

Animbiigoo Zaagi'igan Anishinaabek
Consolidated Financial Statements
March 31, 2017

Animbiigoo Zaagi'igan Anishinaabek

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For the year ended March 31, 2017

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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.

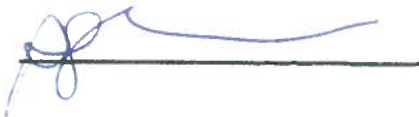
Management is responsible for the integrity and objectivity of these consolidated financial statements, and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and 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.

February 23, 2018



Band Administrator



Financial Controller

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, 2017, 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, 2017 and 2016. Ombabika Equipment Inc. is an inactive corporation with no known assets or operations, however, we were unable to satisfy ourselves that all liabilities of the consolidated entity had been recorded. Accordingly, we were unable to determine whether any adjustments might be necessary to the liabilities, net financial assets and accumulated surplus of the First Nation.

The First Nation's mineral rights are carried at \$50,124 on the consolidated statement of financial position as at March 31, 2017 and 2016. 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, 2017 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.

Thunder Bay, Ontario
February 23, 2018

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Animbiigoo Zaagi'igan Anishinaabek Consolidated Statement of Financial Position

As at March 31, 2017

	2017	2016
Financial assets		
Cash and cash equivalents (Note 3)	1,685,311	387,618
Accounts receivable (Note 4)	160,165	174,902
Due from government and other government organizations (Note 5)	905,636	133,227
Due from Wawasum Group Limited	22,652	22,652
Portfolio investments (Note 6)	1,032,677	2,619,716
Investment in government business enterprise (Note 7)	9,992	43,710
Investment in government business partnerships (Note 8)	101,096	25,098
Total financial assets	3,917,529	3,406,923
Liabilities		
Bank indebtedness (Note 9)	81,408	137,717
Accounts payable and accruals (Note 10)	289,575	171,184
Deferred revenue (Note 11)	262,002	189,647
Due to government and other government organizations (Note 12)	-	31,108
Employee benefit obligations (Note 13)	-	696
Ontario Power Generation settlement due to members (Note 14)	660,000	781,350
Total liabilities	1,292,985	1,311,702
Net financial assets	2,624,544	2,095,221
Contingent liabilities (Note 15)		
Non-financial assets		
Tangible capital assets (Note 16) (Schedule 1)	969,011	822,081
Mineral rights	50,124	50,124
Prepaid expenses	24,902	12,747
Total non-financial assets	1,044,037	884,952
Accumulated surplus	3,668,581	2,980,173

Approved on behalf of the Council



Chief



Councillor

Animbiigoo Zaagi'igan Anishinaabek

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	2017	2016
Revenue		
Indigenous and Northern Affairs Canada (Note 17)	1,384,857	728,617
Ontario First Nations Limited Partnership	570,174	505,143
Health Canada (Note 17)	110,580	118,461
Ontario Power Generation (Note 17)	-	3,500,000
Human Resources and Skills Development Canada (Note 17)	-	2,607
Dilico Anishinabek Family Care	25,371	27,500
Ministry of Indigenous Relations and Reconciliation (Note 17)	190,000	90,000
Ministry of Community and Social Services (Note 17)	155,841	155,841
Ministry of Children and Youth Services (Note 17)	122,276	-
Independent First Nations	122,035	82,621
AV Terrace Bay	86,563	75,000
Greenstone Gold Mines	77,600	-
Employment and Social Development Canada	47,060	-
Administrative fees	45,447	48,404
TransCanada Pipelines Limited	44,246	79,381
Anishinabek Employment and Training Services	22,219	6,579
Other revenue	20,460	109,103
Interest income	20,078	13,469
Ministry of Health (Note 17)	7,286	7,286
Miscellaneous	7,194	-
Dividends	6,000	6,000
Ne Daa Kii Me Naan Inc.	41,000	35,000
HST refunds (Note 17)	-	29,106
Northern Ontario Heritage Fund (Note 17)	-	19,856
Ministry of Northern Development and Mines (Note 17)	-	474
Deferred revenue - prior year (Note 11)	189,647	204,180
Deferred revenue - current year (Note 11)	(262,002)	(189,647)
	3,033,932	5,654,981
Expenses		
Administration	803,864	527,446
Education	264,168	247,549
Animbiigoosagagun Economic Development Trust	40,668	34,828
Investment Fund	-	95,896
Economic/Employment	468,083	2,734,626
Social	33,906	36,035
Health	364,046	199,833
Community	192,080	184,126
Lands and Resources	34,983	5,221
Minor Capital	118,494	318,978
Casino Rama	2	-
Total	2,320,294	4,384,538
Surplus before other items	713,638	1,270,443

Continued on next page

Animbiigoo Zaagi'igan Anishinaabek
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	2017	2016
Surplus before other items <i>(Continued from previous page)</i>	713,638	1,270,443
Other income (expense)		
Loss on disposal of capital assets	(67,500)	-
Decrease in investment in Wawasum Group Limited	(33,718)	(2,773)
Impairment loss on loan receivable	-	(1,110,820)
Increase in investment in Wawasum Group LP	75,988	25,098
	(25,230)	(1,088,495)
Surplus	688,408	181,948
Accumulated surplus, beginning of year	2,980,173	2,798,225
Accumulated surplus, end of year	3,668,581	2,980,173

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, 2017

	2017	2016
Annual surplus	688,408	181,948
Purchases of tangible capital assets	(603,677)	(19,997)
Amortization of tangible capital assets	38,247	29,812
Tangible capital assets acquired through subsidiary	-	(418,500)
Loss on disposal of tangible capital asset	67,500	-
Proceeds of disposal of tangible capital assets	351,000	-
Acquisition of prepaid expenses	(12,155)	-
Use of prepaid expenses	-	5,460
Increase (decrease) in net financial assets	529,323	(221,277)
Net financial assets, beginning of year	2,095,221	2,316,498
Net financial assets, end of year	2,624,544	2,095,221

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, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Surplus	688,408	181,948
Non-cash items		
Amortization	38,247	29,812
Net loss (income) from government business enterprises	33,718	2,773
Net income from government business partnerships	(75,998)	(25,098)
Impairment loss on loan receivable	-	1,110,820
Loss on disposal of capital assets	67,500	-
	751,875	1,300,255
Changes in working capital accounts		
Accounts receivable	14,737	(39,481)
Due from government and other government organizations	(772,409)	(98,058)
Prepaid expenses	(12,155)	5,460
Accounts payable and accruals	118,392	54,256
Due to government and other government organizations	(31,108)	31,106
Deferred revenue	72,355	(14,533)
Due from Ombabika Equipment Inc.	-	(24,787)
Employee benefit obligations	(696)	(18,301)
Ontario Power Generation settlement due to members	(121,350)	781,350
	19,641	1,977,267
Financing activities		
Net repayments of bank indebtedness	(56,309)	(31,634)
Capital activities		
Purchases of tangible capital assets	(603,677)	(19,997)
Proceeds of disposal of tangible capital assets	351,000	-
	(252,677)	(19,997)
Investing activities		
Purchase of portfolio investments	(10)	(1,613,347)
Proceeds on disposal of portfolio investments	1,587,048	-
	1,587,038	(1,613,347)
Increase in cash resources	1,297,693	312,289
Cash resources, beginning of year	387,618	75,329
Cash resources, end of year	1,685,311	387,618
Cash resources are composed of:		
Cash and cash equivalents total	1,685,311	387,618
Supplementary cash flow information		
Interest paid	6,325	10,138

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, 2017

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, 2017

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.

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
Building	declining balance	4 %
Automotive	declining balance	30 %
Office equipment	declining balance	20 %
Computer equipment	declining balance	30 %
General equipment	declining balance	20 %
Roads	declining balance	5 %

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

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management 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.

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.

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

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

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.

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.

3. Cash and cash equivalents

	2017	2016
Cash on hand	(3,065)	5,562
General	382,351	(34,018)
Ontario First Nations Limited Partnership	50,031	84,809
Ontario Power Generation Disbursements	243,494	330,399
Ombabika Equipment Inc.	-	866
TD Bank GIC (1.25% interest, 2016 - 1.25% - maturing May 3, 2017)	1,012,500	-
	1,685,311	387,618

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

4. Accounts receivable

	2017	2016
Due from members		
Loans	4,055	18,689
Medical transportation	8,758	10,318
	12,813	29,007
Due from others		
Accrued interest receivable	223	2,111
Independent First Nations	46,919	46,150
Nokiiwin Tribal Council Inc.	11,200	-
Other receivables	3,180	95,056
Stantec Consulting	11,127	22,254
TransCanada Pipelines Limited	79,199	34,873
	151,848	200,444
Less: allowance for doubtful accounts	(4,496)	(54,549)
	160,165	174,902

5. Due from government and other government organizations

	2017	2016
Federal government		
Indigenous and Northern Affairs Canada	712,486	25,000
HST recoverable	75,743	76,427
Parks Canada	-	222
	788,229	101,649
Provincial government		
Ministry of Indigenous Relations and Reconciliation	20,000	-
Other government organizations		
Ministry of Community and Social Services	-	25,973
Dilico Anishinabek Family Care	6,343	-
Northern Ontario Heritage Fund Corporation	-	5,605
Ministry of Children and Youth Services	91,064	-
	97,407	31,578
	905,636	133,227

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Portfolio investments

	2017	2016
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
Aboriginal Employment and Training Services General Partnership Inc. (12.5% interest)	10	-
	119,010	119,000
Casino Rama Fund		
TD Bank GIC (1.28% interest, 2016 - 1.25% - maturing May 13, 2018)	124,556	122,640
TD Bank GIC (1.28% interest, 2016 - 1.25% - maturing May 13, 2018)	124,556	122,640
TD Bank GIC (1.28% interest, 2016 - 1.25% - maturing May 13, 2018)	124,555	122,640
TD Bank GIC (matured May 11, 2016)	-	77,494
TD Bank GIC (redeemed September 21, 2016)	-	150,000
TD Bank GIC (matured April 8, 2016)	-	47,138
TD Bank GIC (matured January 13, 2017)	-	17,843
TD Bank GIC (redeemed September 9, 2016)	-	144,026
TD Bank GIC (matured May 22, 2016)	-	1,519
TD Bank GIC (redeemed September 22, 2016)	-	124,776
	373,667	930,716
Ontario Power Generation disbursements		
TD Bank GIC (0.85% interest, 2016 - 0.85% - maturing February 2, 2019)	540,000	570,000
TD Bank GIC	-	1,000,000
	540,000	1,570,000
	1,032,677	2,619,716

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

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, 2017 was \$22,652 (2016 - \$22,652).

	2017	2016
Wawasum Group Limited	9,992	43,710

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

Wawasum Group Limited	March 31, 2017	March 31, 2016
Total financial assets	63,152	40,794
Total liabilities	<u>45,305</u>	<u>19,306</u>
Net financial assets	17,847	21,488
Non-financial assets	<u>2,156</u>	<u>65,951</u>
Accumulated surplus	19,983	87,419
Share capital	<u>20</u>	<u>20</u>
Share capital and accumulated surplus	<u><u>20,003</u></u>	<u><u>87,439</u></u>
Revenue	1,735	12,830
Expenses	<u>4,271</u>	<u>18,356</u>
Net income	<u><u>(2,536)</u></u>	<u><u>(5,526)</u></u>

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

8. Investment in government business partnerships

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

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

	2017	2016
Wawasum Group LP	101,086	25,098

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

Wawasum Group LP	March 31, 2017	March 31, 2016
Cash	277,921	77,862
Accounts receivable	67,550	93,714
HST receivable	<u>27,606</u>	<u>18,310</u>
Total assets	<u><u>373,077</u></u>	<u><u>189,886</u></u>
 Accounts payable	 81,979	 91,166
Due to related parties	<u>86,964</u>	<u>48,051</u>
Total liabilities	168,943	139,217
Partners' capital	<u>204,164</u>	<u>50,669</u>
Total liabilities and equity	<u><u>373,107</u></u>	<u><u>189,886</u></u>
 Revenue	 373,113	 312,240
Expenses	<u>219,618</u>	<u>264,153</u>
Net income	<u><u>153,495</u></u>	<u><u>48,087</u></u>

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

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

8. Investment in government business partnerships *(Continued from previous page)*

The First Nation owned 12.50% of the units of Aboriginal Employment and Training Services (AETS) Property LP and has been included in the consolidated financial statements using the modified equity method.

2017

First Nation Business Partnerships AETS Property LP

10

The First Nation's investment in AETS Property LP was established for the purposes of providing training services to its member First Nations.

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>AETS Property LP (Unaudited) As at March 31, 2017</i>
Assets	
Cash	80
Total assets	80
Partners' capital	80

The investments in government business partnerships totals to \$101,096 as at March 31, 2017.

9. Bank indebtedness

At March 31, 2017 the First Nation had available lines of credit totalling \$100,000 (2016 - \$100,000) bearing interest at 3.7% per annum (2016 - 3.7%), 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, 2017, Animbiigoosagagun Economic Development Trust had available lines of credit totalling \$83,000 (2016 - \$175,000) bearing interest at bank prime rate of 3.7% (2016 - bank prime rate of 3.7%), of which \$81,408 was drawn (2016 - \$137,717). Secured by a guarantee of the First Nation.

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

10. Accounts payable and accruals

	2017	2016
Trade payables	260,084	144,990
Accrued wages and benefits payable	9,491	6,194
Other accruals	20,000	20,000
	289,575	171,184

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 - Planning and Development	135,234	141,144	155,697	120,681
TransCanada Pipelines Ltd. - Energy East Project	4,697	44,246	27,188	21,755
Ne Daa Kii Me Naan Inc. - Children's Sports Program	49,716	41,000	33,582	57,134
Employment and Social Development Canada	-	47,060	-	47,060
Greenstone Gold Mines	-	77,600	62,228	15,372
	189,647	351,050	278,695	262,002

12. Due to government and other government organizations

	2017	2016
Receiver General	-	31,108

13. Employee benefit obligations

	2017	2016
Vacation and overtime	-	696

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 \$22,485 (2016 - \$25,202).

14. Ontario Power Generation settlement due to members

In 2016, 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 \$660,000 (2016 - \$781,350) remained owing to First Nation members, of which \$120,000 (2016 - \$211,350) was owing to adult members and \$540,000 (2016 - \$570,000) was owing to minor children.

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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.

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

17. Government transfers

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

	<i>Operating</i>	<i>Capital</i>	<i>2017</i>	<i>2016</i>
Federal government transfers				
Canada Revenue Agency - HST refunds	-	-	-	29,106
Indigenous and Northern Affairs Canada	869,202	515,655	1,384,857	728,617
Health Canada	110,580	-	110,580	118,461
Human Resources and Skills Development Canada	-	-	-	2,607
Total Federal	979,782	515,655	1,495,437	878,791
 Provincial government transfers				
Ministry of Indigenous Relations and Reconciliation	190,000	-	190,000	90,000
Ministry of Health	7,286	-	7,286	7,286
Ministry of Community and Social Services	155,841	-	155,841	155,841
Ministry of Northern Development and Mines	-	-	-	474
Ministry of Children and Youth Services	122,276	-	122,276	-
Northern Ontario Heritage Fund Corporation	-	-	-	19,856
Ontario Power Generation	-	-	-	3,500,000
Employment and Social Development Canada	47,060	-	47,060	-
Total Provincial	522,463	-	522,463	3,773,457
	1,502,245	515,655	2,017,900	4,652,248

18. Interfund transfers

An amount of \$523,509 (2016 - \$532,640) was transferred from the Casino Rama Fund to the Operating Fund in order to fund disbursements for operating activities.

19. 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.

20. 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, 2017

21. Consolidated entities

The First Nation controls the operations of Animbiigoosagagun Economic Development Trust, Maajiikan Inc. and Ombabika Equipment 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	2017	2016
Financial assets		
Accounts receivable	-	38,500
Loan receivable	-	418,500
	-	457,000
Liabilities		
Bank indebtedness	81,408	174,012
Accounts payable and accruals	5,188	5,188
Due to Animbiigoo Zaagi'igan Anishinaabek	237,393	237,146
Loan payable to Animbiigoo Zaagi'igan Anishinaabek	1,002,209	1,354,456
	1,326,198	1,770,802
Net debt	(1,326,198)	(1,313,802)
Non-financial assets		
Tangible capital assets	155,313	164,521
Mineral property	50,124	50,124
	205,437	214,645
Accumulated deficit	(1,120,761)	(1,099,157)
Revenue	60,000	75,000
Expenses	14,104	18,134
Impairment loss on loan receivable	(67,500)	(1,110,820)
Net loss before other items	(21,604)	(1,053,954)

The due to Animbiigoo Zaagi'igan Anishinaabek of \$237,393 (2016 - \$237,146) and loan payable to Animbiigoo Zaagi'igan Anishinaabek of \$1,002,209 (2016 - \$1,354,456) 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, 2017

22. Consolidated entities (continued from previous page)

Maajiikan Inc.	2017	2016
As at March 31		
Financial assets		
Capital assets	22,451	22,823
Liabilities		
Due to Animbiigoo Zaagi'igan Anishinaabek	22,451	22,823
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 (2016 - \$22,823) 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
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2017

	<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	32,914	460,459	62,814	54,617	54,550	106,567	771,921
Acquisition of tangible capital assets	-	38,920	12,000	-	-	-	50,920
Other adjustments	(373)	-	-	-	-	-	(373)
Balance, end of year	32,541	499,379	74,814	54,617	54,550	106,567	822,468
Accumulated amortization							
Balance, beginning of year	-	157,672	61,538	34,018	49,674	65,438	368,340
Annual amortization	-	12,747	3,251	4,120	1,463	8,226	29,807
Balance, end of year	-	170,419	64,789	38,138	51,137	73,664	398,147
Net book value of tangible capital assets	32,541	328,960	10,025	16,479	3,413	32,903	424,321
2016 Net book value of tangible capital assets	32,914	302,787	1,276	20,599	4,876	41,129	403,581

Animbiigoo Zaagi'igan Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Forestry Machinery and Equipment</i>	<i>Roads</i>	<i>Subdivision</i>	<i>2017</i>	<i>2016</i>
Cost						
Balance, beginning of year	771,921	418,500	-	-	1,190,421	751,924
Acquisition of tangible capital assets	50,920	-	337,620	215,510	604,050	438,497
Other adjustments	(373)	(418,500)	-	-	(418,873)	-
Balance, end of year	822,468	-	337,620	215,510	1,375,598	1,190,421
Accumulated amortization						
Balance, beginning of year	368,340	-	-	-	368,340	338,528
Annual amortization	29,807	-	8,440	-	38,247	29,812
Balance, end of year	398,147	-	8,440	-	406,587	368,340
Net book value of tangible capital assets	424,321	-	329,180	215,510	969,011	822,081
2016 Net book value of tangible capital assets	403,581	418,500	-	-	822,081	

Animbiigoo Zaagi'igan Anishinaabek
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2017

	2017	2016
Consolidated expenses by object		
Administration	32,374	3,500
Amortization	38,247	29,812
Automotive	-	3,935
Bad debts (recoveries)	(22,340)	(13,616)
Bank charges and interest	6,325	10,800
Books and supplies	17,991	14,347
Building costs	31,634	9,047
Chief and Council expenses	52,273	35,606
Community meetings	43,134	73,748
Compassionate contributions	3,306	13,684
Contracted services	18,745	65,963
Cultural development	4,069	-
Donations	1,850	2,825
Education allowance	134,888	100,175
Emergency assistance	14,202	36,704
Equipment	1,524	-
Facility rental	9,761	9,604
Transfer payments	193,331	-
Guidance, counselling, and career fair	17,326	48,394
Health	6,085	-
Honoraria	114,942	98,765
Insurance	29,412	5,504
Members special needs	11,524	-
Miscellaneous	25,824	87,525
OPG Members payments	-	2,335,000
Office expenses	137,067	191,719
Office rent	4,374	-
Other expenses	20,291	-
Professional fees	232,618	142,672
Project costs	33,683	11,950
Property tax	5,881	2,919
Purchased services	99,245	152,754
Repairs and maintenance	19,669	45,481
Safe space costs	16,429	-
Salaries and benefits	636,253	584,037
Scholarships	-	2,725
Special events - contribution	191	128
Summer students	2,695	2,768
Supplies	2,599	8,282
Telephone	4,869	1,787
Training	39,627	50,117
Travel	120,088	128,756
Tuition	82,498	61,378
Workshops	75,790	25,743
	2,320,294	4,384,538

Animbiigoo Zaagi'igan Anishinaabek

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

For the year ended March 31, 2017

	<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	409,601	52,198	-	461,799	803,864	413,257	71,192
Education	262,457	2,746	-	265,203	264,168	-	1,035
Animbiigoosagagun Economic Development Trust	-	19,063	-	19,063	40,668	12,396	(9,209)
Investment Fund	-	48,270	-	48,270	-	-	48,270
Economic/Employment	56,000	362,180	(32,430)	385,750	468,083	108,343	26,010
Social	-	33,906	-	33,906	33,906	-	-
Health	-	353,642	-	353,642	364,046	10,404	-
Community	-	198,841	(7,418)	191,423	192,080	657	-
Lands and Resources	515,655	52,076	(47,060)	520,671	34,983	59,002	544,690
Minor Capital	141,144	-	14,553	155,697	118,494	942	38,145
Casino Rama Fund	-	573,278	-	573,278	2	(605,001)	(31,725)
Total	1,384,857	1,696,200	(72,355)	3,008,702	2,320,294	-	688,408