

**Fort William First Nation**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2013**

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## Independent Auditor's Report

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**To the Members  
Fort William First Nation**

We have audited the accompanying financial statements of Fort William First Nation, which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statements of operations and surplus, consolidated change in net financial debt and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, 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.

**Auditor's Responsibility**

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

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

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

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## Independent Auditor's Report (cont'd)

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### Basis for Qualified Opinion

The Summary of Significant Accounting Policies describes the capital asset policy with respect to the First Nation's capital assets. For fiscal years commencing on or after January 1, 2009, Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook requires that capital assets be capitalized and amortized over their estimated useful lives. The First Nation has not fully adopted these recommendations. Although the First Nation has recognized certain tangible capital assets and amortization as of the date of consolidated financial statement preparation, the First Nation has not gathered the necessary information to be in a position to recognize and disclose a complete inventory of any of its major classes of tangible capital assets. As a result, we have been unable to obtain sufficient audit evidence to form an opinion with respect to the possible amount of such assets.

As more fully described in Note 12 to the consolidated financial statements, management has excluded the current year and prior years' property tax liabilities in the accompanying consolidated financial statements. Failure to include the taxes as a current liability is not in accordance with Canadian generally accepted accounting principles. Had the liabilities been recorded the consolidated deficit of revenue over expenditures for the year would have been increased by \$106,310, capital assets would have been increased by \$1,188,553, accounts payable would have been increased by \$3,336,988, disputed property taxes receivable would have been decreased by \$8,477,898 and the consolidated accumulated surplus would have been decreased by \$11,814,886.

The First Nation conducts gaming operations for which the records and supporting documentation are not adequate to provide sufficient evidence regarding the completeness of revenues. Consequently, we were not able to determine whether any adjustments might be necessary to gaming operations, accounts receivable, accounts payable, consolidated surplus of revenue over expenditures and operating deficit.

In addition, the First Nation has not included disclosure of budget information as required by Canadian generally accepted accounting principles because consolidated budgets were not prepared.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fort William First Nation as at March 31, 2013 and the consolidated results of operations and surplus, consolidated change in net financial debt and consolidated statement of cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### Other Matters

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules or exhibits on pages 26 through 41 of the First Nations' Financial Statements.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario  
December 16, 2013

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## Fort William First Nation Management's Statement of Responsibility for Financial Reporting

March 31, 2013

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The accompanying consolidated financial statements of Fort William First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

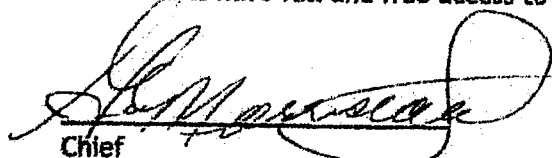
These consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist management has chosen 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 systems of internal control and administrative controls of high quality, consistent with reasonable cost. 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.

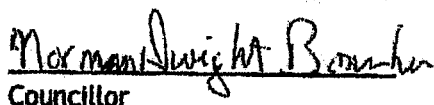
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Council, composed of council members, reviews the First Nation's consolidated financial statements and recommends their approval. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy themselves that each party is properly discharging its responsibilities, and to review the annual report, the consolidated financial statements, and the external auditors' report. The Council also considers, for review and approval by the members, the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP, Chartered Accountants, Licensed Public Accountants in accordance with generally accepted auditing standards on behalf of the members. BDO Canada LLP, Chartered Accountants, Licensed Public Accountants have full and free access to Council.



Chief



Councillor

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**Fort William First Nation  
Consolidated Statement of Financial Position**

March 31	2013	2012
<b>Financial assets</b>		
Cash (Note 1)	\$ 92,439,091	\$ 95,134,019
Short-term investments	1,429,001	1,407,498
Deposits	8,000	8,000
Accounts receivable (Note 2)	4,792,601	4,264,385
Band member receivables (Note 3)	112,280	101,270
Rent receivable from Band members (Note 3)	272,036	-
Inventory	733,488	76,048
	<u>99,786,497</u>	<u>100,991,220</u>
<b>Liabilities</b>		
Bank indebtedness (Note 9)	195,000	-
Accounts payable and accruals (Note 4)	4,713,916	4,304,068
Tenant deposits	12,035	35,996
Deferred revenue (Note 10)	4,545,156	4,355,598
Long term debt (Note 11)	2,532,724	1,186,401
Amounts held in trust for minors (Note 7)	4,365,598	4,758,325
	<u>16,364,429</u>	<u>14,640,388</u>
<b>Net financial assets</b>	<u>83,422,068</u>	<u>86,350,832</u>
<b>Non-financial assets</b>		
Prepaid expenses	130,272	76,747
Land claim costs	1,987,525	1,619,628
Capital assets (Note 5)	25,778,944	24,626,225
Youth trust accounts (Note 7)	4,357,630	4,749,650
Investments in and advances to corporations (Note 8)	1,511,594	1,524,146
Disputed property taxes receivable (Note 12)	8,477,898	8,176,435
	<u>42,243,863</u>	<u>40,772,831</u>
<b>Accumulated surplus (Note 6)</b>	<u>\$ 125,665,931</u>	<u>\$ 127,123,663</u>

On behalf of the Band:

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

## Fort William First Nation Consolidated Statement of Operations and Surplus

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - revenue	\$ 6,153,363	\$ 5,886,191
Aboriginal Affairs and Northern Development Canada - Specific Claims Settlement	-	149,442,595
Ontario Ministry of Aboriginal Affairs - Specific Claims Settlement	-	5,906,965
Canada Mortgage and Housing Corporation Subsidy	74,332	49,811
Health Canada	442,963	408,104
Ministry of Community and Social Services	1,384,945	1,123,971
Ministry of Transportation	32,997	32,997
Other revenue	10,706,369	9,974,835
Interfund transfers	-	4,564
Lottery Fund revenue	991,604	1,066,007
Replacement reserves	46,098	111,737
Specific Claim Housing Trust Fund revenue	-	64
	<b>19,832,671</b>	<b>174,007,841</b>
<b>Expenses</b>		
Bad debt	193,223	57,586
Cash short	2,664	356
Donations	166,882	432,496
General welfare assistance	1,445,287	1,198,796
Honourarium	264,023	277,780
Insurance	51,557	28,175
Interdepartmental costs	(827,941)	97,008
Interest and bank charges	52,238	51,650
Interest on long term debt	23,372	541,714
Miscellaneous	-	325,976
Per capita distribution - claims settlement	871,610	35,935,000
Prizes	3,191,224	2,786,127
Student allowances	566,975	544,100
Supplies and service	4,610,879	7,802,221
Transfer cost	948,901	409,590
Travel and transportation	397,046	394,078
Tuition	2,977,530	2,725,371
Utilities and telephone	267,417	255,689
Wages and benefits	3,607,686	3,392,625
Amortization of capital assets	2,479,830	2,436,941
	<b>21,290,403</b>	<b>59,693,278</b>
Surplus (deficit) for the year	(1,457,732)	114,314,563
Accumulated surplus, beginning of year	127,123,663	12,809,100
Accumulated surplus, end of year	<b>\$ 125,665,931</b>	<b>\$ 127,123,663</b>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**Fort William First Nation**  
**Consolidated Statement of Change in Net Financial Debt**

<u>For the year ended, March 31</u>	<u>2013</u>	<u>2012</u>
Annual surplus (deficit)	\$ (1,457,732)	\$ 114,314,563
Acquisition of tangible capital assets	(3,632,549)	(1,493,620)
Amortization of tangible capital assets	2,479,830	2,436,941
	<u>(2,610,451)</u>	<u>115,257,884</u>
Change in disputed property tax receivable	(301,463)	(121,032)
Change in prepaid expenses	(53,525)	(42,180)
Change in land claim costs	(367,897)	2,027,658
Change in youth trust accounts	392,020	(4,250,039)
Change in investments in and advances to corporations	12,552	(425,605)
	<u>(318,313)</u>	<u>(2,811,198)</u>
Net change in net financial assets	(2,928,764)	112,446,686
Net financial assets (debt), beginning of year	<u>86,350,832</u>	<u>(26,095,854)</u>
Net financial asset, end of year	<u>\$ 83,422,068</u>	<u>\$ 86,350,832</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

## Fort William First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2013	2012
<b>Cash flows from operating activities</b>		
Surplus (deficit) for the year	\$ (1,457,732)	\$ 114,314,563
Adjustment for capital and investment transactions included in operations		
Amortization	2,479,830	2,436,941
Increase in non-cash working capital components (Note 15)	(1,616,849)	(1,119,362)
	<u>(594,751)</u>	<u>115,632,142</u>
<b>Cash provided by (used in) financing activities</b>		
Repayment of long-term debt	-	(21,685,622)
Advances of long-term debt	1,346,323	-
Repayments (advances) to related parties	12,552	(425,605)
	<u>1,358,875</u>	<u>(22,111,227)</u>
<b>Cash provided by (used in) investment activities</b>		
Purchase of capital assets (net)	(3,632,549)	(1,493,620)
	<u>(3,632,549)</u>	<u>(1,493,620)</u>
Net cash increase during the year	(2,868,425)	92,027,295
Cash, beginning of year	96,541,517	4,514,222
	<u>93,673,092</u>	<u>96,541,517</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 93,673,092</b>	<b>\$ 96,541,517</b>
<b>Represented by</b>		
Cash and short term investments	\$ 93,868,092	\$ 96,541,517
Bank indebtedness	(195,000)	-
	<u>\$ 93,673,092</u>	<u>\$ 96,541,517</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

## Fort William First Nation Summary of Significant Accounting Policies

March 31, 2013

<b>Basis of Financial Statements</b>	<p>These consolidated financial statements have been prepared in accordance with generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, and include all organizations, operations and activities that are:</p> <ul style="list-style-type: none"> <li>a) accountable for the administration of their financial affairs and resources directly to the First Nation, or</li> <li>b) are owned or controlled by the First Nation.</li> </ul>																					
<b>Financial Instruments</b>	<p>Unless otherwise noted, it is the Council's opinion that the Band is not exposed to significant interest, currency, or credit risks arising from its financial instruments.</p>																					
<b>Cash and Cash Equivalents</b>	<p>Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.</p>																					
<b>Tangible Capital Assets</b>	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a declining balance basis commencing once the asset is available for productive use as follows:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">First Nation housing</td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 15%; text-align: right;">3.5%</td> </tr> <tr> <td>Infrastructure</td> <td style="text-align: center;">-</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>Buildings</td> <td style="text-align: center;">-</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>Automotive</td> <td style="text-align: center;">-</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>Fire and general equipment</td> <td style="text-align: center;">-</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>Other equipment</td> <td style="text-align: center;">-</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Assets under capital lease obligation</td> <td style="text-align: center;">-</td> <td style="text-align: right;">10%</td> </tr> </table> <p>Amortization for assets supported by long term debt is at a rate equivalent to the long term debt principal repayment.</p> <p>In the year of acquisition 50% of the normal amortization is recorded.</p>	First Nation housing	-	3.5%	Infrastructure	-	5%	Buildings	-	5%	Automotive	-	10%	Fire and general equipment	-	10%	Other equipment	-	20%	Assets under capital lease obligation	-	10%
First Nation housing	-	3.5%																				
Infrastructure	-	5%																				
Buildings	-	5%																				
Automotive	-	10%																				
Fire and general equipment	-	10%																				
Other equipment	-	20%																				
Assets under capital lease obligation	-	10%																				

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## Fort William First Nation Summary of Significant Accounting Policies (cont'd)

March 31, 2013

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<b>Income Recognition</b>	<p>The First Nation is the recipient of certain approved program grants which specify project, purpose and maximum allowable contributions and are for specific time periods. Unexpended funds are included in the balance sheet as accounts receivable, cash and deferred revenue until the programs are complete. Other revenues from non-grant sources including rents, interest, and third party arrangements are accounted for on the accrual basis as earned.</p>
<b>Long Term Investments</b>	<p>The First Nation records its long term investments in the following manner:</p> <p>Investments fully controlled by the First Nation are consolidated.</p> <p>Investments in Government Business Enterprises are recorded using the modified equity method.</p> <p>All other long term investments are recorded at the lower of cost and net realizable value.</p>
<b>Replacement Reserves</b>	<p>Under the terms of agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve for housing is to be credited in varying amounts annually until it accumulates to a maximum amount plus accumulated interest. These funds along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation.</p>
<b>Use of Estimates</b>	<p>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 revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
<b>Fund Accounting</b>	<p>The First Nation records accounting transactions using the fund accounting method generally in use for non-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements.</p>

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2013

### 1. Cash

	2013	2012
Restricted cash	\$ 90,073,642	\$ 92,197,155
Unrestricted cash	2,365,449	2,936,864
	<u>\$ 92,439,091</u>	<u>\$ 95,134,019</u>

### 2. Accounts Receivable

	2013	2012
Government of Canada		
Aboriginal Affairs and Northern Development Canada	\$ 1,705,408	\$ 1,575,776
Province of Ontario		
Ministry of Energy - Industry Canada	50,861	141,813
Ministry Of Aboriginal Affairs	20,000	-
Ministry of Community and Social Services	20,317	51,167
Ministry of Northern Development	18,134	-
Ministry of Transportation	32,997	-
Other		
Arena operations	-	-
Ontario First Nations Limited Partnership	660,367	-
Union of Ontario Indians	127,036	171,287
Canada Mortgage Housing Corporation	32,035	5,322
Other receivables	2,361,066	2,687,695
	<u>5,028,221</u>	<u>4,633,060</u>
Allowance for doubtful accounts	(235,620)	(368,675)
	<u>\$ 4,792,601</u>	<u>\$ 4,264,385</u>

### 3. Band Member Receivables

	2013	2012
Rents receivable	\$ 272,036	\$ -
General	\$ 112,280	\$ 101,270

**Fort William First Nation  
Notes to Consolidated Financial Statements**

March 31, 2013

**4. Accounts Payable and Accruals**

	2013	2012
Trade payables	\$ 4,569,314	\$ 3,768,151
Repayable to funders	144,602	535,917
	<b>\$ 4,713,916</b>	<b>\$ 4,304,068</b>

**5. Capital Assets**

	2013		2012	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
First Nation housing	\$ 4,563,701	\$ 2,869,092	\$ 3,147,414	\$ 2,734,147
Infrastructure	11,310,570	9,714,527	11,310,570	9,222,873
Buildings	37,403,891	21,002,467	37,344,892	19,351,000
Automotive, fire and general equipment	3,953,222	2,251,555	2,690,886	2,135,751
Other equipment	469,111	351,337	469,894	325,535
Vacant land	2,165,186	-	2,165,186	-
Construction in progress - Capital projects	2,102,241	-	1,266,689	-
	<b>\$61,967,922</b>	<b>\$36,188,978</b>	<b>\$ 58,395,531</b>	<b>\$ 33,769,306</b>
Net book value		<b>\$25,778,944</b>		<b>\$ 24,626,225</b>

Construction in progress are projects which are carried at cost until completion at which time the projects are capitalized. Cost includes all direct costs relating to these projects, as well as interest on debt and overhead costs that can be clearly identified as relating to these projects.

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2013

### 6. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2013	2012
<b>Fund balances</b>		
<b>Unrestricted</b>		
Fund balance - General (Note 13)	\$ 122,070,597	\$122,986,262
<b>Internally restricted</b>		
Fund balance - Enterprise	(85,478)	(85,478)
- Asset Replacement Reserve	112,775	112,775
- Economic Development Reserve	301,023	365,592
<b>Externally restricted</b>		
Equity Revenue Trust	1,060,608	532,454
Equity Capital Trust	387,366	387,366
Equity Specific Claim Housing Trust	86,070	108,105
Replacement Reserve - CMHC	54,966	38,787
- Dilico	314,394	314,335
Fund balance - Lottery Reserve	1,360,110	2,359,965
Equity in long term investment	3,500	3,500
	\$125,665,931	\$127,123,663

### 7. Youth Trust Accounts

As part of the Specific Claim Housing Trust, Loch Lomond and Neebing agreements, all members of Fort William First Nation on the voting day for each respective claim were entitled to receive one time, per capita payments. All members alive but under the age of 18 on the voting day for each respective claim are not entitled to receive this payment until they reach the age of 18. The Trust has established individual interest-bearing trust bank accounts with the RBC Royal Bank for each member under 18. Once members reach the age of 18, they are entitled to receive the per capita payments plus interest that has accrued in their trust bank accounts. During the year, as part of the Neebing Surrender specific claim agreement, the First Nation issued a one time "per capita" payment to all members. For those members under the age of 18, this one time payment was deposited into the pre-existing individual interest bearing trust accounts with the Royal Bank of Canada.

As part of the Boundary Claim Settlement Trust there was a one time "per capita" distribution to members of \$25,000. For those members who were under the age of 18 at the date of the distribution, these monies are held by the Fort William First Nation Boundary Claim Settlement Trust until such time as the member reaches the age of 18. These monies will be distributed to the members as they achieve the age of 18 at the principal amount plus interest calculated at the bank rate. These amounts owing to members under the age of 18 are not included in the Youth Trust Account balance above.

**Fort William First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2013

**8. Investments in and Advances to Corporations**

Advances outstanding at year end are non-interest bearing, unsecured with no specific terms of repayment unless otherwise noted.

	2013	2012
<b>Current</b>		
Due to FWFN Development Corp.	\$ 64,329	\$ 58,410
Due from 1453183 Ontario Ltd.	15,849	15,849
Due to FWFN Energy Corp.	(100)	(100)
	80,078	74,159
Investment losses (net) (Enterprise Fund)	-	-
	80,078	74,159
<b>Long-term</b>		
Due from Anemki Mountain Business Trust	1,221,241	264,141
Due from Anemki Mountain Business Trust, bearing interest at 6%, due October 2011	-	975,571
Due from FWFN Land Development Trust	209,475	209,475
	1,430,716	1,449,187
<b>Shares</b>		
Anemki Mountain Corporation - common	100	100
FWFN Construction Corp.	100	100
FWFN Development Corp.	100	100
FWFN Energy Corp.	100	100
1453183 Ontario Ltd.	100	100
1401354 Ontario Ltd.	100	100
1526045 Ontario Ltd.	100	100
Warnnex Inc. - 70,926 common shares	100	100
	800	800
	1,431,516	1,449,987
<b>Total investments in and advances to corporations</b>	<b>\$ 1,511,594</b>	<b>\$ 1,524,146</b>

**Fort William First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2013

**9. Bank Indebtedness**

	2013	2012
Bank overdraft, at bank prime plus 2%	\$ 195,000	\$ -

**10. Deferred Revenue**

Deferred revenue consists of the following:

	2013	2012
Aboriginal Affairs and Northern Development Canada		
Education	\$ 474,238	\$ 242,146
ATR vote	6,649	20,000
Anemki Land Designation	63,720	-
Co-generation	12,961	12,961
Lot servicing	136,473	136,473
Land Claims Settlement	3,656,800	3,656,800
Canada Mortgage and Housing Corporation (RHAP)	101,398	-
Dilico Ojibway Child and Family Services	33,333	33,333
Rifle Range Trust	-	200,000
Hydro One	37,133	37,133
Other	22,451	16,752
	\$ 4,545,156	\$ 4,355,598

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2013

### 11. Long Term Debt

	2013	2012
<b>Non-Profit Housing Program #1</b>		
Canada Mortgage and Housing Corporation loan, repayable at \$3,522 per month including interest at 5.85%, secured by land and buildings and guaranteed by Aboriginal Affairs and Northern Development Canada, due June 2017	\$ 158,933	\$ 191,020
<b>Non-Profit Housing Program #5</b>		
RBC Royal Bank mortgage, repayable at \$5,313 per month including interest at 6%, secured by land and buildings and guaranteed by Aboriginal Affairs and Northern Development Canada, due April 2014	31,350	91,230
<b>Non-Profit Housing Program - Lynx Court</b>		
Canada Mortgage and Housing Corporation loan, repayable at \$3,818 per month including interest at 1.39%, secured by land and buildings and guaranteed by Aboriginal Affairs and Northern Development Canada, due August 2037	847,165	-
Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)	289,074	289,074
Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)	33,332	33,332
	\$ 1,359,854	\$ 604,656

**Fort William First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2013**

**11. Long Term Debt (cont'd)**

	2013	2012
<b>Balance Forward</b>	<b>\$ 1,359,854</b>	<b>\$ 604,656</b>
Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement), due March 2014	82,185	82,185
Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement), due MONTH/YEAR	123,548	-
Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement), due MONTH/YEAR	497,986	-
Ontario Native Affairs loan, due on settlement of outstanding land claims against the Province of Ontario (unless otherwise stated in the claim settlement agreement)	114,602	114,602
Copier lease repayable at \$795 per month including interest at 7.94%	-	1,634
Weendahmagan Alcohol & Drug Abuse Treatment Centre TD Canada Trust mortgage, repayable at \$2,623 per month including interest at 5.05%, secured by land and buildings and guaranteed by Aboriginal Affairs and Northern Development Canada, due June 2009	38,033	66,808
Aboriginal Affairs and Northern Development Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)	316,516	316,516
	<b>\$ 2,532,724</b>	<b>\$ 1,186,401</b>

## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2013

### 11. Long Term Debt (cont'd)

Of the remaining long term debt, principal payments due in the next five years and thereafter are as follows:

Year	Amount
2014	\$ 129,697
2015	78,452
2016	73,284
2017	76,064
2018	46,956
Thereafter	2,128,271
	<u>\$ 2,532,724</u>

### 12. Contingent Liabilities

In 1999 the Corporation of the City of Thunder Bay returned approximately 1,100 acres of land that had previously been expropriated in 1905 to Fort William First Nation. Since that time, the City of Thunder Bay has been assessing municipal property taxes on the returned lands. As of March 31, 2013, property taxes owing to the Corporation of the City of Thunder Bay, including interest and penalties, amounted to \$3,336,988 (2012 - \$3,230,678). This amount continues to increase with all subsequent tax assessments, as well as, with interest and penalties accruing monthly.

The First Nation is disputing the taxes charged, as management does not believe the lands have ever left reserve status, and as such, are not subject to municipal taxation.

In 2004, the First Nation applied for an interlocutory injunction to restrain the City of Thunder Bay from collecting unpaid taxes until such time as a decision is rendered regarding the status of the lands; however the court ruled against the injunction.

Had the above mentioned liabilities been recorded, the balances in these consolidated financial statements would have changed as follows:

Consolidated statement of operations	
Excess of revenue over expenditures for the year	\$ (1,457,732)
Adjustment for property taxes not recorded	(106,310)
	<u>\$ (1,564,042)</u>
Consolidated statement of financial position	
Capital assets reported	\$ 25,778,944
Addition for property taxes on vacant land	1,188,553
	<u>\$ 26,967,497</u>
Accounts payable and accruals as reported	\$ 4,713,916
Property taxes, including penalties and interest, not recorded	3,336,988
	<u>\$ 8,050,904</u>
Disputed property taxes receivable as reported	\$ 8,477,898
Tenants' payments applied against payable in excess of payable recorded	(8,477,898)
	<u>\$ -</u>

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## Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2013

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### 13. General Fund Balance

A portion of this balance includes surpluses or deficits from funds contributed by government agencies. Such surpluses or deficits may be subject to recovery or repayment by the contributing agencies, depending on the terms and conditions of the relevant contribution agreements. These potential liabilities or recoveries are not recorded until they become payable or recoverable.

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### 14. Guarantees

The First Nation has guaranteed bank loans for Band members in the amount of \$2,465,129 (2012 - \$2,506,643).

The First Nation has guaranteed the bank financing for Anemki Mountain Business Trust up to a maximum of \$100,000 (2012 - \$100,000).

The First Nation has a letter of credit for the Ministry of Finance - Alcohol and Gaming up to a maximum of \$120,000 (2012 - \$120,000).

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**Fort William First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2013

**15. Changes in Non-Cash Working Capital Components**

	2013	2012
Inventory	\$ (657,440)	\$ 40,157
Land claim costs	(367,897)	2,027,658
Accounts receivable	(528,216)	(396,366)
Band member receivable	(11,010)	199,961
Rent receivable - Band members	(272,036)	317,845
Disputed property taxes receivable	(301,463)	(121,032)
Youth trust accounts	392,020	(4,250,039)
Prepaid expenses	(53,525)	(42,180)
Accounts payable and accruals	409,848	(3,297,676)
Tenant deposits	(23,961)	3,317
Specific Claim Housing Trust reserves	(392,727)	4,252,505
Deferred revenue	189,558	146,488
	<b>\$ (1,616,849)</b>	<b>\$ (1,119,362)</b>

**16. Economic Dependence**

Fort William First Nation receives a major portion of its revenue pursuant to a funding agreement with several Federal and Provincial funding organizations.

**17. Comparative Figures**

Certain of the comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

**18. Segmented Information**

Fort William First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Fort William First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The services are provided by several entities of Fort William First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed in Note 21.

**Fort William First Nation**  
**Notes to Consolidated Financial Statements**

**19. Segmented Information**

For the year ended March 31, 2013	Administration	Public Works	Education	Social Services and Health	Development & Employment	New Relationship Fund	Capital Projects	Arena Operations	Region	Band Operations	Total
<b>Revenue</b>											
Aboriginal Affairs and Northern Development Canada	\$ 477,639	\$ 542,713	\$ 4,138,259	\$ 441,595	\$ 192,276	\$ -	\$ -	\$ 56,585	\$ 97,768	\$ 28,035	\$ 5,974,870
Ontario Ministry of Aboriginal Affairs											
Health Canada	-	-	-	442,963	-	-	-	-	-	-	442,963
Ministry of Community and Social Services	-	-	-	1,384,945	-	-	-	-	-	-	1,384,945
Ministry of Transportation		32,997									32,997
Other revenue	79,770	23,612	16,544	587,525	402,885	80,000	200,000	29,693	(63,720)	3,210,412	4,566,721
Interfund transfers	-	-	-	-	-	-	-	-	-	-	-
	<u>557,409</u>	<u>599,322</u>	<u>4,154,803</u>	<u>2,857,028</u>	<u>595,161</u>	<u>80,000</u>	<u>200,000</u>	<u>86,278</u>	<u>34,048</u>	<u>3,238,447</u>	<u>12,402,496</u>
<b>Expenses</b>											
Amortization	35,492	53,096	1,877	-	-	-	-	-	-	2,343,974	2,434,439
Bad debt	187,001	-	-	-	-	-	-	-	3,359	-	190,360
Capital purchases	-	-	-	-	-	-	-	-	-	-	-
Donations	6,679	-	-	-	-	-	-	-	-	-	6,679
General welfare assistance	-	-	-	1,445,287	-	-	-	-	-	-	1,445,287
Honourarium	250,273	-	-	-	-	-	-	-	-	-	250,273
Insurance	-	18,546	-	-	-	-	-	3,795	-	-	22,341
Interdepartmental costs	(721,240)	(1,009,501)	194,024	91,144	(22,453)	38,801	45,889	-	(44,704)	(176,427)	(1,604,467)
Interest and bank charges	46,749	-	-	3,924	167	-	-	-	-	-	50,840
Interest on long term debt	-	-	-	-	-	-	-	-	-	-	-
Per capita distribution	-	-	-	-	-	-	-	-	-	871,610	871,610
Student allowances	-	-	566,975	-	-	-	-	-	-	-	566,975
Supplies and service	688,948	1,409,865	141,258	401,020	260,589	2,124	-	-	47,703	313,636	3,265,143
Travel and transportation	85,618	48,612	11,623	73,592	48,307	3,180	-	-	43,819	-	314,751
Tuition	-	-	2,977,530	-	-	-	-	-	-	-	2,977,530
Utilities and telephone	46,273	36,259	6,580	6,530	6,508	876	4,512	-	2,724	62,833	173,095
Wages and benefits	950,535	190,516	222,449	845,921	561,340	35,037	-	-	79,451	11,858	2,897,107
	<u>1,576,328</u>	<u>747,393</u>	<u>4,122,316</u>	<u>2,867,418</u>	<u>854,458</u>	<u>80,018</u>	<u>50,401</u>	<u>3,795</u>	<u>132,352</u>	<u>3,427,484</u>	<u>13,861,963</u>
	<u>\$ (1,018,919)</u>	<u>\$ (148,071)</u>	<u>\$ 32,487</u>	<u>\$ (10,390)</u>	<u>\$ (259,297)</u>	<u>\$ (18)</u>	<u>\$ 149,599</u>	<u>\$ 82,483</u>	<u>\$ (98,304)</u>	<u>\$ (189,037)</u>	<u>\$ (1,459,467)</u>

**Fort William First Nation  
Notes to Consolidated Financial Statements**

**19. Segmented Information (cont'd)**

For the year ended March 31, 2013

	Balance Forward	Gaming Activities	Housing Operations	Rental Operations	Lottery Fund	Replacement Reserves	Enterprise Fund	Specific Claim Trust Fund	Trust Fund	Total
<b>Revenue</b>										
Aboriginal Affairs and Northern Development Canada	\$ 5,974,870	\$ -	\$ 165,480	\$ 13,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,153,363
Ontario Ministry of Aboriginal Affairs	-	-	74,332	-	-	-	-	-	-	74,332
Canada Mortgage and Housing Corporation Subsidy	442,963	-	-	-	-	-	-	-	-	442,963
Health Canada	-	-	-	-	-	-	-	-	-	-
Ministry of Aboriginal Affairs	1,384,945	-	-	-	-	-	-	-	-	1,384,945
Ministry of Community and Social Services	32,997	-	-	-	-	-	-	-	-	32,997
Ministry of Transportation	4,566,721	4,928,985	153,051	1,057,612	-	-	-	-	-	10,706,369
Other revenue	-	-	-	-	-	-	-	-	-	-
Interfund transfers	-	-	-	-	-	-	-	-	-	-
Lottery Fund revenue	-	-	-	-	991,604	-	-	-	-	991,604
Replacement reserves	-	-	-	-	-	46,098	-	-	-	46,098
Specific Claim Housing Trust Fund revenue	-	-	-	-	-	-	-	-	-	-
	<b>12,402,496</b>	<b>4,928,985</b>	<b>392,863</b>	<b>1,070,625</b>	<b>991,604</b>	<b>46,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,832,671</b>
<b>Expenses</b>										
Amortization	2,434,439	6,419	-	38,972	-	-	-	-	-	2,479,830
Bad debt	190,360	-	2,863	-	-	-	-	-	-	193,223
Capital purchases	-	-	-	-	-	-	-	-	-	-
Cash short	-	2,664	-	-	-	-	-	-	-	2,664
Donations	6,679	160,203	-	-	-	-	-	-	-	166,882
General welfare assistance	1,445,287	-	-	-	-	-	-	-	-	1,445,287
Honourarium	250,273	-	-	-	-	-	-	13,750	-	264,023
Insurance	22,341	-	29,216	-	-	-	-	-	-	51,557
Interdepartmental costs	(1,604,467)	(20,000)	(202,978)	(43,054)	1,042,558	-	-	-	-	(827,941)
Interest and bank charges	50,840	1,096	-	-	-	-	-	302	-	52,238
Interest on long term debt	-	-	21,837	1,535	-	-	-	-	-	23,372
Per capita distribution	871,610	-	-	-	-	-	-	-	-	871,610
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Prize	-	3,191,224	-	-	-	-	-	-	-	3,191,224
Student allowances	566,975	-	-	-	-	-	-	-	-	566,975
Supplies and service	3,265,143	794,498	320,750	222,600	-	-	-	7,888	-	4,610,879
Transfer cost	-	-	-	-	948,901	-	-	-	-	948,901
Travel and transportation	314,751	75,972	6,323	-	-	-	-	-	-	397,046
Tuition	2,977,530	-	-	-	-	-	-	-	-	2,977,530
Utilities and telephone	173,095	10,657	1,931	81,734	-	-	-	-	-	267,417
Wages and benefits	2,897,107	549,076	151,480	9,928	-	-	-	95	-	3,607,686
	<b>13,861,963</b>	<b>4,771,809</b>	<b>331,422</b>	<b>311,715</b>	<b>1,991,459</b>	<b>-</b>	<b>-</b>	<b>22,035</b>	<b>-</b>	<b>21,290,403</b>
	<b>\$ (1,459,467)</b>	<b>\$ 157,176</b>	<b>\$ 61,441</b>	<b>\$ 758,910</b>	<b>\$ (999,855)</b>	<b>\$ 46,098</b>	<b>\$ -</b>	<b>\$ (22,035)</b>	<b>\$ -</b>	<b>\$ (1,457,732)</b>

**Fort William First Nation**  
**Notes to Consolidated Financial Statements**

**19. Segmented Information (cont'd)**

For the year ended March 31, 2012	Administration	Public Works	Education	Social Services and Health	Development & Employment	New Relationship Fund	Capital Projects	Arena Operations	Region	Band Operations	Total
<b>Revenue</b>											
Aboriginal Affairs and Northern Development Canada	\$ 546,037	\$ 330,290	\$ 3,849,438	\$ 455,895	\$ 169,271	\$ -	\$ -	\$ 63,637	\$ 2,397	\$ 149,481,352	\$ 154,898,317
Ontario Ministry of Aboriginal Affairs										5,906,965	5,906,965
Health Canada	-	-	-	408,104	-	-	-	-	-	-	408,104
Ministry of Aboriginal Affairs											
Ministry of Community and Social Services				1,123,971							1,123,971
Ministry of Transportation		32,997									32,997
Other revenue	519,803	72,279	1,861	437,614	2,008,910	60,965	-	284	-	596,647	3,698,363
Interfund transfers											
	<u>1,065,840</u>	<u>435,566</u>	<u>3,851,299</u>	<u>2,425,584</u>	<u>2,178,181</u>	<u>60,965</u>	<u>-</u>	<u>63,921</u>	<u>2,397</u>	<u>155,984,964</u>	<u>166,068,717</u>
<b>Expenses</b>											
Amortization	17,436	48,898	1,877							2,319,021	2,387,232
Bad debt	57,586										57,586
Capital purchases											
Donations	7,630										7,630
General welfare assistance				1,198,796							1,198,796
Honourarium	269,530										269,530
Insurance		5,968									5,968
Interdepartmental costs	(837,948)	(962,396)	165,249	94,943	516,491	13,500			(120,232)	468,713	(661,680)
Interest and bank charges	39,909			8,108	171						48,188
Interest on long term debt	1,600										1,600
Per capita distribution										35,935,000	35,935,000
Loss on disposal											
Student allowances			544,100								544,100
Supplies and service	444,976	801,918	184,384	396,617	858,341	879		24,531	45,616	3,893,160	6,650,422
Travel and transportation	41,327	172,880	16,118	60,484	34,511	3,957			57,460		386,737
Tuition			2,725,371								2,725,371
Utilities and telephone	39,203	26,717	11,073	6,712	7,991	1,435			965	36,727	130,823
Wages and benefits	718,732	415,248	228,985	693,169	716,501	41,852			81,003	14,536	2,910,026
	<u>799,981</u>	<u>509,233</u>	<u>3,877,157</u>	<u>2,458,829</u>	<u>2,134,006</u>	<u>61,623</u>	<u>-</u>	<u>24,531</u>	<u>64,812</u>	<u>42,667,157</u>	<u>52,597,329</u>
	\$ 265,859	\$ (73,667)	\$ (25,858)	\$ (33,245)	\$ 44,175	\$ (658)	\$ -	\$ 39,390	\$ (62,415)	\$ 113,317,807	\$ 113,471,388

**Fort William First Nation**  
**Notes to Consolidated Financial Statements**

**19. Segmented Information (cont'd)**

For the year ended March 31, 2012

	Balance Forward	Gaming Activities	Housing Operations	Rental Operations	Lottery Fund	Replacement Reserves	Enterprise Fund	Specific Claim Trust Fund	Trust Fund	Total
<b>Revenue</b>										
Aboriginal Affairs and Northern Development Canada	\$ 154,898,317	\$ -	\$ 404,358	\$ 26,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,328,786
Ontario Ministry of Aboriginal Affairs	5,906,965	-	-	-	-	-	-	-	-	5,906,965
Canada Mortgage and Housing Corporation Subsidy	-	-	49,811	-	-	-	-	-	-	49,811
Health Canada	408,104	-	-	-	-	-	-	-	-	408,104
Ministry of Community and Social Services	1,123,971	-	-	-	-	-	-	-	-	1,123,971
Ministry of Transportation	32,997	-	-	-	-	-	-	-	-	32,997
Other revenue	3,698,363	4,356,807	174,977	1,748,226	-	-	-	-	-	9,978,373
Interfund transfers	-	-	-	-	-	-	-	-	-	4,564
Lottery Fund revenue	-	-	-	-	1,066,007	-	-	4,564	-	1,066,007
Replacement reserves	-	-	-	-	-	111,737	-	-	-	111,737
Trust Fund revenue	-	-	-	-	-	-	-	-	-	-
Specific Claim Housing Trust Fund revenue	-	-	-	-	-	-	-	64	-	64
Enterprise revenue	-	-	-	-	-	-	-	-	-	-
	<b>166,068,717</b>	<b>4,356,807</b>	<b>629,146</b>	<b>1,774,337</b>	<b>1,066,007</b>	<b>111,737</b>	<b>-</b>	<b>4,628</b>	<b>-</b>	<b>174,011,379</b>
<b>Expenses</b>										
Amortization	2,387,232	9,741	-	39,968	-	-	-	-	-	2,436,941
Bad debt	57,586	-	-	-	-	-	-	-	-	57,586
Capital purchases	-	-	-	-	-	-	-	-	-	-
Cash short	-	356	-	-	-	-	-	-	-	356
Donations	7,630	424,866	-	-	-	-	-	-	-	432,496
General welfare assistance	1,198,796	-	-	-	-	-	-	-	-	1,198,796
Honourarium	269,530	-	-	-	-	-	-	8,250	-	277,780
Insurance	5,968	-	22,207	-	-	-	-	-	-	28,175
Interdepartmental costs	(661,680)	22,764	(8,450)	(199,452)	743,119	-	-	-	-	(103,699)
Interest and bank charges	48,188	3,374	-	-	-	-	-	88	-	51,650
Interest on long term debt	1,600	-	19,522	520,592	-	-	-	-	-	541,714
Per capita distribution	35,935,000	-	-	-	-	-	-	-	-	35,935,000
Loss on disposal	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Prizes	-	2,786,127	-	-	-	325,976	-	-	-	3,112,103
Student allowances	544,100	-	-	-	-	-	-	-	-	544,100
Supplies and service	6,650,422	572,730	515,296	262,218	-	-	-	5,800	-	8,006,466
Transfer cost	-	-	-	-	409,590	-	-	-	-	409,590
Travel and transportation	386,737	900	6,441	-	-	-	-	-	-	394,078
Tuition	2,725,371	-	-	-	-	-	-	-	-	2,725,371
Utilities and telephone	130,823	7,231	4,406	113,229	-	-	-	-	-	255,689
Wages and benefits	2,910,026	363,625	118,375	-	-	-	-	598	-	3,392,624
	<b>52,597,329</b>	<b>4,191,714</b>	<b>677,797</b>	<b>736,555</b>	<b>1,152,709</b>	<b>325,976</b>	<b>-</b>	<b>14,736</b>	<b>-</b>	<b>59,696,816</b>
	<b>\$ 113,471,388</b>	<b>\$ 165,093</b>	<b>\$ (48,651)</b>	<b>\$ 1,037,782</b>	<b>\$ (86,702)</b>	<b>\$ (214,239)</b>	<b>\$ -</b>	<b>\$ (10,108)</b>	<b>\$ -</b>	<b>\$ 114,314,563</b>

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## Auditor's Comments on Supplementary Financial Information

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**To the Members  
Fort William First Nation**

We have audited the financial statements of Fort William First Nation, which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statements of operations and accumulated surplus, revenue, expenses, changes in net financial debt and cash flows for the year then ended, and a Summary of Significant Accounting Policies and other explanatory information, and have issued our unqualified report thereon dated December 16, 2013 on those financial statements. The audit was performed to form an opinion on the financial statements as a whole. The supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario  
December 16, 2013

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Administration/Infrastructure Programs (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 477,639	\$ 546,037
Rent and miscellaneous	58,172	137,781
Other agencies	-	373
Interest	21,598	381,649
	<u>557,409</u>	<u>1,065,840</u>
<b>Expenditures</b>		
Interest on long-term debt	-	1,601
Bad debts (recoveries)	187,001	57,586
Donations	6,679	7,630
Interest and bank charges	46,749	39,909
Amortization	35,492	17,436
Supplies and services	688,948	444,976
Travel and transportation	85,618	41,327
Utilities and telephone	46,273	39,203
Wages and benefits	950,535	718,732
Honourarium (Note 15)	250,273	269,530
	<u>2,297,568</u>	<u>1,637,930</u>
Interdepartmental costs recovered	(721,240)	(837,948)
	<u>1,576,328</u>	<u>799,982</u>
<b>Surplus (shortfall) of revenue over expenditures</b>	<b>(1,018,919)</b>	<b>265,858</b>
<b>Accumulated deficit, beginning of year</b>	<b>(3,546,819)</b>	<b>(3,812,677)</b>
<b>Accumulated deficit, end of year</b>	<b>\$ (4,565,738)</b>	<b>\$ (3,546,819)</b>

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Public Works (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 542,713	\$ 330,290
Ministry of Transportation	32,997	32,997
Band operations	10,400	53,415
Interest and miscellaneous	13,212	18,864
	<u>599,322</u>	<u>435,566</u>
<b>Expenditures</b>		
Amortization	53,096	48,898
Supplies and services	1,409,865	801,918
Travel and transportation	48,612	172,880
Utilities and telephone	36,259	26,717
Wages and benefits	190,516	415,248
Insurance	18,546	5,968
	<u>1,756,894</u>	<u>1,471,629</u>
Interdepartmental costs recovered	(1,009,501)	(962,396)
	<u>747,393</u>	<u>509,233</u>
Shortfall of revenue over expenditures	(148,071)	(73,667)
Accumulated deficit, beginning of year	<u>(213,867)</u>	<u>(140,200)</u>
Accumulated deficit, end of year	\$ (361,938)	\$ (213,867)

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Education Programs (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 4,235,659	\$ 4,231,565
Less: recoveries from prior year	(97,400)	-
Other agencies	21,684	1,861
	<u>4,159,943</u>	<u>4,233,426</u>
Deferred revenue - prior year	469,098	86,971
- current year	(474,238)	(469,098)
	<u>4,154,803</u>	<u>3,851,299</u>
<b>Expenditures</b>		
Tuition	2,977,530	2,725,371
Student allowances	566,975	544,100
Amortization	1,877	1,877
Supplies and services	141,258	184,384
Travel and transportation	11,623	16,118
Utilities and telephone	6,580	11,073
Wages and benefits	222,449	228,985
	<u>3,928,292</u>	<u>3,711,908</u>
Interdepartmental costs (recovered)	194,024	165,249
	<u>4,122,316</u>	<u>3,877,157</u>
<b>Surplus (shortfall) of revenue over expenditures</b>	<b>32,487</b>	<b>(25,858)</b>
<b>Deficit, beginning of year</b>	<b>(1,456,144)</b>	<b>(1,430,286)</b>
<b>Deficit, end of year</b>	<b>\$ (1,423,657)</b>	<b>\$ (1,456,144)</b>

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Social Services and Health Programs (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 441,595	\$ 455,895
Ministry of Community and Social Services	1,384,945	1,123,971
Ministry of Health and Long Term Care	98,892	90,366
Health Canada	442,963	408,104
Other agencies	356,832	333,280
Revenue repayable	-	(6,446)
Interest and miscellaneous	49,403	20,414
	<u>2,774,630</u>	<u>2,425,584</u>
Deferred revenue - prior year	82,398	82,398
Deferred revenue - current year	-	(82,398)
	<u>2,857,028</u>	<u>2,425,584</u>
<b>Expenditures</b>		
General welfare assistance	1,445,287	1,198,796
Interest and bank charges	3,924	8,108
Supplies and services	401,020	396,617
Travel and transportation	73,592	60,484
Utilities and telephone	6,530	6,712
Wages and benefits	845,921	693,169
	<u>2,776,274</u>	<u>2,363,886</u>
Interdepartmental costs	91,144	94,943
	<u>2,867,418</u>	<u>2,458,829</u>
<b>Surplus (shortfall) of revenue over expenditures</b>	<b>(10,390)</b>	<b>(33,245)</b>
<b>Deficit, beginning of year</b>	<b>(603,227)</b>	<b>(569,982)</b>
<b>Deficit, end of year</b>	<b>\$ (613,617)</b>	<b>\$ (603,227)</b>

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Development and Employment Programs (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 192,276	\$ 171,701
Band operations	9,170	1,456,610
Other agencies	383,705	451,549
Interest and miscellaneous	-	114,647
	<u>585,151</u>	<u>2,194,507</u>
Deferred revenue - prior year	10,010	10,765
- current year	-	(10,010)
	<u>595,161</u>	<u>2,195,262</u>
<b>Expenditures</b>		
Interest and bank charges	167	171
Supplies and services	260,589	896,827
Travel and transportation	48,307	34,512
Utilities and telephone	6,508	7,991
Wages and benefits	432,001	677,227
Training	129,339	39,274
	<u>876,911</u>	<u>1,656,002</u>
Interdepartmental costs	(22,453)	495,085
	<u>854,458</u>	<u>2,151,087</u>
Surplus (shortfall) of revenue over expenditures	(259,297)	44,175
Deficit, beginning of year	<u>(9,575)</u>	<u>(53,750)</u>
Deficit, end of year	\$ (268,872)	\$ (9,575)

**Fort William First Nation  
Schedule of Revenue and Expenditures  
New Relationship Fund (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Ministry of Aboriginal Affairs	\$ 80,000	\$ 80,000
Other revenue repayable	-	(19,035)
	<u>80,000</u>	<u>60,965</u>
<b>Expenditures</b>		
Supplies and services	2,124	879
Travel and transportation	3,180	3,957
Utilities and telephone	876	1,435
Wages and benefits	35,037	41,852
	<u>41,217</u>	<u>48,123</u>
Interdepartmental costs	38,801	13,500
	<u>80,018</u>	<u>61,623</u>
Surplus (shortfall) of revenue over expenditures	(18)	(658)
Deficit, beginning of year	<u>(658)</u>	-
Deficit, end of year	\$ (676)	\$ (658)

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Capital Project Programs (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Deferred revenue - prior year	\$ 336,473	\$ 336,473
- current year	(136,473)	(336,473)
	<u>200,000</u>	<u>-</u>
<b>Expenditures</b>		
Utilities and telephone	4,512	-
	<u>4,512</u>	<u>-</u>
Interdepartmental costs recovered	45,889	-
	<u>50,401</u>	<u>-</u>
Surplus of revenue over expenditure	149,599	-
Deficit, beginning of year	(13,558)	(13,558)
Surplus (deficit), end of year	<u>\$ 136,041</u>	<u>\$ (13,558)</u>

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Region Programs (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 97,768	\$ 22,397
Other agencies	-	(104)
	<b>97,768</b>	<b>22,293</b>
Deferred revenue - prior year	12,961	(7,039)
- current year	(76,681)	(12,961)
	<b>34,048</b>	<b>2,293</b>
<b>Expenditures</b>		
Bad debts	3,359	-
Supplies and services	47,703	2,095
Travel and transportation	43,819	57,460
Utilities and telephone	2,724	965
Wages and benefits	79,451	81,003
	<b>177,056</b>	<b>141,523</b>
Interdepartmental costs (recovered)	(44,704)	(120,232)
	<b>132,352</b>	<b>21,291</b>
Surplus (shortfall) of revenue over expenditures	(98,304)	(18,998)
Deficit, beginning of year	(97,655)	(78,657)
Deficit, end of year	\$ (195,959)	\$ (97,655)

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Band Operations (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 28,035	\$ 38,757
Aboriginal Affairs and Northern Development Canada - claims settlement	-	149,442,595
Ontario Ministry of Aboriginal Affairs	-	5,906,965
Rent and miscellaneous	1,543,384	1,468,344
Interest and miscellaneous	1,653,678	38,786
	<u>3,225,097</u>	<u>156,895,447</u>
Deferred revenue - prior year	3,676,800	3,676,800
- current year	(3,663,450)	(3,676,800)
	<u>3,238,447</u>	<u>156,895,447</u>
<b>Expenditures</b>		
Amortization	2,343,974	2,319,021
Supplies and services	313,636	3,936,576
Per capita distribution	871,610	35,935,000
Utilities and telephone	62,833	36,727
Wages and benefits	11,858	14,536
	<u>3,603,911</u>	<u>42,241,860</u>
Interdepartmental costs	(176,427)	468,713
	<u>3,427,484</u>	<u>42,710,573</u>
<b>Excess (shortfall) of revenue over expenditures</b>	<b>(189,037)</b>	<b>114,184,874</b>
<b>Accumulated surplus, beginning of year</b>	<b>114,855,506</b>	<b>670,632</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 114,666,469</b>	<b>\$ 114,855,506</b>

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Arena Operations (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 56,585	\$ 160,637
Band operations	-	15
Interest and miscellaneous	29,693	269
	<u>86,278</u>	<u>160,921</u>
<b>Expenditures</b>		
Supplies and services	-	24,531
Miscellaneous	3,795	-
	<u>3,795</u>	<u>24,531</u>
<b>Excess of revenue over expenditures</b>	<b>82,483</b>	<b>136,390</b>
<b>Deficit, beginning of year</b>	<u><b>(1,262,981)</b></u>	<u><b>(1,399,371)</b></u>
<b>Deficit, end of year</b>	<b>\$ (1,180,498)</b>	<b>\$ (1,262,981)</b>

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Gaming Operations (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Band operations	\$ 5,030,527	\$ 4,294,160
Other agencies	27,270	-
Interest and miscellaneous	(27,415)	62,647
	<u>5,030,382</u>	<u>4,356,807</u>
Deferred revenue - current year	(101,397)	-
	<u>4,928,985</u>	<u>4,356,807</u>
<b>Expenditures</b>		
Donations	160,203	424,866
Cash short	2,664	356
Interest and bank charges	1,096	3,374
Amortization	6,419	9,741
Supplies and services	794,498	572,730
Travel and transportation	75,972	900
Utilities and telephone	10,657	7,231
Wages and benefits	549,076	363,625
Prizes	3,191,224	2,786,127
	<u>4,791,809</u>	<u>4,168,950</u>
Interdepartmental costs	(20,000)	22,764
	<u>4,771,809</u>	<u>4,191,714</u>
Excess of revenue over expenditures	157,176	165,093
Accumulated surplus, beginning of year	<u>1,084,583</u>	<u>919,490</u>
Accumulated surplus, end of year	<u>\$ 1,241,759</u>	<u>\$ 1,084,583</u>

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Housing Operations (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 165,480	\$ 404,358
Rent and miscellaneous	153,051	96,824
Other agencies	-	78,153
Canada Mortgage and Housing Corporation subsidy	74,332	49,811
	<u>392,863</u>	<u>629,146</u>
<b>Expenditures</b>		
Interest on long-term debt	21,837	19,522
Bad debts (recoveries)	2,863	-
Supplies and services	320,750	515,296
Travel and transportation	6,323	6,441
Utilities and telephone	1,931	4,406
Wages and benefits	151,480	118,375
Insurance	29,216	22,207
	<u>534,400</u>	<u>686,247</u>
Interdepartmental costs recovered	(202,978)	(8,450)
	<u>331,422</u>	<u>677,797</u>
Surplus (shortfall) of revenue over expenditures	61,441	(48,651)
Deficit, beginning of year	(3,563,531)	(3,514,880)
Deficit, end of year	<u>\$ (3,502,090)</u>	<u>\$ (3,563,531)</u>

**Fort William First Nation  
Schedule of Revenue and Expenditures  
Rental Operations (Unaudited)**

For the year ended March 31	2013	2012
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada - core	\$ 13,013	\$ 26,111
Band operations	99,297	1,798
Rent and miscellaneous	844,295	771,448
Other agencies	13,171	-
Interest and miscellaneous	100,849	64,497
	<u>1,070,625</u>	<u>863,854</u>
Deferred revenue- prior year	70,467	70,467
- current year	(70,467)	(70,467)
	<u>1,070,625</u>	<u>863,854</u>
<b>Expenditures</b>		
Interest on long-term debt	1,535	520,592
Amortization	38,972	39,968
Supplies and services	222,600	262,218
Utilities and telephone	81,734	113,229
Wages and benefits	9,928	-
	<u>354,769</u>	<u>936,007</u>
Interdepartmental costs recovered	(43,054)	(199,452)
	<u>311,715</u>	<u>736,555</u>
<b>Excess of revenue over expenditures</b>	<b>758,910</b>	<b>127,299</b>
<b>Accumulated surplus, beginning of year</b>	<b>9,397,516</b>	<b>9,270,217</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 10,156,426</b>	<b>\$ 9,397,516</b>

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**Fort William First Nation  
Replacement Reserves Fund  
Statement of Income and Deficit (Unaudited)**

<b>For the year ended March 31</b>	<b>2013</b>	<b>2012</b>
<b>Revenue</b>		
Anemki income	\$ 46,098	\$ 111,737
<b>Expenses</b>		
Anemki expenditures	-	325,976
<b>Surplus (deficit), for the year</b>	<b>\$ 46,098</b>	<b>\$ (214,239)</b>

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**Fort William First Nation  
Specific Claim Housing Trust Fund  
Schedule of Changes in Equity (Unaudited)**

For the year ended March 31	2013	2012
Balance, beginning of year	\$ 108,105	\$ 118,213
<b>Additions</b>		
Interest earned	-	64
<b>Deductions</b>		
Bank charges	302	88
Office supplies	2,688	-
Postage and delivery	-	-
Professional fees	4,600	5,000
Rent	600	800
Software	-	-
Staff compensation	95	598
Trustee honoraria	13,750	8,250
	<b>22,035</b>	<b>14,736</b>
Loss for the year	<b>(22,035)</b>	<b>(14,672)</b>
Trust Settlement Received	-	8,064
Per capita distributions to members	-	-
Subsidy program	-	(3,500)
Net Trust capital	-	4,564
Balance, end of year	<b>\$ 86,070</b>	<b>\$ 108,105</b>

**Fort William First Nation  
Lottery Fund  
Schedule of Changes in Equity (Unaudited)**

For the year ended March 31	2013	2012
Balance, beginning of year	\$ 2,359,965	\$ 2,446,667
<b>Additions</b>		
Casino Rama income	989,674	1,063,371
Interest earned	1,930	2,636
	<u>991,604</u>	<u>1,066,007</u>
<b>Deductions</b>		
Transfer to General Fund		
Administration	2,100	26,764
Economic Development	17,244	8,100
Community Development	-	14,000
Cultural Development	-	-
Education	69,081	76,083
Health	18,458	-
Infrastructure	699,672	200,701
Professional fees	25,000	375
Wages	117,346	23,567
Capital purchases	-	60,000
	<u>948,901</u>	<u>409,590</u>
Interdepartmental costs	1,042,558	743,119
	<u>1,991,459</u>	<u>1,152,709</u>
<b>Balance, end of year</b>	<b>\$ 1,360,110</b>	<b>\$ 2,359,965</b>