

Consolidated Financial Statements of

**WIKWEMIKONG UNCEDED
INDIAN RESERVE**

Year ended March 31, 2014

WIKWEMIKONG UNCEDED INDIAN RESERVE

CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2014

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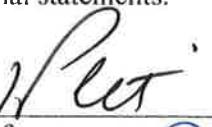
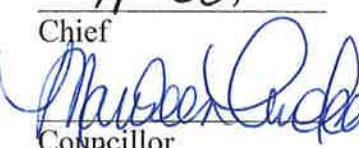
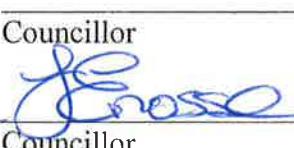
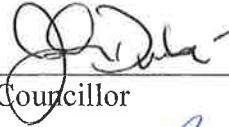
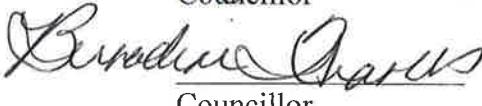
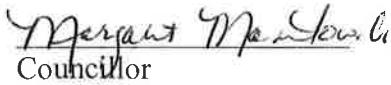
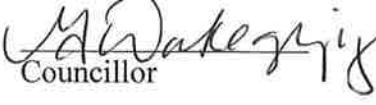
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of **Wikwemikong Unceded Indian Reserve** are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to these consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Wikwemikong Unceded Indian Reserve's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Chief and Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The consolidated financial statements have been audited by Freelandt Caldwell Reilly LLP, independent external auditors appointed by the Wikwemikong Unceded Indian Reserve. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Wikwemikong Unceded Indian Reserve's consolidated financial statements.

 Peter Chief	 Michaela Councillor	 Councillor	 John Councillor	 Cecilia Councillor
 Berendine Councillor	 Councillor			 Councillor
 Louise Councillor	 Margaret Councillor			 G. Gege Councillor
 M. Wabegijig Councillor				

INDEPENDENT AUDITORS' REPORT

To: Chief and Council of
Wikwemikong Unceded Indian Reserve

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the **Wikwemikong Unceded Indian Reserve**, which comprise the consolidated statement of financial position as at **March 31, 2014**, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT, continued

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Wikwemikong Unceded Indian Reserve as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our examination was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information included in Schedules 1 through 27 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.



FREELANDT CALDWELL REILLY LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Canada
July 30, 2014

WIKWEMIKONG UNCEDED INDIAN RESERVE

Consolidated Statement of Financial Position

March 31, 2014, with comparative figures for 2013

	2014	2013
Financial assets		
Cash	\$ 3,349,911	\$ 2,998,108
Restricted cash (note 3)	3,928,618	3,676,836
Short-term investments (note 4)	6,541,387	8,530,171
Restricted funds held in trust in Ottawa (note 5)	98,911	37,334
Accounts receivable	2,823,169	1,648,027
Due from Aboriginal Affairs and Northern Development Canada (note 6)	160,000	-
Note receivable (note 7)	1,000,000	1,000,000
Economic development loans receivable (note 8)	88,978	97,540
Government Business Enterprises:		
Investment in and advances to Wiky Property Management Company Ltd. (note 9)	320,516	339,738
Investment in and advances to FirstTEL Communications Corporation (note 10, 21(b))	50	50
Investment in and advances to Your Dollar Store with More (note 11)	123,803	-
Investment in Great Lakes Hospitality Group Limited Partnership (notes 12, 21(b))	500,000	500,000
Other investments (note 13)	3	3
Total financial assets	18,935,346	18,827,807
Financial liabilities		
Accounts payable and accrued liabilities	3,835,325	2,937,017
Deferred contributions (note 15)	1,924,199	1,727,807
Promissory note payable to Aboriginal Affairs and Northern Development Canada (note 16)	2,116,144	1,653,064
Long-term debt (note 17)	25,068,964	25,729,185
Total financial liabilities	32,944,632	32,047,073
Net debt	(14,009,286)	(13,219,266)
Non-financial assets (note 18)		
Tangible capital assets (note 20)	56,575,884	55,322,909
Prepaid expenses	891,037	840,928
Total non-financial assets	57,466,921	56,163,837
Accumulated surplus (note 19)	\$ 43,457,635	\$ 42,944,571
Contingent liabilities (note 21)		

Approved on behalf of the Wikwemikong
Unceded Indian Reserve Council:



Chief

See accompanying notes to consolidated financial statements.

WIKWEMIKONG UNCEDED INDIAN RESERVE
 Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
Revenues:		
Aboriginal Affairs and Northern Development Canada (note 23)	\$ 19,970,553	\$ 19,327,670
Aboriginal Affairs and Northern Development Canada - loan (note 16)	463,080	387,105
Other	34,032,978	29,521,900
Deferred contributions, beginning of year	1,727,807	1,696,285
Total revenues	56,194,418	50,932,960
 Expenditures:		
Band Operations	46,755,117	44,248,657
Social Housing	3,680,313	3,838,323
First Nation Enterprise Activities including Government Business Enterprises (notes 9, 10, 11)	1,134,735	677,483
Economic Development Loans	4,000	-
Capital Projects and Major Repairs	417,340	622,682
Ontario First Nations Limited Partnership Distributions	1,220,062	80,216
Total expenditures (note 24)	53,211,567	49,467,361
 Excess of revenues over expenditures, before undernoted items	2,982,851	1,465,599
Deferred contributions, end of year	(1,924,199)	(1,727,807)
Funding repaid or repayable to funders	(545,588)	(496,902)
 Excess (deficiency) of revenues over expenditures for the year	513,064	(759,110)
 Accumulated surplus, beginning of year as originally presented	42,944,571	43,703,681
 Accumulated surplus, end of year	\$ 43,457,635	\$ 42,944,571

See accompanying notes to consolidated financial statements.

WIKWEMIKONG UNCEDED INDIAN RESERVE
 Consolidated Statement of Change in Net Debt

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
Excess (deficiency) of revenues over expenditures for the year	\$ 513,064	\$ (759,110)
Amortization of tangible capital assets	3,184,229	3,133,545
Acquisition of tangible capital assets	(4,437,204)	(1,279,108)
Proceeds of disposition of tangible capital assets	-	2,196
Change in prepaid expenses	(50,109)	(131,225)
Increase (decrease) in net debt for the year	(790,020)	966,298
Net debt, beginning of year	(13,219,266)	(14,185,564)
Net debt, end of year	\$ (14,009,286)	\$ (13,219,266)

See accompanying notes to consolidated financial statements.

WIKWEMIKONG UNCEDED INDIAN RESERVE
 Consolidated Statement of Cash Flows

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
Cash flows from Operating activities:		
Excess (deficiency) of revenues over expenditures for the year	\$ 513,064	\$ (759,110)
Items not involving cash:		
Amortization of tangible capital assets	3,184,229	3,133,545
	3,697,293	2,374,435
Change in non-cash items relating to operations:		
Accounts receivable and Due from Aboriginal Affairs		
and Northern Development Canada	(1,335,142)	(145,218)
Prepaid expenses	(50,109)	(131,225)
Accounts payable and accrued liabilities	898,307	149,979
Deferred contributions	196,392	31,522
	3,406,741	2,279,493
Cash flows from capital activities:		
Cash used to acquire tangible capital assets	(4,437,204)	(1,279,108)
Proceeds on disposal of tangible capital assets	-	2,196
	(4,437,204)	(1,276,912)
Cash flows from financing activities:		
Promissory note payable to Aboriginal Affairs		
and Northern Development Canada	463,080	387,105
Proceeds of long-term debt	1,005,119	1,203,854
Principal repayments of long-term debt	(1,665,340)	(1,480,060)
	(197,141)	110,899
Cash flows from investing activities:		
Restricted cash	(251,782)	(487,273)
Short-term investments	1,988,784	(2,476)
Restricted funds held in trust in Ottawa reinvested	(61,577)	(3,797)
Note receivable	-	(1,000,000)
Economic development loans receivable	8,562	(7,933)
Investment in and advances to Wiky Property Management Company Ltd.	19,222	25,750
Investment in and advances to FirstTEL Communications Corporation	-	576
Investment in and advances to Your Dollar Store and More	(123,803)	
Investment in Great Lakes Hospitality Group Limited Partnership	-	(250,000)
	1,579,406	(1,725,153)
Net change in cash for the year	351,803	(611,673)
Cash, beginning of year	2,998,108	3,609,781
Cash, end of year	\$ 3,349,911	\$ 2,998,108

See accompanying notes to consolidated financial statements.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

1. The Wikwemikong Unceded Indian Reserve is a First Nation located at the eastern end of Manitoulin Island in the Province of Ontario. The First Nation, under the direction of its Chief and Council and management, operate various programs for the benefit of its members, including municipal services, health services, economic development, housing, education and other services. The Wikwemikong Unceded Indian Reserve is a not-for-profit entity and is not taxable under the Canadian Income Tax Act.

2. Basis of presentation and significant accounting policies:

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for local government entities established by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

(a) Reporting Entity and basis of consolidation:

These consolidated financial statements include the assets, liabilities, accumulated surplus, revenues and expenses of the First Nation government functions that have been determined to be accountable to the Wikwemikong Unceded Indian Reserve, (“the First Nation”) and are either owned or under the control of the First Nation through its’ Chief and Council, and include the Wikwemikong Board of Education, Wikwemikong Development commission, and the Wikwemikong Tribal Police Service.

All inter-entity balances have been eliminated on consolidation, but in order to present the results of the operations for specific functional areas, transactions amongst functional areas have not necessarily been eliminated on the individual supplementary schedules. 2404383 Ontario Ltd. operating as Your Dollar Store with More, FirstTEL Communications Corporation, and Wiky Property Management Company Ltd. (operating as Rainbow Ridge Golf Course), have been accounted for in the entity’s financial statements using the modified equity method. Wikwemikong Nursing Home Limited was initially accounted for in the consolidated financial statements using the modified equity method but have been written down to net realizable value due to ongoing operating losses.

Long-term investments in non-controlled entities are recorded at the lower of cost or net realizable value.

(b) Basis of accounting:

Revenues and expenditures are reported using the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

2. Basis of presentation and significant accounting policies, continued:

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand and balances held by major financial institutions.

(d) Short-term investments:

Short-term investments are recorded at the lower of cost and fair market value. The investments are generally held for short-term unspecified purposes and are generally comprised of monthly interest paying investments accounts, term deposits and guaranteed investment certificates with major financial institutions, and have maturities within one year.

(e) Tangible capital assets:

Tangible capital assets are recorded at cost. The First Nation provides for the amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital asset over the estimated useful life of the asset. The annual amortization rates are as follows:

Asset	Basis	Useful Life
Buildings and building additions	straight-line	10-40 years
Water and electrical systems	straight-line	10 & 50 years
Roads	straight-line	10-40 years
Computer hardware and software	straight-line	2-5 years
Vehicles	straight-line	3-10 years
Furniture, equipment and other	straight-line	3-10 years
Infrastructure projects	straight-line	10 years

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

2. Basis of presentation and significant accounting policies, continued:

(f) Financial instruments:

Measurement of financial instruments

The First Nation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The First Nation subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, short-term investments, restricted funds held in trust in Ottawa, accounts receivable, note receivable, economic development loans receivable, investment in Wiky Property Management Company Ltd., investment and advances in FirstTEL Communications Corporation, investment and advances in 2404383 Ontario Ltd. operating as Your Dollar Store with More, investment in Great Lakes Hospitality Group Limited Partnership, and other investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, Promissory note payable to Aboriginal Affairs and Northern Development Canada and long-term debt.

Impairment

Financial assets measured at other than fair value are tested for impairment when there are indicators of possible impairments. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

2. Basis of presentation and significant accounting policies, continued

(g) Revenue recognition and deferred contributions:

Revenue from government grants and contributions are recognized in the period that the events giving rise to the government transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met; and the amount can reasonably be estimated. Funding received under the funding arrangement, which relates to a subsequent fiscal period and the unexpended portions of contributions received for specific purposes are reflected as deferred contributions in the year of receipt and are recognized as revenue in the period in which all the recognition criteria have been met.

Other revenues including certain user fees, rents and interest are recorded on the accrual basis when earned the amounts can be reasonably estimated and collection is reasonably assured.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and reported amounts of certain revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are certain accounts receivable, allowance for doubtful accounts, certain deferred contributions, amounts repayable to certain funders, certain long-term investments, estimated useful lives of tangible capital assets and impairment of long-lived assets.

3. Restricted cash:

Restricted cash is comprised of bank account balances supporting Canada Mortgage and Housing Corporation (CMHC) replacement, subsidy surplus reserves and operating reserves.

Under the terms of agreements with CMHC amounts are to be credited annually to replacement reserves and, where applicable, may be credited to the subsidy surplus and operating reserves. These funds must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

4. Short-term investments:

Short-term investments are presented at their cost value and consist of:

	Rate	2014
TD interest bearing current account	Prime less 1.9%	\$6,535,992
Other		\$5,395
		<u>\$6,541,387</u>

The fair market values of the investments approximate their carrying value.

5. Ottawa funds held in trust:

Funds held in trust are comprised of funds held in Ottawa trust accounts and arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

6. Due from Aboriginal Affairs and Northern Development Canada:

Due from Aboriginal Affairs and Northern Development Canada (AANDC) represents amounts receivable from AANDC in accordance with funding arrangements between the First Nation and AANDC. The amounts are unsecured and non-interest bearing.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

7. Note Receivable:

The note receivable is from Great Lakes Hospitality Group Limited Partnership (GLHGLP). The note bears interest at prime plus 2%, and is due on demand. The note is secured by 2334776 Ontario Inc. In the event of default, Great Lakes Hospitality Group Limited Partnership will grant a mortgage of their land and building to 2334776 Ontario Inc, who will then assign the mortgage to the First Nation. See note 11 for investment in Great Lakes Hospitality Group Limited Partnership. On May 13, 2014, \$99,974 was received against the note. It is management opinion that the remaining amount will be collected once the hotel has completed its initial start up phase; therefore no allowance for doubtful accounts has been recorded.

8. Economic development loans receivable:

The loans are unsecured, bear interest at 0% - 5% per annum, and contain repayment terms which vary between 1 and 10 years.

The loans are administered by the Wikwemikong Development Commission.

9. Investment and advances in Wiky Property Management Company Ltd. (operating as Rainbow Ridge Golf Course):

	2014	2013
Loans and advances net of business losses and write downs	\$ 320,515	\$ 339,737
Common shares	1	1
	<u>\$ 320,516</u>	<u>\$ 339,738</u>

The First Nation holds a 100% ownership interest in Wiky Property Management Company Ltd. (operating as Rainbow Ridge Golf Course). The investment is accounted for using the modified equity method reflecting the First Nation's 100% ownership share of the company but has been written down to net realizable value due to on-going operating losses of the company.

The company operates a golf course in Manitowaning Ontario and has an October 31 fiscal year end.

The loan to Wiky Property Management Company Ltd. from the First Nation's Ontario First Nations Limited Partnership Distributions fund bears interest at 5% per annum, is repayable by monthly payments from April through September of each year of \$7,300 including interest and is due September 30, 2023.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

9. Investment and advances in Wiky Property Management Company Ltd., continued:

	2014	2013
Opening balance	\$ 339,738	\$ 365,488
First Nation's share of net loss of Wikit Property Management Company Ltd.	(329,752)	(186,697)
Adjustments reflecting operating activity between the company's fiscal year end and the First Nation's fiscal year end	(33,953)	(24,350)
Net advances to Wiky Property Management Company Ltd. during the year, and other adjustments	344,483	185,297
	<u>\$ 320,516</u>	<u>\$ 339,738</u>

The First Nation recognized a loss of (\$363,705) during 2014, (2013 – (\$211,047)), in the accompanying financial statements.

The following summarizes the assets, liabilities, deficit, revenues, and expenses of Wiky Property Management Company Ltd. as at and for its fiscal year ended October 31, 2013 with comparative figures for 2012:

	2013	2012
Assets:		
Current assets	\$ 116,450	\$ 77,431
Property and equipment	588,721	610,224
Incorporation costs	17,988	17,988
	<u>\$ 723,159</u>	<u>\$ 705,643</u>
Liabilities and shareholder's (deficit):		
Current liabilities	\$ 105,026	\$ 129,357
Long-term liabilities	531,692	568,498
Amounts due to the First Nation	2,396,159	1,987,754
Equity (deficit)	(2,309,718)	(1,979,966)
	<u>\$ 723,159</u>	<u>\$ 705,643</u>

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

9. Investment in and advances to Wiky Property Management Company Ltd., continued:

	2013	2012
Revenues	\$ 702,422	\$ 639,886
Expenses	(1,032,174)	(826,583)
Net loss	<u>\$ (329,752)</u>	<u>\$ (186,697)</u>

10. Investment in and advances to FirstTEL Communications Corporation:

	2014	2013
Common shares	\$ 50	\$ 50
Advances net of business losses and write downs	-	-
	<u>\$ 50</u>	<u>\$ 50</u>

The First Nation holds a 100% ownership interest in FirstTEL Communications Corporation. The investment is accounted for using the modified equity method reflecting the First Nation's 100% ownership share of the corporation and has been written down to net realizable value due to on-going operating losses of the corporation.

The corporation operates a telecommunications business in Wikwemikong, Ontario and has a March 31 fiscal year end.

	2014	2013
Opening balance	\$ 50	\$ 625
First Nation's share of net loss of FirstTEL Communications Corporation	(48,401)	(54,010)
Advances to FirstTEL Communications during the year, and other adjustments	48,401	53,435
	<u>\$ 50</u>	<u>\$ 50</u>

The First Nation recognized a loss of (\$48,401) during 2014, (2013 – (\$54,010)), in the accompanying financial statements.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

10. Investment in and advances to FirstTEL Communications Corporation, continued:

The following summarizes the assets, liabilities, equity (deficit), revenues, and expenses of FirstTEL Communications Corporation:

	2014	2013
Assets:		
Current assets	\$ 28,801	\$ 21,427
Equipment	78,294	58,232
	<u>\$ 107,095</u>	<u>\$ 79,659</u>
Liabilities and shareholder's deficit:		
Current liabilities	\$ 35,422	\$ 19,079
Amounts due to the First Nation	258,779	199,285
Deficit	(187,106)	(138,705)
	<u>\$ 107,095</u>	<u>\$ 79,659</u>
Revenues	\$ 163,826	\$ 102,419
Expenses	(212,227)	(156,429)
Net loss	\$ (48,401)	\$ (54,010)

11. Investment in and advances to Your Dollar Store with More:

	2014
Common shares	\$ 100
Advances	123,703
	<u>\$ 123,803</u>

The First Nation holds a 100% ownership interest in 2404383 Ontario Ltd., operating as Your Dollar Store with More. The investment is accounted for using the modified equity method reflecting the First Nation's 100% ownership share of the corporation's start up operations for the two month fiscal year from incorporation on January 23, 2014 to March 31, 2014. The corporation operates a retail operation on the Wikwemikong First Nation.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

11. Investment in and advances to Your Dollar Store with More, continued:

	2014
Opening balance	\$ -
First Nation's share of net income (loss) of Your Dollar Store with More	-
Advances to Your Dollar Store with More during the year, and other adjustments	123,803
	<u>\$ 123,803</u>

The First Nation recognized an income of \$nil during 2014, in the accompanying financial statements.

The following summarizes the assets, liabilities, equity, revenues, and expenses of Your Dollar Store with More:

	2014
Assets:	
Current assets	\$ 90,106
Equipment and leasehold improvements	113,401
Incorporation costs	1,651
Franchise Fee	20,000
	<u>\$ 225,158</u>
Liabilities and shareholder's equity:	
Current liabilities	\$ 15,534
Amounts from Wikwemikong Development Commission	123,704
Deferred capital contributions	85,820
Share capital	100
	<u>\$ 225,158</u>
	2014
Revenues	\$ 13,674
Expenses	(13,674)
Net income	\$ -

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

12. Investment and advances in Great Lakes Hospitality Group Limited Partnership:

The First Nation holds a non-controlling limited partnership interest in Great Lakes Hospitality Group Limited Partnership. This partnership is constructing a hotel in Little Current, Ontario, which commenced operations in May 2013. The partnership is between 7043821 Canada Inc. (which the First Nation holds a 14% interest) and other First Nation's from in and around the Manitoulin Island area. The investment is being accounted for using the cost method during the current start up and initial financing phase of the project and will be subsequently measured using the modified equity method when the start up and initial financing phases are completed. See note 7 for loan to Great Lakes Hospitality Group Limited Partnership and note 21(b) for contingent liability.

13. Other Investments:

The First Nation holds an interest in N'Swakamok Forestry Corporation. The investment has been reflected in the accompanying financial statements using the cost method and has been written down a nominal amount of \$1 for permanent decline in value related to ongoing operating losses.

The First Nation owns a 100% interest in Wiky Forest Products Ltd. The investment has been reflected in the accompanying financial statements using the cost method and has been written down a nominal amount of \$1 for permanent decline in value related to ongoing operating losses. The operations of the entity are currently inactive.

The First Nation holds a non-controlling interest in UCCM Building Material Supply Company Ltd. The investment has been reflected in the accompanying financial statements using the cost method at \$1.

The First Nation holds a 100% controlling share holding interest in 2228293, Ontario Limited. The corporation's operations are inactive and the investment has been reflected in the accompanying financial statements using the cost method.

The First Nation holds a 100% interest in the Wikwemikong Nursing Home Limited. The interest has been written down to nil to reflect permanent decline in value due to on-going operating losses.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

14. Bank indebtedness:

- a) An operating line of credit, for the Wikwemikong Unceded Indian Reserve, has been approved by the TD Canada Trust to a maximum of \$250,000. The operating line bears interest at the bank's prime lending rate plus 0.50% per annum, interest payable monthly and is payable on demand. The operating line is secured by a general security agreement. At the balance sheet date, no funds have been drawn on the operating line.
- b) An operating line of credit, for the Wikwemikong Development Commission, has been approved by the TD Canada Trust to a maximum of \$100,000. The operating line is payable on demand, bears interest at the bank's prime lending rate plus 0.50% per annum. Interest is payable monthly. The operating line is secured by a general security agreement and is guaranteed by the Wikwemikong Unceded Indian Reserve. At the balance sheet date, no funds have been drawn on this operating line.
- c) An operating line of credit, for the Wii Ni'Guch Tood, has been approved by the TD Canada Trust to a maximum of \$100,000. The operating line bears interest at the bank's prime lending rate plus 0.50% per annum, interest payable monthly and is payable on demand. The operating line is secured by a general security agreement. At the balance sheet date, no funds have been drawn on the operating line.
- d) An operating line of credit, for the Wikwemikong Tribal Police Service, has been approved by the TD Canada Trust to a maximum of \$150,000. The operating line bears interest at the bank's prime lending rate plus 0.50% per annum, interest payable monthly and is payable on demand. The operating line is secured by a general security agreement. At the balance sheet date, no funds have been drawn on the operating line.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

15. Deferred contributions:

Deferred contributions consist of the following:

	2014	2013
Aboriginal Affairs and Northern Development Canada	\$ 42,330	\$ 19,019
Health Canada	850,733	859,214
Human Resource and Skills Development Canada	467,076	445,942
Ministry of Community & Social Services	65,000	148,397
Federal Funding - Policing	233,851	83,913
Provincial Funding - Policing	246,579	77,458
Other Funding Agencies	18,630	93,864
	\$ 1,924,199	\$ 1,727,807

For additional detail refer to schedule 22 of these financial statements.

16. Promissory note payable to Aboriginal Affairs and Northern Development Canada:

The promissory note payable to Aboriginal Affairs and Northern Development Canada, funds native land claim expenditures and is non-interest bearing and unsecured.

For additional information refer to schedules 5-1 and 25 of these financial statements.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

17. Long-term debt:

	2014	2013
Canadian Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$2,090 including including interest at 2.75%, due 2016. Insured by Canada Mortgage and Housing Corporation.	\$ 163,065	\$ 183,357
Canadian Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$3,622 including interest at 1.82%, due 2016. Insured by Canada Mortgage and Housing Corporation.	310,868	348,332
Canadian Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$1,576 including interest at 2.97%, due 2016. Insured by Canada Mortgage and Housing Corporation.	190,919	203,980
TD Canada Trust term loan. Repayable by monthly instalments of \$11,446 including interest at 4.91%, due 2021. Secured by a general security agreement and assignment of property fire insurance.	794,815	890,983
TD Canada Trust term loan. Repayable by monthly instalments of \$1,079 including interest at 4.91%, due 2021. Secured by a general security agreement and assignment of property fire insurance.	74,919	83,987
Canadian Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$6,578 including interest at 1.67%, due 2017. Insured by Canada Mortgage and Housing Corporation.	573,524	642,288
Canadian Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$4,166 including interest at 2.97%, due 2016. Insured by Canada Mortgage and Housing Corporation.	210,442	253,518
Canadian Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$7,333 including interest at 1.92%, due 2017. Insured by Canada Mortgage and Housing Corporation	658,493	733,113
Royal Bank mortgage. Repayable by monthly instalments of \$5,224 including interest at 3.46%, due 2015.	360,327	409,203
Subtotal carried forward to next page	\$ 3,337,372	\$ 3,748,761

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

17. Long-term debt, continued:

	2014	2013
Balance carried forward from prior page	\$ 3,337,372	\$ 3,748,761
Royal Bank term loan.		
Repayable by monthly instalments of \$5,418		
plus interest at 4.35% due in 2015. Unsecured.	79,391	139,113
Canada Mortgage and Housing Corporation mortgage.		
Repayable by monthly instalments of \$4,586		
including interest at 1.67% due 2018. Insured by		
Canada Mortgage and Housing Corporation.	463,650	509,559
Canada Mortgage and Housing Corporation mortgage.		
Repayable by monthly instalments of \$1,580		
including interest at 2.57%, due 2014. Insured by		
Canada Mortgage and Housing Corporation.	244,599	257,057
Canada Mortgage and Housing Corporation mortgage.		
Repayable by monthly instalments of \$7,531		
including interest at 2.61%, due 2014. Insured by		
Canada Mortgage and Housing Corporation.	1,090,910	1,151,890
Canada Mortgage and Housing Corporation mortgage		
Repayable by monthly instalments of \$4,145		
including interest at 1.67%, due 2017. Insured by		
Canada Mortgage and Housing Corporation.	584,444	624,012
Canada Mortgage and Housing Corporation mortgage.		
Repayable by monthly instalments of \$2,963		
including interest at 2.57% due 2014. Insured by		
Canada Mortgage and Housing Corporation.	327,131	353,887
Canada Mortgage and Housing Corporation mortgage.		
Repayable by monthly instalments of \$6,088		
including interest at 1.65% due 2017. Insured by		
Canada Mortgage and Housing Corporation.	1,142,050	1,195,860
Canada Mortgage and Housing Corporation mortgage.		
Repayable by monthly instalments of \$6,144		
including interest at 2.57%, due 2014. Insured by		
Canada Mortgage and Housing Corporation.	178,356	246,469
Subtotal carried forward to next page	\$ 7,447,903	\$ 8,226,608

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

17. Long-term debt, continued:

	2014	2013
Balance carried forward from prior page	\$ 7,447,903	\$ 8,226,608
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$7,319 including interest at 2.69%, due 2015. Insured by Canada Mortgage and Housing Corporation.	841,557	905,832
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$3,129 including interest at 2.63%, due 2016. Insured by Canada Mortgage and Housing Corporation.	386,369	413,375
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$5,220 including interest at 2.65%, due 2016. Insured by Canada Mortgage and Housing Corporation.	647,586	692,022
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$6,379 including interest at 1.62% due 2018. Insured by Canada Mortgage and Housing Corporation.	948,501	1,009,276
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$1,656 including interest at 1.67%, due 2018. Insured by Canada Mortgage and Housing Corporation.	249,316	264,241
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$9,054 including interest at 2.11%, due 2019. Insured by Canada Mortgage and Housing Corporation.	1,370,304	1,445,532
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$5,300 including interest at 2.84%, due 2015. Insured by Canada Mortgage and Housing Corporation.	818,059	857,914
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$1,583 including interest at 2.11%, due 2019. Insured by Canada Mortgage and Housing Corporation.	239,628	252,786
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$7,184 including interest at 1.71%, due 2017. Insured by Canada Mortgage and Housing Corporation.	1,356,407	1,418,845
Subtotal carried forward to next page	\$ 14,305,630	\$ 15,486,431

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

17. Long-term debt, continued:

	2013	2012
Balance carried forward from prior page	\$ 14,305,630	\$ 15,486,431
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$5,147 including interest at 1.53%, due 2017. Insured by Canada Mortgage and Housing Corporation.	1,006,539	1,052,517
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$5,168 including interest at 2.75%, due 2016. Insured by Canada Mortgage and Housing Corporation.	848,832	886,993
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$3,407 including interest at 2.35%, due 2018. Insured by Canada Mortgage and Housing Corporation	635,368	659,747
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$11,735 including interest at 2.23%, due 2014. Insured by Canada Mortgage and Housing Corporation.	2,292,343	2,381,204
Canada Mortgage and Housing Corporation mortgage Repayable by monthly instalments of \$5,150 including interest at 2.69%, due 2015. Insured by Canada Mortgage and Housing Corporation.	820,020	859,380
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$5,753 including interest at 2.76%, due 2015. Insured by Canada Mortgage and Housing Corporation	1,110,492	1,148,521
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$5,562 including interest at 1.65%, due 2017. Insured by Canada Mortgage and Housing Corporation.	793,904	847,155
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly instalments of \$10,441 including interest at 1.65%, due 2017. Insured by Canada Mortgage and Housing Corporation.	2,321,128	2,407,237
Royal Bank of Canada Loan, repayable in monthly instalments of \$679 including interest at 5.41%, due 2018, secured by vehicle.	31,933	-
Subtotal carried forward to next page	\$ 24,166,189	\$ 25,729,185

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

17. Long-term debt, continued:

	2013	2012
Balance carried forward from prior page	\$ 24,166,189	\$ 25,729,185
TD Canada Trust Loan. Repayable by monthly instalments of \$1,946 plus interest at prime rate of 3% plus 0.75% due 2019, secured by a general security agreement and assignment of insurance.	114,804	-
TD Canada Trust Loan. Repayable by monthly instalments of \$1,849 plus interest at prime rate of 3% plus 0.75% due 2029, secured by a general security agreement and assignment of insurance.	599,948	-
Royal Bank of Canada Loans. Repayable by monthly instalments totalling \$7,006 including interest between 3.99% and 5.79%, due between 2015 and 2018, secured by specific vehicles.	188,023	-
	<hr/> \$ 25,068,964	\$ 25,729,185

Principal payments required to retire outstanding long-term debt, assuming mortgages due beyond 2014 are renewed with similar terms and conditions are as follows:

2015	\$ 5,641,470
2016	4,945,534
2017	3,250,859
2018	8,089,629
2019	2,390,933
<u>2020 and subsequent years</u>	<u>750,539</u>
	<hr/> \$ 25,068,964

Certain mortgage loans are due and are to be renegotiated within the next year. The full balances of these loans have been shown as repayable in 2014. Management has no reason to believe that the loans will not be renewed and that the creditor will demand repayment of these loans during the next fiscal year.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

18. Non-financial assets:

Tangible capital assets and prepaid expenses are accounted for as assets by the First Nation because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

19. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2014	2013
Restricted social housing reserves	\$ 3,919,094	\$ 3,702,905
Internally restricted economic development loans	232,157	197,957
Restricted funds held in trust in Ottawa	98,911	37,334
Restricted Ontario First Nations Limited		
Partnership distributions	11,037,265	11,945,622
Ontario First Nations Limited Partnership		
Distributions, loans	320,515	339,737
First Nation enterprise initiatives	(1,580,192)	(1,163,379)
Unrestricted band operations accumulated		
surplus (deficit)	(94,293)	683,868
Internally restricted deferred revenues/(expenditures)	(2,097,546)	(2,393,200)
Equity in tangible capital assets	31,621,724	29,593,727
	<hr/> \$ 43,457,635	<hr/> \$ 42,944,571

WIKWEMIKONG UNCEDED INDIAN RESERVE
Notes to Consolidated Financial Statements

March 31, 2013

20. Tangible capital assets:

		2014						2013									
		Water & Electrical Systems			Roads			Furniture, Equipment and Software & Other			Infrastructure Projects Construction			Assets under CMHC Rental Buildings			Property Management Vehicles
Cost		Land	Buildings		Vehicles			Hardware								Total 2014	
Balance, beginning of year	\$ 70,532	\$ 24,473,453	\$ 12,446,079	\$ 21,648,882	\$ 3,213,409	\$ 2,163,337	\$ 341,868	\$ 102,555	\$ -	\$ 30,584,955	\$ 117,909	\$ -	\$ 95,162,979		\$ 95,162,979		
Additions	42,809	2,416,953	21,7970	150,505	669,097	550,357	51,545	-	-	-	337,955	-	-	4,437,201		(190,796)	
Disposals	-	-	-	-	(190,796)	-	-	-	-	-	-	-	-	-	-	(190,796)	
Balance, end of year	\$ 113,341	26,890,416	12,664,049	21,799,387	3,691,710	2,713,694	393,413	102,555	-	-	30,922,910	\$ 117,909		99,409,384			
Accumulated Amortization																	
Balance, beginning of year	\$ 11,332,461	2,863,681	11,567,633	2,359,691	1,152,798	2,58,634	49,676	-	-	10,157,251	98,245			39,840,070			
Disposals	-	-	-	(190,796)	-	-	-	-	-	-	-	-	-	-	-	(190,796)	
Amortization expense	\$ 591,788	237,487	624,394	386,493	197,327	47,948	7,880	-	-	1,083,036	7,873			3,184,226			
Balance, end of year	\$ 11,924,249	3,101,168	12,192,027	2,555,388	1,350,125	306,582	57,556	-	-	11,240,287	106,118			42,833,500			
Net book value	\$ 113,341	\$ 14,966,167	\$ 9,562,881	\$ 9,607,350	\$ 1,136,322	\$ 1,363,569	\$ 86,831	\$ 44,999	\$ 19,682,623	\$ 11,791	\$ 56,575,884						
Accumulated Amortization																	
Balance, beginning of year	\$ 70,532	\$ 24,314,864	\$ 12,246,953	\$ 21,426,448	\$ 2,910,579	\$ 1,995,157	\$ 311,948	\$ 92,855	\$ 2,173,812	\$ 28,244,720	\$ 117,909			\$ 93,905,777			
Additions	158,589	199,126	222,434	302,830	190,086	29,920	9,700	(2,173,812)	2,340,235	-	-			1,279,108			
Disposals	-	-	-	(21,906)	-	-	-	-	-	-	-	-	-	(21,906)			
Balance, end of year	\$ 70,532	24,473,453	12,446,079	21,648,882	3,213,409	2,163,337	341,868	102,555	-	30,584,955	117,909			95,162,979			
Accumulated Amortization																	
Balance, beginning of year	\$ 10,755,647	2,639,652	10,947,754	2,015,253	942,014	213,900	41,796	-	9,079,847	90,372			36,726,235				
Disposals	-	-	-	-	(19,710)	-	-	-	-	-	-	-	-	(19,710)			
Amortization expense	\$ 576,814	224,029	619,879	344,438	230,194	44,734	7,880	-	1,077,404	7,873			3,133,545				
Balance, end of year	\$ 11,332,461	2,863,681	11,567,633	2,359,691	1,152,798	258,334	49,676	-	10,157,251	98,245			39,840,070				
Net book value	\$ 70,532	\$ 13,140,992	\$ 9,582,398	\$ 10,081,249	\$ 853,718	\$ 1,010,539	\$ 83,234	\$ 52,879	\$ 20,427,704	\$ 19,664	\$ 55,222,909						

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

21. Contingent liabilities:

(a) Government funding:

The First Nation has entered into accountable contribution arrangements with various government funding agencies. All such programs are subject to audit by the various governments, with repayable audit adjustments to the funding agency government. Audit adjustments, if any, are recorded in the accounts in the year in which the liability is determined.

(b) Guarantees:

The First Nation is contingently liable for the following items at March 31, 2014:

	2013	2012
Loan guarantees to various financial institutions		
in favour of individual Band Members	\$ 4,485,950	\$ 5,349,313
Loan guarantee to Bank of Montreal		
in favour of Great Lakes Hospitality Group		
Limited Partnership (note 21(b)(i))	349,494	349,494
Letter of credit to a major supplier of the		
UCCM Building Material Supply Company Ltd.	140,000	140,000
Loan guarantees to various financial institutions		
in favour of individual Band Members and		
organizations supported by Ministerial guarantees	135,768	190,322
Guarantees to Bell Canada in favour of		
FirstTel Communications Corporation	40,000	40,000
	<hr/> \$ 5,151,212	<hr/> \$ 6,069,129

(i) The First Nation, as a limited partner, has provided a guarantee to a maximum of \$349,494 in favour of a loan from the Bank of Montreal advanced to Great Lakes Hospitality Group Limited Partnership in the amount of \$4,700,000. This guarantee is provided jointly and severally with the other limited partners.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

21. Contingent liabilities, continued:

(c) Legal claims:

The First Nation is a defendant in claims in the amount of approximately \$400,000 regarding labour dispute matters. At the present time neither the outcome nor the possible settlement, if any, can be determined. Therefore, no provision regarding these matters has been recorded in the accompanying financial statements.

The First Nation is a defendant in claims and possible claims in the amounts of approximately \$450,000 and \$700,000 respectively, regarding breach of duty and personal injury matters. At the present time, neither the outcome nor the possible settlement, if any, can be determined. Therefore, no provision regarding these matters has been recorded in the accompanying financial statements

The Wikwemikong Board of Education is a defendant in claims and possible claims in the amount of approximately \$240,000 regarding labour dispute matters. At the present time, neither the outcome nor the possible settlement, if any, can be determined. Therefore, no provision regarding these matters has been recorded in the accompanying financial statements.

(d) Other matter:

The First Nation is currently in discussion with the Wikwemikong Trust with regards to amounts owing to the Trust based on an annual inflation amount determined from the consumer price index. A potential claim of the Wikwemikong Trust against the First Nation exists in the amount of \$1,632,000. The First Nation has recorded provisions in regards to this matter in the amount of \$514,095 including \$190,395 in the current year. At this time, neither the outcome nor the possible settlement, if any, can be determined. Therefore, no additional provision regarding this matter has been recorded in the accompanying financial statements.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

22. Band member loans:

Band member loans and advances at March 31, 2014 are comprised of:

	2014	2013
Rental properties	\$ 180,722	\$ 185,857
Economic development loans	88,978	97,540
Water & Sewer	12,629	32,237
Water Delivery	5,342	15,580
Other individual band member loans and advances	56,842	13,729
	\$ 344,513	\$ 344,943

23. Aboriginal Affairs and Northern Development Canada:

a) Reconciliation to Aboriginal Affairs and Northern Development Canada (AANDC) funding confirmation:

During the prior year additional funding was provided to the Wikwemikong Development Commission (WDC) by AANDC as follows:

	2014	2013
Revenue as reported	\$ 19,970,553	\$ 19,327,670
Revenue per AANDC funding confirmation	19,870,553	19,227,670
Add additional agreements with Wikwemikong Development Commission:		
Due Diligence support funding	50,000	50,000
First Nation and Inuit conferences, workshops, and networking funding	50,000	50,000
	\$ 19,970,553	\$ 19,327,670

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

24. Expenditure by object:

As required by the Public Sector Accounting Board reporting requirements, these financial statements report on expenditures by functions. The First Nation's expenditures by object are as follows:

	2014	2013
Salaries, wages, and benefits	\$ 20,480,036	\$ 19,196,176
Amortization	3,184,229	3,133,545
Interest on long-term debt	570,102	733,180
Other	28,977,200	26,404,460
	<hr/> \$ 53,211,567	<hr/> \$ 49,467,361

25. Employee benefits plans:

Certain employees of the First Nation are members of defined contribution pension plans. Contributions by the First Nation to the plans during the year on behalf of the employees are expensed when due.

26. Financial instruments:

Transactions in financial instruments may result in an organization assuming or transferring risks to another party. The First Nation is exposed to the following risks in respect of certain financial instruments and transactions it is a party to:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation's main credit risk relate to its cash, restricted cash, short-term investments, accounts receivable, due from Aboriginal Affairs and Northern Development Canada, and note receivable.

Credit risk associated with cash, restricted cash, and short-term investments is minimized by ensuring these financial assets are placed with large reputable financial institutions with high credit ratings.

The First Nation is exposed to credit risk through its accounts receivables and due from Aboriginal Affairs and Northern Development Canada in a total amount of \$2,983,169 (2013 - \$1,648,027), of which the majority is comprised of amount due from governments, and government funded organizations, but also includes amounts due from First Nation members and other receivables. The First Nation measures its exposure to credit risk to accounts receivable based on how long the accounts have been outstanding and manages this risk through management's ongoing analysis and monitoring of the accounts. An allowance for bad debts is recorded when applicable.

WIKWEMIKONG UNCEDED INDIAN RESERVE

Notes to Consolidated Financial Statements

March 31, 2014

26. Financial instruments, continued:

The First Nation is exposed to credit risk through its note receivable of \$1,000,000. Refer to note 7 regarding management's assessment of this financial asset.

Liquidity risk

Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation is exposed to this risk relating to its accounts payable and accrued liabilities of \$3,835,325 (2013 - \$2,937,017).

The First Nation reduces its exposure to liquidity risk through it's budgeting and program expenditure monitoring processes, documenting when authorized payments become due, and maintaining an adequate line of credit to repay creditors as the liabilities become due.

Interest rate risk

The First Nation is exposed to interest rate risk in respect of interest paid on its short-term investments which fluctuate from time to time due to a variety of financial market factors.

Other risks

The First Nation is exposed to the risk of not realizing the value of its investments in Wiky Property Management Company Ltd., and Great Lakes Hospitality Group Limited Partnership. Refer to note 1(f) regarding management's procedures to assess impairment of financial assets.

27. Budget information:

The First Nation program budgets have not been prepared in a format consistent with the accompanying consolidated financial statements, in addition budgets have not been prepared for all programs or consolidated entities; accordingly budget information has not been presented.

28. Economic dependence:

The First Nation receives a major portion of its revenues pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada.

As these contribution agreements provide the First Nation's major source of revenue, its ability to continue viable operations is dependent upon maintaining this funding arrangement.