

WUNNUMIN LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

WUNNUMIN LAKE FIRST NATION

COUNCIL

Chief	Rod Winnepetonga
Deputy Chief	Luc McKay
Councillor	Gordon McKoop
Councillor	Zebedee Sturgeon
Councillor	Simon Winnepetonga
Councillor	Zack Mamakwa

FIRST NATION ADMINISTRATION

Band Manager	Amos Martin
Band Administrator	Joyce Angees
Social Services Administrator	Jemima McKay
Education Director	Sam Mamakwa
Health Director	Rachael Mamakwa

WUNNUMIN LAKE FIRST NATION
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FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

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WUNNUMIN LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014 AND 2013

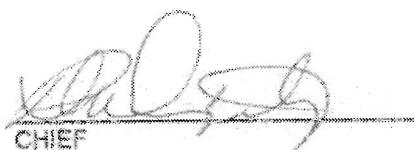
MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Wunnumin Lake First Nation are the responsibility of management and have been approved by Chief and Councillors.

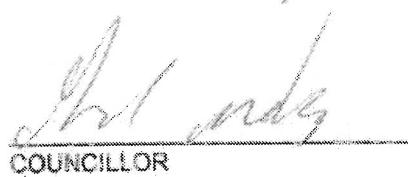
Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, 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 First Nation Council is 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 Council.



CHIEF



COUNCILLOR



COUNCILLOR

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Massee, B.Comm. (Hons), C.A.
(Practising as Kevin Massee 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)

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INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors and Members of
Wunnumin Lake First Nation

We have audited the accompanying consolidated financial statements of Wunnumin Lake First Nation, which comprise the consolidated statements of financial position as at March 31, 2014 and 2013 and the consolidated statements of accumulated surplus, consolidated statements of operations, consolidated statements of change in net debt and consolidated statements of cash flows for the years 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 generally accepted accounting principles, 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 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 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 Massee, B.Comm. (Hons), C.A.
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INDEPENDENT AUDITORS' REPORT - Continued

Basis for Qualified Opinion

The First Nation has long standing advances and investments from its business enterprises as disclosed in Note 5, the collectability and valuation of which is not susceptible to satisfactory audit verification. We were not able to satisfy ourselves concerning the validity and collectibility of the recorded amounts of the long term investments in business enterprises, Note 5. Accordingly, we were not able to determine whether any adjustments might be necessary to investments, expenses, annual surplus and accumulated surplus.

Qualified Opinion

In our opinion, except for the possible effects of adjustments, if any, which might have been determined to be necessary as a result of the matter in the preceding paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Wunnumin Lake First Nation as at March 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



WINNIPEG, MANITOBA
September 10, 2014

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

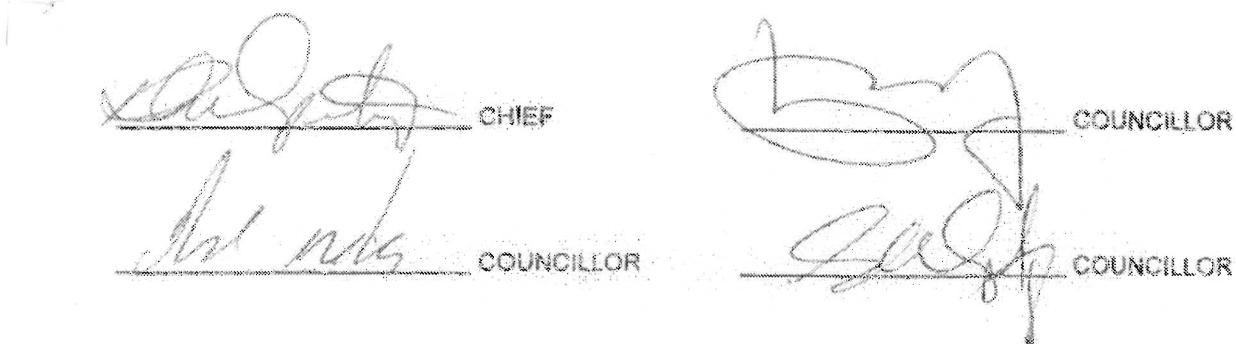
EXHIBIT "B"

WUNNUMIN LAKE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Restricted cash, Note 2	\$ 1,392	1,471
Ottawa Trust Funds, Note 2	8,360	8,153
Accounts receivable, Note 3	1,286,150	2,078,020
Advances receivable, Note 4	21,378	48,447
Investments, Note 5	<u>6,132,138</u>	<u>4,481,046</u>
Total financial assets	<u>7,449,418</u>	<u>6,617,137</u>
LIABILITIES		
Bank indebtedness, Note 6	348,884	609,647
Accounts payable and accrued liabilities, Note 7	5,076,160	5,160,992
Deferred revenue, Note 8	180,558	27,688
Long term debt, Note 9	3,956,748	3,178,610
Reserves, Note 10	<u>154,985</u>	<u>114,738</u>
Total liabilities	<u>9,717,335</u>	<u>9,091,675</u>
NET DEBT	<u>(2,267,917)</u>	<u>(2,474,538)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets, Note 11	22,131,348	21,883,938
Construction in progress, Note 11	<u>1,443,447</u>	<u>2,646,407</u>
	<u>23,574,795</u>	<u>24,530,345</u>
ACCUMULATED SURPLUS, Note 12, Exhibit "C"	<u>\$ 21,306,878</u>	<u>22,055,807</u>

CONTINGENT LIABILITIES AND COMMITMENTS, Note 13

APPROVED BY:



The image shows four handwritten signatures in black ink. The first signature, 'Chief', is positioned above a horizontal line. The second signature, 'COUNCILLOR', is positioned below the first. The third signature, 'COUNCILLOR', is positioned above a second horizontal line. The fourth signature, 'COUNCILLOR', is positioned below the third. Each signature is accompanied by a small printed title: 'CHIEF' and 'COUNCILLOR' for the first two, and 'COUNCILLOR' for the last two.

EXHIBIT "C"

WUNNUMIN LAKE FIRST NATION
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
BALANCE AT BEGINNING OF YEAR	\$ 22,055,807	23,634,910
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	<u>(748,929)</u>	<u>(1,579,103)</u>
BALANCE AT END OF YEAR	<u>\$ 21,306,878</u>	<u>22,055,807</u>

EXHIBIT "D"

WUNNUMIN LAKE FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUE		
AANDC funding	\$ 4,871,187	5,534,593
Health Canada	3,181,016	2,919,455
CMHC	117,624	99,128
Canada Post	24,077	24,615
Province of Ontario	637,171	660,923
OFNLP	813,336	865,023
Other	<u>6,225,880</u>	<u>7,033,539</u>
	<u>15,870,291</u>	<u>17,137,276</u>
EXPENSES		
First Nation management	1,111,304	1,555,745
Social services	624,189	601,084
Education management	1,945,095	1,899,073
Education operations and maintenance	431,790	447,196
Pipestone operations and maintenance - utility	2,337,916	2,903,122
Community operations and maintenance	553,366	535,593
Capital	452,775	265,583
Operating Programs	2,159,918	2,648,599
Employment Programs	265,371	335,590
Pipestone Economic Development Council	224,448	266,587
Health and Social Services Council	3,597,675	3,647,587
CMHC housing project	262,825	236,079
OFNLP	216,094	23,750
Mishamikiwiish Akiw Otabitamaageg	430,272	394,868
CMHC 4 Unit project	950,254	371,953
Community Development Funds	<u>950,254</u>	<u>721,452</u>
	<u>15,563,292</u>	<u>16,853,861</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	306,999	283,415
OTTAWA TRUST FUNDS, Note 2	207	195
INVESTMENT INCOME	51,680	247,365
PROVISION FOR WRITE-DOWN OF INVESTMENTS		
SHARE OF ANNUAL SURPLUS (DEFICIT)		
OF FIRST NATION CONTROLLED ENTITIES		
Chee-Kee-Sis Petro Inc.	(172,473)	(38,681)
2036898 Ontario Inc. o/a Wunnumin Lake Small Business Centre	1,314	(13,385)
Wunnumin Lake Community Telecommunication Corporation	18,271	(159,159)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS		
NOT EXPENSED IN OPERATIONS	(1,412,755)	(1,750,749)
TRANSFERS TO		
Tangible capital assets	1,660,788	
Construction in progress	<u>(1,202,960)</u>	<u>(148,104)</u>
ANNUAL SURPLUS (DEFICIT)	\$ (748,929)	(1,579,103)

EXHIBIT "D-1"

WUNNUMIN LAKE FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS BEFORE OTHER ITEMS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

		2014			2013	
		Total Revenue	Other	Health	AANDC	Annual Surplus (Deficit)
First Nation Management		948,344	1,588,016	1,111,304	476,712	
Social Services	\$ 639,672	497,777	624,189	624,189	1,26,412	
Education Management	1,695,577	245,403	1,940,980	1,945,095	41,274	
Education Operations and Maintenance	473,685	24,790	498,475	431,790	59,675	
Pipestone Operations and Maintenance - Utility	914,592	1,123,882	2,038,474	2,337,916	(299,442)	
Community Operations and Maintenance	165,101	388,265	553,366	553,366		
Capital	436,249	82,340	518,589	452,775	251,273	
Operating Programs	295,701	1,997,097	2,292,798	2,159,918	118,280	
Employment Programs	31,400	244,357	275,757	265,371	(1,726)	
Pipestone Economic Development Council	66,283	158,165	224,448	224,448		
Health and Social Services Council	26,515	3,181,016	255,637	3,463,168	3,597,675	
CMHC Housing Projects, Operation			255,411	255,411	(134,507)	
Ontario First Nations Limited Partnership			216,094	216,094	(13,134)	
Misnamiikiwiish Akiw Otabitamaaageg			430,272	430,272	(300)	
CMHC						
Community Development Funds						
	\$ 4,871,187	<u>3,181,016</u>	<u>950,254</u>	<u>950,254</u>	<u>15,563,292</u>	<u>950,254</u>
OTTAWA TRUST FUNDS, Note 2		<u>7,818,088</u>	<u>15,870,291</u>		<u>306,999</u>	<u>283,415</u>
INVESTMENT INCOME					207	195
SHARE OF ANNUAL SURPLUS (DEFICIT) OF						
FIRST NATION CONTROLLED ENTITIES						
Chee-Kee-Sis Petro Inc.					(172,473)	(38,681)
2036898 Ontario Inc. o/a Wunnumin Lake Small Business Centre					1,314	(13,385)
Wunnumin Lake Community Telecommunication Corporation					18,271	(159,159)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS						
NOT EXPENSED IN OPERATIONS						
TRANSFERS TO						
Tangible capital assets						
Construction in progress						
ANNUAL SURPLUS (DEFICIT)						
	\$ 748,929					
	1,660,788					
	(1,202,960)					
	<u>(148,104)</u>					

EXHIBIT "E"

WUNNUMIN LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	\$ (748,929)	(1,579,103)
Acquisition of tangible capital assets	(1,760,236)	(1,944,478)
Amortization of tangible capital assets	1,512,826	1,839,766
Change in assets under construction	<u>1,202,960</u>	<u>766,728</u>
DECREASE (INCREASE) IN NET DEBT	206,621	(917,087)
NET DEBT AT BEGINNING OF YEAR	<u>(2,474,538)</u>	<u>(1,557,451)</u>
NET DEBT AT END OF YEAR	<u>\$ (2,267,917)</u>	<u>(2,474,538)</u>

EXHIBIT "F"

WUNNUMIN LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit), Exhibit "D"	\$ (748,929)	(1,579,103)
Add non-cash items		
Amortization of tangible capital assets	1,512,826	1,839,766
Net change in financial assets/liabilities		
Accounts receivable	791,870	(482,892)
Ottawa Trust Funds	(207)	(195)
Reserves	40,247	38,255
Accounts payable and accrued liabilities	(84,832)	2,380,867
Deferred revenue	<u>152,870</u>	<u>23,578</u>
	<u>1,663,845</u>	<u>2,220,276</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(1,760,236)	(1,944,478)
Change in assets under construction	<u>1,202,960</u>	<u>766,728</u>
	<u>(557,276)</u>	<u>(1,177,750)</u>
FINANCING TRANSACTIONS		
Principal repayments on long term debt	(311,297)	(2,213,759)
Proceeds on long term debt	<u>1,089,435</u>	<u>1,324,083</u>
	<u>778,138</u>	<u>(889,676)</u>
INVESTING TRANSACTIONS		
Decrease (increase) in advances/loans receivable	27,069	14,244
Decrease (increase) in investments	<u>(1,651,092)</u>	<u>(345,593)</u>
	<u>(1,624,023)</u>	<u>(331,349)</u>
NET CHANGE IN CASH POSITION	260,684	(178,499)
CASH POSITION AT BEGINNING OF YEAR	<u>(608,176)</u>	<u>(429,677)</u>
CASH POSITION AT END OF YEAR	\$ (347,492)	(608,176)
REPRESENTED BY:		
Bank indebtedness	\$ (348,884)	(609,647)
Restricted cash	<u>1,392</u>	<u>1,471</u>
	\$ (347,492)	(608,176)

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity and Principles of Financial Reporting

Wunnumin Lake First Nation reporting entity includes the Wunnumin Lake First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidations:

Wunnumin Lake First Nation - Operations
Wunnumin Lake First Nation - CMHC Housing Project
Wunnumin Lake First Nation - Mishamikiish Akiw Otabitamaageg

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

Incorporated and unincorporated business entities, which are owned or controlled by the Wunnumin Lake First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. These include:

Chee-Kee-Sis Petro Inc.
Wunnumin Lake Community Telecommunication Corporation
2036898 Ontario Inc. o/a Wunnumin Lake Small Business Centre

Long-term investments in non-controlled entities are recorded at cost (as opposed to the lower of cost or net realizable value as the net realizable value is undeterminable). Other long-term investments in non-controlled entities are recorded at investment value.

b) 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 and 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.

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

c) Amortization

Amortization is provided for on a straight-line basis over the expected useful life of the assets in the table that follows. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Buildings and improvements	25 years
General equipment and vehicles	5-10 years
Infrastructure	25 years

d) Net Debt/Net Financial Assets

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

e) Revenue Recognition

The First Nation follows the deferral method of accounting for revenue. Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and can be 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.

Other income, primarily fees for services, are recognized upon transfer of title of the product or upon performance of the service and when collectibility is reasonably assured.

f) Rental Revenue, Post 1996 Section 95 Programs

Rental revenue for Post 1996 Section 95 Programs is calculated at the Minimum Revenue Contribution (MRC) as set by CMHC at the time of signing the Project Operating Agreement. Any additional funds required to match the MRC are contributions from the Wunnumin Lake First Nation.

g) Reserves

The reserves accounts are funded by an annual charge against earnings as opposed to an appropriation of surplus.

h) Financial Instruments

The First Nation's financial instruments consist of restricted cash, bank indebtedness, accounts and advances receivable, Ottawa Trust Funds, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values. The fair value of the investments has been left at the carrying value as detailed in Note 3 to these financial statements.

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

i) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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.

2 RESTRICTED CASH AND OTTAWA TRUST FUNDS

	<u>2014</u>	<u>2013</u>
Moveable assets reserve for the Health Services Transfer Agreement	\$ <u>1,392</u>	<u>1,471</u>
Funds on deposit with Aboriginal Affairs and Northern Development Canada		
Balance at beginning of year	8,153	7,958
Amounts placed on deposit during the year	<u>207</u>	<u>195</u>
	<u>\$ 8,360</u>	<u>8,153</u>

3. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Federal Government		
- AANDC	\$ 173,887	38,425
- Health Canada	542,414	204,682
SLAAMB	66,813	119,336
Other trade receivables	676,740	568,681
HST recoverable	<u>2,481,634</u>	<u>3,409,236</u>
	3,941,488	4,340,360
Allowance for doubtful accounts	<u>(2,655,338)</u>	<u>(2,262,340)</u>
	<u>\$ 1,286,150</u>	<u>2,078,020</u>

4. ADVANCES RECEIVABLE

	<u>2014</u>	<u>2013</u>
ADMINISTRATION		
Community members and groups	\$ 326,460	315,637
Allowance for doubtful accounts	<u>(305,082)</u>	<u>(267,170)</u>
	<u>\$ 21,378</u>	<u>48,447</u>

EXHIBIT "G"

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

5. INVESTMENTS

	<u>2014</u>	<u>2013</u>
Long term investments, at investment value		
Wasaya Partnership	\$ 1,510,562	1,510,562
Wasaya Group Inc	1,259,668	1,259,668
MyGuard Security Group	28,123	10,763
Landmark Inn o/a 2137922 Ontario Inc.	191,274	164,236
2061842 Ontario Inc. o/a BBH Contracting (50%) - shareholders loan	102,000	167,000
1353428 Ontario Inc. o/a K W Enterprises	<u>99,391</u>	<u>99,391</u>
	<u>3,191,018</u>	<u>3,211,620</u>
Investments in First Nation Controlled Entities		
Chee-Kee-Sis Petro Inc. (100%)		
- shares	\$ 276,000	276,000
- contributed surplus	136,772	136,772
- accumulated deficit	(760,682)	(588,209)
- advances	<u>2,872,348</u>	<u>1,183,587</u>
	<u>2,524,438</u>	<u>1,008,150</u>
Wunnumin Lake Community Telecommunication Corporation (100%)		
- accumulated surplus	(137,492)	(155,763)
- advances	<u>291,948</u>	<u>250,817</u>
	<u>154,456</u>	<u>95,054</u>
2036898 Ontario Inc. o/a Wunnumin Lake Small Business Centre (100%)		
- shares	100	100
- accumulated deficit	(57,789)	(59,103)
- contributed surplus	75,000	75,000
- loans/advances	<u>244,915</u>	<u>150,225</u>
	<u>262,226</u>	<u>166,222</u>
Total investments in First Nation controlled entities	2,941,120	1,269,426
Total Investments	\$ 6,132,138	4,481,046

EXHIBIT "G"

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

5. INVESTMENTS, continued

Financial information for First Nation controlled entities for their respective periods in fiscal 2014 are as follows:

	<u>Chee-Kee-Sis Petro Incorporated</u>	<u>2036898 Ontario Inc. o/a Wunnumin Lake Small Business Centre</u>	<u>Wunnumin Lake Community Telecommunication Corporation</u>
Bank	\$ 12,172	134,680	20,743
Accounts Receivable	1,819,924	566,281	145,939
Inventory	1,071,698		
Tangible Capital Assets	303,544		
Other Assets	<u>17,350</u>	<u>_____</u>	<u>2,719</u>
TOTAL ASSETS	<u>3,224,688</u>	<u>700,961</u>	<u>169,401</u>
Bank Indebtedness	75,193	1,683	
Accounts Payable	399,348	67,044	14,945
Long-term Debt	41,817		
Other Liabilities	<u>3,063,522</u>	<u>614,923</u>	<u>291,948</u>
TOTAL LIABILITIES	<u>3,579,880</u>	<u>683,650</u>	<u>306,893</u>
Equity (Deficit)	<u>(355,192)</u>	<u>17,311</u>	<u>(137,492)</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>3,224,688</u>	<u>700,961</u>	<u>169,401</u>
REVENUE	\$ <u>2,435,649</u>	<u>173,083</u>	<u>263,635</u>
Expenses	2,601,653	150,181	245,364
Debt Servicing	<u>6,469</u>	<u>21,588</u>	<u>_____</u>
TOTAL EXPENSES	<u>2,608,122</u>	<u>171,769</u>	<u>245,364</u>
NET INCOME (LOSS)	\$ <u>(172,473)</u>	<u>1,314</u>	<u>18,271</u>

During the year a dividend/distribution of \$7,282 (2013 - \$38,055) was declared by Chee-Kee-Sis Petro Inc. to the Wunnumin Lake First Nation. Management fees of \$54,000 by Chee-Kee-Sis and \$86,000 by the Small Business Centre were paid to Wunnumin Lake First Nation during the year.

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WUNNUMIN LAKE FIRST NATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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6. BANK INDEBTEDNESS

	<u>2014</u>	<u>2013</u>
Administration		
Bank of Montreal	\$ (796,105)	(810,330)
Bank of Montreal - Capital projects	42,371	35
Bank of Montreal - Health	1,822	184
Bank of Montreal - short term loan	(45,000)	
CIBC	72,194	88,353
Ontario First Nations Limited Partnership	178,129	151,832
Mishamikiwiish Akiw Otabitomaageg	(5,451)	(14,788)
Community Development Fund	126,145	6,683
CMHC Housing Projects	<u>32,011</u>	<u>13,384</u>
	\$ (348,884)	(609,647)

Bank indebtedness includes a bank overdraft of \$796,105 (2013 - \$810,330). The overdraft is secured by Band Council Resolution and a Letter of Underlying Guarantees.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Chee-Kee-Sis Petro Inc.	\$ 2,635,435	2,217,584
Other trade payables, net	<u>2,553,506</u>	<u>2,943,408</u>
	\$ <u>5,188,941</u>	<u>5,160,992</u>

8. DEFERRED REVENUE

Funding received or receivable in the current period to be applied against the subsequent period programs is recorded as deferred revenue in the financial statements.

Deferred revenue consists of the following:

	AANDC Special Reports Schedule	Opening Balance	Funding Received	Revenue Recognized	Closing Balance
First Nation Management	1	\$	682,748	639,672	43,076
Housing Renovations	7-A		521,651	436,249	85,402
Tank Upgrade and Decommissioning	8-I	27,688		27,688	
Health Programs	11-1	_____	<u>3,248,342</u>	<u>3,196,262</u>	<u>52,080</u>
		\$ <u>27,688</u>	<u>4,452,741</u>	<u>4,299,871</u>	<u>180,558</u>

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

9. LONG TERM DEBT

	<u>2014</u>	<u>2013</u>
The First Nation obtained financing to build a six unit seniors' housing. Through this program the seniors' housing is entitled to receive CMHC government assistance of \$1,598.83 per month to operate the seniors' housing as rental units.		
Bank of Montreal mortgage payable	\$ 274,371	308,234
Interest at 4.17% per annum, repayable at \$3,831.53 per month principal and interest, maturing April 1, 2016.		
The First Nation obtained financing to build five houses. Through this program the First Nation receives CMHC government assistance of \$2,912.50 per month to operate the houses as rental units.		
CMHC loan payable	654,612	680,908
Interest at 2.04% per annum, repayable at \$3,315.59 per month principal and interest, maturing March 1, 2019.		
Unadvanced	(38,588)	
The First Nation obtained financing to build three houses. Through this program the First Nation receives CMHC government assistance of \$1,338.00 per month to operate the houses as rental units.		
CMHC loan payable	155,314	169,326
Interest at 2.11% per annum, repayable at \$1,402.96 per month principal and interest, maturing January 1, 2019.		
Unadvanced	(6,750)	(6,750)
The First Nation obtained financing to build four houses. Through this program the First Nation receives CMHC government assistance of \$3,816.67 per month to operate the houses as rental units.		
CMHC loan payable	801,868	830,160
Interest at 1.71% per annum, repayable at \$3,453.30 per month principal and interest, maturing September 1, 2017.		
Unadvanced	(42,155)	(42,155)
Restrictive provision on the loans may terminate the government assistance. The loans are guaranteed by the Department of Indian and Northern Affairs.	—————	—————
Balance carried forward	<u>\$ 1,837,260</u>	<u>1,901,135</u>

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WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

9. LONG TERM DEBT, continued

	<u>2014</u>	<u>2013</u>
Balance brought forward	\$ 1,837,260	1,901,135
Bank of Montreal, demand non-revolving interest at prime plus 3% per annum. Principal payments of \$ 17,187 plus interest monthly. Loan matures January 2015, secured by Band Council Resolutions and a letter of Underlying Guarantees.	374,069	580,313
Bank of Montreal, demand loan interest at prime plus 3%, secured by Band Council Resolutions and a letter of Underlying Guarantees.	1,000,000	
Instalment contract payable Ford credit	5,635	
Finance contract payable GE Canada, interest at 8.5% per annum, repayable at \$2,552.85 per month, principal and interest, maturing February 20, 2016, secured by 2010 Model 1600Q septic tank, 2012 International truck, 2006 International truck and 2010 dump body.	51,798	76,861
Ford Finance Contract Ford credit, interest at 0% per annum, repayable at \$792.06 per month, principal and interest, maturing June 19, 2019 secured by 2013 Ford F-150 Truck	49,899	
Ford credit, interest at 6.79% per annum, repayable at \$1,863.22 per month, principal and interest, maturing April 1, 2018 secured by 2011 Ford F-750 Vac Truck	77,980	
Ford credit	16,534	
Ford credit, interest at 8.19% per annum, repayable at \$857.83 per month, principal and interest, maturing September 4, 2014 secured by 2008 Ford F-150 Truck	4,748	14,187
Ford credit, interest at 8.19% per annum, repayable at \$790.72 per month, principal and interest, maturing September 4, 2014.	4,378	13,079
Balance carried forward	<u>\$ 3,400,132</u>	<u>2,607,744</u>

EXHIBIT "G"

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

9. LONG TERM DEBT, continued

	<u>2014</u>	<u>2013</u>
Balance brought forward	\$ 3,400,132	2,607,744
Promissary note payable		
Note payable to KW Enterprises, Unsecured and without interest	96,000	96,000
RRAP loans - CMHC		
Interest at 6.375% maturing at various dates from June 1 to September 1, 2016. Repayable by forgiveness of monthly payments of \$1,187.49 if certain conditions are met.	32,459	46,709
CMHC House		
Advance of funds on an approved mortgage of \$564,164 for construction of a 7 unit project. Repayment with terms will commence when project is completed	<u>428,157</u>	<u>428,157</u>
Total long term debt	3,956,748	3,178,610
Less current portion	<u>1,917,558</u>	<u>903,154</u>
	<u>\$ 2,039,190</u>	<u>2,275,456</u>

The current portion of the long term debt has been calculated based on the term loans being refinanced on their respective renewal date.

Estimated principal payments on long-term debt for the next five years and thereafter are as follows:

2015	\$ 1,917,558
2016	345,932
2017	146,208
2018	145,253
2019	125,993
Thereafter	<u>1,275,804</u>
	<u>\$ 3,956,748</u>

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

10. RESERVES

The First Nation establishes reserves for legal or contractual basis as follows:

	<u>2014</u>	<u>2013</u>
Replacement Reserve - Social Housing Agreements with Canada Mortgage and Housing Corporation provide for the accumulation of a replacement reserve. The replacement reserve was not separately funded at March 31, 2014.	\$ 64,796	50,726
Operating Reserve - Post 1996 Section 95 Programs Under the terms of the agreement with CMHC, any surplus remaining after the payment of all costs and expenses, including the allocation to the Replacement Reserve, should be retained by the First Nation in an Operating Reserve. The operating reserve has not been funded in a separate interest bearing account at March 31, 2014.	47,436	36,505
Moveable Assets Reserve - Health Centre Under the terms of the Health Transfer Agreement, funds are to be placed in a reserve for the replacement of moveable assets. The moveable assets reserve was partially funded at March 31, 2014.	<u>42,753</u>	<u>27,507</u>
	\$ 154,985	<u>114,738</u>

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WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

11. TANGIBLE CAPITAL ASSETS AND CONSTRUCTION IN PROGRESS

	2014				
	Cost Mar. 31/13	Additions (Disposals)	Cost Mar. 31/14	Accumulated Amortization	Net Book Value
Buildings	\$ 2,869,407	1,329,772	4,199,179	1,122,441	3,076,738
Power Plant	11,839,981		11,839,981	3,634,779	8,205,202
Infrastructure	5,364,833		5,364,833	1,784,710	3,580,123
Band Housing and Rentals	8,031,198	325,352	8,356,550	3,998,676	4,357,874
CMHC Housing	3,910,353		3,910,353	1,068,472	2,841,881
Vehicles and equipment	<u>2,610,254</u>	<u>105,112</u>	<u>2,715,366</u>	<u>2,645,836</u>	<u>69,530</u>
Total tangible capital assets	<u>\$ 34,626,026</u>	<u>1,760,236</u>	<u>36,386,262</u>	<u>14,254,914</u>	<u>22,131,348</u>
Construction in progress	<u>\$ 2,646,407</u>	<u>(1,202,960)</u>	<u>1,443,447</u>		<u>1,443,447</u>

	2013				
	Cost Mar. 31/12	Additions (Disposals)	Cost Mar. 31/13	Accumulated Amortization	Net Book Value
Buildings	\$ 2,194,005	675,402	2,869,407	981,069	1,888,338
Power Plant	11,839,981		11,839,981	3,161,180	8,678,801
Infrastructure	5,364,833		5,364,833	1,570,117	3,794,716
Band Housing and Rentals	8,031,198		8,031,198	3,582,761	4,448,437
CMHC Housing	2,695,862	1,214,491	3,910,353	912,058	2,998,295
Vehicles and equipment	<u>2,555,669</u>	<u>54,585</u>	<u>2,610,254</u>	<u>2,534,903</u>	<u>75,351</u>
Total tangible capital assets	<u>\$ 32,681,548</u>	<u>1,944,478</u>	<u>34,626,026</u>	<u>12,742,088</u>	<u>21,883,938</u>
Construction in progress	<u>\$ 3,413,135</u>	<u>(776,728)</u>	<u>2,646,407</u>		<u>2,646,407</u>

12. 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.

WUNNUMIN LAKE FIRST NATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

13. CONTINGENT LIABILITIES AND COMMITMENTS

- a) The Wunnumin Lake First Nation has guaranteed loans of Chee-Kee-Sis Petro Inc. The loan balances at March 31, 2014 were \$5,767 (2013 - \$38,878).
- b) The Wunnumin Lake First Nation has guaranteed a loan of 2036898 Ontario Inc., o/a Wunnumin Lake Small Business Centre, by way of confirmation of assignment of rent as evidenced by Band Council Resolution. The balance of the loan at March 31, 2014 was \$360,000 (2013 - \$420,000).
- c) The First Nation has entered into various operating leases for the rental of equipment. The leases have various terms and various interest rates.
- d) The First Nation has entered into an agreement with CMHC to renovate 7 housing units with approved mortgage financing of \$498,010. At year end \$428,157 had been advanced on the mortgage. The loan is guaranteed by Aboriginal Affairs and Northern Development Canada.
- e) The First Nation has provided Royal Bank of Canada guarantees and postponements of claim for \$220,000 for 2317365 Ontario Limited and \$345,000 for 2317186 Ontario Limited. The First Nation has an equity interest in these companies.

14. RELATED PARTY TRANSACTIONS

These amounts have arisen from transactions with organizations under common control in the normal course of operations and are measured at the exchange amount. These amounts are unsecured and non-interest bearing with no fixed terms of repayment:

	<u>2014</u>	<u>2013</u>
Due to (from) related parties		
Chee-Kee-Sis Petro Incorporated	\$ 2,872,348	1,183,587
Wunnumin Lake Small Business Centre		
2036898 Ontario Inc.	244,915	150,225
Wunnumin Lake Community		
Telecom Corporation	291,948	250,817

15. FEDERAL ASSISTANCE PAYMENTS

The CMHC Six Unit Senior's, Five, Three and Four Unit Housing receive federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to reduce mortgage interest to 2% to enable the projects to provide housing to low-income individuals. The amount of assistance received in 2014 was \$117,624 (2013 - \$99,128).

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WUNNUMIN LAKE FIRST NATION
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MARCH 31, 2014

16. ECONOMIC DEPENDENCE

Wunnumin Lake First Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada and Health Canada.

17. COMPARATIVE AND BUDGET FIGURES

Some of the comparative figures for the previous years have not been shown as the information is considered not to be meaningful for comparison with the current year. Certain comparative figures for the previous year have been reclassified to conform with the presentation of the current year.

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

EXHIBIT "G"

WUNNUMIN LAKE FIRST NATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

18. SEGMENT DISCLOSURE

	<u>Budget</u>	<u>2014</u>	<u>Band Support</u>	<u>2013</u>	<u>Economic Development</u>	<u>2013</u>	<u>Education Services</u>	<u>2013</u>
	<u>Budget</u>	<u>2014</u>	<u>Budget</u>	<u>2014</u>	<u>Budget</u>	<u>2014</u>	<u>Budget</u>	<u>2014</u>
REVENUE								
Federal government	\$ 682,748	639,672	615,231	66,283	66,283	65,686	1,630,586	1,695,577
Provincial government								
Economic activities								
Net income from investments in business enterprises	318,400	101,208	36,140	940,709	70,000	158,165	200,901	116,360
Other revenue		746,135						
TOTAL REVENUE	1,001,148	1,487,015	1,592,080	136,283	224,448	266,587	1,746,946	1,940,980
EXPENSES								
Honoraria, Chief and Councillors	282,100	288,674	201,891					
Wages and benefits	427,884	455,055	518,207	129,820	153,688	145,892	1,338,011	1,431,684
Amortization		1,412,755	1,750,749					
Tangible capital assets		(457,828)	148,104					
Interest	40,000		30,061					
Other expenses	536,330	367,575	805,586	102,984	70,760	120,695	534,599	553,083
TOTAL EXPENSES	1,286,314	2,066,231	3,454,598	232,804	224,448	266,587	1,872,610	1,984,767
ANNUAL SURPLUS (DEFICIT)	\$ (285,166)	(579,216)	(1,862,518)	(96,521)	—	—	(125,664)	(43,787)
								41,274

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

18. SEGMENT DISCLOSURE, continued

	Social Services		Municipal Services		Capital Projects	
	Budget	2014	Budget	2014	Budget	2014
REVENUE						
Federal government	\$ 140,484	126,412	119,960	1,553,378	1,553,378	436,249
Provincial government	400,000	432,728	430,701			499,115
Economic activities						
Net income from investments in government business enterprises						
Other revenue	<u>30,000</u>	<u>65,049</u>	<u>50,423</u>	<u>130,417</u>	<u>1,536,937</u>	<u>2,054,670</u>
	<u>570,484</u>	<u>624,189</u>	<u>601,084</u>	<u>1,683,795</u>	<u>3,090,315</u>	<u>3,727,608</u>
TOTAL REVENUE						
EXPENSES						
Honoria, Chief and Councillors	47,000	45,912	45,614	505,972	525,814	480,826
Wages and benefits						100,000
Amortization						174,374
Tangible capital assets						127,859
Interest	559,000	578,277	555,470	3,772,950	2,885,228	3,257,001
Other expenses						209,401
TOTAL EXPENSES						
	<u>606,000</u>	<u>624,189</u>	<u>601,084</u>	<u>4,278,922</u>	<u>3,411,042</u>	<u>3,737,827</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(35,516)</u>			<u>(2,595,127)</u>	<u>(320,727)</u>	<u>(10,219)</u>

WUNNUMIN LAKE FIRST NATION
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18. SEGMENT DISCLOSURE, continued

	Health		Housing			
	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>
REVENUE						
Federal government	\$ 2,802,551	3,207,531	2,908,319			
Provincial government	184,827	164,443	190,222			
Economic activities						
Net income for investments in government business enterprises						
Other revenue	<u>108,829</u>	<u>91,194</u>	<u>417,581</u>			
TOTAL REVENUE	<u>3,096,207</u>	<u>3,463,168</u>	<u>3,516,122</u>			
 EXPENSES						
Honoraria, Chief and Councillors						
Wages and benefits	1,575,158	1,459,557	1,569,397			
Amortization						
Tangible capital assets						
Interest						
Other expenses	<u>1,725,811</u>	<u>2,138,118</u>	<u>2,078,190</u>			
TOTAL EXPENSES	<u>3,300,969</u>	<u>3,597,675</u>	<u>3,647,587</u>			
 ANNUAL SURPLUS (DEFICIT)	<u>\$ (204,762)</u>	<u>(134,507)</u>	<u>(131,465)</u>			
					<u>(7,414)</u>	<u>(13,134)</u>

WUNNUMIN LAKE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

18. SEGMENT DISCLOSURE, continued

	Community Services			Total		
	Budget	2014	2013	Budget	2014	2013
REVENUE						
Federal government	\$ 149,590	351,178	827,833	7,529,271	8,193,904	8,478,945
Provincial government	40,000	40,000	40,000	624,827	637,171	660,923
Economic activities						
Net income for investments in government business enterprises						
Other revenue	1,250,746	3,773,997	5,364,995	2,024,752	6,837,007	9,440,449
TOTAL REVENUE	1,440,336	4,165,175	6,232,828	10,178,850	15,769,290	18,616,457
 EXPENSES						
Honoraria, Chief and Councillors				282,100	288,674	201,891
Wages and benefits	620,650	1,104,910	1,068,577	4,744,495	5,356,994	5,266,149
Amortization					1,412,755	1,750,749
Tangible capital assets					(457,828)	148,104
Interest				40,000	43,395	72,384
Other expenses	1,240,383	2,789,357	5,572,287	8,681,458	9,874,229	13,310,005
TOTAL EXPENSES	1,861,033	3,894,267	6,640,864	13,748,053	16,518,219	20,749,282
 ANNUAL SURPLUS (DEFICIT)	\$ (420,697)	270,908	(408,036)	(3,569,203)	(748,929)	(2,132,825)