

Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Financial Statements

March 31, 2017

Ochiichagwe'Babigo'Ining Ojibway Nation

Contents

For the year ended March 31, 2017

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets (Net Debt).....	4
Consolidated Statement of Cash Flows.....	5
Notes to the Consolidated Financial Statements.....	6
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	15
Schedule 2 - Consolidated Schedule of Expenses by Object.....	18
Schedule 3 - Summary of Consolidated Schedules of Revenue and Expenses by Segment.....	19
Schedules 4 - 11 - Consolidated Schedules of Revenue and Expenses by Segment.....	21

Management's Responsibility

To the Members and Chief and Council of Ochiichagwe'Babigo'Ining Ojibway Nation:

The accompanying consolidated financial statements of Ochiichagwe'Babigo'Ining Ojibway Nation (the "Nation") are the responsibility of management and have been approved by the Chief and Council (the "Council").

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Ochiichagwe'Babigo'Ining Ojibway Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

November 16, 2017

Original Signed By:
ERNEST JAMESON

Ernest Jameson - Band Manager

Independent Auditors' Report



To the Members and Chief and Council of Ochiichagwe'Babigo'Ining Ojibway Nation:

We have audited the accompanying consolidated financial statements of Ochiichagwe'Babigo'Ining Ojibway Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Ochiichagwe'Babigo'Ining Ojibway Nation as at March 31, 2017 and the results of its operations, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kenora, Ontario

November 16, 2017

Chartered Professional Accountants

Licensed Public Accountants



ACCOUNTING > CONSULTING > TAX

315 MAIN STREET S, KENORA ON, P9N 1T4

1.866.381.3338 T: 807.468.3338 F: 807.468.1418 MNP.ca

Ochiichagwe'Babigo'Ining Ojibway Nation

Consolidated Statement of Financial Position

As at March 31, 2017

	2017	2016 <i>(Restated)</i>	
Financial assets			
Current			
Cash (Note 3)	1,818,599	2,646,053	
Accounts receivable (Note 4)	1,203,206	326,748	
	3,021,805	2,972,801	
Restricted cash (Note 5)	260,608	258,846	
Funds Held in Ottawa Trust Fund (Note 6)	70,449	69,166	
CMHC replacement reserve (Note 7)	13,374	13,302	
	3,366,236	3,314,115	
Liabilities			
Current			
Accounts payable and accruals (Note 8)	1,002,798	869,992	
Deferred revenue (Note 9)	686,405	125,277	
	1,689,203	995,269	
Long-term debt (Note 10)	1,835,468	1,705,386	
Due to Indigenous and Northern Affairs Canada (Note 11)	580,941	557,987	
	4,105,612	3,258,642	
Net financial assets (net debt)	(739,376)	55,473	
Contingent liabilities (Note 16)			
Non-financial assets			
Tangible capital assets (Schedule 1)	9,706,960	9,995,467	
Prepaid expenses	-	41,793	
	9,706,960	10,037,260	
Accumulated surplus (Note 12)	8,967,584	10,092,733	
Approved on behalf of the Chief and Councillors			
Original Signed By: LORRAINE COBINESS	Chief	Original Signed By: MARTINA STRONG	Councillor
Original Signed By: FABIAN BLACKHAWK	Councillor	Original Signed By: ROBERTA JAMESON	Councillor

The accompanying notes are an integral part of these consolidated financial statements

Ochiichagwe'Babigo'Ining Ojibway Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	Schedules	2017 (Budget)	2017	2016 (Restated)
Revenue				
Indigenous and Northern Affairs Canada (Note 13), (Note 14)		2,068,820	2,838,417	2,106,417
Canada Mortgage and Housing Corporation (Note 13)		-	593,240	39,767
First Nations and Inuit Health (Note 13)		244,709	341,232	317,892
Human Resources and Skills Development Canada (Note 13)		-	7,658	-
Natural Resources Canada (Note 13)		-	6,750	-
Fisheries and Oceans (Note 13)		-	6,000	-
Transport Canada (Note 13)		-	6,000	-
Ontario First Nations Limited Partnership		-	557,013	494,466
Ministry of Community and Social Services (Note 13)		4,732	471,928	411,464
Kenora Chiefs Advisory Inc.		166,547	278,428	174,865
Concentra Trust Fund investment revenue		-	211,623	382,654
Ministry of Indigenous Relations and Reconciliation (Note 13)		273,980	180,000	306,855
Rental income		-	153,185	153,185
Anishinaabe Abinoojii Family Services		144,294	149,423	148,820
Administration fees		-	139,658	114,464
Trans Canada Pipeline		-	79,468	-
Miscellaneous		-	67,505	51,541
Harmonized Sales Tax rebates		-	51,375	-
Hydro One		42,187	49,560	49,560
Shooniyaa Wa-Biitong		-	48,306	45,309
Aboriginal Fund for Species at Risk		-	35,000	-
Grand Council Treaty #3		34,700	32,164	37,637
Ministry of Tourism, Culture and Sport (Note 13)		30,000	30,000	30,000
New Horizons for Seniors		24,550	25,000	-
Non-insured health benefits		-	16,783	12,097
Interest income		-	13,138	15,844
Ministry of Health and Long-Term Care (Note 13)		24,181	3,391	24,560
Ontario Power Generation donations		-	2,500	2,500
Right to Play		-	-	4,171
Repayment of funding		-	(210,083)	(16,020)
Deferred revenue - prior year (Note 9)		-	125,277	105,870
Deferred revenue - current year (Note 9)		-	(686,405)	(125,277)
		3,058,700	5,623,534	4,888,641
Expenses				
Administration	4	305,300	1,520,168	1,303,759
Capital	5	-	871,078	476,362
Economic Development	6	132,001	456,932	187,109
Education	7	323,702	1,818,537	1,487,178
Health	9	598,523	868,818	770,570
Operations and Maintenance	10	76,500	536,600	506,837
Social	11	194,425	676,550	648,007
Total expenses (Schedule 2)		1,630,451	6,748,683	5,379,822
Surplus (deficit)		1,452,749	(1,125,149)	(491,181)

Continued on next page

Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	2017 <i>(Budget)</i>	2017	2016 <i>(Restated)</i>
Surplus (deficit) <i>(Continued from previous page)</i>	1,452,749	(1,125,149)	(491,181)
Accumulated surplus, beginning of year as previously stated	10,092,733	10,006,111	10,523,541
Correction of an error <i>(Note 21)</i>	-	86,622	60,373
Accumulated surplus, beginning of year as restated	10,092,733	10,092,733	10,583,914
Accumulated surplus, end of year	11,545,482	8,967,584	10,092,733

The accompanying notes are an integral part of these consolidated financial statements

Ochiichagwe'Babigo'Ining Ojibway Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)

For the year ended March 31, 2017

	2017 Budget	2017	2016 (Restated)
Surplus (deficit)	1,452,749	(1,125,149)	(491,181)
Purchases of tangible capital assets	-	(157,291)	(71,521)
Amortization of tangible capital assets	-	445,798	432,819
	-	288,507	361,298
Acquisition of prepaid expenses	-	-	(41,793)
Use of prepaid expenses	-	41,793	-
	-	41,793	(41,793)
Increase (decrease) in net financial assets	1,452,749	(794,849)	(171,676)
Net financial assets, beginning of year	55,473	55,473	227,149
Net financial assets (net debt), end of year	1,508,222	(739,376)	55,473

The accompanying notes are an integral part of these consolidated financial statements

Ochiichagwe'Babigo'Ining Ojibway Nation Consolidated Statement of Cash Flows

For the year ended March 31, 2017

	2017	2016 <i>(Restated)</i>
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(1,125,149)	(491,181)
Non-cash items		
Amortization	445,798	432,819
Accrued interest	22,954	26,380
	(656,397)	(31,982)
Changes in working capital accounts		
Accounts receivable	(876,458)	(22,574)
Prepaid expenses	41,793	(41,793)
Accounts payable and accruals	132,805	298,863
Deferred revenue	561,128	19,407
CMHC replacement reserve	(72)	(83)
	(797,201)	221,838
Financing activities		
Advances of long-term debt	314,053	333,268
Repayment of long-term debt	(183,971)	(210,825)
	130,082	122,443
Capital activities		
Purchases of tangible capital assets	(157,291)	(71,521)
Investing activities		
Increase in restricted cash	(1,762)	(2,229)
Increase of Funds Held in Ottawa Trust Fund	(1,282)	(1,437)
	(3,044)	(3,666)
Increase (decrease) in cash resources	(827,454)	269,094
Cash resources, beginning of year	2,646,053	2,376,959
Cash resources, end of year	1,818,599	2,646,053
Supplementary cash flow information		
Interest paid	21,825	23,497
Interest received	13,138	15,844

The accompanying notes are an integral part of these consolidated financial statements

Ochiichagwe'Babigo'Ining Ojibway Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

1. Operations

The Ochiichagwe'Babigo'Ining Ojibway Nation (the "Nation") is located in the Province of Ontario, and provides various services to its members.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting principles and include the following significant accounting policies:

Reporting entity

The Nation reporting entity includes the Nation's government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation. Trust administered on behalf of third parties by the Nation are excluded from the Nation's reporting entity.

The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Ochiichagwe'Babigo'Ining Ojibway Nation
- CMHC Housing

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Basis of presentation

Sources of financing and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of one year or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in Ottawa Trust Fund

The funds held in trust in the consolidated revenue fund of the Government of Canada are subject to audit by the office of the Auditor General of Canada. Revenue from the funds held in trust are recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Ochiichagwe'Babigo'Ining Ojibway Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

2. **Significant accounting policies** *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Water and Sewer - Infrastructure	straight-line	40 years
Water and Sewer - Buildings	straight-line	30 years
Electrical Systems	straight-line	20 years
Roads	straight-line	40 years
Office Furniture and Equipment	straight-line	5 years
Heavy Equipment	straight-line	10 years
Automotive	straight-line	5-10 years
Machinery and Equipment	straight-line	5 years
Community Buildings	straight-line	30 years
Band Housing	straight-line	40 years
CMHC Housing	straight-line	40 years

Tangible capital assets consisting of assets under construction are not subject to amortization.

The Community Centre and Community Rink with carrying values of \$47,055 and \$138,818 respectively are currently under construction. As such, amortization of these assets have not been recorded during the year.

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in operations for the year.

Discounted cash flows are used to measure fair value of long-lived assets.

Non-financial assets

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Ochiichagwe'Babigo'Ining Ojibway Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies (Continued from previous page)

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Externally restricted funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Concentra Trust Fund Settlements and Rent Revenue

Income from trust is recorded when received.

CMHC rental revenue is recorded on an accrual basis with a corresponding allowance for doubtful accounts.

Other Revenue

Other revenue, such as miscellaneous, reimbursements, administration, and Hydro One are recognized when services are provided and collectability is reasonably assured.

Government transfers

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Financial instruments

The Nation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end.

Amortization is based on the estimated useful lives of the tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

Segments

The Nation conducts its business through eight reportable segments: Administration, Capital, Economic Development, Education, Ontario First Nations Limited Partnership, Health, Operations and Maintenance and Social. These segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

Ochiichagwe'Babigo'Ining Ojibway Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies *(Continued from previous page)*

Net financial assets (net debt)

The Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) is comprised of two components, non-financial assets and accumulated surplus.

3. Cash

	2017	2016
Copperfin Credit Union - Investment Savings - OFNLP	918,682	1,211,749
Copperfin Credit Union - Development	319,579	384,684
Copperfin Credit Union - Investment Savings - War Chest	184,838	347,448
Copperfin Credit Union - Housing	157,592	152,116
BMO - Social Services	128,973	114,216
Bank of Nova Scotia - CMHC	102,339	58,809
Copperfin Credit Union - Investment Savings - Grievance	92,674	91,976
Copperfin Credit Union - Grievance Committee	60,216	60,216
Copperfin Credit Union - Membership shares	204	204
Copperfin Credit Union - Main	(146,498)	224,635
	1,818,599	2,646,053

4. Accounts receivable

	2017	2016 <i>(Restated)</i>
Rent receivable	742,350	625,064
CMHC subsidy assistance receivable	549,441	3,269
Other receivables	115,543	110,147
Indigenous and Northern Affairs Canada	201,110	3,500
Member advances	83,375	67,288
Hydro One	79,010	79,010
Shooniyaa Wa-Biitong	45,306	13,068
Kiiandamowziwin Corporation	65,184	14,547
Kenora Chiefs Advisory Inc.	131,252	36,008
Independent Electricity System Operator	26,994	62,986
Ministry of Indigenous Relations and Reconciliation	3,175	3,175
First Nations and Inuit Health	-	1,038
Harmonized Sales Tax receivable	51,375	-
	2,094,115	1,019,100
Allowance for doubtful accounts	(890,909)	(692,352)
	1,203,206	326,748

The allowance for doubtful accounts includes \$83,375 (2016 - \$67,288) relating to member advances, \$742,350 (2016 - \$625,064) relating to CMHC rent receivable, and \$65,184 (2016 - \$0) related to Kiiandamowziwin Corporation.

Ochiichagwe'Babigo'Ining Ojibway Nation Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

5. Restricted cash

The investment savings with a current year balance of \$260,608 (2016 - \$258,846), referred to as "Housing Reserve" has been specifically externally restricted in the amount of \$250,000 to guarantee the housing construction loan balance with Copperfin Credit Union.

6. Funds Held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the Nation's Council.

	2017	2016
Capital Trust		
Balance, beginning of year	18,126	18,126
Balance, end of year	18,126	18,126
Revenue Trust		
Balance, beginning of year	51,040	49,603
Interest	1,283	1,437
Balance, end of year	52,323	51,040
	70,449	69,166

7. CMHC replacement reserve

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

- A replacement reserve established by an annual allocation of \$4,200.
- A subsidy surplus reserve established by retaining excess federal assistance payments received.

Replacement reserve funds may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance.

In accordance with the terms of the agreements, CMHC replacement monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Replacement reserve withdrawals are credited first to principal and then to interest.

	2017	2016
Funded balance, beginning of year	25,808	21,525
Annual allocation	4,200	4,200
Interest earned	72	83
Funded balance, end of year	30,080	25,808
Less: Unfunded portion	(16,706)	(12,506)
Replacement reserve cash at end of year	13,374	13,302

The unfunded portion of the CMHC replacement reserve at March 31, 2017 was \$16,706 (2016 - \$12,506).

Ochiichagwe'Babigo'Ining Ojibway Nation Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

8. Accounts payable and accruals

	2017	2016 <i>(Restated)</i>
Indigenous and Northern Affairs Canada	512,516	234,875
Tuition accrual	183,480	151,855
Trade payables	203,793	391,928
Accruals	56,564	32,915
Membership payable	26,200	26,200
HST payable	14,673	11,261
Government remittances	5,572	20,958
	1,002,798	869,992

9. Deferred revenue

Deferred revenue consists of revenue that has not yet been allocated to projects, revenue that has been allocated to projects to be carried out in future years, and the unexpended portion of revenue on projects in progress at March 31, 2017.

The following table represents changes in the deferred revenue balance attributable to each major category of external restriction:

	Balance March 31, 2016	Funding Received 2017	Other Revenue (Recoveries) 2017	Revenue Recognized 2017	Balance March 31, 2017
Federal Government					
Administration	-	377,254	481,260	782,928	75,586
Capital	-	1,060,359	175,897	743,056	493,200
Education	56,938	1,688,460	(207,299)	1,479,105	58,994
Operations and Maintenance	68,339	129,542	-	139,256	58,625
	125,277	3,255,615	449,858	3,144,345	686,405

Ochiichagwe'Babigo'Ining Ojibway Nation Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

10. Long-term debt

	2017	2016
Copperfin Credit Union housing loan, repayable in blended monthly payments of principal and interest in the amount of \$2,606, bearing interest at 3.99%, renewing October 17, 2017, secured by an assignment of a \$250,000 reserve fund.	299,135	315,898
Canada Mortgage and Housing Corporation mortgage, repayable \$4,252 monthly, including interest at 0.89%, maturing April 1, 2019, secured by Canada Mortgage and Housing Corporation and Ministerial guarantees.	76,060	-
Canada Mortgage and Housing Corporation mortgage, repayable with blended monthly payments of \$3,285, bearing interest at 1.06%, maturing September 1, 2018, secured by Ministerial guarantees.	58,675	97,284
Indigenous and Northern Affairs Canada Flooding Claim loan, unsecured, repayable when the flood claim is settled, non-interest bearing, maturing on March 31, 2019 unless the claim is still in negotiations at which time it will be extended for up to another five years.	1,401,598	1,163,548
Bank of Nova Scotia mortgage, repaid during the year.	-	128,656
	1,835,468	1,705,386

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2018	106,982
2019	1,464,843
2020	18,891
2021	19,659
2022	20,458
Thereafter	204,635

11. Due to Indigenous and Northern Affairs Canada

The amount due to Indigenous and Northern Affairs Canada is the result of the department fulfilling its Ministerial guarantee on certain CMHC mortgages in past years. During the 2009/2010 year, the Nation made a repayment to Indigenous and Northern Affairs Canada in the amount of \$302,729 representing the outstanding principal. Repayment of the interest portion is currently under negotiation with Indigenous and Northern Affairs Canada and there is a possibility the interest portion may be forgiven.

Indigenous and Northern Affairs Canada will be forgiving the outstanding debt including the principal and accrued interest in the subsequent fiscal year. This was confirmed by Indigenous and Northern Affairs Canada as at June 23, 2017.

	<i>Annual Interest</i>	2017	2016
CMHC Mortgage #1	8,466	214,281	205,815
CMHC Mortgage #2	14,487	366,660	352,172
	22,953	580,941	557,987

Ochiichagwe'Babigo'Ining Ojibway Nation Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

12. Accumulated surplus

	2017	2016 <i>(Restated)</i>
Accumulated surplus consists of the following:		
Equity in tangible capital assets	9,273,090	9,453,629
Equity (deficit) in unrestricted net assets	(492,657)	483,757
Equity in Ottawa Trust Fund	70,449	69,166
Equity in CMHC replacement reserve	30,080	25,808
Correction of an error	86,622	60,373
	8,967,584	10,092,733

13. Government transfers

	Operating	Capital	2017	2016
Federal government transfers				
Indigenous and Northern Affairs Canada	2,838,417	-	2,838,417	2,106,417
Canada Mortgage and Housing Corporation	593,240	-	593,240	39,767
First Nations and Inuit Health	341,232	-	341,232	317,892
Human Resources and Skills Development Canada	7,658	-	7,658	-
Natural Resources Canada	6,750	-	6,750	-
Fisheries and Oceans	6,000	-	6,000	-
Transport Canada	6,000	-	6,000	-
Total Federal	3,799,297	-	3,799,297	2,464,076
Provincial government transfers				
Ministry of Community and Social Services	471,928	-	471,928	411,464
Ministry of Indigenous Relations and Reconciliation	180,000	-	180,000	306,855
Ministry of Tourism, Culture and Sport	30,000	-	30,000	30,000
Ministry of Health and Long-Term Care	3,391	-	3,391	24,560
Total Provincial	685,319	-	685,319	772,879
	4,484,616	-	4,484,616	3,236,955

14. INAC funding reconciliation

	2017	2016
INAC funding per Consolidated Financial Statements	2,838,417	2,106,417
Overpayment recovered	-	(3,500)
INAC funding per funding confirmation	2,838,417	2,102,917

15. Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development and permitted interim investments.

The Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company Ontario First Nations General Partner Inc. - the carrying values of which are nominal and are therefore not recorded in these consolidated financial statements.

Ochiichagwe'Babigo'Ining Ojibway Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

16. Contingent liabilities

The Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements.

17. Economic dependence

The Nation receives 50% (2016 - 43%) of its revenue from Indigenous and Northern Affairs Canada (INAC) as a result of treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

18. Budget information

The disclosed budget information has been approved by the Chief and Council, and presented to the members of the Nation.

19. First Nations Financial Transparency Act

The Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to INAC by July 28, 2017. As the audit report is dated after this date, the Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

20. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

21. Correction of an error

Effective April 1, 2017, the Nation determined that revenue from fiscal 2016 and prior years from Seven Generations Education Institute had been excluded from revenue and accounts receivable in the amount of \$86,622. For the years 2013, 2014, and 2015 the revenue excluded totalled \$60,373 and for 2016 the excluded revenue was \$26,249. The correction of this error was applied retrospectively and prior year results have been restated. Please note that the above change resulted in a net change to the opening accumulated surplus, accounts receivable, accounts payable, and rent revenue.

Ochiichagwe'Babigo'Ining Ojibway Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2017

	<i>Water and Sewer - Infrastructure</i>	<i>Water and Sewer - Buildings</i>	<i>Electrical Systems</i>	<i>Roads</i>	<i>Office Furniture and Equipment</i>	<i>Heavy Equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	5,387,013	118,101	17,314	2,464,864	151,244	204,000	8,342,536
Acquisition of tangible capital assets	-	6,190	-	-	-	-	6,190
Balance, end of year	5,387,013	124,291	17,314	2,464,864	151,244	204,000	8,348,726
Accumulated amortization							
Balance, beginning of year	1,566,466	38,788	8,612	628,852	98,093	153,195	2,494,006
Annual amortization	134,675	3,937	590	61,622	18,983	20,400	240,207
Balance, end of year	1,701,141	42,725	9,202	690,474	117,076	173,595	2,734,213
Net book value of tangible capital assets	3,685,872	81,566	8,112	1,774,390	34,168	30,405	5,614,513
2016 Net book value of tangible capital assets	3,820,547	79,314	8,703	1,836,012	53,151	50,805	5,848,532

Ochiichagwe'Babigo'Ining Ojibway Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Automotive</i>	<i>Machinery and Equipment</i>	<i>Community Buildings</i>	<i>Band Housing</i>	<i>CMHC Housing</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	8,342,536	114,478	17,094	1,708,330	4,375,258	1,039,904	15,597,600
Acquisition of tangible capital assets	6,190	36,749	-	-	-	-	42,939
Balance, end of year	8,348,726	151,227	17,094	1,708,330	4,375,258	1,039,904	15,640,539
Accumulated amortization							
Balance, beginning of year	2,494,006	98,442	17,094	1,068,015	1,372,173	623,924	5,673,654
Annual amortization	240,207	10,294	-	56,944	112,355	25,998	445,798
Balance, end of year	2,734,213	108,736	17,094	1,124,959	1,484,528	649,922	6,119,452
Net book value of tangible capital assets	5,614,513	42,491	-	583,371	2,890,730	389,982	9,521,087
2016 Net book value of tangible capital assets	5,848,532	16,036	-	640,315	3,003,084	415,979	9,923,946

Ochiichagwe'Babigo'Ining Ojibway Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Assets under construction</i>	<i>2017</i>	<i>2016</i>
				<i>(Restated)</i>
Cost				
Balance, beginning of year	15,597,600	71,521	15,669,121	15,597,600
Acquisition of tangible capital assets	42,939	114,352	157,291	71,521
Balance, end of year	15,640,539	185,873	15,826,412	15,669,121
Accumulated amortization				
Balance, beginning of year	5,673,654	-	5,673,654	5,240,835
Annual amortization	445,798	-	445,798	432,819
Balance, end of year	6,119,452	-	6,119,452	5,673,654
Net book value of tangible capital assets	9,521,087	185,873	9,706,960	9,995,467
2016 Net book value of tangible capital assets	9,923,946	71,521	9,995,467	

Ochiichagwe'Babigo'Ining Ojibway Nation
Schedule 2 - Consolidated Schedule of Expenses by Object

For the year ended March 31, 2017

	2017 <i>(Budget)</i>	2017	2016 <i>(Restated)</i>
Consolidated expenses by object			
Administration	83,003	146,158	109,553
Amortization	-	445,798	432,816
Automotive	7,000	4,244	11,750
Bad debts	-	198,557	109,877
Bank charges and interest	6,200	42,259	39,435
Community development, events and distribution	52,516	725,673	667,379
Education, training and travel	295,785	1,708,730	1,519,963
Honouraria, salaries, wages and benefits	751,585	1,576,869	1,259,034
Insurance	20,000	67,121	63,995
Interest on long-term debt	-	21,825	23,497
Office, supplies and utilities	112,219	162,809	151,180
Professional fees	91,986	637,970	358,300
Program expenses	164,549	683,258	426,146
Repairs, maintenance and supplies	45,608	327,412	206,897
	1,630,451	6,748,683	5,379,822

Ochiichagwe'Babigo'Ining Ojibway Nation
Schedule 3 - Summary of Consolidated Schedules of Revenue and Expenses by Segment

For the year ended March 31, 2017

	<i>Schedule #</i>	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Administration	4	287,254	647,635	(75,586)	859,303	1,520,168	-	(660,865)
Capital	5	467,119	769,137	(493,200)	743,056	871,078	75,899	(52,123)
Economic Development	6	140,000	172,568	-	312,568	456,932	135,984	(8,380)
Education	7	1,680,802	(193,855)	(2,056)	1,484,891	1,818,537	-	(333,646)
Ontario First Nations Limited Partnership	8	-	563,945	-	563,945	-	(349,294)	214,651
Health	9	27,600	847,846	-	875,446	868,818	-	6,628
Operations and Maintenance	10	129,542	53,750	9,714	193,006	536,600	137,411	(206,183)
Social	11	106,100	485,219	-	591,319	676,550	-	(85,231)
		2,838,417	3,346,245	(561,128)	5,623,534	6,748,683	-	(1,125,149)

Ochiichagwe'Babigo'Ining Ojibway Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017</i> <i>(Budget)</i>	<i>2017</i>	<i>2016</i> <i>(Restated)</i>
Revenue			
Indigenous and Northern Affairs Canada	180,082	287,254	180,082
Concentra Trust Fund investment revenue	-	211,623	382,654
Administration fees	-	139,658	114,464
Ministry of Indigenous Relations and Reconciliation	94,000	90,000	126,875
Harmonized Sales Tax rebates	-	51,375	-
Hydro One	42,187	49,560	49,560
Miscellaneous	-	47,965	31,418
Rental income	-	26,249	26,249
New Horizons for Seniors	24,550	25,000	-
Interest income	-	6,205	7,352
Deferred revenue - prior year	-	-	24,550
Deferred revenue - current year <i>(Note 9)</i>	-	(75,586)	-
	340,819	859,303	943,204

Continued on next page

Ochiichagwe'Babigo'Ining Ojibway Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 (Budget)</i>	<i>2017</i>	<i>2016</i>
<i>(Continued from previous page)</i>	340,819	859,303	943,204
Expenses			
Administration	-	9,000	16,705
Amortization	-	35,272	27,678
Bad debts	-	65,184	5,197
Bank charges and interest	1,200	2,302	2,303
Christmas supplies and food	-	9,999	7,208
Community distribution	-	110,500	105,000
Contracted services	-	33,176	42,640
Cultural development	-	5,225	5,716
Honouraria	101,400	484,387	312,895
Income support	-	11,491	10,200
Insurance	20,000	67,121	63,995
Interest on overdue payables	-	22,954	26,381
Materials	-	1,626	804
Meetings	22,000	44,876	45,058
Miscellaneous	-	461	13,465
Professional fees	35,000	212,873	351,325
Program expense	-	18,665	65,120
Salaries and benefits	80,000	189,127	134,958
Special projects	-	24,750	-
Stale dated cheques (recovered)	-	-	(42,517)
Supplies	5,700	9,896	13,547
Telephone	20,000	16,642	13,677
Training	-	32,395	10,457
Travel	-	104,977	57,498
Utilities	20,000	7,269	14,449
	305,300	1,520,168	1,303,759
Surplus (deficit) before transfers	35,519	(660,865)	(360,555)
Transfers between segments	-	-	130,051
Surplus (deficit)	35,519	(660,865)	(230,504)

Ochiichagwe'Babigo'Ining Ojibway Nation
Capital
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017</i> <i>(Budget)</i>	<i>2017</i>	<i>2016</i>
Revenue			
Canada Mortgage and Housing Corporation	-	593,240	39,767
Indigenous and Northern Affairs Canada	176,403	467,119	176,403
Rental income	-	126,936	126,936
Shooniyaa Wa-Biitong	-	48,306	45,309
Miscellaneous	-	655	7,500
Right to Play	-	-	4,171
Deferred revenue - current year <i>(Note 9)</i>	-	(493,200)	-
	176,403	743,056	400,086
Expenses			
Amortization	-	188,195	182,247
Bad debts	-	133,373	104,680
Bank charges and interest	-	150	1,284
Contracted services	-	95,377	9,354
Furniture and equipment	-	12,778	8,250
Interest on long-term debt	-	21,825	23,497
Materials	-	196,583	49,551
Miscellaneous	-	-	1,844
Office equipment lease	-	31,430	-
Professional fees	-	6,825	-
Repairs and maintenance	-	11,453	17,425
Salaries and benefits	-	152,049	68,442
Supplies	-	2,350	4,271
Travel	-	5,890	1,987
Utilities	-	12,800	3,530
	-	871,078	476,362
Surplus (deficit) before transfers	176,403	(128,022)	(76,276)
Transfers between segments	-	75,899	25,496
Surplus (deficit)	176,403	(52,123)	(50,780)

Ochiichagwe'Babigo'Ining Ojibway Nation
Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 (Budget)</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada	140,000	140,000	42,000
Ministry of Indigenous Relations and Reconciliation	90,000	90,000	90,000
Trans Canada Pipeline	-	79,468	-
Miscellaneous	-	3,100	-
Repayment of funding	-	-	(4,975)
	230,000	312,568	127,025
Expenses			
Administration	9,000	8,180	9,000
Committee costs	-	108,896	39,283
Contracted services	-	28,400	11,358
Honouraria	-	8,350	-
Materials	2,000	6,832	2,018
Meetings	7,116	4,250	8,069
Professional fees	4,765	125,335	2,500
Program expense	2,100	15,533	1,630
Salaries and benefits	91,920	115,753	89,591
Supplies	-	523	2,341
Training	1,600	7,025	3,612
Travel	13,500	27,855	17,707
	132,001	456,932	187,109
Surplus (deficit) before transfers	97,999	(144,364)	(60,084)
Transfers between segments	24,500	135,984	51,935
Surplus (deficit)	122,499	(8,380)	(8,149)

Ochiichagwe'Babigo'Ining Ojibway Nation
Education
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017</i> <i>(Budget)</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada	1,349,773	1,680,802	1,381,537
Human Resources and Skills Development Canada	-	7,658	-
Miscellaneous	-	5,786	5,373
Repayment of funding	-	(207,299)	(8,819)
Deferred revenue - prior year <i>(Note 9)</i>	-	56,938	81,320
Deferred revenue - current year <i>(Note 9)</i>	-	(58,994)	(56,938)
	1,349,773	1,484,891	1,402,473
Expenses			
Administration	23,322	53,799	31,582
Bus transportation	48,200	65,196	65,704
Meetings	-	-	5,728
Program expense	-	363,855	174,598
Salaries and benefits	19,603	83,690	41,144
Student allowances	131,112	159,300	141,641
Student expenses	6,597	18,546	10,621
Training	-	4,675	8,650
Travel	4,868	16,587	18,541
Tuition	90,000	1,052,889	988,969
	323,702	1,818,537	1,487,178
Surplus (deficit) before transfers	1,026,071	(333,646)	(84,705)
Transfers between segments	-	-	20,223
Surplus (deficit)	1,026,071	(333,646)	(64,482)

Ochiichagwe'Babigo'Ining Ojibway Nation
Ontario First Nations Limited Partnership
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 (Budget)</i>	<i>2017</i>	<i>2016</i>
Revenue			
Ontario First Nations Limited Partnership	-	557,013	494,466
Interest income	-	6,932	8,492
	-	563,945	502,958
Surplus (deficit) before transfers	-	563,945	502,958
Transfers between segments	-	(349,294)	(285,914)
Surplus (deficit)	-	214,651	217,044

Ochiichagwe'Babigo'Ining Ojibway Nation
Health
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 (Budget)	2017	2016
Revenue			
First Nations and Inuit Health	244,709	341,232	317,892
Indigenous and Northern Affairs Canada	6,000	27,600	6,000
Kenora Chiefs Advisory Inc.	166,547	276,062	170,297
Anishinaabe Abinoojii Family Services	144,294	149,423	146,320
Grand Council Treaty #3	34,700	32,164	37,637
Ministry of Tourism, Culture and Sport	30,000	30,000	30,000
Non-insured health benefits	-	16,783	12,097
Ministry of Health and Long-Term Care	24,181	3,391	24,560
Repayment of funding	-	(1,209)	-
	650,431	875,446	744,803
Expenses			
Administration	28,321	68,904	45,967
Amortization	-	6,194	6,757
Automotive	7,000	4,244	11,750
Committee costs	-	1,800	-
Community events	5,000	20,038	20,988
Contracted services	-	18,595	-
Crisis worker	4,500	3,600	3,517
Cultural development	3,000	2,173	10,300
Environmental services	8,000	7,470	7,689
Fire and safety requirements	-	2,762	6,230
Honouraria	-	7,350	-
Management fees	17,404	-	2,191
Materials	10,848	31,303	15,484
Medical trips	-	25,650	40,899
Meetings	-	-	4,565
Miscellaneous	10,322	3,087	6,706
Professional fees	16,820	34,363	18,453
Program expense	103,927	160,760	119,569
Repairs and maintenance	1,260	6,790	7,125
Salaries and benefits	332,312	385,111	369,554
Social assistance	-	-	246
Supplies	3,000	5,218	3,864
Telephone	10,581	7,149	5,161
Training	10,268	25,016	24,999
Travel	25,960	40,812	35,050
Utilities	-	429	3,506
	598,523	868,818	770,570
Surplus (deficit)	51,908	6,628	(25,767)

Ochiichagwe'Babigo'Ining Ojibway Nation
Operations and Maintenance
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 (Budget)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	124,462	129,542	228,295
Natural Resources Canada	-	6,750	-
Transport Canada	-	6,000	-
Fisheries and Oceans	-	6,000	-
Ministry of Indigenous Relations and Reconciliation	89,980	-	89,980
Aboriginal Fund for Species at Risk	-	35,000	-
Deferred revenue - prior year (Note 9)	-	68,339	-
Deferred revenue - current year (Note 9)	-	(58,625)	(68,339)
	214,442	193,006	249,936
Expenses			
Administration	-	1,275	6,299
Amortization	-	216,137	216,137
Chemical	-	26,271	25,365
Contracted services	-	37,736	31,787
Materials	-	9,288	23,740
Meetings	-	925	-
Memberships	-	-	115
Office equipment lease	-	5,172	725
Professional fees	12,000	39,293	25,913
Repairs and maintenance	31,500	34,504	59,155
Salaries and benefits	-	69,641	54,681
Telephone	1,000	387	5,286
Training	-	-	777
Travel	-	16,327	3,106
Utilities	32,000	79,644	53,751
	76,500	536,600	506,837
Surplus (deficit) before transfers	137,942	(343,594)	(256,901)
Transfers between segments	-	137,411	40,763
Surplus (deficit)	137,942	(206,183)	(216,138)

Ochiichagwe'Babigo'Ining Ojibway Nation
Social
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 <i>(Budget)</i>	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	92,100	106,100	92,100
Ministry of Community and Social Services	4,732	471,928	411,464
Miscellaneous	-	10,000	7,250
Ontario Power Generation donations	-	2,500	2,500
Kenora Chiefs Advisory Inc.	-	2,366	4,568
Anishinaabe Abinoojii Family Services	-	-	2,500
Repayment of funding	-	(1,575)	(2,226)
	96,832	591,319	518,156
Expenses			
Administration	22,360	5,000	-
Bank charges and interest	5,000	16,853	9,467
Basic needs assistance	-	433,390	380,997
Christmas supplies and food	15,400	23,429	19,025
Income support	-	17,640	35,943
Memberships	1,000	-	3,700
Professional fees	5,997	5,997	4,797
Program expense	-	18,800	18,800
Rent	10,938	255	8,043
Salaries and benefits	121,850	77,811	102,227
Social assistance	-	16,987	8,334
Special needs	-	300	500
Training	11,880	39,456	25,573
Travel	-	20,632	30,601
	194,425	676,550	648,007
Deficit before transfers	(97,593)	(85,231)	(129,851)
Transfers between segments	-	-	17,446
Deficit	(97,593)	(85,231)	(112,405)