

Animbiigoo Zaagi'igan Anishinaabek
Consolidated Financial Statements
March 31, 2016

Animbiigoo Zaagi'igan Anishinaabek

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For the year ended March 31, 2016

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Management's Responsibility

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

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these consolidated financial statements, and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Animbiigoo Zaagi'igan Anishinaabek and meet when required.

November 11, 2016



Chief



Councillor

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Animbiigoo Zaagi'igan Anishinaabek, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net 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 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 auditors' 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 financial statements of Ombabika Equipment Inc., which are consolidated in these consolidated financial statements, have not been audited for the years ended March 31, 2016 and 2015. As a consequence, we were unable to satisfy ourselves that all assets, liabilities, revenue and expenses of the consolidated entity had been recorded, nor were we able to satisfy ourselves that the recorded transactions were proper. Accordingly, we were unable to determine whether any adjustments might be necessary to the assets, liabilities, accumulated surplus and the components making up the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows.

The First Nation's mineral rights are carried at \$50,124 (2015 - \$50,124) on the consolidated statement of financial position as at March 31, 2016 and 2015. 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.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs and the omission of budgeted figures, the consolidated financial statements present fairly, in all material respects, the financial position of Animbiigoo Zaagi'igan Anishinaabek as at March 31, 2016 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our Independent Auditors' Report on the consolidated financial statements of the First Nation for the year ended March 31, 2015 was issued with a disclaimer of opinion on September 27, 2015 due to the non-consolidation of a material subsidiary.

Thunder Bay, Ontario
November 11, 2016

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Animbiigoo Zaagi'igan Anishinaabek Consolidated Statement of Financial Position

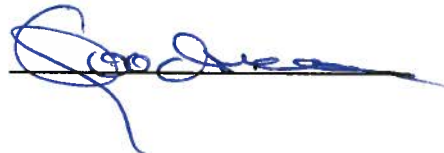
As at March 31, 2016

	2016	2015
Financial assets		
Cash and cash equivalents (Note 3)	387,618	75,329
Accounts receivable (Note 4)	174,902	135,421
Due from government and other government organizations (Note 5)	133,227	35,169
Due from Ombabika Equipment Inc.	-	78,364
Due from Wawasum Group Limited	22,652	22,652
Loan Receivable from Ombabika Equipment Inc.	-	1,426,168
Portfolio Investments (Note 6)	2,619,716	1,006,369
Investment in government business enterprise (Note 7)	43,710	46,482
Investment in government business partnership (Note 8)	25,098	-
Total financial assets	3,406,923	2,825,954
Liabilities		
Bank indebtedness (Note 9)	137,717	169,351
Accounts payable and accruals (Note 10)	171,184	116,926
Deferred revenue (Note 11)	189,647	204,180
Due to government and other government organizations (Note 12)	31,108	-
Employee benefit obligations (Note 13)	696	18,999
Ontario Power Generation settlement due to members (Note 14)	781,350	-
Total liabilities	1,311,702	509,456
Net financial assets	2,095,221	2,316,498
Contingent liabilities (Note 15)		
Non-financial assets		
Tangible capital assets (Note 16) (Schedule 1)	822,081	413,396
Mineral rights	50,124	50,124
Prepaid expenses	12,747	18,207
Total non-financial assets	884,952	481,727
Accumulated surplus	2,980,173	2,798,225

Approved on behalf of the Council



Chief



Councillor

The accompanying notes are an integral part of these financial statements

Animbiigoo Zaagi'igan Anishinaabek

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

	2016	2015
Revenue		
Indigenous and Northern Affairs Canada (Note 18)	728,617	711,866
Ontario First Nations Limited Partnership	505,143	504,197
Ontario Power Generation (Note 18)	3,500,000	-
Health Canada (Note 18)	118,461	108,126
Human Resources and Skills Development Canada (Note 18)	2,607	6,977
Dilico Anishinabek Family Care	27,500	25,193
Independent First Nations	82,621	91,054
Ministry of Indigenous Relations and Reconciliation (Note 18)	90,000	90,000
Ministry of Health (Note 18)	7,286	7,286
Waaskiinaysay Ziibi Inc.	-	211,050
Ministry of Community and Social Services (Note 18)	155,841	137,457
Anishinabek Employment and Training Services	6,579	13,371
Interest income	13,469	11,122
AV Terrace Bay	75,000	129,370
HST refunds (Note 18)	29,106	40,249
Other revenue	109,103	-
Ministry of Northern Development and Mines (Note 18)	474	2,674
Dividends	6,000	6,000
Northern Ontario Heritage Fund (Note 18)	19,856	-
TransCanada Pipelines Limited	79,381	26,373
Nextbridge Infrastructure	-	3,979
Ne Daa Kii Me Naan Inc.	35,000	30,966
Administrative fees	48,404	45,073
Deferred revenue - prior year (Note 11)	204,180	206,877
Deferred revenue - current year (Note 11)	(189,647)	(204,180)
	5,654,981	2,205,080
Expenses		
Administration	527,446	568,200
Education	247,549	244,492
Animbiigoosagagun Economic Development Trust	34,828	51,935
Investment fund	95,896	-
Economic/Employment	2,734,626	533,166
Social	36,035	33,728
Health	199,833	197,931
Community	184,126	161,767
Lands and resources	2,671	3,338
Minor capital	321,528	220,273
Total	4,384,538	2,014,830
Surplus before other items	1,270,443	190,250

Continued on next page

Animbiigoo Zaagi'igan Anishinaabek
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

	2016	2015
Surplus before other items <i>(Continued from previous page)</i>	1,270,443	190,250
Other income (expense)		
Increase (decrease) in investment in Wawasum Group Limited <i>(Note 7)</i>	(2,773)	423
Increase in investment in Wawasum Group LP <i>(Note 8)</i>	25,098	-
Impairment loss on loan receivable <i>(Note 24)</i>	(1,110,820)	-
	(1,088,495)	423
Surplus	181,948	190,673
Accumulated surplus, beginning of year	2,798,225	2,607,552
Accumulated surplus, end of year	2,980,173	2,798,225

The accompanying notes are an integral part of these financial statements

Animbiigoo Zaagi'igan Anishinaabek
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2016

	2016	2015
Annual surplus	181,948	190,673
Purchases of tangible capital assets	(19,997)	(16,343)
Amortization of tangible capital assets	29,812	34,269
Tangible capital assets acquired through subsidiary	(418,500)	-
Change in government business enterprise tangible capital assets	-	59,563
Acquisition of prepaid expenses	-	(4,689)
Use of prepaid expenses	5,460	-
Increase (decrease) in net financial assets	(221,277)	263,473
Net financial assets, beginning of year	2,316,498	2,053,025
Net financial assets, end of year	2,095,221	2,316,498

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, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Surplus	181,948	190,673
Non-cash items		
Amortization	29,812	34,269
Net loss (income) from government business enterprises	2,773	(46,474)
Net income from government business partnerships	(25,098)	-
Impairment loss on loan receivable	1,110,820	-
	1,300,255	178,468
Changes in working capital accounts		
Accounts receivable	(39,481)	(59,178)
Due from government and other government organizations	(98,058)	30,395
Prepaid expenses	5,460	(4,689)
Due from Wawasum Group Limited	-	(14,107)
Accounts payable and accruals	54,256	(2,098)
Due to government and other government organizations	31,106	-
Deferred revenue	(14,533)	(2,696)
Due from Ombabika Equipment Inc.	(24,787)	-
Employee benefit obligations	(18,301)	(11,723)
Ontario Power Generation settlement due to members	781,350	-
	1,977,267	114,372
Financing activities		
Net repayments of bank indebtedness	(31,634)	(120,773)
Capital activities		
Purchases of tangible capital assets	(19,997)	(16,343)
Change in government business enterprise tangible capital assets	-	59,561
	(19,997)	43,218
Investing activities		
Purchase of portfolio investments	(1,613,347)	(887,369)
Proceeds on disposal of portfolio investments	-	802,251
	(1,613,347)	(85,118)
Increase (decrease) in cash resources	312,289	(48,301)
Cash resources, beginning of year	75,329	123,630
Cash resources, end of year	387,618	75,329

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, 2016

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 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 or government business partnership, 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 or government business partnership, and the enterprise'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 the First Nation.

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

- Animbiigoosagagun Economic Development Trust
- Maajiikan Inc.
- Ombabika Equipment Inc.

Organizations accounted for on a modified equity basis include:

- Wawasum Group Limited
- Wawasum Group LP

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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

Loans receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by Chief and Council and Band management. Interest income is accrued on loans receivable to the extent it is deemed collectible.

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:

	Method	Rate
Automotive	declining balance	30 %
Building	declining balance	4 %
Computer equipment	declining balance	30 %
Forestry machinery and 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.

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.

Measurement uncertainty

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.

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

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

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.

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 and cash equivalents

	2016	2015
Cash on hand	5,562	3,249
General	(34,018)	(67,499)
Ontario First Nations Limited Partnership	84,809	139,579
Ontario Power Generation Disbursements	330,399	-
Ombabika Equipment Inc.	866	-
	387,618	75,329

4. Accounts receivable

	2016	2015
Due from members		
Loans	18,689	68,893
Medical transportation	10,318	-
	29,007	68,893
Due from others		
Accrued interest receivable	2,111	5,092
Independent First Nations	46,150	67,854
Ombabika Resources Inc.	-	17,960
Other receivables	95,056	46,075
Stantec Consulting	22,254	-
TransCanada Pipelines Ltd.	34,873	-
	200,444	136,981
Less: allowance for doubtful accounts	(54,549)	(70,453)
	174,902	135,421

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

5. Due from government and other government organizations

	2016	2015
Federal government		
Indigenous and Northern Affairs Canada	25,000	14,306
HST recoverable	76,427	20,863
Parks Canada	222	-
	101,649	35,169
Other government organizations		
Ministry of Community and Social Services	25,973	-
Northern Ontario Heritage Fund Corporation	5,605	-
	133,227	35,169

6. Portfolio investments

	2016	2015
Operating Fund - investments recorded at cost		
Investment in Waaskiinaysay Ziibi Inc. (20% interest)	25,000	25,000
Investment in Landmark Inn General Partner Ltd. (7.4% interest)	1,000	1,000
Investment in Landmark Inn Leasing Corporation (7.4% interest)	1,000	1,000
Investment in Landmark Inn Limited Partnership (7.4% interest)	92,000	92,000
	119,000	119,000
Casino Rama Fund		
TD Bank GIC (0.60% interest, 2015 - 1.15% - maturing May 11, 2016)	77,494	76,736
TD Bank GIC (1.25% interest, 2015 - 1.55% - maturing March 7, 2017)	122,640	120,308
TD Bank GIC (1.25% interest, 2015 - 1.55% - maturing March 7, 2017)	122,640	120,308
TD Bank GIC (1.25% interest, 2015 - 1.55% - maturing March 7, 2017)	122,640	120,308
TD Bank GIC (1.25% interest, 2015 - 1.55% - maturing May 3, 2017)	150,000	120,308
TD Bank GIC (0.55% interest, 2015 - 1.55% - maturing April 8, 2016)	47,138	46,822
TD Bank GIC (0.40% interest, 2015 - 0.80% - maturing January 13, 2017)	17,843	17,701
TD Bank GIC (1.35% interest, 2015 - 1.65% - maturing May 9, 2017)	144,026	141,114
TD Bank GIC (0.40% interest, 2015 - 0.90% - maturing May 22, 2016)	1,519	1,509
TD Bank GIC (1.35% interest, 2015 - 1.65% - maturing May 9, 2017)	124,776	122,255
	930,716	887,369
Ontario Power Generation disbursements		
TD Bank GIC (0.85% interest - maturing February 2, 2017)	570,000	-
TD Bank GIC (1.25% interest - maturing May 3, 2017)	1,000,000	-
	1,570,000	-
	2,619,716	1,006,369

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

7. 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, 2016 was \$22,652 (2015 - \$22,652).

	2016	2015
Wawasum Group Limited	43,710	46,482

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

Wawasum Group Limited	March 31, 2016	March 31, 2015
Total financial assets	40,794	224,904
Total liabilities	<u>19,306</u>	<u>197,347</u>
Net financial assets	21,488	27,557
Non-financial assets	<u>65,951</u>	<u>65,408</u>
Accumulated surplus	87,419	92,945
Share capital	<u>20</u>	<u>20</u>
Share capital and accumulated surplus	<u>87,439</u>	<u><u>92,965</u></u>
Revenue	12,830	226,876
Expenses	<u>18,356</u>	<u>237,133</u>
Net income	<u>(5,526)</u>	<u><u>(10,257)</u></u>

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

8. Investment in government business partnership

Animbiigoo Zaagi'igan Anishinaabek owns 49.5% of Wawasum Group LP.

Animbiigoo Zaagi'igan Anishinaabek investments in government business partnerships consist of the following:

	2016
Wawasum Group LP	25,098

The following table represents condensed financial information for the commercial enterprise.

Wawasum Group LP	March 31, 2016
Cash	77,862
Accounts receivable	93,714
HST receivable	18,310
Total assets	189,886
Accounts payable	91,166
Due to related parties	48,051
Total liabilities	139,217
Partners' Capital	50,669
Total liabilities and equity	189,886
Revenue	312,240
Expenses	264,153
Net income	48,087

Wawasum Group LP's main business activity is to develop a wood pellet plant and other economic opportunities for the partners.

9. Bank indebtedness

At March 31, 2016 the First Nation had available lines of credit totalling \$100,000 (2015 - \$100,000) bearing interest at 3.7% per annum (2015 - 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, 2016, Animbiigoosagagun Economic Development Trust had available lines of credit totalling \$175,000 (2015 - \$175,000) bearing interest at bank prime rate of 3.7% (2015 - bank prime rate of 3%), of which \$137,717 was drawn (2015 - \$169,351). Secured by a guarantee of the First Nation.

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Accounts payable and accruals

	2016	2015
Trade payables	144,990	84,305
Accrued wages and benefits payable	6,194	12,621
Other accruals	20,000	20,000
	171,184	116,926

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>
Indigenous and Northern Affairs Canada	148,520	141,892	155,178	135,234
Human Resources and Skills Development Canada - New Horizons for Seniors Program	4,990	-	4,990	-
TransCanada Pipelines Ltd. - Energy East Project	24,004	34,873	54,180	4,697
Ne Daa Kii Me Naan Inc. - Children's Sports Program	26,666	35,000	11,950	49,716
	204,180	211,765	226,298	189,647

12. Due to government and other government organizations

	2016	2015
Receiver General	31,108	-

13. Employee benefit obligations

	2016	2015
Vacation and overtime	696	18,999

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 \$25,202 (2015 - \$26,108).

14. Ontario Power Generation settlement due to members

During the year, the First Nation received a settlement from Ontario Power Generation ("OPG") totalling \$3,500,000. The First Nation committed to issuing a per capital distribution to all registered members of the First Nation effective December 7, 2015. As of year-end, a total of \$781,350 remained owing to First Nation members, of which \$211,350 was owing to adult members and \$570,000 was owing to minor children.

15. 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.

16. Tangible capital assets

The consolidated schedule of tangible capital assets (Schedule 1) represents all balances and changes in the year relating to the tangible capital assets owned by the First Nation.

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.

During the year, the First Nation obtained an independent valuation on its forestry machinery and equipment held by Ombabika Equipment Inc. The estimated value of the machinery and equipment was determined to be \$418,500. This amount has been added to the net book value of the First Nation's tangible capital assets and has not been amortized in the current year as it represents the estimated fair value of the machinery and equipment at year-end. The machinery and equipment will be amortized at a rate of 30% per year commencing with the fiscal year ending March 31, 2017.

17. 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, Wawasum Group LP, Landmark Inn Limited Partnership and Ombabika Resources Inc.

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, 2016

18. Government transfers

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

	<i>Operating</i>	<i>Capital</i>	<i>2016</i>	<i>2015</i>
Federal government transfers				
Canada Revenue Agency - HST refunds	29,106	-	29,106	40,249
Indigenous and Northern Affairs Canada	586,725	141,892	728,617	711,866
Health Canada	118,461	-	118,461	108,126
Human Resources and Skills Development Canada	2,607	-	2,607	6,977
Total Federal	736,899	141,892	878,791	867,218
Provincial government transfers				
Ministry of Indigenous Relations and Reconciliation	90,000	-	90,000	90,000
Ministry of Health	7,286	-	7,286	7,286
Ministry of Community and Social Services	155,841	-	155,841	137,457
Ministry of Northern Development and Mines	474	-	474	2,674
Northern Ontario Heritage Fund Corporation	19,856	-	19,856	-
Ontario Power Generation	3,500,000	-	3,500,000	-
Total Provincial	3,773,457	-	3,773,457	237,417
	4,510,356	141,892	4,652,248	1,104,635

19. Interfund transfers

An amount of \$532,640 (2015 - \$350,000) was transferred from the Casino Rama Fund to the Operating Fund in order to fund disbursements for operating activities.

20. 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.

21. Comparative figures

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

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

22. 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.

Animbiigoosagagun Economic Development Trust As at March 31	2016	2015
Financial assets		
Accounts receivable	38,500	1,000
Loan receivable	418,500	1,426,168
Due from Ombabika Equipment Inc.	-	78,364
	457,000	1,505,532
Liabilities		
Bank indebtedness	174,012	169,351
Accounts payable and accruals	5,188	5,188
Due to Animbiigoo Zaagi'igan Anishinaabek	237,146	235,098
Loan payable to Animbiigoo Zaagi'igan Anishinaabek	1,354,456	1,366,168
	1,770,802	1,775,805
Net debt	(1,313,802)	(270,273)
Non-financial assets		
Tangible capital assets	164,521	174,945
Mineral property	50,124	50,124
	214,645	225,069
Accumulated deficit	(1,099,157)	(45,204)
Revenue	75,000	159,316
Expenses	18,134	50,457
Impairment loss on loan receivable	(1,110,820)	-
Net Income (loss) before other items	(1,053,954)	108,859

The due to Animbiigoo Zaagi'igan Anishinaabek of \$237,146 (2015 - \$235,098), loan payable to Animbiigoo Zaagi'igan Anishinaabek of \$1,354,456 (2015 - \$1,366,168) and loan receivable of \$418,500 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, 2016

22. Consolidated entities (continued from previous page)

	2016	2015
Maajiikan Inc.		
As at March 31		
Financial assets		
Capital assets	22,823	16,343
Liabilities		
Due to Animbiigoo Zaagi'igan Anishinaabek	22,823	16,343
Accumulated Surplus	-	-
Ombabika Equipment Inc.		
As at March 31		
Financial assets		
Cash	866	-
Accumulated surplus	866	-
Revenue	96,761	-
Expenses	(95,895)	-
Net income	866	-

The due to Animbiigoo Zaagi'igan Anishinaabek of \$22,823 (2015 - \$16,343) was eliminated in the consolidated statement of financial position.

23. 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.

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.

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

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.

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
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

24. Impairment loss on loan receivable

During the current year, it was determined that a loan receivable from a related third party was impaired. As a result, the loan receivable was written down from its carrying amount of \$1,529,320 to its estimated recoverable value of \$418,500. The resulting impairment loss of \$1,110,820 has been recorded in other expenses in the current year consolidated statement of operations and accumulated surplus.

Animbiigoo Zaagi'igan Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2016

	<i>Land</i>	<i>Building</i>	<i>Automotive</i>	<i>Office Equipment</i>	<i>Computer Equipment</i>	<i>General Equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	26,434	452,615	62,814	48,944	54,550	106,567	751,924
Acquisition of tangible capital assets	6,480	7,844	-	5,673	-	-	19,997
Other adjustments	-	-	-	-	-	-	-
Balance, end of year	32,914	460,459	62,814	54,617	54,550	106,567	771,921
Accumulated amortization							
Balance, beginning of year	-	145,220	60,991	29,577	47,585	55,155	338,528
Annual amortization	-	12,452	547	4,441	2,089	10,283	29,812
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	-	157,672	61,538	34,018	49,674	65,438	368,340
Net book value of tangible capital assets	32,914	302,787	1,276	20,599	4,876	41,129	403,581
2015 Net book value of tangible capital assets	26,434	307,395	1,823	19,367	6,965	51,412	413,396

Animbiigoo Zaagi'igan Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Forestry Machinery and Equipment</i>	<i>2016</i>	<i>2015</i>
Cost				
Balance, beginning of year	751,924	-	751,924	795,360
Acquisition of tangible capital assets	19,997	418,500	438,497	16,343
Other adjustments	-	-	-	(59,779)
Balance, end of year	771,921	418,500	1,190,421	751,924
Accumulated amortization				
Balance, beginning of year	338,528	-	338,528	304,475
Annual amortization	29,812	-	29,812	34,267
Accumulated amortization on disposals	-	-	-	(214)
Balance, end of year	368,340	-	368,340	338,528
Net book value of tangible capital assets	403,581	418,500	822,081	413,396
2015 Net book value of tangible capital assets	413,396	-	413,396	

Animbiigoo Zaagi'igan Anishinaabek
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2016

	2016	2015
Consolidated expenses by object		
Administration	3,500	7,350
Amortization	29,812	34,269
Automotive	3,935	-
Bad debts (recoveries)	(13,616)	11,547
Bank charges and interest	10,800	10,784
Books and supplies	14,347	15,235
Building costs	9,047	20,643
Chief and Council expenses	35,606	49,864
Community meetings	73,748	23,566
Community outreach	-	18,000
Compassionate contributions	13,684	14,297
Contracted services	65,963	36,876
Donations	2,825	1,525
Education allowance	100,175	106,216
Emergency assistance	36,704	24,367
Equipment	-	90,912
Facility rental	9,604	16,562
Guidance, counselling, and career fair	48,394	52,958
Honoraria	98,765	88,101
Insurance	5,504	12,623
Materials	-	10,765
Members special needs	-	31,288
Miscellaneous	87,525	-
OPG Members payments	2,335,000	-
Office expenses	191,719	200,250
Project costs	11,950	4,300
Professional fees	142,672	56,609
Property tax	2,919	2,924
Purchased services	152,754	135,785
Repairs and maintenance	45,481	48,141
Salaries and benefits	584,038	579,008
Scholarships	2,725	2,348
Special events - contribution	128	300
Summer students	2,768	16,120
Supplies	8,282	5,317
Telephone	1,787	2,712
Training	50,117	49,796
Travel	128,755	131,536
Tuition	61,378	67,058
Workshops	25,743	34,878
	4,384,538	2,014,830

Animbiigoo Zaagi'igan Anishinaabek

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred revenue (net)</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Administration							
Administration - Total	218,477	73,091	-	291,568	527,446	315,224	79,346
Education							
Education	251,248	-	-	251,248	247,549	-	3,699
Animbiigoosagagun Economic Development Trust							
Animbiigoosagagun Economic Development Trust	-	(1,035,820)	-	(1,035,820)	34,828	-	(1,070,648)
Investment Fund							
Investment Fund - Total	-	125,086	-	125,086	95,896	-	29,190
Economic/Employment							
Economic/Employment Programs - Total	67,000	3,701,687	19,307	3,787,994	2,734,626	107,555	1,160,923
Social							
Social Programs - Total	-	36,035	-	36,035	36,035	-	-
Health							
Health Programs - Total	-	199,833	-	199,833	199,833	-	-
Community Programs							
Community Programs - Total	-	203,183	(18,060)	185,123	184,126	-	997
Lands & Resources							
Lands & Resources - Total	-	-	-	-	2,671	-	(2,671)
Minor Capital							
Minor Capital - Total	191,892	2,000	13,286	207,178	321,528	109,861	(4,489)
Casino Rama Fund							
Casino Rama Fund	-	518,241	-	518,241	-	(532,640)	(14,399)
Total	728,617	3,823,336	14,533	4,566,486	4,384,538	-	181,948