

Consolidated Financial Statements of

**WAHGOSHIG FIRST NATION -  
ABITIBI RESERVE #70**

Year ended March 31, 2014

# **WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70**

## Consolidated Financial Statement Index

Year ended March 31, 2014

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of **Wahgoshig First Nation - Abitibi Reserve #70** are the responsibility of management and have been approved by the Chief and Council of the First Nation.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically to discuss and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.



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Chief



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Councillor



**KPMG LLP**  
**Chartered Accountants**  
Claridge Executive Centre  
144 Pine Street, PO Box 700  
Sudbury ON P3E 4R6

Telephone (705) 675-8500  
Fax (705) 675-7586  
In Watts (1-800) 461-3551  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

To the Members of Wahgoshig First Nation – Abitibi Reserve #70

We have audited the accompanying consolidated financial statements of **Wahgoshig First Nation - Abitibi Reserve #70** which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of financial activities, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 our 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, we consider 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 audit opinion.



*Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Wahgoshig First Nation – Abitibi Reserve #70 as at March 31, 2014 and its results of operations and its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

July 23, 2014

Sudbury, Canada

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70


## Consolidated Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets:</b>		
Cash	\$ 368,557	\$ 259,854
Short-term investments (note 2)	971,740	1,013,129
Accounts receivable	301,634	732,542
Consolidated revenue trust funds	349,859	341,218
Marketable securities (note 3)	2,252,155	1,869,855
Investment in business enterprises (note 4)	2,415,428	1,756,955
	<u>6,659,373</u>	<u>5,973,553</u>
<b>Financial liabilities:</b>		
Bank indebtedness (note 8)	781,430	556,719
Accounts payable and accrued liabilities	1,999,944	1,448,342
Due to Aboriginal Affairs and Northern Development Canada	242,634	132,036
Deferred revenue	-	25,000
Capital lease obligations (note 7)	348,971	408,955
Long-term debt (note 6)	2,507,900	2,774,130
	<u>5,880,879</u>	<u>5,345,182</u>
Net financial assets	778,494	628,371
<b>Non-financial assets</b>		
Financial:		
Tangible capital assets (note 5)	13,697,394	13,525,002
Prepaid expenses	14,402	73,166
	<u>13,711,796</u>	<u>13,598,168</u>
<b>Accumulated surplus</b>	<u>\$ 14,490,290</u>	<u>\$ 14,226,539</u>

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

## Consolidated Statement of Financial Activities

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Government transfers - Federal	\$ 2,226,623	\$ 2,238,893
- Provincial	303,843	233,163
Investment income	28,181	25,702
Rental income	335,999	322,975
Government Business Enterprises	1,135,364	47,457
Other	2,207,419	4,938,608
	<u>6,237,429</u>	<u>7,806,798</u>
Expenses:		
Band Administration	992,297	912,902
Health Services	539,732	598,459
Infrastructure	1,117,971	1,107,637
Education	1,083,173	1,067,740
Economic Development	1,686,730	1,839,546
Social Assistance	224,949	195,344
Social Housing	147,762	157,599
Community Property	181,064	60,002
	<u>5,973,678</u>	<u>5,939,229</u>
<b>Annual surplus</b>	<b>263,751</b>	<b>1,867,569</b>
Accumulated surplus, beginning of year	14,226,539	12,358,970
<b>Accumulated surplus, end of year (note 9)</b>	<b>\$ 14,490,290</b>	<b>\$ 14,226,539</b>

See accompanying notes to consolidated financial statements.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

## Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Annual surplus	\$ 263,751	\$ 1,867,569
Acquisition of tangible capital assets	(735,557)	(949,087)
Leased assets capitalized	(101,283)	(358,615)
Amortization of tangible capital assets	664,448	629,066
	91,359	1,188,933
Acquisition of prepaid expenses	(14,402)	(73,166)
Use of prepaid expenses	73,166	45,252
<b>Change in net financial assets</b>	<b>150,123</b>	<b>1,161,019</b>
Net financial assets (net debt), beginning of year	628,371	(532,648)
<b>Net financial assets, end of year</b>	<b>\$ 778,494</b>	<b>\$ 628,371</b>

See accompanying notes to consolidated financial statements.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

## Consolidated Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash flows from operating activities:		
Annual surplus	\$ 263,751	\$ 1,867,569
Adjustments for:		
Amortization of tangible capital assets	664,448	629,066
Share of income in business enterprises (note 4)	(1,135,364)	(47,457)
	(207,165)	2,449,178
Change in non-cash working capital:		
Decrease in accounts receivable	430,908	19,603
Decrease (increase) in short-term investments	41,389	33,681
Decrease (increase) in prepaid expenses	58,764	(27,914)
Decrease in due from Aboriginal Affairs and Northern Development Canada	110,598	15,405
Increase in accounts payable and accrued liabilities	551,602	150,801
Increase (decrease) in deferred revenue	(25,000)	9,227
	961,096	2,649,981
Cash flows from financing activities:		
Repayment of capital lease obligations	(161,267)	(91,004)
Repayment of long-term debt	(266,231)	(219,789)
Issuance of long-term debt	-	1,517,370
	(427,498)	1,206,577
Cash flows from investing activities:		
Consolidated revenue trust funds	(8,641)	(8,180)
Distribution from (investment in) business enterprises	476,892	(1,125,379)
Purchase of tangible capital assets	(735,557)	(949,087)
Marketable securities	(382,300)	(1,754,997)
	(649,606)	(3,837,643)
<b>Net increase (decrease) in cash</b>	<b>(116,008)</b>	<b>18,915</b>
Cash position, beginning of year	(296,865)	(315,780)
<b>Cash position, end of year</b>	<b>\$ (412,873)</b>	<b>\$ (296,865)</b>
Represented by:		
Cash	\$ 368,557	\$ 259,854
Bank indebtedness (note 8)	(781,430)	(556,719)
	<b>\$ (412,873)</b>	<b>\$ (296,865)</b>

See accompanying notes to consolidated financial statements.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

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The Wahgoshig First Nation - Abitibi Reserve #70 (the "First Nation"), located in Northern Ontario, administers programs and provides services on behalf of its members.

## 1. Basis of presentation and significant accounting policies:

The consolidated financial statements of the First Nation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

### (a) Reporting entity:

The reporting entity includes activities of all committees and related entities of the First Nation under the control of the Chief and Council including:

- Wahgoshig Anishinabek Mitik Inc. ("WAMI")
- Wahgoshig First Nation - Social Housing
- Algonquin Lands and Resources Management Inc. ("ALARMI")
- Wahgoshig Resources Limited Partnership ("Resources")
- Little Fox Lodge Limited Partnership ("the Lodge")

The government business enterprises comprising of: WAMI, ALARMI, Resources and Lodge are accounted for using the modified equity method. Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform to those of the First Nation and inter-organizational transactions and balances are not eliminated. The government business enterprise included during the current year are Resources and Lodge as both ALARMI and WAMI had no active operations.

### (b) Investments:

Investments are recorded at cost. Temporary declines in the market value of the long-term investments are not adjusted.

### (c) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 1. Basis of presentation and significant accounting policies (continued):

### (d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	10 - 50 years
Buildings	20 - 50 years
Infrastructure	20 - 50 years
Machinery and equipment	3 - 15 years
Furniture, computers and fixtures	1 - 20 years
Assets under construction	-

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

### (ii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

### (iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

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## 1. Basis of presentation and significant accounting policies (continued):

### (e) Use of estimates:

The preparation of consolidated financial statements 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 revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

### (f) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the governments.

Adjustments made under funding arrangements relating to prior years are recorded in the year during which the adjustments are made.

### (g) Consolidated revenue funds:

Funds held in trust are comprised of funds held in Ottawa Trust accounts and 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 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.

## 2. Short-term investments:

The short-term investments consisting of guaranteed investment certificates earn rates of return from 1.70% to 2.1% per annum. These investments are recorded at cost and have a market value of \$971,740 (2013 - \$1,013,129). The short-term investments have been pledged as security for a Royal Bank of Canada loan in the amount of \$896,618.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 3. Marketable securities:

The marketable securities are held at cost. The following is a summary of marketable securities held (all quoted in Canadian funds):

	March 31, 2014		March 31, 2013	
	Cost	Market	Cost	Market
Detour Gold Corporation	\$ 2,101,172	1,075,084	1,746,621	1,412,781
Primero Mining Inc.	51,750	77,097	34,800	25,800
Northern Gold Mining Inc.	15,100	8,680	5,100	3,060
Portune	800	990	—	—
Liberty Mines Inc.	83,333	—	83,334	10,000
	\$ 2,252,155	1,161,851	1,869,855	1,451,641

## 4. Investment in business enterprises:

Wahgoshig Resources Limited Partnership

The First Nation has a 99% interest in Wahgoshig Resources Limited Partnership ("Resources"). Resources is engaged primarily in forestry, logging, mining and sawmill operations. The First Nation's interest in Resources results of operations for the year ended March 31, 2014 is included in the First Nation's statement of financial activities.

Little Fox Lodge Limited Partnership

The First Nation has a 99% interest in Little Fox Lodge Limited Partnership ("the Lodge"). The Lodge is engaged primarily in the operation of a lodge and restaurant. The First Nation's interest in the Lodge results of operations for the year ended March 31, 2014 is included in the First Nation's statement of financial activities.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 4. Investment in business enterprises (continued):

(a) The following table presents condensed supplementary financial information of Resources for the year ended March 31, 2014:

	2014	2013
Financial position:		
Current assets	\$ 2,332,195	751,689
Other assets	171,139	55,082
Capital assets	1,022,039	335,645
Total assets	3,525,373	1,142,416
Current liabilities	1,822,466	717,851
Long-term debt	762,319	33,492
Total liabilities	2,584,785	751,343
Net assets	\$ 940,588	391,073
Results of operations:		
Revenues	\$ 5,858,238	3,112,934
Expenses	4,484,827	2,821,895
	\$ 1,373,411	291,039

(b) The investment at March 31, 2014 consists of the following

	2014	2013
Balance, beginning of year	\$ 347,021	584,119
Share of operating income for the year	1,399,821	268,824
Distribution of Partners' capital	(823,899)	(505,922)
Balance, end of year	\$ 922,943	347,021

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 4. Investment in business enterprises (continued):

(c) The following table presents condensed supplementary financial information of the Lodge for the period ended March 31, 2014:

	2014	2013
Financial position:		
Current assets	\$ 39,662	102,376
Capital assets	1,691,790	1,421,360
Total assets	1,731,452	1,523,736
Current liabilities	239,015	115,346
Net assets	\$ 1,492,437	1,408,390
Results of operations:		
Revenues	\$ 381,717	217,330
Expenses	648,845	440,242
	\$ (267,128)	(222,912)

(d) The investment at March 31, 2014 consists of the following

	2014	2013
Initial investment	\$ 1,409,934	1,459,351
Contribution	347,008	171,950
Share of operating loss for the year	(264,457)	(221,367)
Balance, end of year	\$ 1,492,485	1,409,934

(e) The investment in business enterprises is comprised of the following:

	2014	2013
Wahgoshig Resources Limited Partnership	\$ 922,943	347,021
Little Fox Lodge Limited Partnership	1,492,485	1,409,934
Balance, end of year	\$ 2,415,428	1,756,955

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 5. Tangible capital assets:

Cost	Balance March 31, 2013	Additions	Disposals	Balance at March 31, 2014
Land	\$ 214,913	\$ 74,228	\$ -	\$ 289,141
Buildings	4,179,931	174,677	-	4,354,608
Computers	102,865	-	-	102,865
Vehicles	1,825,595	104,995	-	1,930,590
Roads	2,441,698	18,090	-	2,459,788
Equipment and furniture	722,260	-	-	722,260
Water and sewer	2,326,727	47,502	-	2,374,229
Band Housing	4,121,728	-	-	4,121,728
CMHC Housing	2,726,910	-	-	2,726,910
Assets under construction	97,525	417,348	-	514,873
<b>Total</b>	<b>\$ 18,760,152</b>	<b>\$ 836,840</b>	<b>\$ -</b>	<b>\$ 19,596,992</b>

Accumulated amortization	Balance March 31, 2013	Disposals	Amortization expense	Balance at March 31, 2014
Land	\$ -	\$ -	\$ -	\$ -
Buildings	566,795	-	107,951	674,746
Computers	59,440	-	12,794	72,234
Vehicles	499,898	-	180,980	680,878
Roads	1,222,820	-	76,155	1,298,975
Equipment and furniture	202,347	-	48,474	250,821
Water and sewer	680,896	-	68,931	749,827
Band Housing	1,549,006	-	100,990	1,649,996
CMHC Housing	453,948	-	68,173	522,121
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 5,235,150</b>	<b>\$ -</b>	<b>\$ 664,448</b>	<b>\$ 5,899,598</b>

	Net book value March 31, 2013	Net book value March 31, 2014
Land	\$ 214,913	\$ 289,141
Buildings	3,613,136	3,679,862
Computers	43,425	30,631
Vehicles	1,325,697	1,249,712
Roads	1,218,878	1,160,813
Equipment and furniture	519,913	471,439
Water and sewer	1,645,831	1,624,402
Band Housing	2,572,722	2,471,732
CMHC Housing	2,272,962	2,204,789
Assets under construction	97,525	514,873
<b>Total</b>	<b>\$ 13,525,002</b>	<b>\$ 13,697,394</b>

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 5. Tangible capital assets (continued):

Cost	Balance March 31, 2012	Additions	Disposals	Balance at March 31, 2013
Land	\$ 178,685	\$ 36,228	\$ -	\$ 214,913
Buildings	4,010,330	169,601	-	4,179,931
Computers	98,526	4,339	-	102,865
Vehicles	1,461,480	364,115	-	1,825,595
Roads	2,441,698	-	-	2,441,698
Equipment and furniture	703,180	19,080	-	722,260
Water and sewer	2,326,727	-	-	2,326,727
Band Housing	3,752,429	369,299	-	4,121,728
CMHC Housing	2,346,451	380,459	-	2,726,910
Assets under construction	132,942	52,250	(87,667)	97,525
<b>Total</b>	<b>\$ 17,452,448</b>	<b>\$ 1,395,371</b>	<b>\$ (87,667)</b>	<b>\$ 18,760,152</b>

Accumulated amortization	Balance March 31, 2012	Disposals	Amortization expense	Balance at March 31, 2013
Land	\$ -	\$ -	\$ -	\$ -
Buildings	464,417	-	102,378	566,795
Computers	45,055	-	14,385	59,440
Vehicles	342,374	-	157,524	499,898
Roads	1,147,117	-	75,703	1,222,820
Equipment and furniture	154,828	-	47,519	202,347
Water and sewer	612,325	-	68,571	680,896
Band Housing	1,449,435	-	99,571	1,549,006
CMHC Housing	390,531	-	63,417	453,948
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 4,606,082</b>	<b>\$ -</b>	<b>\$ 629,068</b>	<b>\$ 5,235,150</b>

	Net book value March 31, 2012	Net book value March 31, 2013
Land	\$ 178,685	\$ 214,913
Buildings	3,545,913	3,613,136
Computers	53,471	43,425
Vehicles	1,119,106	1,325,697
Roads	1,294,581	1,218,878
Equipment and furniture	548,352	519,913
Water and sewer	1,714,402	1,645,831
Band Housing	2,302,994	2,572,722
CMHC Housing	1,955,920	2,272,962
Assets under construction	132,942	97,525
<b>Total</b>	<b>\$ 12,846,366</b>	<b>\$ 13,525,002</b>

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 6. Long-term debt:

	2014	2013
Mortgage payable to Scotia Mortgage Corporation in monthly installments of \$1,463 plus interest at 3.7%, due January 1, 2015	\$ 8,611	25,512
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,494 including interest at 2.65%, due April 1, 2016	36,375	53,137
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,992 including interest at 2.76%, due June 1, 2015	385,358	398,539
Mortgage payable to Royal Bank of Canada in monthly installments of \$2,080 including interest at 2.63%, due June 1, 2016	421,336	435,131
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,569 including interest at 1.60%, due January 1, 2018	373,581	382,080
Loan payable to Royal Bank of Canada in monthly installments of \$3,799 including interest at 4.9%, due October 18, 2014	23,506	66,788
Fixed rate term loan payable to Royal Bank of Canada in monthly installments of \$2,647 including interest at 4.9%, due February 12, 2015	64,303	92,164
Fixed rate term loan payable to Royal Bank of Canada in monthly installments of \$4,437 including interest at 4.9%, due February 12, 2015	170,009	213,753
Mortgage payable to Royal Bank of Canada in monthly installments of \$563 including interest at 4.9%, due June 29, 2017	123,188	130,500
Loan payable to Royal Bank of Canada in monthly installments of \$9,175 including interest at 6.53% due July 29, 2017, secured by an assignment of short-term investments	896,619	961,913
Loan payable to Ally Credit Canada Inc in monthly installments of \$851 including interest at 5.99% due September 16, 2014, secured by specific equipment	5,014	14,613
	<b>\$ 2,507,900</b>	<b>2,774,130</b>

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 6. Long-term debt (continued):

Principal repayments over the next five years are estimated as follows:

2015	\$	244,916
2016		216,385
2017		180,846
2018		852,990
2019		44,394
2020 and thereafter		968,369

## 7. Capital lease obligations:

	2014	2013
Capital lease payable to Royal Bank of Canada in monthly installments of \$1,054 including interest at 7.24%, due June 13, 2016	\$ 26,185	36,525
Capital lease payable to Royal Bank of Canada in monthly installments of \$5,999 plus interest at 5.64%, due April 20, 2014	5,472	75,522
Capital lease payable to Royal Bank of Canada in monthly installments of \$5,941 including interest at 5.18%, due November 18, 2017	239,512	296,909
Capital lease payable to Royal Bank of Canada in monthly installments of \$720 plus interest at 4.97%, due December 2016	23,089	—
Capital lease payable to Royal Bank of Canada in monthly installments of \$1,856 plus interest at 3.99%, due January 2017	54,713	—
	\$ 348,971	408,956

Capital lease repayments are due as follows:

2015	\$	120,333
2016		114,841
2017		95,476
2018		49,282
Total minimum lease payments		379,932
Less amount representing interest (at rates ranging from 3.99% - 7.24%)		30,961
	\$	348,971

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

## 8. Bank indebtedness:

The First Nation has a line of credit with RBC Financial for up to \$705,000. The line of credit bears interest at prime plus 2% and is secured by a general security agreement.

## 9. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2014	2013
Invested in tangible capital assets	\$ 11,736,815	11,303,502
Operating	(331,273)	148,784
Capital	(1,861,721)	(1,117,583)
Social Housing	(116,841)	(130,376)
Committed reserve	270,829	255,103
Restricted	3,957,592	3,308,980
Business Enterprises	834,889	458,129
	\$ 14,490,290	14,226,539

## 10. Budget information:

Budget information was unavailable and has not been presented.

## 11. Comparative information:

Certain 2013 comparative information has been reclassified to conform with the presentation adopted in 2014

## 12. Segmented information:

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band administration, education, health services, infrastructure, economic development, housing, capital and social services. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

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## 12. Segmented information (continued):

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

### **Band Administration**

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council.

### **Education**

The education department enters into service contracts with provincially funded area school boards for elementary and secondary students. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post secondary institutions.

### **Health Services**

The health services department provides a diverse bundle of services directed towards the well being of the members including the delivery of programming such as long-term care, diabetes, mental health, healthy babies, home and community care and many other smaller programs designed to enhance the health of members.

### **Infrastructure**

The infrastructure department provides public services that contribute to sustainability through the provision of maintenance and operating services such as roads, water and sanitation, fire protection, electrical, community buildings and band housing.

### **Economic Development**

This department is responsible for identifying and developing economic opportunities for the benefit of the First Nation and its Members. The department also secures and delivers employment training funding for the First Nation. In addition, the department manages various cultural programs.

### **Housing**

The housing department manages the operations of two phases of CMHC housing owned by the First Nation. This includes tenant identification, rent collection and maintenance management.

### **Community Property**

This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations as well as major projects such as building construction.

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Year ended March 31, 2014

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## 12. Segmented information (continued):

### **Social Services**

The social services department delivers a variety of programming including Ontario Works and offers employment support services. In addition, the department manages the homemakers and national child benefit programs.

For each reported segment, revenues and expenses include 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, including transfers that have been apportioned based on a percentage of budgeted expenses.

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

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Note 12 - Segmented Information (continued)

Year ended March 31, 2014

		Band Administration	Education	Health Services	Infrastructure	Economic Development	Housing	Community Property	Social Services	Total
Revenue	\$	874,380	1,074,115	377,498	298,055	3,014,502	184,717	210,126	204,036	6,237,429
Expenses:										
Salaries wages and benefits		543,380	42,216	250,013	116,986	662,657	-	5,534	26,825	1,647,611
Materials, supplies and rentals		209,483	678,563	107,776	291,533	350,262	23,996	371,076	20,638	2,053,327
Contractual and professional services		244,744	89,176	46,910	136,595	350,394	914	376,306	16,535	1,261,574
Travel		124,075	155,180	89,262	7,606	98,426	70	2,892	3,048	480,559
Interest on long-term debt		41,147	153	50	36,368	4,246	28,527	-	-	110,491
Other		(182,502)	137,661	40,864	143,158	191,942	34,916	68,565	157,904	592,508
Amortization of tangible capital assets		12,373	4,296	4,859	391,187	183,555	68,178	-	-	664,448
Investment in tangible capital assets		-	(24,375)	-	(5,465)	(154,848)	(8,840)	(643,312)	-	(836,840)
		992,700	1,082,870	539,734	1,117,968	1,686,634	147,761	181,061	224,950	5,973,678
<b>Excess (deficiency) of revenue over expenses</b>	\$	(118,320)	(8,755)	(162,236)	(819,913)	1,327,868	36,956	29,065	(20,914)	263,751

# WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Notes to Consolidated Financial Statements

Note 12 - Segmented Information (continued)

Year ended March 31, 2013

		Band Administration	Education	Health Services	Infrastructure	Economic Development	Housing	Community Property	Social Services	Total
Revenue	\$	795,172	1,108,472	377,561	276,145	4,705,729	166,217	192,670	184,832	7,806,798
Expenses:										
Salaries wages and benefits		567,276	74,683	338,189	267,938	588,659	4,448	10,358	26,862	1,878,413
Materials, supplies and rentals		177,384	650,329	121,088	711,909	241,555	13,101	489,589	15,358	2,420,313
Contractual and professional services		106,811	88,097	34,895	155,007	608,737	4,923	179,603	12,974	1,191,047
Travel		163,497	149,282	80,054	13,646	96,284	13	5,906	2,445	511,127
Interest on long-term debt		37,690	-	-	18,939	8,115	37,968	15,962	-	118,674
Other		(143,424)	102,272	19,053	104,141	207,758	33,729	37,059	137,704	498,292
Amortization of tangible capital assets		12,505	3,077	5,180	402,510	142,376	63,417	-	-	629,065
Investment in tangible capital assets		(8,837)	-	-	(566,453)	(53,937)	-	(678,475)	-	(1,307,702)
		912,902	1,067,740	598,459	1,107,637	1,839,547	157,599	60,002	195,343	5,939,229
<b>Excess (deficiency) of revenue over expenses</b>	\$	(117,730)	40,732	(220,898)	(831,492)	2,866,182	8,618	132,668	(10,511)	1,867,569