

Animbiigoo Zaagi'igan Anishinaabek
Consolidated Financial Statements
March 31, 2018

Animbiigoo Zaagi'igan Anishinaabek

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For the year ended March 31, 2018

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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.

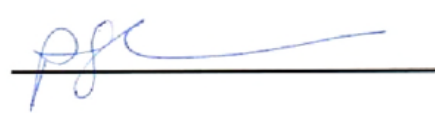
Management is responsible for the integrity and objectivity of these consolidated financial statements, and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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.

March 18, 2019



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, 2018, 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, 2018 and 2017. 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 did not prepare budgets, which is not in compliance with Canadian public sector accounting standards.

The audit opinion on the consolidated financial statements for the year ended March 31, 2017 was qualified accordingly because of the possible effects of the limitation in scope and departure from the 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, the consolidated financial statements present fairly, in all material respects, the financial position of Animbiigoo Zaagi'igan Anishinaabek as at March 31, 2018 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
March 18, 2019


Chartered Professional Accountants
Licensed Public Accountants

Animbiigoo Zaagi'igan Anishinaabek

Consolidated Statement of Financial Position

As at March 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents (Note 3)	1,247,175	1,685,311
Accounts receivable (Note 4), (Note 9)	285,968	189,160
Due from government and other government organizations (Note 5)	347,188	899,293
Portfolio investments (Note 6)	2,904,912	1,032,687
Investment in government business enterprise (Note 7)	8,097	9,992
Investment in government business partnership (Note 8)	33,380	101,086
Total financial assets	4,826,720	3,917,529
Liabilities		
Bank indebtedness (Note 10)	23,122	81,408
Accounts payable and accruals (Note 11)	462,614	289,576
Deferred revenue (Note 12)	146,081	262,002
Ontario Power Generation settlement due to members (Note 14)	615,000	660,000
Total liabilities	1,246,817	1,292,986
Net financial assets	3,579,903	2,624,543
Contingent liabilities (Note 15)		
Non-financial assets		
Tangible capital assets (Note 16) (Schedule 1)	958,664	969,011
Mineral rights	50,124	50,124
Prepaid expenses	13,430	24,902
Total non-financial assets	1,022,218	1,044,037
Accumulated surplus	4,602,121	3,668,580

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, 2018

	2018	2017
Revenue		
Indigenous Services Canada (Note 17)	1,113,683	1,384,857
OFNLP2008	577,447	570,174
First Nation and Inuit Health (Note 17)	113,080	110,580
Dilico Anishinabek Family Care	25,371	25,371
Ministry of Indigenous Affairs (Note 17)	90,000	190,000
Ministry of Community and Social Services (Note 17)	156,620	155,841
Ministry of Children and Youth Services (Note 17)	227,299	122,276
Independent First Nations	236,412	122,035
AV Terrace Bay	111,568	86,563
Greenstone Gold Mines	89,048	77,600
Employment and Social Development Canada (Note 17)	-	47,060
Administrative fees	46,453	45,447
TransCanada Pipelines Limited	4,650	44,246
Anishinabek Employment and Training Services	46,127	22,219
Other revenue	107,834	27,654
Interest income	23,636	20,078
Ministry of Health and Long-Term Care (Note 17)	7,386	7,286
First Nations Land Management Resource Centre Inc.	75,000	-
Ministry of Education (Note 17)	58,100	-
Dividends	6,000	6,000
Ne Daa Kii Me Naan Inc.	45,000	41,000
Deferred revenue - prior year (Note 12)	262,002	189,647
Deferred revenue - current year (Note 12)	(146,081)	(262,002)
	3,276,635	3,033,932
Expenses		
Administration	741,241	803,865
Education	262,215	264,168
Animbiigoosagagun Economic Development Trust	42,505	40,668
Economic/Employment	283,586	468,083
Social	-	33,906
Health	650,135	364,046
Community	163,578	192,080
Lands and Resources	90,131	34,983
Minor Capital	100,102	118,494
OFNLP2008	-	2
Total	2,333,493	2,320,295
Surplus before other items	943,142	713,637

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Animbiigoo Zaagi'igan Anishinaabek
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	2018	2017
Surplus before other items <i>(Continued from previous page)</i>	943,142	713,637
Other income (expense)		
Gain (loss) on disposal of tangible capital assets	-	(67,500)
Loss from investment in government business enterprise	(1,895)	(33,718)
Earnings (loss) from investment in government business partnership	(7,706)	75,988
	(9,601)	(25,230)
Surplus	933,541	688,407
Accumulated surplus, beginning of year	3,668,580	2,980,173
Accumulated surplus, end of year	4,602,121	3,668,580

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, 2018

	2018	2017
Annual surplus	933,541	688,407
Purchases of tangible capital assets	(40,004)	(603,677)
Amortization of tangible capital assets	50,350	38,247
Gain (loss) on disposal of tangible capital asset	-	67,500
Proceeds on disposal of tangible capital assets	-	351,000
Acquisition of prepaid expenses	-	(12,155)
Use of prepaid expenses	11,472	-
Increase in net financial assets	955,359	529,322
Net financial assets, beginning of year	2,624,544	2,095,221
Net financial assets, end of year	3,579,903	2,624,543

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, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Surplus	933,541	688,407
Non-cash items		
Amortization	50,350	38,247
Loss from investment in government business enterprise	1,895	33,718
Earnings (loss) from investment in government business partnership	7,706	(75,998)
Gain (loss) on disposal of tangible capital assets	-	67,500
	993,492	751,874
Changes in working capital accounts		
Accounts receivable	(96,808)	14,737
Due from government and other government organizations	552,105	(772,409)
Prepaid expenses	11,472	(12,155)
Accounts payable and accruals	173,037	118,393
Due to government and other government organizations	-	(31,108)
Deferred revenue	(115,920)	72,355
Employee benefit obligations	-	(696)
Ontario Power Generation settlement due to members	(45,000)	(121,350)
	1,472,378	19,641
Financing activities		
Net repayments of bank indebtedness	(58,286)	(56,309)
Capital activities		
Purchases of tangible capital assets	(40,004)	(603,677)
Proceeds on disposal of tangible capital assets	-	351,000
	(40,004)	(252,677)
Investing activities		
Purchase of portfolio investments	(1,902,224)	(10)
Proceeds on disposal of portfolio investments	30,000	1,587,048
Distribution from government business partnership	60,000	-
	(1,812,224)	1,587,038
Increase (decrease) in cash resources	(438,136)	1,297,693
Cash resources, beginning of year	1,685,311	387,618
Cash resources, end of year	1,247,175	1,685,311

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, 2018

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:

Basis of accounting

These consolidated financial statements have been prepared 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.

Principles of consolidation

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

Investments in First Nation partnerships are accounted for using the proportionate consolidation method whereby the First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the First Nation partnership are combined on a line-by-line basis with similar items of the First Nation. Partnerships which meet the definition of a government business partnership are included in the consolidated financial statements on a modified equity basis.

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 partnerships 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 the First Nation'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, 2018

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 in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. The investments are recorded at cost, less any provision that is other than a temporary impairment.

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 following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	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.

Loan guarantees

The First Nation records a provision for losses on loan guarantees when it determines that a loss is likely.

The provision is determined based on the current circumstances of the individual borrowers and is reviewed on an ongoing basis as new events occur, as more experience is acquired, or as additional information is obtained. Any changes in the provision is charged or credited to expenses. A provision for loss on a loan guarantee is removed from the First Nation's statement of financial position when the guaranteed loan has been discharged or the term of the loan guarantee has expired.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other

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.

Interest and investment income is recognized as revenue when earned.

Management and administration fees are recognized when services are provided, the amount is measurable and collectability is reasonably assured.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to the various programs. Such allocations are recorded as program administration fees revenue on the Administration Program schedule of revenue and expense.

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.

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred revenue is estimated based on management's review of revenue received, but unspent at year-end.

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 Note 2 of the Significant accounting policies.

Employee future benefits

The First Nation's employee future benefit programs consist of a defined contribution pension plan. The First Nation contributions to the defined contribution plan are expensed as incurred.

3. Cash and cash equivalents

	2018	2017
Cash on hand	1,937	(3,065)
General (unrestricted)	245,488	382,351
OFNLP2008 (unrestricted)	77,585	50,031
Ontario Power Generation disbursements (internally restricted)	230,787	243,494
Recreation Fund (internally restricted)	96,121	-
TD Bank GIC (1.28% interest, 2017 - 1.25% - maturing May 3, 2018) (internally restricted)	373,668	1,012,500
Independent First Nations flow-through (externally restricted)	221,589	-
	1,247,175	1,685,311

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Accounts receivable

	2018	2017
Due from members		
Loans	6,134	4,055
Medical transportation	13,230	8,758
	19,364	12,813
Due from others		
Accrued interest receivable	20,630	223
First Nations Land Management Resources Inc.	58,030	-
Independent First Nations	152,083	46,919
Nokiiwin Tribal Council Inc.	-	11,200
Wawasum Group Limited	22,652	22,652
Four Nations Forestry LP	10,000	-
Other receivables	7,705	9,523
Stantec Consulting	-	11,127
TransCanada Pipelines Limited	-	79,199
	271,100	180,843
Less: allowance for doubtful accounts	(4,496)	(4,496)
	285,968	189,160

5. Due from government and other government organizations

	2018	2017
Federal government		
Indigenous Services Canada	168,371	712,486
Canada Revenue Agency - sales tax recoverable	107,642	75,743
	276,013	788,229
Provincial government		
Ministry of Indigenous Affairs	-	20,000
Ministry of Education	58,100	-
	58,100	20,000
Other government organizations		
Ministry of Children and Youth Services	11,648	91,064
Ministry of Northern Development and Mines	382	-
Ministry of Natural Resources	1,045	-
	13,075	91,064
	347,188	899,293

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

6. Portfolio investments

	2018	2017
Operating Fund - investments recorded at cost		
Waaskiinaysay Ziibi Inc.	25,000	25,000
Landmark Inn General Partner Ltd.	1,000	1,000
Landmark Inn Leasing Corporation	1,000	1,000
Landmark Inn Limited Partnership	92,000	92,000
Aboriginal Employment and Training Services General Partnership Inc.	10	10
Aboriginal Employment and Training Services Limited Partnership	10	10
Ontario First Nations Sovereign Wealth Limited Partnership	1	-
Ontario First Nations Asset Management General Partnership Corporation	1	-
Four Nations Forestry LP	10	-
Four Nations Forestry GP Inc.	250	-
Ne Daa Kii Me Naan Inc.	10	-
	119,292	119,020
OFNLP2008		
TD Bank GIC	-	124,556
TD Bank GIC	-	124,556
TD Bank GIC	-	124,555
TD Bank GIC (0.38% interest - maturing September 21, 2019)	350,000	-
TD Bank GIC (2.30% interest - maturing March 9, 2021)	550,000	-
TD Bank GIC (1.80% interest - maturing January 16, 2019)	360,000	-
	1,260,000	373,667
Ontario Power Generation disbursements		
TD Bank GIC (1.32% interest, 2017 - 0.85% - maturing July 10, 2018)	1,015,620	540,000
Minors		
TD Bank GIC (0.09% interest - maturing February 2, 2019)	270,000	-
TD Bank GIC (1.80% interest - maturing February 4, 2019)	240,000	-
	510,000	-
	2,904,912	1,032,687

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

7. Investment in government business enterprise

Animbiigoo Zaagi'igan Anishinaabek owns 50% of the common shares of Wawasum Group Limited. The net amount owing to Animbiigoo Zaagi'igan Anishinaabek from Wawasum Group Limited as at March 31, 2018 was \$22,652 (2017 - \$22,652).

	2018	2017
Wawasum Group Limited	8,097	9,992

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

Wawasum Group Limited	March 31, 2018	March 31, 2017
Cash and cash equivalents	46,450	62,601
Accounts receivable	124	551
Investment in Wawasum Group LP	14,899	2,053
Tangible capital assets	46	103
Total assets	61,519	65,308
Due to related parties	45,305	45,305
Total liabilities	45,305	45,305
Share capital	20	20
Retained earnings	16,194	19,983
Total liabilities and equity	61,519	65,308
Revenue	145	1,735
Expenses	3,934	4,271
Net Loss	(3,789)	(2,536)

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

8. Investment in government business partnership

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

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

	2018	2017
Wawasum Group LP	33,380	101,086

The following table represents condensed financial information for Wawasum Group LP.

Wawasum Group LP	March 31, 2018	March 31, 2017
Cash	128,410	277,921
Accounts receivable	46,280	67,550
HST receivable	-	27,606
Prepaid expenses	3,659	-
Total assets	178,349	373,077
Accounts payable	9,788	81,979
Due to related parties	86,903	86,964
Total liabilities	96,691	168,943
Partners capital	81,658	204,164
Total liabilities and equity	178,349	373,107
Revenue	51,586	373,113
Expenses	67,153	219,618
Net income (loss)	(15,567)	153,495

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

9. Related party transactions

The First Nation is related to Wawasum Group Limited and Four Nations Forestry LP as each entity is significantly influenced by the First Nation.

	2018	2017
Balances due from related parties, included in accounts receivable:		
Balance receivable from Wawasum Group Limited	22,652	22,652
Balance receivable from Four Nations Forestry LP	10,000	-

Animbiigoo Zaagi'igan Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

10. Bank indebtedness

At March 31, 2018 the First Nation had available lines of credit totalling \$100,000 (2017 - \$100,000) bearing interest at 3.7% per annum (2017 - 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 OFNLP2008 funds.

At March 31, 2018, Animbiigoosagagun Economic Development Trust had available lines of credit totalling \$83,000 (2017 - \$83,000) bearing interest at bank prime rate of 3.45% (2017 - bank prime rate of 3.7%), of which \$23,122 was drawn (2017 - \$81,408). Secured by a guarantee of the First Nation.

11. Accounts payable and accruals

	2018	2017
Trade payables	430,959	260,084
Accrued wages and benefits payable	11,655	9,491
Other accruals	20,000	20,000
	462,614	289,575

12. 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	120,681	-	120,681	-
TransCanada Pipelines Limited - Energy East Project	21,755	4,650	26,405	-
Ne Daa Kii Me Naan Inc. - Children's Sports Program	57,134	45,000	5,984	96,150
Employment and Social Development Canada	47,060	-	47,060	-
Greenstone Gold Mines	15,372	89,045	57,986	46,431
Independent First Nations - Anti-Human Trafficking	-	3,500	-	3,500
	262,002	142,195	258,116	146,081

13. Employee benefit obligations

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 \$49,010 (2017 - \$22,485).

Animbiigoo Zaagi'igan Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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 \$615,000 (2017 - \$660,000) remained owing to First Nation members, of which \$105,000 (2017 - \$120,000) was owing to adult members and \$510,000 (2017 - \$540,000) was owing to minor children.

15. Contingent liabilities

The First Nation has entered into contribution agreements with various federal and provincial 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.

As at March 31, 2018, no contingent liabilities have been recorded in the consolidated financial statements.

16. Tangible capital assets

The consolidated schedule of tangible capital assets (Schedule 1) presents 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.

17. Government transfers

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

	<i>Operating</i>	<i>Capital</i>	<i>2018</i>	<i>2017</i>
Federal government				
Indigenous Services Canada	973,193	140,490	1,113,683	1,384,857
First Nation and Inuit Health	113,080	-	113,080	110,580
Employment and Social Development Canada	-	-	-	47,060
	1,086,273	140,490	1,226,763	1,542,497
 Provincial government				
Ministry of Education	58,100	-	58,100	-
Ministry of Indigenous Affairs	90,000	-	90,000	190,000
Ministry of Health and Long-Term Care	7,386	-	7,386	7,286
Ministry of Community and Social Services	156,620	-	156,620	155,841
Ministry of Children and Youth Services	227,299	-	227,299	122,276
	539,405	-	539,405	475,403
	1,625,678	140,490	1,766,168	2,017,900

18. 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.

OFNLP2008 Fund - reports on the First Nation's OFNLP2008 funding.

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

19. Interfund transfers

An amount of \$Nil (2017 - \$605,002) was transferred from the OFNLP2008 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
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<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	32,541	499,379	74,814	54,617	54,550	106,567	822,468
Acquisition of tangible capital assets	-	-	-	29,004	11,000	-	40,004
Other adjustments	-	-	-	-	-	-	-
Balance, end of year	32,541	499,379	74,814	83,621	65,550	106,567	862,472
Accumulated amortization							
Balance, beginning of year	-	170,419	64,789	38,138	51,137	73,664	398,147
Annual amortization	-	12,874	5,144	6,197	2,674	6,581	33,470
Balance, end of year	-	183,293	69,933	44,335	53,811	80,245	431,617
Net book value of tangible capital assets	32,541	316,086	4,881	39,286	11,739	26,322	430,855
2017 Net book value of tangible capital assets	32,541	328,960	10,025	16,479	3,413	32,903	424,321

Animbiigoo Zaagi'igan Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Roads</i>	<i>Subdivision</i>	<i>2018</i>	<i>2017</i>
Cost					
Balance, beginning of year	822,468	337,620	215,510	1,375,598	1,190,421
Acquisition of tangible capital assets	40,004	-	-	40,004	604,050
Other adjustments	-	-	-	-	(418,873)
Balance, end of year	862,472	337,620	215,510	1,415,602	1,375,598
Accumulated amortization					
Balance, beginning of year	398,147	8,440	-	406,587	368,340
Annual amortization	33,470	16,881	-	50,351	38,247
Balance, end of year	431,617	25,321	-	456,938	406,587
Net book value of tangible capital assets	430,855	312,299	215,510	958,664	969,011
2017 Net book value of tangible capital assets	424,321	329,180	215,510	969,011	

Animbiigoo Zaagi'igan Anishinaabek
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	2018	2017
Consolidated expenses by object		
Administration	19,265	32,374
Amortization	50,350	38,247
Bad debts (recoveries)	-	(22,340)
Bank charges and interest	3,517	6,326
Books and supplies	15,292	17,991
Building costs	7,977	18,571
Chief and Council expenses	59,432	52,273
Community meetings	30,719	43,134
Compassionate contributions	-	3,306
Contracted services	15,440	18,745
Cultural development	-	4,069
Donations	18,761	1,850
Education allowance	122,158	134,888
Emergency assistance	-	14,202
Equipment	6,268	1,524
Facility rental	5,607	9,761
Transfer payments	-	193,331
Guidance, counselling, and career fair	52,941	17,326
Health	-	6,085
Honoraria	114,193	114,942
Insurance	33,062	29,412
Members special needs	253	11,524
Miscellaneous	54,075	46,115
Office expenses	117,854	139,309
Office rent	125	4,374
Professional fees	69,770	232,618
Project costs	5,984	33,683
Property tax	4,090	5,881
Purchased services	31,426	99,245
Repairs and maintenance	34,413	28,349
Safe space costs	44,047	16,429
Salaries and benefits	662,594	636,255
Scholarships	3,278	-
Special events	68	191
Summer students	-	2,695
Supplies	11,591	2,892
Telephone	3,876	4,869
Training	66,854	39,627
Travel	117,461	121,934
Tuition	65,439	82,498
Workshops	485,313	75,790
	2,333,493	2,320,295

Animbiigoo Zaagi'igan Anishinaabek

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

For the year ended March 31, 2018

	ISC Revenue	Other Revenue	Deferred revenue (net)	Total Revenue	Total Expenses	Current Surplus (Deficit)
Administration						
Administration - Events	68	-	-	68	68	-
Administration - Band Employee Benefits	33,300	-	-	33,300	33,300	-
Administration - Band Operations	253,471	29,991	-	283,462	349,500	(66,038)
Administration - Membership Governance Capacity Development	35,000	-	-	35,000	1,362	33,638
Administration - Independent First Nation	271,720	85,291	-	357,011	357,011	-
	593,559	115,282	-	708,841	741,241	(32,400)
Education						
Education	299,234	-	-	299,234	262,215	37,019
Animbiigoosagagun Economic Development Trust						
Animbiigoosagagun Economic Development Trust	-	117,360	-	117,360	42,505	74,855
Investment Fund						
Investment Fund - Wawasum Group Limited	-	(1,895)	-	(1,895)	-	(1,895)
Investment Fund - Landmark Inn Limited Partnership	-	6,000	-	6,000	-	6,000
Investment Fund - Wawasum Group LP	-	(7,706)	-	(7,706)	-	(7,706)
	-	(3,601)	-	(3,601)	-	(3,601)
Economic/Employment Programs						
Economic/Employment Programs - Economic Development Officer	42,000	-	-	42,000	120,712	(78,712)
Economic/Employment Programs - Fishing License	-	9,470	-	9,470	100	9,370
Economic/Employment Programs - Climate Change	-	9,200	-	9,200	1,612	7,588
Economic/Employment Programs - Energy East Project	-	4,650	21,756	26,406	-	26,406
Economic/Employment Programs - Core Development	-	90,000	-	90,000	90,000	-
Economic/Employment Programs - Specific and Special Claims Submission	-	-	-	-	808	(808)
Economic/Employment Programs - Environmental Assessment	-	89,048	(31,059)	57,989	57,987	2
Economic/Employment Programs - Nextbridge Infrastructure	-	-	-	-	1,900	(1,900)
Economic/Employment Programs - OPG Financial Compensation	-	23,528	-	23,528	-	23,528
Economic/Employment Programs - MNM Values Mapping	-	-	-	-	10,467	(10,467)
Economic/Employment Programs - Namewaminikan Hydro	-	36,284	-	36,284	-	36,284
	42,000	262,180	(9,303)	294,877	283,586	11,291
Health						
Health Programs - Aboriginal Diabetes Initiative	-	6,402	-	6,402	6,402	-
Health Programs - NAYSPS	-	2,324	-	2,324	2,324	-
Health Programs - AIDS Bureau	-	7,386	-	7,386	7,386	-
Health Programs - Diabetes Education	-	6,736	-	6,736	6,736	-

Animbiigoo Zaagi'igan Anishinaabek

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

For the year ended March 31, 2018

	ISC Revenue	Other Revenue	Deferred revenue (net)	Total Revenue	Total Expenses	Current Surplus (Deficit)
Health Programs - Brighter Futures	-	37,872	-	37,872	37,872	-
Health Programs - Victim Services	-	15,000	-	15,000	15,000	-
Health Programs - Building Healthy Communities	-	34,939	-	34,939	34,939	-
Health Programs - HIV/AIDS Awareness	-	3,431	-	3,431	3,431	-
Health Programs - Health Consultation	-	9,421	-	9,421	9,421	-
Health Programs - Early Childhood Education	-	18,691	-	18,691	18,691	-
Health Programs - Fetal Alcohol Syndrome	-	53,350	-	53,350	53,350	-
Health Programs - Family Support Worker	-	25,371	-	25,371	25,371	-
Health Programs - Problem Gambling	-	8,535	-	8,535	8,535	-
Health Programs - Child Welfare Prevention	38,400	-	-	38,400	8,728	29,672
Health Programs - EVAIW Family Well Being	-	185,682	-	185,682	185,682	-
Health Programs - IFN - MCYS - OICYS	-	41,617	-	41,617	41,617	-
Health Programs - Youth Life Promotions	-	64,000	-	64,000	64,000	-
Health Programs - Home & Community Care	-	55,300	-	55,300	55,300	-
Health Programs - Child & Family Services	-	58,100	-	58,100	58,100	-
Health Programs - Youth Cultural Camps Program	-	7,250	-	7,250	7,250	-
Health Programs - IFN - Anti-Human Trafficking	-	3,500	(3,500)	-	-	-
	38,400	644,907	(3,500)	679,807	650,135	29,672
Community Programs						
Community Programs - Community Wellness Worker	-	123,683	-	123,683	123,683	-
Community Programs - ACA	-	12,962	-	12,962	12,962	-
Community Programs - Healthy Babies	-	19,975	-	19,975	19,975	-
Community Programs - Childrens Sports Program	-	45,000	(39,016)	5,984	5,984	-
Community Programs - Youth Activities	-	1,000	-	1,000	974	26
	-	202,620	(39,016)	163,604	163,578	26
Lands & Resources						
Lands & Resources - Infrastructure Investment	-	121,127	-	121,127	90,131	30,996
Lands & Resources - Reserve Washrooms	-	-	47,060	47,060	-	47,060
	-	121,127	47,060	168,187	90,131	78,056
Minor Capital						
Minor Capital - Planning and Development	140,490	-	120,680	261,170	99,165	162,005
Minor Capital - AANDC - CPS	-	-	-	-	591	(591)
Minor Capital - Housing Policy Committee	-	-	-	-	346	(346)
	140,490	-	120,680	261,170	100,102	161,068

Animbiigoo Zaagi'igan Anishinaabek

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

For the year ended March 31, 2018

	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred revenue (net)</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>
OFNLP2008 Fund						
OFNLP2008 Fund	-	577,555	-	577,555	-	577,555
Total	1,113,683	2,037,430	115,921	3,267,034	2,333,493	933,541