



GrantThornton

Consolidated Financial Statements

Aroland First Nation

March 31, 2015

Management's Responsibility

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Aroland First Nations are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

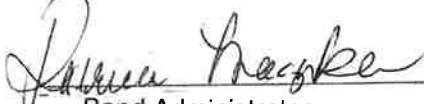
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Aroland First Nations and meet when required.

On behalf of Aroland First Nations:



Dennis Haayker
Band Administrator

August 29, 2015

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Independent Auditor's Report

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To the Chief and Council and Members of
Aroland First Nation

We have audited the accompanying consolidated financial statements of Aroland First Nation, 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 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.

Auditor's 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 auditor's 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 qualified audit opinion.

Basis for qualified opinion

We were unable to obtain sufficient appropriate audit evidence relating to the amounts recorded in miscellaneous revenue of \$361,796 and band administration and housing expenses of \$94,291 for the year ended March 31, 2015 because we were not able to access certain financial records required to verify these amounts. Consequently, we were not able to determine whether any adjustments to these amounts were necessary.

The First Nation did not prepare budgets, which is not in compliance with Canadian public sector accounting standards.

Qualified opinion

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

Other matter

The financial statements of Aroland First Nation for the year ended March 31, 2014 were audited by another auditor who expressed a modified opinion on those statements on November 25, 2014.



Thunder Bay, Canada
August 29, 2015

Chartered Accountants
Licensed Public Accountants

Aroland First Nation

Consolidated Statement of Financial Position

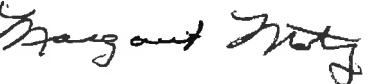
As at March 31

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents [note 2]	351,615	216,301
Accounts receivable [note 3]	432,136	179,934
Due from government and other government organizations [note 4]	256,800	322,866
Trust funds held by federal government [note 5]	115,908	111,533
Total financial assets	1,156,459	830,634
LIABILITIES		
Accounts payable and accruals [note 6]	2,098,760	2,102,267
Deferred revenue [note 7]	10,000	46,306
Due to government and other government organizations [note 8]	10,348	79,840
Employee benefit obligations [note 9]	16,939	10,759
Long-term debt [note 10]	3,330,883	3,244,543
Total liabilities	5,466,930	5,483,715
NET DEBT	(4,310,471)	(4,653,081)
NON-FINANCIAL ASSETS		
Tangible capital assets - net [note 11] [schedule 1]	15,844,366	16,328,817
Prepaid expenses [note 12]	11,072	11,377
Accumulated surplus	11,544,967	11,687,113

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Chief and Council

Chief 

Councillor 

Aroland First Nation

Consolidated Statement of Operations and

Accumulated Surplus

Year ended March 31

2015

2014

\$

\$

REVENUE [schedule 3]

Aboriginal Affairs and Northern Development

Canada	3,276,261	3,124,318
Canada Mortgage and Housing Corporation	162,363	57,044
Health Canada	760,980	622,376
Ontario First Nations Limited Partnership	571,405	553,798
Administration fees	16,931	14,313
Interest income	-	2,761
Ministry of Natural Resources	139,544	-
TransCanada	87,025	-
Klikenomaga Kikenjigewen Employment &		
Training Services	75,436	119,300
Matawa First Nations Management	30,121	131,389
Ministry of Aboriginal Affairs	90,000	80,000
Ministry of Community and Social Services	1,697,505	1,827,991
Ministry of Health and Long-Term Care	61,589	61,589
Ministry of Northern Development and Mines	468,300	442,453
Miscellaneous	502,455	622,318
Nishnawbe Aski First Nation	90,001	89,023
Noront Resources	214,874	132,678
Tikinagan Child and Family Services	72,870	108,495
	8,317,660	7,989,846

EXPENSES [schedule 3]

Band administration	1,200,885	1,750,195
Education programs	1,721,940	1,453,423
Economic development	969,999	1,090,101
Capital programs	401,408	342,787
Social services	1,457,905	1,820,725
Operations and maintenance	891,992	860,205
Health programs	817,241	788,735
Other programs	524,537	517,880
Ontario First Nations Limited Partnership	473,899	79,706
	8,459,806	8,703,757

Operating deficit	(142,146)	(713,911)
Accumulated surplus, beginning of year	11,687,113	12,401,024
Accumulated surplus, end of year	11,544,967	11,687,113

See accompanying notes to the consolidated financial statements.

Aroland First Nation Consolidated Statement of Changes in Net Debt

Year ended March 31	2015	2014
	\$	\$
Operating deficit	(142,146)	(713,911)
Acquisition of tangible capital assets	(389,728)	(2,000,078)
Amortization of tangible capital assets	874,179	788,644
Acquisition of prepaid expenses	(11,072)	(11,377)
Use of prepaid expenses	11,377	44,668
Increase (decrease) in net financial assets	342,610	(1,892,054)
 Net debt, beginning of year	 (4,653,081)	 (2,761,027)
 Net debt, end of year	 (4,310,471)	 (4,653,081)

See accompanying notes to the consolidated financial statements.

Aroland First Nation Consolidated Statement of Cash Flows

Year ended March 31	2015	2014
	\$	\$
OPERATIONS		
Operating deficit	(142,146)	(713,911)
Non-cash charges		
Amortization of tangible capital assets	874,179	788,644
	732,033	74,733
Net change in non-cash working capital balances		
Accounts receivable	(252,202)	(45,472)
Prepaid expenses	305	33,291
Due from government and other government organizations	66,066	353,513
Trust funds held by federal government	(4,375)	(2,755)
Accounts payable and accruals	(3,507)	482,017
Deferred revenue	(36,306)	46,306
Due to government and other government organizations	(69,492)	14,132
Employee benefit obligations	6,180	(1,330)
Cash provided by operating transactions	438,702	954,435
CAPITAL		
Acquisition of tangible capital assets	(389,728)	(2,000,078)
Cash used in capital transactions	(389,728)	(2,000,078)
FINANCING		
Advances of long-term debt	408,900	1,153,992
Repayment of long-term debt	(322,560)	(272,968)
Cash provided by financing transactions	86,340	881,024
Increase (decrease) in cash and cash equivalents	135,314	(164,619)
Opening cash and cash equivalents	216,301	380,920
Closing cash and cash equivalents	351,615	216,301

See accompanying notes to the consolidated financial statements.

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

GENERAL

Aroland First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Aroland First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of Aroland First Nation are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of the CICA. The more significant of these accounting policies are as follows:

[a] Basis of consolidation

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

AroFor Forestry Inc. (inactive)
Aroland Community Economic Development Corporation (inactive)
Aro-Air LP (inactive)
Aroland Forestry Management LP (inactive)
Aroland General Contracting LP (inactive)
Aroland Tree Nursery LP (inactive)
Aroland Economic Development Corporation (inactive)
1648973 Ontario Inc. (inactive)
1670719 Ontario Inc. (inactive)
1796651 Ontario Inc. (inactive)
Aroland Education Authority (inactive)
Aroland Industrial Inc. (active)

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Aroland First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

[b] Basis of accounting

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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

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. The change in non-financial assets during the year, together with the accumulated surplus, provides the changes in net debt for the year.

[a] Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization of tangible capital assets is recognized as an expense in the Consolidated Statement of Operations and Accumulated Surplus. Tangible capital assets are amortized over their expected useful lives using the declining balance method at the following rates:

Automotive	30%
Administration building	4%
Buses	30%
CMHC Housing	4%
Computer equipment	45 to 50%
Four-Plex building	4%
Furniture and equipment	20%
Heavy equipment	20%
Housing	4%
Housing renovation	4%
Infrastructure	4%
Office equipment	20%

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

Rink/storage building	4%
Roads	4%
Sewer system equipment	4%
Small tools	100%
Temporary classrooms	4%
Tikinagan building	4%
Water system	4%
Water system and fire protection upgrade	4%
Water system equipment	20%
Works garage	4%
Youth centre	4%

Tangible capital assets are written-down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations and Accumulated Surplus.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

Measurement uncertainty

In preparing the consolidated financial statements for Aroland First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenditures during the period. The main estimates used in preparing these consolidated financial statements include allowance for doubtful accounts and asset amortization rates. Actual results could differ from these estimates.

2. CASH AND CASH EQUIVALENTS

The First Nation has available to it the following credit facilities:

An operating line facility to a maximum of \$50,000 which bears interest at the Royal Bank's prime interest rate plus 3.5% per annum [6.2% at year-end]. The balance outstanding at March 31, 2015 is \$50,000 [2014 - \$15,000].

A bank overdraft facility on the Ontario Works account to maximum of \$50,000 which bears interest at the Royal Bank's prime interest rate plus 5.0% per annum [7.7% at year-end]. The balance outstanding at March 31, 2015 is \$45,618 [2014 - \$46,373].

Both facilities are secured by a general security agreement as well as a specific security interest on certain heavy equipment owned by the First Nation.

	2015	2014
	\$	\$
General (Co-Manager)	426,747	180,364
General (First Nation)	(25,082)	(39,428)
Projects (Co-Manager)	(2,594)	164,427
Line of credit	(50,000)	(15,000)
Tikinagan	3,492	12,142
Rent servicing	9	9
Heath Authority	229	6,800
Recreation	12	14
Aroland Industrial	235	234
Ontario Works	(45,618)	(116,495)
Ontario First Nations Limited Partnership	11	712
Housing Authority #1	19,415	22,647
Housing Authority #2	15,752	(125)
Housing Authority #3	9,007	-
	351,615	216,301

Aroland First Nation
Notes to the Consolidated Financial Statements
 March 31, 2015

3. ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
Due from members:		
Advances	13,067	8,234
Other	223,634	92,584
	236,701	100,818
Due from others:		
Premier Gold Mines Limited	44,914	-
Nishnawbe Aski First Nation	12,839	11,152
Matawa First Nations Management	47,206	45,206
Klikenomaga Kikenjigewen Employment and Training Services	11,694	7,558
Noront Resources Ltd.	91,600	99,200
Other receivables	197,093	-
	405,346	163,116
Less: allowance for doubtful accounts	(209,911)	(84,000)
	432,136	179,934

**4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT
ORGANIZATIONS**

	2015	2014
	\$	\$
Federal government		
Aboriginal Affairs and Northern Development Canada	38,368	140,036
Canada Mortgage and Housing Corporation	76,115	23,768
Provincial government		
Ministry of Northern Development Mines	89,743	157,086
Ministry of Natural Resources	28,884	-
Other government organizations		
HST receivable	23,690	1,976
	256,800	322,866

Aroland First Nation
Notes to the Consolidated Financial Statements

March 31, 2015

5. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

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.

	2015 \$	2014 \$
Capital Trust		
Balance, beginning of year	11,955	11,955
Balance, end of year	11,955	11,955
Revenue Trust		
Balance, beginning of year	99,578	96,823
Interest	4,375	2,755
Balance, end of year	103,953	99,578
	115,908	111,533

6. ACCOUNTS PAYABLE AND ACCRUALS

	2015 \$	2014 \$
Trade payables		
Trade payables	1,919,002	1,882,176
Other accrued liabilities	100,044	55,997
Accrued wages and benefits payable	79,714	164,094
	2,098,760	2,102,267

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

7. DEFERRED REVENUE

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance, beginning of year \$	Contributions received \$	Contributions recognized \$	Balance, end of year \$
Aboriginal Affairs and Northern Development Canada	10,000	-	-	10,000
Ministry of Northern Development and Mines	15,886	-	15,886	-
Noront Resources	20,420	-	20,420	-

8. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	2015 \$	2014 \$
Federal government		
Receiver General	10,348	79,840

9. EMPLOYEE BENEFIT OBLIGATIONS

	2015 \$	2014 \$
Vacation and overtime	16,939	10,759

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime entitlement that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Pension Plan

The First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary. The First Nation contributes 5% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. The First Nation contributed during the year \$32,744 [2014 - \$16,932] for retirement benefits. The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2015.

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

10. LONG-TERM DEBT

[a] The balance of debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2015 \$	2014 \$
Royal Bank of Canada Demand term loan repayable in variable annual instalments ranging from \$123,100 to \$213,800 plus interest at 6.25%, maturing May 15, 2017 and secured by a general security agreement as well as a specific security interest on certain heavy equipment of the First Nation. Also secured by an assignment of not less than \$223,000 from Minor Capital funding each year and an assignment of not less than \$30,000 from rental revenue on the First Nation each year.	534,700	717,600
Demand term loan repayable in monthly instalments of \$3,800 including principal and interest at 6.15%, maturing April 3, 2017 and secured by a general security agreement as well as a specific security interest on certain heavy equipment of the First Nation. Also secured by a first ranking assignment of all rents from the lands and improvements leased to Tikinagan Child and Family Services.	239,516	269,381
Demand term loan repaid during the year.	-	7,618
Nishnawbe Aski Development Fund Demand term loan repayable in monthly instalments of \$1,085 plus interest at 12%, maturing June 1, 2018, and secured by a general security agreement as well as a specific security interest on certain vehicles of the First Nation with a net book value of \$143,780.	30,616	-
Carried forward	804,832	994,599

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

	2015 \$	2014 \$
Brought forward	804,832	994,599
Demand term loan repayable in monthly instalments of \$4,510 plus interest at 12%, maturing August 11, 2018 and secured by a general security agreement as well as a specific security interest on certain vehicles of the First Nation with a net book value of \$143,780.	127,238	-
Canada Mortgage and Housing Corporation Housing Loan #1, repayable in monthly instalments of \$4,429 including principal and interest at 1.68%, maturing April 1, 2038 and secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 7-housing units with a net book value of \$1,166,463.	1,016,835	1,052,628
Housing Loan #2, repayable in monthly instalments of \$5,898 including principal and interest at 1.98%, maturing May 1, 2039 and secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 8-housing units with a net book value of \$1,417,327.	1,359,619	1,108,574
Snap Financial Repayable in monthly instalments of \$3,276 including principal and interest at 16.3%, maturing June 15, 2015 and secured by a general security agreement as well as a specific security interest on certain heavy equipment of the First Nation with a net book value of \$63,488.	22,359	88,742
	3,330,883	3,244,543

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

[b] Principal payments due within the next five years, assuming renewal at the current terms, are as follows:

	\$
2016	375,421
2017	376,745
2018	294,343
2019	139,899
2020	127,430
Thereafter	2,017,045
	<u>3,330,883</u>

[c] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$107,187 [2014 - \$86,727].

11. TANGIBLE CAPITAL ASSETS

The Consolidated Schedule of Tangible Capital Assets (Schedule 1) presents all balances and changes in the year relating to the tangible capital assets owned by the First Nation. Tangible capital assets acquired after March 31, 1997 are recorded at acquisition cost less amortization on the Consolidated Statement of Financial Position. Tangible capital assets acquired prior to April 1, 1997 are deemed to have been fully amortized and are recorded at a nominal value.

12. PREPAID EXPENSES

	2015	2014
	\$	\$
Insurance	11,072	11,377

13. CONTINGENCIES

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

Claims are currently outstanding against the First Nation. The outcome of the claims is not yet determinable, and accordingly, no provision has been made in these consolidated financial statements with respect to these matters. Any loss with respect to the claims will be recorded as an expense of the period in which the loss becomes likely and the amount is measurable.

14. ECONOMIC DEPENDENCE

Aroland First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC 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.

15. RELATED PARTY TRANSACTIONS

During the year, Crupi Consulting Business Development & Solutions Ltd. was the Co-Manager of Aroland First Nation and therefore is related to the First Nation,. Augesco Business Incubator is a company controlled by Crupi Consulting Business Development & Solutions Ltd. and therefore is related to the First Nation.

Transactions occurring during the year between related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration agreed to by the parties. Related party transactions included in the Consolidated Statement of Operations and Accumulated Surplus consists of the following:

Professional fees totaling \$201,150 [2014 - \$169,200] were paid to Crupi Consulting Business Development & Solutions Ltd. for co-management services and accounting and legal expenses. Training fees totalling \$269,540 [2014 - \$216,375] were paid to Crupi Consulting Business Development & Solutions Ltd. for employment training sessions. Contract services totalling \$Nil [2014 - \$72,757] were paid to Crupi Consulting Business Development & Solutions Ltd. for project oversight and execution.

Expenses totalling \$Nil [2014 - \$22,869] were paid to Augesco Business Incubator for materials and supplies, telephone and training.

16. INTERFUND TRANSFERS

During the year, an amount of \$Nil [2014 - \$473,972] was transferred from the Casino Rama Fund to the Operating Fund in order to fund disbursements for operating activities.

17. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2015 consolidated financial statements.

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

18. BUDGET INFORMATION

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue, expenses, and surplus (deficit), omission of this information is considered a departure from PSA standards.

19. GOVERNMENT TRANSFERS

	Operating \$	Capital \$	2015 \$	2014 \$
Federal government transfers				
Aboriginal Affairs and Northern Development Canada	3,009,669	266,592	3,276,261	3,124,318
Health Canada	760,980	-	760,980	622,376
Canada Mortgage and Housing Corporation	162,363	-	162,363	57,044
Total Federal	3,933,012	266,592	4,199,604	3,803,738
Provincial government transfers				
Ministry of Aboriginal Affairs	90,000	-	90,000	80,000
Ministry of Community and Social Services	1,697,505	-	1,697,505	1,827,991
Ministry of Health and Long-Term Care	61,589	-	61,589	61,589
Ministry of Northern Development and Mines	452,414	-	452,414	442,453
Total Provincial	2,301,508	266,592	2,301,508	2,412,033
	6,234,520	266,592	6,501,112	6,215,771

Aroland First Nation

Notes to the Consolidated Financial Statements

March 31, 2015

20. SEGMENTS

The First Nation has ten reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Band Administration - includes administration governance activities and band operations.

Education - includes the operations of education programs.

Economic Development - includes activities for the maintenance of the community and its infrastructure.

Capital Programs - includes the operations of capital programs.

Social Services - activities include delivering social programs.

Operations and Maintenance - activities include delivering community service programs.

Ministry of Aboriginal Affairs - activities include reports on the Ministry of Aboriginal Affairs funding.

Health Programs - activities include delivering health programs.

Other Projects - includes the activities of all other programs.

Casino Rama Fund - reports on the First Nation's Ontario First Nations Limited Partnership funding.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 1.

Aroland First Nation
Notes to the Consolidated Financial Statements
March 31, 2015

21. CONSOLIDATED ENTITIES

The First Nation controls the operations of Aroland Industrial Inc. which are fully consolidated in the consolidated financial statements. Financial information for these entities included in the Consolidated Statement of Financial Position is shown below. Inter-company balances which were eliminated upon consolidation have been included.

Aroland Industrial Inc.

As at March 31	2015	2014
	\$	\$
Financial assets		
Cash	234	234
Liabilities		
Due to related party	16,433	16,433
Net financial debt	(16,199)	(16,199)
Non-financial assets		
Tangible capital assets	79,360	79,360
Accumulated surplus	63,161	63,161

**Aroland First Nation
Consolidated Schedule of Tangible Capital Assets**

Year ended March 31, 2015

Schedule 1

	Housing	CMHC Housing	Four-Plex building	Water system	Water system equipment	Sewer system	Roads	Works Garage	Office equipment	Heavy equipment	Youth centre	Furniture and equipment	Computer equipment	Temporary classrooms
Cost														
Balance, beginning of year	6,889,365	2,784,382	300,737	1,356,100	3,657	1,577,064	537,504	289,196	68,075	556,008	134,126	369,984	105,366	944,309
Acquisition of tangible capital assets														
Balance, end of year	6,889,365	2,784,382	300,737	1,356,100	3,657	1,577,064	537,504	289,196	76,487	556,008	134,126	388,334	105,366	944,309
Accumulated amortization														
Balance, beginning of year	3,410,425	92,935	118,500	661,885	3,187	866,017	288,849	158,807	64,836	470,894	50,915	275,112	90,381	358,463
Annual amortization	139,158	107,658	7,289	27,169	94	28,442	9,946	5,216	2,330	17,023	3,328	21,634	7,622	23,434
Balance, end of year	3,549,583	200,593	125,789	689,654	3,281	894,459	298,795	164,023	67,166	487,917	54,243	296,746	98,003	361,897
Net book value of tangible capital assets	3,339,782	2,583,789	174,948	666,446	376	682,605	238,709	125,173	9,321	68,091	79,883	91,588	7,363	562,412

Aroland First Nation
Consolidated Schedule of Tangible Capital Assets
Year ended March 31, 2015

Schedule 1 (cont'd)

	Infrastructure	Automotive	Housing	Administration	Tikinagan	Rink/storage	Buses	Water system	Other fully	2015	2014
	\$	\$	\$	\$	\$	\$	\$	and Fire	amortized	\$	\$
Cost	589,554	577,385	309,055	302,136	88,736	175,270	748,939	7,257,413	1	26,168,006	24,167,928
203,644	126,566	31,000				205,400					2,000,078
Balance, beginning of year											
Acquisition of tangible capital assets											
Balance, end of year	203,644	716,120	608,385	309,055	302,136	88,736	380,670	748,939	7,257,413	1	26,557,734
Accumulated amortization											
Balance, beginning of year											
Annual amortization											
Balance, end of year	82,151	296,478	230,256	152,630	95,076	43,927	162,806	174,426	1,690,233	-	9,839,189
	4,860	125,893	15,125	6,257	8,282	1,792	65,359	22,981	222,687	-	874,179
	87,011	422,371	245,381	158,887	103,358	45,719	228,165	197,407	1,912,920	-	788,644
Net book value of tangible capital assets	116,633	293,749	363,004	150,168	198,778	43,017	152,505	551,532	5,244,493	1	15,844,366
											16,328,817

Aroland First Nation

Schedule 2

Consolidated Schedule of Expenses by Object

Year ended March 31

	2015	2014
	\$	\$
Consolidated expenses by object		
Advertising	5,181	2,636
Amortization	874,179	788,644
Bad debts	125,911	65,597
Bank charges and interest	36,494	56,233
Community events	242,918	2,539
Community support	-	7,382
Contracted services	491,149	643,084
Donations	20,957	67,160
Education component	30,610	-
Funeral and burials	38,580	28,260
Health component	51,700	79,706
Honoraria	257,318	332,172
Insurance	109,397	107,275
Interest on long-term debt	107,187	86,727
Materials and supplies	359,587	497,660
Miscellaneous	21,657	6,631
Office	226,703	82,037
Professional fees	295,025	213,731
Professional fees - co-management	369,230	169,200
Rent	164,606	20,460
Repairs and maintenance	247,102	210,215
Social assistance	628,541	1,345,023
Student lunch program	3,324	31,748
Student transportation	-	12,855
Telephone and utilities	401,659	145,536
Training	146,676	327,437
Travel	431,178	553,169
Tuition	536,231	502,319
Wages and benefits	2,236,706	2,318,321
	8,459,806	8,703,757

Aroland First Nation
Consolidated Schedule of Revenue and Expenses
Year ended March 31, 2015

Schedule 3

	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Adjustments/ Transfers From (To) \$	Current Operating Surplus (Deficit) \$
BAND SUPPORT FUNDING						
Band Administration - Co-Management	313,992	64,400	378,392	591,700	-	(213,308)
Band Administration - Band Operations	-	120,888	120,888	574,185	-	(453,297)
Ontario First Nations Limited Partnership	-	571,405	571,405	473,899	-	97,506
P&ID Governance	35,000	-	35,000	35,000	-	-
	348,992	756,693	1,105,685	1,674,784	-	(569,999)
EDUCATION						
Enhanced Teacher Salaries	9,800	-	9,800	9,679	-	121
School Effectiveness	23,530	-	23,530	14,094	-	9,436
Education Authority	420,380	3,437	423,817	647,234	-	(223,417)
Secondary	529,074	-	529,074	369,889	-	159,185
Post-Secondary	144,620	-	144,620	166,342	-	(21,722)
Transportation	330,068	-	330,068	248,539	-	81,529
Parental and Communication	5,500	-	5,500	6,450	-	(950)
Special Education	192,666	-	192,666	185,713	-	6,953
Guidance and Counselling	54,000	-	54,000	54,000	-	-
Low Cost Special Education	20,000	-	20,000	20,000	-	-
	1,729,638	3,437	1,733,075	1,721,940	-	11,135

Aroland First Nation
Consolidated Schedule of Revenue and Expenses
Year ended March 31, 2015

Schedule 3 (continued)

	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Adjustments/ Transfers From (To) \$	Current Operating Surplus (Deficit) \$
ECONOMIC DEVELOPMENT						
Economic Development Officer	43,000	-	43,000	43,000	-	-
Strategic Partnership Initiative	110,928	-	110,928	110,928	-	-
Right to Play	-	28,750	28,750	28,750	-	-
OPA-IESO ACEP	-	19,000	19,000	22,003	-	(3,003)
Employment Counsellor/Skills Link	-	36,400	36,400	46,352	-	(9,952)
Land Use Planning	-	90,000	90,000	89,972	-	28
KKETS Summer Students	-	39,036	39,036	51,422	-	(12,386)
CCLLO	-	92,414	92,414	98,606	-	(6,192)
Regional Framework	-	360,000	360,000	460,650	-	(100,650)
MTW Employment Services	-	5,000	5,000	5,063	-	(63)
FN Trappers Assistance	-	13,253	13,253	13,253	-	-
	153,928	683,853	837,781	969,999	-	(132,218)
CAPITAL PROGRAMS						
Aroland Housing Authority	-	340,439	340,439	70,790	-	269,649
Housing Renovations	266,592	-	266,592	330,618	-	(64,026)
	266,592	340,439	607,031	401,408	-	205,623
SOCIAL SERVICES						
Ontario Works	253,597	1,737,358	1,990,955	1,410,405	-	580,550
National Child Benefit	47,500	-	47,500	47,500	-	-
	301,097	1,737,358	2,038,455	1,457,905	-	580,550

Aroland First Nation
Consolidated Schedule of Revenue and Expenses
Year ended March 31, 2015

Schedule 3 (continued)

	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Adjustments/ Transfers From (To) \$	Current Operating Surplus (Deficit) \$
OPERATIONS AND MAINTENANCE						
Water systems	66,834	-	66,834	142,035	-	(75,201)
Sewer system	56,063	-	56,063	28,839	-	27,224
Electrical systems	4,038	-	4,038	6,147	-	(2,109)
Fire	16,896	-	16,896	20,619	-	(3,723)
Community buildings	10,194	-	10,194	20,098	-	(9,904)
School	286,955	-	286,955	561,446	-	(274,491)
Roads and bridges	35,034	54,000	89,034	51,462	-	37,572
Tikinagan building	-	72,870	72,870	31,161	-	41,709
Band office	-	-	-	30,185	-	(30,185)
	476,014	126,870	602,884	891,992	-	(289,108)
HEALTH PROGRAMS						
NHIB Patient Transportation	-	223,792	223,792	196,053	-	27,739
NAN Crisis Team	-	42,485	42,485	42,382	-	103
Home and Community Care	-	86,108	86,108	85,934	-	174
HBHC	-	20,736	20,736	20,733	-	3
FAS/FAE	-	13,527	13,527	12,009	-	1,518
Native Alcohol & Drug Abuse	-	153,990	153,990	153,990	-	-
Health Centre O&M	-	36,600	36,600	36,600	-	-
Brigher Futures	-	61,061	61,061	61,061	-	-
Mental Health	-	49,859	49,859	48,987	-	-
Solvent Abuse	-	4,559	4,559	2,174	-	2,385
Community Health Representatives	-	40,720	40,720	40,720	-	-
Homemaker	-	61,589	61,589	61,589	-	-
Diabetes Initiative	-	24,261	24,261	24,144	-	117
Canada Prenatal Nutrition	-	58,196	58,196	30,865	-	27,331
	877,483	877,483	817,241	60,242	-	

**Aroland First Nation
Consolidated Schedule of Revenue and Expenses**
Year ended March 31, 2015

Schedule 3 (continued)

	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Adjustments/ Transfers From (To) \$	Current Operating Surplus (Deficit) \$
OTHER PROGRAMS						
TransCanada	-	87,025	87,025	87,025	-	-
Environmental Monitor	-	54,442	54,442	54,442	-	-
Cultural Impact Assessment	-	15,886	15,886	16,041	-	(155)
Far North Act	-	139,544	139,544	101,556	-	37,988
Nor-Ont Preliminary EA	-	214,874	214,874	227,620	-	(12,746)
MNR Land Use Planning Initiative	-	3,495	3,495	3,495	-	-
Aroland Industrial	-	-	-	15,872	-	(15,872)
Premier Gold	-	-	-	18,486	-	(18,486)
	515,266	515,266	524,537	-	(9,271)	
	3,276,261	5,041,399	8,317,660	8,459,806	-	(142,146)