

**Poplar River First Nation
Consolidated Financial Statements**
March 31, 2015

Poplar River First Nation Contents

For the year ended March 31, 2015

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Management's Responsibility

To the Members of Poplar River First Nation:

The accompanying consolidated financial statements of Poplar River First Nation (the "Nation") 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.

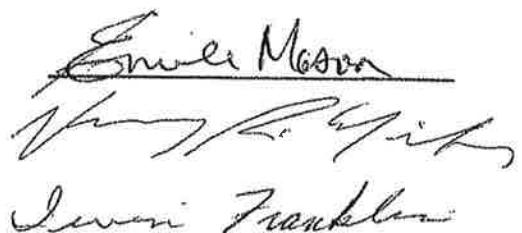
The Poplar River First Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Accountants, 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.

October 29, 2015



Chief



Emile Mason
Vernie Gidley
Irene Franklin

Councillor

Independent Auditors' Report

To the Members of Poplar River First Nation:

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

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

The Nation's consolidated statement of operations and consolidated statement of change in net debt do not present a comparison of results for the accounting period with those originally planned, which constitutes a departure from Canadian public sector accounting standards.

Qualified Opinion

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

Winnipeg, Manitoba

October 29, 2015

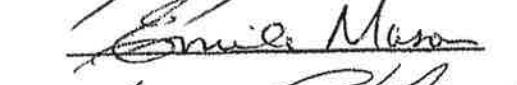
MNP LLP

Chartered Professional Accountants

Poplar River First Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
	<i>(Restated)</i>	
Financial assets		
Accounts receivable (Note 3)	804,241	1,652,500
Inventory held for sale	44,198	97,333
Restricted cash (Note 4)	575,554	185,959
Investment in government business partnerships and enterprise (Note 5)	3,475,572	3,493,356
	4,899,565	5,429,148
Liabilities		
Bank indebtedness (Note 6)	528,916	1,012,852
Accounts payable and accruals (Note 7)	2,004,179	1,808,920
Deferred revenue (Note 8)	339,317	322,957
Demand loan (Note 9)	-	499,744
Long-term debt (Note 10)	6,819,261	5,953,541
	9,691,673	9,598,014
Net debt	(4,792,108)	(4,168,866)
Contingent liabilities (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	24,520,633	23,353,514
Prepaid expenses	5,542	2,436
	24,526,175	23,355,950
Accumulated surplus (Note 12)	19,734,067	19,187,084

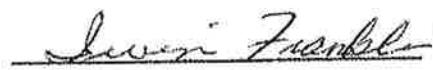
Approved on behalf of the Chief and Council:


Chief

Councillor

Councillor



Councillor

Councillor

Councillor

Poplar River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2015

	<i>Schedules</i>	2015	2014 (Restated)
Revenue			
Aboriginal Affairs and Northern Development Canada (Note 13)		8,806,625	8,744,255
Repayments to Aboriginal Affairs and Northern Development Canada		(171,175)	(113,557)
First Nations and Inuit Health (Note 13)		1,642,267	1,552,061
Repayment to First Nation and Inuit Health		(31,747)	-
Canada Mortgage and Housing Corporation		152,202	297,295
		10,398,172	10,480,054
Fuel farm revenue		1,891,454	339,387
Southeast Child and Family Services		883,868	878,386
Income from government business partnerships and enterprise		632,216	624,144
Other revenue		366,136	1,009,975
East Side Road Authority revenue		147,104	286,055
Tobacco tax rebates		211,445	272,461
Rental income		125,106	122,990
Norwin Construction		139,295	99,722
Arena revenue		70,000	311,698
Interest income		3,376	2,399
Revenue deferred in prior year (Note 8)		322,957	70,683
Revenue deferred to subsequent year (Note 8)		(339,317)	(322,957)
		14,851,812	14,174,997
Segment expenses			
Band Governance	4	1,818,594	1,775,802
Social Assistance	5	2,173,100	2,365,903
Land Management	6	81,696	28,282
Housing	7	1,020,598	1,049,683
Community Infrastructure	8	2,371,135	2,580,858
Education	9	4,124,789	3,995,073
Community Wellness	10	1,337,476	1,357,987
Economic Development	11	1,307,388	1,407,273
Training and Development	12	70,053	281,941
Total segment expenses (Note 14)		14,304,829	14,842,802
Annual surplus (deficit)		546,983	(667,805)
Accumulated surplus, beginning of year, as previously stated		15,693,730	16,326,839
Correction of an error (Note 18)		3,493,354	3,528,050
Accumulated surplus, beginning of year, as restated		19,187,084	19,854,889
Accumulated surplus, end of year		19,734,067	19,187,084

The accompanying notes are an integral part of these financial statements

Poplar River First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2015

	2015	2014 (Restated)
Annual surplus (deficit)	546,983	(667,805)
Purchases of tangible capital assets	(2,688,506)	(1,364,362)
Amortization of tangible capital assets	1,521,387	1,586,916
Acquisition (use) of prepaid expenses	(3,106)	54,993
	(1,170,225)	277,547
Increase in net debt	(623,242)	(390,258)
Net debt, beginning of year	(4,168,866)	(3,778,608)
Net debt, end of year	(4,792,108)	(4,168,866)

The accompanying notes are an integral part of these financial statements

Poplar River First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

2015 **2014**
(Restated)

Cash provided by (used for) the following activities

Operating activities

Cash receipts from contributors	15,716,431	13,825,220
Cash paid to suppliers	(7,489,112)	(7,966,040)
Cash paid to employees	(4,834,057)	(4,880,417)
Interest on long-term debt	(214,985)	(204,211)
	3,178,277	774,552

Financing activities

Advances of long-term debt	1,883,284	537,792
Repayment of long-term debt	(1,517,308)	(874,512)
Increase (decrease) in bank indebtedness	(483,936)	327,051
	(117,960)	(9,669)

Capital activities

Purchases of tangible capital assets	(2,688,506)	(1,364,362)
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Investing activities

Decrease (increase) in restricted cash	(389,595)	133,155
Change in investment in government business partnerships and enterprise	17,784	146,035
	(371,811)	279,190

Decrease in cash resources

Cash resources, beginning of year	-	320,289
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Cash resources, end of year

	-	-
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The accompanying notes are an integral part of these financial statements

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Operations

The Poplar River First Nation (the "Nation") is located in the province of Manitoba, and provides various services to its members. Poplar River First Nation includes the Nation's 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 financial statements consolidate the financial statements of all enterprises comprising the Nation reporting entity, except for Nation business enterprises.

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

- Poplar River First Nation Housing Authority
- Poplar River First Nation Government
- Asatiwisipe Construction Inc.
- Poplar River Development Corporation

All inter-entity balances have been eliminated on consolidation.

Poplar River First Nation business enterprises that are owned or controlled by the Nation's Chief and Council and that are not dependent on the Nation for their continuing operations are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these enterprises 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. Enterprises accounted for by the modified equity basis include:

- Negginan Fishing Station Limited

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become 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.

Cash

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investment in government business partnerships

The investment in the government business partnerships is accounted for in accordance with the modified equity method. The Nation's investment in government business partnerships is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreases by post acquisition losses and withdrawals.

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the Nation by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated 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 Nation tangible capital assets; and
- Revenue trusts moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Inventory held for sale

Inventory held for sale is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Net debt

The Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

Non-financial assets

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. Construction in progress is not amortized until the assets are available for use.

Community Buildings	25 years
Housing	25 years
Infrastructure	25-40 years
Office equipment	5 years
Vehicles	5-10 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in the consolidated statement of operations for the year.

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Revenue recognition

Government transfer revenue which includes grants from Aboriginal Affairs and Northern Development Canada, East Side Road Authority, First Nations and Inuit Health, Canada Mortgage and Housing Corporation and Province of Manitoba 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 is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with the related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Rental income is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectibility of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

Revenue recognized from the government business partnerships is in accordance with the modified equity method of accounting for the investment, and corresponds to the Nation's proportionate share of the government business partnership's net surplus earned during the year.

All other types of revenue are recognized by the Nation when services are provided or the goods are shipped and collection is reasonably assured.

Employee future benefits

The Nation's employee future benefit program consists of a defined contribution pension plan. The Nation contributions to the defined contribution plan are expensed as incurred.

Financial instruments

Financial instruments include accounts receivable, restricted cash, investment in government business partnerships and enterprise, bank indebtedness, accounts payable and accruals and long-term debt. Unless otherwise stated, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risk arising from the financial instruments. Unless otherwise stated, the book value of the Nation's financial instruments approximates their fair value due to the short-term maturities of the instruments. The fair value of the Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the Nation's current long-term debt.

Measurement uncertainty

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 collectibility and an allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow-moving or obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the period in which they become known.

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Segments

The Nation conducts its business through ten reportable segments. These operating segments are established by senior management to facilitate the achievement of the 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

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

Ottawa Trust Fund - reports revenue allocated to the fund and transfers to other segments.

Band Governance - reports on administration and governance activities.

Social Assistance - reports on social assistance programs.

Land Management - reports on the development of the Nation's land.

Housing - reports on developing and sustaining on-reserve housing.

Community Infrastructure - reports on the maintenance of the community and its infrastructure.

Education - reports on the operations of education programs.

Community Wellness - reports on the Nation's funding related to health and wellness.

Economic Development - reports on other band programs not funded by AANDC or FNIH, including its commercial operations.

Training and Development - reports on the training and development of community members.

Recent accounting pronouncements

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the 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 Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. The 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.

Previously, no accounting policy existed to account for a liability for contaminated sites. Effective April 1, 2014, the Nation adopted the recommendation relating to PS 3260, Liability for Contaminated Sites, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change in accounting policy was applied prospectively and prior periods have not been restated.

There was no effect on the Nation's consolidated financial statements of adopting the above-noted change in accounting policy.

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

The Nation expects to apply PS 3450 and related consequential amendments to the PSA Handbook for its consolidated financial statements dated March 31, 2020. PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, consolidated financial statements of prior periods, including comparative information, are not restated. The Nation does not expect the adoption of these new standards to have a material impact on its consolidated financial statements.

3. Accounts receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada (AANDC)	513,482	778,298
First Nations and Inuit Health	260	260
Shawano Wapunong Building Inc. ("SWB")	60,111	33,438
Community church	28,416	28,416
Advances to members	817,017	639,031
Trade receivables	189,600	672,815
Goods and Services Tax	9,948	9,948
Economic development loans	79,687	79,687
Negginan Fishing Station Limited	149,743	143,196
Allowance for doubtful accounts	(1,044,023)	(732,589)
	804,241	1,652,500

AANDC accounts receivable consist of:

Year-end PAYE confirmation	460,724
Prior year accounts receivable	52,758
513,482	

Funds held by SWB are on deposit only, gaining interest at a rate of 5% per annum. SWB is owned by the eight Southeast First Nations in Manitoba and invests funds mostly in commercial real estate in Winnipeg, Manitoba.

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

4. Restricted cash

	2015	2014
CMHC Replacement Reserve	94,968	82,883
Ottawa Trust Fund	68,746	65,370
Province of Manitoba East Side Road Authority	411,840	37,706
	575,554	185,959

CMHC replacement reserve

As required as part of the Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements of CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The Nation is currently in violation of its major funding agreement with CMHC. The specified replacement reserve bank account was underfunded by \$30,073 as at March 31, 2015 (2014 - \$58,477).

Province of Manitoba East Side Road Authority

The Nation has a chequing account that requires a co-signature from a representative from the Province of Manitoba East Side Road Authority. As at March 31, 2015, funds held in this account have been restricted for the purpose of highway construction.

Ottawa Trust Fund

The Ottawa Trust fund accounts 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. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the Nation on authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Nation's Council.

Capital Trust

	2015	2014
Balance, beginning of year	400	400
Balance, end of year	400	400

Revenue Trust

Balance, beginning of year	64,640	62,571
Interest	2,906	1,599
Land leases	800	800
Balance, end of year	68,346	64,640
	68,746	65,370

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

5. Investment in government business partnerships and enterprise

The Nation has investments in the following entities:

	<i>Investment beginning of year</i>	<i>Payments received</i>	<i>Share of earnings (loss) for the year</i>	<i>2015</i>
Nation Business Enterprise – Modified Equity:				
Negginan Fishing Station Limited	1	(1)	-	-
Nation Government Business Partnerships – Modified Equity:				
South Beach Casino Limited Partnership	3,493,356	(650,000)	554,720	3,398,076
Asatiwisipe / Baudry business partnership - 51%	-	-	77,496	77,496
	3,493,356	(650,000)	632,216	3,475,572
	3,493,357	(650,001)	632,216	3,475,572
	<i>Investment beginning of year</i>	<i>Payments received</i>	<i>Share of earnings (loss) for the year</i>	<i>2014 (Restated)</i>
Nation Business Enterprise – Modified Equity:				
Negginan Fishing Station Limited	1	(1)	-	-
First Nation Business Partnerships – Modified Equity:				
South Beach Casino Limited Partnership	3,519,212	(650,000)	624,144	3,493,356
	3,519,213	(650,001)	624,144	3,493,356

Continued on next page

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

5. Investment in government business partnerships and enterprise *(Continued from previous page)*

The Nation's investment in South Beach Casino Limited Partnership represents a one-seventh ownership that was established for the purpose of operating a casino and hotel on the Brokenhead Ojibway Nation land at Scanterbury, Manitoba. The Nation's investment in Asatiwisi / Baudry business partnership at 51% was established for the purpose of completing a road construction project.

Summary information for South Beach Casino Limited Partnership has not been disclosed due to the sensitive nature of the information. Summary financial information for Asatiwisi / Baudry business partnership is noted below. Included in accounts receivable is \$320,839 from the Nation.

<i>Asatiwisi / Baudry business partnership As at March 31, 2015</i>	
Assets	
Cash	9,764
Accounts receivable	<u>1,051,342</u>
Total assets	1,061,106
Liabilities	
Accounts payable and accruals	<u>909,153</u>
Total liabilities	909,153
Net assets, end of year	151,953
Total revenue	1,051,342
Total expenses	899,389
Net income	151,953
Comprehensive income	151,953

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Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

5. Investment in government business partnerships and enterprise *(Continued from previous page)*

The Nation's investment in Negginan Fishing Station Limited was established for the purposes of commercial fishing. Summary financial information for Negginan Fishing Station Limited, accounted for using the modified equity method, for their respective year-end is as follows:

<i>Negginan Fishing Station Limited</i> <i>As at December 31, 2014</i>	
Assets	
Accounts receivable	108,465
Inventory	1,259
Property, plant and equipment	175,777
Total assets	285,501
Liabilities	
Bank indebtedness	22,869
Accounts payable and accruals	363,328
Total liabilities	386,197
Net debt, end of year	(100,696)
Total revenue	1,108,368
Total expenses	1,147,868
Net loss	(39,500)
Comprehensive loss	(39,500)

6. Bank indebtedness

	2015	2014
General operating line of credit	336,842	1,005,867
Social services	24,434	6,985
Group home	167,640	-
	528,916	1,012,852

The general operating line is authorized to a maximum of \$150,000 (2015 - \$650,000) with a temporary overdraft limit of \$400,000, bearing interest at prime plus 1.9% (2014 - prime plus 2.65%), due monthly. The balance of the general operating line includes outstanding cheques of \$38,045 (2014 - \$355,867). The operating line is secured by a General Security Agreement and a Band Council Resolution authorizing the debt and a letter of direction to pay, acknowledged by Aboriginal Affairs and Northern Development Canada. The Social services account consists of outstanding cheques of \$26,920 (2014 - \$6,985). The Group home account consists of outstanding cheques of \$157,962 with an overdraft of \$9,678. (2014 - \$nil)

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Accounts payable and accruals

	2015	2014
Capital project payables	-	189,530
Trade payables	1,303,263	1,337,963
Road construction payables	421,039	148,900
Payroll accrual	94,753	79,698
Pension and employee benefits payable	13,949	4,488
Due to AANDC	171,175	48,341
	2,004,179	1,808,920

8. Deferred revenue

	2015	2014
Aboriginal Affairs and Northern Development Canada (Schedule 8)	46,677	-
Residential Rehabilitation Assistance Program (Schedule 7)	-	188,762
First Nations and Inuit Health (Schedule 10)	292,640	134,195
	339,317	322,957

9. Demand Loan

First Nation Bank loan, bearing interest at 5.65%, due on demand, secured by a General Security Agreement.

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

10. Long-term debt

	2015	2014
First Nations Bank term loan repaid during the year.	-	4,031
First Nations Bank loan repaid during the year.	-	130,000
General Motors Acceptance Corporation term loan repaid during the year.	-	6,644
General Motors Acceptance Corporation term loan repaid during the year.	-	7,144
First Nations Bank demand loan, payable in monthly instalments of \$6,095 including interest at 3.09%, due January 2020, secured by a General Security Agreement.	855,840	897,661
CMHC mortgage, payable in monthly instalments of \$3,914 including interest at 2.56%, next renewal date December 2015, due November 2025, secured by a ministerial guarantee and assignment of fire insurance.	438,262	473,577
CMHC mortgage, payable in monthly instalments of \$4,564 including interest at 1.62%, next renewal date March 2018, due March 2033, secured by a ministerial guarantee and assignment of fire insurance.	855,022	895,627
CMHC mortgage, payable in monthly instalments of \$1,621 including interest at 1.98%, next renewal date May 2019, due May 2029, secured by a ministerial guarantee and assignment of fire insurance.	239,168	253,791
First Nations Bank mortgage, payable in monthly instalments of \$2,169 including interest at 3.19%, next scheduled renewal date February 2020, due February 2035, secured by a General Security Agreement.	335,012	345,161
CMHC mortgage, payable in monthly instalments of \$2,291 including interest at 1.83%, next renewal date December 2019, due November 2034, secured by a ministerial guarantee and assignment of fire insurance.	454,108	471,642
First Nations Bank term loan, payable in monthly instalments of \$718 including interest at 5.0%, due December 2018, secured by a General Security Agreement.	29,385	36,351
CMHC mortgage, payable in monthly instalments of \$2,387 including interest at 2.75%, next renewal date February 2016, due February 2036, secured by a ministerial guarantee and assignment of fire insurance.	455,309	471,258
First Nations Bank term loan, payable in monthly instalments of \$7,195 plus interest at 5.0%, renewal November 2016, due November 1, 2031, secured by a General Security Agreement.	1,063,037	1,103,232
First Nations Bank term loan, payable in annual instalments of \$328,300 including interest at prime plus 2.75% (2014 - 5.75%), secured by a General Security Agreement, due May 1, 2016.	529,123	857,422
First Nations Bank term loan, payable in monthly instalments of \$19,259 plus interest at 5.0%, renewal April 2016, due April 2018, secured by a General Security Agreement.	1,016,062	-
CMHC mortgage, payable in monthly instalments of \$2,063 including interest at 0.98%, next renewal date March 2020, due March 2040, secured by a ministerial guarantee and assignment of fire insurance.	548,933	-
	6,819,261	5,953,541

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

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:

2016	756,000
2017	645,000
2018	885,000
2019	252,000
2020	880,000

11. Contingent liabilities

The Nation is subject to funding recoveries according to their agreements with federal government agencies. At year end it was not yet determined to what extent any funding amounts relating to the year ending March 31, 2015 might be recovered.

AANDC has confirmed that \$56,440 and \$17,710 from fiscal year 2008-09 might be recovered. No repayment terms have been determined at this time and no accrual has been made.

The Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2015. As the audit report date is dated after this date, the Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined.

12. Accumulated surplus

	2015	2014
	<i>(Restated)</i>	
Equity in Ottawa Trust Funds	68,746	65,370
CMHC replacement reserve	125,041	141,360
Investment in government business partnerships and enterprise	3,475,572	3,493,356
Invested in tangible capital assets	18,717,431	17,034,261
Unrestricted deficit	(2,652,723)	(1,547,263)
	19,734,067	19,187,084

13. AANDC and FNIH revenue reconciliation

	2015	2014
AANDC revenue per funding agreement	8,806,625	8,737,800
Add: Recovery of AANDC accounts receivable previously written off	-	6,455
AANDC revenue per consolidated financial statement	(8,806,625)	(8,744,255)
	-	-
FNIH revenue per funding agreement	1,642,267	1,552,061
FNIH revenue per consolidated financial statement	(1,642,267)	(1,552,061)
	-	-

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

14. Consolidated expenses by object

	2015	2014
Amortization	1,521,387	1,586,916
Bank charges and interest	302,192	325,763
Compensation and training	4,916,394	5,166,590
Purchased goods and services	4,013,311	4,254,485
Social assistance	2,092,869	2,260,966
Support to community and members	478,225	381,196
Travel, accommodation and related costs	332,532	315,409
Tuition	647,919	551,477
	14,304,829	14,842,802

15. Economic dependence

Poplar River First Nation receives the majority of its revenues from Aboriginal Affairs and Northern Development Canada ("AANDC") and First Nations and Inuit Health ("FNIH") as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC and FNIH under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

16. Pension liabilities

The Nation remits its pension liabilities on a monthly basis and remittances were current at year end. Pension liabilities are not maintained in a separate bank account.

Poplar River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

17. Provision for site rehabilitation

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive lagoon and landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste lagoon and landfill sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the Nation is bound by environmental laws of the Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

18. Correction of an error

During the year, the management determined that it had incorrectly stated its financial position as at March 31, 2014 in its previously issued financial statements. Management determined that it had not properly accounted for its investment in a government partnership with 6 other Nations known as the South Beach Casino Limited Partnership. The Nation's investment in the South Beach Casino Limited Partnership had been accounted for as a portfolio investment, under the cost method, where the cost of the investment was recorded as an investment asset, and all capital withdrawals from the investment had been recorded as revenue year after year.

The following table presents figures as restated and previously stated on the consolidated statement of financial position as at March 31, 2014 and on the consolidated statement of operations and accumulated surplus for the year-ended March 31, 2014.

	As Restated	As Previously Stated
Investment in South Beach Casino Limited Partnership	\$3,493,356	\$1
Revenue from Investment in South Beach Casino LP	\$624,144	\$658,839
Operating deficit	\$667,805	\$633,109
Accumulated surplus, beginning of year	\$19,854,889	\$16,326,839
Accumulates surplus, end of year	\$19,187,084	\$15,693,730

19. Comparative figures

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

Poplar River First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Community Buildings</i>	<i>Housing</i>	<i>Infrastructure</i>	<i>Office Equipment</i>	<i>Vehicles</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	10,867,595	19,043,666	12,614,073	191,341	1,361,358	44,078,033
Acquisition of tangible capital assets	1,467,481	799,271	421,754	-	-	2,688,506
Construction-in-progress	-	-	1,364,604	-	-	1,364,604
Balance, end of year	12,335,076	19,842,937	14,400,431	191,341	1,361,358	48,131,143
Accumulated amortization						
Balance, beginning of year	5,114,806	10,783,685	5,315,278	157,078	751,276	22,122,123
Annual amortization	457,484	531,029	405,954	7,662	119,258	1,521,387
Balance, end of year	5,572,290	11,314,714	5,721,232	164,740	870,534	23,643,510
Net book value of tangible capital assets	6,762,786	8,528,223	8,679,199	26,601	490,824	24,487,633
2014 Net book value of tangible capital assets	5,752,789	8,259,981	7,298,795	34,263	610,082	21,955,910

Poplar River First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Construction in progress</i>	<i>2015</i>	<i>2014</i>
Cost				
Balance, beginning of year	44,078,033	1,397,604	45,475,637	44,111,275
Acquisition of tangible capital assets	2,688,506	-	2,688,506	1,364,362
Construction-in-progress	1,364,604	(1,364,604)	-	-
Balance, end of year	48,131,143	33,000	48,164,143	45,475,637
Accumulated amortization				
Balance, beginning of year	22,122,123	-	22,122,123	20,535,207
Annual amortization	1,521,387	-	1,521,387	1,586,916
Balance, end of year	23,643,510	-	23,643,510	22,122,123
Net book value of tangible capital assets	24,487,633	33,000	24,520,633	23,353,514
2014 Net book value of tangible capital assets	21,955,910	1,397,604	23,353,514	

Poplar River First Nation
Schedule 2 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2015

	AANDC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Surplus (Deficit)	Prior Year Surplus (Deficit)
								(Restated)
Ottawa Trust Fund	-	3,376	-	3,376	-	-	3,376	2,399
Band Governance	755,151	301,929	-	1,057,080	1,818,594	742,354	(19,160)	25,490
Social Assistance	2,184,656	(168,016)	-	2,016,640	2,173,100	-	(156,460)	(2,540)
Land Management	-	70,000	-	70,000	81,696	(7,088)	(18,784)	34,323
Housing	132,977	815,939	188,762	1,137,678	1,020,598	(54,359)	62,721	413,565
Community Infrastructure	1,546,763	65,846	(46,677)	1,565,932	2,371,135	(77,059)	(882,262)	(1,285,284)
Education	4,040,925	54,798	-	4,095,723	4,124,789	(181,448)	(210,514)	(279,377)
Community Wellness	85,230	1,684,020	(158,445)	1,610,805	1,337,476	(422,400)	(149,071)	248,717
Economic Development	-	3,157,196	-	3,157,196	1,307,388	-	1,849,808	263,841
Training and Development	60,923	76,459	-	137,382	70,053	-	67,329	(88,939)
Total	8,806,625	6,061,547	(16,360)	14,851,812	14,304,829	-	546,983	(667,805)

The accompanying notes are an integral part of these financial statements

Poplar River First Nation
Ottawa Trust Fund
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015	2014
Revenue		
Interest income	3,376	2,399
Surplus	3,376	2,399

Poplar River First Nation
Band Governance
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015	2014
Revenue		
Aboriginal Affairs and Northern Development Canada	755,151	869,041
Southeast Child and Family Services	296,320	222,604
Other revenue	5,609	285,236
	1,057,080	1,376,881
Expenses		
Amortization	126,920	169,726
Automotive	1,852	5,767
Bad debts	311,434	143,196
Band member support	3,863	-
Bank charges and interest	53,783	69,980
Honouraria	600	-
Insurance	-	1,177
Office	148,646	142,939
Professional fees	104,119	231,249
Program expense	14,790	13,985
Salaries and benefits	855,638	833,551
Training	-	4,760
Travel	159,411	120,296
Utilities	37,538	39,176
	1,818,594	1,775,802
Deficit before transfers	(761,514)	(398,921)
Transfers between programs	742,354	424,411
Surplus (deficit)	(19,160)	25,490

Poplar River First Nation
Social Assistance
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015	2014
Revenue		
Aboriginal Affairs and Northern Development Canada	2,184,656	2,352,706
Repayments to Aboriginal Affairs and Northern Development Canada	(171,175)	(61,096)
Other revenue	2,013,481 3,159	2,291,610 71,753
	2,016,640	2,363,363
Expenses		
Bank charges and interest	-	6,567
Program expense	50	3,663
Salaries and benefits	66,640	67,285
Social assistance - employable	1,641,688	1,876,228
Social assistance - special needs	68,757	75,189
Social assistance - unemployable	382,424	309,550
Travel	13,541	27,421
	2,173,100	2,365,903
Deficit	(156,460)	(2,540)

Poplar River First Nation
Land Management

Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2015

	2015	2014
Revenue		
Other revenue	70,000	47,250
Revenue deferred in prior year	-	27,355
	70,000	74,605
Expenses		
Office	1,124	-
Professional fees	6,024	-
Program expense	64,559	21,653
Rent	1,500	-
Salaries and benefits	2,257	4,198
Travel	6,232	2,431
	81,696	28,282
Surplus (deficit) before transfers	(11,696)	46,323
Transfers between programs	(7,088)	(12,000)
Surplus (deficit)	(18,784)	34,323

Poplar River First Nation
Housing
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015	2014
Revenue		
Canada Mortgage and Housing Corporation	152,202	297,295
Aboriginal Affairs and Northern Development Canada	132,977	596,507
 Southeast Child and Family Services	 285,179	 893,802
Rental income	538,631	600,057
Other revenue	125,106	122,990
Revenue deferred in prior year	-	17,520
Revenue deferred to subsequent year	188,762	43,328
	-	(188,762)
	 1,137,678	 1,488,935
 Expenses		
Amortization	173,854	173,854
Automotive	15,018	19,432
Bank charges and interest	31,659	44,324
Elder Home program expenses	37,579	28,830
Furniture and equipment	854	1,071
Group home program expenses	53,949	60,187
Insurance	98,815	107,922
Interest on long-term debt	59,659	115,186
Office	2,493	13,278
Professional fees	8,768	7,886
Program expense	2,044	3,715
Repairs and maintenance	46,790	35,919
Salaries and benefits	457,486	403,148
Travel	18,358	11,103
Utilities	13,272	23,828
	 1,020,598	 1,049,683
 Surplus before transfers	 117,080	 439,252
Transfers between programs	(54,359)	(25,687)
 Surplus	 62,721	 413,565

Poplar River First Nation
Community Infrastructure
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015	2014
Revenue		
Aboriginal Affairs and Northern Development Canada	1,546,763	1,032,233
First Nations and Inuit Health	16,500	16,500
Other revenue	1,563,263	1,048,733
Fuel farm revenue	49,346	203,495
Revenue deferred to subsequent year	-	43,346
	(46,677)	-
	1,565,932	1,295,574
Expenses		
Amortization	1,149,159	1,243,336
Automotive	26,161	119,271
Insurance	156,728	238,678
Interest on long-term debt	155,326	86,524
Program expense	160,099	117,390
Repairs and maintenance	351,763	384,541
Salaries and benefits	293,166	311,641
Travel	6,169	27,862
Utilities	72,564	51,615
	2,371,135	2,580,858
Deficit before transfers	(805,203)	(1,285,284)
Transfers between programs	(77,059)	-
Deficit	(882,262)	(1,285,284)

Poplar River First Nation

Education

Schedule 9 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2015

	2015	2014
Revenue		
Aboriginal Affairs and Northern Development Canada	4,040,925	3,893,768
Repayments to AANDC	-	(52,461)
	4,040,925	3,841,307
Other revenue	54,798	130,853
	4,095,723	3,972,160
Expenses		
Automotive	50,481	99,083
Graduation	2,909	26,705
Insurance	85,888	111,641
Office supplies	2,945	38,038
Other student expenses	22,324	38,598
Program expense	20,556	13,553
Program supplies	199,631	156,989
Rent	21,767	12,630
Repairs and maintenance	61,985	21,407
Salaries and benefits	2,057,308	1,983,665
Student accommodations and relocation	379,709	376,903
Student allowances	202,714	225,187
Student travel	166,399	128,386
Teacher recruitment and relocation	22,763	45,186
Training	45,463	39,894
Travel	52,822	59,018
Tuition	647,919	551,177
Utilities	81,206	67,013
	4,124,789	3,995,073
Deficit before transfers	(29,066)	(22,913)
Transfers between programs	(181,448)	(256,464)
Deficit	(210,514)	(279,377)

Poplar River First Nation
Community Wellness
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015	2014
Revenue		
First Nations and Inuit Health	1,625,767	1,535,561
Aboriginal Affairs and Northern Development Canada	85,230	-
FNIH repayments	(31,747)	-
	1,679,250	1,535,561
Arena revenue	70,000	311,698
Other revenue	20,000	23,900
Revenue deferred in prior year	134,195	-
Revenue deferred to subsequent year	(292,640)	(134,195)
	1,610,805	1,736,964
Expenses		
Automotive	46,459	37,901
Honouraria	1,500	1,750
Insurance	14,639	18,067
Office	25,145	26,738
Program expense	129,106	108,624
Repairs and maintenance	34,955	82,853
Salaries and benefits	907,235	920,778
Training	36,874	33,990
Travel	73,166	59,238
Utilities	68,397	68,048
	1,337,476	1,357,987
Surplus before transfers	273,329	378,977
Transfers between programs	(422,400)	(130,260)
Surplus (deficit)	(149,071)	248,717

Poplar River First Nation
Economic Development
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015	2014
	<i>(Restated)</i>	
Revenue		
Fuel farm revenue	1,891,454	296,042
Income from government business partnerships and enterprise	632,216	624,144
East Side Road Authority revenue	147,104	286,055
Tobacco tax rebates	211,445	272,461
Norwin Construction	139,295	99,722
Other revenue	86,765	36,965
Southeast Child and Family Services	48,917	55,725
	3,157,196	1,671,114
Expenses		
Amortization	71,454	-
Automotive	6,483	7,512
Band member support	438,614	479,952
Bank charges and interest	1,765	682
Community events	16,138	-
Materials	251,596	314,636
Office	22,094	14,320
Professional fees	6,526	-
Program expense	1,702	6,149
Repairs and maintenance	92,905	133,667
Road clearing	148,131	250,343
Salaries and benefits	128,152	80,904
Travel	2,833	8,039
Treaty Days	118,995	111,069
	1,307,388	1,407,273
Surplus	1,849,808	263,841

Poplar River First Nation
Training and Development

Schedule 12 - Consolidated Schedule of Revenue and Expenses and Accumulated Deficit

For the year ended March 31, 2015

	2015	2014
Revenue		
Aboriginal Affairs and Northern Development Canada	60,923	-
Other revenue	76,459	193,002
	137,382	193,002
 Expenses		
Office	1,638	2,997
Program expense	379	428
Salaries and benefits	66,175	276,000
Utilities	1,861	2,516
	70,053	281,941
 Surplus (deficit)	67,329	(88,939)