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Biinjitiwaabik Zaaging Anishinaabek
Consolidated Financial Statements

March 31, 2014

Biinjitiwaabik Zaaging Anishinaabek

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For the year ended March 31, 2014

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Management's Responsibility

To the Chief and Council and Members of Biinjitiwaabik Zaaging Anishinaabek

The accompanying consolidated financial statements of Biinjitiwaabik Zaaging 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 CPA Canada and as such include amounts that are the best estimates and judgments 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 are ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as 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 Biinjitiwaabik Zaaging Anishinaabek and meet when required.

November 20, 2014



Financial
Administrator

Independent Auditors' Report

To the Chief and Council and Members of Biinjitiwaabik Zaaging Anishinaabek:

We have audited the accompanying consolidated financial statements of Biinjitiwaabik Zaaging Anishinaabek, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated operating 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

We were not in attendance to observe the taking of inventory recorded in the amount of \$11,815 (2013 - \$Nil) at the end of the year and were not able to satisfy ourselves concerning inventory quantities and prices by alternative means. Since inventories enter into the determination of the results of operations and changes in financial position, we were unable to determine whether adjustments were necessary to inventory, liabilities and accumulated surplus as at March 31, 2014 or results of operations and cash flows for the year ended March 31, 2014.

As the First Nation does not have a formal process in place to approve the budget, we were unable to gain appropriate audit evidence over the budgeted figures presented in the consolidated audit.

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 Biinjitiwaabik Zaaging Anishinaabek as at March 31, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

MNP LLP

Thunder Bay, Ontario

November 20, 2014

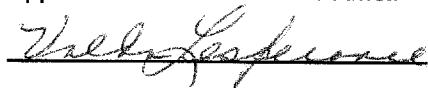
Chartered Professional Accountants

Licensed Public Accountants

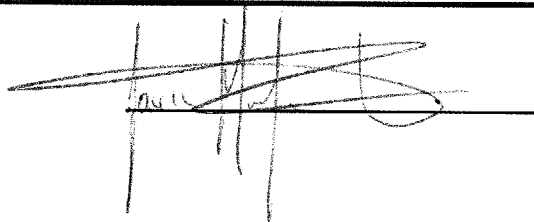
Biinjitiwaabik Zaaging Anishinaabek
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial assets		
Cash resources (Note 2)	-	192,369
Portfolio investments (Note 3)	2,750,241	2,512,508
Accounts receivable (Note 4)	116,867	131,622
Inventory for resale (Note 5)	11,815	-
Due from government and other government organizations (Note 6)	227,761	106,967
Loans receivable (Note 7)	34,132	24,933
Trust funds held by federal government (Note 8)	3,592	3,502
Total financial assets	3,144,408	2,971,901
Liabilities		
Bank indebtedness (Note 2)	105,941	-
Demand loans (Note 9)	205,000	125,000
Accounts payable and accruals (Note 11)	589,651	469,007
Due to government and other government organizations (Note 12)	211,682	193,036
Deferred revenue (Note 13)	-	19,225
Employee benefit obligations (Note 14)	58,723	57,973
Long-term debt (Note 15)	85,164	109,275
Total financial liabilities	1,256,161	973,516
Net financial assets	1,888,247	1,998,385
Contingencies (Note 20)		
Non-financial assets		
Tangible capital assets (Note 10)	11,487,447	11,525,398
Prepaid expenses	17,046	17,046
Total non-financial assets	11,504,493	11,542,444
Accumulated surplus	13,392,740	13,540,829

Approved on behalf of the Council



Chief



Councillor

Biinjitiwaabik Zaaging Anishinaabek

Consolidated Statement of Operations and Accumulated Operating Surplus

For the year ended March 31, 2014

	2014	2013
Revenue		
Aboriginal Affairs and Northern Development Canada	2,455,405	2,481,016
Change in deferred revenue	19,225	(19,225)
Canada Mortgage and Housing Corporation	16,600	3,350
Health Canada	243,817	294,368
Aboriginal Business Canada	-	53,422
Anishinabek Employment and Training Services	82,237	78,440
Dilico Ojibway Child and Family Services	152,069	149,856
HST rebate	-	44,473
Insurance claims	-	54,862
Interest income	37,956	61,642
Ministry of Aboriginal Affairs	162,933	127,208
Ministry of Community and Social Services	472,005	307,182
Ministry of Health and Long-Term Care	51,433	83,785
Northern Diabetes Health Network	-	2,000
Ontario First Nations Limited Partnership	565,451	571,769
Ontario Hydro	120,000	120,000
Union of Ontario Indians	72,816	64,036
Waaskiinaysay Ziibi Inc.	37,466	214,714
YES Employment Services	2,680	3,120
Confectionary	50,940	-
Fuel	303,539	-
Forest sales	-	23,700
Fish Sales	82,688	174,816
Other revenue	165,433	126,441
Total revenue	5,094,693	5,020,975
Expenses		
Administration	671,935	611,472
Medical Services	281,019	292,441
Education	1,396,200	1,326,297
Capital	375,445	374,555
Operations and Maintenance	522,045	519,102
Social Services	700,756	595,558
Social/Cultural Programs	349,712	334,050
Other Programs	80,344	139,184
Employment/Economic Programs	429,289	574,750
Business Enterprise Projects	426,217	66,007
Casino Rama Fund	-	-
Total expenses (Schedule 2)	5,232,962	4,833,416
Operating surplus (deficit)	(138,269)	187,559
Accumulated operating surplus, beginning of year	13,540,829	13,355,098
Prior year surplus recoveries	(9,820)	(1,828)
Accumulated operating surplus, end of year	13,392,740	13,540,829

Biinjitiwaabik Zaaging Anishinaabek
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2014

	2014	2013
Annual surplus (deficit)	(138,269)	187,559
Purchases of tangible capital assets	(511,310)	(515,248)
Amortization of tangible capital assets	549,261	536,804
Purchase of prepaid expenses	-	(9,126)
Prior year surplus recoveries	(9,820)	(1,828)
Increase (decrease) in net financial assets	(110,138)	198,161
Net financial assets, beginning of year	1,998,385	1,800,224
Net financial assets, end of year	1,888,247	1,998,385

Biinjitiwaabik Zaaging Anishinaabek

Consolidated Statement of Cash Flows

For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Operating surplus (deficit)	(138,269)	187,559
Prior year surplus recoveries	(9,820)	(1,828)
Non-cash items		
Amortization	549,261	536,804
	401,172	722,535
Changes in working capital accounts		
Accounts receivable	14,755	19,108
Inventory for resale	(11,815)	-
Due from government and other government organizations	(120,794)	69,562
Prepaid expenses	-	(9,126)
Accounts payable and accruals	120,644	226,109
Due to government and other government organizations	18,646	(238,322)
Deferred revenue	(19,225)	19,225
Employee benefit obligations	750	25,235
Trust funds held by federal government	(90)	(84)
	404,043	834,242
Financing activities		
Demand loan advances (repayments)	80,000	69,000
Debt issues	-	120,000
Debt retirement	(24,111)	(21,101)
	55,889	167,899
Capital activities		
Purchases of tangible capital assets	(511,310)	(515,248)
Investing activities		
Purchase of portfolio investments	(4,128,296)	(1,533,129)
Proceeds from redemption of portfolio investments	3,890,563	1,165,637
Decrease (increase) in loans receivable	(9,199)	1,150
	(246,932)	(366,342)
Increase (decrease) in cash resources	(298,310)	120,551
Cash resources, beginning of year	192,369	71,818
Cash resources (bank indebtedness), end of year	(105,941)	192,369

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

1. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including 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 CPA Canada.

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Biinjitiwaabik Zaaging Anishinaabek are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Amik Business Trust
- Amik Forest Renewal Trust
- Asiniika Wiikwedong Sawmill Trust
- Gi-Niijaasinaanig Obimadiziwinowaa Community Corporation
- Biinjitiwaabik Zaaging Anishinaabek Development Inc.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

The First Nation currently has no organizations accounted for on a modified equity basis.

Investments in First Nation partnerships are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the First Nation partnership have been combined on a line-by-line basis with similar items of the First Nation.

Asset classification

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

Cash and cash equivalents

Cash and cash equivalent include balances with banks, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn, and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

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.

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 management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

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

Tangible capital assets

Tangible capital assets are initially recorded at cost based on the inclusion of 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. Contributed tangible assets are recorded at their fair value at the date of contribution.

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

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

Capital lease

Leases that transfers substantially all of the benefits and risks of ownership to the lessee are recorded as a capital lease. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing.

Amortization

Amortization of tangible capital assets is recognized as an expense in the consolidated statement of operations. Tangible capital assets are amortized over their expected useful lives using the declining balance method at the following rates:

	Method	Rate
Computer hardware	declining balance	30 %
Computer software	declining balance	55 %
Furniture and fixtures	declining balance	20 %
Automotive	declining balance	30 %
Bridge	declining balance	4 %
Equipment	declining balance	20 %
Houses and buildings	declining balance	4 %
Non-fixed buildings	declining balance	10 %
Firehall	declining balance	4 %
School	declining balance	4 %
Water and sewage retrofit	declining balance	20 %
Water treatment plant	declining balance	4 %
Roads	declining balance	4 %

Biinjitiwaabik Zaaging Anishinaabek

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

1. Significant accounting policies (Continued from previous page)

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 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.

Accumulated Surplus

A portion of the accumulated surplus includes surpluses and/or deficits contributed by government agencies. Such surpluses/deficits may be subject to recovery by the contributing agencies, depending on the terms and conditions of the relevant contribution agreements.

Use of estimates

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.

Administration fees

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

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.

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

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

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2014, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

Segments

The First Nation conducts its business through eleven reportable segments: Administration, Education, Medical Services, Operations and Maintenance, Social/Cultural Programs, Social Services, Capital Projects, Other Programs, Business Enterprise Projects, and Casino Rama Fund. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

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

Employee future benefits

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

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Cash resources (Bank indebtedness)

The First Nation has available to it the following credit facilities:

A Royal Bank of Canada operating line of credit totalling \$185,000 on four of the First Nation's bank accounts incurring interest at the bank's prime rate plus 1.5%. The bank's prime rate at March 31, 2014 was 3% (2013 - 3%). The balance of the lines of credit was \$125,000 at March 31, 2014 (2013 - \$50,000). Secured by a general security agreement.

The First Nation also has outstanding an \$18,000 Letter of Guarantee in favour of Hydro One Networks Inc.

The First Nation also has outstanding a \$25,000 Letter of Guarantee in favour of Pye Brothers Fuels Limited.

	2014	2013
General (overdraft) (unrestricted)	(25,434)	(27,519)
Education Authority (overdraft) (unrestricted)	(98,713)	(51,391)
Capital Account (overdraft) (restricted)	(44)	906
Gas Station Account (restricted)	(24,326)	18,437
New Elementary School (unrestricted)	64	13,914
Social Services (overdraft) (unrestricted)	(62,375)	(52,867)
Recreation (unrestricted)	4,961	38,972
Youth Account (unrestricted)	7,010	8,531
Capital Account #2 (unrestricted)	9,406	6,075
Casino Rama (unrestricted)	78,757	228,006
Amik Business Trust	4,753	4,174
Amik Forest Renewal Trust	-	1,541
Asiniika Wiikwedong Sawmill Trust	-	3,590
	(105,941)	192,369

3. Portfolio Investments

Portfolio investments consist of the following:

	2014	2013
-Redeemable GIC with interest at 1.0%, matured July 17, 2013	-	440,671
-Redeemable GIC with interest at 0.8%, matured February 3, 2014	-	169,196
-Redeemable GIC with interest at 0.8%, maturing February 3, 2015	170,550	-
-Redeemable GIC with interest at 1.0%, maturing February 11, 2014	849,222	-
-Non redeemable GIC with interest at 4.20%, matured June 24, 2013	-	1,178,469
-Non redeemable GIC with interest at 1.7%, maturing January 7, 2015	1,000,000	-
-Non redeemable GIC with interest at 0.9% matured June 24, 2013	-	699,172
-Non redeemable GIC with interest at 0.9% maturing June 24, 2014	705,469	-
-Investment in Waaskiinsay Ziibi Inc. (20% interest)	25,000	25,000
	2,750,241	2,512,508

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

4. Accounts receivable

	2014	2013
Due from members:		
Advances	7,107	4,250
Due from others:		
Anishinaabek Employment and Training Services	2,000	4,100
Dilico Anishinaabek Family Care	36,400	9,615
Waaskiinaysay Ziibi Inc.	-	43,699
Nokiiwin Tribal Council	-	4,479
Confederation College	-	5,391
Errington Home Hardware	40,989	-
Amik Business Trust receivables	11,000	11,000
Accrued interest on GIC's	13,910	41,794
Biinjitiwaabik Zaaging Anishinaabek Development Inc. receivables	3,780	-
Union of Ontario Indians	1,400	7,036
Other accounts receivable	281	258
	109,760	127,372
	116,867	131,622

5. Inventory for resale

	2014	2013
Biinjitiwaabik Zaaging Anishinaabek Development Inc. inventory	11,815	-

The cost of inventories recognized as an expense and included in cost of goods sold amounted to \$359,100 (2013 – \$Nil).

6. Due from government and other government organizations

	2014	2013
Federal government		
Aboriginal Affairs and Northern Development Canada	201,491	102,619
Other government organizations		
HST receivable	4,348	4,348
First Nations gasoline retailers tax rebate receivable	21,922	-
	227,761	106,967

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

7. Loans receivable

Loans receivable consist of the following:

	2014 Net recoverable value	2013 Net recoverable value
Loans to member business. The loans are unsecured, bear no interest, and have no fixed terms of repayment.	34,132	24,933
Loan to member business	8,000	8,000
Receivable in monthly instalments of \$133 without interest, matured November, 2013		
Less: allowance for doubtful accounts	(8,000)	(8,000)
	34,132	24,933

8. Trust funds held by federal government

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council.

	2014	2013
Capital Trust		
Balance, beginning of year	1,635	1,635
Balance, end of year	1,635	1,635
Revenue Trust		
Balance, beginning of year	1,867	1,783
Interest	90	84
Balance, end of year	1,957	1,867
	3,592	3,502

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

9. Demand loans

	2014	2013
<u>Royal Bank of Canada</u>		
Payable on demand, interest at prime plus 1.5% (4.5% per annum at year end (2013 - 4.5%))		
- General	75,000	-
Payable on demand, interest at prime plus 1.5% (4.5% per annum at year end (2013 - 4.5%))		
- Social Services	50,000	50,000
Amik Business Trust - operating line of credit totalling \$100,000, payable on demand, interest at prime plus 1.5% (4.5% per annum at year end (2013 - 4.5%))	80,000	75,000
	205,000	125,000

Above loans are secured by a general security agreement over the First Nation's investments.

10. 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.

11. Accounts payable and accruals

	2014	2013
Trade payables	521,768	390,776
Accrued wages and benefits payable	46,830	57,178
Other accrued liabilities	21,053	21,053
	589,651	469,007

12. Due to government and other government organizations

	2014	2013
Federal government		
Payroll deductions	59,677	64,181
WSIB	7,901	11,372
HST	144,104	117,483
	211,682	193,036

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

13. 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 2014</i>	<i>Revenue Recognized 2014</i>	<i>Balance, end of year</i>
Aboriginal Affairs and Northern Development Canada - School Effectiveness	19,225	-	19,225	-

14. Employee benefit obligations

	<i>2014</i>	<i>2013</i>
Vacation and overtime	58,723	57,973

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime 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 plan for which all full-time, permanent employees of the First Nation are eligible. Members are required to contribute between 3.5% and 5.5% of their salary. The First Nation contributes between 3.5% and 5.5% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Employer contributions during the year were \$16,973 (2013 - \$48,382). The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2014.

15. Long-term debt

<u>Royal Bank of Canada Loan</u>	<i>2014</i>	<i>2013</i>
The loan is repayable in monthly payments of \$2,264 including interest at a fixed rate of 4.99%, maturing August 29, 2017.		
Secured by a general security agreement.	85,164	109,275

Principal repayments on long-term debt in each of the next four years, assuming all term debt is subject to contractual terms of repayment, are estimated as follows:

	<i>Principal</i>
2015	23,450
2016	24,647
2017	25,906
2018	11,161
	85,164

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

16. Related party transactions

Chief and Council of Biinjitiwaabik Zaaging Anishinaabek control the First Nation's operations and therefore are related to the First Nation.

There are no amounts included in accounts receivable or accounts payable and accrued liabilities that are due to or from related parties.

During the year, the First Nation conducted the following transactions with related entities. All transactions were undertaken at normal market prices for similar goods and services.

	2014	2013
Salaries, honoraria, and travel paid to Chief and Council	147,434	152,649

17. Comparative figures

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

18. Economic dependence

Biinjitiwaabik Zaaging Anishinaabek receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

19. Interfund transfers

An amount of \$532,805 (2013 - \$271,631) was transferred from the Casino Rama fund to the Operating fund in order to fund disbursements for operating activities.

20. Contingencies

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 becomes 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 of March 31, 2014, no contingent liabilities have been recorded in the consolidated financial statements.

21. 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 have not been reported in these financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSA standards.

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

22. Segments

The First Nation has ten 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.

Medical Services - activities include delivering health programs.

Operations and Maintenance - includes activities for the maintenance of the community and its infrastructure.

Social/Cultural Programs - activities include delivering community service programs.

Social Services - activities include delivering social programs.

Capital Projects - includes the operations of capital programs.

Other Programs - includes miscellaneous programs administered by the First Nation.

Employment/Economic Programs - includes the operations of economic programs.

Business Enterprise Projects - includes the operations of significantly influenced business enterprises for consolidation.

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

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 1.

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

23. Consolidated entities

The First Nation controls the below entities, 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.

Amik Business Trust

	2013	2012
As at December 31		
Financial assets		
Cash	4,753	4,174
Accounts receivable	11,000	11,000
Due from related party	6,945	6,945
	22,698	22,119
Liabilities		
Demand loans	80,000	75,000
Accounts payable and accrued liabilities	10,881	9,879
Due to government and other government organizations	117,483	117,483
Due to related party	97,251	97,251
	305,615	299,613
Net financial assets (net debt)	(282,917)	(277,494)
Non-financial assets		
Tangible capital assets	76,968	80,403
Accumulated surplus (deficit)	(205,949)	(197,091)

The due from related party balance of \$6,945 (2012 - \$6,945) and the due to related party balance of \$97,251 (2012 - 97,251) were eliminated in the Consolidated Statement of Financial Position.

Amik Forest Renewal Trust

	2013	2012
As at December 31		
Financial assets		
Cash	-	1,541
Accounts receivable	281	281
Due from related party	6,721	6,721
	7,002	8,543
Liabilities		
Accounts payable and accrued liabilities	3,300	12,734
Due to government and other government organizations	9,434	-
Due to related party	5,302	6,744
	18,036	19,478
Net financial assets (net debt)	(11,034)	(10,935)
Accumulated surplus (deficit)	(11,034)	(10,935)

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

23. Consolidated entities *(Continued from previous page)*

The due from related party balance of \$6,721 (2012 - \$6,721) and the due to related party balance of \$5,302 (2012 - 6,744) were eliminated in the Consolidated Statement of Financial Position.

Asiniika Wiikwedong Sawmill Trust

	2013	2012
As at December 31		
Financial assets		
Cash	-	3,590
Liabilities		
Accounts payable and accrued liabilities	3,631	20,818
Due to government and other government organizations	17,187	-
Due to related party	120,217	123,619
	141,035	144,437
Net financial assets (net debt)	(141,035)	(140,847)
Accumulated surplus (deficit)	(141,035)	(140,847)

The due to related party balance of \$120,217 (2012 - \$123,619) was eliminated in the Consolidated Statement of Financial Position.

Gi-Nijjaasinaanig Obimadiziwinowaa Community Corporation

	2013	2012
As at December 31		
Liabilities		
Due to related party	298,466	298,466
Net financial assets (net debt)	(298,466)	(298,466)
Non-financial assets		
Tangible capital assets	298,466	298,466
Accumulated surplus (deficit)	-	-

The due to related party balance of \$298,466 (2012 - \$298,466) was eliminated in the Consolidated Statement of Financial Position.

Biinjitiwaabik Zaaging Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

23. Consolidated entities *(Continued from previous page)*

Biinjitiwaabik Zaaging Anishinaabek Development Inc.

	2014	2013
As at March 31		
Financial assets		
Accounts receivable	3,780	-
Due from government and other government organizations	21,923	-
Inventory for resale	11,815	-
	37,518	-
Liabilities		
Bank indebtedness	24,326	-
Accounts payable and accrued liabilities	90,262	19,867
Due to government and other government organizations	3,186	-
Due to related party	75,228	-
	193,002	19,867
Net financial assets (net debt)	(155,484)	(19,867)
Non-financial assets		
Tangible capital assets	112,756	-
Accumulated surplus (deficit)	(42,728)	(19,867)

The due to related party balance of \$75,228 (2013 - \$Nil) was eliminated in the Consolidated Statement of Financial Position.

Biinjitiwaabik Zaaging Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Computer hardware</i>	<i>Furniture and fixtures</i>	<i>Automotive</i>	<i>Bridge</i>	<i>Equipment</i>	<i>Houses and buildings</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	127,420	48,649	451,328	88,090	272,915	5,043,442	6,031,844
Acquisition of tangible capital assets	-	-	87,758	-	103,584	278,304	469,646
Balance, end of year	127,420	48,649	539,086	88,090	376,499	5,321,746	6,501,490
Accumulated amortization							
Balance, beginning of year	109,902	30,078	378,050	8,530	210,169	1,363,164	2,099,893
Annual amortization	5,255	3,714	35,147	3,182	23,554	154,766	225,618
Balance, end of year	115,157	33,792	413,197	11,712	233,723	1,517,930	2,325,511
Net book value of tangible capital assets	12,263	14,857	125,889	76,378	142,776	3,803,816	4,175,979
2013 Net book value of tangible capital assets	17,518	18,571	73,278	79,560	62,746	3,680,278	3,931,951

Biinjitiwaabik Zaaging Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Subtotal</i>	<i>Non-fixed building</i>	<i>Firehall</i>	<i>School</i>	<i>Water and sewage retrofit</i>	<i>Water treatment plant</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	6,031,844	144,623	228,329	3,659,137	1,218,082	4,095,015	15,377,030
Acquisition of tangible capital assets	469,646	-	-	-	-	33,247	502,893
Balance, end of year	6,501,490	144,623	228,329	3,659,137	1,218,082	4,128,262	15,879,923
Accumulated amortization							
Balance, beginning of year	2,099,893	100,996	91,070	271,791	1,054,048	690,002	4,307,800
Annual amortization	225,618	4,363	5,490	135,494	32,807	136,866	540,638
Balance, end of year	2,325,511	105,359	96,560	407,285	1,086,855	826,868	4,848,438
Net book value of tangible capital assets	4,175,979	39,264	131,769	3,251,852	131,227	3,301,394	11,031,485
2013 Net book value of tangible capital assets	3,931,951	43,627	137,259	3,387,346	164,034	3,405,013	11,069,230

Biinjitiwaabik Zaaging Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Subtotal</i>	<i>Roads</i>	<i>Land</i>	<i>Other fully amortized assets</i>	<i>Computer software</i>	<i>2014</i>	<i>2013</i>
Cost							
Balance, beginning of year	15,377,030	181,885	298,466	1	-	15,857,382	15,342,134
Acquisition of tangible capital assets	502,893	-	-	-	8,417	511,310	515,248
Balance, end of year	15,879,923	181,885	298,466	1	8,417	16,368,692	15,857,382
Accumulated amortization							
Balance, beginning of year	4,307,800	24,184	-	-	-	4,331,984	3,795,180
Annual amortization	540,638	6,308	-	-	2,315	549,261	536,804
Balance, end of year	4,848,438	30,492	-	-	2,315	4,881,245	4,331,984
Net book value of tangible capital assets	11,031,485	151,393	298,466	1	6,102	11,487,447	11,525,398
2013 Net book value of tangible capital assets	11,069,230	157,701	298,466	1	-	11,525,398	

Biinjitiwaabik Zaaging Anishinaabek
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2014

	2014	2013
Consolidated expenses by object		
Administration	19,270	3,330
Advertising	1,957	-
Amortization	549,261	536,804
Bad debts	-	1,150
Bank charges and interest	21,787	19,975
Community meetings	9,000	4,737
Consulting	-	29,538
Contracted services	276,146	243,712
Cost of goods sold	359,100	-
Honouraria	66,810	69,662
Insurance	53,468	42,793
Interest on long-term debt	5,321	3,058
Miscellaneous	9,658	-
Professional fees	77,564	47,613
Property tax	-	4,342
Purchases	-	21,550
Salaries and benefits	1,593,485	1,728,167
Social assistance	495,310	389,819
Special assistance	700	1,300
Student expenses	31,733	61,917
Supplies	646,852	595,750
Training	5,335	5,601
Transportation	85,603	107,799
Travel	135,107	119,934
Tuition - allowances and supplies	234,221	218,282
Tuition	378,080	367,455
Utilities	177,194	209,128
	5,232,962	4,833,416

Biinjitiwaabik Zaaging Anishinaabek
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	AANDC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)
Administration						
Administration - Band Operations	314,742	259,921	574,663	638,335	78,024	14,352
Administration - Band Employee Benefits	33,600	-	33,600	33,600	-	-
Section subtotal	348,342	259,921	608,263	671,935	78,024	14,352
Medical Services						
Medical Services - Scheduled Transportation	-	43,135	43,135	89,287	46,152	-
Medical Services - Non-Scheduled Transportation	-	19,557	19,557	35,879	-	(16,322)
Medical Services - Facility Operations	-	23,599	23,599	1,838	-	21,761
Medical Services - Family Support Worker	-	86,578	86,578	86,578	-	-
Medical Services - Community Health Representative	-	50,752	50,752	50,752	-	-
Medical Services - Prescriptions	-	-	-	6,792	-	(6,792)
Medical Services - Children's Oral Health Initiative	-	9,893	9,893	9,893	-	-
Section subtotal	-	233,514	233,514	281,019	46,152	(1,353)
Education						
Education - Tuition Agreements	300,500	-	300,500	265,852	-	34,648
Education - Other Education	496,282	1,575	497,857	498,183	-	(326)
Education - School Effectiveness	-	19,225	19,225	19,225	-	-
Education - Band Operated School	169,575	-	169,575	169,575	-	-
Education - Enhanced Teachers Salaries	11,200	-	11,200	11,200	-	-
Education - Capacity Development	35,000	-	35,000	37,761	-	(2,761)
Education - Other Education Authority	328,996	318	329,314	394,404	108,800	43,710
Section subtotal	1,341,553	21,118	1,362,671	1,396,200	108,800	75,271
Capital						
Capital - New School	-	-	-	139,106	-	(139,106)
Capital - General Projects	250,451	17,410	267,861	236,339	-	31,522
Section subtotal	250,451	17,410	267,861	375,445	-	(107,584)
Operations and Maintenance						
Operations & Maintenance - Water Systems	51,222	-	51,222	214,173	23,997	(138,954)
Operations & Maintenance - Fire	-	-	-	26,204	-	(26,204)
Operations & Maintenance - Roads & Bridges	9,368	-	9,368	14,356	-	(4,988)
Operations & Maintenance - Waste Disposal	55,182	-	55,182	77,664	-	(22,482)
Operations & Maintenance - Community Buildings	25,562	-	25,562	65,535	-	(39,973)
Operations & Maintenance - Enhanced Water	55,838	-	55,838	55,838	-	-
Operations & Maintenance - Enhanced Wastewater	68,275	-	68,275	68,275	-	-

Biinjitiwaabik Zaaging Anishinaabek
Schedule 3 - - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	AANDC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Surplus (Deficit)
Section subtotal	265,447	-	265,447	522,045	23,997	(232,601)
Social Services						
Social Services - Ontario Works	22,500	494,814	517,314	489,164	-	28,150
Social Services - National Child Benefit	43,100	-	43,100	43,100	-	-
Social Services - Homemakers	20,500	51,433	71,933	107,392	35,459	-
Social Services - Special Needs	700	-	700	700	-	-
Social Services - Basic Needs	60,400	-	60,400	60,400	-	-
Section subtotal	147,200	546,247	693,447	700,756	35,459	28,150
Social/Cultural Programs						
Social/Cultural Programs - ADI	-	23,507	23,507	23,662	-	(155)
Social/Cultural Programs - MCH	-	19,880	19,880	20,176	-	(296)
Social/Cultural Programs - Building Healthy Communities	-	45,882	45,882	45,882	-	-
Social/Cultural Programs - Aboriginal Healing and Wellness	-	65,780	65,780	65,780	-	-
Social/Cultural Programs - Recreation	-	-	-	15,611	15,611	-
Social/Cultural Programs - Land and Resources	-	162,933	162,933	101,075	-	61,858
Social/Cultural Programs - Early Childhood Development	-	13,043	13,043	17,466	-	(4,423)
Social/Cultural Programs - Brighter Futures	-	60,060	60,060	60,060	-	-
Section subtotal	-	391,085	391,085	349,712	15,611	56,984
Other Programs						
Other Programs - Housing Coordinator	-	-	-	28,267	45,020	16,753
Other Programs - ANDEP	-	700	700	781	-	(81)
Other Programs - Membership	5,000	-	5,000	5,000	-	-
Other Programs - Family Violence	-	6,336	6,336	6,336	-	-
Other Programs - Pow Wow	-	-	-	16,753	16,753	-
Other Programs - Funeral Services	-	-	-	22,907	22,907	-
Other Programs - Registry Events	300	-	300	300	-	-
Section subtotal	5,300	7,036	12,336	80,344	84,680	16,672
Employment/Economic Programs						
Employment/Economic Programs - Retention Support Worker	-	-	-	171	-	(171)
Employment/Economic Programs - Economic Development	42,000	-	42,000	42,000	-	-
Employment/Economic Programs - Work/ Training	-	84,917	84,917	209,576	124,659	-
Employment/Economic Programs - Resource Development Advisor	-	37,466	37,466	20,470	-	16,996
Employment/Economic Programs - Rocky Bay Fisheries	-	82,688	82,688	98,111	15,423	-
Employment/Economic Programs - Social Assistance for Employment and Training	35,112	-	35,112	35,112	-	-
Employment/Economic Programs - Consultation and Advice	20,000	-	20,000	23,849	-	(3,849)

MNP

Biinjitiwaabik Zaaging Anishinaabek
Schedule 3 - - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	AANDC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Surplus (Deficit)
Section subtotal	97,112	205,071	302,183	429,289	140,082	12,976
Business Enterprise Projects						
Amik Business Trust	-	-	-	8,856	-	(8,856)
Amik Renewal Forest Trust	-	-	-	99	-	(99)
Asiniika Wiikwedong Sawmill Trust	-	-	-	188	-	(188)
Biinjitiwaabik Zaaging Anishinaabek Development Inc.	-	354,479	354,479	417,074	-	(62,595)
Section subtotal	-	354,479	354,479	426,217	-	(71,738)
Casino Rama Fund						
Casino Rama Fund	-	603,407	603,407	-	(532,805)	70,602
Total	2,455,405	2,639,288	5,094,693	5,232,962	-	(138,269)