

**Fort William First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2015

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## Independent Auditor's Report

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### To the Members Fort William First Nation

We have audited the accompanying financial statements of Fort William First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and surplus, consolidated change in net financial assets and consolidated statement of 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 generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 judgment, 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 qualified audit opinion.

### Basis for Qualified Opinion

The Summary of Significant Accounting Policies describes the capital asset policy with respect to the First Nation's capital assets. For fiscal years commencing on or after January 1, 2009, Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook requires that capital assets be capitalized and amortized over their estimated useful lives. The First Nation has not fully adopted these recommendations. Although the First Nation has recognized certain tangible capital assets and amortization as of the date of consolidated financial statement preparation, the First Nation has not gathered the necessary information to be in a position to recognize and disclose a complete inventory of any of its major classes of tangible capital assets. As a result, we have been unable to obtain sufficient audit evidence to form an opinion with respect to the possible amount of such assets.

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## Independent Auditor's Report (cont'd)

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As more fully described in Note 14 to the consolidated financial statements, management has excluded the current year and prior years' property tax liabilities in the accompanying consolidated financial statements. Failure to include the taxes as a current liability is not in accordance with Canadian generally accepted accounting principles. Had the liabilities been recorded the consolidated deficit of revenue over expenditures for the year would have been increased by \$580,717, capital assets would have been increased by \$1,188,553, accounts payable would have been increased by \$4,385,362, disputed property taxes receivable would have been decreased by \$8,817,246 and the consolidated accumulated surplus would have been decreased by \$13,202,608.

In addition, the First Nation has not included disclosure of budget information as required by Canadian generally accepted accounting principles because consolidated budgets were not prepared.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fort William First Nation as at March 31, 2015 and the consolidated results of operations and surplus, consolidated change in net financial assets and consolidated statement of cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario  
December 2, 2015

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## Fort William First Nation Management's Statement of Responsibility for Financial Reporting

March 31, 2015

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The accompanying consolidated financial statements of Fort William First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles for governments in Canada. Management is responsible 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.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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 have access to financial management of Fort William First Nation and meet when required.

A handwritten signature in black ink, appearing to be 'P. J. Smith', written over a horizontal line.

Chief

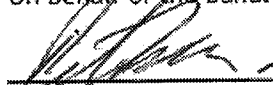
A handwritten signature in black ink, appearing to be 'P. J. Smith', written over a horizontal line.

Councillor

# Fort William First Nation Consolidated Statement of Financial Position

| March 31  | 2015                  | 2014                  |
|---|-----------------------|-----------------------|
| <b>Financial assets</b>   |                       |                       |
| Cash (Note 2)   | \$ 3,286,411          | \$ 4,838,985          |
| Investments (Note 3)  | 95,436,523            | 93,098,306            |
| Deposits  | 8,000                 | 8,000                 |
| Accounts receivable (Note 4)                                    | 2,381,728             | 2,376,314             |
| Rent receivable from Band members (Note 4)                      | 49,549                | 35,476                |
| Due from government and other government organizations (Note 5) | 9,589,844             | 2,788,862             |
| Trust funds held by federal government (Note 6)                 | 823,899               | 895,182               |
| Inventory   | 682,811               | 1,042,215             |
|   | <u>112,258,765</u>    | <u>105,083,340</u>    |
| <b>Liabilities</b>  |                       |                       |
| Accounts payable and accruals (Note 7)                          | 5,539,622             | 5,039,548             |
| Due to government and other government organizations (Note 8)   | 258,019               | 146,586               |
| Tenant deposits   | 12,035                | 12,035                |
| Deferred revenue (Note 9)                                       | 2,018,037             | 2,812,747             |
| Long term debt (Note 10)  | 3,858,957             | 2,794,190             |
| Amounts held in trust for minors (Note 11)                      | 3,964,015             | 4,072,244             |
|   | <u>15,650,685</u>     | <u>14,877,350</u>     |
| <b>Net financial assets</b>                                     | <u>96,608,080</u>     | <u>90,205,990</u>     |
| <b>Non-financial assets</b>                                     |                       |                       |
| Prepaid expenses  | 54,184                | 195,031               |
| Land claim costs  | 2,202,485             | 2,122,568             |
| Capital assets (Note 12)  | 29,713,125            | 27,738,016            |
| Youth trust accounts (Note 11)                                  | 3,919,695             | 4,041,959             |
| Investments in and advances to corporations (Note 13)           | 1,581,588             | 1,500,142             |
| Disputed property taxes receivable (Note 14)                    | 8,766,395             | 8,653,066             |
|   | <u>46,237,472</u>     | <u>44,250,782</u>     |
| <b>Accumulated surplus (Note 15)</b>                            | <u>\$ 142,845,552</u> | <u>\$ 134,456,772</u> |

On behalf of the Band:

 Chief

 Councillor

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

## Fort William First Nation Consolidated Statement of Operations and Surplus

For the year ended March 31

2015

2014

**Revenue**

|   |                   |                   |
|---|-------------------|-------------------|
| Aboriginal Affairs and Northern Development Canada (Note 16)                    | \$ 6,478,756      | \$ 6,871,117      |
| Aboriginal Affairs and Northern Development Canada - Specific Claims Settlement | 7,184,431         | -                 |
| Canada Mortgage and Housing Corporation Subsidy (Note 16)                       | 56,358            | 74,050            |
| Health Canada (Note 16)   | 431,114           | 421,576           |
| Ministry of Community and Social Services (Note 16)                             | 2,042,247         | 1,558,588         |
| Ministry of Transportation (Note 16)  | 32,997            | 132,997           |
| Other revenue   | 10,892,740        | 11,002,259        |
| Investment income   | 11,117,143        | 10,885,581        |
| Lottery Fund revenue  | 1,011,937         | 986,969           |
| Replacement reserves  | -                 | 29,000            |
|   | <b>39,247,723</b> | <b>31,962,137</b> |

**Expenses**

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Administration             | 1,734,189         | 2,306,982         |
| Public Works               | 2,771,396         | 909,187           |
| Education                  | 4,337,534         | 4,243,757         |
| Social Services and Health | 3,402,378         | 2,891,966         |
| Development and Employment | 547,461           | 547,344           |
| New Relationship Fund      | 79,082            | 20,983            |
| Capital Projects           | -                 | 25,422            |
| Region (Note 19)           | 7,854,526         | 1,080,840         |
| Band Operations            | 1,531,889         | 3,209,240         |
| Gaming Activities          | 4,586,135         | 5,152,601         |
| Housing Operations         | 669,104           | 508,534           |
| Rental Operations          | 729,495           | 270,924           |
| Lottery Fund               | 1,194,493         | 848,917           |
| Enterprise Fund            | 1,400,692         | 1,133,632         |
| Specific Claim Trust Fund  | 20,569            | 20,967            |
|                            | <b>30,858,943</b> | <b>23,171,296</b> |

**Surplus for the year**

Accumulated surplus, beginning of year

|                    |                    |
|--------------------|--------------------|
| 8,388,780          | 8,790,841          |
| <b>134,456,772</b> | <b>125,665,931</b> |

Accumulated surplus, end of year

|                       |                       |
|-----------------------|-----------------------|
| <b>\$ 142,845,552</b> | <b>\$ 134,456,772</b> |
|-----------------------|-----------------------|

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

## Fort William First Nation Consolidated Statement of Change in Net Financial Assets

| For the year ended March 31                           | 2015                 | 2014                 |
|---|----------------------|----------------------|
| Annual surplus  | \$ 8,388,780         | \$ 8,790,841         |
| Acquisition of tangible capital assets                | (4,819,259)          | (4,620,632)          |
| Amortization of tangible capital assets               | 2,841,281            | 2,661,560            |
| Loss on disposal of tangible capital assets           | 2,869                | -                    |
|   | <u>6,413,671</u>     | <u>6,831,769</u>     |
| Change in disputed property tax receivable            | (113,329)            | (175,168)            |
| Change in prepaid expenses                            | 140,847              | (64,759)             |
| Change in land claim costs                            | (79,917)             | (135,043)            |
| Change in youth trust accounts                        | 122,264              | 315,671              |
| Change in investments in and advances to corporations | (81,446)             | 11,452               |
|   | <u>(11,581)</u>      | <u>(47,847)</u>      |
| Net change in net financial assets                    | 6,402,090            | 6,783,922            |
| Net financial assets, beginning of year               | <u>90,205,990</u>    | <u>83,422,068</u>    |
| Net financial assets, end of year                     | <u>\$ 96,608,080</u> | <u>\$ 90,205,990</u> |

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

## Fort William First Nation Consolidated Statement of Cash Flows

| For the year ended March 31  | 2015                 | 2014                 |
|--|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                                  |                      |                      |
| Surplus for the year   | \$ 8,388,780         | \$ 8,790,841         |
| Adjustment for capital and investment transactions<br>included in operations |                      |                      |
| Amortization   | 2,841,281            | 2,661,560            |
| Loss on sale of assets   | 2,869                | -                    |
| Increase in non-cash working capital components (Note 17)                    | (6,611,349)          | (114,185)            |
|  | <u>4,621,581</u>     | <u>11,338,216</u>    |
| <b>Cash provided by (used in) financing activities</b>                       |                      |                      |
| Advances of long-term debt   | 1,064,767            | 261,466              |
| Repayments (advances) to related parties                                     | (81,446)             | 11,452               |
|  | <u>983,321</u>       | <u>272,918</u>       |
| <b>Cash provided by (used in) investment activities</b>                      |                      |                      |
| Purchase of capital assets (net)   | (4,819,259)          | (4,620,632)          |
| <b>Net cash increase during the year</b>                                     | <u>785,643</u>       | <u>6,990,502</u>     |
| Cash, beginning of year  | 97,937,291           | 90,946,789           |
| <b>Cash and cash equivalents, end of year</b>                                | <u>\$ 98,722,934</u> | <u>\$ 97,937,291</u> |
| <b>Represented by</b>  |                      |                      |
| Cash   | \$ 3,286,411         | \$ 4,838,985         |
| Investments  | <u>95,436,523</u>    | <u>93,098,306</u>    |
|  | <u>\$ 98,722,934</u> | <u>\$ 97,937,291</u> |

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



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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

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### 1. Significant Accounting Policies

**Basis of Financial Statements** These consolidated financial statements have been prepared in accordance with generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, and include all organizations, operations and activities that are:

- a) accountable for the administration of their financial affairs and resources directly to the First Nation, or
- b) are owned or controlled by the First Nation.

**Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the First Nation. These financial statements include:

- Fort William First Nation Boundary Claim Trust
- Fort William First Nation Specific Claim Housing Trust
- Fort William First Nation Consulting Inc.
- Fort William First Nation Construction Corporation
- Fort William First Nation Development Corporation
- Fort William First Nation Energy Corporation
- Fort William First Nation Land Development Trust
- Anemki Mountain Business Trust
- 1453183 Ontario Ltd.
- 1401354 Ontario Ltd
- 1526045 Ontario Ltd.

## Fort William First Nation

### Notes to Consolidated Financial Statements

March 31, 2015

#### 1. Significant Accounting Policies (Cont'd)

##### **Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a declining balance basis commencing once the asset is available for productive use as follows:

|                                       |   |      |
|---------------------------------------|---|------|
| First Nation housing                  | - | 3.5% |
| Infrastructure                        | - | 5%   |
| Buildings                             | - | 5%   |
| Automotive                            | - | 10%  |
| Fire and general equipment            | - | 10%  |
| Other equipment                       | - | 20%  |
| Assets under capital lease obligation | - | 10%  |

Amortization for assets supported by long term debt is at a rate equivalent to the long term debt principal repayment.

In the year of acquisition 50% of the normal amortization is recorded.

##### **Income Recognition**

The First Nation is the recipient of certain approved program grants which specify project, purpose and maximum allowable contributions and are for specific time periods. Unexpended funds are included in the balance sheet as accounts receivable, cash and deferred revenue until the programs are complete. Other revenues from non-grant sources including rents, interest, and third party arrangements are accounted for on the accrual basis as earned.

##### **Long Term Investments**

The First Nation records its long term investments in the following manner:

Investments fully controlled by the First Nation are consolidated.

Investments in Government Business Enterprises are recorded using the modified equity method.

All other long term investments are recorded at the lower of cost and net realizable value.

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

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### 1. Significant Accounting Policies (Cont'd)

|                             |  |
|-----------------------------|--|
| <b>Replacement Reserves</b> | Under the terms of agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve for housing is to be credited in varying amounts annually until it accumulates to a maximum amount plus accumulated interest. These funds along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation.   |
| <b>Use of Estimates</b>     | The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future. |
| <b>Fund Accounting</b>      | The First Nation records accounting transactions using the fund accounting method generally in use for non-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements.  |

## Fort William First Nation

### Notes to Consolidated Financial Statements

March 31, 2015

#### 2. Cash

|                   | 2015                | 2014                |
|-------------------|---------------------|---------------------|
| Restricted cash   | \$ 658,527          | \$ 3,902,675        |
| Unrestricted cash | 2,627,884           | 936,310             |
|                   | <u>\$ 3,286,411</u> | <u>\$ 4,838,985</u> |

#### 3. Investments

|   | 2015                 | 2014                 |
|---|----------------------|----------------------|
| a) Investments held in Account #2802196 are as follows: |                      |                      |
| Fixed Income Securities:                                |                      |                      |
| Bond Funds (1,452,900 Units)                            | <u>\$ 15,399,779</u> | <u>\$ 18,423,492</u> |
| b) Investments held in Account #2802197 are as follows: |                      |                      |
| Cash Equivalents:                                       |                      |                      |
| Treasury Bills  |                      |                      |
| (2,780,000 Units, maturing                              |                      |                      |
| between Jan 15, 2015 - Mar 26, 2015)                    | 2,773,581            | 2,062,896            |
| Fixed Income Securities:                                |                      |                      |
| Bond Funds (684,557 Units)                              | 8,393,356            | 7,738,156            |
| Equity Securities:                                      |                      |                      |
| Foreign Preferred Stock (1,245,970 Units)               | 293,139              | 253,165              |
| Canadian Common Stocks (321,258 Units)                  | 9,345,188            | 8,763,067            |
| Foreign Common Stocks (375,209 Units)                   | <u>18,964,441</u>    | <u>18,140,339</u>    |
|   | <u>39,769,705</u>    | <u>36,957,623</u>    |
|   | <u>\$ 55,169,484</u> | <u>\$ 55,381,115</u> |

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 3. Investments (cont'd)

|  |                      |                      |
|--|----------------------|----------------------|
| Balance Forward  | \$ 55,169,484        | \$ 55,381,115        |
| c) Investments held in Account #2802198 are as follows:                              |                      |                      |
| Cash Equivalents:  |                      |                      |
| Treasury Bills   |                      |                      |
| (3,709,000 Units, maturing March 12, 2015)   | 3,699,642            | 571,789              |
| Fixed Income Securities:   |                      |                      |
| Canada Bonds   |                      |                      |
| (4,140,000 Units, 1.5% - 3.5%, Maturing between March 1, 2019 - December 1, 2045)    | 4,462,008            | 2,738,488            |
| Corporate Bonds  |                      |                      |
| (4,453,000 Units, 2.35% - 6.35%, Maturing between July 12, 2018 - September 2, 2044) | 4,863,548            | 4,597,161            |
| Foreign Corporate Bonds  |                      |                      |
| (100,000 Units, 3.55%, Maturing February 12, 2021)                                   | 103,222              | 251,433              |
| Equity Securities:   |                      |                      |
| Canadian Common Stocks (263,892 Units)   | 9,092,255            | 10,089,414           |
| Foreign Common Stocks (271,488 Units)  | 17,950,536           | 19,373,811           |
|  | <u>40,171,211</u>    | <u>37,622,096</u>    |
| Other  | <u>95,828</u>        | <u>95,095</u>        |
|  | <u>\$ 95,436,523</u> | <u>\$ 93,098,306</u> |

### 4. Accounts Receivables

|                                 | 2015                | 2014                |
|---------------------------------|---------------------|---------------------|
| <b>Due from members</b>         |                     |                     |
| Rents receivable                | \$ 49,549           | \$ 35,476           |
| <b>Due from other</b>           |                     |                     |
| Services - non members          | \$ 517,782          | \$ 384,699          |
| Other receivables               | 2,892,708           | 2,780,831           |
| Allowance for doubtful accounts | (1,028,762)         | (789,216)           |
|                                 | <u>\$ 2,381,728</u> | <u>\$ 2,376,314</u> |

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 5. Due from Government and Other Government Organizations

|  | 2015                | 2014                |
|--|---------------------|---------------------|
| Government of Canada                               |                     |                     |
| Aboriginal Affairs and Northern Development Canada | \$ 7,835,025        | \$ 1,619,209        |
| Canada Mortgage Housing Corporation                | 1,659               | 30,927              |
| Province of Ontario                                |                     |                     |
| Ministry of Energy - Industry Canada               | 101,722             | 101,722             |
| Ministry of Health                                 | 10,127              | -                   |
| Ministry of Community and Social Services          | 29,840              | 55,615              |
| Ministry of Northern Development                   | -                   | 36,268              |
| Ministry of Transportation                         | 104,770             | 631,622             |
| Other  |                     |                     |
| Union of Ontario Indians                           | 283,358             | 382,494             |
| City of Thunder Bay                                | 1,071,187           | -                   |
| Greenwich Wind Farm LP                             | 110,216             | -                   |
| Wasaya Airways                                     | 233,245             | -                   |
|  | 9,781,149           | 2,857,857           |
| Allowance for doubtful accounts                    | (191,305)           | (68,995)            |
|  | <u>\$ 9,589,844</u> | <u>\$ 2,788,862</u> |

### 6. Trust Funds Held by Federal Government

|         | March 31,<br>2014 | Additions<br>2015   | Withdrawals<br>2015   | March 31,<br>2015 |
|---------|-------------------|---------------------|-----------------------|-------------------|
| Revenue | \$ 507,816        | \$ 1,188,500        | \$ (1,259,783)        | \$ 436,533        |
| Capital | 387,366           | -                   | -                     | 387,366           |
|         | <u>\$ 895,182</u> | <u>\$ 1,188,500</u> | <u>\$ (1,259,783)</u> | <u>\$ 823,899</u> |

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 7. Accounts Payable and Accruals

|                | 2015         | 2014         |
|----------------|--------------|--------------|
| Trade payables | \$ 5,539,622 | \$ 5,039,548 |

### 8. Due to Government and Other Government Organizations

|                       | 2015       | 2014       |
|-----------------------|------------|------------|
| Federal government    |            |            |
| Receiver general      | \$ 168,238 | \$ 92,763  |
| Repayable to funders  | 28,214     | 15,117     |
| Provincial government |            |            |
| Repayable to funders  | 61,567     | 38,706     |
|                       | \$ 258,019 | \$ 146,586 |

### 9. Deferred Revenue

|  | 2015         | 2014         |
|--|--------------|--------------|
| Aboriginal Affairs and Northern Development Canada |              |              |
| Education  | \$ 329,427   | \$ 348,215   |
| Anemki Land Designation                            | -            | 39,483       |
| Planning   | -            | 25,258       |
| Co-generation                                      | -            | 12,961       |
| Land Claims Settlement                             | 37,202       | 2,103,088    |
| Gaming Operations                                  | -            | 92,972       |
| Dilico Ojibway Child and Family Services           | 33,333       | 33,333       |
| Union of Ontario Indians                           | 124,635      | 89,429       |
| Canadian Heritage                                  | 6,675        | 8,424        |
| Ministry of Community and Social Services          | 105,142      | -            |
| Ministry of Health                                 | 6,640        | -            |
| Hydro One  | 37,133       | 37,133       |
| Other  | -            | 22,451       |
| Mining claim proceeds                              | 1,337,850    | -            |
|  | \$ 2,018,037 | \$ 2,812,747 |

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 10. Long Term Debt

|   | 2015                | 2014                |
|---|---------------------|---------------------|
| <b>Non-Profit Housing Program #1</b>  |                     |                     |
| Canada Mortgage and Housing Corporation loan, repayable at \$3,522 per month including interest at 5.85%, secured by land and buildings and guaranteed by Aboriginal Affairs and Northern Development Canada, due June 2017   | \$ 89,421           | \$ 124,966          |
| <b>Non-Profit Housing Program - Lynx Court</b>  |                     |                     |
| Canada Mortgage and Housing Corporation loan, repayable at \$3,818 per month including interest at 1.39%, secured by land and buildings and guaranteed by Aboriginal Affairs and Northern Development Canada, due August 2037 | 880,982             | 913,387             |
| <b>Land Claims</b>  |                     |                     |
| Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)                            | 289,074             | 289,074             |
| Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)                            | 33,332              | 33,332              |
| Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement), due March 2015            | 82,185              | 82,185              |
| Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)                            | -                   | 123,548             |
| Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)                            | 497,986             | 497,986             |
| Ontario Native Affairs loan, due on settlement of outstanding land claims against the Province of Ontario (unless otherwise stated in the claim settlement agreement)   | 114,602             | 114,602             |
|   | <b>\$ 1,987,582</b> | <b>\$ 2,179,080</b> |



## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 10. Long Term Debt (cont'd)

|  | 2015                | 2014                |
|--|---------------------|---------------------|
| <b>Balance Forward</b>   | <b>\$ 1,987,582</b> | <b>\$ 2,179,080</b> |
| Aboriginal Affairs and Northern Development Canada loan,<br>due on settlement of outstanding land claims against<br>the Government of Canada (unless otherwise stated in<br>the claim settlement agreement)  | 36,620              | -                   |
| Aboriginal Affairs and Northern Development Canada loan,<br>due on settlement of outstanding land claims against<br>the Government of Canada (unless otherwise stated in<br>the claim settlement agreement)  | 87,119              | 87,119              |
| Aboriginal Affairs and Northern Development Canada loan,<br>due on settlement of outstanding land claims against<br>the Government of Canada (unless otherwise stated in<br>the claim settlement agreement)  | 316,516             | 316,516             |
| <b>Endowments</b>  |                     |                     |
| RBC Royal Bank equipment lease, repayable at \$5,109 per<br>month, secured by John Deere Loader, due December<br>2017  | 154,558             | 203,663             |
| Copier lease repayable at \$139 per month including<br>interest at 3.54%   | 6,457               | -                   |
| RBC - 21 Lot Subdivision, repayable at \$88,375 per month<br>including interest at 3.85%, due January 2016   | 996,097             | -                   |
| RBC - Mission Road Project, repayable at \$81,210 per<br>month including interest at 3.85%, due January 2016   | 274,008             | -                   |
| <b>Mortgages</b>   |                     |                     |
| Weendahmagan Alcohol & Drug Abuse Treatment Centre<br>TD Canada Trust mortgage, repayable at \$2,623 per month<br>including interest at 4.99%, secured by land and<br>buildings and guaranteed by Aboriginal Affairs and<br>Northern Development Canada, due June 2009 | -                   | 7,812               |
|  | <b>\$ 3,858,957</b> | <b>\$ 2,794,190</b> |

Of the remaining long term debt, principal payments due in the next five years and thereafter are as follows:

| Year       | Amount              |
|------------|---------------------|
| 2016       | \$ 1,398,820        |
| 2017       | 134,118             |
| 2018       | 88,499              |
| 2019       | 37,142              |
| 2020       | 35,726              |
| Thereafter | 2,164,652           |
|            | <b>\$ 3,858,957</b> |

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 11. Youth Trust Accounts

As part of the Specific Claim Housing Trust, Loch Lomond and Neebing agreements, all members of Fort William First Nation on the voting day for each respective claim were entitled to receive one time "per capita" payments. All members alive but under the age of 18 on the voting day for each respective claim are not entitled to receive this payment until they reach the age of 18. The Trust has established individual interest-bearing trust bank accounts with the RBC Royal Bank for each member under 18. Once members reach the age of 18, they are entitled to receive the "per capita" payments plus interest that has accrued in their trust bank accounts. During the year, as part of a distribution of the Boundary Claim income allocation, the First Nation issued a one time "per capita" payment to all members. For those members under the age of 18, this one time payment was deposited into the pre-existing individual interest bearing trust accounts with the Royal Bank of Canada.

As part of the Boundary Claim Settlement Trust there was a one time "per capita" distribution to members of \$25,000. For those members who were under the age of 18 at the date of the distribution, these monies are held by the Fort William First Nation Boundary Claim Settlement Trust until such time as the member reaches the age of 18. These monies will be distributed to the members as they achieve the age of 18 at the principal amount plus interest calculated at the bank rate plus one percent. These amounts owing to members under the age of 18 are not included in the Youth Trust Account balance above.

### 12. Capital Assets

|  | 2015                |                             | 2014                 |                             |
|--|---------------------|-----------------------------|----------------------|-----------------------------|
|  | Cost                | Accumulated<br>Amortization | Cost                 | Accumulated<br>Amortization |
| First Nation housing                           | \$ 4,563,701        | \$ 3,169,894                | \$ 4,563,701         | \$ 3,028,822                |
| Infrastructure                                 | 15,067,332          | 10,979,591                  | 15,067,332           | 10,300,100                  |
| Buildings                                      | 37,403,891          | 24,299,442                  | 37,403,891           | 22,652,395                  |
| Automotive, fire and<br>general equipment      | 4,786,885           | 2,760,655                   | 4,531,474            | 2,481,777                   |
| Other equipment                                | 505,159             | 456,389                     | 489,197              | 378,411                     |
| Vacant land                                    | 2,377,076           | -                           | 2,377,076            | -                           |
| Construction in progress -<br>Capital projects | 6,675,052           | -                           | 2,146,850            | -                           |
|  | <b>\$71,379,096</b> | <b>\$41,665,971</b>         | <b>\$ 66,579,521</b> | <b>\$ 38,841,505</b>        |
| Net book value                                 |                     | <b>\$29,713,125</b>         |                      | <b>\$ 27,738,016</b>        |

Construction in progress are projects which are carried at cost until completion at which time the projects are capitalized. Cost includes all direct costs relating to these projects, as well as interest on debt and overhead costs that can be clearly identified as relating to these projects.

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 13. Investments in and Advances to Corporations

Advances outstanding at year end are non-interest bearing, unsecured with no specific terms of repayment unless otherwise noted.

|   | 2015         | 2014         |
|---|--------------|--------------|
| Current   |              |              |
| Due to FWFN Development Corp.                     | \$ 69,275    | \$ 69,275    |
| Due from 1453183 Ontario Ltd.                     | 15,849       | 15,849       |
| Due to FWFN Energy Corp.                          | (100)        | (100)        |
|   | 85,024       | 85,024       |
| Investment losses (net) (Enterprise Fund)         | -            | -            |
| Long-term   |              |              |
| Due from Anemki Mountain Business Trust           | 1,285,089    | 1,204,143    |
| Due from FWFN Land Development Trust              | 210,475      | 209,975      |
|   | 1,495,564    | 1,414,118    |
| Shares  |              |              |
| Anemki Mountain Corporation - common              | 100          | 100          |
| FWFN Construction Corp.                           | 100          | 100          |
| FWFN Consulting Inc.                              | 100          | 100          |
| FWFN Development Corp.                            | 100          | 100          |
| FWFN Energy Corp.                                 | 100          | 100          |
| 1453183 Ontario Ltd.                              | 100          | 100          |
| 1401354 Ontario Ltd.                              | 100          | 100          |
| 1526045 Ontario Ltd.                              | 100          | 100          |
| Warnnex Inc. - 70,926 common shares               | 100          | 100          |
| Pie Island Holdings Inc.                          | 100          | 100          |
|   | 1,000        | 1,000        |
|   | 1,496,564    | 1,415,118    |
| Total investments in and advances to corporations | \$ 1,581,588 | \$ 1,500,142 |

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 14. Contingent Liabilities

In 1999 the Corporation of the City of Thunder Bay returned approximately 1,100 acres of land that had previously been expropriated in 1905 to Fort William First Nation. Since that time, the City of Thunder Bay has been assessing municipal property taxes on the returned lands. As of March 31, 2015, property taxes owing to the Corporation of the City of Thunder Bay, including interest and penalties, amounted to \$4,385,362 (2014 - \$3,804,645). This amount continues to increase with all subsequent tax assessments, as well as, with interest and penalties accruing monthly.

The First Nation is disputing the taxes charged, as management does not believe the lands have ever left reserve status, and as such, are not subject to municipal taxation.

In 2004, the First Nation applied for an interlocutory injunction to restrain the City of Thunder Bay from collecting unpaid taxes until such time as a decision is rendered regarding the status of the lands; however the court ruled against the injunction.

Had the above mentioned liabilities been recorded, the balances in these consolidated financial statements would have changed as follows:

|   |                      |
|---|----------------------|
| Consolidated statement of operations                                    |                      |
| Excess of revenue over expenditures for the year                        | \$ 8,388,780         |
| Adjustment for property taxes not recorded                              | <u>(580,717)</u>     |
| Adjusted excess of revenue over expenditures for the year               | <u>\$ 7,808,063</u>  |
| Consolidated statement of financial position                            |                      |
| Capital assets reported   | \$ 29,713,125        |
| Addition for property taxes on vacant land                              | <u>1,188,553</u>     |
| Adjusted capital asset balance  | <u>\$ 30,901,678</u> |
| Accounts payable and accruals as reported                               | \$ 5,539,622         |
| Property taxes, including penalties and interest, not recorded          | <u>4,385,362</u>     |
| Adjusted accounts payable and accruals balance                          | <u>\$ 9,924,984</u>  |
| Disputed property taxes receivable as reported                          | \$ 8,766,395         |
| Tenants' payments applied against payable in excess of payable recorded | <u>(8,766,395)</u>   |
| Adjusted disputed property taxes receivable balance                     | <u>\$ -</u>          |

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 15. Accumulated Surplus

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

|                                     | 2015                  | 2014                  |
|-------------------------------------|-----------------------|-----------------------|
| <b>Fund balances</b>                |                       |                       |
| <b>Unrestricted</b>                 |                       |                       |
| Fund balance - General (Note 18)    | \$ 139,972,602        | \$ 131,280,054        |
| <b>Internally restricted</b>        |                       |                       |
| Fund balance - Enterprise           | (127,977)             | (90,505)              |
| - Asset Replacement Reserve         | -                     | 112,775               |
| - Economic Development Reserve      | 301,023               | 301,023               |
| <b>Externally restricted</b>        |                       |                       |
| Equity Revenue Trust                | 436,533               | 507,816               |
| Equity Capital Trust                | 387,366               | 387,366               |
| Equity Specific Claim Housing Trust | 44,534                | 65,103                |
| Replacement Reserve - CMHC          | 95,707                | 77,084                |
| - Dilico                            | 416,658               | 314,394               |
| Fund balance - Lottery Reserve      | 1,315,606             | 1,498,162             |
| Equity in long term investment      | 3,500                 | 3,500                 |
| <b>Accumulated Surplus</b>          | <b>\$ 142,845,552</b> | <b>\$ 134,456,772</b> |

### 16. Government Transfers

|                   | Operating           | Capital     | 2015<br>Total       | Operating           | Capital     | 2014<br>Total       |
|-------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|
| <b>Federal</b>    |                     |             |                     |                     |             |                     |
| AANDC             | \$ 6,478,756        | \$ -        | \$ 6,478,756        | \$ 6,887,822        | \$ -        | \$ 6,887,822        |
| CMHC              | 56,358              | -           | 56,358              | 74,050              | -           | 74,050              |
| Health            |                     |             |                     |                     |             |                     |
| Canada            | 431,114             | -           | 431,114             | 421,576             | -           | 421,576             |
|                   | <u>\$ 6,966,228</u> | <u>\$ -</u> | <u>\$ 6,966,228</u> | <u>\$ 7,383,448</u> | <u>\$ -</u> | <u>\$ 7,383,448</u> |
| <b>Provincial</b> |                     |             |                     |                     |             |                     |
| MCSS              | 2,042,247           | -           | 2,042,247           | 1,558,588           | -           | 1,558,588           |
| MOT               | 32,997              | -           | 32,997              | 132,997             | -           | 132,997             |
| MOH               | 127,486             |             | 127,486             |                     |             |                     |
| MCSCS             | 74,783              |             | 74,783              |                     |             |                     |
|                   | <u>\$ 2,277,513</u> | <u>\$ -</u> | <u>\$ 2,277,513</u> | <u>\$ 1,691,585</u> | <u>\$ -</u> | <u>\$ 1,691,585</u> |

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

### 17. Changes in Non-Cash Working Capital Components

|  | 2015                  | 2014                |
|--|-----------------------|---------------------|
| Inventory  | \$ 359,404            | \$ (308,727)        |
| Trust funds held by federal government                 | 71,283                | 1,831,121           |
| Land claim costs                                       | (79,917)              | (135,043)           |
| Due from government and other government organizations | (6,800,982)           | (190,702)           |
| Accounts receivable                                    | (5,414)               | (69,593)            |
| Rent receivable - Band members                         | (14,073)              | 236,560             |
| Disputed property taxes receivable                     | (113,329)             | (175,168)           |
| Youth trust accounts                                   | 122,264               | 315,671             |
| Prepaid expenses                                       | 140,847               | (64,759)            |
| Accounts payable and accruals                          | 500,074               | 642,039             |
| Due to government and other government organizations   | 111,433               | (169,821)           |
| Specific Claim Housing Trust reserves                  | (108,229)             | (293,354)           |
| Deferred revenue                                       | (794,710)             | (1,732,409)         |
|  | <u>\$ (6,611,349)</u> | <u>\$ (114,185)</u> |

### 18. General Fund Balance

A portion of this balance includes surpluses or deficits from funds contributed by government agencies. Such surpluses or deficits may be subject to recovery or repayment by the contributing agencies, depending on the terms and conditions of the relevant contribution agreements. These potential liabilities or recoveries are not recorded until they become payable or recoverable.

### 19. Member Distributions

Included in Region expense is per capita distributions to members as approved by Chief and Council. These distributions were as follows:

|  | 2015                | 2014                |
|--|---------------------|---------------------|
| Christmas distribution @ \$535 per member                      | \$ 836,500          | \$ -                |
| Mining claim settlement @ \$2,950 per member                   | 4,805,550           | -                   |
| Boundary Claim payment to minors who turned 18 during the year | 1,029,104           | 999,376             |
| Other expenses   | 1,183,372           | 81,464              |
|  | <u>\$ 7,854,526</u> | <u>\$ 1,080,840</u> |

Region department information is also included in Note 23, Segmented Information.

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

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### 20. Guarantees

The First Nation has guaranteed bank loans for Band members in the amount of \$2,111,439 (2014 - \$2,465,129).

The First Nation has guaranteed the bank financing for Anemki Mountain Business Trust up to a maximum of \$100,000 (2014 - \$100,000).

The First Nation has a letter of credit for the Ministry of Finance - Alcohol and Gaming up to a maximum of \$120,000 (2014 - \$120,000).

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### 21. Economic Dependence

Fort William First Nation receives a major portion of its revenue pursuant to a funding agreement with several Federal and Provincial funding organizations.

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### 22. Comparative Figures

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

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### 23. Segmented Information

Fort William First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Fort William First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The services are provided by several entities of Fort William First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

#### Administration

Administration contains the administrative activities that are needed to run the Fort William First Nation organization.

#### Public Works

Public works contains activities relating to the planning and maintenance of community infrastructure.

#### Education

Education Services contains activities that provide education to band members for primary, secondary schooling, and sponsorship to attend post secondary institutions.

#### Social Services and Health

Social Services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community. Health contains activities that provide medical services to band members.

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2015

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### 23. Segmented Information (cont'd)

#### **Development and Employment**

Development and Employment contains all the activities that provide economic development and employment support for the community.

#### **New Relationship Fund**

The New Relationship Fund contains the activities that provide economic development and employment support for the community.

#### **Capital Projects**

Capital Projects contains capital and renovation activities for which a specific project has been set up and separately monitored.

#### **Region**

Region contains the activities of the First nation as it relates to Reserve land management.

#### **Band Operations**

Band Operations contains the activities of the First Nation that are not captured directly in another segment.

#### **Gaming Activities**

Gaming Activities contains the Mountain Bingo Hall.

#### **Housing Operations**

Housing Operations contains activities that provide housing and repairs and maintenance to band members.

#### **Rental Operations**

Rental Operations contains band-owned rental properties.

#### **Lottery Fund**

The Lottery Fund contains activities related to the OFNLP.

#### **Enterprise Fund**

The Enterprise Fund contains the business operations and investments in enterprises carrying on commercial activities in the First Nation.

#### **Specific Claim Trust Fund**

The Specific Claim Trust Fund contains activities related to the Boundary Claim Trust.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are as follows:



## Fort William First Nation Notes to Consolidated Financial Statements

### 23. Segmented Information

| For the year ended March 31, 2015                  | Administration | Public Works | Education    | Social Services<br>and Health | Development &<br>Employment | New<br>Relationship<br>Fund | Capital Projects | Region         | Band Operations | Total         |
|--|----------------|--------------|--------------|-------------------------------|-----------------------------|-----------------------------|------------------|----------------|-----------------|---------------|
| <b>Revenue</b>                                     |                |              |              |                               |                             |                             |                  |                |                 |               |
| Aboriginal Affairs and Northern Development Canada | \$ 491,564     | \$ 534,759   | \$ 4,354,064 | \$ 346,967                    | \$ 228,643                  | \$ -                        | \$ -             | \$ 40,245      | \$ 76,312       | \$ 6,072,554  |
| Canada Mortgage and Housing Corporation            | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -             |
| Health Canada                                      | -              | -            | -            | 431,114                       | -                           | -                           | -                | -              | -               | 431,114       |
| Ministry of Community and Social Services          | -              | -            | -            | 2,042,247                     | -                           | -                           | -                | -              | -               | 2,042,247     |
| Ministry of Transportation                         | -              | 32,997       | -            | -                             | -                           | -                           | -                | -              | -               | 32,997        |
| Other revenue                                      | 129,598        | 1,897,645    | 44,046       | 526,290                       | 478,495                     | 79,082                      | -                | 5,878,210      | 14,849,049      | 23,882,415    |
| Lottery Fund revenue                               | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -             |
| Replacement reserves                               | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -             |
|  | 621,162        | 2,465,401    | 4,398,110    | 3,346,618                     | 707,138                     | 79,082                      | -                | 5,918,455      | 14,925,361      | 32,461,327    |
| <b>Expenses</b>                                    |                |              |              |                               |                             |                             |                  |                |                 |               |
| Advertising  | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -             |
| Amortization                                       | 109,324        | 875,404      | 32,274       | 1,226                         | -                           | -                           | -                | -              | 1,259,135       | 2,277,363     |
| Bad debt   | 310,765        | -            | -            | -                             | -                           | -                           | -                | -              | -               | 310,765       |
| Capital purchases                                  | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -             |
| Donations  | 650            | -            | -            | -                             | -                           | -                           | -                | -              | -               | 650           |
| General welfare assistance                         | -              | -            | -            | 1,730,790                     | -                           | -                           | -                | -              | -               | 1,730,790     |
| Honourarium  | 236,140        | -            | 125          | 500                           | -                           | -                           | -                | -              | -               | 236,765       |
| Insurance  | -              | 32,952       | -            | -                             | -                           | -                           | -                | -              | -               | 32,952        |
| Interdepartmental costs                            | (891,047)      | (381,276)    | 249,944      | 48,768                        | (201,439)                   | 67,466                      | -                | 780,997        | (786,294)       | (1,112,881)   |
| Interest and bank charges                          | 133,910        | -            | -            | 14,948                        | -                           | -                           | -                | -              | -               | 148,858       |
| Interest on long term debt                         | 969            | 12,207       | -            | -                             | -                           | -                           | -                | -              | -               | 13,176        |
| Per capita distribution (Note 19)                  | -              | -            | -            | -                             | -                           | -                           | -                | 6,671,154      | -               | 6,671,154     |
| Loss on disposal                                   | -              | 14,244       | -            | -                             | -                           | -                           | -                | -              | -               | 14,244        |
| Miscellaneous                                      | -              | 5,412        | -            | -                             | -                           | -                           | -                | -              | -               | 5,412         |
| Prizes   | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -             |
| Student allowances                                 | -              | -            | 558,830      | -                             | -                           | -                           | -                | -              | -               | 558,830       |
| Supplies and service                               | 522,184        | 1,942,233    | 180,628      | 631,973                       | 313,212                     | -                           | -                | 249,560        | 838,858         | 4,678,648     |
| Transfer cost                                      | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -             |
| Travel and transportation                          | 63,533         | 52,606       | 14,923       | 69,124                        | 25,420                      | -                           | -                | 10,329         | -               | 235,935       |
| Tuition  | -              | -            | 3,063,516    | -                             | -                           | -                           | -                | -              | -               | 3,063,516     |
| Utilities and telephone                            | 52,201         | 3,555        | 770          | 11,723                        | 995                         | -                           | -                | 560            | 88,115          | 157,919       |
| Wages and benefits                                 | 1,195,560      | 214,059      | 236,524      | 893,326                       | 409,273                     | 11,616                      | -                | 141,926        | 132,075         | 3,234,359     |
|  | 1,734,189      | 2,771,396    | 4,337,534    | 3,402,378                     | 547,461                     | 79,082                      | -                | 7,854,526      | 1,531,889       | 22,258,455    |
|  | \$ (1,113,027) | \$ (305,995) | \$ 60,576    | \$ (55,760)                   | \$ 159,677                  | \$ -                        | \$ -             | \$ (1,936,071) | \$ 13,393,472   | \$ 10,202,872 |

## Fort William First Nation Notes to Consolidated Financial Statements

### 23. Segmented Information (cont'd)

| For the year ended March 31, 2015                  | Balance<br>Forward   | Gaming<br>Activities | Housing<br>Operations | Rental<br>Operations | Lottery Fund        | Replacement<br>Reserves | Enterprise Fund       | Specific Claim<br>Trust Fund | Trust Fund  | Total               |
|--|----------------------|----------------------|-----------------------|----------------------|---------------------|-------------------------|-----------------------|------------------------------|-------------|---------------------|
| <b>Revenue</b>                                     |                      |                      |                       |                      |                     |                         |                       |                              |             |                     |
| Aboriginal Affairs and Northern Development Canada | \$ 6,072,554         | \$ -                 | \$ 394,452            | \$ 11,750            | \$ -                | \$ -                    | \$ -                  | \$ -                         | \$ -        | \$ 6,478,756        |
| Canada Mortgage and Housing Corporation Subsidy    | -                    | -                    | 56,358                | -                    | -                   | -                       | -                     | -                            | -           | 56,358              |
| Health Canada                                      | 431,114              | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 431,114             |
| Ministry of Community and Social Services          | 2,042,247            | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 2,042,247           |
| Ministry of Transportation                         | 32,997               | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 32,997              |
| Other revenue                                      | 23,882,415           | 4,443,055            | 132,888               | 735,956              | -                   | -                       | -                     | -                            | -           | 29,194,314          |
| Lottery Fund revenue                               | -                    | -                    | -                     | -                    | 1,011,937           | -                       | -                     | -                            | -           | 1,011,937           |
|  | <b>32,461,327</b>    | <b>4,443,055</b>     | <b>583,698</b>        | <b>747,706</b>       | <b>1,011,937</b>    | <b>-</b>                | <b>-</b>              | <b>-</b>                     | <b>-</b>    | <b>39,247,723</b>   |
| <b>Expenses</b>                                    |                      |                      |                       |                      |                     |                         |                       |                              |             |                     |
| Advertising  | -                    | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | -                   |
| Amortization                                       | 2,277,363            | 6,753                | 141,080               | 416,085              | -                   | -                       | -                     | -                            | -           | 2,841,281           |
| Bad debt   | 310,765              | -                    | 10,543                | -                    | -                   | -                       | -                     | -                            | -           | 321,308             |
| Capital purchases                                  | -                    | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | -                   |
| Cash short   | -                    | 3,776                | -                     | -                    | -                   | -                       | -                     | -                            | -           | 3,776               |
| Donations  | 650                  | 109,487              | -                     | -                    | -                   | -                       | -                     | -                            | -           | 110,137             |
| General welfare assistance                         | 1,730,790            | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 1,730,790           |
| Honourarium  | 236,765              | -                    | -                     | -                    | -                   | -                       | -                     | 11,000                       | -           | 247,765             |
| Insurance  | 32,952               | -                    | 17,160                | 38,551               | -                   | -                       | -                     | -                            | -           | 88,663              |
| Interdepartmental costs                            | (1,112,881)          | 107,904              | 6,224                 | (86,330)             | 705,318             | -                       | -                     | -                            | -           | (379,765)           |
| Interest and bank charges                          | 148,858              | 2,232                | -                     | -                    | -                   | -                       | 224                   | 418                          | -           | 151,732             |
| Interest on long term debt                         | 13,176               | -                    | 19,921                | (32)                 | -                   | -                       | -                     | -                            | -           | 33,065              |
| Per capita distribution (Note 19)                  | 6,671,154            | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 6,671,154           |
| Gain/Loss on disposal                              | 14,244               | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 14,244              |
| Miscellaneous                                      | 5,412                | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 5,412               |
| Prize  | -                    | 2,944,127            | -                     | -                    | -                   | -                       | -                     | -                            | -           | 2,944,127           |
| Student allowances                                 | 558,830              | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 558,830             |
| Supplies and service                               | 4,678,648            | 684,988              | 303,477               | 298,920              | -                   | -                       | 37,472                | 9,151                        | -           | 6,012,656           |
| Transfer cost                                      | -                    | -                    | -                     | -                    | 489,175             | -                       | -                     | -                            | -           | 489,175             |
| Travel and transportation                          | 235,935              | 83,895               | 6,114                 | -                    | -                   | -                       | -                     | -                            | -           | 325,944             |
| Tuition  | 3,063,516            | -                    | -                     | -                    | -                   | -                       | -                     | -                            | -           | 3,063,516           |
| Utilities and telephone                            | 157,919              | 5,956                | 950                   | 62,301               | -                   | -                       | -                     | -                            | -           | 227,126             |
| Wages and benefits                                 | 3,234,359            | 637,017              | 163,635               | -                    | -                   | -                       | 1,362,996             | -                            | -           | 5,398,007           |
|  | <b>22,258,455</b>    | <b>4,586,135</b>     | <b>669,104</b>        | <b>729,495</b>       | <b>1,194,493</b>    | <b>-</b>                | <b>1,400,692</b>      | <b>20,569</b>                | <b>-</b>    | <b>30,858,943</b>   |
|  | <b>\$ 10,202,872</b> | <b>\$ (143,080)</b>  | <b>\$ (85,406)</b>    | <b>\$ 18,211</b>     | <b>\$ (182,556)</b> | <b>\$ -</b>             | <b>\$ (1,400,692)</b> | <b>\$ (20,569)</b>           | <b>\$ -</b> | <b>\$ 8,388,780</b> |

## Fort William First Nation Notes to Consolidated Financial Statements

### 23. Segmented Information (cont'd)

| For the year ended March 31, 2014                  | Administration | Public Works | Education    | Social Services<br>and Health | Development &<br>Employment | New<br>Relationship<br>Fund | Capital Projects | Region         | Band Operations | Total        |
|--|----------------|--------------|--------------|-------------------------------|-----------------------------|-----------------------------|------------------|----------------|-----------------|--------------|
| <b>Revenue</b>                                     |                |              |              |                               |                             |                             |                  |                |                 |              |
| Aboriginal Affairs and Northern Development Canada | \$ 478,126     | \$ 1,118,798 | \$ 4,340,408 | \$ 427,695                    | \$ 132,977                  | \$ -                        | \$ -             | 28,435         | \$ 10,961       | \$ 6,537,400 |
| CMHC   | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -            |
| Health Canada                                      | -              | -            | -            | 421,576                       | -                           | -                           | -                | -              | -               | 421,576      |
| Ministry of Community and Social Services          | -              | -            | -            | 1,558,588                     | -                           | -                           | -                | -              | -               | 1,558,588    |
| Ministry of Transportation                         | -              | 132,997      | -            | -                             | -                           | -                           | -                | -              | -               | 132,997      |
| Other revenue                                      | 38,297         | 805,870      | (103,230)    | 449,088                       | 380,197                     | 20,329                      | 136,473          | 24,237         | 14,017,263      | 15,768,524   |
|  | 516,423        | 2,057,665    | 4,237,178    | 2,856,947                     | 513,174                     | 20,329                      | 136,473          | 52,672         | 14,028,224      | 24,419,085   |
| <b>Expenses</b>                                    |                |              |              |                               |                             |                             |                  |                |                 |              |
| Advertising  | \$ -           | \$ -         | \$ -         | \$ -                          | \$ -                        | \$ -                        | \$ -             | \$ -           | \$ -            | \$ -         |
| Amortization                                       | 29,109         | 136,737      | 1,877        | -                             | -                           | -                           | -                | -              | 2,460,902       | 2,628,625    |
| Bad debt   | 532,769        | -            | 4,926        | -                             | -                           | -                           | -                | -              | -               | 537,695      |
| Capital purchases                                  | -              | 6,000        | -            | -                             | -                           | -                           | -                | -              | -               | 6,000        |
| Cash short   | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -            |
| Donations  | 5,333          | -            | -            | -                             | -                           | -                           | -                | -              | -               | 5,333        |
| General welfare assistance                         | -              | -            | -            | 1,502,579                     | -                           | -                           | -                | -              | -               | 1,502,579    |
| Honourarium  | 254,788        | -            | -            | -                             | -                           | -                           | -                | -              | -               | 254,788      |
| Insurance  | -              | 28,452       | -            | -                             | -                           | -                           | -                | -              | -               | 28,452       |
| Interdepartmental costs                            | (422,920)      | (879,983)    | 179,086      | 12,704                        | (115,618)                   | 20,918                      | -                | (15,699)       | (227,075)       | (1,448,587)  |
| Interest and bank charges                          | (181,564)      | -            | -            | 7,815                         | -                           | -                           | -                | -              | -               | (173,749)    |
| Interest on long term debt                         | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -            |
| Per capita distribution                            | -              | -            | -            | -                             | -                           | -                           | -                | 999,376        | -               | 999,376      |
| Loss on disposal                                   | -              | (28,250)     | -            | -                             | -                           | -                           | -                | -              | -               | (28,250)     |
| Miscellaneous                                      | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -            |
| Prizes   | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -            |
| Repairs and maintenance                            | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -            |
| Student allowances                                 | -              | -            | 632,830      | -                             | -                           | -                           | -                | -              | -               | 632,830      |
| Supplies and service                               | 923,600        | 1,102,860    | 145,178      | 496,062                       | 233,313                     | -                           | 24,921           | 20,646         | 825,965         | 3,772,545    |
| Transfer cost                                      | -              | -            | -            | -                             | -                           | -                           | -                | -              | -               | -            |
| Travel and transportation                          | 94,890         | 49,498       | 11,959       | 53,494                        | 16,476                      | -                           | -                | 16,695         | -               | 243,012      |
| Tuition  | -              | -            | 3,059,087    | -                             | -                           | -                           | -                | -              | -               | 3,059,087    |
| Utilities and telephone                            | 54,045         | 4,446        | 1,884        | 4,490                         | 3,275                       | 65                          | 501              | 181            | 137,890         | 206,777      |
| Wages and benefits                                 | 1,016,932      | 489,427      | 206,930      | 814,822                       | 409,898                     | -                           | -                | 59,641         | 11,558          | 3,009,208    |
|  | 2,306,982      | 909,187      | 4,243,757    | 2,891,966                     | 547,344                     | 20,983                      | 25,422           | 1,080,840      | 3,209,240       | 15,235,721   |
|  | \$ (1,790,559) | \$ 1,148,478 | \$ (6,579)   | \$ (35,019)                   | \$ (34,170)                 | \$ (654)                    | \$ 111,051       | \$ (1,028,168) | \$ 10,818,984   | \$ 9,183,364 |

## Fort William First Nation Notes to Consolidated Financial Statements

### 23. Segmented Information (cont'd)

For the year ended March 31, 2014

|  | Balance<br>Forward  | Gaming<br>Activities | Housing<br>Operations | Rental<br>Operations | Lottery Fund      | Replacement<br>Reserves | Enterprise<br>Fund    | Specific Claim<br>Trust Fund | Trust Fund  | Total               |
|--|---------------------|----------------------|-----------------------|----------------------|-------------------|-------------------------|-----------------------|------------------------------|-------------|---------------------|
| <b>Revenue</b>                                     |                     |                      |                       |                      |                   |                         |                       |                              |             |                     |
| Aboriginal Affairs and Northern Development Canada | \$ 6,537,400        | \$ -                 | \$ 244,846            | \$ 88,871            | \$ -              | \$ -                    | \$ -                  | \$ -                         | \$ -        | \$ 6,871,117        |
| Canada Mortgage and Housing Corporation Subsidy    | -                   | -                    | 74,050                | -                    | -                 | -                       | -                     | -                            | -           | 74,050              |
| Health Canada                                      | 421,576             | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | 421,576             |
| Ministry of Community and Social Services          | 1,558,588           | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | 1,558,588           |
| Ministry of Transportation                         | 132,997             | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | 132,997             |
| Other revenue                                      | 15,768,524          | 4,973,932            | 157,719               | 987,665              | -                 | -                       | -                     | -                            | -           | 21,887,840          |
| Lottery Fund revenue                               | -                   | -                    | -                     | -                    | 986,969           | -                       | -                     | -                            | -           | 986,969             |
| Replacement reserves                               | -                   | -                    | -                     | -                    | -                 | 29,000                  | -                     | -                            | -           | 29,000              |
| Enterprise revenue                                 | -                   | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | -                   |
|  | <b>24,419,085</b>   | <b>4,973,932</b>     | <b>476,615</b>        | <b>1,076,536</b>     | <b>986,969</b>    | <b>29,000</b>           | <b>-</b>              | <b>-</b>                     | <b>-</b>    | <b>31,962,137</b>   |
| <b>Expenses</b>                                    |                     |                      |                       |                      |                   |                         |                       |                              |             |                     |
| Advertising  | -                   | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | -                   |
| Amortization                                       | 2,628,625           | 8,408                | -                     | 24,527               | -                 | -                       | -                     | -                            | -           | 2,661,560           |
| Bad debt   | 537,695             | -                    | 88,224                | -                    | -                 | -                       | -                     | -                            | -           | 625,919             |
| Capital purchases                                  | 6,000               | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | 6,000               |
| Cash short   | -                   | 1,237                | -                     | -                    | -                 | -                       | -                     | -                            | -           | 1,237               |
| Donations  | 5,333               | 163,390              | -                     | -                    | -                 | -                       | -                     | -                            | -           | 168,723             |
| General welfare assistance                         | 1,502,579           | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | 1,502,579           |
| Honourarium  | 254,788             | -                    | -                     | -                    | -                 | -                       | -                     | 12,250                       | -           | 267,038             |
| Insurance  | 28,452              | -                    | 40,416                | 37,339               | -                 | -                       | -                     | -                            | -           | 106,207             |
| Interdepartmental costs                            | (1,448,587)         | -                    | 4,435                 | (17,313)             | 424,494           | -                       | -                     | -                            | -           | (1,036,971)         |
| Interest and bank charges                          | (173,749)           | 786                  | -                     | -                    | -                 | -                       | 112                   | 421                          | -           | (172,430)           |
| Interest on long term debt                         | -                   | -                    | 20,078                | 1,089                | -                 | -                       | -                     | -                            | -           | 21,167              |
| Per capita distribution                            | 999,376             | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | 999,376             |
| Loss on disposal                                   | (28,250)            | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | (28,250)            |
| Miscellaneous                                      | -                   | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | -                   |
| Prizes   | -                   | 3,419,507            | -                     | -                    | -                 | -                       | -                     | -                            | -           | 3,419,507           |
| Repairs and maintenance                            | -                   | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | -                   |
| Student allowances                                 | 632,830             | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | 632,830             |
| Supplies and service                               | 3,772,545           | 827,489              | 156,344               | 168,411              | -                 | -                       | -                     | 8,296                        | -           | 4,933,085           |
| Transfer cost                                      | -                   | -                    | -                     | -                    | 424,423           | -                       | -                     | -                            | -           | 424,423             |
| Travel and transportation                          | 243,012             | 53,110               | 13,198                | -                    | -                 | -                       | -                     | -                            | -           | 309,320             |
| Tuition  | 3,059,087           | -                    | -                     | -                    | -                 | -                       | -                     | -                            | -           | 3,059,087           |
| Utilities and telephone                            | 206,777             | 5,771                | 1,060                 | 56,871               | -                 | -                       | -                     | -                            | -           | 270,479             |
| Wages and benefits                                 | 3,009,208           | 672,903              | 184,779               | -                    | -                 | -                       | 1,133,520             | -                            | -           | 5,000,410           |
|  | <b>15,235,721</b>   | <b>5,152,601</b>     | <b>508,534</b>        | <b>270,924</b>       | <b>848,917</b>    | <b>-</b>                | <b>1,133,632</b>      | <b>20,967</b>                | <b>-</b>    | <b>23,171,296</b>   |
|  | <b>\$ 9,183,364</b> | <b>\$ (178,669)</b>  | <b>\$ (31,919)</b>    | <b>\$ 805,612</b>    | <b>\$ 138,052</b> | <b>\$ 29,000</b>        | <b>\$ (1,133,632)</b> | <b>\$ (20,967)</b>           | <b>\$ -</b> | <b>\$ 8,790,841</b> |