



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Chief, Algonquins of Pikwakanagan and
The Council of the Algonquins of Pikwakanagan,
PIKWAKANAGAN, Ontario.

We have audited the accompanying consolidated financial statements of the Algonquins of Pikwakanagan, which comprise the statement of financial position as at 31 March 2015, and the consolidated statements of accumulated surplus, operations, changes in net financial assets, cash flows, related schedules and the statement of Band Trust funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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.

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 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 financial statements.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Algonquins of Pikwakanagan as at 31 March 2015, and the results of their operations, cash flows, accumulated surplus and the changes in net financial assets for the year then ended in accordance with Canadian Public Sector Accounting Standards and the accounting policies disclosed in Note 2 to the consolidated financial statements.

Mackillican & Associates

Chartered Professional Accountants,
Licensed Public Accountants.

RENFREW, Ontario.
28 July 2015.

620 Barnet Blvd.
Renfrew ON. K7V 0A8
T: 613.432.3664 | F: 613.432.8424

14 Madawaska Street - P.O. Box 94
Arnprior ON. K7S 3H2
T: 613.623.7926 | F: 613.623.7927

Email: info@mackillicans.com | Website: www.mackillicans.com

J.D. Healey, CPA, CA, LPA | R.K. Richards, CPA, CA, LPA | B.D. Thompson, CPA, CA, LPA | D.J. Thompson, CPA, CA, LPA

Algonquins of Pikwakanagan


Consolidated Statement of Financial Position

As at 31 March 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash in bank - administration	\$ 2,634,538	\$ 2,862,579
- Casino Distribution Fund	5,311,467	4,529,184
- Section 95 Social Housing Operation	184,617	152,330
Accounts receivable - administration (Note 6)	494,326	497,966
Investment in solar project #1 (Note 2 (g))	28,500	28,500
Investment in Business Enterprises (Notes 2 (g) and 8)	<u>67,765</u>	<u>46,177</u>
	<u>\$ 8,721,213</u>	<u>\$ 8,116,736</u>
Financial liabilities:		
Accounts payable	\$ 512,120	\$ 684,289
Rental deposits	535	535
Deferred revenue (Note 4)	2,362,544	2,284,393
Funded reserves - operating (Note 10 (a))	104,358	85,484
Funded reserves - replacement (Note 10 (b))	83,949	69,059
Mortgages payable (Note 9)	<u>868,927</u>	<u>927,115</u>
	<u>\$ 3,932,433</u>	<u>\$ 4,050,875</u>
Net financial assets	<u>\$ 4,788,780</u>	<u>\$ 4,065,861</u>
Non-financial assets:		
Tangible capital assets (Notes 2 (b) and 11)	<u>\$ 8,070,136</u>	<u>\$ 7,905,807</u>
Accumulated surplus	<u>\$ 12,858,916</u>	<u>\$ 11,971,668</u>
Accumulated surplus comprised of:		
General Operations	\$ 323,475	\$ 417,614
Casino Distribution Fund	5,293,329	4,556,047
Business Enterprises	<u>40,903</u>	<u>19,315</u>
Total fund balances	<u>\$ 5,657,707</u>	<u>\$ 4,992,976</u>
Equity in tangible capital assets (Note 11 (d))	<u>7,201,209</u>	<u>6,978,692</u>
Total accumulated surplus	<u>\$ 12,858,916</u>	<u>\$ 11,971,668</u>

Approved on behalf of the Band:


Chief, Algonquins of Pikwakanagan


Executive Director of Operations

(See accompanying notes)

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Consolidated Statement of Accumulated Surplus

For the year ended 31 March 2015
(with 2014 figures for comparison)

	2015				2014			
	General Operations	Casino Distribution Fund	Business Enterprises	Total	General Operations	Casino Distribution Fund	Business Enterprises	Total
Accumulated surplus at the beginning of the year	\$ 417,614	\$ 4,556,047	\$ 19,315	\$ 4,992,976	\$ 500,153	\$ 4,365,612	\$ 28,305	\$ 4,894,070
Surplus (deficit) for the year	(94,139)	737,282	21,588	664,731	(82,539)	190,435	(8,990)	98,906
Accumulated surplus at the end of the year	\$ 323,475	\$ 5,293,329	\$ 40,903	\$ 5,657,707	\$ 417,614	\$ 4,556,047	\$ 19,315	\$ 4,992,976

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Operations

For the year ended 31 March 2015

<u>Fund</u>	<u>Revenue</u>					<u>Total Expenditures</u>	<u>Current Year Surplus (Deficit)</u>	<u>INAC Open Deferred</u>	<u>INAC Close Deferred</u>
	<u>Indian and Northern Affairs Canada</u>	<u>Government of Canada</u>	<u>Province of Ontario</u>	<u>Other</u>	<u>Total Revenue</u>				
Economic Development	\$ 143,850	\$ 2,139	\$ 105,301	\$ 378,927	\$ 630,217	\$ 630,027	\$ 190		
Education	1,952,976		14,151	147,538	2,114,665	2,114,637	28	\$ 241,210	\$ 188,316
General Government	471,259			185,797	657,056	710,174	(53,118)	49,407	49,006
Health Services	41,800	811,910	957,459	173,798	1,984,967	1,985,020	(53)		
Lands, Revenues and Trusts	124,359			90,484	214,843	214,843		28,677	30,000
Public Works	446,977		20,400	806,283	1,273,660	1,314,846	(41,186)	380,864	366,718
Social Services	118,803		876,148	170,440	1,165,391	1,165,391			
Total before Casino Operations and Section 95 Social Housing Operation	\$ 3,300,024	\$ 814,049	\$ 1,973,459	\$ 1,953,267	\$ 8,040,799	\$ 8,134,938	\$ (94,139)	\$ 700,158	\$ 634,040
Casino Operations				1,150,129	1,150,129	412,847	737,282		
Section 95 Social Housing Operation				151,528	151,528	151,528			
Total before tangible capital assets	\$ 3,300,024	\$ 814,049	\$ 1,973,459	\$ 3,254,924	\$ 9,342,456	\$ 8,699,313	\$ 643,143	\$ 700,158	\$ 634,040
Acquisition of tangible capital assets						(693,399)	693,399		
Amortization of tangible capital assets						470,882	(470,882)		
Grand Total	\$ 3,300,024	\$ 814,049	\$ 1,973,459	\$ 3,254,924	\$ 9,342,456	\$ 8,476,796	\$ 865,660	\$ 700,158	\$ 634,040

(See accompanying notes)

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Consolidated Statement of Changes in Net Financial Assets

For the year ended 31 March 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Net surplus for the year	\$ 887,248	\$ 261,014
Amortization of tangible capital assets	529,070	553,239
Acquisition of tangible capital assets and construction in progress	<u>(693,399)</u>	<u>(658,338)</u>
Increase in net financial assets	\$ 722,919	\$ 155,915
Net financial assets, beginning of year	<u>4,065,861</u>	<u>3,909,946</u>
Net financial assets, end of year	<u>\$ 4,788,780</u>	<u>\$ 4,065,861</u>

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net surplus prior to net income (deficit) for business enterprises	\$ 865,660	\$ 270,004
Net income (deficit) for business enterprises	<u>21,588</u>	<u>(8,990)</u>
Net surplus for the year	\$ 887,248	\$ 261,014
Add amortization which does not involve cash	<u>529,070</u>	<u>553,239</u>
	\$ 1,416,318	\$ 814,253
Net change in non cash working capital balances related to operations:		
- decrease (increase) in accounts receivable	\$ 3,640	\$ (100,565)
- (decrease) increase in accounts payable	(172,169)	(105,993)
- (decrease) increase in deferred revenue	<u>78,151</u>	<u>(51,835)</u>
	\$ (90,378)	\$ (258,393)
Cash flows from operating activities	\$ 1,325,940	\$ 555,860
Cash flows from (used for) financing activities:		
- (decrease) increase in mortgages payable	\$ (58,188)	\$ (57,008)
- (decrease) increase in funded reserves	<u>33,764</u>	<u>25,995</u>
Cash flows used for financing activities	\$ (24,424)	\$ (31,013)
Cash flows used for investing activities:		
Investment in solar project #1		\$ (28,500)
Decrease (increase) in investment in business enterprises	\$ (21,588)	8,990
Additions to tangible capital assets:		
Education	(31,800)	
General Government		(445,198)
Public Works	<u>(661,599)</u>	<u>(213,140)</u>
Cash flows used for investing activities	\$ (714,987)	\$ (677,848)
Increase (decrease) in cash and cash equivalents during the year	\$ 586,529	\$ (153,001)
Cash and cash equivalents at the beginning of the year	<u>7,544,093</u>	<u>7,697,094</u>
Cash and cash equivalents at the end of the year	\$ <u>8,130,622</u>	\$ <u>7,544,093</u>
Comprised of:		
Cash in bank - administration	\$ 2,634,538	\$ 2,862,579
- Casino Distribution Fund	5,311,467	4,529,184
- Section 95 Social Housing Operation	<u>184,617</u>	<u>152,330</u>
	\$ <u>8,130,622</u>	\$ <u>7,544,093</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

1. NATURE OF ORGANIZATION

The Algonquins of Pikwakanagan are a First Nation located in Pikwakanagan, Ontario. The First Nation receives funding from various Federal and Provincial agencies along with generating other income in order to provide support to the members of the community in their daily endeavours and overall well being. The operations of the First Nation are controlled and managed by Chief and Council.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Algonquins of Pikwakanagan are prepared in accordance with the Public Sector Accounting Board (PSAB) using the Canadian generally accepted accounting principles as set out in the Year End Reporting Handbook - Funding Agreements covering 2014 - 2015.

a) Non-Financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

b) Tangible Capital Assets:

i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI) for land, machinery and equipment and vehicles or the Non-Residential Building Construction Price Index (NRBCPI) for land improvements, buildings and linear assets. All land is valued at \$ 1.00 per segment. Certain assets which have historical or cultural value are not recognized as tangible capital assets.

ii) Amortization:

The TCAs are amortized annually with a corresponding reduction in equity in tangible capital assets. Amortization is calculated on the straight-line basis over the useful lives of the assets in varying amounts as follows:

Buildings	25 - 40 years
Machinery and equipment	4 - 15 years
Vehicles	5 years
Land improvements	10 - 25 years
Linear assets	10 - 40 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization expense will be charged against the operating unit. Capital work in progress is not amortized until it is put into service.

The Algonquins of Pikwakanagan have a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

iii) Contribution of Tangible Capital Assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer. There were no such transactions during the year.

c) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating and the related lease payments are charged to expenses as incurred.

d) Use of Estimates:

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

e) Basis of Accounting:

Expenditures and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that give rise to the revenue; expenditures are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

f) Deferred Revenue:

The Algonquins of Pikwakanagan receive restricted contributions under the authority of the provincial and federal governments. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

g) Business Enterprises:

Business enterprises are included in the consolidated statement of financial position on a modified equity basis. Under the modified equity method of accounting, only the Algonquins of Pikwakanagan's investment in the business enterprises and the enterprises' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprises that are different from those of the Algonquins of Pikwakanagan.

h) Cash and Cash Equivalents:

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

i) Financial Instruments:

Financial instruments include cash in bank, accounts receivable, investment in solar project #1, accounts payable and mortgages payable. Unless otherwise noted, it is management's opinion that the Algonquins of Pikwakanagan are not exposed to significant interest, currency or credit risks arising from these financial instruments.

3. FINANCIAL INSTRUMENTS

The carrying amounts reported on the statement of financial position for cash in bank, accounts receivable, accounts payable and mortgages payable, approximate their fair values, due to the immediate and short term nature of these financial instruments.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

The fair value of investment in solar project #1 and mortgages payable, including the current portion, is based on rates currently available to the Algonquins of Pikwakanagan with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

4. DEFERRED REVENUE

The portion of contributions that has been deferred to be applied to expenditures of subsequent years is as follows:

	<u>2015</u>	<u>2014</u>
Government of Canada:		
- Health	\$ 983,138	\$ 850,624
Indian and Northern Affairs Canada:		
- Education	188,316	241,211
- Public Works	366,718	380,865
- General Government	49,006	49,407
- Lands & Trusts	30,000	28,677
Provincial - Ontario:		
- Economic Development	1,578	4,853
- Education	4,716	
- Health	11,180	13,638
Other:		
- Health Services	5,026	11,503
- Economic Development	65,602	16,346
- Public Works	122,977	123,207
- Social Services	75,518	84,064
- General Government	136,489	128,688
- Education	55,383	57,443
- Land and Trusts	266,897	293,867
	<u>\$ 2,362,544</u>	<u>\$ 2,284,393</u>

5. CONTINGENT LIABILITIES

- a) The Algonquins of Pikwakanagan, under the guaranteed loan management system, has guaranteed loans obtained by members for the purpose of financing their portion of the housing costs.
- b) The Algonquins of Pikwakanagan, under the guaranteed loan management system, has guaranteed loans obtained by members for the purpose of financing their portion of the housing costs. The total of the guarantees amount to \$ 1,086,343.

6. ACCOUNTS RECEIVABLE

Included in accounts receivable is a balance owing on a mortgage in the amount of \$ 16,134. Only a portion of this mortgage is due and will be received in 2016.

7. INTERFUND TRANSFERS

The total expenditure of \$ 8,476,796 and total revenue of \$ 9,342,456 includes interfund transfers of \$ 351,777 (net of transfers to deferred revenue) from the Casino Distribution Fund along with \$ 197,105 relating to interfund transfers.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

8. BUSINESS ENTERPRISES

a) AOPFN General Partner Inc.:

- AOPFN General Partner Inc. is the general partner for AOPFN Limited Partnership with its' head office located on Algonquins of Pikwakanagan First Nation.
- the Algonquins of Pikwakanagan own 100% of the voting shares

- financial position:	<u>2015</u>	<u>2014</u>
- total assets at cost	\$ 129	\$ 101
- total liabilities at cost		1
- total revenue	29	
- total expenditures		

b) AOPFN Limited Partnership:

- AOPFN Limited Partnership holds interests in other partnerships and is located on Algonquins of Pikwakanagan First Nation.
- 99.99% of the partnership units (limited units) are owned by the Algonquins of Pikwakanagan and 0.01% of the partnership units (general units) are owned by AOPFN General Partner Inc. which is owned 100% by the Algonquins of Pikwakanagan.

- financial position:	<u>2015</u>	<u>2014</u>
- total assets at cost	\$ 42,903	\$ -
- total liabilities at cost	2,229	
- total revenue	73,192	
- total expenditures	36,251	

c) AOPFN HVAC Inc.:

- AOPFN HVAC Inc. holds interests in AOPFN HVAC Limited Partnership and is located on Algonquins of Pikwakanagan First Nation.
- AOPFN Limited Partnership owns 100% of the voting shares

- financial position:	<u>2015</u>	<u>2014</u>
- total assets at cost	\$ 100	\$ 101
- total liabilities at cost	1	1
- total revenue	23	
- total expenditures	24	

d) AOPFN HVAC Limited Partnership:

- AOPFN HVAC Limited Partnership operates a heating contracting business located on Algonquins of Pikwakanagan First Nation with contracts being completed on and off the First Nation.
- 99.99% of the partnership units (limited units) are owned by the AOPFN Limited Partnership and 0.01% of the partnership units (general units) are owned by AOPFN HVAC Inc. which is owned 100% by the AOPFN Limited Partnership.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

- financial position:	<u>2015</u>	<u>2014</u>
- total assets at cost	\$ 79,340	\$ -
- total liabilities at cost	75,607	
- total revenue	231,256	
- total expenditures	237,521	

e) The financial statements of each of the business enterprises are unaudited.

9. MORTGAGES PAYABLE

- a) Loan of \$ 283,793 (2014 - \$ 320,802) at 1.65% interest is repayable in blended monthly payments of \$ 3,551 including principal and interest, is due May 2022 and is renewable 1 June 2017. The amount is guaranteed by the Indian Affairs and Northern Development Canada.
- b) Loan of \$ 585,134 (2014 - \$ 606,313) at a rate of prime plus 2.78% interest is repayable in blended monthly payments of \$ 3,139 including principal and interest, is due July 2035 and is renewable 1 August 2015. The amount is guaranteed by the Indian Affairs and Northern Development Canada.
- c) The amounts repayable over the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 59,263	\$ 20,419	\$ 79,682
2017	60,498	19,184	79,682
2018	61,761	17,921	79,682
2019	63,052	16,630	79,682
2020	64,371	15,311	79,682
	<u>\$ 308,945</u>	<u>\$ 89,465</u>	<u>\$ 398,410</u>

10. FUNDED RESERVES (ESTABLISHED UNDER SECTION 95 SOCIAL HOUSING OPERATION)

- a) Operating reserve is established under Section 95 Social Housing Operation program to offset future operating deficits.
- b) The replacement reserve is established for the purpose of replacing items of a capital nature. The replacement reserve account is funded by an annual charge against earnings or approved to an appropriation of surplus. Interest earned and expenditures are charged against the reserve as incurred.

11. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Algonquins of Pikwakanagan by major asset class and by operational division, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

a) Contributed Tangible Capital Assets:

The Algonquins of Pikwakanagan records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. There were no such transactions during the year.

b) Tangible Capital Assets Recognized at Nominal Value:

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such asset is land which has been valued at \$ 1.00 per segment.

c) Section 95 Social Housing Operation:

Amortization for Section 95 Social Housing Operation assets is \$ 58,188 (2014 - \$ 57,008).

d) Equity in Tangible Capital Assets:

	<u>2015</u>	<u>2014</u>
Tangible capital assets - net	\$ 8,070,136	\$ 7,905,807
Net long term liabilities	<u>(868,927)</u>	<u>(927,115)</u>
Equity in tangible capital assets	<u>\$ 7,201,209</u>	<u>\$ 6,978,692</u>

Algonquins of Pikwakanagan

Consolidated Financial Statements

For the year ended 31 March 2015

Schedules of Revenue and Expenditure

and Supplementary Financial Information

SCHEDULE I	-	Economic Development
SCHEDULE II	-	Education
SCHEDULE III	-	General Government
SCHEDULE IV	-	Health Services and Attachment 1
SCHEDULE V	-	Lands, Revenues and Trusts
SCHEDULE VI	-	Public Works
SCHEDULE VII	-	Social Services
SCHEDULE VIII	-	Casino Distribution Fund
SCHEDULE IX	-	Salaries, Honoraria and Travel Expenses Paid to Chief and Council
SCHEDULE X	-	Salaries, Honoraria, Travel Expenses and Other Remuneration Paid to Administration
SCHEDULE XI	-	Schedule of Tangible Capital Assets (Segmented by Asset Class)
SCHEDULE XII	-	Schedule of Tangible Capital Assets (Segmented by Function)
STATEMENT OF	-	Band Trust Funds

Algonquins of Pikwakanagan

Economic Development

Schedule of Operations

For the year ended 31 March 2015

SCHEDULE 1

Project	Revenue						Surplus (Deficit)	INAC Open Deferred	INAC Close Deferred
	Indian and Northern Affairs Canada	Government of Canada	Province of Ontario	Other	Total Revenue	Operational Costs			
Kagita Mikam:									
- Development Officer				\$ 58,043	\$ 58,043	\$ 58,043		\$ -	\$ -
- KM - (ED02)				6,125	6,125	6,125			
- KM - (ED03)				10,210	10,210	10,028	\$ 182		
- KM - Heavy Equipment Training				4,411	4,411	4,411			
- KM - (ED06)				15,767	15,767	15,759	8		
- KM - Self Employment Workshop				3,621	3,621	3,621			
INAC:									
- Summer Students (SET)	\$ 11,300	\$ 2,139	\$ 2,240	41,961	57,640	57,640			
- Service Delivery (FIXED)	63,900			6,897	70,797	70,797			
- New Relationship Fund (FIXED)			89,725		89,725	89,725			
- Elements of Administration (FIXED)	35,000				35,000	35,000			
- Youth Experience (FN&Inuit) (SET)	33,650			22,552	56,202	56,202			
Other:									
- Energy Scout				90	90	90			
- Great Lakes			10,060		10,060	10,060			
- OPG - Energy Plan (ED10)				57,084	57,084	57,084			
- OPG - Joint Capacity				25,205	25,205	25,205			
- C. Professional Consultation				47,463	47,463	47,463			
- CORDA				4,208	4,208	4,208			
- Earthwalkers			3,276	1,456	4,732	4,732			
- O/M Retail				23,408	23,408	23,408			
- G - Art "N" Music Festival				21,897	21,897	21,897			
- O/M Industrial				28,529	28,529	28,529			
Total before tangible capital assets	\$ 143,850	\$ 2,139	\$ 105,301	\$ 378,927	\$ 630,217	\$ 630,027	\$ 190	\$ -	\$ -
Amortization of tangible capital assets						81,599	(81,599)		
Total	\$ 143,850	\$ 2,139	\$ 105,301	\$ 378,927	\$ 630,217	\$ 711,626	\$ (81,409)	\$ -	\$ -

(See accompanying notes)

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Education

Schedule of Operations

For the year ended 31 March 2015

SCHEDULE II

Project	Revenue					Operational Costs	Surplus (Deficit)	INAC Open Deferred	INAC Close Deferred
	Indian and Northern Affairs Canada	Government of Canada	Province of Ontario	Other	Total Revenue				
INAC:									
- Ancillary (FIXED)	\$ 117,500	\$ -		\$ 37,006	\$ 154,506	\$ 154,506		\$ 2,200	
- Management (FIXED)	79,100			197	79,297	79,297			
- New Paths (After School) (SET)	7,700				7,700	7,700			
- Post Secondary (FIXED)	530,809				530,809	530,809		110,035	\$ 82,550
- Transportation (FIXED)	235,133				235,133	235,133		123,489	100,280
- Tuition (SET)	853,592				853,592	853,592			
- Special ED (SET)	129,142				129,142	129,142			
- Special ED (FTP)								5,486	5,486
Other:									
- Back Pack				269	269	269			
- Library			\$ 14,151	15,000	29,151	29,151			
- G-Councillor				46,237	46,237	46,209	\$ 28		
- G-Awards				9,000	9,000	9,000			
- G-Language Mentor				5,811	5,811	5,811			
- KM-Stay In School (13/14)				11,747	11,747	11,747			
- KM-Stay In School (12/13)				22,271	22,271	22,271			
Total before tangible capital assets	\$ 1,952,976	\$ -	\$ 14,151	\$ 147,538	\$ 2,114,665	\$ 2,114,637	\$ 28	\$ 241,210	\$ 188,316
Acquisition of tangible capital assets						(31,800)	31,800		
Amortization of tangible capital assets						6,753	(6,753)		
Total	\$ 1,952,976	\$ -	\$ 14,151	\$ 147,538	\$ 2,114,665	\$ 2,089,590	\$ 25,075	\$ 241,210	\$ 188,316

(See accompanying notes)

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

General Government

Schedule of Operations

For the year ended 31 March 2015

SCHEDULE III

Project	Revenue					Operational Costs	Surplus (Deficit)	INAC Open Deferred	INAC Close Deferred
	Indian and Northern Affairs Canada	Government of Canada	Province of Ontario	Other	Total Revenue				
INAC:									
- BSF/CC (GRANT)	\$ 393,129	\$ -	\$ -	\$ 161,532	\$ 554,661	\$ 607,779	\$ (53,118)		
- Band Employee Ben. (STAT) (SET)	57,400				57,400	57,400			
- Band Employee Ben. (NON) (FIXED)	20,730				20,730	20,730		\$ 49,407	\$ 49,006
Other:									
- ANR - Flow				2,018	2,018	2,018			
- G - Book Purchase				6,655	6,655	6,655			
- G - Special Future Protection				4,485	4,485	4,485			
- G - Remembrance				1,597	1,597	1,597			
- G - Adhoc Awareness				347	347	347			
- G - Land Acquisition				6,823	6,823	6,823			
- G - Microfit Solar				1,840	1,840	1,840			
- G - Compassionate				500	500	500			
Total	\$ 471,259	\$ -	\$ -	\$ 185,797	\$ 657,056	\$ 710,174	\$ (53,118)	\$ 49,407	\$ 49,006

(See accompanying notes)

Algonquins of Pikwakanagan

Health Services

Schedule of Operations

For the year ended 31 March 2015

SCHEDULE IV

Project	Revenue					Operational Costs	Surplus (Deficit)	INAC Open Deferred	INAC Close Deferred
	Indian and Northern Affairs Canada	Government of Canada	Province of Ontario	Other	Total Revenue				
Health Canada:									
- Medical Transportation (SET)		\$ 97,933			\$ 97,933	\$ 97,933		\$ -	\$ -
- Transfer (3) - ON0300515		33,920			33,920	33,920			
- Transfer (4)		49,063		\$ 5,000	54,063	54,063			
- Transfer - MCAR		5,828			5,828	5,828			
- Transfer (FLEXIBLE)		563,247			563,247	563,247			
- Drinking Water (SET)		27,500			27,500	27,500			
- Roof		11,112			11,112	11,112			
- Pandemic		2,000			2,000	2,000			
- Children Oral Health (SET)		21,307			21,307	21,307			
Other:									
- Diabetes (DEP)				1,600	1,600	1,600			
- Recruitment				10,000	10,000	10,000			
- HIV/AIDS				1,000	1,000	1,000			
- Healthy Babies				25,876	25,876	25,876			
- Palliative Care			\$ 4,290		4,290	4,290			
- AHWS				28,159	28,159	28,159			
- IHCP - Summer				1,886	1,886	1,886			
- Board Room Rental				53	53	53			
- FHT			322,608		322,608	322,608			
- FHT (DR)			6,407		6,407	6,407			
- LTC (W&B) Supportive House			89,504	6	89,510	89,510			
- LTC (TM-O&M)				51,737	51,737	51,737			
- LTC - 1 x			6,200		6,200	6,200			
- Homemakers INAC (SET)	\$ 41,800		167,200	452	209,452	209,505	\$ (53)		
- Health Careers				3,500	3,500	3,500			
- Activator (to July 2014)			13,638	3,311	16,949	16,949			
- Activator (Aug 2014 forward)			34,683		34,683	34,683			
- Mental Health Workers			133,070		133,070	133,070			
- Mental Health Workers Training			13,848		13,848	13,848			
- Mental Health - PRH				41,218	41,218	41,218			
- Aging at Home			166,011		166,011	166,011			
Total before tangible capital assets	\$ 41,800	\$ 811,910	\$ 957,459	\$ 173,798	\$ 1,984,967	\$ 1,985,020	\$ (53)	\$ -	\$ -
Amortization of tangible capital assets						105,161	(105,161)		
Total	\$ 41,800	\$ 811,910	\$ 957,459	\$ 173,798	\$ 1,984,967	\$ 2,090,181	\$ (105,214)	\$ -	\$ -

(See accompanying notes)

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

ATTACHMENT 1

INDEPENDENT AUDITOR'S DERIVATIVE REPORT

To the Minister of Health,
c/o Regional Director,
East Region,
First Nations and Inuit Health Branch,
Health Canada.

At the request of the Algonquins of Pikwakanagan First Nation and in accordance with the Reporting and Audit Guidelines established by your department, we have reviewed the financial information contained in The Report on Health Expenditures and in The Report on Moveable Capital Assets Replacement Reserve. This information was found to be consistent with the audited financial statements for the year ended 31 March 2015 which we have reported on without reservation.

We have also reviewed the terms and conditions of your agreement with the Algonquins of Pikwakanagan First Nation and during the course of our audit did not encounter any instances where the terms and conditions were not met. In addition, we have certified that the services of a Medical Officer of Health are available, that nurses are registered with their provincial association and that mandatory reporting concerning immunization and communicable diseases has been completed and sent to the Province.*

This report is provided solely for the purpose of assisting Health Canada in discharging its responsibilities and should not be referred to or used for any other purpose.

* **NOTE:** The mandatory program requirements listed in this opinion may or may not be applicable depending on the programs transferred.

MacKillican & Associates

RENFREW, Ontario.
28 July 2015.

Chartered Professional Accountants,
Licensed Public Accountants.

620 Barnet Blvd.
Renfrew ON, K7V 0A8
T: 613.432.3664 | F: 613.432.8424

14 Madawaska Street -- P.O. Box 94
Arnprior ON, K7S 3H2
T: 613.623.7926 | F: 613.623.7927

Email: info@mackillicans.com | Website: www.mackillicans.com

J.D. Healey, CPA, CA, LPA | R.K. Richards, CPA, CA, LPA | B.D. Thompson, CPA, CA, LPA | D.J. Thompson, CPA, CA, LPA

ALGONQUINS OF PIKWAKANAGAN
ON-1000011
(Flexible/Set Funding)

2013-2014

STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS/DEFICIT
FOR PERIOD ENDING 31 MARCH, 2015

REVENUE

FNIHB Funding Agreement	
- Flexible (less MCAR)	774166
- Set	61919
- Medical Transportation	97933
	<u>934018</u>

EXPENDITURE

Flexible Funding Model	
- Community Programs - Children and Youth	
Canada Prenatal Nutrition Program	49292
Early Childhood Development	29220
	<u>78512</u>
- Community Programs - Mental Health & Addiction	
Brighter Futures	35628
Building Healthier Communities	16742
NNADAP	7447
ELCC	
	<u>59817</u>
- Community Programs - Chronic Disease & Injury Prevention	
Aboriginal Diabetes Initiative	30753
- Primary Care	
CHPIIP	59934
Home & Community Care	98476
Facility	60971
Facility AHS	5513
	<u>224894</u>
- Health Governance and Management	
Management	169273
- Evaluation	
Evaluation	0
	<u>563249</u>
Set Funding Model	
- Non-Insured Health - Medical Transportation	97933
- Primary - Children's Oral Health	21307
- Health Protection - EH/DWSP	27500
- Health Governance - Pandemic Planning	2000
- Roof	11112
	<u>159852</u>

EXCESS REVENUE (EXPENDITURE) 210917

EXPENDITURE LESS - EXPENSES PRIOR CONTRIBUTION AGREEMENT'S 82983

82983

LESS -

ACCUMULATED SURPLUS AT BEGINNING OF YEAR 830224

ACCUMULATED SURPLUS AT END OF YEAR 958152

ALGONQUINS OF PIKWAKANAGAN
STATEMENT OF MOVEABLE ASSETS RESERVE
FOR THE PERIOD ENDING 31 MARCH 2015

BALANCE AT BEGINNING OF YEAR	20398
AMOUNT PROVIDED IN AGREEMENT FOR MAR 14/15	<u>9005</u>
	29403
REVENUE GENERATED	0
EXPENDITURES (ACQUISITIONS and REPLACEMENTS)	5827
BALANCE AT END OF YEAR	<u><u>23576</u></u>

Algonquins of Pikwakanagan

Lands, Revenues and Trusts

Schedule of Operations

For the year ended 31 March 2015

SCHEDULE V

Project	Revenue				Operational Costs	Surplus (Deficit)	INAC Open Deferred	INAC Close Deferred
	Indian and Northern Affairs Canada	Government of Canada	Province of Ontario	Other	Total Revenue			
INAC:								
- LEM (FIXED)	\$ 700	\$ -	\$ -		\$ 700	\$ 700	\$ -	
- LEM (SET)	49,982			\$ 1,115	51,097	51,097		
- FNLMA (FIXED)	73,677				73,677	73,677	\$ 28,677	\$ 30,000
Other:								
- G - Harvest				89,369	89,369	89,369		
Total before tangible capital assets	\$ 124,359	\$ -	\$ -	\$ 90,484	\$ 214,843	\$ 214,843	\$ -	\$ 30,000
Amortization of tangible capital assets					2,519	(2,519)		
Total	\$ 124,359	\$ -	\$ -	\$ 90,484	\$ 214,843	\$ 217,362	\$ 28,677	\$ 30,000

(See accompanying notes)

Algonquins of Pikwakanagan

Public Works

Schedule of Operations

For the year ended 31 March 2015

SCHEDULE VI

Project	Revenue					Operational Costs	Surplus (Deficit)	INAC Open Deferred	INAC Close Deferred
	Indian and Northern Affairs Canada	Government of Canada	Province of Ontario	Other	Total Revenue				
INAC - OPERATION AND MAINTENANCE:									
- Community Buildings (FIXED)	\$ 43,022	\$ -		\$ 6,600	\$ 49,622	\$ 49,622			
- Water (FIXED)	30,810				30,810	30,810			
- Electrical (FIXED)	12,250				12,250	14,031	\$ (1,781)		
- Fire (FIXED)	56,544			30	56,574	60,430	(3,856)	\$ 3,415	
- Roads (FIXED)	58,199		\$ 20,400	13,842	92,441	99,757	(7,316)		
- Solid Waste (FIXED)	14,964			1,424	16,388	33,798	(17,410)		
INAC - CAPITAL:									
- Minor Capital (FIXED)	225,156			131,244	356,400	356,400		362,075	\$ 357,376
INAC - OTHER:									
- Solid Waste (Garbage Truck) (FIXED)	6,032				6,032	6,032		15,374	9,342
Other:									
- ACL				11,293	11,293	11,293			
- G-Makwa (O&M)				72,471	72,471	72,471			
- Revolving House Funds				10,400	10,400	10,400			
- Duplex				397,420	397,420	397,420			
- Rental Income/Expense				123,684	123,684	134,507	(10,823)		
- Admin Reno				7,465	7,465	7,465			
- G - Recycling				30,410	30,410	30,410			
Total before tangible capital assets	\$ 446,977	\$ -	\$ 20,400	\$ 806,283	\$ 1,273,660	\$ 1,314,846	\$ (41,186)	\$ 380,864	\$ 366,718
Acquisition of tangible capital assets						(661,599)	661,599		
Amortization of tangible capital assets						242,211	(242,211)		
Total	\$ 446,977	\$ -	\$ 20,400	\$ 806,283	\$ 1,273,660	\$ 895,458	\$ 378,202	\$ 380,864	\$ 366,718

(See accompanying notes)

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Social Services

Schedule of Operations

For the year ended 31 March 2015

SCHEDULE VII

Project	Revenue					Operational Costs	Surplus (Deficit)	INAC Open Deferred	INAC Close Deferred
	Indian and Northern Affairs	Government of Canada	Province of Ontario	Other	Total Revenue				
	Canada	Canada	Ontario	Other	Revenue				
INAC:									
- OW - Service Agreement (FIXED)	\$ 33,000	\$ -	\$ 90,200		\$ 123,200	\$ 123,200	\$ -	\$ -	\$ -
- Day Care (FIXED)	44,600		231,615	\$ 4,337	280,552	280,552			
- GWA - regular/sole/special (SET)	25,629		213,148		238,777	238,777			
- NCB (SET)	12,200				12,200	12,200			
Other:									
- OW - transitional support			46,295		46,295	46,295			
- Childrens Mental Health			21,000		21,000	21,000			
- G - Generator				240	240	240			
- Cultural Camp				2,000	2,000	2,000			
- ASETS				64,614	64,614	64,614			
- Fundraising				1,022	1,022	1,022			
- DC - Health & Safety (Stain)			17,600		17,600	17,600			
- SATF (Employment)	3,374				3,374	3,374			
- Christmas Hamper Initiative				850	850	850			
- AHWS				28,159	28,159	28,159			
- RCC Initiative				3,479	3,479	3,479			
- FVP				10,503	10,503	10,503			
- Prevention			153,568		153,568	153,568			
- Foster (O&M)				8,903	8,903	8,903			
- D/C - Capacity Funding			11,322		11,322	11,322			
- D/C - Transformational Funding			46,500		46,500	46,500			
- D/C - Special Needs Resourcing			44,900		44,900	44,900			
- G - Day Care Language				46,333	46,333	46,333			
Total before tangible capital assets	\$ 118,803	\$ -	\$ 876,148	\$ 170,440	\$ 1,165,391	\$ 1,165,391	\$ -	\$ -	\$ -
Amortization of tangible capital assets						32,639	(32,639)		
Total	\$ 118,803	\$ -	\$ 876,148	\$ 170,440	\$ 1,165,391	\$ 1,198,030	\$ (32,639)	\$ -	\$ -

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Casino Distribution Fund

Schedule of Operations

For the year ended 31 March 2015

SCHEDULE VIII

Project	Revenue					Total Operational Costs	Current Year Surplus (Deficit)
	Indian and Northern Affairs Canada	Government of Canada	Province of Ontario	Other	Total Revenue		
Funding	\$ -	\$ -	\$ -	\$ 1,150,129	\$ 1,150,129		
Program Development Expenses:							
- Community Development						\$ 193,602	
- Education, Bursaries and Awards						9,000	
- Language and Culture						122,565	
- Economic Development						87,680	
Total	\$ -	\$ -	\$ -	\$ 1,150,129	\$ 1,150,129	\$ 412,847	\$ 737,282

(See accompanying notes)

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

SCHEDULE IX

Algonquins of Pikwakanagan

Schedule of Salaries, Honoraria and Travel Expenses Paid to

Chief and Council

For the year ended 31 March 2015

<u>Name of Individual Chief/Council Member</u>	<u>Number of Months</u>	<u>Salaries and Honoraria</u>	<u>Travel Expenses</u>	<u>Bonuses</u>	<u>Pension</u>	<u>Health</u>	<u>Total</u>
Kirby Whiteduck	12	\$ 19,000	\$ 8,810	\$ -	\$ -	\$ -	\$ 27,810
Daniel Kohoko	12		3,630				3,630
Sherrylyn Sarazin	12		1,023				1,023
Clifford Meness	12		4,086				4,086
H. Jerrow Lavalley	12		1,933				1,933
James Meness	12	1,663	3,001				4,664
Ronald Bernard	12		6,246				6,246

(See accompanying notes)

SCHEDULE X

Algonquins of Pikwakanagan

Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration Paid to

Administration

For the year ended 31 March 2015

<u>Employee</u>	<u>Salary Range</u>		<u>Travel</u>	<u>Bonuses</u>	<u>Pension</u>	<u>Health</u>	<u>Number of Months</u>
	<u>From</u>	<u>To</u>					
Christine Lightbody	\$ 48,544	\$ 60,682	\$ 3,748	\$ -	\$ 3,029	\$ 1,014	12
Merv Sarazin	48,544	60,682	3,298		3,351	1,298	12
Danny Sarazin	48,544	60,682	5,092		2,466	394	12
Teresa M. Kohoko	48,544	60,682	5,885		3,351	1,381	12
Maureen Kauffeldt	48,544	60,682	5,036		3,549	954	12
Catherine Bernard	53,205	66,503	2,096		3,672	1,607	12
Vicky Two-Axe	51,972	64,965	2,967		3,820	1,333	12
Della Meness	48,544	60,682	10,364		2,681		12

Note - Salary range has remained the same however cost of living increases have been granted to employees.

(See accompanying notes)

Algonquins of Pikwakanagan
Schedule of Tangible Capital Assets
As at 31 March 2015
(with 2014 figures for comparison)

Segmented by asset class:	Balance at 31 March 2014	Additions	Disposals, write-offs and adjustments	Balance at 31 March 2015
<u>Cost</u>				
Land	\$ 407,424			\$ 407,424
Land improvements	199,682			199,682
Buildings	10,323,441	\$ 397,420	\$ 52,465	10,773,326
Machinery and equipment	1,054,300			1,054,300
Vehicles	259,717			259,717
Linear assets	1,195,173	295,979		1,491,152
Capital work in progress	80,465		(52,465)	28,000
Total	\$ <u>13,520,202</u>	\$ <u>693,399</u>	\$ <u>-</u>	\$ <u>14,213,601</u>

Accumulated amortization	Balance at 31 March 2014	Amortization	Disposals, write-offs and adjustments	Balance at 31 March 2015
Land improvements	\$ 108,331	\$ 9,906	\$ -	\$ 118,237
Buildings	4,470,740	369,649		4,840,389
Machinery and equipment	529,947	68,931		598,878
Vehicles	82,352	31,919		114,271
Linear assets	423,025	48,665		471,690
Total	\$ <u>5,614,395</u>	\$ <u>529,070</u>	\$ <u>-</u>	\$ <u>6,143,465</u>

<u>Net book value</u>	Balance at 31 March 2014	Balance at 31 March 2015
Land	\$ 407,424	\$ 407,424
Land improvements	91,351	81,445
Buildings	5,852,701	5,932,937
Machinery and equipment	524,353	455,422
Vehicles	177,365	145,446
Linear assets	772,148	1,019,462
Capital work in progress	80,465	28,000
Total	\$ <u>7,905,807</u>	\$ <u>8,070,136</u>

(See accompanying notes)

SCHEDULE XII

Algonquins of Pikwakanagan
Schedule of Tangible Capital Assets

As at 31 March 2015
(with 2014 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 March <u>2014</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 March <u>2015</u>
Economic development	\$ 2,039,953		\$ -	\$ 2,039,953
Education	111,390	\$ 31,800		143,190
Health	2,427,710			2,427,710
Lands, revenues and trusts	445,209			445,209
Public works	7,679,960	661,599		8,341,559
Social services	815,980			815,980
Total	<u>\$ 13,520,202</u>	<u>\$ 693,399</u>	<u>\$ -</u>	<u>\$ 14,213,601</u>

<u>Accumulated amortization</u>	Balance at 31 March <u>2014</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 March <u>2015</u>
Economic development	\$ 163,198	\$ 81,599	\$ -	\$ 244,797
Education	19,883	6,753		26,636
Health	1,063,636	126,340		1,189,976
Lands, revenues and trusts		2,519		2,519
Public works	3,835,911	279,220		4,115,131
Social services	531,767	32,639		564,406
Total	<u>\$ 5,614,395</u>	<u>\$ 529,070</u>	<u>\$ -</u>	<u>\$ 6,143,465</u>

<u>Net book value</u>	Balance at 31 March <u>2014</u>	Balance at 31 March <u>2015</u>
Economic development	\$ 1,876,755	\$ 1,795,156
Education	91,507	116,554
Health	1,364,074	1,237,734
Lands, revenues and trusts	445,209	442,690
Public works	3,844,049	4,226,428
Social services	284,213	251,574
Total	<u>\$ 7,905,807</u>	<u>\$ 8,070,136</u>

(See accompanying notes)

Algonquins of Pikwakanagan

Statement of Band Trust Funds

For the year ended 31 March 2015

	<u>Capital</u>	<u>Revenue</u>
Balance 1 April 2014	\$ 237	\$ 5,153
Addition:		
Interest	<u>-</u>	<u>153</u>
Balance 31 March 2015	<u>\$ 237</u>	<u>\$ 5,306</u>

(See accompanying notes)