

Financial Statements of

WAHTA MOHAWKS

Year ended March 31, 2015

WAHTA MOHAWKS

Financial Statement Index

Year ended March 31, 2015

	Page
Management's Responsibility for Financial Reporting	1
Independent Auditors' Report	2 - 3
Statement of Financial Position	4
Statement of Financial Activities	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 18

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the **Wahta Mohawks** are the responsibility of management and have been approved by Chief and Council.

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

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

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

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

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



Chief



Councillor



Councillor

Councillor

Councillor



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INDEPENDENT AUDITORS' REPORT

To the Members of the Wahta Mohawks

We have audited the accompanying financial statements of the **Wahta Mohawks** which comprise the statement of financial position as at March 31, 2015, the statements of financial activities, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Wahta Mohawks as at March 31, 2015 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

July 22, 2015
Sudbury, Canada

WAHTA MOHAWKS

Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash	\$ 3,104,114	\$ 2,520,576
Accounts receivable (note 2)	636,080	407,292
Investments (note 3)	22,127,517	22,630,433
Consolidated revenue funds	2,942,222	2,861,215
	<u>28,809,933</u>	<u>28,419,516</u>
Financial liabilities		
Accounts payable and accrued liabilities	595,368	579,253
Deferred revenue	29,631	14,893
	<u>624,999</u>	<u>594,146</u>
Net financial assets	28,184,934	27,825,370
Non-financial assets:		
Tangible capital assets (note 5)	5,859,182	6,006,411
Prepaid expenses	72,477	54,522
Inventory	1,009,602	642,868
	<u>6,941,261</u>	<u>6,703,801</u>
Contingent liabilities (note 7)		
Accumulated surplus (note 6)	\$ 35,126,195	\$ 34,529,171

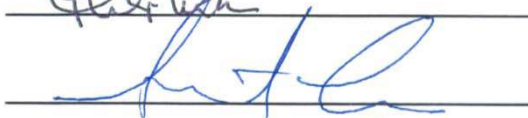
See accompanying notes to financial statements.

On behalf of the First Nation:

Chief



Councillor



Councillor _____

Councillor



Councillor _____

WAHTA MOHAWKS

Statement of Financial Activities

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

	2015	2014
Revenue:		
Government transfers - Provincial	\$ 363,591	\$ 379,697
- Federal	1,575,750	1,600,297
Investment income (note 4)	627,089	799,434
Grants and subsidies	890,398	853,986
Rental income	61,255	64,263
Business operation	214,508	231,114
Other	883,008	3,021,278
	4,615,599	6,950,069
Expenses:		
Band Administration	563,679	927,663
Health Services	845,821	828,252
Community Infrastructure	485,002	507,483
Education	586,172	608,788
Community and Economic Development	417,525	2,219,670
Investments	97,029	89,519
Social Assistance	126,620	190,713
Social Housing	-	5,880
Community Property	139,803	92,749
Business Operations	756,924	902,606
	4,018,575	6,373,323
Excess of revenue over expenses	597,024	576,746
Accumulated surplus, beginning of year	34,529,171	33,952,425
Accumulated surplus, end of year	\$ 35,126,195	\$ 34,529,171

See accompanying notes to financial statements.

WAHTA MOHAWKS

Statement of Changes in Net Financial Assets

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

	2015	2014
Excess of revenue over expenses	\$ 597,024	\$ 576,746
Acquisition of tangible capital assets	(243,369)	(223,924)
Amortization of tangible capital assets	390,598	378,277
	744,253	731,099
Acquisition of prepaid expenses	(72,477)	(54,522)
Use of prepaid expenses	54,522	41,727
Production of inventory	(366,734)	(341,838)
Change in net financial assets	359,564	376,466
Net financial assets, beginning of year	27,825,370	27,448,904
Net financial assets, end of year	\$ 28,184,934	\$ 27,825,370

See accompanying notes to financial statements.

WAHTA MOHAWKS

Statement of Cash Flows

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

	2015	2014
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 597,024	\$ 576,746
Adjustment for:		
Amortization of tangible capital assets	390,598	378,277
	987,622	955,023
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	(228,788)	439,144
Increase in inventory	(366,734)	(341,838)
Increase in prepaid expenses	(17,955)	(12,795)
Increase (decrease) in deferred revenue	14,738	(65,735)
Increase (decrease) in accounts payable and accrued liabilities	16,115	(66,132)
	404,998	907,667
Cash flows from investing activities:		
Increase in consolidated revenue funds	(81,007)	(71,712)
Purchase of tangible capital assets	(243,369)	(223,924)
Decrease (increase) in investments	502,916	(655,913)
	178,540	(951,549)
Net increase (decrease) in cash	583,538	(43,882)
Cash position, beginning of year	2,520,576	2,564,458
Cash position, end of year	\$ 3,104,114	\$ 2,520,576

See accompanying notes to financial statements.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

The Wahta Mohawks (the “First Nation”), administers funds and performs services as contracted with various funding agencies for the benefit of its members.

1. Basis of presentation and significant accounting policies:

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

(a) Reporting entity:

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

(b) Revenue recognition:

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

(c) Tangible capital assets:

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

Asset	Useful Life - Years
Land Improvements	25 years
Buildings and improvements	25 - 40 years
Infrastructure	20 - 40 years
Machinery and equipment	10 - 15 years
Furniture, computers and fixtures	7 - 15 years

Annual amortization is charged in the year of acquisition and in the year of disposal.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

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

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

In addition, the First Nation's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

(e) Consolidated revenue funds:

Consolidated revenue funds are comprised of funds held in Ottawa Trust accounts and arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

(f) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the governments. Adjustments are recorded in the year during which the adjustments are made.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

2. Accounts receivable:

	2015	2014
Member loans and advances	\$ 43,542	48,598
Association of Iroquois and Allied Indians	8,631	8,386
Aboriginal Affairs and Northern Development Canada	218,157	15,834
Health Canada	6,750	7,754
Canada Revenue Agency	213,832	191,636
Pioneer Solar	25,000	25,000
Ministry of Transportation of Ontario	3,475	6,950
Kagita Mikam	40,817	80
Other	45,077	54,802
Business customers	5,977	4,363
Georgian Bay Native Friendship Centre	–	3,276
Ministry of Health	–	8,479
Ontario Power Generation	–	14,564
Ministry of Community and Social Services	18,396	12,929
Hydro One Networks	68,675	68,675
Allowance for doubtful accounts	(62,249)	(64,034)
	\$ 636,080	407,292

3. Investments:

2015	Cost	Market	Carrying Value
Scotia Asset Management			
- Cash	\$ 12,988	12,988	12,988
- Common shares	5,156,469	6,600,868	5,156,469
- Mutual funds	16,930,821	18,266,631	16,930,821
USC Education Savings Plan	27,239	27,239	27,239
	\$ 22,127,517	24,907,726	22,127,517

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

3. Investments (continued):

2014	Cost	Market	Carrying Value
Scotia Asset Management			
- Cash	\$ 15,639	15,639	15,639
- Common shares	5,568,666	6,574,099	5,568,666
- Mutual funds	16,001,144	16,350,651	16,001,144
Scotiabank			
- Guaranteed investment certificate	1,011,723	1,011,723	1,011,723
USC Education Savings Plan	33,261	33,261	33,261
	\$ 22,630,433	23,985,373	22,630,433

4. Investment income:

	Interest and Dividends	Investment Gain (Loss)	2015 Total
Scotia Asset Management	\$ 733,707	(121,849)	611,858
Scotiabank	15,231	–	15,231
	\$ 748,938	(121,849)	627,089

	Interest and Dividends	Investment Gain (Loss)	2014 Total
Scotia Asset Management	\$ 731,726	32,551	764,277
Scotiabank	35,157	–	35,157
	\$ 766,883	32,551	799,434

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

5. Tangible capital assets:

Cost	Balance March 31, 2014	Additions	Disposals	Balance at March 31, 2015
Buildings	\$ 3,692,669	\$ 13,182	\$ -	\$ 3,705,851
Computers	104,015	-	-	104,015
Vehicles	489,274	-	-	489,274
Roads	3,189,162	-	-	3,189,162
Equipment and furniture	1,590,811	66,616	-	1,657,427
Water and sewer	79,775	-	-	79,775
Housing	923,739	51,384	-	975,123
Land Improvements	1,123,664	8,701	-	1,132,365
Construction in progress	-	103,486	-	103,486
Total	\$ 11,193,109	\$ 243,369	\$ -	\$ 11,436,478

Accumulated amortization	Balance March 31, 2014	Disposals	Amortization expense	Balance at March 31, 2015
Buildings	\$ 1,630,231	\$ -	\$ 99,267	\$ 1,729,498
Computers	41,001	-	13,837	54,838
Vehicles	178,238	-	48,927	227,165
Roads	1,362,341	-	78,000	1,440,341
Equipment and furniture	1,225,165	-	102,326	1,327,491
Water and sewer	11,974	-	1,994	13,968
Housing	377,425	-	24,523	401,948
Land improvements	360,323	-	21,724	382,047
Total	\$ 5,186,698	\$ -	\$ 390,598	\$ 5,577,296

	Net book value March 31, 2014	Net book value March 31, 2015
Buildings	\$ 2,062,438	\$ 1,976,353
Computers	63,014	49,177
Vehicles	311,036	262,109
Roads	1,826,821	1,748,821
Equipment and furniture	365,646	329,936
Water and sewer	67,801	65,807
Housing	546,314	573,175
Land improvements	763,341	750,318
Construction in progress	-	103,486
Total	\$ 6,006,411	\$ 5,859,182

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

5. Tangible capital assets (continued):

Cost	Balance March 31, 2013	Additions	Disposals	Balance at March 31, 2014
Buildings	\$ 3,688,909	\$ 3,760	\$ -	\$ 3,692,669
Computers	94,824	9,191	-	104,015
Vehicles	396,538	92,736	-	489,274
Roads	3,189,162	-	-	3,189,162
Equipment and furniture	1,505,571	85,240	-	1,590,811
Water and sewer	79,775	-	-	79,775
Housing	899,442	24,297	-	923,739
Land Improvements	1,114,964	8,700	-	1,123,664
Total	\$ 10,969,185	\$ 223,924	\$ -	\$ 11,193,109

Accumulated amortization	Balance March 31, 2013	Disposals	Amortization expense	Balance at March 31, 2014
Buildings	\$ 1,531,204	\$ -	\$ 99,027	\$ 1,630,231
Computers	28,003	-	12,998	41,001
Vehicles	133,947	-	44,291	178,238
Roads	1,284,341	-	78,000	1,362,341
Equipment and furniture	1,127,436	-	97,729	1,225,165
Water and sewer	9,980	-	1,994	11,974
Housing	354,563	-	22,862	377,425
Land improvements	338,947	-	21,376	360,323
Total	\$ 4,808,421	\$ -	\$ 378,277	\$ 5,186,698

	Net book value March 31, 2013	Net book value March 31, 2014
Buildings	\$ 2,157,705	\$ 2,062,438
Computers	66,821	63,014
Vehicles	262,591	311,036
Roads	1,904,821	1,826,821
Equipment and furniture	378,135	365,646
Water and sewer	69,795	67,801
Housing	544,879	546,314
Land improvements	776,017	763,341
Total	\$ 6,160,764	\$ 6,006,411

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

6. Accumulated surplus:

The allocation of the accumulated surplus between the various funds is as follows:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 5,567,380	5,651,320
Other	19,410,964	19,300,392
Business Enterprises	(2,491,161)	(1,963,745)
Total surplus	22,487,183	22,987,967
Reserves	12,639,012	11,541,204
	\$ 35,126,195	34,529,171

7. Contingent liabilities:

Aboriginal Affairs and Northern Development Canada has guaranteed loans to various members in the amount of \$820,698 (2014 - \$880,233). If any loans are in default and require payment by the Department, the amount paid will be charged back to the First Nation.

8. Segmented information:

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band administration, education, health services, infrastructure, economic development, housing, capital and social services. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Band Administration

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

8. Segmented information (continued):

Education

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

Health Services

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

Community Infrastructure

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

Community and Economic Development

This department is responsible for identifying and developing economic opportunities for the benefit of the First Nation and its Members. The department also secures and delivers employment training and culture funding for the First Nation.

Community Property

This department is responsible for all major renovations to housing stock for the First Nation.

Social Services

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

Housing

The housing department manages the operations of the various rental housing stock owned by the First Nation including both CMHC and other housing. This includes tenant identification, rent collection and maintenance management.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2015

8. Segmented information (continued):

Business Operations

The Business Operations division harvests and produces cranberries and related products.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

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

WAHTA MOHAWKS

Notes to Financial Statements

Note 8 - Segmented information (continued)

Year ended March 31, 2015

	Band Administration	Health Services	Community Infrastructure	Education	Community and Economic Development	Social Assistance	Community Property	Business Operations	Housing	Restricted Funds	Total
Revenue	\$ 239,268	630,082	151,167	580,900	1,365,798	159,459	178,028	214,508	-	1,096,389	4,615,599
Expenses:											
Salaries, benefits and honorarium	295,121	421,699	239,759	43,734	248,410	18,946	-	266,125	-	17,550	1,551,344
Materials, supplies and rentals	146,862	303,735	169,123	70,100	40,096	35,062	211,514	740,610	-	110,346	1,827,448
Contractual and professional	160,637	43,064	2,550	600	6,245	1,297	-	75,264	-	18,913	308,570
Tuition and allowances	-	-	-	340,867	-	-	-	-	-	-	340,867
Travel and training	19,715	21,748	2,438	21,895	24,800	10,324	-	7,222	-	2,092	110,234
Other	(113,090)	52,868	(144,657)	103,027	163,029	60,991	-	(434,774)	-	6,301	(306,305)
Amortization	23,617	2,707	215,789	8,774	37,234	-	-	102,477	-	-	390,598
Investment in tangible capital assets	(14,877)	-	-	(8,847)	(5,260)	-	(71,711)	-	-	(103,486)	(204,181)
	517,985	845,821	485,002	580,150	514,554	126,620	139,803	756,924	-	51,716	4,018,575
Excess (deficiency) of revenue over expenses	\$ (278,717)	(215,739)	(333,835)	750	851,244	32,839	38,225	(542,416)	-	1,044,673	597,024

WAHTA MOHAWKS

Notes to Financial Statements

Note 8 - Segmented information (continued)

Year ended March 31, 2014

	Band Administration	Health Services	Community Infrastructure	Education	Community and Economic Development	Social Assistance	Community Property	Business Operations	Housing	Restricted Funds	Total
Revenue	\$ 276,042	611,510	189,537	563,383	3,526,332	184,597	157,789	231,114	-	1,209,765	6,950,069
Expenses:											
Salaries, benefits and honorarium	299,778	400,705	282,964	48,605	282,959	47,425	-	249,903	-	20,625	1,632,964
Materials, supplies and rentals	100,723	261,114	188,531	23,013	204,284	37,463	182,141	603,714	-	894	1,601,877
Contractual and professional	558,511	18,993	2,212	59,331	168,315	2,450	-	165,563	-	1,700	977,075
Tuition and allowances	-	-	-	336,170	-	-	-	-	-	-	336,170
Travel and training	92,576	93,713	3,225	30,793	15,137	15,375	-	36,257	-	10,376	297,452
Other	(171,219)	56,695	(176,923)	101,496	1,707,693	88,001	-	(254,426)	5,880	1,179	1,358,376
Amortization	22,143	2,322	213,074	8,479	30,667	-	-	101,593	-	-	378,278
Investment in tangible capital assets	(8,721)	(5,291)	(5,600)	-	(99,865)	-	(89,392)	-	-	-	(208,869)
	893,791	828,251	507,483	607,887	2,309,190	190,714	92,749	902,604	5,880	34,774	6,373,323
Excess (deficiency) of revenue over expenses	\$ (617,749)	(216,741)	(317,946)	(44,504)	1,217,142	(6,117)	65,040	(671,490)	(5,880)	1,174,991	576,746