

Lac des Mille Lacs First Nation
Consolidated Financial Statements
March 31, 2015

Lac des Mille Lacs First Nation

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For the year ended March 31, 2015

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Management's Responsibility

To the Members and Chief and Council of Lac des Mille Lacs First Nation:

The accompanying financial statements of Lac des Mille Lacs First Nation are the responsibility of management and have been approved by the Chief and Council.

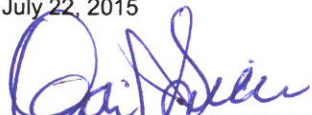
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting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

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

The Lac des Mille Lacs First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Members and Chief and Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 22, 2015



Band Administrator

Independent Auditors' Report



To the Members of Lac des Mille Lacs First Nation:

We have audited the accompanying financial statements of Lac des Mille Lacs First Nation, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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, the financial statements present fairly, in all material respects, the financial position of Lac des Mille Lacs First Nation as at March 31, 2015 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kenora, Ontario

July 22, 2015

Chartered Professional Accountants

Licensed Public Accountants


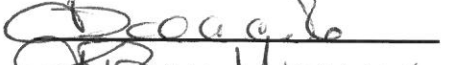




Lac des Mille Lacs First Nation Statement of Financial Position

As at March 31, 2015

	2015	2014
Financial assets		
Cash	197,745	21,005
Temporary investments (Note 3)	1,080,029	427,272
Accounts receivable (Note 4)	92,024	158,934
Inventory for resale (Note 5)	6,718	6,897
Investments in First Nation Business Partnerships (Note 6)	872,008	354,681
Funds held in trust (Note 7)	60,764	20,576
Total of assets	2,309,288	989,365
Liabilities		
Accounts payable and accruals (Note 8)	102,538	123,241
Deferred revenue (Note 9)	164,535	686,419
Customer Deposits	1,155	-
Long-term debt (Note 10)	4,337,411	3,870,413
Total of financial liabilities	4,605,639	4,680,073
Net debt	(2,296,351)	(3,690,708)
Non-financial assets		
Tangible capital assets (Schedule 1)	5,836,776	5,424,710
Prepaid expenses	7,699	20,604
Total non-financial assets	5,844,475	5,445,314
Accumulated surplus	3,548,124	1,754,606

Approved on behalf of the Council

   	<p>Chief</p> <p>Councillor</p> <p>Councillor</p> <p>Councillor</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>Councillor</p> <p>Councillor</p> <p>Councillor</p> <p>Councillor</p>
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Lac des Mille Lacs First Nation

Statement of Operations and Accumulated Surplus

For the year ended March 31, 2015

	<i>Schedules</i>	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue				
Aboriginal Affairs and Northern Development Canada		746,681	728,882	705,816
First Nations and Inuit Health		74,670	74,639	74,670
AANDC Trust Fund interest revenue		2,000	484	1,953
Ontario First Nations Limited Partnership (Note 13)		720,000	730,383	712,541
Ministry of Aboriginal Affairs		273,045	273,045	250,000
Dallan Limited Partnership income		-	272,007	-
Savanne River Resort		133,200	125,615	141,900
TransCanada Pipeline		185,200	123,048	15,000
Other revenue		95,805	91,573	93,316
Paawidigong First Nation's Forum		69,713	74,187	69,713
Shooniyaa Wa-Biitong		37,059	37,059	37,059
Bimose Tribal Council		39,533	27,600	2,884
Northern Ontario Heritage Fund		31,356	16,884	-
OFNLP interest income		-	3,571	4,541
Administration fees		-	3,500	19,974
Grand Council Treaty #3		-	1,649	5,618
Interest Income		-	1,317	-
Donation revenue		-	-	800,000
Minister of Canadian Heritage		-	-	48,620
Human Resources and Skills Development Canada		17,666	-	17,666
Repayment of funding		-	(27,643)	(6,843)
Revenue deferred from prior year (Note 9)		-	686,419	1,635,809
Revenue deferred to subsequent year (Note 9)		-	(164,535)	(686,419)
		2,425,928	3,079,684	3,943,818
Expenses				
Administration	4	984,992	1,000,056	931,845
Capital	5	279,980	430,112	391,952
Culture	6	116,790	16,216	70,754
Economic Development	7	384,020	269,493	348,633
Education	8	581,949	544,351	491,598
Health	9	166,469	175,406	149,684
Ontario First Nations Limited Partnership	10	354,000	317,934	291,515
Savanne River Resort	11	175,000	266,273	1,011,364
Total expenses (Schedule 2)		3,043,200	3,019,841	3,687,345
Surplus (deficit) before other items		(617,272)	59,843	256,473
Other income (expense)				
Gain (loss) on disposal of capital assets		-	-	(2,028)
Gain on disposal of investments		-	1,733,675	25,278
Revaluation of assets		-	-	269,875
		-	1,733,675	293,125
Surplus (deficit) before transfers		(617,272)	1,793,518	549,598

Continued on next page

Lac des Mille Lacs First Nation
Statement of Operations and Accumulated Surplus

For the year ended March 31, 2015

	<i>Schedules</i>	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Surplus (deficit) before transfers <i>(Continued from previous page)</i>		(617,272)	1,793,518	549,598
Transfers		202,474	-	-
Surplus (deficit)		(414,798)	1,793,518	549,598
Accumulated surplus (deficit), beginning of year		-	1,754,606	1,205,008
Accumulated surplus (deficit), end of year		(414,798)	3,548,124	1,754,606

Lac des Mille Lacs First Nation
Statement of Change in Net Debt

For the year ended March 31, 2015

	2015 Budget	2015	2014
Annual Surplus (deficit)	(411,662)	1,793,518	549,598
Purchases of tangible capital assets	-	(624,490)	(1,236,523)
Amortization of tangible capital assets	-	212,424	185,058
(Gain) loss on sale of tangible capital assets	-	-	2,028
Revaluation of assets	-	-	(269,875)
	-	(412,066)	(1,319,312)
Acquisition of prepaid expenses	-	(7,699)	(20,604)
Use of prepaid expenses	-	20,604	13,788
	-	12,905	(6,816)
Decrease (increase) in net debt	(411,662)	1,394,357	(776,530)
Net debt, beginning of year	-	(3,690,708)	(2,914,178)
Net debt, end of year	(411,662)	(2,296,351)	(3,690,708)

Lac des Mille Lacs First Nation
Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	1,793,518	549,598
Non-cash items		
Amortization	212,424	185,058
Gain (loss) on disposal of capital assets	-	2,028
Revaluation of assets	-	(269,875)
Unrealized loss on investment	-	(25,208)
	2,005,942	441,601
Changes in working capital accounts		
Accounts receivable	66,910	158,875
Prepaid expenses	12,905	(6,816)
Inventory	179	2,320
Income taxes receivable	-	(205,521)
Accounts payable and accruals	(20,702)	119,834
Deferred revenue	(521,884)	(949,390)
Customer Deposits	1,155	-
	1,544,505	(439,097)
Financing activities		
Decrease in amount due to related party	-	(10)
Advances of long-term debt	638,948	1,198,621
Repayment of long-term debt	(171,950)	(48,198)
	466,998	1,150,413
Capital activities		
Purchases of tangible capital assets	(624,490)	(1,236,523)
Investing activities		
Purchase of temporary investments	-	(150,000)
Investment in long-term investments	(517,327)	-
Funds Held in Trust	(40,189)	(1,858)
	(557,516)	(151,858)
Increase (decrease) in cash resources	829,497	(677,065)
Cash resources, beginning of year	448,277	1,125,342
Cash resources, end of year	1,277,774	448,277
Cash resources are composed of:		
Cash resources	197,745	21,005
Temporary investments	1,080,029	427,272
	1,277,774	448,277
Supplementary cash flow information		
Interest paid	88,917	77,203

Lac des Mille Lacs First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Operations

The Lac des Mille Lacs First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Lac des Mille Lacs First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

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

Reporting entity

The Lac des Mille Lacs First Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation.

The financial statements consolidate the financial statements of all enterprises comprising the First Nation reporting entity. The First Nation has consolidated the assets, liabilities, revenue and expenses of the following enterprises:

Lac des Mille Lacs First Nation Government Administration;
Upper Seine Forest Corporation.

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

Basis of presentation

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

Cash resources

Cash resources includes balances with banks, short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Temporary investments

Temporary investments are valued at the lower of cost and market value.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust moneys consist of:

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

Lac des Mille Lacs First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2015, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for equipment, computer equipment and roads. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

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

	Method	Rate
Automobiles	straight-line	10 years
First Nation Out Buildings	straight-line	40 years
Computers	straight-line	4 years
Cultural Complex	straight-line	40 years
Equipment	straight-line	10 years
Furniture and Equipment	straight-line	10 years
Landscaping and outdoor structures	straight-line	40 years
Leasehold improvements	straight-line	10 years
Roads - on reserve	straight-line	40 years
Roundhouse	straight-line	40 years
Resort Buildings	straight-line	25 years
Resort Boats and Motors	straight-line	6 years
Resort Docks	straight-line	20 years
Resort Parking lot	straight-line	20 years

Long-lived assets

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

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

Net debt

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

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

Revenue recognition

Funding

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

Government Transfers

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

Sales revenue

Revenue is recognized when a price is agreed upon, goods and services are provided to customers, and collectability is reasonably assured. If collectability is not considered reasonably assured at the time of sale, the First Nation does not recognize revenue until collection occurs.

Use of estimates

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

Accounts receivable is stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end.

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

Deferred revenue

Deferred revenue consists of unspent, accountable contributions for programs which are not complete at year end. The unspent revenue is carried forward to be matched against expenses to be incurred in the subsequent year.

Segments

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

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

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

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, and prepaid expenses.

Lac des Mille Lacs First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Financial instruments

All significant financial assets, financial liabilities and equity instruments of the First Nation are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows and interest rate, currency or credit risk.

Investments in First Nation Business Partnerships

First Nation Business Partnerships that are neither controlled by the First Nation nor dependent on the First Nation for their continued operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

3. Temporary investments

	2015	2014
GIC, interest at prime minus 2.25%, maturing October 11, 2015	30,029	427,272
GIC, interest at prime minus 2.2%, maturing July 31, 2015	50,000	-
GIC, interest at prime minus 0.8%, maturing July 30, 2015	500,000	-
GIC, interest at prime minus 2.2%, maturing July 30, 2015	500,000	-
	1,080,029	427,272

4. Accounts receivable

	2015	2014
Accounts receivable	66,824	129,322
PSB, GST and HST rebates	25,200	29,612
	92,024	158,934

5. Inventory

	2015	2014
Inventory for resale	6,718	6,897

Lac des Mille Lacs First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

6. Investments in First Nation Business Partnerships

	2015	2014
Measured at cost - Dallan Holdings L.P.		
Partnership Units - 9,999 (33.33% interest)	3,333	3,333
Capital loan	-	146,667
Income earned less distributed	265,522	-
	268,855	150,000
Measured at cost - Dallan Fort William L.P.		
Partnership Units - 3,333 (33% interest)	3,333	-
Capital Loan	596,667	-
Income earned less distributed	3,153	-
	603,153	-
Measured at cost - SE1 2013 Limited Partnership		
Partnership Units - 1,501 (15.01% interest)	10	10
Partnership losses	(10)	(10)
	-	-
Measured at cost - SE2 2013 Limited Partnership		
Partnership Units - 5,001 (50.01% interest)	10	10
Partnership losses	(10)	(10)
	-	-
Measured at Fair Value		
OSISKO Mining Corporation	-	204,681
	872,008	354,681

Lac des Mille Lacs First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Funds Held in Trust

Capital and revenue trust moneys are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council.

	2015	2014
AANDC Capital Trust		
Balance, beginning of year	7,629	7,629
Balance, end of year	7,629	7,629
AANDC Revenue Trust		
Balance, beginning of year	9,457	7,504
Interest	484	1,953
	9,941	9,457
Balance, end of year	9,941	9,457
Hammond Reef Trust		
Balance, beginning of year	3,490	3,586
Investment income	451,454	-
Bank charges	(80)	(96)
Proceeds on disposal of investments	1,938,330	-
Less: Transfers out of trust	2,350,000	-
Balance, end of year	43,194	3,490
	60,764	20,576

8. Accounts payable and accruals

	2015	2014
Accruals	35,000	48,052
Trade payable	20,701	33,454
Vacation payable	16,723	11,313
Source deductions payable	5,701	4,356
WSIB payable	1,184	643
Funding repayable	23,230	24,558
Income taxes payable	-	865
	102,539	123,241

Lac des Mille Lacs First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

9. Deferred revenue

	Balance March 31, 2014	Revenue 2015	Revenue Recognized 2015	Balance March 31, 2015
Federal Government	-	-	-	-
Administration	-	418,582	403,582	15,000
Other				
Health	17,666	148,250	165,916	-
Ontario First Nations Limited Partnership	489,360	734,004	1,099,257	124,107
Administration	-	418,582	409,154	9,428
Culture	-	23,461	7,461	16,000
Economic Development	179,393	497,256	676,649	-
	686,419	2,240,135	2,762,019	164,535

10. Long-term debt

	2015	2014
RBC loan, bearing interest at a rate of bank prime plus 1.75% per annum (4.6% at March 31, 2015), secured by a general security agreement and assignment of OFNLP funds, repayable in 180 monthly payments of \$10,050 plus interest, maturing December 3, 2015	1,656,900	1,778,850
AANDC promissory note related to flood claim negotiations, non-interest bearing, unsecured, scheduled for repayment March 31, 2020	195,855	-
AANDC promissory note related to flood claim negotiations, non-interest bearing, unsecured, scheduled for repayment March 31, 2020	229,511	229,511
AANDC promissory note related to flood claim negotiations, non-interest bearing, unsecured, scheduled for repayment March 31, 2019	825,958	825,958
AANDC promissory note related to flood claim negotiations, non-interest bearing, unsecured, scheduled for repayment March 31, 2018	257,000	257,000
AANDC promissory note related to flood claim negotiations, non-interest bearing, unsecured, scheduled for repayment March 31, 2017	132,255	132,255
AANDC promissory note related to flood claim negotiations, non-interest bearing, unsecured, scheduled for repayment March 31, 2016	496,839	496,839
RBC loan for the investment in NA Mill Yards, bearing interest at a rate of 4% per annum, secured by a general security agreement and assignment of OFNLP funds, repayable in 60 monthly blended payments of \$8,288, maturing February 20, 2020	443,093	-
RBC loan, bearing interest at a rate of bank prime plus 1.65% per annum (4.5% at March 31, 2015), secured by a general security agreement and assignment of OFNLP funds, repayable in 36 monthly payments of \$4,167 plus interest, maturing March 13, 2016	100,000	150,000
	4,337,411	3,870,413
Less: current portion	253,843	377,600
	4,083,568	3,492,813

Lac des Mille Lacs First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

10. Long-term debt *(Continued from previous page)*

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

	Principal
2016	253,843
2017	257,234
2018	210,764
2019	214,437
2020	209,936

11. Government transfers

	Operating	Capital	2015	2014
Federal government transfers:				
Aboriginal Affairs and Northern Development Canada	728,882	-	728,882	705,816
First Nations and Inuit Health	74,639	-	74,639	74,670
Human Resources and Skills Development Canada	-	-	-	17,666
Minister of Canadian Heritage	-	-	-	48,620
Total Federal	803,521	-	803,521	846,772
Provincial government transfers:	-	-	-	-
Ministry of Aboriginal Affairs	273,045	-	273,045	250,000
Northern Ontario Heritage Fund	16,884	-	16,884	-
Total Provincial	289,929	-	289,929	250,000
	1,093,450	-	1,093,450	1,096,772

12. Economic dependence

Lac des Mille Lacs First Nation receives 23% (2014 - 18%) of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the Government of Canada. These Treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

13. Ontario First Nations Limited Partnership

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

14. Comparative figures

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

15. Budget information

The disclosed budget information has been approved by the Chief and Council, and presented to the members of the Lac des Mille Lacs First Nation.

Lac des Mille Lacs First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Automobiles</i>	<i>First Nation Out Buildings</i>	<i>Computers</i>	<i>Cultural Complex</i>	<i>Equipment</i>	<i>Furniture and Equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	68,366	24,110	45,467	2,036,765	146,225	29,551	2,350,484
Acquisition of tangible capital assets	52,115	134,668	10,800	53,945	7,508	8,016	267,052
Disposal of tangible capital assets	-	-	-	-	-	-	-
Write down of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	120,481	158,778	56,267	2,090,710	153,733	37,567	2,617,536
Accumulated amortization							
Balance, beginning of year	12,968	2,632	32,100	50,919	29,673	2,955	131,247
Annual amortization	12,049	1,707	9,994	55,633	16,747	3,757	99,887
Accumulated amortization on disposals	-	-	-	-	-	-	-
Accumulated amortization on revalued assets	-	-	-	-	-	-	-
Balance, end of year	25,017	4,339	42,094	106,552	46,420	6,712	231,134
Net book value of tangible capital assets	95,464	154,439	14,173	1,984,158	107,313	30,855	2,386,402
Net book value of tangible capital assets - 2014	55,399	21,478	13,368	1,985,846	76,398	-	2,152,489

Lac des Mille Lacs First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Landscaping and outdoor structures</i>	<i>Leashold improvements</i>	<i>Roads - on reserve</i>	<i>Roundhouse</i>	<i>Resort Land</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	2,350,484	815,298	77,812	951,203	742,328	160,000	5,097,125
Acquisition of tangible capital assets	267,052	309,782	-	44,656	-	-	621,490
Disposal of tangible capital assets	-	-	-	-	-	-	-
Write down of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	2,617,536	1,125,080	77,812	995,859	742,328	160,000	5,718,615
Accumulated amortization							
Balance, beginning of year	131,247	38,304	21,567	140,368	37,116	-	368,602
Annual amortization	99,887	28,127	4,181	24,896	18,558	-	175,649
Accumulated amortization on disposals	-	-	-	-	-	-	-
Accumulated amortization on revalued assets	-	-	-	-	-	-	-
Balance, end of year	231,134	66,431	25,748	165,264	55,674	-	544,251
Net book value of tangible capital assets	2,386,402	1,058,649	52,064	830,595	686,654	160,000	5,174,364
Net book value of tangible capital assets - 2014	2,152,489	776,995	56,246	810,835	705,212	160,000	4,661,777

Lac des Mille Lacs First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Resort Buildings</i>	<i>Resort Boats and motors</i>	<i>Resort Docks</i>	<i>Resort Parking lot</i>	<i>2015</i>	<i>2014</i>
Cost							
Balance, beginning of year	5,097,125	640,000	51,849	39,140	1,472	5,829,586	4,724,567
Acquisition of tangible capital assets	621,490	-	3,000	-	-	624,490	2,238,989
Disposal of tangible capital assets	-	-	-	-	-	-	(1,006,868)
Write down of tangible capital assets	-	-	-	-	-	-	(127,102)
Balance, end of year	5,718,615	640,000	54,849	39,140	1,472	6,454,076	5,829,586
Accumulated amortization							
Balance, beginning of year	368,602	25,600	8,643	1,957	74	404,876	619,171
Annual amortization	175,649	25,600	9,144	1,957	74	212,424	185,058
Accumulated amortization on disposals	-	-	-	-	-	-	(2,374)
Accumulated amortization on revalued assets	-	-	-	-	-	-	(396,979)
Balance, end of year	544,251	51,200	17,787	3,914	148	617,300	404,876
Net book value of tangible capital assets	5,174,364	588,800	37,062	35,226	1,324	5,836,776	5,424,710
Net book value of tangible capital assets - 2014	4,661,777	681,146	43,206	37,183	1,398	5,424,710	

Lac des Mille Lacs First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Expenses by object			
Administrative expenses	12,250	5,500	38,428
Amortization of tangible capital assets	-	212,424	166,860
Bank charges and short-term interest	10,500	16,104	7,753
Cultural and community development	379,439	382,423	1,370,487
Education	253,798	224,692	186,506
Honoraria, salaries and benefits	923,466	923,696	818,679
Interest on long-term debt	40,000	88,917	77,203
Office and utilities	502,852	441,105	369,019
Professional fees	700,451	525,361	527,303
Training and travel	220,444	199,619	125,107
	3,043,200	3,019,841	3,687,345

Lac des Mille Lacs First Nation
Schedule 3 - Summary of Schedules of Segment Revenue and Expenses

For the year ended March 31, 2015

	<i>Schedule #</i>	<i>AANDC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments /Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Administration	4	175,445	243,137	(24,428)	394,154	1,000,056	430,100	(175,802)
Capital	5	76,980	15,473	-	92,453	430,112	756,481	418,822
Culture	6	-	23,461	(16,000)	7,461	16,216	6,214	(2,541)
Economic Development	7	42,000	2,188,933	179,393	2,410,325	269,493	(549,015)	1,591,817
Education	8	434,457	81,543	-	516,000	544,351	28,349	(2)
Health	9	-	148,250	17,666	165,916	175,406	12,369	2,879
Ontario First Nations Limited Partnership	10	-	734,004	365,253	1,099,257	317,934	(779,192)	2,131
Savanne River Resort	11	-	127,793	-	127,793	266,273	94,694	(43,786)
Total		728,882	3,562,594	521,884	4,813,359	3,019,841	-	1,793,518

Lac des Mille Lacs First Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	176,380	175,445	166,380
AANDC Trust Fund interest revenue	2,000	484	1,953
Ministry of Aboriginal Affairs	183,045	183,045	120,000
Other revenue	52,805	62,872	55,005
TransCanada Pipeline	-	13,500	-
Administration fees	-	3,500	19,974
Grand Council Treaty #3	-	1,649	-
Interest Income	-	1,317	-
Repayment of funding	-	(23,230)	(17,562)
Revenue deferred to subsequent year (Note 9)	-	(24,428)	-
	414,230	394,154	345,750
Expenses			
Administration	5,250	-	-
Advertising	500	50	-
Amortization	-	34,667	31,219
Audit fees	41,700	41,243	36,415
Bank charges and interest	7,500	10,123	7,752
Consulting	227,195	157,092	73,527
Contracted services	-	-	600
Emergency assistance	1,000	13,740	1,475
Feast and food	4,000	4,633	4,187
Honoraria - Chief and Council	232,500	215,000	215,000
Honoraria - Other	2,100	2,100	2,150
Insurance	10,500	12,366	10,467
Meetings	5,450	11,144	8,238
Miscellaneous	1,050	2,160	960
Office	7,100	12,114	9,326
Office equipment lease	1,070	1,319	1,175
Postage	2,570	1,484	1,405
Professional fees	135,083	120,062	264,369
Rent	30,000	27,665	26,596
Repairs and maintenance	10,000	12,367	11,797
Salaries and benefits	146,000	193,687	118,102
Supplies	500	2,462	1,881
Telephone	5,500	2,676	4,654
Tradition and culture	55,000	62,850	56,520
Training	7,500	4,000	2,000
Travel - Chief and Council	23,500	28,021	19,299
Travel - Other	21,924	26,405	22,424
Utilities	500	626	307
	984,992	1,000,056	931,845
Deficit before other items	(570,762)	(605,902)	(586,095)

Continued on next page

Lac des Mille Lacs First Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Deficit before other items <i>(Continued from previous page)</i>	(570,762)	(605,902)	(586,095)
Other income (expense)			
Gain on disposal of investments	-	-	25,278
Deficit before transfers	(570,762)	(605,902)	(560,817)
Transfers	160,000	430,100	329,929
Deficit	(410,762)	(175,802)	(230,888)

Lac des Mille Lacs First Nation
Capital

Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	73,844	76,980	77,030
Other revenue	-	15,473	27,160
Repayment of funding	-	-	13,726
	73,844	92,453	117,916
Expenses			
Amortization	-	130,971	113,639
Consulting	-	-	1,047
Contracted services	95,980	46,645	53,460
Feast and food	1,000	364	770
Honoraria - Chief and Council	-	725	-
Insurance	21,000	24,506	20,933
Interest on long-term debt	40,000	81,654	77,203
Meetings	-	50	488
Miscellaneous	900	1,165	390
Postage	-	239	-
Professional fees	6,000	5,029	14,065
Rent	2,500	-	8,379
Repairs and maintenance	35,000	42,665	35,311
Resort salaries and benefits	26,200	43,265	1,120
Salaries and benefits	3,650	4,666	75
Supplies	6,000	14,670	5,397
Tradition and culture	-	300	-
Travel - Chief and Council	2,000	892	1,045
Travel - Other	2,250	665	6,857
Utilities	37,500	31,641	51,773
	279,980	430,112	391,952
Deficit before transfers	(206,136)	(337,659)	(274,036)
Transfers	203,000	756,481	774,037
Surplus	(3,136)	418,822	500,001

Lac des Mille Lacs First Nation
Culture

Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
TransCanada Pipeline	15,000	15,000	-
Other revenue	37,000	11,000	8,000
Minister of Canadian Heritage	-	-	48,620
Repayment of funding	-	(2,539)	-
Revenue deferred to subsequent year (Note 9)	-	(16,000)	-
	52,000	7,461	56,620
Expenses			
Administration	-	-	4,974
Advertising	5,200	-	68
Contracted services	-	-	2,000
Entertainment	80,000	-	-
Feast and food	1,890	2,226	3,029
Health	410	489	-
Honoraria - Other	7,200	7,080	31,504
Miscellaneous	-	-	79
Office	-	4	2,327
Postage	-	208	18
Professional fees	10,000	-	-
Rent	2,000	924	3,502
Repairs and maintenance	-	195	-
Salaries and benefits	1,590	1,542	-
Supplies	3,500	3,497	13,831
Tradition and culture	-	51	317
Travel - Other	5,000	-	9,105
	116,790	16,216	70,754
Deficit before transfers	(64,790)	(8,755)	(14,134)
Transfers	64,790	6,214	14,132
Deficit	-	(2,541)	(2)

Lac des Mille Lacs First Nation
Economic Development
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	62,000	42,000	42,000
Dallan Limited Partnership income	-	272,007	-
TransCanada Pipeline	170,200	94,548	15,000
Ministry of Aboriginal Affairs	90,000	90,000	130,000
Other revenue	-	-	2,400
Repayment of funding	-	(1,298)	(3,006)
Revenue deferred from prior year (Note 9)	-	179,393	244,664
Revenue deferred to subsequent year (Note 9)	-	-	(179,393)
	322,200	676,650	251,665
Expenses			
Administration	7,000	3,500	15,000
Advertising	1,500	773	7,459
Consulting	25,000	10,013	60,628
Contracted services	40,000	30,900	2,200
Honoraria - Chief and Council	-	1,200	-
Honoraria - Other	23,000	11,200	2,700
Interest on long-term debt	-	7,263	-
Meetings	21,200	5,649	791
Office	6,500	3,689	1,660
Postage	3,500	2,389	1,131
Professional fees	56,000	38,446	13,876
Rent	5,000	1,780	-
Resort salaries and benefits	3,500	2,013	40,039
Salaries and benefits	152,820	120,511	174,014
Supplies	500	430	-
Telephone	4,300	3,976	1,183
Tradition and culture	-	776	1,270
Training	4,000	7,526	1,720
Travel - Chief and Council	8,250	5,567	5,991
Travel - Other	21,950	11,892	18,971
	384,020	269,493	348,633
Surplus (deficit) before other items	(61,820)	407,157	(96,968)
Other income (expense)			
Gain on disposal of investments	-	1,733,675	-
Surplus (deficit) before transfers	(61,820)	2,140,832	(96,968)
Transfers	61,820	(549,015)	98,266
Surplus	-	1,591,817	1,298

Lac des Mille Lacs First Nation
Education

Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	434,457	434,457	420,406
Shooniyaa Wa-Biitong	37,059	37,059	37,059
Bimose Tribal Council	39,533	27,600	2,884
Northern Ontario Heritage Fund	31,356	16,884	-
	542,405	516,000	460,349
Expenses			
Contracted services	8,273	6,884	-
Education, tuition fees and books	233,798	224,092	182,056
Feast and food	7,200	2,791	252
Honoraria - Other	6,750	5,750	350
Living allowance	208,818	201,918	247,974
Meetings	-	266	40
Miscellaneous	-	228	-
Office	-	256	-
Rent	11,040	7,860	-
Salaries and benefits	96,900	86,788	56,784
Supplies	5,650	2,739	1,227
Telephone	-	276	-
Tradition and culture	-	38	300
Training	-	200	630
Travel - Other	3,520	4,265	1,985
	581,949	544,351	491,598
Deficit before transfers	(39,544)	(28,351)	(31,249)
Transfers	38,644	28,349	31,249
Surplus (deficit)	(900)	(2)	-

Lac des Mille Lacs First Nation
Health

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
First Nation Inuit Health	74,670	74,639	74,670
Paawidigong First Nation's Forum	69,713	74,187	69,713
Grand Council Treaty #3	-	-	5,618
Human Resources and Skills Development Canada	17,666	-	17,666
Repayment of funding	-	(576)	-
Revenue deferred from prior year (Note 9)	-	17,666	-
Revenue deferred to subsequent year (Note 9)	-	-	(17,666)
	162,049	165,916	150,001
Expenses			
Advertising	-	-	422
Bank charges and interest	-	151	-
Contracted services	1,920	2,120	-
Emergency assistance	10,213	14,108	8,474
Equipment rental	-	754	-
Feast and food	8,275	8,880	5,235
Health	1,200	3,722	1,496
Honoraria - Other	9,650	7,795	2,850
Meetings	150	-	-
Miscellaneous	150	11	493
Office	7,519	5,039	4,273
Office rent	2,500	2,515	2,515
Postage	2,650	2,584	3,246
Rent	2,500	2,500	2,515
Salaries and benefits	84,862	89,728	84,801
Sponsorships and donations	-	1,500	1,000
Supplies	7,044	4,143	8,894
Telephone	1,010	1,148	1,304
Tradition and culture	2,706	2,792	2,842
Training	16,020	17,746	13,802
Travel - Other	8,100	8,170	5,522
	166,469	175,406	149,684
Surplus (deficit) before transfers	(4,420)	(9,490)	317
Transfers	4,420	12,369	480
Surplus	-	2,879	797

Lac des Mille Lacs First Nation
Ontario First Nations Limited Partnership
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Ontario First Nations Limited Partnership	720,000	730,383	712,541
Other revenue	1,000	50	741
OFNLP interest income	-	3,571	4,541
Revenue deferred from prior year (Note 9)	-	489,360	1,391,145
Revenue deferred to subsequent year (Note 9)	-	(124,107)	(489,360)
	721,000	1,099,257	1,619,608
Expenses			
Accommodations	4,750	4,500	4,750
Administration	-	2,000	-
Advertising	400	560	-
Contracted services	-	1,400	400
Education, tuition fees and books	20,000	600	4,450
Election/Leadership Review	25,000	630	-
Emergency assistance	2,500	17,504	9,824
Entertainment	2,500	3,000	-
Equipment rental	10,000	6,257	9,813
Feast and food	45,000	48,737	47,617
Health benefits	25,000	28,851	26,739
Honoraria - Other	59,100	57,965	46,681
Meetings	200	433	316
Miscellaneous	250	91	-
Office	250	810	159
Postage	-	1,227	-
Professional fees	2,500	1,487	4,717
Rent	15,500	18,132	15,226
Repairs and maintenance	1,000	520	1,112
Salaries and benefits	20,000	15,900	15,400
Small Business/entrepreneur	20,000	13,500	10,000
Sponsorships and donations	7,000	4,585	6,600
Supplies	5,900	7,289	7,169
Telephone	-	136	-
Tradition and culture	37,450	36,121	29,271
Training	1,000	4,500	-
Travel - Chief and Council	-	569	772
Travel - Other	48,700	40,630	50,499
	354,000	317,934	291,515
Surplus before transfers	367,000	781,323	1,328,093
Transfers	(367,000)	(779,192)	(1,328,093)
Surplus (deficit)	-	2,131	-

Lac des Mille Lacs First Nation
Savanne River Resort
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Savanne River Resort	133,200	125,615	141,900
Other revenue	5,000	2,178	10
Donation revenue	-	-	800,000
	138,200	127,793	941,910
Expenses			
Advertising	1,000	365	6,325
Amortization	-	46,787	40,200
Bank charges and interest	3,000	5,827	6,154
Contracted services	50,800	64,040	43,870
Fuel and Oil	12,000	17,458	16,295
Insurance	10,500	18,717	14,655
Living allowance	1,100	1,423	1,016
Marketing	3,500	3,926	-
Miscellaneous	700	99	1,929
Property tax	200	96	-
Purchases for resale	7,000	8,526	10,111
Rent	-	661	103
Repairs and maintenance	39,650	43,076	18,873
Resort salaries and benefits	5,000	4,838	-
Salaries and benefits	750	612	-
Sponsorships and donations	-	3,980	803,385
Supplies	5,800	6,025	8,320
Telephone	1,500	4,041	2,852
Travel - Other	2,500	168	1,402
Utilities	30,000	35,608	35,874
	175,000	266,273	1,011,364
Deficit before other items	(36,800)	(138,480)	(69,454)
Other income (expense)			
Gain (loss) on disposal of capital assets	-	-	(2,028)
Revaluation of assets	-	-	269,875
	-	-	267,847
Surplus (deficit) before transfers	(36,800)	(138,480)	198,393
Transfers	36,800	94,694	80,000
Surplus (deficit)	-	(43,786)	278,393