

Fort William First Nation
Consolidated Financial Statements
For the year ended March 31, 2014

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Independent Auditor's Report

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, 2014, and the consolidated statements of operations and surplus, consolidated change in net financial assets 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.

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.

Independent Auditor's Report (cont'd)

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 \$467,567, capital assets would have been increased by \$3,804,645, accounts payable would have been increased by \$3,336,988, disputed property taxes receivable would have been decreased by \$8,653,066 and the consolidated accumulated surplus would have been decreased by \$12,457,711.

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, 2014 and the consolidated results of operations and surplus, consolidated change in net financial assets and consolidated statement of cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario
August 19, 2014

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

March 31, 2014

The accompanying consolidated financial statements of Fort William First Nation 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 Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. BDO Canada LLP have access to financial management of Fort William First Nation and meet when required.

Chief

Councillor

Fort William First Nation Consolidated Statement of Financial Position

| March 31 | 2014 | 2013 |
|-----------------------------------------------------------------|-----------------------|-----------------------|
| Financial assets | | |
| Cash (Note 2) | \$ 4,838,985 | \$ 89,712,788 |
| Investments (Note 3) | 93,098,306 | 1,429,001 |
| Deposits | 8,000 | 8,000 |
| Accounts receivable (Note 4) | 2,376,314 | 2,306,721 |
| Rent receivable from Band members (Note 4) | 35,476 | 272,036 |
| Due from government and other government organizations (Note 5) | 2,788,862 | 2,598,160 |
| Trust funds held by federal government (Note 6) | 895,182 | 2,726,303 |
| Inventory | 1,042,215 | 733,488 |
| | <u>105,083,340</u> | <u>99,786,497</u> |
| Liabilities | | |
| Bank indebtedness (Note 7) | - | 195,000 |
| Accounts payable and accruals (Note 8) | 5,093,371 | 4,451,332 |
| Due to government and other government organizations (Note 9) | 92,763 | 262,584 |
| Tenant deposits | 12,035 | 12,035 |
| Deferred revenue (Note 10) | 2,812,747 | 4,545,156 |
| Long term debt (Note 11) | 2,794,190 | 2,532,724 |
| Amounts held in trust for minors (Note 12) | 4,072,244 | 4,365,598 |
| | <u>14,877,350</u> | <u>16,364,429</u> |
| Net financial assets | <u>90,205,990</u> | <u>83,422,068</u> |
| Non-financial assets | | |
| Prepaid expenses | 195,031 | 130,272 |
| Land claim costs | 2,122,568 | 1,987,525 |
| Capital assets (Note 13) | 27,738,016 | 25,778,944 |
| Youth trust accounts (Note 12) | 4,041,959 | 4,357,630 |
| Investments in and advances to corporations (Note 14) | 1,500,142 | 1,511,594 |
| Disputed property taxes receivable (Note 15) | 8,653,066 | 8,477,898 |
| | <u>44,250,782</u> | <u>42,243,863</u> |
| Accumulated surplus (Note 16) | <u>\$ 134,456,772</u> | <u>\$ 125,665,931</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 | 2014 | 2013 |
|-----------------------------------------------------------------|-----------------------|-----------------------|
| Revenue | | |
| Aboriginal Affairs and Northern Development Canada (Note 17) \$ | 6,887,882 | \$ 6,153,363 |
| Canada Mortgage and Housing Corporation Subsidy (Note 17) | 74,050 | 74,332 |
| Health Canada (Note 17) | 421,576 | 442,963 |
| Ministry of Community and Social Services (Note 17) | 1,558,588 | 1,384,945 |
| Ministry of Transportation (Note 17) | 132,997 | 32,997 |
| Other revenue | 11,002,259 | 9,342,181 |
| Investment income | 10,885,581 | 1,364,188 |
| Lottery Fund revenue | 986,969 | 991,604 |
| Replacement reserves | 29,000 | 46,098 |
| Enterprise revenue | 1,128,605 | - |
| | 33,107,507 | 19,832,671 |
| Expenses | | |
| Administration | 2,348,905 | 1,576,328 |
| Public Works | 2,028,536 | 747,393 |
| Education | 4,245,257 | 4,122,316 |
| Social Services and Health | 2,890,466 | 2,867,418 |
| Development and Employment | 564,110 | 854,458 |
| New Relationship Fund | 20,983 | 80,018 |
| Capital Projects | 25,422 | 50,401 |
| Arena Operations | 40 | 3,795 |
| Region | 88,115 | 132,352 |
| Band Operations | 4,078,059 | 3,427,484 |
| Gaming Activities | 5,152,601 | 4,771,809 |
| Housing Operations | 508,534 | 331,422 |
| Rental Operations | 362,122 | 311,715 |
| Lottery Fund | 848,917 | 1,991,459 |
| Enterprise Fund | 1,133,632 | - |
| Specific Claim Trust Fund | 20,967 | 22,035 |
| | 24,316,666 | 21,290,403 |
| Surplus (deficit) for the year | 8,790,841 | (1,457,732) |
| Accumulated surplus, beginning of year | 125,665,931 | 127,123,663 |
| Accumulated surplus, end of year | \$ 134,456,772 | \$ 125,665,931 |

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 Assets

| For the year ended March 31 | 2014 | 2013 |
|-------------------------------------------------------|----------------------|----------------------|
| Annual surplus (deficit) | \$ 8,790,841 | \$ (1,457,732) |
| Acquisition of tangible capital assets | (4,620,632) | (3,632,549) |
| Amortization of tangible capital assets | 2,661,560 | 2,479,830 |
| | <u>6,831,769</u> | <u>(2,610,451)</u> |
| Change in disputed property tax receivable | (175,168) | (301,463) |
| Change in prepaid expenses | (64,759) | (53,525) |
| Change in land claim costs | (135,043) | (367,897) |
| Change in youth trust accounts | 315,671 | 392,020 |
| Change in investments in and advances to corporations | 11,452 | 12,552 |
| | <u>(47,847)</u> | <u>(318,313)</u> |
| Net change in net financial assets | 6,783,922 | (2,928,764) |
| Net financial assets, beginning of year | <u>83,422,068</u> | <u>86,350,832</u> |
| Net financial assets, end of year | \$ 90,205,990 | \$ 83,422,068 |

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 | 2014 | 2013 |
|------------------------------------------------------------------------------|----------------------|----------------------|
| Cash flows from operating activities | | |
| Surplus (deficit) for the year | \$ 8,790,841 | \$ (1,457,732) |
| Adjustment for capital and investment transactions included in operations | | |
| Amortization | 2,661,560 | 2,479,830 |
| Increase in non-cash working capital components (Note 18) | (114,185) | (2,036,431) |
| | <u>11,338,216</u> | <u>(1,014,333)</u> |
| Cash provided by (used in) financing activities | | |
| Advances of long-term debt | 261,466 | 1,346,323 |
| Repayments (advances) to related parties | 11,452 | 12,552 |
| | <u>272,918</u> | <u>1,358,875</u> |
| Cash provided by (used in) investment activities | | |
| Purchase of capital assets (net) | (4,620,632) | (3,632,549) |
| Net cash increase during the year | <u>6,990,502</u> | <u>(3,288,007)</u> |
| Cash, beginning of year | 90,946,789 | 94,234,796 |
| Cash and cash equivalents, end of year | <u>\$ 97,937,291</u> | <u>\$ 90,946,789</u> |
| Represented by | | |
| Cash investments | \$ 97,937,291 | \$ 91,141,789 |
| Bank indebtedness | - | (195,000) |
| | <u>\$ 97,937,291</u> | <u>\$ 90,946,789</u> |

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

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

1. Significant Accounting Policies

Basis of Financial Statements

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:

- a) accountable for the administration of their financial affairs and resources directly to the First Nation, or
- b) are owned or controlled by the First Nation.

Financial Instruments

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.

The First Nation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The accounting policy for each category is as follows:

Held for trading

Financial instruments classified as held for trading are reported at fair value at each balance sheet date, and any changes in fair value is recognized in the statement of operations in the period during which the change occurs.

Cash and investments have been classified as held for trading.

Loans and receivable and other financial liabilities

Financial instruments classified as loans and receivables and other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities and distributions payable have been classified as other financial liabilities.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

1. Significant Accounting Policies (Cont'd)

Tangible Capital Assets

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:

| | | |
|---------------------------------------|---|------|
| 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% |

Amortization for assets supported by long term debt is at a rate equivalent to the long term debt principal repayment.

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

Income Recognition

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.

Long Term Investments

The First Nation records its long term investments in the following manner:

Investments fully controlled by the First Nation are consolidated.

Investments in Government Business Enterprises are recorded using the modified equity method.

All other long term investments are recorded at the lower of cost and net realizable value.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

1. Significant Accounting Policies (Cont'd)

Replacement Reserves

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.

Use of Estimates

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

Fund Accounting

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.

Fort William First Nation
Notes to Consolidated Financial Statements

March 31, 2014

2. Cash

| | 2014 | 2013 |
|-------------------|--------------|---------------|
| Restricted cash | \$ 3,902,675 | \$ 87,347,339 |
| Unrestricted cash | 936,310 | 2,365,449 |
| | \$ 4,838,985 | \$ 89,712,788 |

3. Investments

| | 2014 | 2013 |
|---------------------------------------------------------|---------------|------|
| a) Investments held in Account #2802196 are as follows: | | |
| Fixed Income Securities: | | |
| Bond Funds (1,480,750 Units) | \$ 18,423,492 | \$ - |
| b) Investments held in Account #2802197 are as follows: | | |
| Cash Equivalents: | | |
| Treasury Bills | | |
| (2,065,000 Units, Maturing in 2014) | 2,062,896 | - |
| Fixed Income Securities: | | |
| Bond Funds (664,961 Units) | 7,738,156 | - |
| Equity Securities: | | |
| Foreign Preferred Stock (2,785 Units) | 253,165 | - |
| Canadian Common Stocks (311,260 Units) | 8,763,067 | - |
| Foreign Common Stocks (1,708,191 Units) | 18,140,339 | - |
| | 36,957,623 | - |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

3. Investments (cont'd)

c) Investments held in Account #2802198 are as follows:

Cash Equivalents:

Treasury Bills

(573,000 Units, Maturing in 2014)

571,789

-

Fixed Income Securities:

Canada Bonds

(2,586,000 Units, 1.5% - 4.25%, Maturing
between Sept 1, 2016 - June 1, 2021)

2,738,488

-

Corporate Bonds

(4,318,000 Units, 2.33% - 7.768%, Maturing
between Oct 6, 2017 - May 31, 2023)

4,597,161

-

Foreign Corporate Bonds

(250,000 Units, 2.73%, Maturing Sept 20, 2017)

251,433

-

Equity Securities:

Canadian Common Stocks (345,687 Units)

10,089,414

-

Foreign Common Stocks (260,980 Units)

19,373,811

-

37,622,096

-

Other

95,095

1,429,001

\$ 93,098,306

\$ 1,429,001

4. Accounts Receivables

| | 2014 | 2013 |
|---------------------------------|---------------------|---------------------|
| Due from members | | |
| Rents receivable | \$ 35,476 | \$ 272,036 |
| Due from other | | |
| Services - non members | \$ 384,699 | \$ 112,280 |
| Other receivables | 2,780,831 | 2,361,066 |
| Allowance for doubtful accounts | (789,216) | (166,625) |
| | <u>\$ 2,376,314</u> | <u>\$ 2,306,721</u> |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

5. Due from Government and Other Government Organizations

| | 2014 | 2013 |
|----------------------------------------------------|---------------------|---------------------|
| Government of Canada | | |
| Aboriginal Affairs and Northern Development Canada | \$ 1,619,209 | \$ 1,705,408 |
| Canada Mortgage Housing Corporation | 30,927 | 32,035 |
| Province of Ontario | | |
| Ministry of Energy - Industry Canada | 101,722 | 50,861 |
| Ministry Of Aboriginal Affairs | - | 20,000 |
| Ministry of Community and Social Services | 55,615 | 20,317 |
| Ministry of Northern Development | 36,268 | 18,134 |
| Ministry of Transportation | 631,622 | 32,997 |
| Other | | |
| Ontario First Nations Limited Partnership | - | 660,367 |
| Union of Ontario Indians | 382,494 | 127,036 |
| | <u>2,857,857</u> | <u>2,667,155</u> |
| Allowance for doubtful accounts | (68,995) | (68,995) |
| | <u>\$ 2,788,862</u> | <u>\$ 2,598,160</u> |

6. Trust Funds Held by Federal Government

| | March 31, 2013 | Additions 2014 | Withdrawals 2014 | March 31, 2014 |
|---------|---------------------|---------------------|-----------------------|-------------------|
| Revenue | \$ 2,338,937 | \$ 1,267,759 | \$ (3,098,880) | \$ 507,816 |
| Capital | 387,366 | - | - | 387,366 |
| | <u>\$ 2,726,303</u> | <u>\$ 1,267,759</u> | <u>\$ (3,098,880)</u> | <u>\$ 895,182</u> |

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

7. Bank Indebtedness

| | 2014 | 2013 |
|---------------------------------------|------|------------|
| Bank overdraft, at bank prime plus 2% | \$ - | \$ 195,000 |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

8. Accounts Payable and Accruals

| | 2014 | 2013 |
|----------------------|---------------------|---------------------|
| Trade payables | \$ 5,039,548 | \$ 4,306,730 |
| Repayable to funders | 53,823 | 144,602 |
| | \$ 5,093,371 | \$ 4,451,332 |

9. Due to Government and Other Government Organizations

| | 2014 | 2013 |
|--------------------|-----------|------------|
| Federal government | \$ 92,763 | \$ 262,584 |

10. Deferred Revenue

| | 2014 | 2013 |
|----------------------------------------------------|---------------------|---------------------|
| Aboriginal Affairs and Northern Development Canada | | |
| Education | \$ 348,215 | \$ 474,238 |
| ATR vote | - | 6,649 |
| Anemki Land Designation | 39,483 | 63,720 |
| Planning | 25,258 | - |
| Co-generation | 12,961 | 12,961 |
| Lot servicing | - | 136,473 |
| Land Claims Settlement | 2,103,088 | 3,656,800 |
| Gaming Operations | 92,972 | 101,398 |
| Dilico Ojibway Child and Family Services | 33,333 | 33,333 |
| Union of Ontario Indians | 89,429 | - |
| Canadian Heritage | 8,424 | - |
| Hydro One | 37,133 | 37,133 |
| Other | 22,451 | 22,451 |
| | \$ 2,812,747 | \$ 4,545,156 |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

11. Long Term Debt

| | 2014 | 2013 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Non-Profit Housing Program #1 | | |
| 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 | \$ 124,966 | \$ 158,933 |
| Non-Profit Housing Program #5 | | |
| RBC Royal Bank mortgage | - | 31,350 |
| Non-Profit Housing Program - Lynx Court | | |
| 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 | 913,387 | 847,165 |
| Land Claims | | |
| 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 |
| 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) | 123,548 | 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) | 497,986 | 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 |
| | \$ 2,179,080 | \$ 2,178,175 |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

11. Long Term Debt (cont'd)

| | 2014 | 2013 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Balance Forward | \$ 2,179,080 | \$ 2,178,175 |
| 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) | 87,119 | - |
| 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 |
| Endowments | | |
| RBC Royal Bank equipment lease, repayable at \$5,109 per month, secured by John Deere Loader, due December 2017 | 203,663 | - |
| Mortgages | | |
| Weendahmagan Alcohol & Drug Abuse Treatment Centre TD Canada Trust mortgage, repayable at \$2,623 per month including interest at 4.99%, secured by land and buildings and guaranteed by Aboriginal Affairs and Northern Development Canada, due June 2009 | 7,812 | 38,033 |
| | \$ 2,794,190 | \$ 2,532,724 |

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

| Year | Amount |
|------------|---------------------|
| 2015 | \$ 138,357 |
| 2016 | 133,169 |
| 2017 | 135,929 |
| 2018 | 65,123 |
| 2019 | 35,233 |
| Thereafter | 2,286,379 |
| | \$ 2,794,190 |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

12. 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 when 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 a distribution of the Boundary Claim income allocation, 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 plus one percent. These amounts owing to members under the age of 18 are not included in the Youth Trust Account balance above.

13. Capital Assets

| | 2014 | | 2013 | |
|------------------------------------------------|---------------------|-----------------------------|----------------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| First Nation housing | \$ 4,563,701 | \$ 3,028,822 | \$ 4,563,701 | \$ 2,869,092 |
| Infrastructure | 15,067,332 | 10,300,100 | 11,310,570 | 9,714,527 |
| Buildings | 37,403,891 | 22,652,395 | 37,403,891 | 21,002,467 |
| Automotive, fire and general equipment | 4,531,474 | 2,481,777 | 3,953,222 | 2,251,555 |
| Other equipment | 489,197 | 378,411 | 469,111 | 351,337 |
| Vacant land | 2,377,076 | - | 2,165,186 | - |
| Construction in progress - Capital projects | 2,146,850 | - | 2,102,241 | - |
| | \$66,579,521 | \$38,841,505 | \$ 61,967,922 | \$ 36,188,978 |
| Net book value | | \$27,738,016 | | \$ 25,778,944 |

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, 2014

14. 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.

| | 2014 | 2013 |
|----------------------------------------------------------|---------------------|---------------------|
| Current | | |
| Due to FWFN Development Corp. | \$ 69,275 | \$ 64,329 |
| Due from 1453183 Ontario Ltd. | 15,849 | 15,849 |
| Due to FWFN Energy Corp. | (100) | (100) |
| | 85,024 | 80,078 |
| Investment losses (net) (Enterprise Fund) | - | - |
| | 85,024 | 80,078 |
| Long-term | | |
| Due from Anemki Mountain Business Trust | 1,204,143 | 1,221,241 |
| Due from FWFN Land Development Trust | 209,975 | 209,475 |
| | 1,414,118 | 1,430,716 |
| Shares | | |
| Anemki Mountain Corporation - common | 100 | 100 |
| FWFN Construction Corp. | 100 | 100 |
| FWFN Consulting Inc. | 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 |
| Pie Island Holdings Inc. | 100 | - |
| | 1,000 | 800 |
| | 1,415,118 | 1,431,516 |
| Total investments in and advances to corporations | \$ 1,500,142 | \$ 1,511,594 |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

15. 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, 2014, property taxes owing to the Corporation of the City of Thunder Bay, including interest and penalties, amounted to \$3,804,645 (2013 - \$3,336,988). 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 | \$ 8,790,841 |
| Adjustment for property taxes not recorded | <u>(467,567)</u> |
| Adjusted excess of revenue over expenditures for the year | <u>\$ 8,323,274</u> |
| Consolidated statement of financial position | |
| Capital assets reported | \$ 27,738,016 |
| Addition for property taxes on vacant land | <u>1,188,553</u> |
| Adjusted capital asset balance | <u>\$ 28,926,569</u> |
| Accounts payable and accruals as reported | \$ 5,093,371 |
| Property taxes, including penalties and interest, not recorded | <u>3,804,645</u> |
| Adjusted accounts payable and accruals balance | <u>\$ 8,898,016</u> |
| Disputed property taxes receivable as reported | \$ 8,653,066 |
| Tenants' payments applied against payable in excess of payable recorded | <u>(8,653,066)</u> |
| Adjusted disputed property taxes receivable balance | <u>\$ -</u> |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

16. Accumulated Surplus

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

| | 2014 | 2013 |
|-------------------------------------|-----------------------|-----------------------|
| Fund balances | | |
| Unrestricted | | |
| Fund balance - General (Note 19) | \$ 130,727,262 | \$ 122,070,597 |
| Internally restricted | | |
| Fund balance - Enterprise | (90,505) | (85,478) |
| - Asset Replacement Reserve | 112,775 | 112,775 |
| - Economic Development Reserve | 301,023 | 301,023 |
| Externally restricted | | |
| Equity Revenue Trust | 1,060,608 | 1,060,608 |
| Equity Capital Trust | 387,366 | 387,366 |
| Equity Specific Claim Housing Trust | 65,103 | 86,070 |
| Replacement Reserve - CMHC | 77,084 | 54,966 |
| - Dilico | 314,394 | 314,394 |
| Fund balance - Lottery Reserve | 1,498,162 | 1,360,110 |
| Equity in long term investment | 3,500 | 3,500 |
| | \$ 134,456,772 | \$ 125,665,931 |

17. Government Transfers

| | Operating | Capital | 2014 Total | Operating | Capital | 2013 Total |
|-------------------|--------------|---------|---------------|--------------|---------|---------------|
| Federal | | | | | | |
| AANDC | \$ 6,887,822 | \$ - | \$ 6,887,822 | \$ 6,153,363 | \$ - | \$ 6,153,363 |
| CMHC | 74,050 | - | 74,050 | 74,332 | - | 74,332 |
| Health Canada | 421,576 | - | 421,576 | 442,963 | - | 442,963 |
| | 7,383,448 | - | 7,383,448 | 6,670,658 | - | 6,670,658 |
| Provincial | | | | | | |
| MCSS | 1,558,588 | - | 1,558,588 | 1,384,945 | - | 1,384,945 |
| MOT | 132,997 | - | 132,997 | 32,997 | - | 32,997 |
| | \$ 1,691,585 | \$ - | \$ 1,691,585 | \$ 1,417,942 | \$ - | \$ 1,417,942 |

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

18. Changes in Non-Cash Working Capital Components

| | 2014 | 2013 |
|--------------------------------------------------------|---------------------|-----------------------|
| Inventory | \$ (308,727) | \$ (657,440) |
| Trust funds held by federal government | 1,831,121 | (419,582) |
| Land claim costs | (135,043) | (367,897) |
| Due from government and other government organizations | (190,702) | (528,216) |
| Accounts receivable | (69,593) | (11,010) |
| Rent receivable - Band members | 236,560 | (272,036) |
| Disputed property taxes receivable | (175,168) | (301,463) |
| Youth trust accounts | 315,671 | 392,020 |
| Prepaid expenses | (64,759) | (53,525) |
| Accounts payable and accruals | 642,039 | 409,848 |
| Due to government and other government organizations | (169,821) | - |
| Tenant deposits | - | (23,961) |
| Specific Claim Housing Trust reserves | (293,354) | (392,727) |
| Deferred revenue | (1,732,409) | 189,558 |
| | \$ (114,185) | \$ (2,036,431) |

19. 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.

20. Guarantees

The First Nation has guaranteed bank loans for Band members in the amount of \$2,465,129 (2013 - \$2,465,129).

The First Nation has guaranteed the bank financing for Anemki Mountain Business Trust up to a maximum of \$100,000 (2013 - \$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 (2013 - \$120,000).

21. 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.

22. 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.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

23. 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.

Administration

Administration contains the administrative activities that are needed to run the Fort William First Nation organization.

Public Works

Public works contains activities relating to the planning and maintenance of community infrastructure.

Education

Education Services contains activities that provide education to band members for primary, secondary schooling, and sponsorship to attend post secondary institutions.

Social Services and Health

Social Services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community. Health contains activities that provide medical services to band members.

Development and Employment

Development and Employment contains all the activities that provide economic development and employment support for the community.

New Relationship Fund

The New Relationship Fund contains the activities that provide economic development and employment support for the community.

Capital Projects

Capital Projects contains capital and renovation activities for which a specific project has been set up and separately monitored.

Arena Operations

Arena Operations contains activities related to the community arena.

Region

Region contains the activities of the First nation as it relates to Reserve land management.

Band Operations

Band Operations contains the activities of the First Nation that are not captured directly in another segment.

Gaming Activities

Gaming Activities contains the Mountain Bingo Hall.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2014

23. Segmented Information (cont'd)

Housing Operations

Housing Operations contains activities that provide housing and repairs and maintenance to band members.

Rental Operations

Rental Operations contains band-owned rental properties.

Lottery Fund

The Lottery Fund contains activities related to the OFNLP.

Enterprise Fund

The Enterprise Fund contains the business operations and investments in enterprises carrying on commercial activities in the First Nation.

Specific Claim Trust Fund

The Specific Claim Trust Fund contains activities related to the Boundary Claim Trust.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are as follows:

Fort William First Nation Notes to Consolidated Financial Statements

23. Segmented Information

| For the year ended March 31, 2014 | Administration | Public Works | Education | Social Services and Health | Development & Employment | New Relationship Fund | Capital Projects | Arena Operations | Region | Band Operations | Total |
|-------------------------------------------------------|-----------------------|------------------|-------------------|-------------------------------|-----------------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue | | | | | | | | | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 478,126 | \$ 1,118,798 | \$ 4,340,408 | \$ 427,695 | \$ 149,742 | \$ - | \$ - | \$ 58,761 | \$ 28,435 | \$ 10,961 | \$ 6,612,926 |
| Canada Mortgage and Housing Corporation | - | - | - | - | - | - | - | - | - | - | - |
| Health Canada | - | - | - | 421,576 | - | - | - | - | - | - | 421,576 |
| Ministry of Community and Social Services | - | - | - | 1,558,588 | - | - | - | - | - | - | 1,558,588 |
| Ministry of Transportation | - | 132,997 | - | - | - | - | - | - | - | - | 132,997 |
| Other revenue | 38,297 | 817,298 | (103,230) | 449,088 | 380,197 | 20,329 | 136,473 | - | 1,584,599 | 12,347,367 | 15,670,418 |
| Lottery Fund revenue | - | - | - | - | - | - | - | - | - | - | - |
| Replacement reserves | - | - | - | - | - | - | - | - | - | - | - |
| | <u>516,423</u> | <u>2,069,093</u> | <u>4,237,178</u> | <u>2,856,947</u> | <u>529,939</u> | <u>20,329</u> | <u>136,473</u> | <u>58,761</u> | <u>1,613,034</u> | <u>12,358,328</u> | <u>24,396,505</u> |
| Expenses | | | | | | | | | | | |
| Advertising | - | - | - | - | - | - | - | - | - | - | - |
| Amortization | 29,109 | 136,737 | 1,877 | - | - | - | - | - | - | 2,460,902 | 2,628,625 |
| Bad debt | 532,769 | - | 4,926 | - | - | - | - | - | - | - | 537,695 |
| Capital purchases | - | 6,000 | - | - | - | - | - | - | - | - | 6,000 |
| Donations | 5,333 | - | - | - | - | - | - | - | - | - | 5,333 |
| General welfare assistance | - | - | - | 1,502,579 | - | - | - | - | - | - | 1,502,579 |
| Honourarium | 254,788 | - | - | - | - | - | - | - | - | - | 254,788 |
| Insurance | - | 31,994 | - | - | - | - | - | 40 | - | - | 32,034 |
| Interdepartmental costs | (422,920) | (913,988) | 179,086 | 12,704 | (89,653) | 20,918 | - | - | (13,776) | (194,992) | (1,422,621) |
| Interest and bank charges | (181,564) | - | - | 7,815 | - | - | - | - | - | - | (173,749) |
| Interest on long term debt | - | - | - | - | - | - | - | - | - | - | - |
| Per capita distribution | - | - | - | - | - | - | - | - | - | 999,376 | 999,376 |
| Loss on disposal | - | (28,250) | - | - | - | - | - | - | - | - | (28,250) |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - | - |
| Prizes | - | - | - | - | - | - | - | - | - | - | - |
| Student allowances | - | - | 632,830 | - | - | - | - | - | - | - | 632,830 |
| Supplies and service | 965,523 | 2,220,040 | 146,678 | 494,562 | 233,313 | - | 24,921 | - | 25,374 | 736,231 | 4,846,642 |
| Transfer cost | - | - | - | - | - | - | - | - | - | - | - |
| Travel and transportation | 94,890 | 49,498 | 11,959 | 53,494 | 16,476 | - | - | - | 16,695 | - | 243,012 |
| Tuition | - | - | 3,059,087 | - | - | - | - | - | - | - | 3,059,087 |
| Utilities and telephone | 54,045 | 37,078 | 1,884 | 4,490 | 3,275 | 65 | 501 | - | 181 | 64,984 | 166,503 |
| Wages and benefits | 1,016,932 | 489,427 | 206,930 | 814,822 | 400,699 | - | - | - | 59,641 | 11,558 | 3,000,009 |
| | <u>2,348,905</u> | <u>2,028,536</u> | <u>4,245,257</u> | <u>2,890,466</u> | <u>564,110</u> | <u>20,983</u> | <u>25,422</u> | <u>40</u> | <u>88,115</u> | <u>4,078,059</u> | <u>16,289,893</u> |
| | <u>\$ (1,832,482)</u> | <u>\$ 40,557</u> | <u>\$ (8,079)</u> | <u>\$ (33,519)</u> | <u>\$ (34,171)</u> | <u>\$ (654)</u> | <u>\$ 111,051</u> | <u>\$ 58,721</u> | <u>\$ 1,524,919</u> | <u>\$ 8,280,269</u> | <u>\$ 8,106,612</u> |

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

23. Segmented Information (cont'd)

| For the year ended March 31, 2014 | Balance Forward | Gaming Activities | Housing Operations | Rental Operations | Lottery Fund | Replacement Reserves | Enterprise Fund | Specific Claim Trust Fund | Trust Fund | Total |
|----------------------------------------------------|---------------------|----------------------|-----------------------|----------------------|-------------------|-------------------------|-------------------|------------------------------|-------------|---------------------|
| Revenue | | | | | | | | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 6,612,926 | - | \$ 244,846 | \$ 30,110 | - | - | - | - | - | \$ 6,887,882 |
| Canada Mortgage and Housing Corporation Subsidy | - | - | 74,050 | - | - | - | - | - | - | 74,050 |
| Health Canada | 421,576 | - | - | - | - | - | - | - | - | 421,576 |
| Ministry of Community and Social Services | 1,558,588 | - | - | - | - | - | - | - | - | 1,558,588 |
| Ministry of Transportation | 132,997 | - | - | - | - | - | - | - | - | 132,997 |
| Other revenue | 15,670,418 | 4,973,932 | 157,719 | 1,085,771 | - | - | - | - | - | 21,887,840 |
| Lottery Fund revenue | - | - | - | - | 986,969 | - | - | - | - | 986,969 |
| Replacement reserves | - | - | - | - | - | 29,000 | - | - | - | 29,000 |
| Enterprise revenue | - | - | - | - | - | - | 1,128,605 | - | - | 1,128,605 |
| | 24,396,505 | 4,973,932 | 476,615 | 1,115,881 | 986,969 | 29,000 | 1,128,605 | - | - | 33,107,507 |
| Expenses | | | | | | | | | | |
| Advertising | - | - | - | - | - | - | - | - | - | - |
| Amortization | 2,628,625 | 8,408 | - | 24,527 | - | - | - | - | - | 2,661,560 |
| Bad debt | 537,695 | - | 88,224 | (622) | - | - | - | - | - | 625,297 |
| Capital purchases | 6,000 | - | - | - | - | - | - | - | - | 6,000 |
| Cash short | - | 1,237 | - | - | - | - | - | - | - | 1,237 |
| Donations | 5,333 | 163,390 | - | - | - | - | - | - | - | 168,723 |
| General welfare assistance | 1,502,579 | - | - | - | - | - | - | - | - | 1,502,579 |
| Honourarium | 254,788 | - | - | - | - | - | - | 12,250 | - | 267,038 |
| Insurance | 32,034 | - | 40,416 | - | - | - | - | - | - | 72,450 |
| Interdepartmental costs | (1,422,621) | - | 4,435 | (17,313) | 424,494 | - | - | - | - | (1,011,005) |
| Interest and bank charges | (173,749) | 786 | - | - | - | - | 112 | 421 | - | (172,430) |
| Interest on long term debt | - | - | 20,078 | 1,089 | - | - | - | - | - | 21,167 |
| Per capita distribution | 999,376 | - | - | - | - | - | - | - | - | 999,376 |
| Gain/Loss on disposal | (28,250) | - | - | - | - | - | - | - | - | (28,250) |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Prize | - | 3,419,507 | - | - | - | - | - | - | - | 3,419,507 |
| Student allowances | 632,830 | - | - | - | - | - | - | - | - | 632,830 |
| Supplies and service | 4,846,642 | 827,489 | 156,344 | 257,297 | - | - | - | 8,296 | - | 6,096,068 |
| Transfer cost | - | - | - | - | 424,423 | - | - | - | - | 424,423 |
| Travel and transportation | 243,012 | 53,110 | 13,198 | - | - | - | - | - | - | 309,320 |
| Tuition | 3,059,087 | - | - | - | - | - | - | - | - | 3,059,087 |
| Utilities and telephone | 166,503 | 5,771 | 1,060 | 97,144 | - | - | - | - | - | 270,478 |
| Wages and benefits | 3,000,009 | 672,903 | 184,779 | - | - | - | 1,133,520 | - | - | 4,991,211 |
| | 16,289,893 | 5,152,601 | 508,534 | 362,122 | 848,917 | - | 1,133,632 | 20,967 | - | 24,316,666 |
| | \$ 8,106,612 | \$ (178,669) | \$ (31,919) | \$ 753,759 | \$ 138,052 | \$ 29,000 | \$ (5,027) | \$ (20,967) | \$ - | \$ 8,790,841 |

Fort William First Nation
Notes to Consolidated Financial Statements

23. Segmented Information (cont'd)

| 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 |
|----------------------------------------------------|-----------------------|---------------------|------------------|----------------------------|--------------------------|-----------------------|-------------------|------------------|--------------------|---------------------|-----------------------|
| Revenue | | | | | | | | | | | |
| 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 |
| CMHC | - | - | - | - | - | - | - | - | - | - | - |
| 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 |
| | <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> |
| Expenses | | | | | | | | | | | |
| Advertising | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Amortization | 35,492 | 53,096 | 1,877 | - | - | - | - | - | - | 2,343,974 | 2,434,439 |
| Bad debt | 187,001 | - | - | - | - | - | - | - | 3,359 | - | 190,360 |
| Capital purchases | - | - | - | - | - | - | - | - | - | - | - |
| Cash short | - | - | - | - | - | - | - | - | - | - | - |
| 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 |
| Loss on disposal | - | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - | - |
| Prizes | - | - | - | - | - | - | - | - | - | - | - |
| Repairs and maintenance | - | - | - | - | - | - | - | - | - | - | - |
| 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 |
| Transfer cost | - | - | - | - | - | - | - | - | - | - | - |
| 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**

23. 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 |
|----------------------------------------------------|-----------------------|----------------------|-----------------------|----------------------|---------------------|-------------------------|--------------------|------------------------------|-------------|-----------------------|
| Revenue | | | | | | | | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 5,974,870 | \$ - | \$ 165,480 | \$ 13,013 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,153,363 |
| Canada Mortgage and Housing Corporation Subsidy | - | - | 74,332 | - | - | - | - | - | - | 74,332 |
| 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 | 4,566,721 | 4,928,985 | 153,051 | 1,057,612 | - | - | - | - | - | 10,706,369 |
| Lottery Fund revenue | - | - | - | - | 991,604 | - | - | - | - | 991,604 |
| Replacement reserves | - | - | - | - | - | 46,098 | - | - | - | 46,098 |
| | 12,402,496 | 4,928,985 | 392,863 | 1,070,625 | 991,604 | 46,098 | - | - | - | 19,832,671 |
| Expenses | | | | | | | | | | |
| Advertising | - | - | - | - | - | - | - | - | - | - |
| 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 |
| Loss on disposal | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Prizes | - | 3,191,224 | - | - | - | - | - | - | - | 3,191,224 |
| Repairs and maintenance | - | - | - | - | - | - | - | - | - | - |
| 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 |
| | 13,861,963 | 4,771,809 | 331,422 | 311,715 | 1,991,459 | - | - | 22,035 | - | 21,290,403 |
| | \$ (1,459,467) | \$ 157,176 | \$ 61,441 | \$ 758,910 | \$ (999,855) | \$ 46,098 | \$ - | \$ (22,035) | \$ - | \$ (1,457,732) |