KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury ON P3C 1X3

Telephone (705) 675-8500
Fax (705) 675-7586
Toll Free 1-800-461-3551
Internet www.kpmg.ca

PRIVATE AND CONFIDENTIAL
Aboriginal Affairs and Northern Development Canada
40 Elm Street, Suite 290
Rainbow Centre - 2nd floor
Sudbury ON P3C 1S8

RECEIVED
AUG 28 2015
AANDC SUD

August 28, 2015

Dear Sir or Madam

Wahgoshig First Nation

At the request of our client Wahgoshig First Nation and included in the package submitted on August 28, 2015 to your office regarding the March 31, 2015 year end, please note that the following items are part of the FNFTA requirements and are to be published by the First Nation and can be made available on the AANDC's internet site:

- Audited Financial Statements
- Schedule of Remuneration and Expenses – Chief & Council

The following other required reporting documents will not be published and are for AANDC's internal purposes only:

- Schedule of Remuneration and Expenses – Unelected Senior Officials
- Revenues and Expenses – Aboriginal Affairs and Northern Development Canada

We trust this is satisfactory. Should you have any questions or require any additional information, please do not hesitate to contact our office.

Yours very truly

Wayne McDonald, CPA, CA
Partner

/lb

Consolidated Financial Statements of

WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Year ended March 31, 2015

WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Consolidated Financial Statement Index

Year ended March 31, 2015

	Page
Management's Responsibility for Financial Reporting	1
Independent Auditors' Report	2 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Financial Activities	5
Consolidated Statement of Changes in Net Financial Assets (Net Debt)	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 22

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of **Wahgoshig First Nation - Abitibi Reserve #70** are the responsibility of management and have been approved by the Chief and Council of the First Nation.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically to discuss and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.

Chief

Chris. Sackaney

Councillor

KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury ON P3C 1X3

Telephone (705) 675-8500
Fax (705) 675-7586
In Watts (1-800) 461-3551
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Wahgoshig First Nation – Abitibi Reserve #70

We have audited the accompanying consolidated financial statements of **Wahgoshig First Nation - Abitibi Reserve #70** which comprise the consolidated statement of financial position as at March 31, 2015, the consolidated statements of financial activities, changes in net financial assets (net debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence audit about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider 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.

KPMG

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Wahgoshig First Nation – Abitibi Reserve #70 as at March 31, 2015 and its results of operations and its changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

August 26, 2015
Sudbury, Canada

WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Consolidated Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash	$ 338,660	$ 368,557
Short-term investments	-	971,740
Accounts receivable	961,226	301,634
Consolidated revenue trust funds	359,764	349,859
Marketable securities (note 2)	589,250	2,252,155
Investment in business enterprises (note 3)	1,801,162	2,415,428
	4,050,062	6,659,373
Financial liabilities:		
Bank indebtedness (note 7)	101,856	781,430
Accounts payable and accrued liabilities	1,874,504	1,999,944
Due to Aboriginal Affairs and Northern Development Canada	198,431	242,634
Deferred revenue	155,277	-
Capital lease obligations (note 6)	416,003	325,882
Long-term debt (note 5)	2,248,238	2,530,989
	4,994,309	5,880,879
Net financial assets (net debt)	(944,247)	778,494
Non-financial assets		
Financial:		
Tangible capital assets (note 4)	14,028,742	13,697,394
Prepaid expenses	15,294	14,402
	14,044,036	13,711,796
Accumulated surplus (note 8)	$ 13,099,789	$ 14,490,290

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

Chief

Chris Sackaney Councillor

Councillor

WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Consolidated Statement of Financial Activities

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Government transfers - Federal	$ 2,347,422	$ 2,226,623
- Provincial	364,106	303,843
Investment income	9,966	28,181
Rental income	329,677	335,999
Business enterprises	(320,564)	1,135,364
Other	2,605,265	2,207,419
	5,335,872	6,237,429
Expenses:		
Band Administration	967,597	992,297
Health Services	494,483	539,732
Infrastructure	1,259,534	1,117,971
Education	994,412	1,083,173
Economic Development	2,058,700	1,686,730
Social Services	258,483	224,949
Social Housing	144,046	147,762
Community Property	115,957	181,064
Impairment of Marketable Securities	433,161	-
	6,726,373	5,973,678
Annual surplus (deficit)	(1,390,501)	263,751
Accumulated surplus, beginning of year	14,490,290	14,226,539
Accumulated surplus, end of year (note 9)	$ 13,099,789	$ 14,490,290

See accompanying notes to consolidated financial statements.

WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Consolidated Statement of Changes in Net Financial Assets (Net Debt)

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus (deficit)	$ (1,390,501)	$ 263,751
Acquisition of tangible capital assets	(1,074,964)	(735,557)
Leased assets capitalized	-	(101,283)
Disposal of tangible capital assets	66,078	-
Amortization of tangible capital assets	677,538	664,448
	(1,721,849)	91,359
Acquisition of prepaid expenses	(15,294)	(14,402)
Use of prepaid expenses	14,402	73,166
Change in net financial assets	(1,722,741)	150,123
Net financial assets, beginning of year	778,494	628,371
Net financial assets (net debt), end of year	$ (944,247)	$ 778,494

See accompanying notes to consolidated financial statements.

WAHGOSHIG FIRST NATION - ABITIBI RESERVE #70

Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash flows from operating activities:		
Annual surplus (deficit)	$ (1,390,501)	$ 263,751
Adjustments for:		
Amortization of tangible capital assets	677,538	664,448
Loss on disposal of tangible capital assets	66,078	-
Share of loss (income) in business enterprises (note 4)	320,564	(1,135,364)
	(326,321)	(207,165)
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	(659,592)	430,908
Decrease in short-term investments	971,740	41,389
Decrease (increase) in prepaid expenses	(892)	58,764
Decrease (increase) in due from Aboriginal Affairs and Northern Development Canada	(44,203)	110,598
Increase (decrease) in accounts payable and accrued liabilities	(125,441)	551,602
Increase (decrease) in deferred revenue	155,277	(25,000)
	(29,432)	961,096
Cash flows from financing activities:		
Repayment of capital lease obligations	(135,117)	(161,267)
Repayment of long-term debt	(1,082,733)	(266,231)
Issuance of long-term debt	1,025,220	-
	(192,630)	(427,498)
Cash flows from investing activities:		
Consolidated revenue trust funds	(9,905)	(8,641)
Distribution from business enterprises	293,703	476,892
Purchase of tangible capital assets	(1,074,964)	(735,557)
Increase (decrease) in marketable securities	1,662,905	(382,300)
	871,739	(649,606)
Net increase (decrease) in cash	649,677	(116,008)
Cash position, beginning of year	(412,873)	(296,865)
Cash position, end of year	$ 236,804	$ (412,873)
Represented by:		
Cash	$ 338,660	$ 368,557
Bank indebtedness (note 8)	(101,856)	(781,430)
	$ 236,804	$ (412,873)

See accompanying notes to consolidated financial statements.

The Wahgoshig First Nation - Abitibi Reserve #70 (the "First Nation"), located in Northern Ontario, administers programs and provides services on behalf of its members.

1. Basis of presentation and significant accounting policies:

The consolidated financial statements of the First Nation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Reporting entity:

The reporting entity includes activities of all committees and related entities of the First Nation under the control of the Chief and Council including:

- Wahgoshig Anishinabek Mitik Inc. ("WAMI")
- Wahgoshig First Nation - Social Housing
- Algonquin Lands and Resources Management Inc. ("ALARMI")
- Wahgoshig Resources Limited Partnership ("Resources")
- Little Fox Lodge Limited Partnership ("the Lodge")

The government business enterprises comprising of: WAMI, ALARMI, Resources and Lodge are accounted for using the modified equity method. Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform to those of the First Nation and inter-organizational transactions and balances are not eliminated. The government business enterprise included during the current year are Resources and Lodge as both ALARMI and WAMI had no active operations.

(b) Investments:

Investments are recorded at cost. Temporary declines in the market value of the long-term investments are not adjusted. Investments are written down to recognize declines in value other than temporary declines, resulting losses are recognized in the statement of financial activities.

(c) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue.

1. Basis of presentation and significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) 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 are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	**Useful Life - Years**
Land improvements	10 - 50 years
Buildings	20 - 50 years
Infrastructure	20 - 50 years
Machinery and equipment	3 - 15 years
Furniture, computers and fixtures	1 - 20 years
Assets under construction	-

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

1. Basis of presentation and significant accounting policies (continued):

(e) Use of estimates:

The preparation of consolidated financial statements 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 revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(f) Prior year funding adjustments:

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 audit adjustments repayable to the governments.

Adjustments made under funding arrangements relating to prior years are recorded in the year during which the adjustments are made.

(g) Consolidated revenue funds:

Funds held in trust are comprised of funds held in Ottawa Trust accounts and 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

2. Marketable securities:

The marketable securities are held at cost. The following is a summary of marketable securities held (all quoted in Canadian funds):

	2015		2014	
	Cost	Market	Cost	Market
Detour Gold Corporation	$ 860,377	494,500	2,101,172	1,075,084
Constantine Metal Resources Ltd.	11,050	11,050	–	–
Primero Mining Inc.	51,750	41,098	51,750	77,097
Northern Gold Mining Inc.	15,100	4,340	15,100	8,680
Fortune Bay Corp	800	1,595	800	990
Northern Sun Mining Corp.	83,334	36,667	83,333	95,000
	1,022,411	589,250	2,252,155	1,256,851
Less impairment of Marketable Securities	(433,161)	–	–	–
	$ 589,250	589,250	2,252,155	1,256,851

3. Investment in business enterprises:

Wahgoshig Resources Limited Partnership

The First Nation has a 99% interest in Wahgoshig Resources Limited Partnership ("Resources"). Resources is engaged primarily in forestry, logging, mining and sawmill operations. The First Nation's interest in Resources results of operations for the year ended March 31, 2015 is included in the First Nation's statement of financial activities.

Little Fox Lodge Limited Partnership

The First Nation has a 99% interest in Little Fox Lodge Limited Partnership ("the Lodge"). The Lodge is engaged primarily in the operation of a lodge and restaurant. The First Nation's interest in the Lodge results of operations for the year ended March 31, 2015 is included in the First Nation's statement of financial activities.

(a) The following table presents condensed supplementary financial information of Resources for the year ended March 31, 2015:

	2015	2014
Financial position:		
Current assets	$ 1,513,099	2,359,600
Other assets	277,532	143,734
Capital assets	1,699,037	1,022,039
Total assets	3,489,668	3,525,373
Current liabilities	1,722,704	1,822,466
Long-term debt	1,468,891	762,319
Total liabilities	3,191,595	2,584,785
Net assets	$ 298,073	940,588
Results of operations:		
Revenues	$ 5,162,303	5,858,238
Expenses	5,164,543	4,484,827
	$ (2,240)	1,373,411

3. Investment in business enterprises (continued):

(b) The investment at March 31, 2015 consists of the following

	2015	2014
Balance, beginning of year	$ 922,943	347,021
Share of operating income for the year	(2,218)	1,399,821
Distribution of Partners' capital	(640,275)	(823,899)
Balance, end of year	$ 280,450	922,943

(c) The following table presents condensed supplementary financial information of the Lodge for the period ended March 31, 2015:

	2015	2014
Financial position:		
Current assets	$ 269,582	39,662
Capital assets	1,739,203	1,691,790
Total assets	2,008,785	1,731,452
Current liabilities	834,725	239,015
Net assets	$ 1,174,060	1,492,437
Results of operations:		
Revenues	$ 768,525	381,717
Expenses	1,086,902	648,845
	$ (318,377)	(267,128)

3. Investment in business enterprises (continued):

(d) The investment at March 31, 2015 consists of the following

	2015	2014
Initial investment	$ 1,492,485	1,409,934
Contribution	346,572	347,008
Share of operating loss for the year	(318,345)	(264,457)
Balance, end of year	$ 1,520,712	1,492,485

(e) The investment in business enterprises is comprised of the following:

	2015	2014
Wahgoshig Resources Limited Partnership	$ 280,450	922,943
Little Fox Lodge Limited Partnership	1,520,712	1,492,485
Balance, end of year	$ 1,801,162	2,415,428

4. Tangible capital assets:

Cost	Balance March 31, 2014	Additions	Disposals	Balance at March 31, 2015
Land	$ 289,141	$ 153,377	$ -	$ 442,518
Buildings	4,354,608	217,375	-	4,571,983
Computers	102,865	8,800	-	111,665
Vehicles	1,930,590	93,358	-	2,023,948
Roads	2,459,788	7,525	-	2,467,313
Equipment and furniture	722,260	8,000	-	730,260
Water and sewer	2,374,229	-	-	2,374,229
Band Housing	4,121,728	21,537	(130,062)	4,013,203
CMHC Housing	2,726,910	-	-	2,726,910
Assets under construction	514,873	564,992	-	1,079,865
Total	$ 19,596,992	$ 1,074,964	$ (130,062)	$ 20,541,894

Accumulated amortization	Balance March 31, 2014	Disposals	Amortization expense	Balance at March 31, 2015
Land	$ -	$ -	$ -	$ -
Buildings	674,746	-	114,121	788,867
Computers	72,234	-	11,513	83,747
Vehicles	680,878	-	190,897	871,775
Roads	1,298,975	-	76,795	1,375,770
Equipment and furniture	250,821	-	48,741	299,562
Water and sewer	749,827	-	69,290	819,117
Band Housing	1,649,996	(63,984)	98,008	1,684,020
CMHC Housing	522,121	-	68,173	590,294
Assets under construction	-	-	-	-
Total	$ 5,899,598	$ (63,984)	$ 677,538	$ 6,513,152

	Net book value March 31, 2014	Net book value March 31, 2015
Land	$ 289,141	$ 442,518
Buildings	3,679,862	3,783,116
Computers	30,631	27,918
Vehicles	1,249,712	1,152,173
Roads	1,160,813	1,091,543
Equipment and furniture	471,439	430,698
Water and sewer	1,624,402	1,555,112
Band Housing	2,471,732	2,329,183
CMHC Housing	2,204,789	2,136,616
Assets under construction	514,873	1,079,865
Total	$ 13,697,394	$ 14,028,742

4. Tangible capital assets (continued):

Cost	Balance March 31, 2013	Additions	Disposals	Balance at March 31, 2014
Land	$ 214,913	$ 74,228	$ -	$ 289,141
Buildings	4,179,931	174,677	-	4,354,608
Computers	102,865	-	-	102,865
Vehicles	1,825,595	104,995	-	1,930,590
Roads	2,441,698	18,090	-	2,459,788
Equipment and furniture	722,260	-	-	722,260
Water and sewer	2,326,727	47,502	-	2,374,229
Band Housing	4,121,728	-	-	4,121,728
CMHC Housing	2,726,910	-	-	2,726,910
Assets under construction	97,525	417,348		514,873
Total	$ 18,760,152	$ 836,840	$ -	$ 19,596,992

Accumulated amortization	Balance March 31, 2013	Disposals	Amortization expense	Balance at March 31, 2014
Land	$ -	$ -	$ -	$ -
Buildings	566,795	-	107,951	674,746
Computers	59,440	-	12,794	72,234
Vehicles	499,898	-	180,980	680,878
Roads	1,222,820	-	76,155	1,298,975
Equipment and furniture	202,347	-	48,474	250,821
Water and sewer	680,896	-	68,931	749,827
Band Housing	1,549,006	-	100,990	1,649,996
CMHC Housing	453,948	-	68,173	522,121
Assets under construction	-	-	-	-
Total	$ 5,235,150	$ -	$ 664,448	$ 5,899,598

	Net book value March 31, 2013	Net book value March 31, 2014
Land	$ 214,913	$ 289,141
Buildings	3,613,136	3,679,862
Computers	43,425	30,631
Vehicles	1,325,697	1,249,712
Roads	1,218,878	1,160,813
Equipment and furniture	519,913	471,439
Water and sewer	1,645,831	1,624,402
Band Housing	2,572,722	2,471,732
CMHC Housing	2,272,962	2,204,789
Assets under construction	97,525	514,873
Total	$ 13,525,002	$ 13,697,394

5. Long-term debt:

	2015	2014
Canada Mortgage and Housing Corporation mortgage payable $1,494 monthly including principal and interest, bearing interest at 2.65% per annum, due April, 2016	$ 19,202	36,375
Canada Mortgage and Housing Corporation mortgage payable $1,992 monthly including principal and interest, bearing interest at 2.76% per annum, due June, 2015	371,840	385,358
Canada Mortgage and Housing Corporation mortgage payable $2,080 monthly including principal and interest, bearing interest at 2.63% per annum, due June, 2016	407,213	421,336
Canada Mortgage and Housing Corporation mortgage payable $1,569 monthly including principal and interest, bearing interest at 1.6% per annum, due January, 2018	360,607	373,581
Royal Bank of Canada loan payable $2,647 monthly including principal and interest, bearing interest at prime + 1.9% per annum, due June, 2018	35,006	64,303
Royal Bank of Canada loan payable $4,437 monthly including principal and interest, bearing interest at prime + 1.9% per annum, due August 2018	124,074	170,009
Royal Bank of Canada mortgage payable $563 plus interest monthly, bearing interest at prime + 1.9% per annum, due June, 2017	116,438	123,188
Royal Bank of Canada loan payable $362 monthly including principal and interest, bearing interest at 4.75% per annum, due December, 2019	55,577	–
Royal Bank of Canada loan payable $789 monthly including principal and interest, bearing interest at 4.75% per annum, due December, 2019.	121,073	–
Royal Bank of Canada loan payable $1405 monthly including principal and interest, bearing interest at 5.99% per annum, due date not specified	51,981	–
Royal Bank of Canada capital lease payable $720 monthly including principal and interest, bearing interest at 3.99% per annum, due date not specified	15,227	23,089
Mortgage payable to CMHC, terms and conditions to be determined	570,000	–
Royal Bank of Canada loan payable $9,175 monthly including principal and interest, bearing interest at 6.53% per annum, due July, 2017, secured by an assignment of short-term investments	–	896,619
Royal Bank of Canada loan payable $3,799 monthly including principal and interest, bearing interest at 4.9% per annum	–	23,506
Scotia Mortgage Corporation mortgage payable $1,463 monthly including principal and interest, bearing interest at 3.7% per annum	–	8,611
Ally Credit Canada Inc loan payable $851 monthly including principal and interest, bearing interest at 5.99% per annum	–	5,014
	$ 2,248,238	2,530,989

5. Long-term debt (continued):

The Royal Bank of Canada mortgages and loans are secured by specified property having a carrying value of $ 495,196 and a general security agreement.

Principal repayments over the next five years are estimated as follows:

2016	$ 530,018
2017	503,699
2018	488,415
2019	13,309
2020 and thereafter	712,797

6. Capital lease obligations:

	2015	2014
Royal Bank of Canada capital lease payable $1,054 monthly including principal and interest, bearing interest at 7.24% per annum, due June, 2016	$ 15,070	26,185
Royal Bank of Canada capital lease payable $5,999 monthly including principal and interest, bearing interest at 5.64% per annum, due April, 2014	–	5,472
Royal Bank of Canada capital lease payable $5,941 monthly including principal and interest, bearing interest at 5.18% per annum, due November, 2017	179,072	239,512
Royal Bank of Canada capital lease payable $1,856 monthly including principal and interest, bearing interest at 3.99% per annum, due January 2017	34,664	54,713
Royal Bank of Canada capital lease payable $6,551 monthly including principal and interest, bearing interest at 3.01% per annum, due November 2017	187,197	–
	$ 416,003	325,882

The Royal Bank of Canada capital leases are secured by specified property having a carrying value of $556,270.

6. Capital lease obligations (continued):

The First Nation has financed certain equipment by entering into capital leasing arrangements. Capital lease repayments are due as follows:

Year ending March 31:	
2016	$ 184,824
2017	166,926
2018	86,881
Total minimum lease payments	438,631
Less amount representing interest, interest ranging from 3.99% - 7.24%	22,628
	$ 416,003

7. Bank indebtedness:

The First Nation has a line of credit with RBC Financial for up to $300,000. The line of credit bears interest at prime plus 2.55% and is secured by a general security agreement.

8. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2015	2014
Invested in tangible capital assets	$ 11,364,172	11,736,815
Operating	(2,996,774)	(2,192,994)
Social Housing	(93,009)	(116,841)
Committed reserve	301,578	270,829
Restricted	2,863,982	3,957,592
Business Enterprises	1,659,840	834,889
	$ 13,099,789	14,490,290

9. Budget information:

Budget information was unavailable and has not been presented.

10. Comparative information:

Certain 2014 comparative information has been reclassified to conform with the presentation adopted in 2015.

11. Segmented information:

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band administration, education, health services, infrastructure, economic development, housing, capital and social 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:

Band 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.

Education

The education department enters into service contracts with provincially funded area school boards for elementary and secondary students. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post secondary institutions.

Health Services

The health services department provides a diverse bundle of services directed towards the well being of the members including the delivery of programming such as long-term care, diabetes, mental health, healthy babies, home and community care and many other smaller programs designed to enhance the health of members.

Infrastructure

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

Economic Development

This department is responsible for identifying and developing economic opportunities for the benefit of the First Nation and its Members. The department also secures and delivers employment training funding for the First Nation. In addition, the department manages various cultural programs.

11. Segmented information (continued):

Social Housing

The housing department manages the operations of two phases of CMHC housing owned by the First Nation. This includes tenant identification, rent collection and maintenance management.

Community Property

This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations as well as major projects such as building construction.

Social Services

The social services department delivers a variety of programming including Ontario Works and offers employment support services. In addition, the department manages the homemakers and national child benefit programs.

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.

Note 11 - Segmented Information (continued)

Year ended March 31, 2015

		Band Administration	Education	Health Services	Infrastructure	Economic Development	Social Housing	Community Property	Social Services	2015 Total
Revenue	$	369,590	1,011,904	421,866	270,137	2,542,340	179,723	285,550	254,762	5,335,872
Expenses:										
Salaries wages and benefits		600,772	43,312	250,122	140,845	674,134	-	12,414	24,455	1,746,054
Materials, supplies and rentals		219,254	665,387	115,013	363,009	484,729	17,951	466,467	8,135	2,339,945
Contractual and professional services		145,093	81,686	44,955	158,618	415,161	380	310,931	18,025	1,174,849
Travel		100,517	154,075	79,258	3,090	100,802	-	2,040	-	439,782
Interest on long-term debt		25,923	773	-	25,122	13,716	27,993	-	-	93,527
Other		(135,851)	29,440	33,321	214,106	467,573	29,544	50,474	207,868	896,475
Amortization of tangible capital assets		11,889	19,739	5,582	392,606	179,550	68,178	-	-	677,544
Impairment of marketable securities		-	-	-	-	433,161	-	-	-	433,161
Investment in tangible capital assets		-	-	(33,768)	(37,862)	(276,965)	-	(726,369)	-	(1,074,964)
		967,597	994,412	494,483	1,259,534	2,491,861	144,046	115,957	258,483	6,726,373
Excess (deficiency) of revenue over expenses	$	(598,007)	17,492	(72,617)	(989,397)	50,479	35,677	169,593	(3,721)	(1,390,501)

Note 11 - Segmented Information (continued)

Year ended March 31, 2014

		Band Administration	Education	Health Services	Infrastructure	Economic Development	Social Housing	Community Property	Social Services	2014 Total
Revenue	$	874,380	1,074,115	377,498	298,055	3,014,502	184,717	210,126	204,036	6,237,429
Expenses:										
Salaries wages and benefits		543,380	42,216	250,013	116,986	662,657	-	5,534	26,825	1,647,611
Materials, supplies and rentals		209,080	678,866	107,776	291,533	350,358	23,997	371,079	20,637	2,053,326
Contractual and professional services		244,744	89,176	46,908	136,598	350,394	914	376,306	16,535	1,261,575
Travel		124,075	155,180	89,262	7,606	98,426	70	2,892	3,048	480,559
Interest on long-term debt		41,147	153	50	36,368	4,246	28,527	-	-	110,491
Other		(182,502)	137,661	40,864	143,158	191,942	34,916	68,565	157,904	592,508
Amortization of tangible capital assets		12,373	4,296	4,859	391,187	183,555	68,178	-	-	664,448
Investment in tangible capital assets		-	(24,375)	-	(5,465)	(154,848)	(8,840)	(643,312)	-	(836,840)
		992,297	1,083,173	539,732	1,117,971	1,686,730	147,762	181,064	224,949	5,973,678
Excess (deficiency) of revenue over expenses	$	(117,917)	(9,058)	(162,234)	(819,916)	1,327,772	36,955	29,062	(20,913)	263,751