<b>483,975</b>	<b>622,216</b>	<b>23,176</b>	<b>258,659</b>	<b>6,477,668</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	836,211	4,017	2,170,572	215,136	-	44,433	338,357	388,739	316,267	42,788	-	4,356,520
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>1,864,156</b>	<b>4,017</b>	<b>1,330,211</b>	<b>605,183</b>		<b>935,798</b>	<b>434,209</b>	<b>279,213</b>	<b>679,118</b>	<b>45,038</b>	<b>253,033</b>	<b>5,924,761</b>
Excess (deficiency) of revenue over expenses for the year	245,441	452,972	(620,391)	43,070	-	330,957	(30,766)	204,762	(56,902)	(21,862)	5,626	552,907
Financing, transfers and adjustments		(124,294)	-	-	-	-	-	-	-	-	150,000	25,706
Surplus (deficit) for the year	\$ 121,147	\$ 452,972	\$ (620,391)	\$ 43,070	-	\$ 330,957	\$ (30,766)	\$ 204,762	\$ (56,902)	\$ (21,862)	\$ 155,626	\$ 578,613

