

**Biinjitiwaabik Zaaging Anishinaabek**  
**Consolidated Financial Statements**  
*March 31, 2017*

# Biinjitiwaabik Zaaging Anishinaabek

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*For the year ended March 31, 2017*

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## Management's Responsibility

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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.

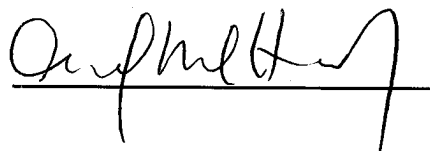
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate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

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

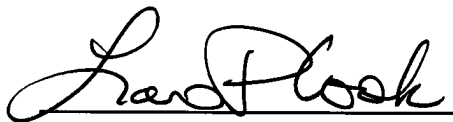
The Biinjitiwaabik Zaaging Anishinaabek Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information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

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

February 17, 2018



Chief



Councillor

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## Independent Auditors' Report

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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, 2017 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

The First Nation did not prepare budgets which is not in compliance with Canadian public sector accounting standards. The audit opinion for the prior year was similarly qualified in respect of this matter.

### *Qualified Opinion*

In our opinion, except for the effect of the matter described in the Basis for the Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Biinjitiwaabik Zaaging Anishinaabek as at March 31, 2017 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Thunder Bay, Ontario  
February 17, 2018

*MNP LLP*

Chartered Professional Accountants  
Licensed Public Accountants

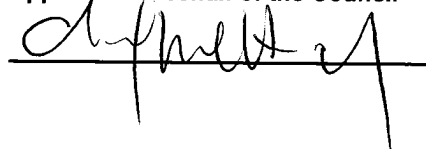
# Biinjitiwaabik Zaaging Anishinaabek

## Consolidated Statement of Financial Position

As at March 31, 2017

	2017	2016
<b>Financial assets</b>		
Cash resources (Note 3)	514,436	1,293,392
Portfolio investments (Note 4)	2,217,680	913,588
Accounts receivable (Note 5)	135,204	57,015
Due from government and other government organizations (Note 6)	219,520	386,878
Inventory for resale (Note 7)	33,918	34,927
Loans receivable (Note 8)	-	34,132
Investment in First Nation business partnership (Note 9)	10	-
Trust funds held by federal government (Note 10)	3,840	3,771
<b>Total financial assets</b>	<b>3,124,608</b>	<b>2,723,703</b>
<b>Liabilities</b>		
Lines of credit (Note 11)	166,000	141,000
Accounts payable and accruals (Note 12)	288,373	520,995
Due to government and other government organizations (Note 13)	170,915	173,702
Employee benefit obligations (Note 14)	11,267	30,221
Long-term debt (Note 15)	11,156	37,057
<b>Total liabilities</b>	<b>647,711</b>	<b>902,975</b>
<b>Net financial assets</b>	<b>2,476,897</b>	<b>1,820,728</b>
<b>Contingencies (Note 16)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 17) (Schedule 1)	10,375,380	10,746,008
Prepaid expenses	11,363	17,221
<b>Total non-financial assets</b>	<b>10,386,743</b>	<b>10,763,229</b>
<b>Accumulated surplus</b>	<b>12,863,640</b>	<b>12,583,957</b>

Approved on behalf of the Council



Chief



Councillor

**Biinjitiwaabik Zaaging Anishinaabek**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2017*

	2017	2016
<b>Revenue</b>		
Indigenous and Northern Affairs Canada (Note 18)	2,760,905	2,557,486
Fisheries and Oceans (Note 18)	6,000	-
Canada Mortgage and Housing Corporation (Note 18)	-	23,870
First Nation and Inuit Health (Note 18)	279,442	294,161
Anishinabek Employment and Training Services	165,188	96,529
Confectionary	245,022	209,715
Dilico Ojibway Child and Family Services	149,512	152,012
Fish sales	107,966	106,773
Fuel	524,040	504,480
Interest income	16,208	4,852
Ministry of Indigenous Relations and Reconciliation (Note 18)	119,801	124,457
Ministry of Community and Social Services (Note 18)	474,182	450,273
Ministry of Health and Long-Term Care (Note 18)	97,937	89,406
Northern Ontario Heritage Fund Corporation (Note 18)	11,288	-
Ontario First Nations Limited Partnership	652,096	577,823
Other revenue	326,241	166,068
Union of Ontario Indians	208,552	58,901
<b>Total revenue</b>	<b>6,144,380</b>	<b>5,416,806</b>
<b>Expenses</b>		
Administration	619,603	553,222
Medical Services	260,223	317,751
Education	1,463,382	1,458,852
Capital	221,007	432,742
Operations and Maintenance	635,905	695,509
Social Services	674,916	658,094
Social/Cultural Programs	408,286	347,629
Other Programs	163,816	87,010
Employment/Economic Programs	571,952	536,461
Business Enterprise Projects	864,720	896,885
Casino Rama Fund	-	-
<b>Total expenses (Schedule 2)</b>	<b>5,883,810</b>	<b>5,984,155</b>
<b>Surplus (deficit) before other items</b>	<b>260,570</b>	<b>(567,349)</b>
<b>Other income (expense)</b>		
Gain on disposal of tangible capital assets	32,250	-
Recovery of funding	(13,137)	-
	<b>19,113</b>	<b>-</b>
<b>Annual surplus (deficit)</b>	<b>279,683</b>	<b>(567,349)</b>
<b>Accumulated surplus, beginning of year</b>	<b>12,583,957</b>	<b>13,151,306</b>
<b>Accumulated surplus, end of year</b>	<b>12,863,640</b>	<b>12,583,957</b>

The accompanying notes are an integral part of these financial statements

**Biinjitiwaabik Zaaging Anishinaabek**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Annual surplus (deficit)</b>	<b>279,683</b>	<b>(567,349)</b>
Purchases of tangible capital assets	<b>(219,310)</b>	<b>(236,596)</b>
Amortization of tangible capital assets	<b>505,167</b>	<b>524,993</b>
Gain on disposal of tangible capital assets	<b>(32,250)</b>	<b>-</b>
Proceeds of disposal of tangible capital assets	<b>117,021</b>	<b>-</b>
Use of prepaid expenses	<b>5,858</b>	<b>9,286</b>
<b>Increase (decrease) in net financial assets</b>	<b>656,169</b>	<b>(269,666)</b>
<b>Net financial assets, beginning of year</b>	<b>1,820,728</b>	<b>2,090,394</b>
<b>Net financial assets, end of year</b>	<b>2,476,897</b>	<b>1,820,728</b>

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

# Biinjitiwaabik Zaaging Anishinaabek

## Consolidated Statement of Cash Flows

*For the year ended March 31, 2017*

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	279,683	(567,349)
Non-cash items		
Amortization	505,167	524,993
Trust funds held by federal government	(70)	(79)
Bad debts	34,132	-
Gain on disposal of tangible capital assets	(32,250)	-
	786,662	(42,435)
Changes in working capital accounts		
Accounts receivable	(78,189)	71,835
Inventory for resale	1,009	(22,593)
Due from government and other government organizations	167,358	132,774
Prepaid expenses	5,858	9,286
Due to government and other government organizations	(2,787)	1,711
Employee benefit obligations	(18,954)	12,323
Accounts payable and accruals	(232,621)	(262,149)
	628,336	(99,248)
<b>Financing activities</b>		
Line of credit advances (repayments)	25,000	(66,000)
Repayment of long-term debt	(25,901)	(24,647)
	(901)	(90,647)
<b>Capital activities</b>		
Purchases of tangible capital assets	(219,310)	(236,596)
Proceeds of disposal of tangible capital assets	117,021	-
	(102,289)	(236,596)
<b>Investing activities</b>		
Purchase of portfolio investments	(4,344,172)	(888,588)
Proceeds from redemption of portfolio investments	3,040,080	883,737
Investment in First Nation business partnership	(10)	-
	(1,304,102)	(4,851)
<b>Decrease in cash resources</b>	(778,956)	(431,342)
<b>Cash resources, beginning of year</b>	1,293,392	1,724,734
<b>Cash resources, end of year</b>	514,436	1,293,392

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



# Biinjitiwaabik Zaaging Anishinaabek

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2017*

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### 1. Operations

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

### 2. 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 Chartered Professional Accountants of Canada.

#### ***Reporting entity***

The Biinjitiwaabik Zaaging Anishinaabek (the "First Nation") reporting entity includes the First Nation government and all related entities that are controlled by the First Nation.

#### ***Principles of consolidation***

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

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 and the enterprises' 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:

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

Organizations accounted for on a modified equity basis include:

- Aboriginal Employment and Training Services (AETS) Property 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.

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

***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 term deposits having a maturing of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

***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. They are recorded at cost, less any provision for other than temporary impairment.

***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.

***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 and accumulated surplus.

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.

***Amortization***

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of assets over their estimated useful lives:

	<b><i>Method</i></b>	<b><i>Rate</i></b>
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 %

**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.

**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 government transfers as revenue when the transfer is authorized and any eligibility criteria are 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.

**Trust funds held by federal government**

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

**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.

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

**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.

***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 program schedule of revenue and expenses.

***Inventory for resale***

Inventory for resale 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.

***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 the *Significant accounting policies*.

***Employee future benefits***

The First Nation's employee future benefit program 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, 2017*

**3. Cash resources (bank indebtedness)**

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

Royal Bank of Canada operating lines of credit totalling \$365,000 on five 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, 2017 was 2.7% (2016 - 2.70%). The balance of the lines of credit was \$166,000 at March 31, 2017 (2016 - \$141,000). Secured by a general security agreement.

The First Nation also has available to it, letters of guarantee in favour of Hydro One Networks Inc. in the amount of \$18,000 and Pye Brothers Fuels Limited in the amount of \$25,000. At year end, the balance of these letters of guarantee was \$nil (2016 - \$nil). Secured without recourse by a general security agreement.

	2017	2016
General (unrestricted)	19,539	5,453
Education Authority (unrestricted)	(37,533)	(61,014)
Capital Account (restricted)	-	(44)
Gas Station Account (unrestricted)	(25,546)	(23,871)
New Elementary School (unrestricted)	(406)	(406)
Social Services (unrestricted)	(41,041)	(16,807)
Recreation (unrestricted)	122,050	4,881
Youth Account (unrestricted)	6,970	6,990
Capital Account #2 (unrestricted)	23,058	114,560
Casino Rama (unrestricted)	403,146	1,263,299
Amik Business Trust (unrestricted)	549	351
BZA Forestry Inc. (unrestricted)	43,650	-
	<b>514,436</b>	<b>1,293,392</b>

**4. Portfolio investments**

Portfolio investments consist of the following:

	2017	2016
-Cashable GIC with interest at 0.5% matured February 3, 2017	-	173,031
-Non redeemable GIC with interest at 0.45% matured June 20, 2016	-	715,557
-Cashable GIC with interest at 0.5% maturing February 3, 2018	173,897	-
-Non redeemable GIC with interest at 0.45% maturing June 16, 2017	718,773	-
-Non redeemable GIC with interest at 1.20% maturing June 1, 2018	1,000,000	-
-Cashable GIC with interest at 0.75% maturing June 1, 2017	300,000	-
-Waaskiinaysay Ziibi Inc. (20% interest)	25,000	25,000
-Aboriginal Employment and Training Services General Partnership Inc. (12.5% interest)	10	-
	<b>2,217,680</b>	<b>913,588</b>

**Biinjitiwaabik Zaaging Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**5. Accounts receivable**

	<b>2017</b>	<b>2016</b>
<b>Due from members:</b>		
Payroll advances	<b>5,686</b>	9,039
<b>Due from others:</b>		
Trade receivables	<b>117,402</b>	47,976
Accrued interest on guaranteed investment certificates	<b>12,116</b>	-
	<b>129,518</b>	47,976
	<b>135,204</b>	57,015

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

	<b>2017</b>	<b>2016</b>
<b>Federal government</b>		
Indigenous and Northern Affairs Canada	<b>89,500</b>	311,187
Canada Mortgage and Housing Corporation	-	8,170
Fisheries and Oceans Canada	<b>6,000</b>	-
Health Canada	-	51,579
HST receivable	<b>40,965</b>	4,348
	<b>136,465</b>	375,284
<b>Provincial government</b>		
Ministry of Community and Social Services	<b>33,684</b>	-
Northern Ontario Heritage Fund Corporation	<b>11,287</b>	-
First Nations gasoline retailers tax rebate receivable	<b>38,084</b>	11,594
	<b>83,055</b>	11,594
	<b>219,520</b>	386,878

**7. Inventory for resale**

	<b>2017</b>	<b>2016</b>
Fuel	<b>20,509</b>	18,059
Tobacco and confectionary	<b>13,409</b>	16,868
	<b>33,918</b>	34,927

The cost of inventories recognized as an expense and included in cost of goods sold amounted to \$672,586 (2016 -\$698,051).

**Biinjitiwaabik Zaaging Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**8. Loans receivable**

Loans receivable consist of the following:

	<b>2017 Net recoverable value</b>	<b>2016 Net recoverable value</b>
Loans to member businesses. The loans are unsecured, bear no interest, and have no fixed terms of repayment.	<b>42,132</b>	42,132
Less: valuation allowance	<b>(42,132)</b>	(8,000)
	<b>-</b>	<b>34,132</b>

**9. Investment in First Nation business partnerships**

The First Nation owns 12.48% of the units of Aboriginal Employment and Training Services (AETS) Property LP and has been included in the consolidated financial statements using the modified equity method.

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

A condensed summary of the financial information for AETS Property LP is shown below:

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

**Biinjitiwaabik Zaaging Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**10. Trust funds held by federal government**

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

	<b>2017</b>	<b>2016</b>
<b>Capital Trust</b>		
Balance, beginning of year	<b>1,635</b>	1,635
Balance, end of year	<b>1,635</b>	1,635
<b>Revenue Trust</b>		
Balance, beginning of year	<b>2,136</b>	2,057
Interest	<b>69</b>	79
Balance, end of year	<b>2,205</b>	2,136
	<b>3,840</b>	3,771

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.

**11. Lines of credit**

	<b>2017</b>	<b>2016</b>
Social Services Account - Royal Bank of Canada operating line of credit to a maximum of \$50,000, payable on demand, interest at prime plus 1.5% (4.20% per annum at year-end (2016 - 4.20%))	<b>20,000</b>	45,000
Education Account - Royal Bank of Canada operating line of credit to a maximum of \$15,000, payable on demand, interest at prime plus 1.5% (4.20% per annum at year-end (2016 - 4.20%))	-	4,000
Amik Business Trust - Royal Bank of Canada operating line of credit to a maximum of \$100,000, payable on demand, interest at prime plus 1.5% (4.20% per annum at year-end (2016 - 4.20%))	<b>90,000</b>	85,000
Biinjitiwaabik Zaaging Anishinaabek Development Inc. - Royal Bank of Canada operating line of credit to a max of \$100,000, payable on demand, interest at prime plus 1.5% (4.20% per annum at year-end (2016 - 4.20%))	<b>56,000</b>	7,000
	<b>166,000</b>	141,000

Above loans are secured by a general security agreement constituting a first ranking charge on all personal property of the First Nation.



**Biinjitiwaabik Zaaging Anishinaabek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**12. Accounts payable and accruals**

	2017	2016
Trade payables	268,373	499,920
Other accrued liabilities	20,000	21,075
	<b>288,373</b>	<b>520,995</b>

**13. Due to government and other government organizations**

	2017	2016
<b>Federal government</b>		
Canada Revenue Agency - payroll deductions	26,811	29,598
Canada Revenue Agency - HST	144,104	144,104
	<b>170,915</b>	<b>173,702</b>

**14. Employee benefit obligations**

	2017	2016
Vacation and overtime	11,267	30,221

**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 is directed to the members' 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 \$24,492 (2016 - \$16,683). The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2017.

**15. Long-term debt**

	2017	2016
Royal Bank of Canada loan 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.	11,156	37,057

Principal repayments on long-term debt in the next year, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

***Principal***

2018	11,156
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# Biinjitiwaabik Zaaging Anishinaabek

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2017*

### 16. 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, 2017, no contingent liabilities have been recorded in the consolidated financial statements.

### 17. 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.

The First Nation holds works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

### 18. Government transfers

	Operating	Capital	2017 Total	2016 Total
<b>Federal government transfers</b>				
Canada Mortgage and Housing Corporation	-	-	-	23,780
Fisheries and Oceans	6,000	-	6,000	-
First Nation and Inuit Health	279,442	-	279,442	294,161
Indigenous and Northern Affairs Canada	2,503,745	257,160	2,760,905	2,557,486
	2,789,187	257,160	3,046,347	2,875,427
<b>Provincial government transfers</b>				
Ministry of Indigenous Relations and Reconciliation	119,801	-	119,801	124,457
Ministry of Community and Social Services	474,182	-	474,182	450,273
Ministry of Health and Long-Term Care	97,937	-	97,937	89,406
Northern Ontario Heritage Fund Corporation	11,288	-	11,288	-
	703,208	-	703,208	664,136
	3,492,395	257,160	3,749,555	3,539,563

### 19. Comparative figures

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

**20. Economic dependence**

The First Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada (INAC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC 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.

**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 consolidated financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSA standards.

**22. 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.

**Medical Services** - activities include delivering health programs.

**Operations & 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.

**Biinjitiwaabik Zaaging Anishinaabek**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

*For the year ended March 31, 2017*

	<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>
<b>Cost</b>							
Balance, beginning of year	131,876	48,649	586,759	88,090	482,513	5,477,198	6,815,085
Acquisition of tangible capital assets	-	7,736	-	-	3,427	178,147	189,310
Disposal of tangible capital assets	-	-	-	-	-	(150,000)	(150,000)
Balance, end of year	131,876	56,385	586,759	88,090	485,940	5,505,345	6,854,395
<b>Accumulated amortization</b>							
Balance, beginning of year	122,049	39,141	484,551	17,700	297,779	1,832,486	2,793,706
Annual amortization	2,949	3,449	30,663	2,816	37,656	148,974	226,507
Accumulated amortization on disposals	-	-	-	-	-	(65,229)	(65,229)
Balance, end of year	124,998	42,590	515,214	20,516	335,435	1,916,231	2,954,984
<b>Net book value of tangible capital assets</b>	<b>6,878</b>	<b>13,795</b>	<b>71,545</b>	<b>67,574</b>	<b>150,505</b>	<b>3,589,114</b>	<b>3,899,411</b>
2016							
Net book value of tangible capital assets	9,827	9,508	102,208	70,390	184,734	3,644,712	4,021,379

**Biinjitiwaabik Zaaging Anishinaabek**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

*For the year ended March 31, 2017*

	<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>
<b>Cost</b>							
Balance, beginning of year	6,815,085	144,623	228,329	3,659,137	1,218,082	4,128,262	16,193,518
Acquisition of tangible capital assets	189,310	-	-	-	-	-	189,310
Disposal of tangible capital assets	(150,000)	-	-	-	-	-	(150,000)
Balance, end of year	6,854,395	144,623	228,329	3,659,137	1,218,082	4,128,262	16,232,828
<b>Accumulated amortization</b>							
Balance, beginning of year	2,793,706	112,819	106,891	662,230	1,134,096	1,085,696	5,895,438
Annual amortization	226,507	3,180	4,858	119,876	16,797	121,703	492,921
Accumulated amortization on disposals	(65,229)	-	-	-	-	-	(65,229)
Balance, end of year	2,954,984	115,999	111,749	782,106	1,150,893	1,207,399	6,323,130
<b>Net book value of tangible capital assets</b>	<b>3,899,411</b>	<b>28,624</b>	<b>116,580</b>	<b>2,877,031</b>	<b>67,189</b>	<b>2,920,863</b>	<b>9,909,698</b>
2016							
Net book value of tangible capital assets	4,021,379	31,804	121,438	2,996,907	83,986	3,042,566	10,298,080

**Biinjitiwaabik Zaaging Anishinaabek**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

*For the year ended March 31, 2017*

	<i>Subtotal</i>	<i>Roads</i>	<i>Land</i>	<i>Other fully amortized assets</i>	<i>Computer software</i>	<i>2017</i>	<i>2016</i>
<b>Cost</b>							
Balance, beginning of year	16,193,518	181,885	298,466	1	23,577	16,697,447	16,461,691
Acquisition of tangible capital assets	189,310	30,000	-	-	-	219,310	236,596
Disposal of tangible capital assets	(150,000)	-	-	-	-	(150,000)	(840)
Balance, end of year	16,232,828	211,885	298,466	1	23,577	16,766,757	16,697,447
<b>Accumulated amortization</b>							
Balance, beginning of year	5,895,438	42,360	-	-	13,641	5,951,439	5,426,446
Annual amortization	492,921	6,781	-	-	5,465	505,167	524,993
Accumulated amortization on disposals	(65,229)	-	-	-	-	(65,229)	-
Balance, end of year	6,323,130	49,141	-	-	19,106	6,391,377	5,951,439
<b>Net book value of tangible capital assets</b>	<b>9,909,698</b>	<b>162,744</b>	<b>298,466</b>	<b>1</b>	<b>4,471</b>	<b>10,375,380</b>	<b>10,746,008</b>
Net book value of tangible capital assets	10,298,080	139,525	298,466	1	9,936	10,746,008	

**Biinjitiwaabik Zaaging Anishinaabek**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Consolidated expenses by object</b>		
Administration	<b>8,324</b>	3,183
Advertising	<b>301</b>	-
Amortization	<b>505,167</b>	524,993
Bad debts	<b>34,132</b>	-
Bank charges and interest	<b>30,455</b>	26,740
Contracted services	<b>305,746</b>	384,617
Cost of goods sold	<b>672,586</b>	698,051
Honouraria	<b>76,966</b>	72,957
Insurance	<b>102,306</b>	71,254
Interest on long-term debt	<b>1,267</b>	2,521
Materials	<b>46,139</b>	-
Miscellaneous	<b>5,105</b>	8,808
Professional fees	<b>136,950</b>	103,406
Salaries and benefits	<b>1,743,075</b>	1,718,185
Social assistance	<b>433,085</b>	477,560
Special projects	<b>500</b>	800
Student expenses	<b>2,997</b>	5,097
Supplies	<b>643,731</b>	806,218
Training	<b>339</b>	660
Transportation	<b>115,408</b>	96,013
Travel	<b>156,517</b>	126,931
Tuition costs	<b>457,956</b>	437,384
Upgrading allowance	<b>204,371</b>	215,444
Utilities	<b>200,387</b>	203,333
	<b>5,883,810</b>	5,984,155

# Biinjitiwaabik Zaaging Anishinaabek

## Schedule 3 - Consolidated Schedule of Revenue and Expenses

*For the year ended March 31, 2017*

	INAC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)
<b>Administration</b>						
Administration - Band Operations	310,292	149,481	459,773	507,716	-	(47,943)
Administration - Band Employee Benefits	50,400	-	50,400	50,400	-	-
Administration - Governance Capacity Development	110,000	-	110,000	-	-	110,000
Administration - Negotiation Preparedness	50,000	-	50,000	61,487	-	(11,487)
<b>Section subtotal</b>	<b>520,692</b>	<b>149,481</b>	<b>670,173</b>	<b>619,603</b>	<b>-</b>	<b>50,570</b>
<b>Medical Services</b>						
Medical Services - Scheduled Transportation	-	64,439	64,439	97,944	-	(33,505)
Medical Services - Facility Operations	-	2,250	2,250	2,250	-	-
Medical Services - Family Support Worker	-	97,424	97,424	97,425	-	(1)
Medical Services - Community Health Representative	-	52,088	52,088	52,088	-	-
Medical Services - Prescriptions	-	-	-	623	623	-
Medical Services - Children's Oral Health Initiative	-	9,893	9,893	9,893	-	-
<b>Section subtotal</b>	<b>-</b>	<b>226,094</b>	<b>226,094</b>	<b>260,223</b>	<b>623</b>	<b>(33,506)</b>
<b>Education</b>						
Education - Tuition Agreements	347,500	-	347,500	330,307	-	17,193
Education - Other Education	553,568	941	554,509	510,761	-	43,748
Education - Band Operated School	221,658	-	221,658	221,658	-	-
Education - Enhanced Teachers Salaries	9,700	-	9,700	9,700	-	-
Education - Capacity Development	-	29,801	29,801	29,909	-	(108)
Education - Other Education Authority	437,235	18,848	456,083	316,560	13,918	153,441
Education - School Effectiveness	44,487	-	44,487	44,487	-	-
<b>Section subtotal</b>	<b>1,614,148</b>	<b>49,590</b>	<b>1,663,738</b>	<b>1,463,382</b>	<b>13,918</b>	<b>214,274</b>
<b>Capital</b>						
Capital - New School	-	-	-	119,876	-	(119,876)
Capital - General Projects	244,904	-	244,904	101,131	-	143,773
<b>Section subtotal</b>	<b>244,904</b>	<b>-</b>	<b>244,904</b>	<b>221,007</b>	<b>-</b>	<b>23,897</b>
<b>Operations &amp; Maintenance</b>						
Operations & Maintenance - Water Systems	54,759	-	54,759	244,792	-	(190,033)
Operations & Maintenance - Fire	19,493	-	19,493	24,351	-	(4,858)
Operations & Maintenance - Roads & Bridges	11,947	-	11,947	18,728	-	(6,781)
Operations & Maintenance - Waste Disposal	36,937	-	36,937	53,734	-	(16,797)
Operations & Maintenance - Community Buildings	28,450	-	28,450	230,749	35,000	(167,299)
Operations & Maintenance - Enhanced Water O&M	63,551	-	63,551	63,551	-	-



# Biinjitiwaabik Zaaging Anishinaabek

## Schedule 3 - Consolidated Schedule of Revenue and Expenses

*For the year ended March 31, 2017*

	INAC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)
<b>Section subtotal</b>	<b>215,137</b>	<b>-</b>	<b>215,137</b>	<b>635,905</b>	<b>35,000</b>	<b>(385,768)</b>
<b>Social Services</b>						
Social Services - Ontario Works	22,500	556,879	579,379	516,127	-	63,252
Social Services - National Child Benefit	18,200	-	18,200	18,200	-	-
Social Services - Homemakers	20,600	97,937	118,537	118,537	-	-
Social Services - Special Needs	500	-	500	500	-	-
Social Services - Basic Needs	20,900	-	20,900	20,900	-	-
<b>Section subtotal</b>	<b>82,700</b>	<b>654,816</b>	<b>737,516</b>	<b>674,264</b>	<b>-</b>	<b>63,252</b>
<b>Social/Cultural Programs</b>						
Social/Cultural Programs - ADI	-	23,507	23,507	23,507	-	-
Social/Cultural Programs - Maternal Child Health	-	7,887	7,887	14,616	-	(6,729)
Social/Cultural Programs - Building Healthy Communities	-	48,515	48,515	48,515	-	-
Social/Cultural Programs - Aboriginal Healing and Wellness	-	63,312	63,312	64,994	-	(1,682)
Social/Cultural Programs - Recreation	-	-	-	28,898	28,014	(884)
Social/Cultural Programs - Land and Resources	-	90,000	90,000	100,967	-	(10,967)
Social/Cultural Programs - Early Childhood Development	-	30,923	30,923	30,923	-	-
Social/Cultural Programs - Brighter Futures	-	64,361	64,361	64,854	493	-
Social/Cultural Programs - Suicide Prevention	-	1,000	1,000	1,000	-	-
Social/Cultural Programs - Mental Wellness Team	-	20,705	20,705	20,705	-	-
Social/Cultural Programs - Solvent Abuse	-	652	652	652	-	-
Social/Cultural Program - Mental Health	-	9,307	9,307	9,307	-	-
<b>Section subtotal</b>	<b>-</b>	<b>360,169</b>	<b>360,169</b>	<b>408,938</b>	<b>28,507</b>	<b>(20,262)</b>
<b>Other Programs</b>						
Other Programs - Housing Coordinator	-	-	-	27,418	14,972	(12,446)
Other Programs - Membership	5,196	-	5,196	5,196	-	-
Other Programs - Pow Wow	-	-	-	32,039	30,000	(2,039)
Other Programs - Funeral Services	-	-	-	33,645	-	(33,645)
Other Programs - Registry Events	128	-	128	128	-	-
Other Programs - Emergency Crisis Planning	-	28,629	28,629	30,897	-	(2,268)
Other Programs - AES Ratification	-	34,493	34,493	34,493	-	-
<b>Section subtotal</b>	<b>5,324</b>	<b>63,122</b>	<b>68,446</b>	<b>163,816</b>	<b>44,972</b>	<b>(50,398)</b>
<b>Employment/Economic Programs</b>						
Employment/Economic Programs - Economic Development	42,000	-	42,000	42,000	-	-
Employment/Economic Programs - Work/Training	-	184,148	184,148	207,173	41,072	18,047
Employment/Economic Programs - Rocky Bay Fisheries	-	113,966	113,966	125,704	6,128	(5,610)
Employment/Economic Programs - LEDSP	36,000	-	36,000	36,000	-	-
Employment/Economic Programs - Summer Work Experience	-	-	-	38,077	42,030	3,953

# **Biinjitiwaabik Zaaging Anishinaabek** **Schedule 3 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2017*

	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Operating Surplus (Deficit)</i>
Employment/Economic Programs - Independent Electricity System Operator	-	23,627	23,627	23,627	-	-
Employment/Economic Programs - TransCanada Pipeline	-	52,926	52,926	52,481	-	445
Employment/Economic Programs - Tree Plant	-	24,396	24,396	46,890	-	(22,494)
<b>Section subtotal</b>	<b>78,000</b>	<b>399,063</b>	<b>477,063</b>	<b>571,952</b>	<b>89,230</b>	<b>(5,659)</b>
<b>Business Enterprise Projects</b>						
Amik Business Trust	-	43,774	43,774	9,827	-	33,947
Biinjitiwaabik Zaaging Anishinaabek Development Inc.	-	769,062	769,062	854,893	-	(85,831)
<b>Section subtotal</b>	<b>-</b>	<b>812,836</b>	<b>812,836</b>	<b>864,720</b>	<b>-</b>	<b>(51,884)</b>
<b>Casino Rama Fund</b>						
Casino Rama Fund	-	668,304	668,304	-	(212,250)	456,054
<b>Total</b>	<b>2,760,905</b>	<b>3,383,475</b>	<b>6,144,380</b>	<b>5,883,810</b>	<b>-</b>	<b>260,570</b>