

Atikameksheng Anishnawbek
Financial Statements
March 31, 2014

Management's Responsibility

To the Chief and Council of Atikameksheng Anishnawbek

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

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

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

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

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

July 14, 2014



Director of
Operations



Director of Finance
and Administration

Independent Auditors' Report

To the Members of Atikameksheng Anishnawbek:

We have audited the accompanying financial statements of Atikameksheng Anishnawbek, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, accumulated surplus, changes in net debt cash flows and related schedules 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Atikameksheng Anishnawbek as at March 31, 2014 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements for the year ended March 31, 2013 were audited by another firm of Chartered Accountants who expressed an unqualified opinion on those financial statements dated July 3, 2013.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Sudbury, Ontario

July 14, 2014

Atikameksheng Anishnawbek
Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial assets		
Current		
Cash and cash equivalents (Note 3)	1,803,426	2,058,175
Accounts receivable	690,179	762,467
Consolidated revenue fund (Note 4)	367,807	367,807
Total financial assets	2,861,412	3,188,449
Liabilities		
Current		
Bank indebtedness (Note 5)	134,032	268,024
Accounts payable and accrued liabilities	1,806,373	1,320,232
Deferred revenue (Note 6)	144,715	218,223
	2,085,120	1,806,479
Long-term debt (Note 7)	2,196,001	1,833,072
Capital lease obligation (Note 8)	66,041	-
Total financial liabilities	4,347,162	3,639,551
Net debt	(1,485,750)	(451,102)
Contingencies (Note 9)		
Non-financial assets		
Tangible capital assets (Note 10)	17,262,923	16,740,509
Prepaid expenses	124,442	34,554
Total non-financial assets	17,387,365	16,775,063
Accumulated surplus (Note 11)	15,901,615	16,323,961

Approved on behalf of the Council

Chief Steve Miller
John M. Miller
Keisha Miller

Chief
Councillor
Councillor

Daniel O'Dowd
Wayne Rattayow

Councillor
Councillor

Atikameksheng Anishnawbek
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2014

	<i>Schedules</i>	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue				
Aboriginal Affairs and Northern Development Canada		2,740,994	2,921,188	2,928,795
Health Canada		744,682	804,053	812,123
Canada Mortgage and Housing Corporation		905,834	122,307	128,834
Other revenue				
Ministry of Aboriginal Affairs		80,000	80,000	80,000
Ministry of Transportation		16,524	16,524	16,524
Ontario Library Service		14,002	14,002	23,715
Rentals		384,462	382,353	384,456
North Shore Tribal Council		495,770	519,252	483,146
Other		928,374	827,933	813,040
Ontario First Nations Limited Partnership		1,458,280	696,852	677,098
Nog-Da-Win-Da-Min		98,235	98,235	98,235
Union of Ontario Indians		79,748	92,721	94,869
Deferred revenue - prior year		218,223	218,223	129,530
Deferred revenue - current year		-	(144,715)	(218,223)
		8,165,128	6,648,928	6,452,142
Expenses				
Administration	2	1,104,078	1,122,840	1,188,054
Social Services	3	456,235	419,642	406,834
Education	4	1,761,687	1,636,730	1,769,582
Infrastructure and Capital	5	2,650,619	1,366,837	1,072,712
Health	6	1,839,677	1,334,273	1,280,671
Employment and Economic Development	7	256,495	173,977	208,832
Business Enterprises	8	118,646	124,032	146,247
Community Property	9	16,750	13,708	22,796
Housing - Other	10	241,522	126,529	130,074
CMHC Housing	11	367,722	209,798	294,852
Lands Management	12	404,819	289,371	195,085
Land Claims	13	531,802	248,054	136,466
Restricted Activities	14	-	5,483	-
		9,750,052	7,071,274	6,852,205
Deficit		(1,584,924)	(422,346)	(400,063)
Accumulated surplus, beginning of year		16,323,961	16,323,961	16,724,024
Accumulated surplus, end of year		14,739,037	15,901,615	16,323,961

Atikameksheng Anishnawbek
Statement of Changes in Net Debt
For the year ended March 31, 2014

	2014 Budget	2014	2013
Annual operating deficit			
Purchases of tangible capital assets	-	(422,346)	(400,063)
Amortization of tangible capital assets	-	(1,292,681)	(199,867)
Proceeds of disposal of tangible capital assets	-	756,364	684,754
Gain of disposal of tangible capital assets	-	16,000	-
	-	(2,097)	-
	-	(522,414)	484,887
Acquisition of prepaid expenses	-	(89,888)	-
Use of prepaid expenses	-	-	10,323
	-	(89,888)	10,323
Decrease (increase) in net debt	-	(1,034,648)	95,147
Net debt, beginning of year	-	(451,102)	(546,249)
Net debt, end of year	-	(1,485,750)	(451,102)

Atikameksheng Anishnawbek
Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(422,346)	(400,063)
Non-cash items		
Amortization	756,364	684,754
Gain on disposal of tangible capital assets	(2,097)	-
Changes in working capital accounts	331,921	284,691
Accounts receivable	72,288	(92,549)
Prepaid expenses	(89,888)	10,323
Accounts payable and accrued liabilities	486,141	250,043
Deferred revenue	(73,508)	88,693
	726,954	541,201
Financing activities		
Advances of long-term debt	550,000	25,847
Advances of capital lease obligation	80,500	-
Repayment of long-term debt	(187,071)	(146,171)
Repayment of capital lease obligation	(14,459)	-
	428,970	(120,324)
Capital activities		
Purchases of tangible capital assets	(1,292,681)	(199,867)
Proceeds of disposal of tangible capital assets	16,000	-
	(1,276,681)	(199,867)
Increase (decrease) in cash resources	(120,757)	221,010
Cash resources, beginning of year	1,790,151	1,569,141
Cash resources, end of year	1,669,394	1,790,151
Cash resources are composed of:		
Cash	1,803,426	2,058,175
Bank indebtedness	(134,032)	(268,024)
	1,669,394	1,790,151

Atikameksheng Anishnawbek
Notes to the Financial Statements
For the year ended March 31, 2014

1. Operations

Atikameksheng Anishnawbek (the "First Nation") provides various services to its members. Atikameksheng Anishnawbek includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These 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 reporting entity includes the activities of all committees of Council under the control of the First Nation.

Basis of presentation

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

Revenue recognition

Funding

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

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received. The First Nation may have submitted band council resolutions requesting the receipt of trust funds as at March 31, 2014. However, as at July 9, 2014 no funds have been received and therefore no revenue has been reported or accrued as at year end.

Other revenue

Other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Use of estimates

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Payable to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies' review of the financial statements.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in surplus (deficit) in the years in which they become known.

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.

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

Net financial assets (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net 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).

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement are distinguished from revenues and expenses reported in the statement of operations. The statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) attributable to financial instruments in the fair value category do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period. The First Nation does not have any items giving rise to remeasurement gains (losses) as such a statement of remeasurement gains and losses has not been presented.

Upon settlement of a financial asset or liability measured at fair value, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

Cash and cash equivalents

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

Tangible capital assets

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

Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

Amortization

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

	<i>Rate</i>
Buildings	40 years
Water system	50 years
Infrastructure	20 - 40 years
Computer hardware and software	4 years
Vehicles and heavy equipment	5 - 15 years
Assets under construction	-

Long-term debt and capital lease obligation

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.

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

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Atikameksheng Anishnawbek
Notes to the Financial Statements
For the year ended March 31, 2014

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated operating surplus. 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.

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 Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in operations for the year.

Retirement benefits

The First Nation has a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. There are no prior service costs. Contributions are discretionary, and are based on participants' contributions, up to a maximum of 5%. The First Nation follows the policy of funding retirement plan contributions as accrued. The First Nation contributions totalled \$70,470 (2013 - \$77,710).

Segments

The First Nation conducts its business through thirteen reportable segments:

Administration
Social Services
Education
Infrastructure and Capital
Health
Employment and Economic Development
Business Enterprises
Community Property
Housing - Other
CMHC Housing
Lands Management
Land Claims
Restricted Activities

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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 2 the *Significant accounting policies*.

Atikameksheng Anishnawbek
Notes to the Financial Statements
For the year ended March 31, 2014

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

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 and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, 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, with the exception of gains and losses on externally restricted financial assets measured at fair value, which are recognized as an increase or decrease to the associated liability until the resources are used in accordance with their specified purpose. Interest income is recognized in the statement of operations; however, interest income on externally restricted financial assets is recognized as an increase or decrease to the associated liability until the resources are used in accordance with their specified purpose. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, 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 except derivatives are tested annually for impairment. Management considers various criteria in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the 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.

3. Restricted cash

Cash and cash equivalents includes restricted cash related to CMHC reserves created in accordance with the funding agreements for various CMHC projects. At March 31, 2014 the balance in these reserve accounts amounted to \$218,385 (2013 - \$215,713).

4. Consolidated revenue fund

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.

5. Bank indebtedness

The bank loan bears interest at prime plus 0.25% payable upon demand with a minimum monthly principal payment of \$11,166, secured by an irrevocable letter of direction directing payment directly from proceeds of timber compensation judgment. Total interest paid on the bank indebtedness during the year amounted to \$6,912.

6. Deferred revenue

The deferred revenue balance consists of the following amounts:

	2014	2013
Health Services	55,053	126,919
Aboriginal Affairs and Northern Development Canada	86,691	77,499
North Shore Tribal Council	2,971	13,805
	144,715	218,223

Atikameksheng Anishnawbek
Notes to the Financial Statements
For the year ended March 31, 2014

7. Long-term debt

	2014	2013
Canada Mortgage and Housing Corporation mortgage payable \$2,221 monthly including principal and interest, bearing interest at 1.67% per annum, due June 2018	436,018	453,777
Canada Mortgage and Housing Corporation mortgage payable \$2,965 monthly including principal and interest, bearing interest at 2.69% per annum, due August 2015	341,725	367,032
Canada Mortgage and Housing Corporation mortgage payable \$2,084 monthly including principal and interest, bearing interest at 1.67% per annum, due June 2018	315,803	334,383
Canada Mortgage and Housing Corporation mortgage payable \$2,009 monthly including principal and interest, bearing interest at 2.63% per annum, due June 2016	248,612	265,433
Five Toronto Dominion Bank mortgages payable \$456 monthly each including principal and interest, bearing variable interest at prime plus 1.00% per annum, due February 2018	143,857	164,923
Four Toronto Dominion Bank mortgages payable \$295 monthly each including principal and interest, bearing interest at 3.09% per annum, due February 2015	93,439	104,241
Canada Mortgage and Housing Corporation mortgage payable \$3,146 monthly including principal and interest, bearing interest at 2.63% per annum, due January 2016	67,649	102,974
Honda Financial Services loan payable at \$1,077 monthly bearing 0.00% interest per annum, due April 2015, secured by a specific vehicle with a net book value of \$21,350	3,192	25,847
Ally Credit Canada loan payable \$452 monthly bearing 0.00% interest per annum, due November 2015, secured by specific vehicle with a net book value of \$5,425	9,039	14,462
Bank of Nova Scotia term loan payable \$3,333 monthly principal plus interest at prime plus 0.50% per annum, due November 2018	186,667	-
Bank of Nova Scotia bridge financing term loan payable, bearing interest at prime plus 1.00% per annum, due April 2014	<u>350,000</u>	-
	2,196,001	1,833,072

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

	Principal
2015	548,525
2016	482,768
2017	329,156
2018	169,037
2019 and thereafter	666,515
	<hr/>
	2,196,001

Interest on long-term debt amounted to \$75,756 (2013 - \$56,297).

CMHC and Toronto Dominion mortgages payable are secured by various properties and guarantees from Council.

Atikameksheng Anishnawbek
Notes to the Financial Statements
For the year ended March 31, 2014

8. Capital lease obligation

	2014	2013
John Deere capital lease obligation payable in equal monthly instalments of \$1,819 including interest at 3.99%, due June 2017, secured by equipment under capital lease with a net book value of \$90,067	66,041	-

Minimum lease payments related to the obligation under capital lease are as follows:

2015	21,832
2016	21,832
2017	21,832
2018	5,458
	70,954
Less: imputed interest	4,913
	66,041
Balance of obligation	66,041

Total interest paid on the obligation under capital lease during the year amounted to \$1,916.

9. Contingent liabilities

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

Aboriginal Affairs and Northern Development Canada has guaranteed loans to various members in the amount of \$1,111,235. If any loans are in default and require payment by the Department, the amount paid will be charged back to the First Nation.

The First Nation is involved in certain legal matters, the outcome of which is not presently determinable. The loss, if any, will be accounted for in the period in which the matters are resolved.

10. Tangible capital assets

	Cost	Additions	Disposals	Accumulated amortization	2014	Net book value
Buildings	8,705,041	18,084	-	3,176,290	5,546,835	
Vehicles and heavy equipment	1,188,296	47,732	104,405	820,965	310,658	
Infrastructure	12,830,467	2,249,053	-	8,493,389	6,586,131	
Water	1,852,829	2,012,552	-	457,558	3,407,823	
Land	166,507	-	-	-	166,507	
Computer hardware and software	293,464	10,000	-	280,677	22,787	
Assets under construction	4,273,357	1,021,950	4,163,192	-	1,132,115	
	29,309,961	5,359,371	4,267,597	13,228,879	17,172,856	
Asset under capital lease	-	96,500	-	6,433	90,067	
	29,309,961	5,455,871	4,267,597	13,235,312	17,262,923	

Atikameksheng Anishnawbek
Notes to the Financial Statements
For the year ended March 31, 2014

10. Tangible capital assets *(Continued from previous page)*

	Cost	Additions	Disposals	Accumulated amortization	2013 Net book value
Buildings	8,705,041	-	-	2,959,025	5,746,016
Vehicles and heavy equipment	1,087,620	100,676	-	835,267	353,029
Infrastructure	12,830,467	-	-	8,127,103	4,703,364
Water	1,852,829	-	-	380,250	1,472,579
Land	166,507	-	-	-	166,507
Computer hardware and software	262,892	30,572	-	267,807	25,657
Assets under construction	4,204,738	68,619	-	-	4,273,357
	29,110,094	199,867	-	12,569,452	16,740,509

Amortization expense of \$756,364 (2013 - \$684,754) was recorded in the statement of operations.

No amortization has been recorded on assets under construction as they have not been completed for use as at March 31, 2014.

Disposals include the disposal of heavy equipment and relates to projects that were completed during the year. This amount was deducted from assets under construction and included as additions to infrastructure and water assets. Additions to infrastructure and water include new additions in the current year of \$37,737 and \$60,676 respectively and transfers to completed capital projects of \$4,163,192.

11. Accumulated surplus

Accumulated surplus consists of the following:

	2014	2013
Members' deficit	(428,902)	(394,678)
Land Claims	(2,067,010)	(2,067,010)
Annuity Claim	(205,665)	-
Reserves (see below)	960,295	988,155
Ontario First Nations Limited Partnership	1,643,268	1,953,257
Consolidated revenue fund	372,075	372,075
Penage leasing	603,331	540,585
Timber dues	24,142	24,142
Invested in tangible capital assets	15,000,081	14,907,435
	15,901,615	16,323,961

The total reserves consist of provisions set aside by the Council for the following purposes:

Social Housing Replacement	257,754	214,036
Housing	363,678	334,273
Medical Services	80,431	67,433
Health	19,299	15,120
Operating	12,108	12,108
Capital Projects	80,302	185,280
Atikameksheng Trust	19,577	19,577
Working capital	102,565	140,328
Fire protection	13,143	-
Niigaaniin	11,438	-
	960,295	988,155

Atikameksheng Anishnawbek
Notes to the Financial Statements
For the year ended March 31, 2014

12. Segments

Atikameksheng Anishnawbek is a diversified governmental institution that provides a wide range of services to its band members, including band support, health services, education, social assistance, and capital. For management reporting purposes the First Nation's operations and activities are organized and reported by program. Programs 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 functional areas and their activities are reported in these programs. Certain functional areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Administration

The administration and governance function area oversees the delivery of all governmental services. The functional area 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 functional area includes the governance activities of chief and council and management, public infrastructure, employment and training, library services, social housing and assistance for computer and communications related projects and services.

Education

The education functional area provides education management services to the members of the First Nation as well as overseeing various small incentives, including operation of the library on behalf of the communities.

Health Services

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

Social Assistance

The social assistance functional area provides services directed towards the well being of member's in need on non-health related services including such activities as income support, home support and provision of child welfare services.

Housing

The housing functional area provides rental housing to qualifying members of the First Nation.

Infrastructure and Community Property

The infrastructure and community property functional area provides services for the longevity of the First Nation by the acquisition and maintenance and management of the physical assets of the First Nation, excluding housing.

Employment and Economic Development

The employment and economic development functional area provides services employment and training opportunities to members along with encouraging economic development of the First Nation through direct and indirect economic development initiatives.

Land Claims

The land claims functional area provides services for the First Nation to pursue various claims on behalf of the members.

Restricted Activities and Reserves

The restricted activities and reserves functional area includes the management and distribution of funds received from the Ontario First Nations Limited Partnership as well as funds held in trust in Ottawa by Aboriginal Affairs and Northern Development Canada.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the summary of significant accounting policies.

Atikameksheng Anishnawbek
Notes to the Financial Statements
For the year ended March 31, 2014

13. Trusts administered by the First Nation

Trust funds administered by the First Nation, amounting to \$208,303 (2013 - \$250,177) have not been included on the statement of financial position, nor have their operations been included on the statement of operations.

14. Budget information

The disclosed budget information has been approved by the Chief and Council of Atikameksheng Anishnawbek at the Council meeting held on April 11, 2013.

15. Economic dependence

Atikameksheng Anishnawbek receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) and Health Canada (HC-FNIH) as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC and HC-FNIH 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.

16. Comparative figures

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

Atikameksheng Anishnawbek
Schedule 1 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2014

	2014	2013
Consolidated expenses by object		
Administration (recovery)	(1,472)	6,950
Amortization	756,364	684,754
Bad debts (recovery)	10,478	(17,051)
Interest and bank charges	17,326	17,712
Student assessments	1,600	-
Council honourariums	165,919	171,005
Insurance	61,170	59,135
Office and general	83,243	61,430
Other	10,979	14,601
Professional fees	559,735	379,243
Program expenses	420,875	371,744
Rent	30,899	34,930
Repairs, maintenance and equipment	307,626	332,811
Salaries and benefits	2,327,439	2,254,886
Ontario Works	258,414	189,574
Materials and supplies	159,790	65,570
Training	59,122	70,364
Student transportation	134,362	116,886
Travel	150,365	196,718
Tuition	850,896	1,142,319
Student allowances and books	203,875	236,210
Utilities	143,398	119,890
Advertising	1,435	3,754
Capital expenditures	21,652	62,636
Repayment to funder	229,320	157,705
Principal and interest payments	50,224	56,297
Communications	44,540	53,063
Office supplies	11,700	9,069
 Total expenses	7,071,274	6,852,205