Sagamok Anishnawbek

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PRIVATE AND CONFIDENTIAL
Aboriginal Affairs and Northern Development Canada
40 Elm Street, Suite 290
Rainbow Centre - 2nd floor
Sudbury ON P3C 1S8

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AANDC SUD

July 28, 2015

Dear Sir or Madam:

Re: Sagamok Anishnawbek

From the package submitted on July 28, 2015 to your office re: the March 31, 2015 year end, please note that the following items are part of the FNFTA requirements and are to be published by the First Nation and can be made available on the AANDC's internet site:

- Audited Financial Statements
- Schedule of Remuneration and Expenses – Chief & Council

The following other required reporting documents will not be published and are for AANDC's internal purposes only:

- Schedule of Remuneration and Expenses – Unelected Senior Officials
- Revenues and Expenses – Aboriginal Affairs and Northern Development Canada

We trust this is satisfactory. Should you have any questions or require any additional information, please do not hesitate to contact our office.

Yours very truly

Kim Sissenah

Kim Sissenah
Director of Finance

Enclosures:

Consolidated Financial Statements of

SAGAMOK ANISHNAWBEK

Year ended March 31, 2015

KPMG

KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury ON P3C 1X3

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INDEPENDENT AUDITORS' REPORT

To the Chief and Council of Sagamok Anishnawbek

We have audited the accompanying consolidated financial statements of **Sagamok Anishnawbek** which comprise the consolidated statement of financial position as at March 31, 2015, the consolidated statements of operations, changes in net financial assets (net debt) and cash flows for the year then ended, and notes, comprising 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 our 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, we consider 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, these consolidated financial statements present fairly, in all material respects, the financial position of Sagamok Anishnawbek as at March 31, 2015 and its results of operations, its changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

July 17, 2015
Sudbury, Canada

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of **Sagamok Anishnawbek** are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. 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.

Sagamok 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 Sagamok's assets are appropriately accounted for and adequately safeguarded.

Sagamok 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 Chief and Council reviewed Sagamok's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

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

Chief

Chief Executive Officer

SAGAMOK ANISHNAWBEK

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Year ended March 31, 2014

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SAGAMOK ANISHNAWBEK

Consolidated Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Financial Assets		
Cash	$ 312,313	$ 494,987
Restricted cash	1,621,371	1,676,118
Accounts receivable	1,322,697	1,408,344
Investments (note 2)	1,493,704	1,293,781
Investment in business enterprise (note 3)	395	-
	4,750,480	4,873,230
Financial Liabilities		
Bank indebtedness	557,749	-
Accounts payable and accrued liabilities	1,613,812	1,267,921
Deferred revenue	466,008	718,736
Long-term debt (note 5)	11,135,719	10,874,553
	13,773,288	12,861,210
Net financial assets (net debt)	(9,022,808)	(7,987,980)
Non-Financial Assets		
Inventory	1,800	1,800
Prepaid expenses	159,389	175,232
Tangible capital assets (note 4)	22,099,468	21,167,955
	22,260,657	21,344,987
Contingent liabilities (note 8)		
Accumulated surplus (note 6)	$ 13,237,849	$ 13,357,007

See accompanying notes to consolidated financial statements.

Approved on behalf of Council:

Chief

Chief Executive Officer

SAGAMOK ANISHNAWBEK

Consolidated Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada (note 11)	$ 7,873,885	$ 8,164,216
Health Canada	2,169,798	2,146,744
Canada Mortgage and Housing Corporation	446,659	430,935
Ontario First Nations Limited Partnership	1,190,964	1,174,510
Ministry of Education	470,767	431,161
North Shore Tribal Council	3,187,207	3,010,158
Other	5,941,916	6,474,823
Net income from business enterprise (note 3)	395	-
	21,281,591	21,832,547
Expenses:		
Education	5,255,501	5,205,299
Medical Services	3,330,451	3,328,207
Social Assistance - Income Support	2,322,660	2,198,554
Band Government	2,155,125	2,191,229
Community Infrastructure	1,565,536	1,381,828
Community Housing	1,318,858	1,258,610
Mining Initiative	762,011	366,107
Sagamok Development Corporation	647,293	2,043,060
Housing Renovations	596,003	199,415
Aboriginal Skills and Employment Training Strategy	562,232	407,077
Day Nursery Program	553,140	548,520
Ritchie Falls	531,966	386,295
Infrastructure Expansion / Minor Capital	208,958	396,868
Housing Administration	329,141	362,167
Restricted Funds	295,242	547,318
Business Enterprises	213,766	211,936
Economic Development	162,718	640,464
Land and Environment	136,526	75,498
Community Hall Operations	86,325	73,429
Employment Programs	82,677	141,082
First Nations Child Care Initiative	73,923	90,079
Aboriginal Skills and Employment Training Strategy - Employment Insurance	73,853	50,102
School Feasibility Study	57,600	-
Foster Home	40,830	10,361
Federal School Capital	36,989	36,674
Fisheries	1,425	26,250
	21,400,749	22,176,429
Deficiency of revenue over expenses	(119,158)	(343,882)
Accumulated surplus, beginning of year	13,357,007	13,700,889
Accumulated surplus, end of year	$ 13,237,849	$ 13,357,007

See accompanying notes to consolidated financial statements.

SAGAMOK ANISHNAWBEK

Consolidated Statement of Changes in Net Financial Assets (Net Debt)

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Deficiency of revenue over expenses	$ (119,158)	$ (343,882)
Acquisition of tangible capital assets	(2,138,000)	(1,032,688)
Amortization of tangible capital assets	1,198,668	1,220,460
Loss (gain) on disposal of tangible capital assets	7,819	(13,925)
Proceeds on disposal of tangible capital assets	-	25,000
	(1,050,671)	(145,035)
Use of prepaid expenses	175,232	236,798
Acquisition of prepaid expenses	(159,389)	(175,232)
Change in net financial assets (net debt)	(1,034,828)	(83,469)
Net debt, beginning of year	(7,987,980)	(7,904,511)
Net debt, end of year	$ (9,022,808)	$ (7,987,980)

See accompanying notes to consolidated financial statements.

SAGAMOK ANISHNAWBEK

Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash flows from operating activities:		
Deficiency of revenue over expenses	$ (119,158)	$ (343,882)
Adjustment for:		
Amortization of tangible capital assets	1,198,668	1,220,460
Loss (gain) on disposal of tangible capital assets	7,819	(13,925)
	1,087,329	862,653
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	85,647	(501,859)
Decrease in other accounts receivable	-	55,000
Decrease in prepaid expenses	15,843	61,566
Increase (decrease) in accounts payable and accrued liabilities	345,891	(212,929)
Increase (decrease) in deferred revenue	(252,728)	292,300
	1,281,982	556,731
Cash flow from financing activities:		
Long-term debt issued	962,960	654,147
Principal payments on long-term debt	(701,794)	(688,029)
	261,166	(33,882)
Cash flows from capital activity:		
Purchase of tangible capital assets	(2,138,000)	(1,032,688)
Proceeds on disposition of capital assets	-	25,000
	(2,138,000)	(1,007,688)
Cash flow from investing activities:		
Increase in investments	(199,923)	(20,725)
Decrease (increase) in investment in business enterprise	(395)	48,811
	(200,318)	28,086
Net decrease in cash	(795,170)	(456,753)
Cash, beginning of year	2,171,105	2,627,858
Cash, end of year	$ 1,375,935	$ 2,171,105
Represented by:		
Cash	$ 312,313	$ 494,987
Bank indebtedness	(557,749)	-
Restricted cash	1,621,371	1,676,118
	$ 1,375,935	$ 2,171,105

See accompanying notes to consolidated financial statements.

1. Significant accounting policies:

These consolidated financial statements of Sagamok Anishnawbek ("the First Nation") have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Reporting entity:

These consolidated financial statements include the activities of Sagamok Development Corporation and Ritchie Falls Resort, both under the control of the First Nation.

(b) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue.

(c) Allocation of revenue and expenses:

The allocation of revenue and expenses was determined by Chief and Council in accordance with the specific terms of the applicable contribution agreements.

1. **Significant accounting policies (continued):**

(d) 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.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land is amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Estimated Life - Years
Computer equipment	4 years
Vehicles	15 years
Furniture and equipment	5 - 10 years
Machinery and equipment	6 - 25 years
Water systems	10 - 50 years
Roads	25 - 50 years
Housing	25 - 40 years
Buildings	25 - 40 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

1. Significant accounting policies (continued):

(e) 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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying value of capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Investments:

	2015	2014
Knowledge First Financial Education Fund	$ 795,191	783,781
Manitoulin Hotel Project	688,513	500,000
Bonds	10,000	10,000
	$ 1,493,704	1,293,781

The Knowledge First Financial Education Fund represents funds invested with Knowledge First Financial for education scholarships.

The Manitoulin Hotel Project is an amount invested in the hotel currently in operation in Little Current, Ontario.

The bonds represent a security deposit with the Ministry of Natural Resources required for forestry licenses.

3. Investment in business enterprises:

Z'Gamok Enterprises Inc.

The First Nation has a direct 100% interest in Z'Gamok Enterprises Inc. Z'Gamok Enterprises Inc. is engaged primarily in contracted services for mining, ore hauling, and custodial services. The First Nation's interest in Z'Gamok Enterprises Inc. results of operations for the year ended March 31, 2015 is included in the First Nation's consolidated statement of financial activities.

The following table presents condensed supplementary financial information of Z'Gamok Enterprises Inc. for the year ended March 31, 2015:

	2015
Financial position:	
Current assets	$ 1,793,529
Total assets	1,793,529
Current liabilities	1,516,137
Due to Sagamok Anishnawbek	192,130
Due to Sagamok Development Corporation	84,867
Total liabilities	1,793,134
Net assets	$ 395
Results of operations:	
Revenues	$ 2,850,928
Expenses	2,850,533
Net income	$ 395

Transactions between Z'Gamok Enterprises Inc., Sagamok Anishnawbek, and Sagamok Development Corporation are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

4. Tangible capital assets:

Cost	Balance March 31, 2014	Additions	Disposals	Balance at March 31, 2015
Land and land improvements	$ 494,032	$ -	$ -	$ 494,032
Buildings	24,900,207	2,025,065	-	26,925,272
Furniture and equipment	755,105	-	-	755,105
Vehicles	784,805	65,821	(33,487)	817,139
Machinery and equipment	434,157	13,852	-	448,009
Roads infrastructure	6,047,542	11,287	-	6,058,829
Water and sewer infrastructure	2,076,010	-	-	2,076,010
Computer	436,712	29,792	-	466,504
Total	$ 35,928,570	$ 2,145,817	$ (33,487)	$ 38,040,900

Accumulated amortization	Balance March 31, 2014	Amortization Expense	Disposals	Balance at March 31, 2015
Land and land improvements	$ 137,633	$ 8,987	$ -	$ 146,620
Buildings	9,112,295	835,095	-	9,947,390
Furniture and equipment	278,753	65,032	-	343,785
Vehicles	350,050	21,926	(25,668)	346,308
Machinery and equipment	125,370	2,223	-	127,593
Roads infrastructure	3,602,248	147,774	-	3,750,022
Water and sewer infrastructure	818,884	53,146	-	872,030
Computer	335,382	72,302	-	407,684
Total	$ 14,760,615	$ 1,206,485	$ (25,668)	$ 15,941,432

	Net book value March 31, 2014	Net book value March 31, 2015
Land and land improvements	$ 356,399	$ 347,412
Buildings	15,787,912	16,977,882
Furniture and equipment	476,352	411,320
Vehicles	434,755	470,831
Machinery and equipment	308,787	320,416
Roads infrastructure	2,445,294	2,308,807
Water and sewer infrastructure	1,257,126	1,203,980
Computer	101,330	58,820
Total	$ 21,167,955	$ 22,099,468

4. Tangible capital assets (continued):

Cost	Balance March 31, 2013	Additions	Disposals	Balance at March 31, 2014
Land and land improvements	$ 494,032	$ -	$ -	$ 494,032
Buildings	24,155,636	744,571	-	24,900,207
Furniture and equipment	706,491	48,614	-	755,105
Vehicles	689,262	95,543	-	784,805
Machinery and equipment	384,458	97,149	(47,450)	434,157
Roads infrastructure	6,047,542	-	-	6,047,542
Water and sewer infrastructure	2,076,010	-	-	2,076,010
Computer	389,901	46,811	-	436,712
Total	$ 34,943,332	$ 1,032,688	$ (47,450)	$ 35,928,570

Accumulated amortization	Balance March 31, 2013	Amortization Expense	Disposals	Balance at March 31, 2014
Land and land improvements	$ 128,373	$ 9,260	$ -	$ 137,633
Buildings	8,298,548	813,747	-	9,112,295
Furniture and equipment	210,057	68,696	-	278,753
Vehicles	296,404	53,646	-	350,050
Machinery and equipment	142,475	19,270	(36,375)	125,370
Roads infrastructure	3,462,279	139,969	-	3,602,248
Water and sewer infrastructure	765,738	53,146	-	818,884
Computer	272,656	62,726	-	335,382
Total	$ 13,576,530	$ 1,220,460	$ (36,375)	$ 14,760,615

	Net book value March 31, 2013	Net book value March 31, 2014
Land and land improvements	$ 365,659	$ 356,399
Buildings	15,857,088	15,787,912
Furniture and equipment	496,434	476,352
Vehicles	392,858	434,755
Machinery and equipment	241,983	308,787
Roads infrastructure	2,585,263	2,445,294
Water and sewer infrastructure	1,310,272	1,257,126
Computer	117,245	101,330
Total	$ 21,366,802	$ 21,167,955

5. Long-term debt:

The details of the long-term debt are as follows:

	2015	2014
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $2,757 including interest at 1.92%, due April 2017	$ 219,004	247,604
Mortgage payable to Royal Bank of Canada in monthly payments of $2,272 including interest at 2.78%, due February 2018	193,512	215,087
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $2,649 including interest at 1.67%, due June 2018	244,844	272,303
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $10,108 including interest at 2.65%, due February 2015	1,041,158	1,134,178
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $8,239 including interest at 2.75%, due February 2016	919,711	992,337
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $4,550 including interest at 1.67%, due June 2018	641,549	685,079
Term loan payable in monthly payments of $1,430 plus interest at prime plus 1.75% per annum, due April 2014	–	1,430
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $3,201 including interest at 1.80%, due October 2016	548,300	576,605
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $3,213 including interest at 1.65%, due June 2017	578,618	607,395
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $5,443 including interest at 2.35%, due September 2018	972,983	1,015,007
Term loan payable to Toronto-Dominion Bank in monthly payments of $5,666 including interest at prime plus 5.56% per annum, due August 2016	119,661	198,591
Mortgage payable to Canada Mortgage and Housing Corporation, in monthly payments of $5,431 including interest at 2.76%, due June 2015	1,009,283	1,046,199
Mortgage payable to Canada Mortgage and Housing Corporation, in monthly payments of $2,543 including interest at 1.92%, due April 2019	602,281	592,000
Brought forward	$ 7,090,904	7,583,815

5. Long-term debt (continued):

	2015	2014
Carried forward	$ 7,090,904	7,583,815
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $2,559 including interest at 2.68%, due February 2016	490,341	507,728
TD Bank loan - John Deere Grader with monthly principal payments of $2,946 plus interest at 5.29%, due September 2015	116,743	134,553
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $1,255 including interest at 1.65%, due September 2016	157,629	169,981
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $1,944 including interest at 1.49%, due January 2017	434,801	451,538
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $3,610 including interest at 1.53%, due December 2017	832,217	862,592
Term loan payable to Royal Bank of Canada in monthly payments of $3,363 including interest at 4.5%, due October 2017	239,156	268,066
TD Bank loan - Community Hall with monthly principal payments of $5,000 plus interest at Prime + 1.25%, due March 2018	785,000	845,000
TD Bank loan - John Deere Backhoe with monthly principal payments of $1,410 plus interest at 4.24%, due June 2017	36,250	51,280
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $13,379 including interest at 2.84%, due December 2019	318,298	–
Mortgage payable to Canada Mortgage and Housing Corporation in monthly payments of $14,174 including interest at 2.84%, due December 2019	634,380	–
	$ 11,135,719	10,874,553

Principal payments required on long-term debt, assuming debt is renewed at similar terms and conditions, are as follows:

2016	$ 1,043,181
2017	1,023,372
2018	845,782
2019	849,723
2020	573,387
Thereafter	6,800,274

6. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2015	2014
Surplus:		
Invested in tangible capital assets	$ 10,724,593	10,025,335
Reserves and reserve funds	2,667,925	2,520,603
Restricted funds	1,088,754	1,350,001
Other	(1,243,423)	(538,932)
Total surplus	$ 13,237,849	13,357,007

7. Replacement reserve funds:

The terms of the CMHC agreement require that the replacement reserves be funded in the amount of $846,614 (2014 - $834,866). At March 31, 2015, the reserve funds are underfunded by $9,363 (2014 - $18,340).

8. Contingent liabilities:

(a) The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the governments.

(b) The First Nation has endorsed CMHC loans made to various members under the Rural Rehabilitation Assistance Program and is contingently liable for some.

(c) The Department of Aboriginal Affairs and Northern Development Canada (AANDC) has guaranteed loans to various members. If any loans are in default and require payment by the Department, the amount paid will be charged back to the First Nation.

9. Comparative information:

Certain 2014 comparative information have been reclassified to conform to the presentation adopted in 2015.

10. Budget figures:

Budgets established for capital funds are based on a project-oriented basis, the costs of which may be carried out over several years. Current fund budgets are affected on an on-going basis, depending on when various government programs become available to the First Nation. Accordingly, the budgets are not directly comparable with current year actual amounts and therefore, budgets have not been reflected on the statement of financial activities.

11. Aboriginal Affairs and Northern Development Canada:

	2015	2014
Revenue as reported	$ 7,873,885	8,164,216
Education Plan, Design and Construction deferred revenue	68,099	–
Sagamok Development Corporation – prior year carry-forward	–	(339,317)
Revenue per funding confirmation	(7,941,984)	(7,824,899)
	$ –	–

12. Segmented information:

Sagamok Anishnawbek is a diversified governmental institution that provides a wide range of services to its band members, including band support, health services, education, social assistance, and capital. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Band Support

The band support 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 and management and assistance for computer and communications related projects and services.

Health Services

The health services department provides a diverse bundle of services directed toward the well-being of the members of the member First Nations including such activities as long-term care, health centers, diabetes, fetal alcohol syndrome, mental health, smoke free programs, traditional healing and training designed to enhance the health of member communities.

12. Segmented information (continued):

Education

The education department provides education management services to the member First Nations as well as overseeing various small incentives on behalf of the communities.

Social Assistance

The social assistance department provides services under the Provincial Ontario Works Program including both active measures such as employment training and financial assistance components.

Capital

The capital department provides services for the longevity of the First Nation by the acquisition and development of land resources, equipment, roads and housing. Revenue and expenses included in the capital department are generally long-term in nature, capitalized in the accounts of the First Nation and amortized over their useful life.

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 that 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 financial statements as disclosed in the summary of significant accounting policies.

12. Segmented information (continued):

	Social Assistance	Health	Education	General Band Support	Capital	Consolidated Entities	Reserves and Reserve Funds	2015 Consolidated Total
Revenue:								
Aboriginal Affairs and Northern Development Canada	$ -	19,519	5,062,754	2,300,578	491,034	-	-	7,873,885
Health Canada	-	2,125,790	-	44,008	-	-	-	2,169,798
Ontario First Nations Limited Partnership	-	-	-	-	-	-	1,190,964	1,190,964
Canada Mortgage and Housing Corporation	-	-	-	427,959	18,700	-	-	446,659
Other	2,289,907	1,060,644	831,853	4,395,572	187,373	789,690	45,246	9,600,285
	2,289,907	3,205,953	5,894,607	7,168,117	697,107	789,690	1,236,210	21,281,591
Expenses:								
Salaries and benefits	299,900	1,833,965	1,868,344	2,866,966	186,750	150,046	-	7,205,971
Materials, supplies and subcontracts	31,902	753,203	193,062	1,656,602	52,518	647,293	-	3,334,580
Professional fees	7,500	87,546	46,013	2,911,066	299,601	36,468	-	3,388,194
Interest on long-term debt	-	-	-	211,624	25,898	13,555	-	251,077
Other	1,983,358	655,737	3,775,145	23,973	14,162	331,897	436,655	7,220,927
	2,322,660	3,330,451	5,882,564	7,670,231	578,929	1,179,259	436,655	21,400,749
Excess (deficiency) of revenue over expenses	$ (32,753)	(124,498)	12,043	(502,114)	118,178	(389,569)	799,555	(119,158)

	Social Assistance	Health	Education	General Band Support	Capital	Consolidated Entities	Reserves and Reserve Funds	2014 Consolidated Total
Revenue:								
Aboriginal Affairs and Northern Development Canada	$ -	19,353	5,060,635	2,256,972	487,939	339,317	-	8,164,216
Health Canada	-	2,139,244	-	7,500	-	-	-	2,146,744
Ontario First Nations Limited Partnership	-	-	-	-	-	-	1,174,510	1,174,510
Canada Mortgage and Housing Corporation	-	-	-	412,236	18,699	-	-	430,935
Other	2,196,496	1,054,260	218,025	4,083,356	204,064	2,101,059	58,882	9,916,142
	2,196,496	3,212,857	5,278,660	6,760,064	710,702	2,440,376	1,233,392	21,832,547
Expenses:								
Salaries and benefits	279,761	1,822,515	1,686,281	2,781,911	172,671	100,476	-	6,843,615
Materials, supplies and subcontracts	1,857,612	912,199	2,478,381	1,595,400	152,895	2,123,310	-	9,119,797
Professional fees	-	112,450	87,394	2,348,612	42,076	34,020	-	2,624,552
Interest on long-term debt	-	-	-	210,569	58,041	13,858	-	282,468
Other	61,181	481,043	953,243	1,051,343	12,793	157,691	588,703	3,305,997
	2,198,554	3,328,207	5,205,299	7,987,835	438,476	2,429,355	588,703	22,176,429
Excess (deficiency) of revenue over expenses	$ (2,058)	(115,350)	73,361	(1,227,771)	272,226	11,021	644,689	(343,882)