

WAPEKEKA FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

WAPEKEKA FIRST NATION  
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FOR THE YEAR ENDED MARCH 31, 2015

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WAPEKEKA FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2015

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

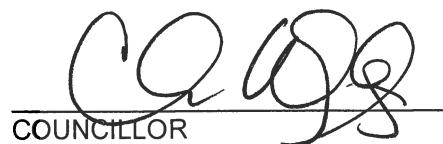
The consolidated financial statements of Wapekeka First Nation are the responsibility of management and have been approved by Chief and Council.

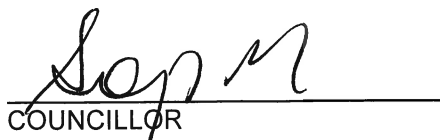
Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

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

The consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the members. Holukoff Chiarella have full and free access to the Chief and Council.

  
CHIEF

  
COUNCILLOR

  
COUNCILLOR

# **Holukoff Chiarella**

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.  
(Practising as Kevin Masse Chartered Accountant Ltd.)

Ralph Orr, B.Comm. (Hons), C.A.  
(Practising as Ralph Orr Chartered Accountant Ltd.)

Wayne H. Chiarella, B.A., C.A. (Retired 2011)

Sam Holukoff, C.A. (Retired 2005)

101 - 1180 Pembina Highway  
Winnipeg, Manitoba R3T 2A4  
Telephone (204) 452-6449  
Fax (204) 452-3397

## **INDEPENDENT AUDITORS' REPORT**

To the Chief, Councillors and Members of  
Wapekeka First Nation

We have audited the accompanying financial statements of Wapekeka First Nation, which comprise the consolidated statements of financial position as at March 31, 2015 and the consolidated statements of accumulated surplus, operations, change in Ottawa Trust Funds, change in net financial assets/net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit in accordance with Canadian public sector accounting standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

# Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.  
(Practising as Kevin Masse Chartered Accountant Ltd.)  
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## INDEPENDENT AUDITORS' REPORT - CONTINUED

### **Basis for Qualified Opinion**

The First Nation has undertaken to identify the total cost of tangible capital assets not previously recorded and any impairment or related amortization attributed to each of those assets. The full extent of these unrecorded assets and appropriate amortization is not determinable at the date of the audit report. As a result we were unable to determine what further adjustments, if any, might be necessary to tangible capital assets, annual surplus and accumulated surplus.

Inventory consists of fuel purchased for the community of Wapekeka First Nation plus materials for projects and operations. We did not observe the inventory counts at the beginning or end of the year and alternative means did not provide us with the necessary assurance concerning the cost of inventory. As a result, we were unable to determine what adjustments, if any, might be necessary to assets, annual surplus (deficit) and accumulated surplus.

The financial statements include investments in Wasaya Partnership, Wasaya Group Inc. and Landmark Inn Limited Partnership. The financial information for Wasaya Partnership, Wasaya Group Inc. and Landmark Limited Partnership has not been audited. As a result, we were not able to determine if adjustments might have been found necessary in respect of the long-term investments and the elements marking up the consolidated statements of accumulated surplus, consolidated statements of operations, consolidated statements of financial position, consolidated statements of accumulated surplus, consolidated statements of operations, consolidated statements of change in net debt and consolidated statements of cash flows.

### **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 Wapekeka First Nation as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



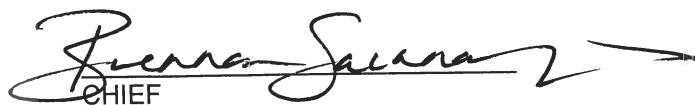
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July 24, 2015

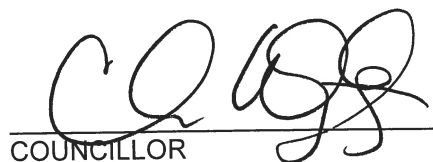
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LICENSED PUBLIC ACCOUNTANTS

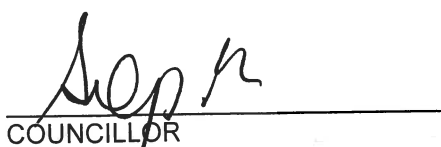
WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2015

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
<b>FINANCIAL ASSETS</b>		
Cash in bank, Note 2	\$ 232,882	414,060
Accounts receivable, Note 3	741,801	1,951,556
Investments, Note 4	2,527,645	2,527,645
Ottawa Trust funds, Exhibit "E", Note 5	<u>38,173</u>	<u>31,293</u>
	<u>3,540,501</u>	<u>4,924,554</u>
<b>LIABILITIES</b>		
Accounts payable, Note 6	1,802,622	1,765,182
Deferred revenue, Note 7	283,363	334,355
Moveable assets reserve, Note 8	41,620	42,974
Replacement reserves, Note 9	21,127	21,127
Long term debt, Note 10	<u>996,214</u>	<u>673,822</u>
	<u>3,144,946</u>	<u>2,837,460</u>
<b>NET FINANCIAL ASSETS</b>	<u>395,555</u>	<u>2,087,094</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses, Note 11	230,000	229,320
Tangible capital assets, Note 12	<u>10,649,278</u>	<u>9,716,811</u>
	<u>10,879,278</u>	<u>9,946,131</u>
<b>ACCUMULATED SURPLUS, Exhibit "C", Note 13</b>	<b>\$ <u>11,274,833</u></b>	<b><u>12,033,225</u></b>

APPROVED BY:

  
 CHIEF

  
 COUNCILLOR

  
 COUNCILLOR

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
BALANCE AT BEGINNING OF YEAR	\$ 12,033,225	12,778,107
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	<u>(758,392)</u>	<u>(744,882)</u>
BALANCE AT END OF YEAR	\$ <u><b>11,274,833</b></u>	<u><b>12,033,225</b></u>

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>		
Federal Government		
AANDC	\$ 4,471,754	3,718,685
Health Canada	1,971,495	2,032,765
Canada Mortgage and Housing Corporation	28,761	24,876
Provincial government	906,382	1,056,170
Ontario First Nations Limited Partnership	829,874	808,706
Other	<u>1,940,799</u>	<u>1,261,335</u>
	<u>10,149,065</u>	<u>8,902,537</u>
<b>EXPENSES</b>		
Band Support	1,056,476	809,190
Municipal Services	2,023,858	1,232,703
Education Services	1,392,529	1,380,128
Social Services	1,414,627	1,282,617
Economic Development	122,268	115,666
Capital Projects	418,376	450,522
Ki-Chi-Ha-Gamic Home	67,873	71,117
OFNLP	477,231	235,971
Health Services	2,229,397	2,072,596
Other Programs	<u>2,698,622</u>	<u>1,378,462</u>
	<u>11,901,257</u>	<u>9,028,972</u>
<b>ANNUAL DEFICIT BEFORE OTHER ITEMS</b>	(1,752,192)	(126,435)
<b>OTHER ITEMS</b>		
Transfer to tangible capital assets from operations	1,528,382	53,828
Amortization not included in operations	(541,857)	(457,220)
Payment on Hydro One arrears		(225,000)
Interest and Fibre Optic revenue, Ottawa Trust Fund	6,880	9,550
Interest, Trust Funds - community	<u>395</u>	<u>395</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (758,392)</b>	<b>(744,882)</b>



**WAPEKEKA FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	2015			2014
	Revenue			Annual
	AANDC	Other	Total	Surplus (Deficit)
Band Support	\$ 520,256	287,970	808,226	(157,750)
Municipal Services	947,783	166,851	1,114,634	(9,062)
Education Services	1,085,229	251,554	1,336,783	(863,485)
Social Services	344,439	1,070,447	1,414,886	(146,363)
Economic Development	50,000		50,000	(6,104)
Capital Projects	367,937		367,937	7,390
Ki-Chi-Ha-Gamic Home		67,488	67,488	
OFNLP		829,874	829,874	(385)
Health Services		2,216,347	2,216,347	(600)
Other Programs	1,156,110	786,780	1,942,890	59,062
				(30,758)
AANDC FUNDING	\$ 4,471,754	5,677,311	10,149,065	(126,435)
PER CONFIRMATION	\$ 4,471,754			
OTHER ITEMS				
Transfer to tangible capital assets				53,828
Amortization not included in operations				(457,220)
Interest and Fibre Optic revenue, Ottawa Trust Fund				9,550
Interest, Trust Funds - community				395
Band member contributions - Hydro One arrears				(225,000)
ANNUAL SURPLUS (DEFICIT)			\$	(744,882)
				(758,392)

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN OTTAWA TRUST FUNDS  
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
BALANCE AT BEGINNING OF YEAR	\$ 31,293	21,743
ADDITIONAL DEPOSITS DURING THE YEAR	6,000	9,000
INTEREST RECEIVED DURING THE YEAR	<u>880</u>	<u>550</u>
BALANCE AT END OF YEAR	\$ <b><u>38,173</u></b>	<b><u>31,293</u></b>

WAPEKEKA FIRST NATION  
 CONSOLIDATED STATEMENT OF CHANGE IN  
 NET DEBT/NET FINANCIAL ASSETS  
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
ANNUAL DEFICIT, Exhibit "D"	\$ (758,392)	(744,882)
Change in prepaid expenses	(680)	(107,899)
Acquisition of tangible capital assets	(1,528,382)	(53,828)
Amortization of tangible capital assets	<u>595,915</u>	<u>497,777</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,691,539)	(408,832)
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>2,087,094</u>	<u>2,495,926</u>
NET FINANCIAL ASSETS AT END OF YEAR	\$ <u><b>395,555</b></u>	<u><b>2,087,094</b></u>

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2015

EXHIBIT "G"

	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Annual deficit, Exhibit "D"	\$ (758,392)	(744,882)
Add non-cash items		
Amortization	595,915	497,777
Replacement reserve		(350)
Moveable asset reserve	(1,354)	1,591
Net change in financial assets/liabilities and prepaid expenses		
Accounts receivable	1,209,755	(753,591)
Prepaid expenses	(680)	(107,899)
Ottawa Trust funds	(6,880)	(9,550)
Accounts payable	37,440	536,326
Deferred revenue	<u>(50,992)</u>	<u>(27,942)</u>
	<u>1,024,812</u>	<u>(608,520)</u>
FINANCING TRANSACTIONS		
Net increase in term loans and mortgages	<u>322,392</u>	<u>129,102</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(1,528,382)</u>	<u>(53,828)</u>
NET CHANGE IN CASH POSITION	(181,178)	(533,246)
CASH POSITION AT BEGINNING OF YEAR	<u>414,060</u>	<u>947,306</u>
CASH POSITION AT END OF YEAR	\$ <u><b>232,882</b></u>	<u><b>414,060</b></u>

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities, as defined in the Public Sector Accounting and Auditing handbook of the Canadian Institute of Chartered Accountants.

a) Nature and Purpose of Organization

The purpose of the organization is the management and administration of all aspects of the Wapekeka First Nation. The organization operates with a Chief and Council, who are ultimately responsible for the establishment and administration of all programs of the First Nation.

b) Reporting Entity and Principles of Financial Reporting

Wapekeka First Nation reporting entity includes the Wapekeka First Nation government and all related unincorporated non-business entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements summarize on a combined basis the assets, liabilities and results of operations for the following entities. The readers of these summarized financial statements have access to the detailed information of each entity's financial statement.

Wapekeka First Nation Revenue Fund  
Wapekeka Education Authority  
Wapekeka First Nation Health Authority  
Ki-Chi-Ha-Gamic Home

All inter-entity balances have been eliminated on summarization, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated.

Investments in non controlled entities are recorded at the lower of cost and net realizable value.

c) Amortization

Assets are amortized over their expected useful life using the straight line method at the following rates:

Water and Sewage Service	2.5%
General Housing	5.0%
General Equipment	20.0%
Vehicles	20.0%
Small Business Centre	5.0%
Multi-Purpose Building	5.0%

In the year of acquisition, 50% of the normal amortization is recorded.

Social Housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long term debt, which approximates its economic life.

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

d) Revenue Recognition

The organization follows the deferral method of accounting for revenue. Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and can reasonably estimated and collection is reasonably assured. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position.

e) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services. The organization does not capitalize computer software. Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artefacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

f) Assets Under Construction

Capital projects under construction at year end are recorded at cost and are segregated as part of the non-financial assets. As the construction of these assets is completed, they are added to the appropriate tangible capital asset category. Amortization is not taken until the asset is put into use.

g) Net Debt/Net Financial Assets

The organization's financial statements are presented so as to highlight the net debt/net financial assets as a measurement of financial position. The net debt/net financial assets of the organization are determined by its financial assets less its liabilities.

h) Deferred Revenue

Deferred revenue represents funding received or receivable under the terms of their respective funding arrangements for specified purposes and for which the related expenses have not been incurred. Unspent funding or expenses made which are not in accordance with the terms of the funding arrangements may constitute a debt to the funding authority upon review of the funding arrangement expenses. Note 5 provides a summary of deferred revenue by project.

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

i) Financial Instruments

*Initial and subsequent measurement*

The First Nation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The First Nation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash in bank, accounts receivable, investments and Ottawa Trust Funds

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable, deferred revenue, moveable asset reserve, replacement reserves and long term debt.

*Transaction costs*

Transactions costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

j) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 2. CASH IN BANK

	<u>2015</u>	<u>2014</u>
GIC at 2.1% interest, maturing September 2015	\$ 19,594	19,199
Social Services	(38,437)	(20,838)
Education	(51,399)	79,290
Administration	(241,172)	368,796
Soil Remediation	4,775	12,827
Health Authority	478,819	(131,363)
Revenue Fund	37,160	62,145
Ki-Chi-Ha-Gamic Home	<u>23,542</u>	<u>24,004</u>
	<b>\$ <u>232,882</u></b>	<b><u>414,060</u></b>

## 3. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
CMHC	\$ 2,331	2,111
Aboriginal Affairs and Northern Development Canada	230,912	209,580
Health Canada		1,123,428
Other government agencies	60,131	54,580
Members loans, advances and rent	258,272	489,284
CRA - Goods and Services Tax recovery		4,806
Other	<u>439,504</u>	<u>509,148</u>
	991,150	2,392,937
Allowance for doubtful accounts	<u>(249,349)</u>	<u>(441,381)</u>
	<b>\$ <u>741,801</u></b>	<b><u>1,951,556</u></b>



**WAPEKEKA FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

**4. INVESTMENTS**

	<u>2015</u>	<u>2014</u>
The First Nation has the following investments:		
2137922 Ontario Inc. – shares in holding company for interest in Landmark Inn Limited Partnership	\$ 100,000	100,000
Wasaya Partnership	1,392,582	1,392,582
Wasaya Group Inc.	1,035,063	1,035,063
Kenawun Community Development Corporation Loan with no specified interest or terms of repayment.	62,000	62,000
Less: Provision for write-down in value	(62,000)	(62,000)
Kenawun Properties Ltd. Loan with no specified interest or terms of repayment.	150,000	150,000
Less: Provision for write-down in value	(150,000)	(150,000)
145005 Ontario Inc. and 2028975 Ontario Inc. Shares and advances	160,000	160,000
Less: Provision for write-down in value	<u>(160,000)</u>	<u>(160,000)</u>
	<b>\$ <u>2,527,645</u></b>	<b><u>2,527,645</u></b>

**5. OTTAWA TRUST FUNDS**

Ottawa Trust Funds are derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in the consolidated revenue fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 31,293	21,743
Amount placed on deposit	6,000	9,000
Interest received in the year	<u>880</u>	<u>550</u>
Balance, end of year	<b>\$ <u>38,173</u></b>	<b><u>31,293</u></b>

**6. ACCOUNTS PAYABLE**

	<u>2015</u>	<u>2014</u>
Trade payables	\$ 1,836,054	1,632,620
Health Canada		18,008
Canada Revenue Agency	<u>(33,432)</u>	<u>114,554</u>
	<b>\$ <u>1,802,622</u></b>	<b><u>1,765,182</u></b>

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

7. DEFERRED REVENUE

Funding in the current period to be applied against subsequent period programs are recorded as incomplete projects in the financial statements.

Deferred revenue consists of the following:

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>
Leadership Governance	\$	35,000		35,000
Soil Remediation	117,279			117,279
Remediation Project	171,145	146,110	317,255	
Electrical System - Diesel Generating System	20,000	580,082	468,998	131,084
Literacy Program	<u>25,931</u>	<u>5,580</u>	<u>31,511</u>	
	<b>\$ <u>334,355</u></b>	<b><u>766,772</u></b>	<b><u>817,764</u></b>	<b><u>283,363</u></b>

8. MOVABLE ASSETS RESERVE

Under the terms of the Health Services Transfer Agreement with Health Canada the initial lump sum, interest and an annual amount are to be placed in the reserve for the replacement of assets. Expenditures for the replacement or substitutions of moveable assets are charged to the reserve during the year.

9. REPLACEMENT RESERVES

Under the terms of the agreement with Canada Mortgage and Housing Corporation, Replacement Reserves are to be credited in the amount of \$2,100 annually until it accumulates to \$21,000 plus interest. These funds, along with accumulated interest, are to be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal.

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 10. LONG TERM DEBT

	<u>2015</u>	<u>2014</u>
Bank loan, Royal Bank, non-revolving, repayable in four annual payments of \$113,000 commencing May 15, 2013 for principal and interest of 5% per annum, secured by assignment of minor capital funds of AANDC for the year 2013 to 2015 and Ontario First Nations Limited Partnership funds.	\$ 104,884	207,509
Bank loan, Royal Bank, repayable at \$1,473 per month plus interest at 3.85% per annum, secured by a guarantee and vehicle.	38,033	
Loan payable to John Deere Financial, repayable at \$8,088 per month without interest.	8,088	
Bank loan, Royal Bank, non-revolving facility #7 repayable in semi-annual payments of \$45,000 principal plus interest at 6.25%. Secured by assignment of minor capital funds of AANDC for the year 2013 to 2015 and Ontario First Nations Limited Partnership funds.		225,000
Bank loan repayable at \$820 per month plus interest at 4.35%, secured by a guarantee and school bus.	28,177	36,605
Bank loan, Royal Bank, repayable at \$15,960 per month including interest at 4.78% per annum, secured by a guarantee and equipment.	641,863	
Mortgage for Ki-Chi-Ha-Gamic Home, repayable at \$2,732 per month principal and interest at 3.06% per annum maturing February 2019.	<u>175,169</u>	<u>204,708</u>
	<b>\$ <u>996,214</u></b>	<b><u>673,822</u></b>

Principal repayments on loans and mortgages over the next three years are estimated as follows:

2016	\$ 331,509
2017	228,073
2018	223,273
2019	<u>213,359</u>
	<b>\$ <u>996,214</u></b>

## 11. PREPAID EXPENSES

Prepaid expenses at March 31, 2015 and at March 31, 2014 are comprised of fuel purchases on hand at year end, with a cost based on the invoice price at time of purchase.

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 12. TANGIBLE CAPITAL ASSETS

		2015				
		Cost Mar. 31/14	Additions (Disposals)	Cost Mar. 31/15	Accumulated Amortization	Net Book Value
General buildings	\$	2,719,767		2,719,767	1,207,591	1,512,176
Vehicles and equipment		760,533		760,533	612,216	148,317
Heavy vehicles		93,000	709,869	802,869	145,987	656,882
Water and sewer infrastructure		10,703,534		10,703,534	3,344,851	7,358,683
Generating station infrastructure			603,519	603,519	15,088	588,431
Bulk fuel facility			214,994	214,994	5,375	209,619
CMHC housing		<u>487,200</u>	<u></u>	<u>487,200</u>	<u>312,031</u>	<u>175,169</u>
	\$	<b><u>14,764,034</u></b>	<b><u>1,528,382</u></b>	<b><u>16,292,416</u></b>	<b><u>5,643,139</u></b>	<b><u>10,649,277</u></b>

		2014			
	Cost	Additions	Cost	Accumulated	Net Book
	<u>Mar. 31/13</u>	<u>(Disposals)</u>	<u>Mar. 31/14</u>	<u>Amortization</u>	<u>Value</u>
General buildings	\$ 2,719,767		2,719,767	1,071,602	1,648,165
Vehicles and equipment	706,705	53,828	760,533	559,467	201,066
Heavy vehicles	93,000		93,000	56,400	36,600
Water and sewer infrastructure	10,703,534		10,703,534	3,077,262	7,626,272
CMHC housing	<u>487,200</u>	<u></u>	<u>487,200</u>	<u>282,492</u>	<u>204,708</u>
	<b>\$ 14,710,206</b>	<b>53,828</b>	<b>14,764,034</b>	<b>5,047,223</b>	<b>9,716,811</b>

## 13. ACCUMULATED SURPLUS

A portion of this balance includes surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant contribution arrangements.

## 14. FEDERAL ASSISTANCE PAYMENTS

The Ki-Chi-Ha-Gamic Home has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to reduce mortgage interest expense to 2% to enable the project to provide housing to low-income individuals. The amount of assistance received in 2015 was \$28,761 (2014 - \$24,876).

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

15. COMPARATIVE FIGURES

Certain comparative figures for the previous year have been reclassified to conform with the current year's financial statement presentation.

16. BUDGET INFORMATION

Budget data was included when available. The budget figures are unaudited.

17. ECONOMIC DEPENDENCE

The Wapekeka First Nation receives a major portion of its revenues pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada and Health Canada.

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 18. SEGMENT DISCLOSURE

	Band Support		Municipal Services		Education Services	
	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2015</u>
	<u>2014</u>		<u>2014</u>		<u>2014</u>	
REVENUE						
Federal government	\$ 509,421	520,256	509,221	947,783	1,087,225	1,083,755
Provincial government				1,065,790		
Economic activities						
Net income from investments in government business enterprises						
Other revenue	91,553	287,970	290,907	94,443	236,389	290,269
TOTAL REVENUE	600,974	808,226	800,128	1,325,224	1,323,614	1,374,024
EXPENSES						
Honoraria						
Chief and Councillors	278,400	276,000	251,190			
Elders and Board Members						
Wages and benefits	244,418	264,730	253,262	465,000	790,069	754,979
Amortization		541,857	457,220			16,723
Tangible capital assets				(516,878)		
Interest	18,402	37,719	23,523			
Other expenses	465,877	470,752	496,270	983,410	553,859	620,827
TOTAL EXPENSES	1,007,097	1,591,058	1,481,465	1,448,410	1,343,928	1,380,128
SURPLUS (DEFICIT) BEFORE TRANSFERS	(406,123)	(782,832)	(681,337)	(123,186)	(20,314)	(55,746)
TRANSFERS		90,500		77,377		
ANNUAL SURPLUS (DEFICIT)	\$ (406,123)	(692,332)	(681,337)	(45,809)	(20,314)	(6,104)

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 18. SEGMENT DISCLOSURE, continued

	Social Services		Economic Development		Capital Projects	
	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2015</u>
		<u>2014</u>		<u>2014</u>		<u>2014</u>
REVENUE						
Federal government	\$	347,839	344,439	424,006		
Provincial government		761,676	1,070,447	932,970		
Economic activities						
Net income from investments in government business enterprises				(66,969)		
Other revenue						
TOTAL REVENUE		<u>1,109,515</u>	<u>1,414,886</u>	<u>1,290,007</u>	<u>367,937</u>	<u>424,913</u>
EXPENSES						
Honoraria						
Chief and Councillors						
Elders and Board Members						
Wages and benefits	104,894	108,019	97,232	95,940	126,976	113,931
Amortization						
Tangible capital assets						
Interest						
Other expenses	1,114,321	1,306,608	1,185,385	16,211	336,294	336,591
TOTAL EXPENSES		<u>1,219,215</u>	<u>1,414,627</u>	<u>1,282,617</u>	<u>463,270</u>	<u>450,522</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS		(109,700)	259	7,390	(95,333)	(25,609)
TRANSFERS			(60,361)		3,788	25,609
ANNUAL SURPLUS (DEFICIT)	\$	<u>(109,700)</u>	<u>(60,102)</u>	<u>7,390</u>	<u>(91,545)</u>	<u>(2,335)</u>

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 18. SEGMENT DISCLOSURE, continued

		<u>Ki-Ch-Ha-Gamic Home</u>		<u>OFNLP and Other Programs</u>	
		<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2014</u>
REVENUE					
Federal government	\$	24,876	28,761	1,156,110	1,156,110
Provincial government				187,073	262,050
Economic activities					161,000
Net income from investments in government business enterprises					123,200
Other revenue		<u>45,641</u>	<u>38,727</u>	<u>1,051,316</u>	<u>1,354,604</u>
					<u>1,390,750</u>
TOTAL REVENUE		<u>70,517</u>	<u>67,488</u>	<u>2,394,499</u>	<u>2,772,764</u>
					<u>1,674,950</u>
EXPENSES					
Honoraria					
Chief and Councillors				1,200	
Elders and Board Members				725,368	1,500
Wages and benefits				681,733	512,175
Amortization					
Tangible capital assets				(1,011,504)	
Interest					
Other expenses				<u>1,751,523</u>	<u>2,376,877</u>
					<u>1,100,758</u>
TOTAL EXPENSES		<u>70,518</u>	<u>67,873</u>	<u>2,433,256</u>	<u>2,091,941</u>
					<u>1,614,433</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS		(1)	(385)	(38,757)	60,517
TRANSFERS				(112,665)	(91,275)
ANNUAL SURPLUS (DEFICIT)	\$	<u>(1)</u>	<u>(385)</u>	<u>(151,422)</u>	<u>664,573</u>
					<u>(30,758)</u>



WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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## 18. SEGMENT DISCLOSURE, continued

	Health Services		Total	
	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2014</u>
REVENUE				
Federal government	\$ 1,971,495	1,971,495	6,462,686	5,776,326
Provincial government		2,032,765	948,749	1,056,170
Economic activities				
Net income from investments in government business enterprises				
Other revenue	<u>45,299</u>	<u>244,852</u>	<u>1,847,639</u>	<u>2,070,041</u>
TOTAL REVENUE	<u>2,016,794</u>	<u>2,216,347</u>	<u>9,259,074</u>	<u>8,902,537</u>
EXPENSES				
Honoraria				
Chief and Councillors			278,400	251,190
Elders and Board Members	12,000	12,000	12,000	13,400
Wages and benefits	1,323,195	1,268,775	3,832,225	3,041,459
Amortization			27,868	496,321
Tangible capital assets		(53,828)	(1,528,382)	(53,828)
Interest			23,402	28,758
Other expenses	<u>825,886</u>	<u>948,622</u>	<u>6,085,031</u>	<u>5,870,119</u>
TOTAL EXPENSES	<u>2,161,081</u>	<u>2,229,397</u>	<u>10,258,926</u>	<u>9,647,419</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS	(144,287)	(13,050)	(999,852)	(744,822)
TRANSFERS		(180,000)		
ANNUAL SURPLUS (DEFICIT)	\$ <u>(144,287)</u>	<u>(193,050)</u>	<u>(999,852)</u>	<u>(744,822)</u>