

**Animbiigoo Zaagi'igan Anishinaabek**  
**Consolidated Financial Statements**  
*March 31, 2015*

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# Animbiigoo Zaagi'igan Anishinaabek

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*For the year ended March 31, 2015*

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## Management's Responsibility

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To the Chief and Council and Members of Animbiigoo Zaagi'igan Anishinaabek:

The accompanying financial statements of Animbiigoo Zaagi'igan Anishinaabek are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Animbiigoo Zaagi'igan Anishinaabek Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

September 27, 2015



Chief



Councillor

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## Independent Auditors' Report

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To the Chief and Council and Members of Animbiigoo Zaagi'igan Anishinaabek:

We were engaged to audit the accompanying consolidated financial statements of Animbiigoo Zaagi'igan Anishinaabek, which comprise the statement of financial position as at March 31, 2015 and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on conducting the audit in accordance with Canadian generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### *Basis for Disclaimer of Opinion*

The First Nation has not consolidated the consolidated financial statements of Ombabika Resources Corp. and Ombabika Equipment Inc. because the financial records are unavailable. As of the date of our Independent Auditors' Report, management was still in the process of obtaining the financial records of these companies. We were unable to confirm or verify by alternative means the assets, liabilities, revenue and expenses of these companies in the current or the prior period. As a result of this matter, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded assets and liabilities, and the elements making up the statement of operations, statement of change in net financial assets and statement of cash flows in the current or the prior period.

The First Nation's loan receivable and an amount due from Ombabika Equipment Inc. are carried at \$1,426,168 (2014 - \$1,426,168) and \$78,364 (2014 - \$78,364), respectively, on the consolidated statement of financial position as at March 31, 2015 and March 31, 2014. We were unable to obtain sufficient appropriate audit evidence with respect to the carrying amount of these balances as the financial information was not available. Consequently, we were unable to determine whether any adjustments to these amounts might have been necessary in the current or the prior period.

The First Nation's mineral rights are carried at \$50,124 (2014 - \$50,124) on the consolidated statement of financial position as at March 31, 2015 and March 31, 2014. We were unable to obtain sufficient appropriate audit evidence with respect to the carrying amount of this balance as a fair market value could not be determined. Consequently, we were unable to determine whether any adjustments to this amount might have been necessary in the current or the prior period.

The First Nation did not prepare budgets, which is not in compliance with Canadian public sector accounting standards.

### *Disclaimer of Opinion*

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements.

### *Other Matter*



Our Independent Auditors' Report on the consolidated financial statements of the First Nation for the year ended March 31, 2014 was issued with an adverse opinion on September 27, 2014 due to the non-consolidation of a material subsidiary.

Thunder Bay, Ontario

September 27, 2015

**MNP LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

**Animbiigoo Zaagi'igan Anishinaabek**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2015*

	2015	2014
<b>Financial assets</b>		
Cash resources (Note 3)	75,329	123,630
Accounts receivable (Note 4)	122,684	76,243
Due from government and other government organizations (Note 5)	47,906	65,564
Due from Ombabika Equipment Inc. (Note 6)	78,364	78,364
Due from Wawasum Group Limited (Note 6)	22,652	8,545
Loan receivable from Ombabika Equipment Inc. (Note 6)	1,426,168	1,426,168
Portfolio investments (Note 7)	1,006,369	921,261
Investment in government business enterprise (Note 8)	46,482	-
<b>Total financial assets</b>	<b>2,825,954</b>	<b>2,699,775</b>
<b>Liabilities</b>		
Bank indebtedness (Note 9)	169,351	290,124
Accounts payable and accruals (Note 10)	116,926	119,027
Deferred revenue (Note 11)	204,180	206,877
Employee benefit obligations (Note 12)	18,999	30,722
<b>Total liabilities</b>	<b>509,456</b>	<b>646,750</b>
<b>Net financial assets</b>	<b>2,316,498</b>	<b>2,053,025</b>
<b>Contingent liabilities (Note 13)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 14) (Schedule 1)	413,396	490,885
Mineral rights	50,124	50,124
Prepaid expenses	18,207	13,518
<b>Total non-financial assets</b>	<b>481,727</b>	<b>554,527</b>
<b>Accumulated surplus</b>	<b>2,798,225</b>	<b>2,607,552</b>
<b>Approved on behalf of the Board</b>		
	Chief	 Councillor

The accompanying notes are an integral part of these financial statements

# Animbiigoo Zaagi'igan Anishinaabek

## Consolidated Statement of Operations

*For the year ended March 31, 2015*

	2015	2014
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	711,866	656,841
Ontario First Nations Limited Partnership	504,197	489,276
Administrative fees	45,073	6,741
Ontario Power Generation	-	36,476
Health Canada	108,126	112,781
Human Resources and Skills Development Canada	6,977	56,738
Dilico Anishinabek Family Care	25,193	25,193
Independent First Nations	91,054	78,738
Ministry of Aboriginal Affairs	90,000	105,000
Ministry of Health	7,286	7,286
Waaskiinaysay Ziibi Inc.	211,050	62,693
Ministry of Community and Social Services	137,457	129,618
Anishinabek Employment and Training Services	13,371	49,199
Interest revenue	11,122	9,469
AV Terrace Bay	129,370	-
Confederation College	-	20,000
HST refunds	40,249	38,262
Chippewas of Nawash Band	-	15,915
Ministry of Northern Development and Mines	2,674	2,654
Ontario Trillium Foundation	-	50,000
Dividends	6,000	6,000
Environment Canada	-	15,000
TransCanada Pipelines Limited	26,373	15,000
Nokiiwin Tribal Council	-	4,500
Nextbridge Infrastructure	3,979	-
Ne Daa Kii Me Naan Inc.	30,966	-
Deferred revenue, beginning of year (Note 11)	206,877	79,671
Deferred revenue, end of year (Note 11)	(204,180)	(206,877)
	2,205,080	1,866,174
<b>Expenses</b>		
Administration	568,200	614,910
Education	244,492	292,065
Animbiigoosagagun Economic Development Trust	51,935	54,526
Investment fund	-	26,245
Economic/Employment	533,166	380,646
Social	33,728	34,392
Health	197,931	189,606
Community	161,767	165,968
Lands and resources	3,338	2,009
Minor Capital	220,273	64,652
	2,014,830	1,825,019
<b>Operating surplus before other items</b>	190,250	41,155

*Continued on next page*

**Animbiigoo Zaagi'igan Anishinaabek**  
**Consolidated Statement of Operations**

*For the year ended March 31, 2015*

	<i>Schedules</i>	<b>2015</b>	<b>2014</b>
<b>Operating surplus before other items</b> <i>(Continued from previous page)</i>		<b>190,250</b>	41,155
<b>Other income</b>			
Increase in investment in Wawasum Group Limited		<b>423</b>	-
<b>Operating surplus</b>		<b>190,673</b>	41,155
<b>Accumulated surplus, beginning of year</b>		<b>2,607,552</b>	2,566,397
<b>Accumulated surplus, end of year</b>		<b>2,798,225</b>	2,607,552

*The accompanying notes are an integral part of these financial statements*

**Animbliigoo Zaagi'igan Anishinaabek**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Annual operating surplus</b>	<b>190,673</b>	<b>41,155</b>
Purchases of tangible capital assets	<b>(16,343)</b>	<b>(78,482)</b>
Amortization of tangible capital assets	<b>34,269</b>	<b>37,505</b>
Change in government business enterprise tangible capital assets	<b>59,563</b>	<b>-</b>
Acquisition of prepaid expenses	<b>(4,689)</b>	<b>(189)</b>
<b>Increase (decrease) in net financial assets</b>	<b>263,473</b>	<b>(11)</b>
<b>Net financial assets, beginning of year</b>	<b>2,053,025</b>	<b>2,053,036</b>
<b>Net financial assets, end of year</b>	<b>2,316,498</b>	<b>2,053,025</b>

*The accompanying notes are an integral part of these financial statements*



**Animbiigoo Zaagi'igan Anishinaabek**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2015*

	2015	2014
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Operating surplus	190,673	41,155
Non-cash items		
Amortization of tangible capital assets	34,269	37,505
Net income from government business enterprises	(46,474)	8,545
	178,468	87,205
Changes in working capital accounts		
Accounts receivable	(46,441)	138,776
Due from government and other government organizations	17,658	77,045
Prepaid expenses	(4,689)	(189)
Due from Wawasum Group Limited	(14,107)	8,545
Accounts payable and accruals	(2,098)	(93,984)
Due to government and other government organizations	-	(521)
Deferred revenue	(2,696)	127,206
Employee benefit obligations	(11,723)	(39,856)
	114,372	304,227
<b>Financing activities</b>		
Net repayments of bank indebtedness	(120,773)	(26,922)
<b>Capital activities</b>		
Purchases of tangible capital assets	(16,343)	(78,482)
Change in government business enterprise tangible capital assets	59,561	-
	43,218	(78,482)
<b>Investing activities</b>		
Purchase of portfolio investments	(887,369)	(802,251)
Repayments received for loan receivable	-	24,901
Proceeds on disposal of portfolio investments	802,251	612,235
	(85,118)	(165,115)
<b>Increase (decrease) in cash resources</b>	(48,301)	33,708
<b>Cash resources, beginning of year</b>	123,630	89,922
<b>Cash resources, end of year</b>	75,329	123,630
<b>Supplementary cash flow information</b>		
Interest paid	11,285	12,839

*The accompanying notes are an integral part of these financial statements*

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**1. Operations**

Animbiigoo Zaagi'igan Anishinaabek (the "First Nation") is located in the province of Ontario, and provides various services to its members. Animbiigoo Zaagi'igan Anishinaabek includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

***Reporting entity***

The Animbiigoo Zaagi'igan Anishinaabek (the "First Nation") reporting entity includes the First Nation government and all related entities that are controlled by the First Nation.

***Principles of consolidation***

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and the enterprises's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Animbiigoo Zaagi'igan Anishinaabek.

Organizations consolidated in Animbiigoo Zaagi'igan Anishinaabek's consolidated financial statements include:

- Animbiigoosagagun Economic Development Trust
- Maajiikan Inc.

Organizations accounted for on a modified equity basis include:

- Wawasum Group Limited

***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, mineral property and prepaid expenses.

***Cash and cash equivalents***

Cash includes cash on hand and balances with banks net of bank overdrafts. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**2. Significant accounting policies** *(Continued from previous page)*

**Loans receivable**

Loans receivable are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Amortized cost is calculated as the loans' principal amount plus unamortized loan administration fees, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis using the effective interest method. Loan administration fees are amortized over the term of the loan using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset.

**Portfolio investments**

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

**Tangible capital assets**

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

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

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

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

**Capital lease**

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

**Amortization**

Tangible capital assets are amortized annually using the declining balance method at rates intended to amortize the cost of the assets over their estimated useful lives as follows:

	<b>Method</b>	<b>Rate</b>
Automotive	declining balance	30 %
Building	declining balance	4 %
Computer equipment	declining balance	30 %
General equipment	declining balance	20 %
Office equipment	declining balance	20 %

**2. Significant accounting policies** *(Continued from previous page)*

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus (deficit) for the year.

***Net financial assets***

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

***Expense allocation***

Certain expenses which pertain to the operations as a whole have been allocated to various programs at the discretion of Chief and Council.

***Revenue recognition***

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is recognized when it is earned.

***Use of estimates***

In preparing the consolidated financial statements for the First Nation in conformity with Canadian public sector accounting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of significant estimates include accounts receivable, accounts payable and accruals and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

***Segments***

The First Nation conducts its business through eleven reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
For the year ended March 31, 2015

**2. Significant accounting policies** (Continued from previous page)

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

**3. Cash resources**

	<b>2015</b>	<b>2014</b>
Cash on hand	<b>3,249</b>	847
General	<b>(67,499)</b>	19,950
Ontario First Nations Limited Partnership	<b>139,579</b>	65,313
Wawasum Group Limited	-	37,520
	<b>75,329</b>	123,630

**4. Accounts receivable**

	<b>2015</b>	<b>2014</b>
<b>Due from members</b>		
Loans	<b>68,893</b>	36,422
<b>Due from others</b>		
Accrued interest receivable	<b>5,092</b>	754
Independent First Nations	<b>67,854</b>	41,223
Nokiiwin Tribal Council Inc.	-	4,500
Ombabika Resources Inc.	<b>17,960</b>	4,147
Other receivables	<b>33,338</b>	42,928
Waaskiinaysay Ziibi Inc.	-	5,175
	<b>124,244</b>	98,727
<b>Less: allowance for doubtful accounts</b>	<b>(70,453)</b>	(58,906)
	<b>122,684</b>	76,243

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**5. Due from government and other government organizations**

	<b>2015</b>	<b>2014</b>
<b>Federal government</b>		
Aboriginal Affairs and Northern Development Canada	<b>14,306</b>	3,500
Canada Mortgage and Housing Corporation	-	10,000
Environment Canada	-	15,000
HST recoverable	<b>20,863</b>	16,419
	<b>35,169</b>	44,919
<b>Other government organizations</b>		
Anishinabek Employment and Training Services	<b>6,439</b>	8,048
Dilico Anishinabek Family Care	<b>6,298</b>	12,597
	<b>12,737</b>	20,645
	<b>47,906</b>	65,564

**6. Related party transactions**

Chief and Council of Animbiigoo Zaagi'igan Anishinaabek control the First Nation's operations and therefore are related to the First Nation.

Ombabika Equipment Inc. is 100% owned by the Animbiigoosagagun Economic Development Trust, which is controlled by two trustees and operated for the benefit of the First Nation. A loan is receivable from Ombabika Equipment Inc. in the amount of \$1,426,168 (2014 - \$1,426,168). An amount of \$78,364 (2014 - \$78,364) is also due from Ombabika Equipment Inc.

Ombabika Resources Inc. is 100% owned by Animbiigoosagagun Economic Development Trust, which is controlled by two trustees and operated for the benefit of the First Nation. Included in accounts receivable is a receivable from Ombabika Resources Inc. in the amount of \$17,959 (2014 - \$4,147).

Wawasum Group Limited is 50% owned by Animbiigoo Zaagi'igan Anishinaabek and is therefore significantly influenced by the First Nation. An amount of \$22,652 (2014 - \$8,545) is due from Wawasum Group Limited.

Transactions occurring during the year between related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration agreed to by the parties. Related party transactions included in the consolidated statement of operations consist of the following:

Salaries, honoraria and travel paid to the Chief and Council amounted to \$177,090 (2014 - \$119,018).

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**7. Portfolio investments**

	<b>2015</b>	<b>2014</b>
<b>Operating Fund - investments recorded at cost</b>		
Investment in Waaskinaysay Ziibi Inc. (20% interest)	<b>25,000</b>	25,000
Investment in Landmark Inn General Partner Ltd. (7.4% interest)	<b>1,000</b>	1,000
Investment in Landmark Inn Leasing Corporation (7.4% interest)	<b>1,000</b>	1,000
Investment in Landmark Inn Limited Partnership (7.4% interest)	<b>92,000</b>	92,000
	<b>119,000</b>	119,000
<b>Casino Rama Fund</b>		
TD Bank GIC (1.15% interest, 2014 - 1.20% - maturing April 3, 2015)	<b>76,736</b>	75,982
TD Bank GIC (1.55% interest, 2014 - 1.25% - maturing December 7, 2015)	<b>120,308</b>	119,935
TD Bank GIC (1.55% interest, 2014 - 1.25% - maturing December 7, 2015)	<b>120,308</b>	119,935
TD Bank GIC (1.55% interest, 2014 - 1.25% - maturing December 7, 2015)	<b>120,308</b>	119,935
TD Bank GIC (1.55% interest, 2014 - 1.25% - maturing December 7, 2015)	<b>120,308</b>	119,935
TD Bank GIC (1.00% interest, 2014 - 1.20% - maturing June 12, 2015)	<b>46,822</b>	46,209
TD Bank GIC (0.80% interest, 2014 - 1.65% - maturing January 14, 2016)	<b>17,701</b>	17,561
TD Bank GIC (1.65% interest, 2014 - 0.75% - maturing March 10, 2016)	<b>141,114</b>	60,136
TD Bank GIC (0.90% interest, 2014 - 1.10% - maturing April 17, 2015)	<b>1,509</b>	1,495
TD Bank GIC (1.65% interest, 2014 - 1.25% - maturing March 8, 2016)	<b>122,255</b>	121,138
	<b>887,369</b>	802,261
	<b>1,006,369</b>	921,261

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**8. Investment in government business enterprise**

Animbiigoo Zaagi'igan Anishinaabek owns 50% of Wawasum Group Limited. The net amount owing to Animbiigoo Zaagi'igan Anishinaabek from Wawasum Group Limited as at March 31, 2015 was \$22,652 (2014 - \$8,545).

	2015	2014
<b>Wawasum Group Limited</b>	<b>46,482</b>	-

The following table presents condensed financial information for the commercial enterprise:

<b>Wawasum Group Limited</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>Total assets</b>	<b>224,904</b>	75,231
<b>Total liabilities</b>	<u><b>197,347</b></u>	<u>91,138</u>
<b>Net financial assets</b>	<b>27,557</b>	(15,907)
<b>Non-financial assets</b>	<u><b>65,408</b></u>	<u>119,129</u>
<b>Accumulated surplus</b>	<b>92,945</b>	103,202
<b>Share capital</b>	<u><b>20</b></u>	<u>20</u>
<b>Share capital and accumulated surplus</b>	<u><b>92,965</b></u>	<u>103,222</u>
<b>Revenue</b>	<b>226,876</b>	50,582
<b>Expenses</b>	<u><b>237,133</b></u>	<u>52,489</u>
<b>Net income</b>	<u><b>(10,257)</b></u>	<u>(1,907)</u>

Wawasum Group Limited was formerly consolidated in the consolidated financial statements of Animbiigoo Zaagi'igan Anishinaabek. However, during the year ended March 31, 2015, it was determined that the corporation met the definition of a government business enterprise as it meets the criteria as outlined by the Public Sector Accounting Standards in the Chartered Professional Accountants of Canada Public Sector Accounting Handbook. Accordingly, Wawasum Group Limited is no longer fully consolidated in the consolidated financial statements of Animbiigoo Zaagi'igan Anishinaabek, but is instead accounted for using the modified equity method.

**9. Bank indebtedness**

At March 31, 2015, the First Nation had available lines of credit totalling \$100,000 (2014 - \$100,000) bearing interest at bank prime rate of 3% (2014 - bank prime rate of 3%), none of which were drawn. The following has been collateralized in connection with this line of credit:

- First ranking security interest in the guaranteed investment certificates of the First Nation; and
- Assignment of Casino Rama funds.

At March 31, 2015, Animbiigoosagagun Economic Development Trust had available lines of credit totalling \$175,000 (2014 - \$300,000) bearing interest at bank prime rate of 3% (2014 - bank prime rate of 3%), of which \$169,351 were drawn (2014 - \$290,124). Secured by a guarantee of the First Nation. The guarantee is unsecured and provided without recourse.



**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**10. Accounts payable and accruals**

	<b>2015</b>	<b>2014</b>
Trade payables	84,305	79,712
Accrued wages and benefits payable	12,621	19,315
Other accruals	20,000	20,000
	<b>116,926</b>	<b>119,027</b>

**11. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Funding received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Aboriginal Affairs and Northern Development Canada - Planning and Development	163,190	143,056	157,726	148,520
Human Resources and Skills Development Canada - New Horizons for Seniors Program	25,000	-	20,010	4,990
TransCanada Pipelines Limited - Energy East Project	15,000	26,373	17,369	24,004
Confederation College - Education Program	3,687	-	3,687	-
Ne Daa Kii Me Naan Inc. - Childrens Sports Program	-	30,966	4,300	26,666
	<b>206,877</b>	<b>200,395</b>	<b>203,092</b>	<b>204,180</b>

**12. Employee benefit obligations**

	<b>2015</b>	<b>2014</b>
Vacation and overtime	18,999	30,722

Vacation and overtime

The vacation and overtime liability is comprised of the vacation that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Pension plan

The First Nation has a defined contribution pension plan for which all full-time, permanent employees of the First Nation are eligible. Pension benefits are determined by the performance of the sponsor's and employee's contributions. Actuarial valuations are normally not required as the pension equals the net assets available for benefits. Employer contributions during the year were \$26,108 (2014 - \$27,698).

**13. Contingent liabilities**

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of operations, the First Nation may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements.

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**14. Tangible capital assets**

Tangible capital assets acquired after March 31, 1997 are recorded at acquisition cost less amortization on the consolidated statement of financial position. Tangible capital assets acquired prior to April 1, 1997 are deemed to have been fully amortized and are recorded at a nominal value.

**15. Segments**

The First Nation has eleven reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

**Administration** - includes administration, governance activities and band operations.

**Education** - includes the operations of education programs.

**Animbiigoosagagun Economic Development Trust** - reports on the First Nation's Trust activities.

**Investment Fund** - reports on the First Nation's investments in Wawasum Group Limited and Landmark Inn Limited Partnership.

**Economic/Employment** - includes activities for the maintenance of the community and its infrastructure.

**Social** - activities include delivering social programs.

**Health** - activities include delivering health programs.

**Community** - activities include delivering community support programs.

**Lands & Resources** - includes activities for the maintenance of the community.

**Minor Capital** - includes the operations of capital programs.

**Casino Rama Fund** - reports on the First Nation's Ontario First Nations Limited Partnership funding.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 2.

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**16. Government transfers**

During the year, the First Nation recognized the following government transfers:

	<i>Operating</i>	<i>Capital</i>	<i>2015</i>	<i>2014</i>
<b>Federal government transfers</b>				
Aboriginal Affairs and Northern Development Canada	711,866	-	711,866	656,841
Health Canada	108,126	-	108,126	112,781
Environment Canada	-	-	-	15,000
Human Resources and Skills Development Canada	6,977	-	6,977	56,738
<b>Total Federal</b>	<b>826,969</b>	<b>-</b>	<b>826,969</b>	<b>841,360</b>
<b>Provincial government transfers</b>				
Ministry of Aboriginal Affairs	90,000	-	90,000	105,000
Ministry of Health	7,286	-	7,286	7,286
Ministry of Community and Social Services	137,457	-	137,457	129,618
Ministry of Northern Development and Mines	2,674	-	2,674	2,654
Ontario Trillium Foundation	-	-	-	50,000
<b>Total Provincial</b>	<b>237,417</b>	<b>-</b>	<b>237,417</b>	<b>294,558</b>
	<b>1,064,386</b>	<b>-</b>	<b>1,064,386</b>	<b>1,135,918</b>

**17. Interfund transfers**

An amount of \$350,000 (2014 - \$286,000) was transferred from the Casino Rama Fund to the Operating Fund in order to fund disbursements for operating activities.

**18. Budget information**

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue and expenses, and surplus (deficit) have not been reported in these consolidated financial statements. While having no effect on reported revenue, expenses, and surplus (deficit), omission of this information is considered a departure from PSA standards.

**19. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**20. Consolidated entities**

The First Nation controls the operations of Animbiigoosagagun Economic Development Trust and Maajiikan Inc. which are fully consolidated in the consolidated financial statements. Financial information for these entities included in the consolidated statement of financial position is shown below. Inter-company balances which were eliminated upon consolidation have been included.

<b>Animbiigoosagagun Economic Development Trust</b>	<b>2015</b>	<b>2014</b>
<b>As at March 31</b>		
<b>Financial assets</b>		
Accounts receivable	1,000	1,000
Loan receivable	1,426,168	1,426,168
Due from Ombabika Equipment Inc.	78,364	78,364
	<b>1,505,532</b>	<b>1,505,532</b>
<b>Liabilities</b>		
Bank indebtedness	169,351	290,124
Accounts payable and accruals	5,188	5,188
Due to Animbiigoo Zaagi'igan Anishinaabek	235,098	233,620
Loan payable to Animbiigoo Zaagi'igan Anishinaabek	1,366,168	1,366,168
	<b>1,775,805</b>	<b>1,895,100</b>
<b>Net debt</b>	<b>(270,273)</b>	<b>(389,568)</b>
<b>Non-financial assets</b>		
Tangible capital assets	174,945	186,860
Mineral property	50,124	50,124
	<b>225,069</b>	<b>236,984</b>
<b>Accumulated deficit</b>	<b>(45,204)</b>	<b>(152,584)</b>
Revenue	159,316	-
Expenses	50,457	-
<b>Net income</b>	<b>108,859</b>	<b>-</b>

The due to Animbiigoo Zaagi'igan Anishinaabek of \$235,098 (2014 - \$233,620) and loan payable to Animbiigoo Zaagi'igan Anishinaabek of \$1,366,168 (2014 - \$1,366,168) were eliminated in the consolidated statement of financial position.

**Animbiigoo Zaagi'igan Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**20. Consolidated entities (continued from previous page)**

	2015	2014
<b>Maajiikan Inc.</b>		
<b>As at March 31</b>		
<b>Financial assets</b>		
Capital assets	16,343	-
<b>Liabilities</b>		
Due to Animbiigoo Zaagi'igan Anishinaabek	16,343	-
<b>Accumulated Surplus</b>	-	-

**21. Upcoming accounting pronouncements**

**New and Amended Standards**

***PS 3210 Assets (New)***

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**22. Upcoming accounting pronouncements** *(Continued from previous page)*

**PS 3320 Contingent Assets (New)**

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**PS 3380 Contractual Rights (New)**

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**22. Upcoming accounting pronouncements** *(Continued from previous page)*

**PS 3430 Restructuring Transactions (New)**

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.
- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.
- The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

**Animbiigoo Zaagi'igan Anishinaabek**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2015*

	<i>Land</i>	<i>Building</i>	<i>Automotive</i>	<i>Office Equipment</i>	<i>Computer Equipment</i>	<i>Subtotal</i>
<b>Cost</b>						
Balance, beginning of year	10,091	511,615	62,814	48,944	55,329	688,793
Acquisition of tangible capital assets	16,343	-	-	-	-	16,343
Other adjustments	-	(59,000)	-	-	(779)	(59,779)
<b>Balance, end of year</b>	<b>26,434</b>	<b>452,615</b>	<b>62,814</b>	<b>48,944</b>	<b>54,550</b>	<b>645,357</b>
<b>Accumulated amortization</b>						
Balance, beginning of year	-	132,413	60,210	24,735	44,814	262,172
Annual amortization	-	12,807	781	4,842	2,985	21,415
Accumulated amortization on disposals	-	-	-	-	(214)	(214)
<b>Balance, end of year</b>	<b>-</b>	<b>145,220</b>	<b>60,991</b>	<b>29,577</b>	<b>47,585</b>	<b>283,373</b>
<b>Net book value of tangible capital assets</b>	<b>26,434</b>	<b>307,395</b>	<b>1,823</b>	<b>19,367</b>	<b>6,965</b>	<b>361,984</b>
<b>2014 Net book value of tangible capital assets</b>	<b>10,091</b>	<b>379,202</b>	<b>2,604</b>	<b>24,209</b>	<b>10,515</b>	<b>426,621</b>



**Animbiigoo Zaagi'igan Anishinaabek**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2015*

	<i>Subtotal</i>	<i>General Equipment</i>	<i>2015</i>	<i>2014</i>
<b>Cost</b>				
Balance, beginning of year	688,793	106,567	795,360	657,878
Acquisition of tangible capital assets	16,343	-	16,343	78,482
Other adjustments	(59,779)	-	(59,779)	59,000
<b>Balance, end of year</b>	<b>645,357</b>	<b>106,567</b>	<b>751,924</b>	<b>795,360</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	262,172	42,303	304,475	266,970
Annual amortization	21,415	12,852	34,267	37,505
Accumulated amortization on disposals	(214)	-	(214)	-
<b>Balance, end of year</b>	<b>283,373</b>	<b>55,155</b>	<b>338,528</b>	<b>304,475</b>
<b>Net book value of tangible capital assets</b>	<b>361,984</b>	<b>51,412</b>	<b>413,396</b>	<b>490,885</b>
<b>2014 Net book value of tangible capital assets</b>	<b>426,621</b>	<b>64,264</b>	<b>490,885</b>	

**Animbiigoo Zaagi'igan Anishinaabek**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2015*

	2015	2014
<b>Consolidated expenses by object</b>		
Administrative costs	7,350	5,500
Amortization of tangible capital assets	34,269	37,505
Bad debts (recoveries)	11,547	(2,001)
Books and supplies	15,235	15,447
Building costs	20,643	19,603
Chief and Council expenses	49,864	69,043
Community meetings	23,566	40,525
Community outreach	18,000	10,000
Compassionate contributions	14,297	23,360
Contracted services	36,876	15,841
Donations	1,525	625
Education allowance	106,216	127,733
Elders' expenses	-	1,926
Emergency assistance	24,367	4,177
Equipment	90,912	7,994
Guidance, counselling, and career fair	52,958	58,949
Honoraria	88,101	89,213
Insurance	12,623	12,719
Interest and bank charges	10,784	12,839
Materials	10,765	9,500
Members special needs	31,288	20,265
Miscellaneous	-	200
Municipal taxes	2,924	2,301
Office expenses	192,583	143,756
Office supplies	13,464	15,286
Professional development	-	911
Professional services	56,609	39,511
Project costs	5,583	10,651
Purchased services	135,785	11,338
Facility rental	16,562	8,059
Repairs and maintenance	48,141	-
Scholarships	2,348	3,000
Special events - contribution	300	400
Summer students	16,120	22,765
Supplies	5,317	8,333
Telephone	2,712	2,169
Training	49,796	56,195
Travel	131,536	128,134
Tuition	67,058	82,940
Wages and benefits	579,008	673,705
Workshops	27,798	34,602
	<b>2,014,830</b>	<b>1,825,019</b>

**Animbiigoo Zaagi'igan Anishinaabek**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2015*

	<i>AANDC Revenue</i>	<i>Other Revenue</i>	<i>Deferred revenue, beginning of year</i>	<i>Deferred revenue, end of year</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Operating Surplus (Deficit)</i>	<i>Prior Year Operating Surplus (Deficit)</i>
<b>Administration</b>									
Administration - Total	211,511	102,061	-	-	313,572	568,200	175,722	(78,906)	(178,105)
<b>Education</b>									
Education	265,299	-	3,687	-	268,986	244,492	-	24,494	-
<b>Animbiigoosagagun Economic Development Trust</b>									
Animbiigoosagagun Economic Development Trust	-	129,370	-	-	129,370	51,935	-	77,435	(54,526)
<b>Investment Fund</b>									
Investment Fund - Total	-	6,000	-	-	6,000	-	-	6,000	5,046
<b>Economic/Employment</b>									
Economic/Employment Programs - Total	42,000	337,685	15,000	(24,005)	370,680	533,166	174,278	11,792	(3,093)
<b>Social</b>									
Social Programs - Total	-	33,728	-	-	33,728	33,728	-	-	-
<b>Health</b>									
Health Programs - Total	-	197,931	-	-	197,931	197,931	-	-	-
<b>Community Programs</b>									
Community Programs - Total	-	168,423	25,000	(31,656)	161,767	161,767	-	-	-
<b>Lands &amp; Resources</b>									
Lands & Resources - Total	-	-	-	-	-	3,338	-	(3,338)	13,906
<b>Minor Capital</b>									
Minor Capital - Total	193,056	-	163,190	(148,519)	207,727	220,273	-	(12,546)	45,182
<b>Casino Rama Fund</b>									
Casino Rama Fund	-	515,319	-	-	515,319	-	(350,000)	165,319	212,745
<b>Total</b>	<b>711,866</b>	<b>1,490,517</b>	<b>206,877</b>	<b>(204,180)</b>	<b>2,205,080</b>	<b>2,014,830</b>	<b>-</b>	<b>190,250</b>	<b>41,155</b>