

**Beausoleil First Nation**  
**Financial Statements**  
For the year ended March 31, 2015

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**Contents**

<b>Management's Responsibility for the Financial Statements</b>	2
<b>Independent Auditor's Report</b>	3 - 4
<b>Financial Statements</b>	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 26



## Beausoleil First Nation

### Management's Responsibility for the Financial Statements

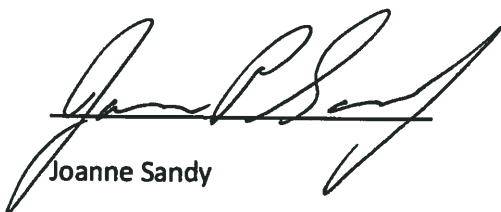
The accompanying financial statements of Beausoleil First Nation are the responsibility of management and have been approved by Chief and Council.

These 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. Management is responsible 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.

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

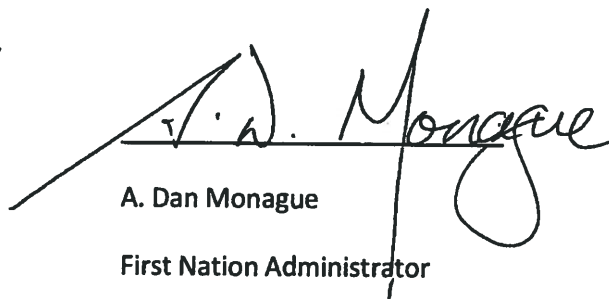
The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have access to financial management of Beausoleil First Nation and meet when required.

On behalf of Beausoleil First Nation:



Joanne Sandy

Chief Councillor



A. Dan Monague

First Nation Administrator

July 17, 2015

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Tel: 705 645 5215  
Fax: 705 645 8125  
www.bdo.ca

BDO Canada LLP  
239 Manitoba Street, Suite 1  
Bracebridge ON P1L 1S2 Canada

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## Independent Auditor's Report

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### To the Members of Beausoleil First Nation

We have audited the accompanying financial statements of Beausoleil First Nation, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and accumulated surplus, change in net financial assets, 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 audit opinion.

### Opinion

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



#### Other Matters

Beausoleil First Nation has also prepared another set of financial statements for the year ended March 31, 2015 in accordance with Canadian public sector accounting standards. However, these financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of Beausoleil First Nation to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council of Beausoleil First Nation and was dated July 17, 2015.

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which explains that certain comparative information for the year ended March 31, 2014 has been restated. The financial statements of Beausoleil First Nation for the year ended March 31, 2014 (prior to the restatement of the comparative information) were audited by another auditor who expressed an opinion on those financial statements on July 22, 2014.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Bracebridge, Ontario  
July 17, 2015

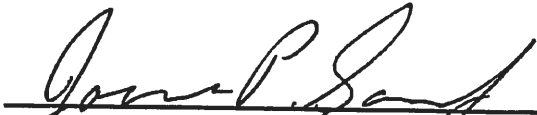
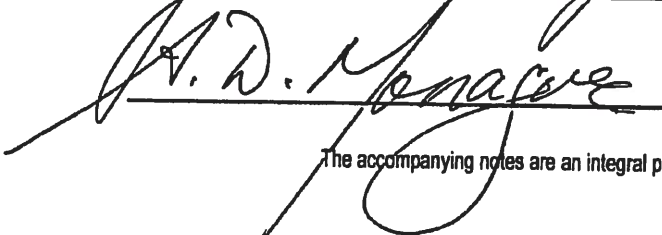
**Beausoleil First Nation  
Statement of Financial Position**

March 31	2015	Restated (Note 2) 2014
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 12,669,898	\$ 10,263,787
Investments (Note 4)	682,644	678,576
Trust funds held by federal government (Note 5)	52,626	49,508
Accounts receivable (Note 6)	298,031	527,165
Due from government (Note 7)	1,988,398	2,733,144
Loans receivable (Note 8)	295,792	254,917
	<b>15,987,389</b>	<b>14,507,097</b>
<b>Liabilities</b>		
Bank loans (Note 9)	58,583	1,232,815
Accounts payable and accrued liabilities (Note 10)	2,645,813	2,094,004
Due to government (Note 11)	735,159	696,785
Deferred revenue (Note 12)	115,427	371,785
Long-term debt (Note 13)	1,813,567	2,063,314
Solid waste closure and post-closure liabilities (Note 14)	625,401	534,128
	<b>5,993,950</b>	<b>6,992,831</b>
<b>Net financial assets</b>	<b>9,993,439</b>	<b>7,514,266</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 16)	28,343,743	28,152,176
Prepaid expenses	96,054	111,843
	<b>28,439,797</b>	<b>28,264,019</b>
<b>Accumulated surplus</b>	<b>\$ 38,433,236</b>	<b>\$ 35,778,285</b>

**Contingent Liabilities (Note 17)**

**Trust Under Administration (Note 19)**

**On behalf of Beausoleil First Nation:**

Chief Councillor

First Nation Administrator

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

**Beausoleil First Nation**  
**Statement of Operations and Accumulated Surplus**

<b>For the year ended March 31</b>	<b>Budget 2015</b>	<b>2015</b>	<b>Restated (Note 2) 2014</b>
<b>Revenue</b>			
Federal government transfers (Note 18)	\$ 8,636,160	\$ 9,170,400	\$ 10,013,555
Provincial government transfers (Note 18)	3,965,717	4,428,554	3,905,283
Nookmis Trust revenue	-	3,882,618	2,597,432
Ontario First Nation General Partner	1,200,000	1,250,026	1,210,791
User fees	885,000	919,100	841,374
Other	2,471,172	2,443,895	2,684,836
	<b>17,158,049</b>	<b>22,094,593</b>	<b>21,253,271</b>
<b>Expenses</b>			
Administration and governance	1,218,650	2,443,210	2,694,552
Education	3,993,423	4,137,857	3,921,538
Health services	2,003,239	1,927,241	1,897,479
Social and community services	2,346,833	2,463,610	2,316,038
Housing	1,775,338	827,172	943,001
Infrastructure and community property	1,357,719	2,313,014	1,836,077
Employment and economic development	188,439	385,531	414,008
Transportation	2,175,846	2,032,384	1,915,850
Lands	450,520	438,946	493,831
Emergency services	1,290,523	1,393,538	1,250,494
Reserve and other	669,736	1,077,139	816,590
	<b>17,470,266</b>	<b>19,439,642</b>	<b>18,499,458</b>
<b>Annual surplus (deficit)</b>	<b>(312,217)</b>	<b>2,654,951</b>	<b>2,753,813</b>
<b>Accumulated surplus, beginning of year</b>			
As previously stated	35,778,285	35,778,285	33,543,094
Prior period adjustments (Note 2)	-	-	(518,622)
As restated	<b>35,778,285</b>	<b>35,778,285</b>	<b>33,024,472</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 35,466,068</b>	<b>\$ 38,433,236</b>	<b>\$ 35,778,285</b>

Segment Disclosure (Note 20)

**Beausoleil First Nation**  
**Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>Budget 2015</b>	<b>2015</b>	<b>Restated (Note 2) 2014</b>
<b>Annual surplus (deficit)</b>	<b>\$ (312,217)</b>	<b>\$ 2,654,951</b>	<b>\$ 2,753,813</b>
Acquisition of tangible capital assets	-	<b>(1,744,034)</b>	(2,942,557)
Amortization of tangible capital assets	-	<b>1,520,498</b>	1,470,341
Gain on disposal of tangible capital assets	-	<b>(25,531)</b>	-
Proceeds on disposal of tangible capital assets	-	<b>57,500</b>	-
	<b>(312,217)</b>	<b>2,463,384</b>	1,281,597
Use/consumption of prepaid expenses	-	<b>15,789</b>	37,808
<b>Increase (decrease) in net financial assets</b>	<b>(312,217)</b>	<b>2,479,173</b>	1,319,405
<b>Net financial assets, beginning of year</b>	<b>7,514,266</b>	<b>7,514,266</b>	6,713,483
Prior period adjustments (Note 2)	-	-	(518,622)
<b>Net financial assets, end of year</b>	<b>\$ 7,202,049</b>	<b>\$ 9,993,439</b>	<b>\$ 7,514,266</b>

## Beausoleil First Nation Statement of Cash Flows

<b>For the year ended March 31</b>	<b>2015</b>	Restated (Note 2) 2014
<b>Operating transactions</b>		
Annual surplus	\$ 2,654,951	\$ 2,753,813
Items not involving cash:		
Amortization of tangible capital assets	1,520,498	1,470,341
Accretion expense related to solid waste closure and post-closure liabilities	91,273	15,506
Gain on disposal of tangible capital assets	(25,531)	-
Changes in non-cash operating balances:		
Accounts receivable	229,134	(576,225)
Due from government	744,746	-
Prepaid expenses	15,789	37,806
Accounts payable and accrued liabilities	551,809	(426,205)
Due to government	38,374	-
Deferred revenue	(256,358)	304,289
 Cash provided by operating transactions	 5,564,685	 3,579,325
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(1,744,034)	(2,942,557)
Proceeds on disposal of tangible capital assets	57,500	-
 Cash applied to capital transactions	 (1,686,534)	 (2,942,557)
<b>Investing transactions</b>		
Increase in investments	(4,068)	(678,576)
Change in funds held in trust by federal government	(3,118)	(2,897)
Loans receivable	(40,875)	(34,288)
 Cash applied to investing transactions	 (48,061)	 (715,761)
<b>Financing transaction</b>		
Increase (decrease) in bank indebtedness	(1,174,232)	1,097,149
Proceeds from issuance of long-term debt	-	25,397
Repayment of long-term debt	(249,747)	(274,667)
 Cash (applied to) provided by financing transactions	 (1,423,979)	 847,879
 <b>Increase in cash and cash equivalents</b>	 2,406,111	 768,886
 <b>Cash and cash equivalents, beginning of year</b>	 10,263,787	 9,494,901
 <b>Cash and cash equivalents, end of year</b>	 \$ 12,669,898	 \$ 10,263,787

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



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# Beausoleil First Nation

## Notes to Financial Statements

March 31, 2015

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### 1. Summary of Significant Accounting Policies

#### a) Nature of Organization

Beausoleil First Nation (the "First Nation") provides government type services such as education, health and social services, economic development, emergency services, transportation, housing, lands and other general government services.

The First Nation is exempt from income tax.

#### b) Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada (CPA Canada).

#### c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances, short term notes less than one year and mutual funds.

#### d) Investments

Investments are recorded at the lower of cost and market value.

#### e) Loans Receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on a regular basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

#### f) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	10 to 30 years
Buildings	30 to 50 years
Infrastructure	25 to 60 years
Machinery and equipment	4 to 25 years
Furniture, computers and fixtures	3 to 20 years
Assets under construction	-

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 statement of operations.

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**Beausoleil First Nation**  
**Notes to Financial Statements**

**March 31, 2015**

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**1. Summary of Significant Accounting Policies (continued)**

**Tangible Capital Assets (continued)**

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.

**g) Landfill Closure and Post-Closure Accrual**

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

**h) Pension Plan**

The First Nation is an employer member of The Great West Life Assurance Company, which is a defined contribution pension plan. The Pension Committee, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The First Nation records as pension expense the current service cost.

**i) 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.

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 statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, 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.

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## Beausoleil First Nation Notes to Financial Statements

**March 31, 2015**

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### 2. Prior Period Adjustments

During the current year, the First Nation determined that solid waste closure and post-closure liabilities should have been included in past financial statements since the First Nation does operate a landfill. Since the existing landfill has been at capacity since 2008 (Note 14) the liabilities are being reflected in these financial statements as a prior period adjustment. The result of this correction to the prior year is as follows:

	<u>2014</u>
Increase in solid waste closure and post-closure liabilities	<u>\$ 534,128</u>
Increase in accretion expense included in lands expenses	<u>\$ 15,506</u>
Decrease in accumulated surplus, beginning of year	<u>\$ 518,622</u>

In addition, during the current year, the First Nation determined that the per capita distribution bank account is property of the First Nation. As a result, the transactions related to the per capita distribution bank account are to be included in these financial statements. The result of this correction to the prior year is as follows:

	<u>2014</u>
Increase in cash and cash equivalents	<u>\$ 336,083</u>
Increase in accounts payable and accrued liabilities	<u>\$ 336,083</u>
Increase other revenue	<u>\$ 360,658</u>
Increase in other expenses	<u>\$ 360,658</u>
Increase in accumulated surplus, beginning of year	<u>\$ -</u>
Net effect, decrease in accumulated surplus, beginning of year	<u>\$ 518,622</u>

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

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**Beausoleil First Nation  
Notes to Financial Statements**

**March 31, 2015**

**3. Cash and Cash Equivalents**

Cash and cash equivalents are comprised of the following:

	<b>2015</b>	<b>2014</b>
Externally restricted		
CMHC replacement and operating reserves	\$ 169,787	\$ 168,139
Internally restricted		
OFNLP	1,834,325	2,322,957
Per capita distributions	1,096,212	336,083
Trust revenue	5,220,602	3,615,570
Unrestricted		
Operating	663,349	521,530
Other	3,685,623	3,299,508
<b>Total cash</b>	<b>\$ 12,669,898</b>	<b>\$ 10,263,787</b>

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Beausoleil First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund.

**4. Investments**

	<b>Cost March 31, 2015</b>	<b>Market Value March 31, 2015</b>	<b>Cost March 31, 2014</b>	<b>Market Value March 31, 2014</b>
Equity investment	\$ 682,644	\$ 691,903	\$ 600,000	\$ 613,745
Government bond	-	-	59,644	64,831
	<b>\$ 682,644</b>	<b>\$ 691,903</b>	<b>\$ 659,644</b>	<b>\$ 678,576</b>

The government bonds earn interest ranging between 2.25% to 4.0% and mature during 2017 to 2022.

**Beausoleil First Nation**  
**Notes to Financial Statements**

**March 31, 2015**

**5. Trust Funds held by Federal Government**

	Balance March 31, 2014	2015 Additions	2015 Withdrawals	Balance March 31, 2015
Revenue	\$ 46,664	\$ 3,118	\$ -	\$ 49,782
Capital	2,844	-	-	2,844
	<b>\$ 49,508</b>	<b>\$ 3,118</b>	<b>\$ -</b>	<b>\$ 52,626</b>

The trust funds 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.

**6. Accounts Receivable**

	2015	2014
Due from members:		
Rent	\$ 327,108	\$ 322,228
Social Housing	702,929	680,385
Due from others:		
Services - non members	341,304	369,478
Nookmis	-	188,910
	<b>1,371,341</b>	<b>1,561,001</b>
Less impairment allowance	<b>(1,073,310)</b>	<b>(1,033,836)</b>
Total accounts receivable	<b>\$ 298,031</b>	<b>\$ 527,165</b>

**7. Due from Government**

	2015	2014
Federal government		
Aboriginal Affairs and Northern Development Canada	\$ 1,360,951	\$ 2,236,207
Health Canada	4,983	60,577
Canada Mortgage and Housing Corporation	113,962	22,934
HST	161,438	150,570
Provincial government	347,064	262,856
	<b>\$ 1,988,398</b>	<b>\$ 2,733,144</b>

**Beausoleil First Nation  
Notes to Financial Statements**

**March 31, 2015**

**8. Loans Receivable**

	<b>2015</b>	<b>2014</b>
Mortgages to members, bearing various rates and various repayment terms	\$ 471,254	\$ 493,096
Other loans to members, bearing various rates and various repayment terms	<b>211,408</b>	162,697
	<b>682,662</b>	655,793
Less valuation allowance	<b>(386,870)</b>	<b>(400,876)</b>
	<b>\$ 295,792</b>	<b>\$ 254,917</b>

**9. Bank Loans**

	<b>2015</b>	<b>2014</b>
Term loan, repayable \$3,083 monthly including interest at prime plus 1.5%, maturing November 2016 (b)	\$ 58,583	\$ 95,583
Operating loan, due on demand, interest at prime	-	1,137,232
	<b>\$ 58,583</b>	<b>\$ 1,232,815</b>

The First Nation has arranged for credit facilities which include the following:

- (a) \$500,000 credit facility available to fund operating requirements, of which was unutilized as of March 31, 2015.
- (b) \$117,167 term loan to fund the installation of broadband internet services.
- (c) \$2,000,000 credit facility to fund costs relating to the purchase of community infrastructure, of which was unutilized as of March 31, 2015.

All loans are secured by a general security agreement.

**10. Accounts Payable and Accrued Liabilities**

	<b>2015</b>	<b>2014</b>
Trade payables	\$ 515,833	\$ 570,004
Accrued salaries and benefits payable	<b>566,104</b>	290,538
Other accrued liabilities	<b>467,664</b>	897,379
Per capita distributions payable to Members	<b>1,096,212</b>	<b>336,083</b>
	<b>\$ 2,645,813</b>	<b>\$ 2,094,004</b>

**Beausoleil First Nation  
Notes to Financial Statements**

**March 31, 2015**

**11. Due to Government**

	2015	2014
Federal government, non interest bearing, due within one year	\$ 711,745	\$ 602,699
Provincial government, non interest bearing, due within one year	23,414	94,086
	\$ 735,159	\$ 696,785

**12. Deferred Revenue**

	Balance March 31, 2014	2015 Funding Received	2015 Revenue Recognized	Balance March 31, 2015
Government:				
Federal - capital	\$ 10,750	\$ -	\$ 10,750	\$ -
Federal - other	235,003	-	235,003	-
	245,753	-	245,753	-
Other:				
Unearned fees	44,295	89,263	18,131	115,427
Capital	80,237		80,237	
Other	1,500	-	1,500	-
	126,032	89,263	99,868	115,427
	\$ 371,785	\$ 89,263	\$ 345,621	\$ 115,427

**Beausoleil First Nation  
Notes to Financial Statements**

**March 31, 2015**

**13. Long-term Debt**

	<b>2015</b>		<b>2014</b>
Mortgage payable \$1,371 monthly including principal and interest, bearing interest at 3.56% per annum due September 2015	<b>\$ 82,536</b>	\$	95,762
Mortgage payable \$3,278 bi-weekly including principal and interest, bearing interest at 3.48% per annum due October 2014	-		9,817
Mortgage payable \$9,951 monthly including principal and interest, bearing interest at 3.45% per annum due May 2015	<b>19,975</b>		136,513
Mortgage payable \$1,810 monthly including principal and interest, bearing interest at 1.67% per annum due April 2017	<b>236,113</b>		253,744
Mortgage payable \$6,028 monthly including principal and interest, bearing interest at 2.04% per annum due March 2019	<b>594,551</b>		654,151
Mortgage payable \$3,987 monthly including principal and interest, bearing interest at 1.67% per annum due April 2017	<b>880,392</b>		913,327
	<b>\$ 1,813,567</b>	\$	<b>2,063,314</b>

Anticipated annual principal repayments over the next four years are due as follows:

<b>Year</b>	<b>Amount</b>
2016	\$ 215,547
2017	115,169
2018	1,076,402
2019	406,449
	<b>\$ 1,813,567</b>



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## Beausoleil First Nation Notes to Financial Statements

**March 31, 2015**

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### **14. Solid Waste Closure and Post-Closure Liabilities**

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the First Nation's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$625,401 (2014 - \$534,128) and reflects a discount rate of 3.5% (2014 - 4.5%). The estimated total expenditures for landfill closure costs are approximately \$690,000 with annual post-closure care costs of approximately \$3,000 per year for 30 years.

The liability is based on estimates and assumptions related to events extending over the remaining life cycle of the landfill. The landfill had reached its capacity during 2008 however, no landfill liability had been included in previous financial statements. In the current year, solid waste closure and post-closure liabilities have been reflected in these financial statements as a prior period adjustment (Note 2). There are no specific assets designated for these post-closure costs, though management believes that the current accumulated surplus will be sufficiently maintained to meet this liability. The estimated length of time needed for post-closure care is 30 years.

Management expects these future costs to be funded by AANDC when incurred at a future date.

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### **15. Pension Plan**

The First Nation makes contributions to The Great West Life Assurance Company pension plan. This plan is a defined contribution plan. The First Nation matches employee contributions up to a maximum of 5% of the employees compensation. Employees have the choice of contributing up to 13% of their compensation to the plan. The retirement benefit for each employee is the amount that can be provided at retirement based on the accumulated contributions made on that individual's behalf and investment earnings on those contributions.

During the year, the First Nation contributed \$218,247 (2014 - \$194,116) to the defined contribution pension plan and is included in employee benefits in the statement of financial activities. There were no significant changes to the plan during the year.

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**Beausoleil First Nation**  
**Notes to Financial Statements**

**March 31, 2015**

**16. Tangible Capital Assets**

	Cost			Accumulated Amortization			Net Book Value			
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	Total 2015	Total 2014
Land Improvements	1,829,044	19,199	-	1,848,243	1,036,052	79,435	-	1,115,487	732,756	792,992
Buildings	31,066,590	179,081	-	31,245,671	10,491,719	791,242	-	11,282,961	19,962,710	20,574,871
Infrastructure	3,982,630	26,820	-	4,009,450	2,217,972	97,764	-	2,315,736	1,693,714	1,764,658
Machinery and equipment	6,616,956	212,351	(53,000)	6,776,307	3,773,986	494,137	(21,377)	4,246,746	2,529,561	2,842,970
Furniture, computers and fixtures	450,653	119,217	(11,581)	558,289	297,618	57,920	(11,235)	344,303	213,986	153,035
Assets under construction	2,023,650	1,187,366	-	3,211,016	-	-	-	-	3,211,016	2,023,650
<b>Total</b>	<b>\$45,969,523</b>	<b>\$ 1,744,034</b>	<b>\$ (64,581)</b>	<b>\$47,648,976</b>	<b>\$ 17,817,347</b>	<b>\$ 1,520,498</b>	<b>\$ (32,612)</b>	<b>\$ 19,305,233</b>	<b>\$ 28,343,743</b>	<b>\$ 28,152,176</b>

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**Beausoleil First Nation  
Notes to Financial Statements**

**March 31, 2015**

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**17. Contingent Liabilities**

- a) The First Nation has guaranteed the mortgages of certain members in the amount of approximately \$1,307,613. The outstanding balance of the mortgages amounted to \$116,909 at year end. When it is determined that a loss is likely, a provision for loss is recorded. The provision is determined using the best estimates available and taking into consideration all known circumstances. A provision for loan losses is reviewed by management on an annual basis.
- b) The First Nation receives funding for various programs subject to government approval. Where differences exist between the government agency's net approved expenses and their actual net expenses, the resolution of these variances will be negotiated between the agency and the First Nation. Any resultant adjustments will be recognized in the year in which the changes are confirmed by the agency.

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**18. Government Transfers**

	2015	2014
<b>Federal government transfers</b>		
Operating:		
Aboriginal Affairs and Northern Development Canada:		
Grant	\$ 462,834	\$ 466,568
Fixed contribution	4,258,319	4,373,430
Set contribution	2,325,864	1,764,025
Flexible contribution	-	1,090,633
Other	275,387	88,376
Health Canada	983,379	1,007,953
Canada Mortgage and Housing Corporation	372,032	343,678
Other	481,835	878,892
Capital (Note 12)	10,750	-
	<b>9,170,400</b>	<b>10,013,555</b>
<b>Provincial government transfers</b>		
Operating	4,428,554	3,905,283
Total provincial government transfers	<b>4,428,554</b>	<b>3,905,283</b>
<b>Total government transfers</b>	<b>\$ 13,598,954</b>	<b>\$ 13,918,838</b>

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## Beausoleil First Nation Notes to Financial Statements

March 31, 2015

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### 19. Trust Under Administration

On February 10, 2012, Her Majesty the Queen in Right of Canada ("Canada") signed the Coldwater-Narrows Settlement Agreement ("Settlement Agreement") with the Chippewas of Nawash Unceded First Nation and the Chippewa Tri-Council First Nations. Under the terms of the Settlement Agreement, Canada agreed to pay compensation to the Chippewas of Nawash Unceded First Nation and the Chippewa Tri-Council First Nations in respect of the surrender of the Coldwater-Narrows Reserve. As compensation for this settlement, Canada paid \$88,879,967 into a Trust Account governed by the Niigaaning Gchi Mmissing Trust Agreement ("Trust Agreement") established on December 14, 2012. Members of the Chippewa Tri-Council First Nations, which include the Beausoleil First Nation, gave assent and ratification to the terms of the Settlement Agreement and the Trust Agreement on April 14, 2012.

The Settlement Agreement required the Beausoleil First Nation to establish the Niigaaning Gchi Mmissing Trust ("the Trust") to hold the compensation and any income there from for the long term benefit of the Members of the Beausoleil First Nation as beneficiary.

The Trustees are required to administer the Trust in accordance with the Trust Agreement and the Investment Policy for the trust.

The year end of the Trust is December 31, 2014. Supplemental financial information is as follows:

	<u>2014</u>	<u>2013</u>
Financial assets	\$ 81,475,292	\$ 75,690,580
Financial liabilities	<u>3,979,654</u>	<u>2,684,498</u>
Trust equity	<u>\$ 77,495,638</u>	<u>\$ 73,006,082</u>
Revenue	\$ 4,535,482	\$ 1,459,104
Expenses	<u>717,925</u>	<u>461,850</u>
Surplus from operations	<u>\$ 3,817,557</u>	<u>\$ 997,254</u>

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## Beausoleil First Nation Notes to Financial Statements

**March 31, 2015**

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### **20. Segmented Information**

The First Nation is a diversified government institution that provides a wide range of services to its members such as education, health and social services, economic development, housing, police, fire, public works, planning, lands and trust, recreation and other general government services. Distinguishable functional segments have been separately disclosed in the segmented information.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts 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.

The nature of the segments and the activities they encompass are as follows:

#### **Administration and Governance**

The administration and governance functional area oversees the delivery of all governmental services. The functional area is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this functional area includes the governance activities of chief and council and management, public infrastructure, employment and training, library services, social housing and assistance for computer and communications related projects and services.

#### **Education**

The education functional area provides education management services to the First Nation members as well as overseeing various small incentives, including operation of the library on behalf of the communities.

#### **Health Services**

The health services functional area provides a diverse bundle of services directed toward the well-being of the First Nation members including such activities as long-term care, health centres, diabetes, fetal alcohol syndrome, mental health, smoke free programs, traditional healing, and training designed to enhance the health of member communities.

#### **Social and Community Services**

The social and community services functional area provides services directed towards the well being of member's in need on non-health related services including such activities as income support, home support and provision of child welfare services.

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## Beausoleil First Nation Notes to Financial Statements

**March 31, 2015**

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### 20. Segmented Information (continued)

#### **Housing**

The housing functional area provides rental housing to qualifying members of the First Nation.

#### **Infrastructure and Community Property**

The infrastructure and community property functional area provides services for the longevity of the First Nation by the acquisition and maintenance and management of the physical assets of the First Nation, excluding housing.

#### **Employment and Economic Development**

The employment and economic development functional area provides services, employment and training opportunities to members along with encouraging economic development of the First Nation through direct and indirect economic development initiatives.

#### **Transportation**

The transportation functional area provides transportation services to and from the First Nation in the form of ferries, hovercraft, and air boats.

#### **Lands**

The lands functional area provides services for the First Nation to pursue various activities related to lands on behalf of the members.

#### **Emergency Services**

The emergency services functional area provides services for the First Nation relating to ambulance, fire, and emergency preparedness.

#### **Reserve and Other**

The reserve and other functional area includes the management and distribution of funds received from the Ontario First Nations Limited Partnership, and trust funds held by Aboriginal Affairs and Northern Development Canada.

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.

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# Beausoleil First Nation

## Notes to Financial Statements

March 31, 2015

### 20. Segmented Information (continued)

	Administration and Governance		Education		Health Services		Social and Community Services	
	Budget 2015	2014	Budget 2015	2014	Budget 2015	2014	Budget 2015	2014
<b>Revenue</b>								
Federal government transfers	\$ 760,427	\$ 950,946	\$ 2,891,406	\$ 2,953,240	\$ 988,623	\$ 1,157,377	\$ 445,405	\$ 679,767
Provincial government transfers	-	-	373,914	345,874	311,154	275,782	1,983,499	1,919,186
Nookmish Trust revenue	-	2,597,432	-	-	-	-	-	-
Ontario First Nation General Partner	-	-	-	-	-	-	-	-
User fees	518,220	1,105,599	13,200	10,300	523,141	512,456	-	-
Other	1,278,647	4,653,977	3,436,517	3,446,548	1,822,918	1,945,615	18,894	11,451
<b>Expenses</b>								
Salaries and wages	675,300	1,152,186	1,701,660	1,472,015	1,432,755	1,344,686	459,848	447,414
Materials, services and other	291,000	659,330	677,784	643,318	387,780	362,018	473,454	564,484
Repairs and maintenance	5,000	332,055	64,893	90,799	77,758	35,285	4,000	4,172
Contracted services, professional fees	72,000	92,813	9,564	3,379	30,940	39,475	18,000	24,542
Utilities, insurance	22,350	23,387	52,993	54,423	42,825	41,754	58,700	6,788
Rental	-	-	-	-	17,900	17,900	24,000	24,000
Amortization	-	36,093	-	78,743	-	66,001	-	18,284
Interest expense	-	-	-	-	-	-	-	-
Other	153,000	398,688	1,778,090	1,852,476	58,960	72,122	1,379,831	1,301,154
<b>Net surplus (deficit)</b>	\$ 59,997	\$ 2,830,515	\$ (848,467)	\$ (748,605)	\$ (224,000)	\$ (33,626)	\$ 11,071	\$ 219,566

# Beausoleil First Nation

## Notes to Financial Statements

March 31, 2015

### 20. Segmented Information (continued)

	Housing		Infrastructure and Community Property		Employment and Economic Development		Transportation	
	Budget 2015	2014	Budget 2015	2014	Budget 2015	2014	Budget 2015	2014
<b>Revenue</b>								
Federal government transfers	\$ 450,974	\$ 419,904	\$ 928,869	\$ 876,854	\$ 93,700	\$ 201,190	\$ 1,771,776	\$ 2,492,116
Provincial government transfers	-	-	82,518	82,518	-	177,486	-	-
Nookmis Trust revenue	-	-	-	-	-	95,003	-	-
Ontario First Nation General Partner	371,800	382,132	-	(80,237)	-	-	-	-
User fees	255,854	205,129	172,857	98,624	115,538	107,044	497,024	25,877
Other	1,078,628	1,007,165	1,184,244	977,759	209,238	308,234	2,268,800	2,192,103
<b>Expenses</b>								
Salaries and wages	164,935	147,018	597,300	613,424	116,102	273,929	1,380,900	1,073,349
Materials, services and other	971,938	392,565	313,115	247,793	47,057	73,312	531,500	453,545
Repairs and maintenance	461,063	233,281	326,621	116,190	2,000	9,727	216,000	277,006
Contracted services, professional fees	10,250	6,673	1,900	2,973	-	-	500	-
Utilities, insurance	37,050	42,686	116,315	122,265	1,079	1,292	136,000	108,783
Rental	-	-	-	-	-	-	-	-
Amortization	317,716	239,267	-	765,885	-	69,098	-	145,760
Interest expense	900	37,962	-	-	43,000	5,250	-	-
Other	1,963,852	1,057,945	44,150	1,247	-	5,000	3,900	12,537
<b>Net surplus (deficit)</b>	<b>\$ (885,224)</b>	<b>\$ (113,404)</b>	<b>\$ (215,157)</b>	<b>\$ (892,018)</b>	<b>\$ -</b>	<b>\$ (54,536)</b>	<b>\$ 2,146,484</b>	<b>\$ 429,923</b>



# Beausoleil First Nation

## Notes to Financial Statements

March 31, 2015

### 20. Segmented Information (continued)

	Lands		Emergency Services		Reserve and Other		Totals	
	Budget 2015	2015	Budget 2015	2015	Budget 2015	2015	Budget 2015	2015
<b>Revenue</b>								
Federal government transfers	\$ 262,567	\$ 188,167	\$ 42,413	\$ 40,732	\$ -	\$ -	\$ 8,636,160	\$ 9,170,400
Provincial government transfers	21,280	123,963	1,193,352	1,193,352	-	-	3,965,717	4,428,554
Nookmis Trust revenue	-	-	-	-	-	-	-	3,882,618
Ontario First Nation General Partner	-	-	-	-	1,200,000	1,250,026	1,200,000	1,250,026
User fees	-	-	-	-	500,000	538,181	885,000	919,100
Other	-	75,353	-	3,500	1,030,551	1,364,535	3,271,182	3,313,296
	283,847	387,483	1,235,765	1,237,584	2,730,551	3,152,742	17,958,059	22,963,994
<b>Expenses</b>								
Salaries and wages	212,079	257,927	1,087,022	1,109,325	15,000	14,076	7,842,901	8,183,425
Materials, services and other	160,440	64,134	148,043	118,002	606,736	533,579	4,608,847	3,690,753
Repairs and maintenance	2,500	2,443	2,254	19,261	-	24,314	1,179,835	1,101,045
Contracted services, professional fees	91,200	23,365	4,500	3,322	20,000	24,758	258,854	262,273
Utilities, insurance	1,300	2,575	40,200	44,990	-	-	508,812	458,693
Rental	-	-	6,000	6,000	-	-	47,900	46,500
Amortization	-	7,002	-	107,392	-	377	-	1,520,498
Interest expense	-	-	-	-	-	-	360,716	41,534
Other	17,580	100,300	-	346	-	-	3,462,411	5,002,922
	485,099	457,746	1,305,765	1,408,638	669,736	1,077,139	18,270,276	20,309,043
<b>Net surplus (deficit)</b>	\$ (201,252)	\$ (70,263)	\$ (70,000)	\$ (171,054)	\$ (76,661)	\$ 2,075,603	\$ (312,217)	\$ 2,654,951
								\$ 19,311,484
								\$ 2,753,813

**Beausoleil First Nation**  
**Notes to Financial Statements**

**March 31, 2015**

**20. Segmented Information (continued)**

	Consolidation Adjustments			Consolidated Totals	
	Budget 2015	2015	2014	Budget 2015	2014
<b>Revenue</b>					
Federal government transfers	\$ -	\$ -	\$ -	\$ 8,636,160	\$ 9,170,400
Provincial government transfers	-	-	-	3,965,717	4,428,554
Nookmis Trust revenue	-	-	-	-	3,882,618
Ontario First Nation General Partner	-	-	-	1,200,000	1,210,791
User fees	-	-	-	885,000	919,100
Other	800,010	869,401	812,026	2,471,172	2,443,895
	<u>800,010</u>	<u>869,401</u>	<u>812,026</u>	<u>17,158,049</u>	<u>22,094,593</u>
<b>Expenses</b>					
Salaries and wages	-	-	-	7,842,901	8,183,425
Materials, services and other	800,010	869,401	812,026	3,808,837	2,821,352
Repairs and maintenance	-	-	-	1,179,835	1,101,045
Contracted services, professional fees	-	-	-	258,854	262,273
Utilities, insurance	-	-	-	508,812	458,693
Rental	-	-	-	47,900	47,900
Amortization	-	-	-	360,716	1,520,498
Interest expense	-	-	-	41,534	64,608
Other	-	-	-	3,462,411	5,002,922
	<u>800,010</u>	<u>869,401</u>	<u>812,026</u>	<u>17,470,266</u>	<u>19,439,642</u>
<b>Net surplus (deficit)</b>	\$ -	\$ -	\$ -	\$ (312,217)	\$ 2,654,951
					\$ 18,499,458
					\$ 2,753,813