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

RECEIVED
AUG 04 2015
AANDC SUD

Attention: Christine Lapensee, Sr. Funding Services Officer

July 30, 2015

Re: Serpent River First Nation

Dear Madam

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 for Chief and Council 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 Jeanine Laity 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

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

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

Contents

Management's Responsibility for Financial Reporting

March 31, 2015

The accompanying consolidated financial statements of the Serpent 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 Serpent River First Nation and meet when required.

Elaine Johnston ______________________ Chief

______________________ Director of Operations

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Independent Auditor's Report

To the Members of Serpent River First Nation

We have audited the accompanying consolidated financial statements of the Serpent River First Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, change 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Serpent River First Nation as at March 31, 2015 and the consolidated results of its operations, change in 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
July 27, 2015

Serpent River First Nation
Consolidated Statement of Financial Position

March 31	2015	2014
Financial assets		
Cash (Note 2)	$ **4,780,741**	$ 5,140,906
Accounts receivable (Note 3)	**2,263,279**	1,668,185
Inventory for resale	**90,909**	115,358
Investment in government business partnership (Note 4)	**6,201**	6,201
Portfolio investments (Note 5)	**1**	1
Trust Funds held by Federal Government (Note 6)	**196,159**	183,926
	7,337,290	7,114,577
Liabilities		
Bank indebtedness (Note 7)	**49,889**	57,616
Accounts payable and accrued liabilities (Note 8)	**2,953,213**	536,094
Due to funders (Note 9)	**41,439**	28,434
Deferred revenue (Note 10)	**1,549,193**	3,600,451
Long term debt (Note 11)	**4,385,109**	4,779,524
	8,978,843	9,002,119
Net debt	**(1,641,553)**	(1,887,542)
Non-financial assets		
Tangible capital assets (Schedule 1)	**21,474,004**	15,406,973
Prepaid expenses and inventory of supplies	**32,451**	182,954
	21,506,455	15,589,927
Accumulated surplus, end of year (Note 12)	$ **19,864,902**	$ 13,702,385

On behalf of Council:

Claire Johnston ______________ Chief

______________ Director of Operations

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

Serpent River First Nation
Consolidated Statement of Operations

For the year ended March 31	Budget	2015	2014
Revenue			
Aboriginal Affairs	$ 3,298,693	**$ 8,579,782**	$ 7,159,596
Province of Ontario	931,795	**1,062,460**	997,219
Government of Canada	927,304	**1,151,551**	1,286,715
OFNLP	-	**764,923**	745,270
North Shore Tribal Council	396,018	**746,226**	766,172
Interest	-	**30,151**	15,410
Rental	146,000	**686,776**	684,930
Residence, parent and user fees	208,715	**77,057**	103,756
Other revenue	631,044	**3,121,379**	2,169,718
Government of Canada Trust Funds	-	**12,233**	41,632
	6,539,569	**16,232,538**	13,970,418
Deferred revenue, beginning of year	-	**3,600,451**	512,919
Deferred revenue, end of year	-	**(1,549,193)**	(3,600,451)
Due from (to) funders	-	**(3,596)**	47,453
Recovery of prior years	-	**(23,531)**	(34,464)
	6,539,569	**18,256,669**	10,895,875
Expenses			
Niigaaniin project	190,889	**561,357**	527,469
Domicile	801,419	**622,275**	748,321
Community wellness	1,034,364	**1,166,754**	1,086,282
First Nation support funding	577,789	**565,550**	585,927
Community infrastructure	726,082	**737,499**	805,562
Education	2,113,757	**2,194,632**	2,229,685
Capital programs	365,731	**398,576**	132,203
Daycare	419,395	**469,477**	445,799
Other subsidized programs	324,607	**968,085**	2,068,615
Lands & Resources programs	223,510	**177,984**	153,270
First Nation operated enterprises	641,082	**1,133,140**	2,392,486
Economic Development Corporation	-	**3,098,823**	416,380
	7,418,625	**12,094,152**	11,591,999
	(879,056)	**6,162,517**	(696,124)
Net income of M'Anishnabek Industries Limited Partnership	-	**-**	6,200
Annual surplus (deficit)	(879,056)	**6,162,517**	(689,924)
Accumulated surplus, beginning of year	13,702,385	**13,702,385**	14,392,309
Accumulated surplus, end of year	$ 12,823,329	**$ 19,864,902**	$ 13,702,385

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

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended March 31	Budget	**2015**	2014
Annual surplus (deficit)	$ (879,056)	**$ 6,162,517**	$ (689,924)
Acquisition of tangible capital assets	(10,429)	**(7,094,234)**	(1,099,886)
Amortization of tangible capital assets	1,058,671	**1,027,203**	1,058,671
Loss on disposal of tangible capital assets	-	-	64,436
Prepaid expenses and inventory of supplies	-	**150,503**	(146,174)
Net change in net debt	169,186	**245,989**	(812,877)
Net debt, beginning of year	(1,887,542)	**(1,887,542)**	(1,074,665)
Net debt, end of year	$ (1,718,356)	**$ (1,641,553)**	$ (1,887,542)

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

Serpent River First Nation
Consolidated Statement of Cash Flows

For the year ended March 31	2015	2014
Operating transactions		
Annual surplus (deficit)	$ 6,162,517	$ (689,924)
Items not involving cash		
Amortization	1,027,203	1,058,671
Gain (loss) on disposal of tangible capital assets	-	64,436
	7,189,720	433,183
Changes in non-cash working capital balances		
Accounts receivable	(595,094)	360,838
Inventory for resale	24,449	(1,954)
Investment in government business partnership	-	(6,200)
Funds held in trust with Government of Canada	(12,233)	(41,631)
Accounts payable	2,417,119	(92,366)
Deferred revenue	(2,051,258)	3,039,027
Due to/from funders	13,005	(23,131)
Prepaid expenses and inventory of supplies	150,503	(146,174)
	7,136,211	3,521,592
Capital transactions		
Acquisition of tangible capital assets	(7,094,234)	(1,099,886)
Financing transactions		
Advances of long term debt	160,125	180,857
Repayment of long term debt	(554,539)	(476,336)
Demand loan	(7,728)	(7,384)
	(402,142)	(302,863)
Net change in cash and equivalents	(360,165)	2,118,843
Cash and cash equivalents, beginning of year	5,140,906	3,022,063
Cash and cash equivalents, end of year	$ 4,780,741	$ 5,140,906
Supplemental Information		
Interest paid	$ 137,806	$ 154,740
Interest received	$ 30,151	$ 15,410

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

1. Summary of significant accounting policies

Accounting Principles

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

Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues and expenses of all programs under the control of Chief and Council.

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 Serpent 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 consolidated include:
- Serpent River First Nation Economic Development Corporation
- Serpent River First Nation Non-Profit Housing

Serpent River First Nation has invested for a 50% investment in M'Anishnabek Industries Limited Partnership. The First Nation accounts for its investment in this government business partnership using the modified equity method.

Portfolio Investments

Portfolio investments are recorded at cost. They are written down where there has been a loss in value that is other than a temporary decline.

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 once the asset is available for productive use as follows:

Land improvements	10 to 20 years
Buildings	25 to 40 years
Housing	25 years
Machinery and equipment	10 to 20 years
Vehicles	5 years
Furniture and equipment	4 to 10 years
Power generating station	30 to 50 years
Infrastructure	10 to 100 years

1. Summary of significant accounting policies *(continued)*

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.

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.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Cash

The First Nation has a Bank of Nova Scotia line of credit limit of $750,000 at prime plus 1%, which includes access to Standby Letters of Credit limited to a maximum of $250,000. On March 31, 2015, nothing was drawn on the line of credit.

The First Nation has a Bank of Montreal demand loan limit of $1,500,000 at prime plus 1%. On March 31, 2015, nothing was drawn on the line of credit.

3. Accounts receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada	$ 1,346,883	$ 1,018,090
Province of Ontario	82,258	74,633
Health Canada	27,101	49,560
CMHC	43,833	44,382
North Shore Tribal Council / Niigaaniin	328,360	289,631
Due from members	876,368	775,163
Other	358,951	89,716
	3,063,754	2,341,175
Less: allowance for doubtfuls	(800,475)	(672,990)
	$ 2,263,279	$ 1,668,185

4. Investment - Government Business Partnership

The First Nation has invested for a 50% partnership interest in M'Anishnabek Industries Limited Partnership for the purpose of exploring business opportunities related to a quarry and rail spur.

The investment at March 31, 2015 consists of the following:

	2015	2014
M'Anishnabek Industries Limited Partnership		
Limited partner unit (1 of 2 units issued)	$ 1	1
First Nation's share of earnings	6,200	6,200
	$ 6,201	$ 6,201

Financial information for M'Anishnabek Industries Limited Partnership for its March 31 fiscal periods reflected herein is as follows:

	2015	2014
Assets	$ 509,229	$ 509,229
Liabilities	496,827	496,827
Partners' equity (deficiency)	$ 12,402	$ 12,402
Revenues	$ -	$ 1,321,553
Expenses	-	1,246,347
Net income for the year	$ -	$ 75,206

5. Portfolio investments

	2015	2014
M'Anishnabek Industries General Partner Limited		
Common share (51 of 100 shares issued)	$ 1	$ 1

6. Trust Funds held by Federal Government

	March 31, 2014	Additions 2015	Withdrawals 2015	**March 31, 2015**
Revenue	$ 77,557	$ 12,231	$ -	**$ 89,788**
Capital	106,369	2	-	**106,371**
	$ 183,926	$ 12,233	$ -	**$ 196,159**

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.

7. Bank indebtedness

	2015	2014
Bank loans (BMO Bank prime + 0.5%), due on demand, secured by house	**$ 49,889**	$ 57,616

8. Accounts payable and accrued liabilities

	2015	2014
Trade payables	**$ 2,141,433**	$ 319,470
Elementary and Secondary tuition payables	**750,479**	97,454
Accrued wages and employee benefits payable	**61,301**	119,170
	$ 2,953,213	$ 536,094

9. Due to funders

	2015	2014
Aboriginal Affairs	**$ 1,002**	$ 9,011
Province of Ontario	**33,570**	12,556
Union of Ontario Indians	**6,867**	6,867
	$ 41,439	$ 28,434

10. Deferred revenue and government transfers

	Balance March 31, 2014	Funding Received 2015	Revenue Recognized 2015	**Balance March 31, 2015**
Federal Government				
Aboriginal Affairs	$ 3,325,597	$ 8,579,782	$ 10,430,090	**$ 1,475,289**
Health Canada	16,046	849,465	850,608	**14,903**
CMHC	-	302,086	302,086	**-**
	3,341,643	9,731,333	11,582,784	**1,490,192**
Province of Ontario	36,620	1,062,460	1,065,639	**33,441**
North Shore Tribal Council	37,978	746,226	773,533	**10,671**
Other	184,210	4,692,519	4,861,840	**14,889**
	258,808	6,501,205	6,701,012	**59,001**
	$ 3,600,451	$ 16,232,538	$ 18,283,796	**$ 1,549,193**

Deferred revenue is broken down by program as follows:

	2015	2014
Social Assistance - Financial Aid	**$ -**	$ 6,852
Community Wellness - Fetal Alcohol Syndrome	**-**	5,500
Community Wellness - Health Transfers	**14,903**	10,546
Community Wellness - Healthy Babies Healthy Children	**12,466**	4,981
Community Wellness - After School	**-**	8,679
Community Wellness - Day Camp	**-**	2,023
Community Wellness - Minobimodziwin	**33,441**	-
Community Infrastructure - Roads	**-**	17,384
Capital Programs - Baseball Field Project	**-**	158,767
Capital Programs - Capital Water Project	**1,465,609**	3,193,788
Other Subsidized - Communications	**-**	4,577
Other Subsidized - Cultural Program	**2,423**	6,551
Other Subsidized - GIS Mapper	**-**	18,977
Other Subsidized - SATF	**10,671**	31,126
Lands & Resources - Environmental Review Panel	**9,680**	14,425
Lands & Resources - NRED	**-**	8,964
Economic Development Corporation - Trillium - Solar	**-**	2,241
Band operated enterprises - School bus	**-**	2,479
Economic Development Corporation - Trillium - Library	**-**	2,591
Economic Development Corporation - CEOP	**-**	100,000
	$ 1,549,193	$ 3,600,451

11. Long term debt

	2015	2014
Bank of Nova Scotia		
3.99% mortgage, due in monthly instalments of $1,040 including principal and interest, maturing June 1, 2017, secured by Government of Canada guarantee	$ **59,084**	$ 69,013
5.00% mortgage due in monthly instalments of $562 including principal and interest, secured by Government of Canada guarantee, repaid during the year	-	610
4.29% mortgage due in monthly instalments of $1,459 including principal and interest, secured by Government of Canada guarantee, repaid during the year	-	17,170
3.59% mortgage due in monthly instalments of $2,200 including principal and interest, maturing February 1, 2016, secured by Government of Canada guarantee	**23,776**	48,843
4.19% mortgage due in monthly instalments of $2,715 including principal and interest, maturing January 1, 2017, secured by Government of Canada guarantee	**57,431**	86,963
3.99% mortgage due in monthly instalments of $2,671 including principal and interest, maturing February 1, 2018, secured by Government of Canada guarantee	**88,158**	116,118
4.95% mortgage due in monthly instalments of $3,818 including principal and interest, secured by Government of Canada guarantee, repaid during the year	-	214,651
4.29% mortgage due in monthly instalments of $3,130 including principal and interest, maturing March 1, 2015 secured by Government of Canada guarantee	**166,562**	196,351
3.59% mortgage due in monthly instalments of $1,310 including principal and interest, maturing March 1, 2016, secured by Government of Canada guarantee	**78,422**	91,103
3.54% mortgage due in monthly instalments of $2,084 including principal and interest, maturing March 1, 2017, secured by Government of Canada guarantee	**155,025**	174,224
Prime plus 1.50% mortgage due in monthly payments of $6,600 principal plus interest, maturing July 28, 2015, secured by general security agreement	**818,400**	897,600
Canada Mortgage and Housing Corporation		
1.92% mortgage due in monthly instalments of $3,613 including principal and interest, maturing July 1, 2019, secured by Government of Canada guarantee	**180,474**	-
2.76% mortgage due in monthly instalments of $2,151 including principal and interest, maturing June 1, 2015, secured by Government of Canada guarantee	**225,973**	245,347
2.75% mortgage due in monthly instalments of $2,821 including principal and interest, maturing February 1, 2016, secured by Government of Canada guarantee	**315,636**	340,561

11. Long term debt (continued)

	2015	2014
1.80% mortgage due in monthly instalments of $2,740 including principal and interest, maturing October 1, 2016, secured by Government of Canada guarantee	**337,526**	364,147
1.62% mortgage due in monthly instalments of $2,773 including principal and interest, maturing March 1, 2018, secured by Government of Canada guarantee	**388,309**	415,129
1.64% mortgage due in monthly instalments of $4,194 including principal and interest, maturing February 1, 2017, secured by Government of Canada guarantee	**325,634**	370,316
1.85% mortgage due in monthly instalments of $1,259 including principal and interest, maturing August 1, 2019, secured by Government of Canada guarantee	**244,981**	255,396
2.65% mortgage due in monthly instalments of $2,651 including principal and interest, maturing April 1, 2016, secured by Government of Canada guarantee	**514,904**	532,954
Royal Bank of Canada		
3.02% mortgage due in monthly instalments of $1,798 including principal and interest, maturing August 18, 2018, secured by Government of Canada guarantee	**154,516**	171,146
Other		
Waubetek Business Development Corporation mortgage, repayable $3,522 monthly including principal and interest at prime + 3%, maturing November 2018	**138,923**	171,882
Capital lease payable, $6,500 monthly payments, secured by machinery and equipment	**111,375**	-
	$ 4,385,109	$ 4,779,524

Assuming refinancing of mortgages under similar terms, principal payments due within the next five years are approximately as follows:

Year	Amount
2016	$ 607,202
2017	482,479
2018	465,783
2019	432,083
2020	386,382
Thereafter	2,011,180
	$ 4,385,109

12. Accumulated surplus

	2015	2014
Reserves set aside for specific purposes by the First Nation		
Non-Profit Housing replacement reserve	$ 445,239	$ 515,921
Casino & gaming	2,009,716	1,924,879
Health transfers replacement reserve (MAR)	26,008	26,008
Health transfers	13,044	13,044
Quality of life	2,095	2,095
School bus	7,518	7,036
Band support funding	439	439
Education	100,917	149,352
Road maintenance	84,842	28,657
Water	17,871	-
Fire protection	51,003	46,866
Capital plan	19,712	19,712
Office complex	31,387	31,387
Food bank	21,991	24,931
Library	29,453	29,453
Lands research	67,729	67,729
Daycare	199	7,618
Daycare - fundraising	-	3,391
Early childhood development	-	12,827
Reserves	2,929,163	2,911,345
Equity in tangible capital assets	17,088,895	10,627,449
Equity in government business partnerships	6,201	6,201
Funds held in trust	196,159	183,926
Members' equity (deficit)	(355,516)	(26,536)
	$ 19,864,902	$ 13,702,385

	2015	2014
Allocation of annual surplus (deficit):		
Reserves	$ 17,817	$ (1,423,806)
Equity in tangible capital assets	6,461,448	272,258
Members' equity	(328,981)	413,792
Equity in government business partnerships	-	6,200
Funds held in trust	12,233	41,632
	$ 6,162,517	$ (689,924)

13. Pension plan costs

Employees are eligible to participate in a Registered Pension Plan, administered by London Life, with contribution levels determined by formula. Employer contributions totalled $68,405 (2014 - $72,277) during the current period and were fully expensed.

14. Contingencies

(a) The First Nation has an agreement with the Bank of Montreal providing for an aggregate credit facility in the amount of $2,400,000 under the First Nation on Reserve Loan Program for qualified members of Serpent River First Nation. As of March 31, 2015 the First Nation has not guaranteed any loans under this agreement.

(b) Serpent River First Nation has guaranteed a Bank of Montreal loan for $113,932 of which $53,429 was outstanding at March 31, 2015, on behalf of a First Nation member.

15. Commitments

Serpent River First Nation has entered into a contract for the construction of a water treatment plant. At March 31, 2015, contracts commited total $8,864,785 of which $2,453,775 has yet to be completed.

16. Funding reconciliation

AANDC funding per confirmation	$ 8,579,782
AANDC funding per the financial statements	$ 8,579,782

17. Comparative figures

Comparative figures presented in the financial statements have been restated to conform to the current year's presentation.

18. Segmented information

The Serpent 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:

Niigaaniin
The Niigaaniin (social assistance) department is responsible for administering assistance payments as well as providing services directed towards members.

18. **Segmented information** (continued)

Administration
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.

Community infrastructure
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 and community buildings.

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.

Capital
This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations.

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 (Domicile), 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, economic development and other projects from time to time.

Other services
The First Nation provides a wide array of other services, including youth employment projects, library, daycare, housing activities, lands research and others.

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

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

19. 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 now 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 (deficit) for the year	$	5,752
Add:		
Capital expenditures		45,952
Less:		
Amortization		(930,760)
Budget deficit per statement of operations	$	(879,056)

Serpent River First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2015

	Land	Land Improvements	Building	Housing	Machinery and Equipment	Vehicles	Furniture and Equipment	Power Generating Station	Infrastructure	Construction in Progress	Total
Cost, beginning of year	$ 1 $	368,812 $	10,275,578 $	11,685,736 $	624,642 $	476,649 $	705,224 $	352,986 $	4,215,344 $	2,070,613 $	30,775,585
Additions	-	40,108	-	-	160,125	29,266	16,686	-	-	6,848,049	7,094,234
Disposals	-	-	-	-	-	-	(26,417)	-	-	-	(26,417)
Capitalized construction	-	140,582	-	-	-	-	-	-	-	(140,582)	-
Cost, end of year	1	549,502	10,275,578	11,685,736	784,767	505,915	695,493	352,986	4,215,344	8,778,080	37,843,402
Accumulated amortization, beginning of year	-	203,204	3,165,114	7,928,906	296,503	341,959	369,092	176,492	2,887,342	-	15,368,612
Amortization	-	34,541	301,675	414,954	44,019	69,654	56,936	11,767	93,657	-	1,027,203
Disposals	-	-	-	-	-	-	(26,417)	-	-	-	(26,417)
Accumulated amortization, end of year	-	237,745	3,466,789	8,343,860	340,522	411,613	399,611	188,259	2,980,999	-	16,369,398
Net carrying amount, end of year	$ 1 $	311,757 $	6,808,789 $	3,341,876 $	444,245 $	94,302 $	295,882 $	164,727 $	1,234,345 $	8,778,080 $	21,474,004

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

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

	Land	Land Improvements	Buildings	Housing	Machinery and Equipment	Vehicles	Furniture and Equipment	Power Generating Station	Infrastructure	Construction in Progress	Total
Cost, beginning of year	$ 1	$ 368,812	$ 9,932,609	$ 11,685,736	$ 786,725	$ 476,649	$ 632,706	$ 352,986	$ 4,215,344	$ 1,476,346	$ 29,927,914
Additions	-	-	342,969	-	-	-	162,650	-	-	594,267	1,099,886
Disposals	-	-	-	-	(162,083)	-	(90,132)	-	-	-	(252,215)
Cost, end of year	1	368,812	10,275,578	11,685,736	624,642	476,649	705,224	352,986	4,215,344	2,070,613	30,775,585
Accumulated amortization, beginning of year	-	181,487	2,863,439	7,495,932	361,443	277,257	399,001	164,726	2,754,435	-	14,497,720
Amortization	-	21,717	301,675	432,974	33,344	64,702	59,586	11,766	132,907	-	1,058,671
Disposals	-	-	-	-	(98,284)	-	(89,495)	-	-	-	(187,779)
Accumulated amortization, end of year	-	203,204	3,165,114	7,928,906	296,503	341,959	369,092	176,492	2,887,342	-	15,368,612
Net carrying amount, end of year	$ 1	$ 165,608	$ 7,110,464	$ 3,756,830	$ 328,139	$ 134,690	$ 336,132	$ 176,494	$ 1,328,002	$ 2,070,613	$ 15,406,973

Serpent River First Nation
Schedule 2 - Consolidated Segment Disclosure

For the year ended March 31, 2015

	Niigaaniin	Administration	Community Infrastructure	Education	Capital	Medical	Enterprises	Other	Consolidated Total
Revenue									
Aboriginal Affairs	$ -	$ 505,476	$ 395,544	$ 2,151,093	$ 5,334,165	$ 85,300	$ 42,000	$ 66,204	$ 8,579,782
Province of Ontario	-	-	35,088	-	-	537,053	-	490,319	1,062,460
Government of Canada	-	-	7,500	-	-	831,048	302,086	10,917	1,151,551
Rental and user fees	-	-	24,648	-	-	47,729	670,511	20,945	763,833
Interest and other	550,676	37,413	21,249	540	22,468	197,635	2,832,163	1,012,768	4,674,912
	550,676	542,889	484,029	2,151,633	5,356,633	1,698,765	3,846,760	1,601,153	16,232,538
Deferred revenue, beginning of year	6,852	-	17,384	-	3,352,555	31,729	102,479	89,452	3,600,451
Deferred revenue, end of year	-	-	-	-	(1,465,609)	(60,810)	-	(22,774)	(1,549,193)
Due (to) from funders	-	-	-	17,418	-	-	-	(21,014)	(3,596)
Recovery of prior years	-	-	-	-	-	(10,011)	-	(13,520)	(23,531)
	557,528	542,889	501,413	2,169,051	7,243,579	1,659,673	3,949,239	1,633,297	18,256,669
Expenses									
Salaries, wages and benefits	121,383	481,239	146,153	195,770	242,544	1,160,419	790,626	748,045	3,886,179
Materials, supplies and capital	111,557	133,450	211,079	376,542	18,466	386,352	2,581,599	133,565	3,952,610
Contracted services	800	148,814	113,635	184,513	2,508	49,106	120,874	67,271	687,521
Rents and financial expenses	7,750	(213,001)	51,623	36,283	24,592	101,157	159,866	17,900	186,170
External transfers and other	305,296	(25,000)	1,615	1,391,602	84,229	(94,886)	(71,501)	575,853	2,167,208
Travel and training	13,682	22,626	10,469	3,510	2,354	42,710	52,975	38,936	187,262
Amortization	889	17,422	202,925	6,412	23,883	144,171	597,524	33,976	1,027,202
	561,357	565,550	737,499	2,194,632	398,576	1,789,029	4,231,963	1,615,546	12,094,152
Excess (deficiency) of revenue over expenses	$ (3,829)	$ (22,661)	$ (236,086)	$ (25,581)	$ 6,845,003	$ (129,356)	$ (282,724)	$ 17,751	$ 6,162,517

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

Serpent River First Nation
Schedule 2 - Consolidated Segment Disclosure

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

	Niigaaniin	Administration	Community Infrastructure	Education	Capital	Medical	Enterprises	Other	Consolidated Total
Revenue									
Aboriginal Affairs	$ -	$ 446,071	$ 381,881	$ 2,062,114	$ 3,791,836	$ 82,800	$ 281,000	$ 113,894	$ 7,159,596
Province of Ontario	-	-	35,088	-	-	536,207	-	425,924	997,219
Government of Canada	-	-	7,500	-	-	960,169	308,129	10,917	1,286,715
Rental and user fees	-	-	24,976	-	-	58,160	684,900	20,620	788,656
Interest and other	531,677	116,828	6,479	300	-	165,882	1,849,239	1,067,827	3,738,232
	531,677	562,899	455,924	2,062,414	3,791,836	1,803,218	3,123,268	1,639,182	13,970,418
Deferred revenue, beginning of year	11,953	-	-	-	99,223	50,777	26,750	324,216	512,919
Deferred revenue, end of year	(6,852)	-	(17,384)	-	(3,352,555)	(31,729)	(102,479)	(89,452)	(3,600,451)
Due (to) from funders	-	-	-	60,009	-	-	-	(12,556)	47,453
Recovery of prior years	-	-	-	-	-	(7,737)	(1,240)	(25,487)	(34,464)
	536,778	562,899	438,540	2,122,423	538,504	1,814,529	3,046,299	1,835,903	10,895,875
Expenses									
Salaries, wages and benefits	124,515	454,540	129,382	222,927	232,267	1,144,828	468,932	804,944	3,582,335
Materials, supplies and capital	124,014	151,558	199,919	464,142	10,881	498,485	1,870,646	193,722	3,513,367
Contracted services	800	208,035	130,022	191,656	-	46,915	255,438	192,334	1,025,200
Rents and financial expenses	7,750	(290,779)	75,599	30,000	43,441	118,880	143,410	23,402	151,703
External transfers and other	258,498	-	11,977	1,313,227	(301,198)	(6,604)	(581,590)	1,383,238	2,077,548
Travel and training	9,656	43,606	11,242	7,176	2,620	26,866	23,877	51,933	176,976
Amortization	2,236	18,966	247,421	558	5,814	143,611	605,182	34,882	1,058,670
	527,469	585,926	805,562	2,229,686	(6,175)	1,972,981	2,785,895	2,684,455	11,585,799
Excess (deficiency) of revenue over expenses	$ 9,309	$ (23,027)	$ (367,022)	$ (107,263)	$ 544,679	$ (158,452)	$ 260,404	$ (848,552)	$ (689,924)

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