Anishinaabeg of Naongashiing First Nation

Consolidated Financial Statements

For the year ended March 31, 2015

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Contents

Anishinaabeg of Naongashiing First Nation
Management's Responsibility for Financial Reporting

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

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

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

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

The Council reviews the First Nation's consolidated financial statements and meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

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

______________________ Chief

______________________ Councilor

______________________ Councilor

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Fort Frances ON P9A 1H1 Canada

Independent Auditor's Report

To the Members of
Anishinaabeg of Naongashiing First Nation

We have audited the accompanying consolidated financial statements of Anishinaabeg of Naongashiing First Nation, as at March 31, 2015, which are comprised of the Consolidated Statement of Financial Position as at March 31, 2015, and the Consolidated Statement of Operations, the Consolidated Statement of Changes in Accumulated Surplus, the Consolidated Statement of Changes in Net Debt and the 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 the 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 the 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 Anishinaabeg of Naongashiing First Nation as at March 31, 2015, and their financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Restated Comparative Information

Without modifing our opinion, we draw attention to Note 1 to the consolidated financial statements which explains that certain comparative information for the year ended March 31, 2014 has been restated. The consolidated financial statements of Anishinaabeg of Naongashiing First Nation for the year ended March 31, 2014 (prior to the restatement of the comparative information) were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on July 31, 2014.

Other Matters

Anishinaabeg of Naongashiing First Nation has also prepared another set of financial statements for the year ended March 31, 2015, in accordance with Canadian Public Sector Accounting Standards. However, these financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of Anishinaabeg of Naongashiing First Nation to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council of Anishinaabeg of Naongashiing First Nation and was dated August 10, 2015.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
October 21, 2015

Anishinaabeg of Naongashiing First Nation
Consolidated Statement of Financial Position

March 31	2015	Restated 2014
Financial assets		
Cash and cash equivalents (Note 2)	$ 101,111	$ 615,163
Accounts and loans receivable (Note 3)	189,790	363,567
Portfolio investments	10,333	10,333
Government business enterprises, at modified equity (Note 4)	1,716,140	1,012,182
	2,017,374	2,001,245
Liabilities		
Accounts payable and accrued liabilities	324,046	310,108
Deferred revenue (Note 7)	229,977	39,339
Long-term debt (Note 5)	4,291,894	4,024,119
	4,845,917	4,373,566
Net debt	(2,828,543)	(2,372,321)
Non-financial assets		
Tangible capital assets (Note 10)	13,157,129	12,635,327
Prepaid expense	5,686	-
	13,162,815	12,635,327
Contingencies (Note 11)		
Accumulated surplus (Note 9)	$ 10,334,272	$ 10,263,006

Approved on behalf of Council:

Rolt Hay ____________________ Councilor

____________________ Councilor

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

Anishinaabeg of Naongashiing First Nation
Consolidated Statement of Operations

March 31	Budget	2015	Restated 2014
Revenue			
Aboriginal Affairs and Northern Development	$ 1,709,005	$ 715,361	$ 1,088,367
AANDC - fixed contribution funding	330,540	1,219,554	845,346
AANDC - set contribution funding	15,000	130,448	244,855
Fort Frances Area Tribal Health Authority	98,971	104,360	99,709
Rental - housing/equipment	102,640	135,666	131,290
Ministry of Community and Social Services	251,500	143,414	155,599
Ministry of Aboriginal Affairs	-	175,000	-
CMHC	217,791	210,027	215,213
Other	117,200	91,191	176,978
Northern Ontario Heritage Fund Corporation	-	478,501	-
Shooniyaa Wa-Biitong	68,000	74,002	53,444
Health Canada	312,948	355,892	329,490
Casino Rama revenue	425,000	484,997	474,643
Weechi-it-te-win	378,876	456,485	456,368
Ministry of Health	5,596	35,930	19,904
Administration	50,250	-	2,881
	4,083,317	4,810,828	4,294,087
Deferred revenue, beginning of year	50,000	39,339	75,000
Deferred revenue, end of year (Note 7)	-	(229,977)	(39,339)
	4,133,317	4,620,190	4,329,748
Expenses			
Education	746,412	781,235	678,302
Welfare	354,951	320,720	287,269
Band Support	797,869	1,053,857	648,152
Operations and Maintenance	285,067	304,505	454,569
Economic Development	515,325	307,471	446,292
Water Treatment Plan	176,047	257,853	217,350
Capital	-	76,788	-
Summer Student	16,000	11,591	20,875
National Child Benefit	15,000	13,277	16,289
New Relationship Fund	81,040	97,733	82,925
SATF Training Program	-	47,299	13,647
Community Care	358,346	354,670	374,219
Health Programs	30,248	15,625	23,240
Medical Programs	311,548	223,800	283,909
Aboriginal Healing and Wellness	53,035	60,078	59,073
CMHC	365,713	397,132	404,557
CMHC Renovations	-	187,560	-
Casino Rama	25,000	37,730	15,886
	4,131,601	4,548,924	4,026,554
Annual surplus	$ 1,716	$ 71,266	$ 303,194

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

Anishinaabeg of Naongashiing First Nation
Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2015	2014
Accumulated surplus, beginning of year	$ 10,263,006	$ 9,351,979
Adjustment to First Nation position (Note 1)	-	607,833
Accumulated surplus, beginning of year	10,263,006	9,959,812
Annual surplus (deficit)	71,266	303,194
Accumulated surplus, end of year	$ 10,334,272	$ 10,263,006

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

Anishinaabeg of Naongashiing First Nation
Consolidated Statement of Changes in Net Debt

For the year ended March 31	2015	2014
Annual surplus (deficit)	$ 71,266	$ 303,194
Acquisition of tangible capital assets	(1,055,032)	(1,427,761)
Adjustment to First Nation position (Note 1)	-	607,833
Amortization of tangible capital assets	533,230	558,154
	(450,536)	41,420
Acquisition of prepaid expenses	(5,686)	-
Net changes in net debt	(456,222)	41,420
Net debt, beginning of year	(2,372,321)	(2,413,741)
Net debt, end of year	$ (2,828,543)	$ (2,372,321)

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

Anishinaabeg of Naongashiing First Nation
Consolidated Statement of Cash Flows

For the year ended March 31	2015	2014
Cash flows from operating activities		
Annual surplus (deficit)	$ 71,266	$ 303,194
Items not affecting cash		
Amortization of tangible capital assets	533,230	558,154
Net loss from commercial enterprises	53,255	21,084
	657,751	882,432
Changes in non-cash working capital		
Accounts and loans receivable	173,777	(63,789)
Prepaid expense	(5,686)	-
Accounts payable	13,938	(15,595)
Deferred revenue	190,638	(35,661)
Replacement reserve	-	(65,140)
	372,667	(180,185)
	1,030,418	702,247
Cash flows from capital activities		
Purchase of capital assets	(1,055,032)	(1,427,761)
Cash flows from investing activities		
Advances to affiliated enterprises	(757,213)	(100,133)
Cash flows from financing activities		
Advances of long-term debt	696,000	550,115
Repayment of long-term debt	(428,225)	-
	267,775	550,115
Net change in cash and cash equivalents	(514,052)	(275,532)
Cash and cash equivalents, beginning of year	615,163	890,695
Cash and cash equivalents, end of year	$ 101,111	$ 615,163
Supplementary information		
Interest paid	$ 137,697	$ 120,747

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

Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Canadian Institute of Chartered Accountants Public Sector Accounting and Auditing Handbook, and include all Organizations, operations and activities that are:

1) accountable for the administration of their financial affairs and resources directly to the First Nation; and

2) owned or controlled by the First Nation.

This includes all aspects of band operations including provision of social, educational, administration and operational services, as well as, the results of First Nation enterprises on a modified equity method as disclosed in Note 4 to these consolidated financial statements.

Government business enterprises are separate legal entities which do not rely on the government for funding. The First Nation's government business enterprises consist of investments in Keniis Development Corporation. This investment is accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies follow International Financial Reporting Standards.

Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. When transfer stipulations give rise to a liability, government transfers are recognized as deferred revenue and recognized as revenue when the stipulations are settled.

Cash and Cash Equivalents

Management considers all highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the First Nation, forests, water, and other natural resources are not recognized as tangible capital assets.

Amortization

Amortization is calculated on the cost, net of contributions on a straight-line basis over the following number of years:

Buildings and housing	25 years
Roads	50 years
Vehicles	5 years
Other	3 - 5 years
Infrastructure	10 - 50 years

Program Surplus

Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements and could result in adjustments to prior year funding.

Long-term Loans Receivable

Loans are carried at the unpaid principal less allowances for doubtful loans.

Allowance for Doubtful Loans

The First Nation maintains specific allowances for doubtful loans that reduce the carrying value of loans identified as impaired to their estimated realizable amounts.

Investments

The modified equity method of accounting is used to account for investments in the First Nation's business enterprises which the First Nation owns and controls. Under this method, the investment is initially recorded at cost and the carrying value is adjusted annually thereafter to include the First Nation's pro rata share of post acquisition earnings.

Other investments (where control does not exist) are accounted for following the cost method of accounting. Under this method, the investment is recorded at cost and earnings from the investment are recognized only to the extent received or receivable.

Replacement Reserves

The replacement reserve accounts are funded by an annual allocation based on amounts specified in agreements with CMHC.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Financial Instruments

The First Nation's financial instruments consist of cash in bank, accounts and loans receivable, long-term loans receivable, advances to affiliated Companies, investments, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise noted.

Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Use of Estimates

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

The estimates used in the preparation of these consolidated financial statements are the useful lives of property, plant and equipment and accrued liabilities.

1. Prior Period Adjustment

During the year, it was noted that an error had been made in prior years in recording the investment in Keniis Development Corporation. As a result the comparative figures have been restated to include a $607,833 increase in the investment in government business enterprises and in accumulated surplus as of April 1, 2013, and a $21,084 decrease in the annual surplus for the year ended March 31, 2014.

2. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Anishinaabeg of Naongashiing First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Capital Improvement Fund. Cash and cash equivalents is comprised of the following:

	2015	2014
Internally restricted		
Reserves	$ 29,501	$ 29,501
Unrestricted		
Operating	71,610	585,662
Total cash and cash equivalents	$ 101,111	$ 615,163

3. Accounts and Loans Receivable

	2015	2014
Accounts receivable	$ 254,905	$ 300,821
Advances to band members	122,842	132,746
	377,747	433,567
Allowance for doubtful accounts	(187,957)	(70,000)
	$ 189,790	$ 363,567

4. Government Business Enterprises, at modified equity

Keniis Development Corporation

Keniis Development Corporation is a Corporation that was created for the purpose of constructing and operating a retail store.

The condensed supplementary financial information is as follows:

Carrying value, March 31, 2013	$ 303,890
Share of net loss for the year ended March 31, 2014	(21,084)
First Nation contribution	729,376
Carrying value, March 31, 2014	1,012,182
Share of net loss for the year ended March 31, 2015	(53,255)
First Nation contribution	757,213
Carrying value, March 31, 2015	$1,716,140

Financial position	2015	2014
Current assets	$ 9,844	$ -
Capital assets	1,791,957	1,129,562
	$1,801,801	$ 1,129,562
Current liabilities	$ 67,102	$ 86,164
Long-term liabilities	1,830,448	1,082,892
	1,897,550	1,169,056
Share capital	10	10
Net equity (deficit), end of year	(95,759)	(42,504)
	(95,749)	(42,494)
	$1,801,801	$ 1,126,562

Results of operations	2015	2014
Revenues	$ 1,710	$ 9,660
Operating expenses	(54,965)	(30,744)
Net income (loss)	(53,255)	(21,084)
Net equity (deficit), beginning of year	(42,504)	(21,420)
Net equity (deficit), end of year	$ (95,759)	$ (42,504)

5. Long-term Debt

	2015	2014
Secured debt		
CMHC mortgage with interest at 1.85%, repayable in monthly installments of $4,002 principal and interest, maturing August 2019.	$ 780,479	$ 812,336
CMHC mortgage with interest at 2.40%, repayable in monthly installments of $3,431 principal and interest, maturing October 2015.	376,712	408,479
CMHC mortgage with interest at 1.65% repayable in monthly installments of $1,933 principal and interest, maturing June 2017.	348,121	365,434
CMHC mortgage with interest at 2.68% repayable in monthly installments of $2,518 principal and interest, maturing February 2016.	482,289	499,400
CMHC mortgage with interest at 2.75% repayable in monthly installments of $3,379 principal and interest maturing February 2016.	645,193	667,764
CMHC mortgage with interest at 1.05% repayable in monthly installments of $2,638 principal and interest, maturing April 2020.	637,163	-
RBC mortgage with interest at 1.69% repayable in monthly installments of $2,168 principal and interest, maturing February 2018.	73,912	96,926
RBC mortgage with interest at 2.32% repayable in monthly installments of $3,493 principal and interest, maturing April 2017.	85,180	124,440
RBC loan with interest at 5.00% repayable in monthly installments of $1,321 principal and interest, maturing October 2018.	51,900	63,395
Unsecured debt		
RBC demand loan with interest at 5.3% repayable in annual installments of $175,000 princpal, interest payable monthly, maturing April 2018.	700,000	875,000
Land claim litigation loan, non-interest bearing, unsecured, maturing March 2020 or when litigation is settled, whichever comes first.	110,945	110,945
	$ 4,291,894	$ 4,024,119

Mortgages are secured by a first charge mortgage against rental properties and Ministerial Guarantees from Aboriginal Affairs and Northern Development Canada.

5. Long-term Debt (continued)

Principal repayments required over the next five years and thereafter are as follows:

	Principal Repayments	Interest	Total
2016	$ 409,006	$ 73,874	$ 482,880
2017	408,814	74,066	482,880
2018	373,064	69,141	442,205
2019	343,345	17,460	360,805
2020	273,515	16,097	289,612
Thereafter	2,484,150	102,056	2,586,206
	$ 4,291,894	$ 352,694	$ 4,644,588

	2015	2014
Interest expense for the year on long-term debt	$ 137,697	$ 120,747

6. Related Party Transactions

The First Nation owns 100% of Keniis Development Corporation.

The First Nation owns 16.67% of Miitigoog Limited Partnership. During the fiscal year, the First Nation recorded $NIL of revenue relating to referral fees from the Corporation.

7. Deferred Revenue

	Balance March 31, 2014	Funding Received 2015	Revenue Recognized 2015	Balance March 31, 2015
Weechi-it-te-win	$ 39,339	$ 456,485	$ 371,944	$ 123,880
Health Canada	-	355,892	249,795	106,097
	$ 39,339	$ 812,377	$ 621,739	$ 229,977

8. Replacement Reserve

	CMHC 18-187-047/001-2	9 Unit (2000) 19-446-541/001	6 Unit (2007) 19-446-541/002	8 Unit (2009) 19-446-541/003	5 Unit (2011) 19-446-541/005	4 Unit (2011) 19-446-541/005	Total
Balance March 31, 2013	$ 7,000	$ 99,450	$ 36,000	$ 39,200	$ 14,602	$ 8,966	$ 205,218
Allocation to restricted funds	3,500	7,630	6,300	6,400	6,677	4,940	35,447
Balance March 31, 2014	10,500	107,080	42,300	45,600	21,279	13,906	240,665
Allocation to restricted funds	3,500	7,650	6,300	9,600	4,940	6,677	38,667
Balance March 31, 2015	$ 14,000	$ 114,730	$ 48,600	$ 55,200	$ 26,219	$ 20,583	$ 279,332

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is $279,332. The amount held in a restricted bank account in relation to this reserve is $28,684; therefore, the reserve is under funded by $250,648 as of March 31, 2015.

9. Accumulated Surplus

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

	2015	2014
Investment in tangible capital assets		
Tangible capital assets	$ 13,157,129	$ 12,635,327
Debt relating to tangible capital assets	(3,429,049)	(2,974,779)
Total investment in tangible capital assets	9,728,080	9,660,548
Operations deficit	(1,389,280)	(650,389)
Reserve Funds (Note 7)	279,332	240,665
Equity in enterprises	1,716,140	1,012,182
	$ 10,334,272	$ 10,263,006

10. Tangible Capital Assets

	Buildings	Vehicles and equipment	Computers	Roads, sewer and water	Assets under construction	Total
						2015
Cost, beginning of year	$ 14,823,508	$ 534,524	$ 40,597	$ 1,492,194	$ 875,279	**$17,766,102**
Additions	-	6,395	9,664	875,279	1,038,973	**1,930,311**
Disposals	-	-	-	-	(875,279)	**(875,279)**
Cost, end of year	14,823,508	540,919	50,261	2,367,473	1,038,973	**18,821,134**
Accumulated amortization, beginning of year	4,266,271	301,836	54,129	508,539	-	**5,130,775**
Amortization	457,324	33,579	(10,311)	52,638	-	**533,230**
Disposals	-	-	-	-	-	**-**
Accumulated amortization, end of year	4,723,595	335,415	43,818	561,177	-	**5,664,005**
Net carrying amount, end of year	$ 10,099,913	$ 205,504	$ 6,443	$ 1,806,296	$ 1,038,973	**$13,157,129**

10. Tangible Capital Assets (continued)

						2014
	Buildings	Vehicles and equipment	Computers	Roads, sewer and water	Assets under construction	Total
Cost, beginning of year	$ 14,356,355 $	449,195 $	40,597 $	1,492,194 $	-	$16,338,341
Additions	467,153	85,329	-	-	875,279	1,427,761
Disposals	-	-	-	-	-	-
Cost, end of year	14,823,508	534,524	40,597	1,492,194	875,279	17,766,102
Accumulated amortization, beginning of year	3,790,707	262,798	40,597	478,519	-	4,572,621
Amortization	475,564	39,038	13,532	30,020	-	558,154
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	4,266,271	301,836	54,129	508,539	-	5,130,775
Net carrying amount, end of year	$ 10,557,237 $	232,688 $	(13,532) $	983,655 $	875,279	$12,635,327

11. Contingencies

During the fiscal year, the First Nation had a Recipient Audit done by AANDC. The purpose of the audit was to examine documentation in relation to past funding. As of the date of the audit report, the Receipient audit has not been finalized; however, the maximum funding repayment has been calculated as $903,535. The likelihood of repayment of any amount is not known. Any adjustment required will be recognized in the year of settlement.

12. Economic Dependence

Anishinaabeg of Naongashiing First Nation receives a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

13. Federal Assistance Payments

The CMHC projects have received federal assistance through CMHC pursuant to Section 56.1 of the National Housing Act to enable the project to provide housing to low income individuals. The amount of assistance received in 2015 was $210,027 (2014 - $215,213).

14. Expenditure by Object

	2015	2014
Salaries, wages and employee benefits	$ 1,520,848	$ 1,450,347
Materials and supplies	1,379,645	1,212,868
Contracted services	463,445	354,591
Rents and financial expenses	301,306	172,214
Travel	350,449	278,380
Amortization	533,231	558,154
	$ 4,548,924	$ 4,026,554

15. Budget Information

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated recovering deficits. In addition, the budget did not include amortization expense. As a result, the budget figures presented in the consolidated statement of operations represent the Financial Plan adopted by Council, with adjustments as follows:

		2015
Financial Plan (budget) by-law surplus for the year	$	176,807
Less:		
Amortization		(175,091)
Budget surplus per statement of operations	$	1,716

16. Segmented Information

Anishinaabeg of Naongashiing First Nation is a First Nation government that provides a wide range of services to the members of its community. For management reporting purposes the First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following significant segments have been identified and as such are separately disclosed:

Education

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Operations and Maintenance

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

Medical and Other Health Services

The community wellness department provides a diverse bundle of services directed towards the well-being of members including such activities as long-term care, medical transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

16. Segmented Information (continued)

Band Support

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

Capital

This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations.

Other Services

The First Nation provides a wide array of other services, including youth employment projects, economic development, housing activities and others.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including transfers and have been apportioned based on a percentage of budgeted expenses.

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

17. Comparative Figures

The comparative amounts presented in the consolidated financial statements have been restated to conform to the current year's presentation.

Anishinaabeg of Naongashiing First Nation
2015 Segment Disclosure

March 31, 2015	Band Support	Operations and Maintenance	Education	Welfare	Capital	Other	Total
Revenue							
AANDC	$ 307,699	$ 177,560	$ 933,197	$ 72,841	$ 216,655	$ 357,411	$ 2,065,363
Canada	-	-	-	35,930	-	210,027	245,957
Ontario	-	2,244	-	143,414	-	653,501	799,159
Casino Rama	-	-	-	-	-	484,997	484,997
Trust income	-	-	-	-	-	-	-
Other Aboriginal organizations	-	-	-	12,464	-	622,383	634,847
Interest, rentals and other	-	2,626	-	-	-	221,987	224,613
Administration	262,054	-	-	-	-	(262,054)	-
Transfers	344,690	-	(63,840)	-	-	(280,850)	-
	914,443	182,430	869,357	264,649	216,655	2,007,402	4,454,936
Deferred revenue, beginning of year	-	-	-	-	-	39,339	39,339
Deferred revenue, end of year	-	-	-	-	-	(229,977)	(229,977)
	914,443	182,430	869,357	264,649	216,655	1,816,764	4,264,298
Expenditures							
Salaries, wages and benefits	482,395	51,192	126,776	83,878	802	775,805	1,520,848
Materials, supplies and capital	156,301	135,430	190,305	226,802	75,986	594,821	1,379,645
Contracted services	-	-	463,445	-	-	-	463,445
Rents and financial expenses	220,718	-	-	-	-	80,588	301,306
Travel	169,782	-	709	10,040	-	169,918	350,449
Amortization	24,661	117,883	-	-	-	390,687	533,231
	1,053,857	304,505	781,235	320,720	76,788	2,011,819	4,548,924
Excess (deficiency) of revenue over expenditures	$ (139,414)	$ (122,075)	$ 88,122	$ (56,071)	$ 139,867	$ (195,055)	$ (284,626)

Anishinaabeg of Naongashiing First Nation
2014 Segment Disclosure

March 31, 2014	Band Support	Operations and Maintenance	Education	Welfare	Capital	Other	Total
Revenue							
AANDC							
Canada	$ 603,466	$ 371,103	$ 530,810	$ 92,923	$ -	$ 580,266	$ 2,178,568
Ontario	-	-	-	19,904	-	544,703	564,607
Casino Rama	-	2,244	-	155,599	-	109,011	266,854
Trust income	-	-	-	-	-	474,643	474,643
Other Aboriginal organizations	-	-	-	-	-	-	-
Interest, rentals and other	-	-	-	13,280	-	596,241	609,521
Administration	25,400	11,288	-	-	-	160,325	197,013
Referral fees	89,181	-	-	-	-	(86,300)	2,881
Transfers	64,108	69,934	161,488	-	163,227	(458,757)	-
	782,155	454,569	692,298	281,706	163,227	1,920,132	4,294,087
Deferred revenue, beginning of year	-	-	-	-	-	75,000	75,000
Deferred revenue, end of year	-	-	-	-	-	(39,339)	(39,339)
	782,155	454,569	692,298	281,706	163,227	1,955,793	4,329,748
Expenditures							
Salaries, wages and benefits	369,377	58,029	140,641	91,410	-	790,890	1,450,347
Materials, supplies and capital	85,608	237,428	181,056	185,825	-	522,951	1,212,868
Contracted services	-	-	354,591	-	-	-	354,591
Rents and financial expenses	81,231	-	-	-	-	90,983	172,214
Travel	104,083	-	2,014	8,588	-	163,695	278,380
Amortization	7,853	159,112	-	1,446	-	389,743	558,154
	648,152	454,569	678,302	287,269	-	1,958,262	4,026,554
Excess (deficiency) of revenue over expenditures	$ 134,003	$ -	$ 13,996	$ (5,563)	$ 163,227	$ (2,469)	$ 303,194