

**Atikameksheng Anishnawbek**  
**Consolidated Financial Statements**  
*For the year ended March 31, 2015*



# Atikameksheng Anishnawbek

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For the year ended March 31, 2015

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## **Management's Responsibility**

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To the Chief and Council of Atikameksheng Anishnawbek

The accompanying consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

The Atikameksheng Anishnawbek Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated 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 consolidated 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 20, 2015



Director of  
Operations



Director of Finance  
and Administration

## Independent Auditors' Report

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To the members of Atikameksheng Anishnawbek:

We have audited the accompanying consolidated financial statements of Atikameksheng Anishnawbek, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, changes in net debt and 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 consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Atikameksheng Anishnawbek as at March 31, 2015 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.

Sudbury, Ontario

July 20, 2015

*MNP LLP*

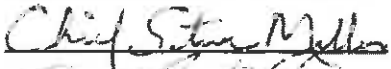
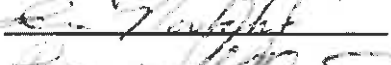

Chartered Professional Accountants

Licensed Public Accountants

**Atikameksheng Anishnawbek**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2015*

	2015	2014
<b>Financial assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	1,835,608	1,803,426
Accounts receivable (Note 4)	816,283	690,179
Consolidated revenue fund (Note 5)	367,807	367,807
<b>Total financial assets</b>	<b>3,019,698</b>	<b>2,861,412</b>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 6)	-	134,032
Accounts payable and accrued liabilities	1,855,394	1,806,373
Deferred revenue (Note 7)	77,470	144,715
Current portion of long-term debt	521,083	187,070
Current portion of capital lease obligations	20,362	14,459
	<b>2,474,309</b>	<b>2,286,649</b>
<b>Long-term debt (Note 8)</b>	<b>1,930,648</b>	<b>2,008,931</b>
<b>Capital lease obligation (Note 9)</b>	<b>26,095</b>	<b>51,582</b>
<b>Total financial liabilities</b>	<b>4,431,052</b>	<b>4,347,162</b>
<b>Net debt</b>	<b>(1,411,354)</b>	<b>(1,485,750)</b>
<b>Contingencies (Note 10)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 11)	17,271,210	17,262,923
Prepaid expenses	47,598	124,442
<b>Total non-financial assets</b>	<b>17,318,808</b>	<b>17,387,365</b>
<b>Accumulated surplus (Note 12)</b>	<b>15,907,454</b>	<b>15,901,615</b>

Approved on behalf of the Board:

Chief

Councillor

Councillor


Councillor

Councillor

**Atikameksheng Anishnawbek**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2015*

	<i>Schedules</i>	<i>2015 Budget (Note 14)</i>	<i>2015</i>	<i>2014</i>
<b>Revenue</b>				
Aboriginal Affairs and Northern Development Canada		3,171,464	3,201,458	2,921,188
Health Canada		773,838	833,698	804,053
Canada Mortgage and Housing Corporation		559,168	162,636	122,307
Other revenue				
Ministry of Aboriginal Affairs		90,000	89,878	80,000
Ministry of Transportation		-	16,524	16,524
Ontario Library Service		14,002	14,002	14,002
Ministry of Environment		26,455	12,000	-
Rentals		338,250	442,467	382,353
North Shore Tribal Council		267,460	551,813	519,252
Other		551,644	886,104	827,933
Ontario First Nations Limited Partnership		970,717	707,916	696,852
Nag-Da-Win-Da-win		98,235	106,421	98,235
Union of Ontario Indians		76,368	98,369	92,721
FNX Mining		-	500,000	-
Deferred revenue - prior year (Note 7)		97,499	144,715	218,223
Deferred revenue - current year (Note 7)		-	(74,470)	(144,715)
		<b>7,037,128</b>	<b>7,693,636</b>	<b>6,648,928</b>
<b>Expenses</b>				
Administration	2	1,305,340	1,171,966	1,122,840
Social Services	3	214,321	552,379	419,642
Education	4	1,888,182	1,871,535	1,636,730
Infrastructure and Capital	5	1,466,865	1,397,259	1,366,837
Health	6	1,215,992	1,505,943	1,334,273
Employment and Economic Development	7	268,438	220,863	173,977
Business Enterprises	8	100,087	120,025	124,032
Community Property	9	-	693	13,708
Housing - Other	10	234,524	188,319	126,529
CivHC Housing	11	343,503	255,309	209,796
Lands Management	12	297,824	290,429	289,371
Land Claims	13	163,532	95,336	248,054
Restricted Activities	14	-	7,950	5,483
Total expenses (Schedule 1)		<b>7,498,710</b>	<b>7,687,797</b>	<b>7,071,274</b>
Operating surplus (deficit)		<b>(461,582)</b>	<b>5,839</b>	<b>(422,346)</b>
Accumulated surplus, beginning of year		<b>15,901,615</b>	<b>15,901,315</b>	<b>16,323,961</b>
Accumulated surplus, end of year		<b>15,440,033</b>	<b>15,907,454</b>	<b>15,901,615</b>

The accompanying notes are an integral part of these financial statements

**MNP**

**Atikameksheng Anishnawbek**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2015*

	2015 Budget (Note 14)	2015	2014
Annual operating surplus (deficit)	(461,582)	5,839	(422,346)
Purchases of tangible capital assets	-	(811,836)	(1,292,681)
Amortization of tangible capital assets	-	803,549	756,364
Proceeds of disposal of tangible capital assets	-	-	16,000
Gain of disposal of tangible capital assets	-	-	(2,097)
	-	(8,287)	(522,414)
Acquisition of prepaid expenses	-	-	(39,863)
Use of prepaid expenses	-	76,844	-
	-	76,844	(89,888)
<b>Decrease (increase) in net debt</b>	<b>(461,582)</b>	<b>74,395</b>	<b>(1,034,648)</b>
<b>Net debt, beginning of year</b>	<b>(1,485,750)</b>	<b>(1,485,750)</b>	<b>(451,102)</b>
<b>Net debt, end of year</b>	<b>(1,947,332)</b>	<b>(1,411,354)</b>	<b>(1,485,750)</b>

The accompanying notes are an integral part of these financial statements

**MNP**

**Atikameksheng Anishnawbek**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2015*

	2015	2014
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Operating surplus (deficit)	5,839	(422,346)
Non-cash items		
Amortization	803,549	756,364
Gain on disposal of tangible capital assets	-	(2,097)
	809,388	331,921
Changes in working capital accounts		
Accounts receivable	(126,104)	72,288
Prepaid expenses	76,844	(89,888)
Accounts payable and accrued liabilities	49,021	486,141
Deferred revenue	(67,245)	(73,508)
	741,804	726,954
<b>Financing activities</b>		
Advances of long-term debt	311,463	550,000
Advances of capital lease obligation	-	80,500
Repayment of long-term debt	(555,733)	(187,071)
Repayment of capital lease obligation	(15,534)	(14,459)
	236,146	428,970
<b>Capital activities</b>		
Purchases of tangible capital assets	(811,836)	(1,292,651)
Proceeds of disposal of tangible capital assets	-	16,000
	(811,836)	(1,276,651)
<b>Increase (decrease) in cash resources</b>	<b>136,214</b>	<b>(120,757)</b>
<b>Cash resources, beginning of year</b>	<b>1,669,394</b>	<b>1,790,151</b>
<b>Cash resources, end of year</b>	<b>1,835,608</b>	<b>1,669,394</b>
<b>Cash resources are composed of:</b>		
Cash	1,835,608	1,803,426
Bank indebtedness	-	(134,032)
	1,835,608	1,669,394

The accompanying notes are an integral part of these financial statements

**MNP**



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

*Reporting entity*

The 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 and is matched with the related expenses in the year of their occurrence.

*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, 2015. However, as at July 20, 2015 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 consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable 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 year 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.

**Atikameksheng Anishnawbek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**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 debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

***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:

	<b>Rate</b>
Buildings	40 - 50 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.

**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 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 First 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 \$68,049 (2014 - \$70,470).

***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  
CMIHC 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 consolidated financial statements as disclosed in Note 2 the *Significant accounting policies*.

Inter-segment transfers are recorded at the exchange amount.

**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.

***Liability for contaminated sites***

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2015.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**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, 2015 the balance in these reserve accounts amounted to \$221,592 (2014 - \$216,335).

**Atikameksheng Anishnawbek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**4. Accounts receivable**

Accounts receivable consists of the following amounts:

	2015	2014
Accounts receivable	910,658	771,797
Harmonized Sales Tax receivable	43,056	48,358
Less: Allowance for doubtful accounts	(137,431)	(129,976)
	<b>816,283</b>	<b>690,179</b>

**5. 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. The balance consists of capital funds.

**6. Bank indebtedness**

The bank demand loan bears interest at prime of 2.85% 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 \$2,446 (2014 - \$6,912).

The First Nation also has a Visa Business Card with an available credit limit of \$250,000, secured by the Visa Business Card Agreement and Visa Business Card Coordinator Designation. At March 31, 2015, the First Nation has used \$71,006 (2014 - \$66,672) against this facility.

**7. Deferred revenue**

The deferred revenue balance consists of the following amounts:

	2015	2014
Health Services	-	55,053
Aboriginal Affairs and Northern Development Canada	65,471	86,691
North Shore Tribal Council	-	2,971
Ontario Power Authority	1,562	-
Ministry of Tourism and Culture	3,000	-
Ministry of Environment	7,417	-
	<b>77,450</b>	<b>144,715</b>

**8. Long-term debt**

	2015	2014
Canada Mortgage and Housing Corporation mortgage payable \$2,221 monthly including principal and interest, bearing interest at 1.67% per annum, renewal June 2018, due April 2033	416,443	436,018
Canada Mortgage and Housing Corporation mortgage payable \$2,965 monthly including principal and interest, bearing interest at 2.59% per annum, renewal August 2015, due April 2025	314,577	341,725
Canada Mortgage and Housing Corporation mortgage payable \$2,084 monthly including principal and interest, bearing interest at 1.67% per annum, renewal June 2018, due May 2023	295,808	315,803

**Atikameksheng Anishnawbek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

Canada Mortgage and Housing Corporation mortgage payable \$2,009 monthly including principal and interest, bearing interest at 2.63% per annum, renewal June 2016, due March 2026	230,741	248,612
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	121,847	143,857
Four Toronto Dominion Bank mortgages payable \$304 monthly each including principal and interest, bearing interest at 3.85% per annum, due February 2020	92,031	93,439
Canada Mortgage and Housing Corporation mortgage payable \$3,146 monthly including principal and interest, bearing interest at 2.63% per annum, due January 2016	31,154	67,649
Ally Credit Canada loan payable \$452 monthly, non-interest bearing, due November 2015, secured by specific vehicle with a net book value of \$5,425	3,316	9,039
Bank of Nova Scotia term loan payable \$3,333 monthly principal plus interest at prime of 2.85% plus 0.50% per annum, due November 2018	146,657	186,667
Ford Credit loan payable \$923 monthly including principal and interest, bearing interest at 5.59%, due November 2018, secured by a specific vehicle with a net book value of \$43,950	30,560	-
Canada Mortgage and Housing Corporation loan payable \$43,839 annually, bearing interest at 2.94%, due July 2040	771,327	-
Bank of Nova Scotia bridge financing term loan payable repaid during the year	-	350,000
Honda Financial Services loan payable repaid during the year	-	3,192
	<b>2,451,731</b>	<b>2,196,001</b>
Less: less: current portion	521,033	187,070
	<b>1,930,648</b>	<b>2,008,931</b>

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

	Principal
2015	521,033
2017	362,780
2018	223,325
2019	141,075
2020	1,183,468
	<b>2,461,731</b>

Interest on long-term debt amounted to \$45,158 (2014 - \$52,062)

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

**Atikameksheng Anishnawbek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**9. Capital lease obligations**

	<b>2015</b>	<b>2014</b>
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 \$83,633	<b>46,457</b>	66,041
Less: current portion	<b>20,362</b>	14,459
	<b>26,095</b>	51,582

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

2013	20,362
2017	21,171
2018	4,924
	<b>46,457</b>

Total interest paid on the obligation under capital lease during the year amounted to \$2,248 (2014 - \$1,916).

**10. 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 \$3,146,795 (2014 - \$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 has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with adjustments repayable to the government.

The First Nation is defending a legal action brought on by one of its members alleging certain breaches and other claims. The First Nation believes that any loss resulting from this action is not likely and limited to less than \$100,000. Therefore, no accrual for losses relating to the above have been recorded in these financial statements.

**Atikameksheng Anishnawbek**  
**Notes to the Consolidated Financial Statements**  
For the year ended March 31, 2015

11. **Tangible capital assets**

	<b>Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Accumulated amortization</b>	<b>2015 Net book value</b>
Buildings	3,751,052	1,270,097	-	3,422,659	3,598,490
Vehicles and heavy equipment	1,131,623	85,260	-	911,186	305,697
Infrastructure	15,076,217	-	-	8,859,288	6,216,929
Water	3,838,759	-	-	534,865	3,303,894
Land	163,507	-	-	-	166,507
Computer hardware and software	303,464	23,703	-	297,996	29,171
Assets under construction	1,133,115	326,115	798,341	-	559,659
	<b>30,401,737</b>	<b>1,610,175</b>	<b>798,341</b>	<b>14,025,964</b>	<b>17,187,577</b>
Asset under capital lease	96,500	-	-	12,867	83,633
	<b>30,498,237</b>	<b>1,610,175</b>	<b>798,341</b>	<b>14,038,861</b>	<b>17,271,210</b>

	<b>Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Accumulated amortization</b>	<b>2014 Net book value</b>
Buildings	8,705,041	46,009	-	3,176,290	5,574,760
Vehicles and heavy equipment	1,188,296	47,732	104,405	820,965	310,658
Infrastructure	12,830,467	2,247,750	-	8,493,389	6,584,828
Water	1,852,929	1,985,930	-	457,558	3,381,201
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
	<b>29,309,961</b>	<b>5,359,371</b>	<b>4,267,597</b>	<b>13,228,879</b>	<b>17,172,856</b>
Asset under capital lease	-	96,500	-	6,433	90,067
	<b>29,309,961</b>	<b>5,455,871</b>	<b>4,267,597</b>	<b>13,235,312</b>	<b>17,262,923</b>

Amortization expense of \$803,549 (2014 - \$756,364) was recorded in the statement of operations. Amortization on equipment under capital lease amounted to \$6,434 (2014 - \$6,433).

No amortization has been recorded on assets under construction as they have not been completed for use as at March 31, 2015.

Disposals relates to projects that were completed during the year. This amount was deducted from assets under construction and included as additions to infrastructure assets.



**Atikameksheng Anishnawbek**  
**Notes to the Consolidated Financial Statements**  
For the year ended March 31, 2015

**12. Accumulated surplus**

Accumulated surplus consists of the following:

	2015	2014
Members' deficit	(451,422)	(428,902)
Land Claims	(2,067,016)	(2,067,010)
Annuity Claim	(244,751)	(205,665)
Reserves (see below)	1,348,539	960,295
Ontario First Nations Limited Partnership	1,450,954	1,643,268
Consolidated revenue fund	367,807	372,075
Penage leasing	552,925	603,331
Timber dues	30,432	24,142
Invested in tangible capital assets	14,919,639	15,000,081
	<b>15,907,454</b>	<b>15,901,615</b>

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

Externally restricted funds:		
Social Housing Replacement	279,594	257,734
Internally restricted funds:		
Housing	362,304	363,678
Medical Services	80,431	80,431
Health	7,281	19,299
Operating	-	12,108
Capital Projects	94,645	80,302
Atikameksheng Trust	-	19,577
Working capital	-	102,565
Fire protection	13,143	13,143
Niigaaniin	11,438	11,438
Atikameksheng Heritage	500,000	-
	<b>1,348,539</b>	<b>960,295</b>

The reserve for social housing is an externally restricted reserve which is required by the CMHC and which must be funded. As at March 31, 2015, there was a funding shortfall of \$56,002 (2014 - \$39,369). The impact of this under-funding has not been determined.

**13. 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.

**Atikameksheng Anishnawbek**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**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 members 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.

**Business Enterprises**

The business enterprises comprises the community centre operations; the centre provides for rentals to both community members, administration and other private functions. Other smaller community initiatives operate within this program.

**Lands Management**

The lands management is operated under the First Nations Lands Management Act along with the Atikameksheng Anishnawbek Land Code. The program oversees various services for lot allocations, leases and addresses environmental and forestry related activities.

**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.

**14. Trusts administered by the First Nation**

Trust funds administered by the First Nation, amounting to \$183,296 (2014 - \$208,303) have not been included on the statement of financial position, nor have their operations been included on the statement of operations.

**15. Budget Information**

The disclosed budget information has been approved by the Chief and Council of Atikameksheng Anishnawbek at the Council meeting held on April 3, 2014.

**16. 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.

**17. Financial instruments**

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

*Interest rate risk*

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

The First Nation is exposed to interest rate cash flow risk with respect to its bank indebtedness, which is subject to interest at the bank prime's rate plus 0.25%. The First Nation is also exposed to interest rate cash flow risk with respect to some of its long-term debt, which is subject to interest at the bank's prime rate plus 2.85%.

**18. 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, 2015*

	2015	2014
<b>Consolidated expenses by object</b>		
Administration (recovery)	30	(1,472)
Advertising	503	1,435
Amortization	803,549	756,364
Bad debts (recovery)	10,353	10,478
Communications	47,354	44,540
Council honourariums	173,537	165,919
Insurance	69,466	61,170
Interest and bank charges	8,143	15,488
Interest payments	45,156	52,062
Materials and supplies	90,803	159,791
Meeting	11,342	449
Office and general	64,271	83,243
Office rent	-	1,500
Office supplies	12,067	11,700
Ontario Works	344,417	258,414
Other	18,401	9,478
Professional fees	426,314	559,735
Program expenses	480,733	420,875
Rent	31,078	30,899
Repairs and maintenance	91,567	21,652
Repairs, maintenance and equipment	432,149	307,626
Repayment to funder	98,896	229,320
Salaries and benefits	2,452,969	2,327,439
Student allowances and books	285,451	203,875
Student assessments	-	1,600
Student transportation	142,346	134,362
Training	43,028	59,122
Travel	167,914	149,916
Tuition	1,194,090	850,896
Utilities	140,734	143,398
<b>Total expenses</b>	<b>7,537,737</b>	<b>7,071,274</b>