

Pic Mobert First Nation
Consolidated Financial Statements
March 31, 2015

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Pic Mobert First Nation
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Management's Responsibility

To the Chief and Council and Members of Pic Mobert First Nation:

The accompanying consolidated financial statements of Pic Mobert First Nation 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 prescribed for governments recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these consolidated statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Pic Mobert First Nation and meet when required.

October 15, 2015



Director of Operations

Independent Auditors' Report

To the Chief and Council and Members of Pic Mobert First Nation:

We have audited the accompanying consolidated financial statements of Pic Mobert First Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations and 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

The financial statements of Gitchi Animki Energy Limited Partnership, which are consolidated in these consolidated financial statements, have not been audited for the years ended March 31, 2015 and March 31, 2014. As a consequence, we are unable to satisfy ourselves that all assets, liabilities, revenue and expenses of the consolidated entity had been recorded, nor were we able to satisfy ourselves that the recorded transactions were proper. Accordingly, we were unable to determine whether any adjustments might be necessary to the assets, liabilities and components making up the consolidated statements of operations, change in net debt and cash flows. The audit opinion on the consolidated financial statements for the year ended March 31, 2014 was qualified accordingly because of the possible effects of the limitation in scope.

The First Nation did not prepare budgets, which is not in compliance with Canadian public sector accounting standards.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Pic Mobert First Nation as at March 31, 2015 and the results of its operations and surplus, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Thunder Bay, Ontario

October 15, 2015

MNP LLP

Chartered Professional Accountants

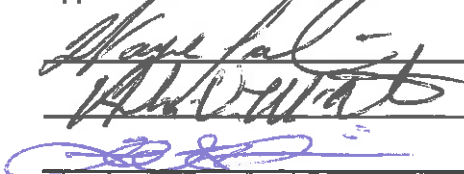
Licensed Public Accountants

Pic Mobert First Nation
Consolidated Statement of Financial Position

As at March 31, 2015

	2015	2014 (Restated)
Financial assets		
Cash resources (Note 3)	2,510,052	988,348
Short-term investments (Note 4)	595,251	552,704
Accounts receivable (Note 5), (Note 21)	641,049	838,619
Due from government and other government organizations (Note 6)	229,945	303,550
Loans receivable (Note 7)	50,000	50,000
Investment in Pic Mobert Hydro Inc. (Note 8)	35,501,484	27,389,626
Investment in White Lake Limited Partnership (Note 8)	233,985	-
Investment in Bamkushwada Limited Partnership (Note 8)	6,047	-
Trust funds held by federal government (Note 9)	70,719	68,772
Due from White Lake Limited Partnership (Note 8)	100	-
Investment in White River Forest Products Inc. (Note 8)	1	1
Total financial assets	39,838,633	30,191,620
Liabilities		
Bank indebtedness	-	12,753
Accounts payable and accruals (Note 10), (Note 21)	3,592,074	1,449,326
Deferred revenue (Note 11)	1,125,327	1,449,420
Due to government and other government organizations (Note 12)	45,301	179,252
Due to Regional Power Inc. (Note 13)	37,554,043	27,376,726
Short-term debt	-	110,755
Long-term debt (Note 14)	2,371,827	2,729,947
Total liabilities	44,688,572	33,308,179
Net debt	(4,849,939)	(3,116,559)
Contingent liabilities (Note 15)		
Non-financial assets		
Tangible capital assets (Schedule 1)	13,981,412	11,275,225
Intangible capital assets	986	-
Prepaid expenses	89,189	42,301
Total non-financial assets	14,071,587	11,317,526
Accumulated surplus	9,221,648	8,200,967

Approved on behalf of the Council



Chief

Councillor

Councillor

Councillor

Councillor

The accompanying notes are an integral part of these financial statements

Pic Mobert First Nation
Consolidated Statement of Operations and Surplus
For the year ended March 31, 2015

	2015	2014 (Restated)
Revenue		
Aboriginal Affairs and Northern Development Canada (Note 16)	6,403,952	4,074,388
Dilico Ojibway Child and Family Services	188,362	200,710
Ontario First Nations Limited Partnership	643,112	632,117
Ministry of Health and Long-Term Care	23,850	28,934
Health Canada	470,085	362,605
Ministry of Community, Family and Children's Services	847,004	863,334
Union of Ontario Indians	81,318	58,774
Anishinabek Employment and Training Services	101,568	63,620
Canada Mortgage and Housing Corporation	228,468	213,603
Ministry of Aboriginal Affairs	180,020	170,109
Ministry of Citizenship and Immigration	-	1,891
Ministry of Natural Resources	2,214	30,000
Ministry of Northern Development, Mines and Forestry	3,652	14,934
Ministry of Transportation	30,804	30,804
Ontario Trillium Foundation	147,600	40,167
Rent revenue	374,265	364,971
Contract revenue - Barrick Gold	2,144,057	2,469,184
Administration fees	360,196	627,862
Miscellaneous revenue	505,692	368,781
Northern Ontario Heritage Fund	120,522	-
Ministry of Environment and Climate Change	491,533	-
Industry Canada	66,085	186,613
Fundraising revenue	116,342	12,500
Service contract revenue	-	1,432,266
Income from investment in government business partnerships	245,355	31
Natural Resources Canada	61,600	-
Forestry Services	336,092	-
Inter-department cost recoveries	294,891	535,972
Total revenue	14,468,639	12,784,170
Expenses		
Administration and Chief and Council	1,271,352	1,142,422
Infrastructure Programs	839,168	1,172,211
Social, Cultural, Spiritual and Recreational Programs	449,568	456,655
Education Programs	2,050,575	1,899,828
Health Programs	1,779,765	1,755,195
Capital Programs	1,215,312	1,457,708
Economic Development Programs	2,876,649	3,438,823
Business Enterprise Projects	2,957,449	2,734,355
Casino Rama Fund	104	92
Total expenses (Schedule 2)	13,439,942	14,057,289
Surplus (deficit)	1,028,697	(1,273,119)

Continued on next page

Pic Mobert First Nation
Consolidated Statement of Operations and Surplus
For the year ended March 31, 2015

	<i>2015</i>	<i>2014</i>
Surplus (deficit) <i>(Continued from previous page)</i>	1,028,697	(1,273,119)
Accumulated operating surplus, beginning of year	8,200,967	9,569,607
Prior year surplus recoveries	(8,016)	(95,521)
Accumulated operating surplus, end of year	9,221,648	8,200,967

The accompanying notes are an integral part of these financial statements

Pic Mobert First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2015

	2015	2014 <i>(Restated)</i>
Annual surplus (deficit)	1,028,697	(1,273,119)
Purchases of tangible capital assets	(3,240,397)	(343,273)
Amortization of tangible capital assets	492,953	499,017
Prior year surplus recoveries	(8,016)	(95,521)
Change in government business partnership tangible capital assets	41,257	-
Acquisition of prepaid expenses	(46,888)	-
Use of prepaid expenses	-	12,144
Acquisition of intangible capital assets	(986)	-
Increase in net debt	(1,733,380)	(1,200,752)
Net debt, beginning of year	(3,116,559)	(1,915,807)
Net debt, end of year	(4,849,939)	(3,116,559)

The accompanying notes are an integral part of these financial statements

Pic Mobert First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014 (Restated)
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	1,028,697	(1,273,119)
Prior year surplus recoveries	(8,016)	(95,521)
Non-cash items		
Amortization	492,953	499,017
Net income from government business partnerships	(240,032)	-
	1,273,602	(869,623)
Changes in working capital accounts		
Accounts receivable	197,570	(326,536)
Due from government and other government organizations	73,605	(9,956)
Trust funds held by federal government	(1,947)	(1,698)
Due from White Lake Limited Partnership	(100)	-
Prepaid expenses	(46,888)	12,144
Deferred revenue	(324,093)	719,895
Accounts payable and accruals	2,142,748	221,611
Due to government and other government organizations	(133,951)	43,874
	3,180,546	(210,289)
Financing activities		
Repayment of long-term debt	(358,120)	(324,094)
Net advance (repayment) of short-term debt	(110,755)	110,755
	(468,875)	(213,339)
Capital activities		
Purchases of tangible capital assets	(3,240,397)	(343,273)
Change in government business partnership tangible capital assets	41,257	-
Purchase of intangible capital assets	(986)	-
	(3,200,126)	(343,273)
Investing activities		
Proceeds from redemption of short-term investments	552,704	377,023
(Increase) decrease in investment in Pic Mobert Hydro Inc.	(8,111,858)	(24,374,329)
(Increase) decrease in investment in White River Forest Products Inc.	-	(1)
Increase in due to Regional Power Inc.	10,177,317	25,548,457
Purchase of short-term investments	(595,251)	(552,704)
Advances of loans receivable	-	(50,000)
	2,022,912	948,446
Increase in cash resources	1,534,457	181,545
Cash resources, beginning of year	975,595	794,050
Cash resources, end of year	2,510,052	975,595

The accompanying notes are an integral part of these financial statements

Pic Mobert First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash resources are composed of:		
Cash resources total	2,510,052	988,348
Bank indebtedness	-	(12,753)
	2,510,052	975,595
Supplementary cash flow information		
Interest paid	88,734	107,498

The accompanying notes are an integral part of these financial statements

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Operations

The Pic Mobert First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Pic Mobert 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 Pic Mobert First Nation reporting entity includes the Pic Mobert First Nation and all related entities that are controlled by the First Nation.

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis.

Government partnerships are proportionately consolidated on a line-by-line basis except for the partnerships which meet the definition of government business partnership, which are included in the consolidated financial statements on a modified equity basis.

Under the modified equity method of accounting, only the Pic Mobert First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Pic Mobert First Nation.

Organizations consolidated in Pic Mobert First Nation's consolidated financial statements include:

- White Lake Resources Corporation
- Pic Mobert Sawmill Corporation
- Gitchi Animki Energy Corporation
- Maygwayyawk Forestry Services Corporation

Organizations proportionately consolidated in Pic Mobert First Nation's consolidated financial statements include:

- Gitchi Animki Energy Limited Partnership
- Maygwayyawk Forestry Services Limited Partnership

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.

Organizations accounted for on a modified equity basis include:

- White Lake Limited Partnership
- Bamkushwada Limited Partnership

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

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

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing.

Tangible capital assets are written down when conditions indicate they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenue at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Amortization

Tangible capital assets are amortized annually using the declining balance and straight-line methods at rates intended to amortize the cost of the assets over their estimated useful lives as follows:

	<i>Method</i>	<i>Rate</i>
Office equipment	declining balance	20 %
General equipment	declining balance	20 %
Police office trailer	declining balance	30 %
Computer hardware	declining balance	30 %
Computer software	declining balance	100 %
Automotive	declining balance	30 %
Assets under capital lease	declining balance	20 %
Housing - Section 10	straight-line	35 years
Infrastructure	straight-line	35 years
Gymnasium/Auditorium	straight-line	35 years
CMHC Housing - Section 95	straight-line	35 years
Administration office	straight-line	35 years
Housing renovations	straight-line	35 years
Skating rink	straight-line	35 years
Health clinic	straight-line	35 years
CMHC Housing - Section 95 (2008/2010)	straight-line	35 years
School building	straight-line	35 years
Dilico building	straight-line	35 years
Elder's residences	straight-line	35 years
Water treatment facility	straight-line	35 years
OW building	straight-line	35 years
Pow-wow harbour	straight-line	35 years

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

Long-term debt and capital lease obligations

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt or capital lease obligation.

Repayments of long-term financing are recognized as a decrease in long-term debt.

Capital lease repayments are recognized as a decrease in capital lease obligations.

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 asset's carrying value exceeds its fair value.

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.

Net financial assets (net debt)

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Revenue recognition

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

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulations are settled.

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

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

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

Measurement uncertainty

In preparing the consolidated financial statements for the First Nation in conformity with Canadian public sector accounting standards, management is required 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. Items requiring the use of significant estimates include accounts receivable, accounts payable and accruals and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

Segments

The First Nation conducts its business through nine reportable segments: Administration and Chief and Council, Infrastructure programs, Social, Cultural, Spiritual and Recreational programs, Education programs, Health programs, Capital programs, Economic Development programs, Business Enterprise Projects, and Casino Rama Fund. 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*.

Funds held by federal government

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 with an offsetting amount in revenue on the consolidated statement of operations and surplus (deficit). Trust moneys consist of:

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Investments in equity instruments not quoted in an active market are subsequently measured at cost. All other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

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

Loans receivable

Loans are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to various programs. Such allocations are recorded as administration fees revenue on the consolidated administration program schedule of revenue and expenses.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

3. Cash resources

	2015	2014
HST account	20,762	20,870
Petty cash	500	500
General account	(149,464)	(385,971)
Water Treatment account	1,887,487	216,821
Welfare account	(18,381)	2,819
Equity Trust account	408,478	641,356
Casino Rama account	157,099	312,504
CMHC Replacement Reserve account	189,957	152,857
White Lake Limited Partnership	-	2
Gitchi Animki Energy Limited Partnership	12,716	26,590
Maygwayyawk Forestry Services Limited Partnership	898	-
	2,510,052	988,348

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation.

The general account has an overdraft available of up to \$300,000 with interest at bank prime plus 2% (5% - March 31, 2015) (2014 - 5%) which is secured by a general security agreement. (\$Nil outstanding at March 31, 2015 and \$181,587 at March 31, 2014).

The welfare bank account has overdraft available up to \$10,000 with interest at bank prime plus 2% (5% - March 31, 2015) (2014 - 5%). Which is secured by a general security agreement. (\$Nil outstanding at March 31, 2015 and March 31, 2014).

The Maygwayyawk Forestry Services Limited Partnership account has an overdraft available of up to \$250,000 with interest at bank prime plus 3% and a general security guarantee by Pic Mobert First Nation. (\$Nil outstanding at March 31, 2015).

4. Short-term investments

	2015	2014
Bank of Montreal 1 year GIC, redeemed in 2014	-	149,355
Bank of Montreal 1 year GIC, redeemed in 2015	-	51,978
Bank of Montreal 1 year GIC, redeemed in 2015	-	147,600
Bank of Montreal 1 year GIC, redeemed in 2015	-	98,472
Bank of Montreal 1 year GIC, redeemed in 2015	-	30,299
White Lake Resources Corporation - 1 year GIC, redeemed in 2015	-	75,000
Bank of Montreal 1 year GIC, bearing interest at 0.8% maturing June 2015	151,108	-
Bank of Montreal 1 year GIC, bearing interest at 1.0% maturing June 2015	25,000	-
Bank of Montreal 1 year GIC, bearing interest at 1.0% maturing July 2015	100,000	-
Bank of Montreal 1 year GIC, bearing interest at 0.85% maturing January 2016	30,016	-
Bank of Montreal 1 year GIC, bearing interest at 0.65% maturing January 2016	149,072	-
Bank of Montreal 1 year GIC, bearing interest at 1.0% maturing January 2016	10,000	-
Bank of Montreal 1 year GIC, bearing interest at 0.65% maturing February 2016	99,454	-
Bank of Montreal 1 year GIC, bearing interest at 0.65% maturing February 2016	30,601	-
	595,251	552,704

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

5. Accounts receivable

	2015	2014
Members rent	229,359	187,026
Members advances	4,339	8,343
Barrick Gold	164,399	261,301
Dilico Ojibway Child and Family Services	48,463	53,808
Anishinabek Employment and Training Services	26,218	5,726
Union of Ontario Indians	10,756	-
Northern Ontario Heritage Fund	37,339	-
Other miscellaneous receivables	342,377	492,874
Less: Allowance for doubtful accounts	(222,201)	(170,459)
	641,049	838,619

6. Due from government and other government organizations

	2015	2014
Federal government		
Aboriginal Affairs and Northern Development Canada	13,634	87,006
Health Canada	35,687	38,366
HST recoverable	146,961	70,577
Industry Canada	-	25,500
White Lake Limited Partnership - HST recoverable	-	23,180
Maywayyawk Forestry Services Limited Partnership - HST recoverable	11,080	-
Provincial government		
Ministry of Community and Social Services	16,424	9,768
Ministry of Health and Long-Term Care	3,945	5,554
Ministry of Natural Resources	2,214	35,130
Ministry of Aboriginal Affairs	-	5,009
Ministry of Training, Colleges and Universities	-	3,460
	229,945	303,550

7. Loans receivable

	Principal	Allowance	2015 Net recoverable value	2014 Net recoverable value
Loan receivable from Bernard Miller Sr., Russell Miller and 1890640 Ontario Inc. Loan is unsecured and bears interest at 6% per annum. Repaid in full subsequent to year-end.	50,000	-	50,000	50,000

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Investments in First Nation partnerships and business entities

A summary of financial information for Gitchi Animki Energy Limited Partnership for the years ended March 31, 2015 and March 31, 2014 is shown below.

	As at March 31, 2015 (unaudited)	As at March 31, 2014 (unaudited)
Financial assets		
Cash	12,716	26,590
Accounts receivable	43,979	-
Investment in Pic Mobert Hydro Inc.	35,501,484	27,389,626
Total financial assets	35,558,179	27,416,216
Liabilities		
Due to Regional Power Inc.	37,554,043	27,376,726
Due to Pic Mobert First Nation	2,151,539	1,712,274
Total liabilities	39,705,582	29,089,000
Net debt	(4,147,403)	(1,672,784)
Accumulated surplus (deficit)	(4,147,403)	(1,672,784)
	Year ending March 31, 2015 (unaudited)	Year ending March 31, 2014 (unaudited)
Revenue		
PMFN/Ministry of Environment and Climate Change	100,000	100,000
Miscellaneous	10,572	9,460
Total revenue	110,572	109,460
Expenses		
Accounting and legal fees	24,309	-
Honoraria - Council	360	-
Honoraria - Directors	7,000	-
Honoraria - PMFN Representative	6,000	-
Insurance	10,750	-
Interest and bank charges	146	-
Interest on joint venture loan	2,492,637	1,422,702
Management fees	5,982	-
Meetings	10,440	-
Miscellaneous	3,383	-
Professional development	1,915	-
Travel	10,182	-
Total expenses	2,573,104	1,422,702
Surplus (deficit)	(2,462,532)	(1,313,242)

PMFN/Ministry of Environment and Climate Change revenue of \$100,000 (2014 - \$100,000) was eliminated in the consolidated statement of operations. The due to Pic Mobert First Nation balance of \$2,151,539 (2014 - \$1,712,274) was eliminated in the consolidated statement of financial position.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for White Lake Resources Corporation for the years ended March 31, 2015 and March 31, 2014 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2015	As at March 31, 2014
Financial assets		
Due from Pic Mobert First Nation	100	100
Investment in White Lake Limited Partnership	123	98
Total financial assets	223	198
Liabilities		
Accounts payable and accruals	750	-
Due to White Lake Limited Partnership	100	100
Total liabilities	850	100
Accumulated surplus (deficit)	(627)	98
	Year ending March 31, 2015	Year ending March 31, 2014
Revenue		
Share of partnership income	25	4
Total revenue	25	4
Expenses		
Professional fees	750	-
Surplus (deficit)	(725)	4

The due from Pic Mobert First Nation balance of \$100 (2014 - \$100) was eliminated in the consolidated statement of financial position.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

The First Nation owns 99.99% of the units of White Lake Limited Partnership and has been included in the consolidated financial statements using the modified equity method. A condensed summary of financial information for White Lake Limited Partnership for the years ended March 31, 2015 and 2014 is shown below.

	As at March 31, 2015	As at March 31, 2014
Assets		
Current		
Cash	120,117	-
Temporary investments	-	75,000
Accounts receivable	499,599	388,387
Government remittances receivable	-	23,180
Prepaid expenses	2,412	2,969
	622,128	489,536
Equipment	50,639	41,257
Investment in Pic Mobert Sawmill Corporation	100	100
	672,867	530,893
Liabilities		
Current		
Bank indebtedness	-	12,753
Accounts payable	222,147	217,413
Government remittances payable	124,730	131,621
Short-term debt	92,005	110,755
Due to partner	-	75,000
Due to Pic Mobert Sawmill Corporation	100	100
	438,982	547,642
Partners' Capital	233,885	(16,749)
	672,867	530,893
	Year ending March 31, 2015	Year ending March 31, 2014
Revenue	1,841,935	1,332,266
Expenses	1,591,301	1,288,388
Net earnings	250,634	43,878

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for Pic Mobert Sawmill Corporation for the years ended March 31, 2015 and March 31, 2014 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2015	As at March 31, 2014
Financial assets		
Due from White Lake Limited Partnership	100	100
Investment in White River Forest Products Inc.	588	588
Total financial assets	688	688
Liabilities		
Due to White River Forest Products Inc.	588	588
Total liabilities	588	588
Net financial assets	100	100
Accumulated surplus	100	100

The investment in White River Forest Products Inc. was reduced to a nominal amount (\$1) in order to recognize Pic Mobert Sawmill Corporation's share of losses from the investment using the cost method. The investment will continue to be shown at a nominal amount until such time where it is apparent that White River Forest Products Inc.'s operations return to profitability.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for Gitchi Animki Energy Corporation for the years ended March 31, 2015 and March 31, 2014 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2015	As at March 31, 2014
Financial assets		
Investment in Gitchi Animki Energy Limited Partnership	(6,470)	4,831
Total financial assets	(6,470)	4,831
Liabilities		
Accounts payable and accruals	850	850
Due to Gitchi Animki Energy Limited Partnership	850	-
Total liabilities	1,700	850
Net financial assets (net debt)	(8,170)	3,981
Accumulated surplus (deficit)	(8,170)	3,981

	Year ending March 31, 2015	Year ending March 31, 2014
Revenue		
Share of partnership income (loss)	(11,301)	4,830
Total revenue (loss)	(11,301)	4,830
Expenses		
Professional fees	850	850
Total expenses	850	850
Surplus (deficit)	(12,151)	3,980

The capital (deficit) balance of (\$6,470) (2014 - \$4,831) held in Gitchi Animki Energy Limited Partnership and the due to Gitchi Animki Energy Limited Partnership of \$850 (2014 - \$Nil) has been eliminated in the consolidated statement of financial position.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for Maygwayyawk Forestry Services Limited Partnership for the year ended March 31, 2015 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2015
Financial assets	
Cash	1,760
Accounts receivable	15,493
Government remittances receivable	21,728
Total financial assets	38,981
Liabilities	
Accounts payable and accruals	247,162
Net debt	(208,181)
Non-financial assets	
Prepaid expenses	59,118
Partners' deficit	(149,063)
	Year ending March 31, 2015
Revenue	659,069
Cost of sales	
Forestry	566,153
Logging road	48,371
Subcontracts	26,761
	641,285
Gross profit	17,784
Expenses	
Equipment rental	147
Fuel	28,139
Insurance	13,123
Interest and bank charges	1,004
Office	12
Professional fees	30,902
Repairs and maintenance	9,125
Travel	1,707
Vehicle expenses	3,067
Wages and employee benefits	79,621
	166,847
Net loss	(149,063)

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A portion of the accounts payable and accruals balance of \$29,362 was eliminated in the consolidated statement of financial position.

Cost of sales - forestry of \$5,000 and cost of sales - subcontracts of \$24,362 was eliminated in the Consolidated Statement of Operations.

A summary of financial information for Maygwayyawk Forestry Services Corporation for the year ended March 31, 2015 and March 31, 2014 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2015	As at March 31, 2014
Financial assets		
Due from shareholders	-	100
Investment in Maygwayyawk Forestry Services Limited Partnership	(15)	-
Total financial assets	(15)	100
Liabilities		
Accounts payable and accruals	-	986
Due to shareholders	886	-
Total liabilities	886	986
Net debt	901	(886)
Non-financial assets		
Intangible capital assets	986	986
Accumulated surplus	85	100
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Share of partnership loss	(15)	-
Net loss	(15)	-

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

The First Nation owns 16.66% of the units of Bamkushwada Limited Partnership and has been included in the consolidated financial statements using the modified equity method. A condensed summary of the financial information for Bamkushwada Limited Partnership for the years ended December 31, 2014 and December 31, 2013 is shown below.

	As at December 31, 2014 (unaudited)	As at December 31, 2013 (unaudited)
Financial assets		
Cash	5,710	10,026
HST receivable	71,424	-
Total financial assets	77,134	10,026
Liabilities		
Accounts payable and accruals	40,851	-
Partners' capital	36,283	10,026
Total liabilities and equity	77,134	10,026

	Year ending December 31, 2014 (unaudited)	Year ending December 31, 2013 (unaudited)
Revenue	413,393	109,107
Expenses	387,136	82,419
Net income	26,257	26,688

Bamkushwada Limited Partnership's main business activity is development of economic development opportunities for its First Nation partners.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

9. Trust funds held by federal government

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Capital and revenue trust monies 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
Capital Trust		
Balance, beginning of year	4,619	4,619
Balance, end of year	4,619	4,619
Revenue Trust		
Balance, beginning of year	64,153	62,455
Interest	1,947	1,698
Balance, end of year	66,100	64,153
	70,719	68,772

10. Accounts payable and accruals

	2015	2014
Trade payables	2,359,920	1,224,691
Accrued salaries and benefits payable	206,011	192,557
Other accruals	1,026,143	32,078
	3,592,074	1,449,326

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

11. Deferred revenue

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

	<i>Balance, beginning of year</i>	<i>Revenue received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
AANDC - Water Treatment Facility	191,820	3,046,931	2,999,954	238,797
Barrick Gold - Administration	450,249	358,750	84,952	724,047
PGM Stillwater Palladium Mine - Environmental Assessments	57,579	-	23,800	33,779
PGM Stillwater Palladium Mine - Administration	-	25,000	-	25,000
Ontario Trillium Foundation - Trillium Cultural Centre	147,600	-	147,600	-
Ontario Power Authority - Hydro Project	591,533	-	491,533	100,000
Industry Canada - Strategic Plan	10,639	-	10,639	-
White Lake Resource Corporation - School equipment	-	3,704	-	3,704
	1,449,420	3,434,385	3,758,478	1,125,327

12. Due to government and other government organizations

	2015	2014
Federal government		
Receiver General	45,301	47,631
White Lake Resources Corporation - Receiver General	-	131,621
	45,301	179,252

13. Due to Regional Power Inc.

The balance due to Regional Power Inc. represents development costs incurred on behalf of GAELP by White River Hydro Limited Partnership (WRHLP), the other joint venture partner. Under the joint venture agreement, Regional Power Inc. has a commitment to loan GAELP amounts equal to its share of qualifying projects costs. Interest on the loan is accrued monthly and bears interest at varying interest rates up to 12% per annum. The balances owing at March 31, 2015 includes \$2,600,025 (March 31, 2014 - \$1,197,068) in cumulative accrued interest.

The loan is collateralized by GAELP's interest in the PMHPJV. GAELP is under no obligation to repay the loan and interest. However, GAELP will forfeit its interest in the joint venture, and any potential future profits thereof, if the loan is not repaid. Per the loan agreement, loan repayments are to be financed through the use of future project revenue. The project is not expected to commence commercial operations until 2016.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

14. Long-term debt

	2015	2014
Mortgage #0041501821 payable to Bank of Montreal with payments of \$11,497 per month including interest at 2.7% per annum maturing April 2018, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 26 housing units.	408,676	534,134
Mortgage #19151315001 payable to CMHC with payments of \$2,239 per month including interest at 2.69% per annum maturing May 2025, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 6 housing units.	239,487	259,716
Mortgage #16839920 payable to CMHC discharged in 2015.	-	61,243
Mortgage #19151315002 payable to CMHC with payments of \$5,016 per month including interest at 1.62% per annum maturing January 2028, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 8 housing units.	698,251	746,826
Mortgage #19151315003 payable to CMHC with payments of \$5,032 per month including interest at 2.35% per annum maturing August 2023, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 10 housing units.	461,835	510,915
Mortgage #19151315004 payable to CMHC with payments of \$5,078 per month including interest at 2.78% per annum maturing August 2025, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 9 housing units.	548,359	593,593
Ford credit loan payable with payments of \$691 per month including interest at 7.29% per annum maturing January 2017, with automotive equipment with a net book value of \$18,962 pledged as collateral.	15,219	23,520
	2,371,827	2,729,947

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	Interest	Total
2016	302,646	52,000	354,646
2017	309,166	44,096	353,262
2018	310,004	36,340	346,344
2019	190,810	30,021	220,831
2020	182,526	25,859	208,385
	1,295,152	188,316	1,483,468
Thereafter	1,076,675	65,807	1,142,482

Interest on long-term debt amounted to \$58,122 (2014 - \$68,477).

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

15. Contingent liabilities

A WSIB claim has also been filed against the First Nation by a former employee which represents a possible claim against Pic Mobert First Nation for lost wages. The First Nation's legal counsel defending the First Nation in this labour claim does not foresee the claim to exceed \$58,240 with a more likely severance and termination settlement of approximately \$13,063.

White River Forest Products Inc. (WRFPI), a partner of Maygwayyawk Forestry Services Limited Partnership (MFSLP) which has been proportionately consolidated in these consolidated financial statements, has been named as a defendant in a lawsuit for which it was acting as agent for the partnership and the partnership had indemnified WRFPI. The lawsuit is seeking to recover damages allegedly sustained by them as a result of unutilized equipment standby charges. The lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this lawsuit or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable. Legal counsel defending WRFPI and MFSLP in this claim does not foresee the claim to exceed \$200,000.

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

In addition, in the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements. As of March 31, 2015, no contingent liabilities have been recorded in the consolidated financial statements.

16. AANDC funding reconciliation

	2015	2014
AANDC revenue per consolidated financial statements	6,403,952	4,074,388
Change in deferred revenue	46,977	62,528
Funding clawed back	-	(2,600)
AANDC revenue per confirmation	6,450,929	4,134,316

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

17. Segments

The First Nation has nine reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Administration and Chief and Council - includes administration and governance activities.

Infrastructure Programs - includes band programs and maintenance.

Social, Cultural, Spiritual and Recreational Programs - includes activities delivering social programs.

Education Programs - includes the operations of education programs.

Health Programs - includes the operations of health programs.

Capital Programs - includes the operations of capital programs.

Economic Development Programs - includes the operations of economic projects.

Business Enterprise Projects - includes the operations of significantly influenced business enterprises for consolidation.

Casino Rama Fund - reports on the First Nation's Ontario First Nations Limited Partnership funding.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 2.

18. Government transfers

Pic Mobert First Nation receives a significant portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada (AANDC). Under the terms of the agreement, funding from the agreement can be suspended if the First Nation does not comply with the terms of the agreement.

	<i>Operating</i>	<i>Capital</i>	<i>2015</i>	<i>2014</i>
Federal government transfers				
Aboriginal Affairs and Northern Development Canada	3,442,742	2,961,210	6,403,952	4,074,388
Health Canada	470,085	-	470,085	362,605
Canada Mortgage and Housing Corporation	228,468	-	228,468	213,603
	4,141,295	2,961,210	7,102,505	4,650,596
Provincial government transfers				
Other provincial government	1,235,144	-	1,235,144	1,159,595
	5,376,439	2,961,210	8,337,649	5,810,191

19. Defined contribution plans

Defined contribution pension plan

The First Nation has a defined contribution pension plan covering substantially all full-time employees. Members are required to contribute 5.5% of their basic salary. The First Nation contributes 5.5% which is directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. The First Nation contributions and corresponding expense totalled \$113,063 in 2015 (2014 - \$121,360). AANDC provides funding to the First Nation for its share of pension contributions for full-time employees.

20. Upcoming accounting pronouncements

New and Amended Standards

PS 3210 Assets (New)

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3320 Contingent Assets (New)

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

26. Upcoming accounting pronouncements *(Continued from previous page)*

PS 3380 Contractual Rights (New)

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3430 Restructuring Transactions (New)

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.
- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.
- The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

21. Related party transactions

White Lake Limited Partnership is a partnership controlled by Pic Mobert First Nation, and therefore is related to the First Nation. At March 31, 2015, \$125,906 (2014 - \$62,716) was receivable from White Lake Limited Partnership and \$250 (2014 - \$Nil) was payable to White Lake Limited Partnership.

Transactions occurring during the year between related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration agreed to by the parties. Miscellaneous revenue from White Lake Limited Partnership amounted to \$39,909 (2014 - \$Nil). Rent revenue from White Lake Limited Partnership amounted to \$3,600 (2014 - \$Nil). Donations revenue from White Lake Limited Partnership amounted to \$109,408 (2014 - \$Nil).

22. Commitments

The First Nation has entered into a contractual agreement with Kingdom Construction Limited to construct the water treatment facility for a total cost of \$9,854,755. As at March 31, 2015, the First Nation was contractually obligated to fulfill the remaining payments of \$7,349,926.

23. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair value of financial instruments

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The First Nation manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate risk with respect to its long-term debt as they are at fixed rates. The First Nation has loans with fixed rates ranging from 1.62% to 7.29% and maturities of two to thirteen years.

24. Correction of an error

During the year, a government partnership controlled by the First Nation and proportionately consolidated in these consolidated financial statements corrected an error in the presentation of a portfolio investment by recording the investment at cost. As the financial records of the government partnership are consolidated in the consolidated financial statements, the following changes have been reflected in the comparative figures for the year ended March 31, 2014: a decrease in the Investment in Pic Mobert Hydro Inc. of \$4,019,940, an increase in Due to Regional Power Inc. of \$496,253, an increase in the net book value of tangible capital assets of \$218,580, an increase in opening surplus of \$1,307,513, an increase in closing surplus of \$968,317, an increase in interest on Regional Power Inc. loan of \$512,143, a decrease in miscellaneous expenses of \$43,005, a decrease in office expenses of \$5,319, a decrease in professional fees of \$302,643, a decrease in program expenses of \$99,256, a decrease in recovery of capitalized costs of \$5,769,759 and an increase in net debt of \$4,516,193.

25. Budget information

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue and expenses, and surplus have not been reported in these consolidated financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSA standards.

26. Economic dependence

Pic Mobert First Nation receives a significant portion 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.

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Housing - Section 10</i>	<i>CMHC Housing - Section 95</i>	<i>CMHC Housing - Section 95 (2008/2010)</i>	<i>Infrastructure</i>	<i>Water Treatment Facility</i>	<i>Housing renovations</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	2,596,972	853,499	2,739,628	2,676,489	246,630	748,684	9,861,902
Acquisition of tangible capital assets	57,360	-	-	-	-	15,000	72,360
Construction-in-progress	-	-	-	-	2,961,210	-	2,961,210
Balance, end of year	2,654,332	853,499	2,739,628	2,676,489	3,207,840	763,684	12,895,472
Accumulated amortization							
Balance, beginning of year	1,224,175	634,042	524,237	733,531	1,602	119,956	3,237,543
Annual amortization	75,838	24,386	78,275	76,471	801	21,820	277,591
Balance, end of year	1,300,013	658,428	602,512	810,002	2,403	141,776	3,515,134
Net book value of tangible capital assets	1,354,319	195,071	2,137,116	1,866,487	3,205,437	621,908	9,380,338
2014 Net book value of tangible capital assets	1,372,797	219,457	2,215,391	1,942,958	245,028	628,728	6,624,359

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>OW Building</i>	<i>Dilco Building</i>	<i>School Building</i>	<i>Gymnasium / Auditorium</i>	<i>Police office trailer</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	9,861,902	296,911	201,300	1,773,911	156,174	5,670	12,295,868
Acquisition of tangible capital assets	72,360	-	-	-	-	-	72,360
Construction-in-progress	2,961,210	-	-	-	-	-	2,961,210
Balance, end of year	12,895,472	296,911	201,300	1,773,911	156,174	5,670	15,329,438
Accumulated amortization							
Balance, beginning of year	3,237,543	16,966	94,898	662,270	69,162	5,665	4,086,504
Annual amortization	277,591	8,483	5,751	50,683	4,462	2	346,972
Balance, end of year	3,515,134	25,449	100,649	712,953	73,624	5,667	4,433,476
Net book value of tangible capital assets	9,380,338	271,462	100,651	1,060,958	82,550	3	10,895,962
2014 Net book value of tangible capital assets	6,624,359	279,945	106,402	1,111,641	87,012	5	8,209,364

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Office equipment</i>	<i>Computer hardware</i>	<i>Computer software</i>	<i>General equipment</i>	<i>Administration office</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	12,295,868	59,315	109,893	28,355	47,330	715,423	13,256,184
Acquisition of tangible capital assets	72,360	-	-	-	7,320	-	79,680
Construction-in-progress	2,961,210	-	-	-	-	-	2,961,210
Balance, end of year	15,329,438	59,315	109,893	28,355	54,650	715,423	16,297,074
Accumulated amortization							
Balance, beginning of year	4,086,504	51,733	104,244	28,355	29,250	286,173	4,586,259
Annual amortization	346,972	1,516	1,695	-	4,348	20,441	374,972
Balance, end of year	4,433,476	53,249	105,939	28,355	33,598	306,614	4,961,231
Net book value of tangible capital assets	10,895,962	6,066	3,954	-	21,052	408,809	11,335,843
2014 Net book value of tangible capital assets	8,209,364	7,582	5,649	-	18,080	429,250	8,669,925

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Elder's residences</i>	<i>Automotive</i>	<i>Skating rink</i>	<i>Assets under capital lease</i>	<i>Health Clinic</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	13,256,184	803,665	281,643	229,596	21,706	2,009,202	16,601,996
Acquisition of tangible capital assets	79,680	-	51,908	-	-	-	131,588
Construction-in-progress	2,961,210	-	-	-	-	-	2,961,210
Balance, end of year	16,297,074	803,665	333,551	229,596	21,706	2,009,202	19,694,794
Accumulated amortization							
Balance, beginning of year	4,586,259	321,467	209,418	58,860	17,380	229,624	5,423,008
Annual amortization	374,972	22,962	29,454	6,560	865	57,406	492,219
Balance, end of year	4,961,231	344,429	238,872	65,420	18,245	287,030	5,915,227
Net book value of tangible capital assets	11,335,843	459,236	94,679	164,176	3,461	1,722,172	13,779,567
2014 Net book value of tangible capital assets	8,669,925	482,198	72,225	170,736	4,326	1,779,578	11,178,988

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Pow-Wow Arbour</i>	<i>Mining claims</i>	<i>Other fully amortized assets</i>	<i>Cultural Centre</i>	<i>White Lake Resources Corporation</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	16,601,996	25,714	30,000	1	-	-	16,657,711
Acquisition of tangible capital assets	131,588	-	-	-	-	-	131,588
Construction-in-progress	2,961,210	-	-	-	147,600	-	3,108,810
Balance, end of year	19,694,794	25,714	30,000	1	147,600	-	19,898,109
Accumulated amortization							
Balance, beginning of year	5,423,008	735	-	-	-	-	5,423,743
Annual amortization	492,219	735	-	-	-	-	492,954
Balance, end of year	5,915,227	1,470	-	-	-	-	5,916,697
Net book value of tangible capital assets	13,779,567	24,244	30,000	1	147,600	-	13,981,412
2014 Net book value of tangible capital assets	11,178,988	24,979	30,000	1	-	41,257	11,275,225

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>2015</i>	<i>2014</i>
			<i>(Restated)</i>
Cost			
Balance, beginning of year	16,657,711	16,657,711	16,362,976
Acquisition of tangible capital assets	131,588	131,588	124,693
Construction-in-progress	3,108,810	3,108,810	218,580
Balance, end of year	19,898,109	19,898,109	16,706,249
Accumulated amortization			
Balance, beginning of year	5,423,743	5,423,743	4,932,007
Annual amortization	492,954	492,954	499,017
Balance, end of year	5,916,697	5,916,697	5,431,024
Net book value of tangible capital assets	13,981,412	13,981,412	11,275,225
2014 Net book value of tangible capital assets	11,275,225	11,275,225	

Pic Mobert First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2015

	2015	2014 (Restated)
Consolidated expenses by object		
Administration	360,196	629,820
Advertising	3,735	4,173
Amortization	492,953	499,017
Bad debts	143,581	159,785
Bank charges and interest	31,270	55,426
Breakfast program	6,000	8,000
Business fees and licenses	-	5,026
Christmas expenses	-	7,202
Community donations	899	1,600
Community participation	-	15,000
Contract work	-	335,717
Equipment rental	75	206,390
Food bank	12,000	14,400
Forestry and logging	297,661	-
Fuel	14,349	-
Funeral expense	31,764	3,020
Garbage disposal fees	59,025	63,650
General welfare assistance	614,800	634,702
Honoraria	164,291	212,634
Hygiene	461	-
Insurance	194,619	187,893
Interest on Regional Power Inc.	2,492,637	1,422,702
Interest on long-term debt	58,122	68,477
Management fees	5,982	2,528
Materials and supplies	519,049	491,737
Medical travel	78,011	91,263
Meeting expenses	10,440	2,295
Miscellaneous	3,726	-
Office expenses	119,355	117,193
Post-secondary allowances	369,438	300,496
Professional fees	1,074,392	1,064,217
Program expenses	1,033,172	1,107,346
Repairs and maintenance	201,875	481,249
Salaries and benefits	3,707,703	4,527,192
Stay in school	11,667	14,377
Student transportation	160,745	184,389
Telephone	10,141	13,795
Training	57,378	60,479
Travel	185,475	260,582
Tuition - special education	15,442	18,963
Tuition fees	542,143	524,655
Utilities	284,281	156,792
Vehicle expenses	1,564	-
Vehicle fuel	66,118	100,384
Youth culture and recreation	3,407	2,723
	13,439,942	14,057,289

Pic Mobert First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2015

	AANDC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)
Administration and Chief and Council	461,454	731,530	1,192,984	1,271,307	119,265	40,942
Infrastructure Programs	3,499,244	84,732	3,583,976	839,168	1,227	2,746,035
Social, Cultural, Spiritual and Recreational Programs	35,000	369,885	404,885	449,613	201,344	156,616
Education Programs	2,004,719	35,905	2,040,624	2,050,575	1,000	(8,951)
Health Programs	182,751	1,529,466	1,712,217	1,779,765	-	(67,548)
Capital Programs	147,084	785,665	932,749	1,215,312	148,680	(133,883)
Economic Development Programs	73,700	3,290,277	3,363,977	2,876,649	160,174	647,502
Business Enterprise Projects	-	591,457	591,457	2,957,449	-	(2,365,992)
Casino Rama Fund	-	645,770	645,770	104	(631,690)	13,976
Total	6,403,952	8,064,687	14,468,639	13,439,942	-	1,028,697