BDO

Tel: 705 945 0990
Fax: 705 942 7979
Toll-Free: 800 520 3005
www.bdo.ca

BDO Canada LLP
747 Queen Street E
PO Box 1109
Sault Ste. Marie ON P6A 5N7 Canada

RECEIVED
AUG 19 2015
AANDC SUD

Aboriginal Affairs and Northern Development Canada
Sudbury Business Center
40 Elm Street, Suite 290
Sudbury, ON P3C 1S8

Attention: Mr. Bradley Stewart, Sr. Funding Services Officer

August 13, 2015

Re: Garden River First Nation

Dear Sir

We enclose herewith for your information and retention, copies of the following documents to be published on the internet:

1. Consolidated financial statements without schedules for the year ended March 31, 2015.
2. Schedule of Remuneration and Expenses - (Chief and Councillors) along with an accompanying Review Engagement Report for the year ended March 31, 2015.

Should you have any questions concerning the foregoing, please contact the writer or John Missere of this office.

Yours sincerely

BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants

G. Stefanizzi

Gabriel R. Stefanizzi, CPA, CA, BAcc
Partner
/sb

Enclosures

Garden River First Nation
Consolidated Financial Statements
For the year ended March 31, 2015

Garden River First Nation
Consolidated Financial Statements
For the year ended March 31, 2015

Contents

Garden River First Nation
Management's Responsibility for Financial Reporting
March 31, 2015

The accompanying consolidated financial statements of the Garden River 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 as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The First Nation 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 external auditors, BDO Canada LLP, conduct an audit in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Garden River First Nation and meet when required.

Chris Paul Jones _______________ Chief

Chester Langille _______________ Chief Executive Officer

BDO

Tel: 705 945 0990
Fax: 705 942 7979
Toll-Free: 800 520 3005
www.bdo.ca

BDO Canada LLP
747 Queen Street E
PO Box 1109
Sault Ste. Marie ON P6A 5N7 Canada

Independent Auditor's Report

To the Chief and Council of Garden River First Nation

We have audited the accompanying consolidated financial statements of the Garden River First Nation, which comprise the statement of financial position as at March 31, 2015 and the statements of operations, changes in net financial assets (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 Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of 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 audit opinion.

Basis for Qualified Opinion
The First Nation has investments in a number of government business enterprises which are required under Canadian public sector accounting standards to prepare their financial statements in accordance with International Financial Reporting Standards. Although all First Nation government business enterprises have not reported their financial statements under those requirements, only Construction Equipment Co. Sault Inc. could possibly result in a material misstatement. Accordingly, we were unable to determine the adjustments necessary, if any, to investment in government business enterprises, share in earnings of government business enterprises and the accumulated surplus.

In addition, the First Nation has not received audited financial statements of Construction Equipment Co. Sault Inc. for March 31, 2015. As a result we have been unable to confirm or verify by alternate means the investment in this government business enterprise. Accordingly, we were not able to determine whether any adjustments might be necessary to the investment in government business enterprise, net income or loss of the government business enterprises, and the accumulated surplus.

Qualified Opinion

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
August 13, 2015

Garden River First Nation
Consolidated Statement of Financial Position

March 31	2015	2014
Financial assets		
Cash and short term securities	**$ 2,025,560**	$ 2,036,359
Accounts receivable	**1,522,118**	2,741,366
Due from the Community Trust (Note 5)	**67,825**	163,121
Inventories held for sale	**76,971**	76,824
Investments in subsidiaries (Note 2)	**1,830,087**	1,116,353
Trust Funds held by Federal Government (Note 8)	**3,531,536**	3,306,085
	9,054,097	9,440,108
Liabilities		
Bank operating line of credit (Note 9)	**120,000**	180,000
Accounts payable	**1,264,849**	2,041,173
Due to Aboriginal Affairs (Note 11)	**148,914**	94,060
Deferred revenue (Note 3)	**596,453**	466,036
Post employment retirement benefits (Note 4)	**341,463**	319,563
Long term debt (Note 6)	**12,483,532**	13,161,046
	14,955,211	16,261,878
Net financial assets (debt)	**(5,901,114)**	(6,821,770)
Non-financial assets		
Tangible capital assets (Schedule 1)	**27,456,096**	28,619,997
Prepaid expenses and inventory of supplies	**337,608**	348,370
	27,793,704	28,968,367
Accumulated surplus (Note 7)	**$ 21,892,590**	$ 22,146,597

On behalf of Council

Chief

Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

Garden River First Nation
Consolidated Statement of Operations

For the year ended March 31	Budget	2015	2014
Revenue			
Aboriginal Affairs	$ 9,146,376	**$ 9,206,888**	$ 9,067,790
Canada	2,414,347	**2,455,011**	2,417,072
Ontario	1,467,655	**1,483,743**	1,436,469
Other Aboriginal organizations	2,734,040	**3,119,587**	2,803,564
Garden River First Nation trusts	63,000	**(30,358)**	(8,609)
OFNLP	1,162,948	**1,183,164**	1,152,405
Interest and other revenue	516,687	**764,041**	1,175,201
User fees, rental income, sales, fund raising and gravel royalties	15,313,783	**15,505,918**	15,078,202
Transfers between segments	12,500	**-**	-
FHIT (Note 8)	-	**225,451**	228,824
	32,831,336	**33,913,445**	33,350,918
Due (to) from Aboriginal Affairs	-	**(54,854)**	(63,677)
Deferred revenue, beginning of year	-	**466,036**	811,247
Deferred revenue, end of year	86,006	**(596,453)**	(466,036)
	32,917,342	**33,728,174**	33,632,452
Expenses			
Social and family services	3,609,182	**3,486,408**	3,561,871
Administration, lands and economic development	1,585,985	**1,469,729**	1,433,849
Education	7,214,875	**7,361,365**	7,263,962
Operations and maintenance	1,897,886	**2,008,638**	1,952,931
Housing development	2,412,462	**1,544,264**	1,307,700
Medical and other health services	2,396,932	**2,541,291**	2,477,926
Enterprises	14,773,721	**14,933,254**	14,874,615
Other	1,213,597	**1,356,995**	1,270,672
	35,104,640	**34,701,944**	34,143,526
	(2,187,298)	**(973,770)**	(511,074)
Annual surplus (deficit) from enterprises			
Garden River Development Corporation	-	**346,503**	(114,415)
Garden River Opportunities Program	-	**-**	(59,714)
Construction Equipment Co. (Sault) Inc.	-	**340,449**	(28,986)
2104298 Ontario Inc	-	**32,811**	2,041
Annual deficit	(2,187,298)	**(254,007)**	(712,148)
Accumulated surplus, beginning of year	22,146,597	**22,146,597**	22,858,745
Accumulated surplus, end of year	$ 19,959,299	**$ 21,892,590**	$ 22,146,597

The accompanying notes are an integral part of these financial statements.

Garden River First Nation
Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended March 31	Budget	**2015**	2014
Annual deficit	$ (2,187,298)	**$ (254,007)**	$ (712,148)
Acquisition of tangible capital assets	(260,620)	**(456,211)**	(486,498)
Amortization of tangible capital assets	1,620,112	**1,620,112**	1,609,855
Prepaid expenses and inventory of supplies	-	**10,762**	15,111
Net change in net financial assets (debt)	(827,806)	**920,656**	426,320
Net financial debt, beginning of year	(6,821,770)	**(6,821,770)**	(7,248,090)
Net financial debt, end of year	$ (7,649,576)	**$ (5,901,114)**	$ (6,821,770)

The accompanying notes are an integral part of these financial statements.

Garden River First Nation
Consolidated Statement of Cash Flows

For the year ended March 31	2015	2014
Cash flows from operating activities		
Annual deficit	$ **(254,007)**	$ (712,148)
Items not involving cash		
Net income - Garden River Development Corporation	**(346,503)**	114,415
Net income - Garden River Opportunities Program	**-**	59,714
Net income - Construction Equipment Co. (Sault) Inc.	**(340,449)**	28,986
Net income - 2104298 Ontario Inc.	**(32,811)**	(2,041)
Amortization	**1,620,112**	1,609,855
	646,342	1,098,781
Changes in non-cash working capital balances		
Accounts receivable	**1,219,248**	(156,752)
Due to/from Aboriginal Affairs	**54,854**	28,755
Advances to Garden River Development Corporation	**6,029**	21,426
Inventory for resale	**(147)**	(13,488)
Due to/from Community Trust	**95,296**	190,142
Accounts payable	**(776,322)**	495,916
Deferred revenue	**130,417**	(345,211)
Prepaid expenses and inventory of supplies	**10,761**	15,112
Post retirement benefits	**21,900**	1,310
Trust Funds held by Federal Government	**(225,451)**	(228,825)
	1,182,927	1,107,166
Cash flows from capital transactions		
Acquisition of tangible capital assets	**(456,211)**	(486,498)
Cash flows from financing activities		
Bank operating line of credit	**(60,000)**	30,000
Demand loan debt repaid	**-**	(2,442,734)
Long term debt issued	**228,967**	2,309,355
Long term debt repaid	**(906,482)**	(1,028,662)
	(737,515)	(1,132,041)
Decrease in cash	**(10,799)**	(511,373)
Cash, beginning of year	**2,036,359**	2,547,732
Cash, end of year	$ **2,025,560**	$ 2,036,359

The accompanying notes are an integral part of these financial statements.

1. Summary of significant accounting policies

a) Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.

b) Reporting entity

The Garden River First Nation reporting entity includes the First Nation government and all entities that are controlled by the First Nation.

c) Principles of consolidation

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

Under the modified equity method of accounting, only Garden River First Nation's portion of 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 the First Nation, and inter-organizational balances and transactions are not eliminated.

Organizations accounted for on a modified equity basis include:
- Garden River Development Corporation
- Garden River Opportunities Program
- 2104298 Ontario Inc.
- Construction Equipment Co. (Sault) Inc.

d) Cash and short term securities

The First Nation's bank accounts and short term deposit receipts are maintained at two financial institutions.

e) Inventories for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

f) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year the asset is available for productive use as follows:

Land improvements	15 years
Buildings	20 to 40 years
Infrastructure	15 to 45 years
Vehicles	7 years
Machinery and equipment	10 to 20 years

In the year of acquisition tangible capital assets are amortized at one-half the above rates.

1. Summary of significant accounting policies (continued)

g) Pension plan

Garden River First Nation provides a defined contribution plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee.

h) 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.

Government transfers are recognized as revenues 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 transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external 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.

i) Use of estimates

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

2. Investments in subsidiaries

Garden River First Nation accounts for its investments in Garden River Development Corporation, Garden River Opportunities Program, Construction Equipment Co. (Sault) Inc. and 2104298 Ontario Inc. by the modified equity method. The equity method initially records the investment at cost and then is increased or decreased by the First Nation's pro-rata share of income or loss and is reduced by distributions received. This equity method is modified only to the extent that the accounting policies of Garden River Development Corporation, Garden River Opportunities Program, Construction Equipment Co. (Sault) Inc. and 2104298 Ontario Inc. are not adjusted to conform to the Garden River First Nation accounting policies as recommended by Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

	2015	2014
Garden River Development Corporation:		
Issued common shares - 1,000	**$ 100**	$ 100
Capital contributions	**2,161,456**	2,534,715
Accumulated deficit	**(2,514,828)**	(3,207,645)
	(353,272)	(672,830)
Advances receivable, interest free	**67,285**	73,314
	(285,987)	(599,516)

2. Investments in subsidiaries (continued)

	2015	2014
Garden River Opportunities Program:		
Incorporated without share capital	-	-
Accumulated deficit	(130,961)	(130,961)
	(130,961)	(130,961)
Construction Equipment Co. (Sault) Inc.:		
Incorporated without share capital	-	-
Capital contributions	1,599,312	1,605,177
Accumulated surplus	311,463	(28,986)
	1,910,775	1,576,191
Advances receivable, interest free	17,574	17,574
	1,928,349	1,593,765
2104298 Ontario Inc.:		
Incorporated without share capital	-	-
Capital contributions	85,783	52,972
Accumulated deficit	34,851	2,041
	120,634	55,013
Advances receivable, interest free	198,052	198,052
	318,686	253,065
	$ 1,830,087	$ 1,116,353

All the issued shares of the Garden River Development Corporation are held by Garden River First Nation. The Garden River Opportunities Program Board of Directors are appointed by Garden River First Nation Chief and Council.

Financial information for the year ended March 31, 2015 is as follows:

	Garden River Development Corporation		Garden River Opportunities Program	
	2015	2014	2015	2014
Assets	$ -	$ 151,534	$ -	$ -
Liabilities and non-controlling interest	353,272	851,309	130,961	130,961
Revenue	352,702	14,400	-	-
Net income (loss)	346,503	(114,415)	-	(59,714)

	Construction Equipment Co. (Sault) Inc		2104298 Ontario Inc.	
	2015	2014	2015	2014
Assets	$ 8,057,487	$ 6,629,956	$ 878,878	$ 846,166
Liabilities and non-controlling interest	4,166,236	3,419,602	707,311	740,220
Revenue	7,983,242	6,348,667	138,420	64,473
Net income (loss)	340,449	(57,971)	65,621	4,081

3. Deferred revenue and government transfers

	Balance March 31, 2014	Funding Received 2015	Revenue Recognized 2015	Balance March 31, 2015
Federal Government				
Aboriginal Affairs	$ 5,012	$ 9,206,888	$ 9,197,886	$ **14,014**
Canada	250,666	2,455,011	2,347,271	**358,406**
CMHC	-	358,207	358,207	**-**
	255,678	12,020,106	11,903,364	**372,420**
Province of Ontario	53,960	1,483,743	1,489,780	**47,923**
North Shore Tribal Council	115,272	2,938,386	2,901,083	**152,575**
Union of Indians	-	132,753	132,753	**-**
Other	41,126	17,664,181	17,681,772	**23,535**
	210,358	22,219,063	22,205,388	**224,033**
	$ 466,036	$ 34,239,169	$ 34,108,752	$ **596,453**

Deferred revenue by program is as follows:	
Social and family support:	
Niigaaniin - administration	$ **36,629**
SATF	**3,960**
Day Care - other activities	**47,923**
Administration, lands and economic development:	
Aboriginal Community Energy Plan	**8,500**
Education:	
MHP - Healthy Communities Fund	**14,014**
Health Services:	
Health transfer programs	**333,408**
Home health care	**1,781**
New Horizons	**24,998**
Other:	
NSTC job training	**110,205**
Golf Resorts:	
Golf Memberships	**15,035**
	$ **596,453**

4. Post employment and retirement benefits

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totaled $190,209 (2014 - $197,016) and were fully expensed.

On February 28, 2012 Garden River First Nation approved a retirement policy in recognition of employees hired prior to 1997. The policy allows employees hired before 1997 and who have had no break in employment, may upon meeting specific retirement criteria, become entitled to two week's pay at their current rate, for every continuous year of service prior and up to 1997.

The liability for these accumulated weeks, to the extent that they have vested and could be taken in cash by an employee on retirement amounted to $341,463 (2014 - $319,563) at the end of the year.

5. Garden River First Nation Community Trust

The funds are advanced to the First Nation as a beneficiary of the Trust and are subject to the Trust provisions governing the disbursement of such funds.

6. Long term debt

	2015	2014
CMHC rental housing mortgages		
Royal Bank, repayable $1,370 monthly including interest at 3.76%, secured by a Ministerial guarantee by AANDC, refinanced by CMHC July 2015	**$ 136,886**	$ 147,967
Canada Mortgage and Housing Mortgages, payable in blended monthly payments ranging from $1,619 to $5,736, including interest at various rates from 1.05% to 2.69%, renewals on various dates from 2016 to 2020, secured by Ministerial guarantees by the Aboriginal Affairs and Northern Development Canada (AANDC)	**8,972,834**	9,492,034
Bank loans		
Royal Bank term loan, repayable $27,780 monthly plus interest at prime plus 1.55%, repaid during the year	**-**	83,260
Royal Bank term loan, repayable $12,625 monthly including interest at 5.1%, due September 11, 2017	**942,183**	1,042,798
Royal Bank lien note, repayable $6,606 per month including interest at 5.7%, secured by automotive equipment, repaid during the year	**-**	45,594
Royal Bank term loan, repayable $16,663 monthly including interest at 3.25%, due September 17, 2016	**2,182,599**	2,309,355
Equipment loans		
Lien note, repayable in 60 monthly payments $1,027, interest free, secured by equipment	**27,719**	40,038
Royal Bank Lease Loan, repayable $4,203 monthly including interest at 4.00%, due January 19, 2020	**221,311**	-
	$ 12,483,532	$ 13,161,046

Interest paid on long term debt during the year amounted to $355,808 (2014 - $384,257).

Assuming renewal on comparable terms, principal payments required on long term debt for the next five years and thereafter are due as follows:

Year	Amount
2016	$ 855,651
2017	872,401
2018	885,014
2019	855,748
2020	315,011
Thereafter	8,699,707
	$ 12,483,532

7. Accumulated surplus

	2015	2014
Reserves set aside for specific purposes by Chief and Council:		
Working capital	$ 5,353,646	$ 5,353,646
Anglican Church of Canada	-	10,380
Cemetery	2,808	4,007
Education - feathers fund	77,980	76,560
FHIT utilities	(33,936)	(9,386)
GRFN initiatives	7,273	7,273
Community Building Capital	48,765	23,027
Community Trust - Addition AIM	12,780	12,780
Post secondary employment	9,712	9,712
Private school - AIM curriculum	66,963	33,277
Education vans	29,039	-
Firefighter trainee	6,062	9,878
Forestry preservation	13,624	-
Fire and ambulance	27,202	27,202
Road capital	28,174	-
Housing demonstration	136,378	136,378
Housing - non-social	217,694	217,694
ED Dev	22,649	727
Lands and trust	22,245	-
Fundraising committee	753	753
Fire department fundraising	4,877	3,050
Western boundary	(207,976)	(185,754)
Library	6,551	-
OFNLP	804,259	1,136,586
OFNLP - future generations	281,012	281,012
OFNLP - 2008 Limited partnership agreement	223,062	223,062
MTO hwy contract	88,883	38,883
Memebership	13,616	-
Public works fleet	20,000	-
Grader operations	10,000	10,000
School of medicine	6,133	-
Union Gas Brushing	43,926	43,926
United Church of Canada	11,175	-
Reserve Funds:		
Health Canada - moveable asset reserve	269,464	252,325
Canada Mortgage and Housing Corporation	439,800	506,215
Squirrel Island	113,211	112,372
Funds Held in Trust	1,405,731	1,304,215
	9,583,535	9,639,800
Equity in tangible capital assets	14,972,565	15,458,952
General surplus (deficit)	(7,395,640)	(6,784,368)
Equity in enterprises (excludes advances receivable)	1,547,175	827,413
Unfunded expenditures to be recovered in future	(414,406)	(464,406)
Community Trust Reserve	67,825	163,121
Funds held in trust by Federal Government	3,531,536	3,306,085
	$ 21,892,590	$ 22,146,597

7. Accumulated surplus (continued)

	2015	2014
Allocation of annual surplus (deficit):		
Reserves	$ **(56,266)**	$ 299,831
Equity in tangible capital assets	**(486,387)**	38,685
General surplus (deficit)	**(611,272)**	(938,272)
Equity in enterprises	**719,762**	(201,075)
Unfunded expenditures to be recovered in future	**50,000**	50,000
Community trust reserve	**(95,296)**	(190,142)
Funds held in trust	**225,451**	228,825
	$ **(254,008)**	$ (712,148)

Unfunded liabilities to be recovered in future years are as follows:

	2015	2014
Public works automotive equipment	$ **414,406**	$ 464,406

The Public works automotive equipment amounts are to be recovered from future Public Works contracts and other revenues.

8. Trust Funds held by Federal Government

	March 31, 2014	Additions 2015	Withdrawals 2015	**March 31, 2015**
Revenue	$ 1,771,439	$ 225,451	$ -	$ **1,996,890**
Capital	1,534,646	-	-	**1,534,646**
	$ 3,306,085	$ 225,451	$ -	$ **3,531,536**

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 Section 63 to 69 of the Indian Act.

9. Credit facilities

The First Nation has a $500,000 operating line of credit bearing interest at prime plus 1%. As at March 31, 2015, a balance of $NIL was outstanding on this credit facility.

The First Nation has a $200,000 operating line of credit for Bingo Hall operations bearing interest at prime plus 1%. As at March 31, 2015, a balance of $120,000 was outstanding on this credit facility.

The above credit facilities and the demand instalment loan are secured by Band Council Resolution, $300,000 guaranteed investment certificate and a general security agreement constituting a first security interest in all assets of the Borrower except real property.

10. Commitments

The First Nation has entered into agreements to lease office and golf course equipment and solar panels for various periods until 2019. Minimum lease payments for each of the next four years are as follows:

2016	$ 217,712
2017	83,933
2018	36,302
2019	1,862

11. Aboriginal Affairs and Northern Development Canada funding

The Garden River First Nation has a contribution arrangement with Aboriginal Affairs and Northern Development Canada (AANDC). The funds are used by the First Nation to administer its operations and provide service to its members in accordance with the terms of the funding arrangement.

The following is a reconciliation of funding provided:

AANDC revenue per consolidated statement of operations	**$ 9,206,888**
Aboriginal Affairs funding per confirmation report	**$ 9,206,888**
Amounts due (to) / from Aboriginal Affairs:	
- Tuition - 2012/13	**$ (29,651)**
- Tuition - 2013/14	**(63,677)**
- Tuition - 2014/15	**(54,854)**
- Homemakers (adult care) 2012/13	**(732)**
	$ (148,914)

12. Contingencies

Loan guarantees
The First Nation has an agreement with the Royal Bank under the First Nation on Reserve Loan Program providing for an aggregate credit facility in the amount of $7,000,000 for qualified members of Garden River First Nation. As of March 31, 2015 the First Nation has guaranteed loans in the amount of $6,157,018.

The First Nation has an agreement with the Bank of Montreal under the First Nation on Reserve Loan Program providing for an aggregate credit facility in the amount of $3,900,000 and $250,000 under the First Nation on Reserve Renovation Loan Program for qualified members of Garden River First Nation. As of March 31, 2015 the First Nation has guaranteed loans in the amount of $2,863,903.

The Garden River First Nation also has guaranteed housing program loans on behalf of various band members and is contingently liable the Deposit Insurance Corporation of Ontario As at March 31, 2015 the balance of loans outstanding is $469,207.

Litigation
The Garden River First Nation is defending a $450,000 claim for wrongful dismissal, breach of contract and damages. The outcome of this matter is not presently determinable. Accordingly, the cost, if any, of settlement will be recognized as an expense in the year of resolution.

13. Segmented information

The Garden River First Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, capital, enterprises and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

Social and family services
This department is responsible for administering programs focusing on improving the lives of members and families of the First Nation, including social assistance, funeral and adult care policies, and as well, providing services directed towards members including day care and employment support initiatives.

Administration, lands & trusts and economic development
The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council. This department also oversees economic development programs within the community.

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

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

Housing development
This department oversees construction and renovation of housing in the community and as well, operates the CMHC projects and other band-owned homes.

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

Enterprises
Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency. These activities could include income generated from renting out band-owned equipment, lease income and other projects from time to time.

13. Segmented information (continued)

Other services
The First Nation provides a wide array of other services, including youth employment projects, forestry, library, spiritual, cultural and recreation activities.

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

Expenses are grouped based on object. Contracted services include items such as professional fees, telephone, utilities, insurance, repairs and maintenance, advertising and subcontracts. Rentals and financial expenses includes items such as rent, equipment rental and interest and bank charges.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Segment Disclosure.

14. Budget

The budget adopted by the First Nation was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of reserves to reduce current year expenditures. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense, and expensed principal payments of debt. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the budget adopted by the First Nation with adjustments as follows:

Budget surplus for the year	$ (584,497)
Add:	
Capital expenditures	260,620
Principal portion of loan payments	199,960
Transfers to (from) reserves	(443,269)
Less:	
Amortization	(1,620,112)
Budget deficit per statement of operations	$ (2,187,298)

For the year ended March 31, 2015

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	$ 2,666,993	$ 2,639,960	$ 26,153,618	$ 4,600,853	$ 859,800	$ 11,576,392	$ -	$ 48,497,616
Additions	-	113,784	-	82,814	259,613	-	-	456,211
Cost, end of year	2,666,993	2,753,744	26,153,618	4,683,667	1,119,413	11,576,392	-	48,953,827
Accumulated amortization, beginning of year	-	345,894	8,857,785	2,719,419	347,159	7,607,362	-	19,877,619
Amortization	-	78,966	811,950	366,739	121,389	241,068	-	1,620,112
Accumulated amortization, end of year	-	424,860	9,669,735	3,086,158	468,548	7,848,430	-	21,497,731
Net carrying amount, end of year	$ 2,666,993	$ 2,328,884	$ 16,483,883	$ 1,597,509	$ 650,865	$ 3,727,962	$ -	$ 27,456,096

The First Nation holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Garden River First Nation
Schedule 1 - Consolidated Tangible Capital Assets (continued)

For the year ended March 31, 2014 (comparative figures)

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	$ 2,666,993	$ 2,619,130	$ 26,133,243	$ 4,460,167	$ 555,193	$ 11,576,392	$ -	$ 48,011,118
Additions	-	20,830	20,375	140,686	304,607	-	-	486,498
Cost, end of year	2,666,993	2,639,960	26,153,618	4,600,853	859,800	11,576,392	-	48,497,616
Accumulated amortization, beginning of year	-	271,270	8,046,089	2,356,539	264,993	7,328,873	-	18,267,764
Amortization	-	74,624	811,696	362,880	82,166	278,489	-	1,609,855
Accumulated amortization, end of year	-	345,894	8,857,785	2,719,419	347,159	7,607,362	-	19,877,619
Net carrying amount, end of year	$ 2,666,993	$ 2,294,066	$ 17,295,833	$ 1,881,434	$ 512,641	$ 3,969,030	$ -	$ 28,619,997

The First Nation holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Garden River First Nation
Schedule 2 - Consolidated Schedule of Segment Disclosure

For the year ended March 31, 2015

	Social and Family Services	Administration Lands Trusts & Economic Development	Education	Operations and Maintenance	Housing Development	Medical and Other Health Services	Enterprises	Other	Consolidated Total
Revenue									
Aboriginal Affairs	$ 175,395	$ 873,680	$ 7,156,366	$ 808,897	$ 157,000	$ -	$ -	$ 35,550	$ 9,206,888
Canada	-	134,923	-	-	380,775	1,931,587	-	7,726	2,455,011
Ontario	1,015,351	213,140	-	106,896	-	125,923	-	22,433	1,483,743
Other aboriginal organizations	2,154,297	-	-	-	-	345,254	-	620,036	3,119,587
Trust income	-	-	-	-	-	-	1,938	193,155	195,093
OFNLP	-	-	-	-	-	-	1,183,164	-	1,183,164
Interest and other revenue	2,620	168,085	30,000	50,630	186,875	155,978	6,285	163,568	764,041
User fees, rental income, sales and fund raising	159,791	3,810	78,000	222,759	771,785	-	14,074,555	195,218	15,505,918
Transfer between segments	-	160,201	236,485	338,439	-	-	(1,010,254)	275,129	-
	3,507,454	1,553,839	7,500,851	1,527,621	1,496,435	2,558,742	14,255,688	1,512,815	33,913,445
Due from (to) Aboriginal Affairs	-	-	(54,854)	-	-	-	-	-	(54,854)
Due from (to) Other Funders	-	-	-	-	-	-	-	-	-
Deferred revenue, beginning of year	53,960	-	5,012	-	-	317,152	41,126	48,786	466,036
Deferred revenue, end of year	(88,512)	(8,500)	(14,014)	-	-	(360,187)	(15,035)	(110,205)	(596,453)
	3,472,902	1,545,339	7,436,995	1,527,621	1,496,435	2,515,707	14,281,779	1,451,396	33,728,174
Expenses									
Salaries, wages and benefits	1,617,943	1,255,587	839,418	691,655	196,309	2,015,524	2,342,051	639,700	9,598,187
Materials and supplies	183,593	141,770	30,244	158,244	177,502	104,491	1,332,026	416,317	2,544,187
Contracted services	47,549	447,153	539,767	496,075	410,653	291,162	828,321	161,436	3,222,116
Rents and financial expenses	63,991	12,944	35,709	209,523	235,717	2,677	414,687	14,051	989,299
External transfers and other	1,410,228	-	5,825,258	-	-	-	9,416,286	76,269	16,728,041
Amortization	45,822	-	13,966	453,522	482,333	66,781	529,352	28,337	1,620,113
Transfers between segments	117,282	(387,725)	77,003	(381)	41,750	60,656	70,531	20,884	-
	3,486,408	1,469,729	7,361,365	2,008,638	1,544,264	2,541,291	14,933,254	1,356,994	34,701,943
Net surplus (deficit)	$ (13,506)	$ 75,610	$ 75,630	$ (481,017)	$ (47,829)	$ (25,584)	$ (651,475)	$ 94,402	$ (973,769)

Garden River First Nation
Schedule 2 - Consolidated Schedule of Segment Disclosure (continued)

For the year ended August 13, 2015

	Social and Family Services	Administration Lands Trusts & Economic Development	Education	Operations and Maintenance	Housing Development	Medical and Other Health Services	Enterprises	Other	Consolidated Total
Revenue									
Aboriginal Affairs	$ 167,837	$ 918,039	$ 7,014,215	$ 785,199	$ 157,000	$ -	$ -	$ 25,500	$ 9,067,790
Canada	-	100,668	-	-	392,660	1,915,770	-	7,974	2,417,072
Ontario	939,885	160,027	-	106,896	-	169,420	-	60,241	1,436,469
Other aboriginal organizations	2,118,723	-	-	-	-	284,675	-	400,166	2,803,564
Trust income	-	-	-	-	-	-	2,411	217,804	220,215
OFNLP	-	-	-	-	-	-	1,152,405	-	1,152,405
Interest and other revenue	1,400	613,477	30,000	49,932	69,638	147,939	89,435	164,668	1,175,201
User fees, rental income, sales and fund raising	141,265	3,748	5,250	220,199	769,845	-	13,805,395	132,500	15,078,202
Transfers between segments	-	-	239,528	330,205	-	-	(785,611)	224,590	-
	3,369,110	1,795,959	7,288,993	1,492,431	1,389,143	2,517,804	14,264,035	1,233,443	33,350,918
Due from (to) Aboriginal Affairs	-	-	(63,677)	-	-	-	-	-	(63,677)
Deferred revenue, beginning of year	236,726	41,328	24,306	12,780	-	257,410	147,662	91,035	811,247
Deferred revenue, end of year	(53,960)	-	(5,012)	-	-	(317,152)	(41,126)	(48,786)	(466,036)
	3,551,876	1,837,287	7,244,610	1,505,211	1,389,143	2,458,062	14,370,571	1,275,692	33,632,452
Expenses									
Salaries, wages and benefits	1,679,389	1,266,055	863,993	718,560	134,018	1,909,772	2,406,457	707,251	9,685,495
Materials and supplies	189,055	142,438	87,431	128,562	8,747	82,134	1,298,957	295,892	2,233,216
Contracted services	67,594	476,296	456,700	418,238	360,951	323,045	803,516	128,374	3,034,714
Rents and financial expenses	104,327	10,896	39,475	209,744	248,961	8,602	431,955	29,248	1,083,208
External transfers and other	1,406,527	-	5,730,464	-	-	-	9,352,481	69,644	16,559,116
Amortization	41,094	-	11,777	477,851	482,333	64,605	505,532	26,663	1,609,855
Transfers between segments	73,885	(461,836)	74,122	(24)	72,690	89,768	75,717	13,600	(62,078)
	3,561,871	1,433,849	7,263,962	1,952,931	1,307,700	2,477,926	14,874,615	1,270,672	34,143,526
Excess (deficiency) of revenue over expenses	$ (9,995)	$ 403,438	$ (19,352)	$ (447,720)	$ 81,443	$ (19,864)	$ (504,044)	$ 5,020	$ (511,074)

The accompanying notes are an integral part of these financial statements.