

LAC LA CROIX FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

LAC LA CROIX FIRST NATION  
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FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

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LAC LA CROIX FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014 AND 2013

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The consolidated financial statements of Lac La Croix First Nation are the responsibility of management and have been approved by Chief and Councillors.

Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

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

The consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the Members. Holukoff Chiarella have full and free access to Council.



CHIEF



COUNCILLOR



Michael Attawap  
COUNCILLOR

# Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Massee, B.Comm. (Hons), C.A.  
(Practising as Kevin Massee Chartered Accountant Ltd.)  
Ralph Orr, B.Comm. (Hons), C.A.  
(Practising as Ralph Orr Chartered Accountant Ltd.)  
Wayne H. Chiarella, B.A., C.A. (Retired 2011)  
Sam Holukoff, C.A. (Retired 2005)

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## INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors and Members of  
Lac La Croix First Nation

We have audited the accompanying financial statements of Lac La Croix First Nation, which comprise the consolidated statements of financial position as at March 31, 2014 and 2013 and the consolidated statements of accumulated surplus, consolidated statements of operations, consolidated statements of revenue and expenses, consolidated statements of change in net debt and consolidated statements of cash flows for the years 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 generally accepted accounting principles, 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 the auditors' 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

Our examination has indicated deficiencies in internal control over the recording of accounts payable and expenditures. As a consequence we were unable to satisfy ourselves that all expenditures and payables have been properly accrued or recorded. As a result, we were unable to determine whether adjustments, if any, were required in respect of unrecorded accounts payable and accrued liabilities, expenses, annual deficit and accumulated surplus.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Lac La Croix First Nation as at March 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

WINNIPEG, MANITOBA  
July 18, 2014

EXHIBIT "B"

**LAC LA CROIX FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Accounts receivable, Note 2	\$ 459,212	730,379
Ottawa Trust Funds, Note 3	39,377	38,405
Investments, Note 4	<u>1</u>	<u>1</u>
Total financial assets	<u>498,590</u>	<u>768,785</u>
<b>LIABILITIES</b>		
Bank indebtedness, Note 5	135,876	177,890
Accounts payable and accrued liabilities, Note 6	1,852,074	1,753,141
Long term debt, Note 7	1,643,035	1,845,148
Reserves, Note 8	<u>147,354</u>	<u>151,804</u>
Total liabilities	<u>3,788,339</u>	<u>3,927,983</u>
<b>NET DEBT</b>	<u>(3,279,749)</u>	<u>(3,159,198)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets, Note 9	9,972,365	11,009,530
Prepaid expenses	<u>30,000</u>	<u>11,009,530</u>
	<u>10,002,365</u>	<u>11,009,530</u>
<b>ACCUMULATED SURPLUS, Exhibit "C", Note 10</b>	<b>\$ <u>6,722,616</u></b>	<b><u>7,850,332</u></b>

**CONTINGENT LIABILITIES, Note 11**

APPROVED BY:

  
CHIEF

  
COUNCILLOR

  
COUNCILLOR

LAC LA CROIX FIRST NATION  
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

**EXHIBIT "C"**

		<u>2014</u>	<u>2013</u>
BALANCE AT BEGINNING OF YEAR AS PREVIOUSLY STATED	\$ 7,850,332	1,780,271	
ADJUSTED FOR PRIOR YEAR	_____	<u>6,046,900</u>	
BALANCE AT BEGINNING OF YEAR AS RESTATED	7,850,332	7,827,171	
ANNUAL SURPLUS (DEFICIT), EXHIBIT "D"	<u>(1,127,716)</u>	<u>23,161</u>	
BALANCE AT YEAR END	\$ <u>6,722,616</u>	<u>7,850,332</u>	

EXHIBIT "D"

**LAC LA CROIX FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>REVENUE</b>		
Federal Government		
AANDC	\$ 2,365,091	2,455,102
Health Canada	490,323	405,679
Canada Mortgage and Housing Corporation	87,452	106,737
Provincial government	897,768	611,740
Ontario First Nations Limited Partnership	484,801	487,567
Other	<u>1,190,157</u>	<u>1,722,932</u>
	<u>5,515,592</u>	<u>5,789,757</u>
<b>EXPENSES</b>		
AANDC - Band Support	413,460	(443,937)
Municipal Services	410,125	421,686
Education Authority	1,430,876	1,413,599
Social Services	430,609	522,601
Economic Development	253,210	94,371
CMHC	171,812	127,369
Capital Projects	236,122	492,575
Health Services	1,093,469	609,160
OFNLP	484,801	487,567
Other Programs	<u>753,882</u>	<u>1,043,439</u>
	<u>5,678,366</u>	<u>4,768,430</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS</b>	<b>(162,774)</b>	<b>1,021,327</b>
<b>OTHER ITEMS</b>		
Transfer to tangible capital assets	86,367	133,954
Amortization	(1,052,281)	(1,075,659)
Writing off of Old School assets		(57,382)
Ottawa trust fund income	<u>972</u>	<u>921</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (1,127,716)</b>	<b><u>23,161</u></b>

EXHIBIT "D-1"

LAC LA CROIX FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	2014			2013		
	<u>Revenue</u>	<u>Other</u>	<u>Total</u>	<u>Expenses</u>	<u>Annual Surplus (Deficit)</u>	<u>Annual Surplus (Deficit)</u>
Band Support	\$ 358,055	357,445	715,500	413,460	302,040	1,848,335
Public Works	365,695		365,695	410,125	(44,430)	(31,380)
Education Authority	1,489,235	1,225	1,490,460	1,430,876	59,584	47,252
Social Services	96,116	340,507	436,623	430,609	6,014	(8,551)
Economic Development	42,000		42,000	253,210	(211,210)	(52,371)
Capital Projects	13,990		13,990	236,122	(222,132)	(478,585)
CMHC Housing Projects		171,812	171,812	171,812		(1,525)
OFNLP		484,801	484,801	484,801		
Health Services		1,168,694	1,168,694	1,093,469	75,225	(120,600)
Other Programs		626,017	626,017	753,882	(127,865)	(260,181)
	\$ <u>2,365,091</u>	<u>3,150,501</u>	<u>5,515,592</u>	<u>5,678,366</u>	(162,774)	942,394
OTHER ITEMS						
Ottawa Trust Fund interest					972	921
Transfer to tangible capital assets					86,367	133,954
Amortization					(1,052,281)	(996,726)
Write-off old school assets						(57,382)
					\$ <u>(1,127,716)</u>	<u>23,161</u>

EXHIBIT "E"

LAC LA CROIX FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	\$ (1,127,716)	23,161
(Acquisition) disposal of tangible capital assets	(86,367)	(133,954)
Amortization of tangible capital assets	1,123,532	1,075,660
Writing off of Old School assets	57,382	
Change in prepaid expenses	<u>(30,000)</u>	<u>      </u>
(INCREASE) DECREASE IN NET DEBT	(120,551)	1,022,249
NET DEBT AT BEGINNING OF YEAR	<u>(3,159,198)</u>	<u>(4,181,447)</u>
NET DEBT AT END OF YEAR	<u>\$ (3,279,749)</u>	<u>(3,159,198)</u>

EXHIBIT "F"

LAC LA CROIX FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ (1,127,716)	23,161
Non-cash item		
Amortization	1,123,532	1,075,660
Writing off of Old School assets	57,382	
Changes to financial assets/liabilities		
Ottawa Trust Funds	(972)	(921)
Accounts receivable	271,167	(109,039)
Accounts payable and accrued liabilities	98,933	(497,427)
Replacement reserve fund	(4,450)	16,685
Changes to prepaid expenses	<u>(30,000)</u>	<u>565,501</u>
	<u>330,494</u>	<u>565,501</u>
<b>CAPITAL TRANSACTIONS</b>		
Disposal (acquisition) of tangible capital assets	<u>(86,367)</u>	<u>(133,954)</u>
<b>FINANCING TRANSACTIONS</b>		
Principal repayments on long term debt	(302,113)	(203,418)
Proceeds from new borrowing	<u>100,000</u>	<u>250,000</u>
	<u>(202,113)</u>	<u>46,582</u>
<b>NET CHANGE IN CASH POSITION</b>	<b>42,014</b>	<b>478,129</b>
<b>CASH POSITION AT BEGINNING OF YEAR</b>	<b><u>(177,890)</u></b>	<b><u>(656,019)</u></b>
<b>CASH POSITION AT END OF YEAR</b>	<b>\$ <u>(135,876)</u></b>	<b><u>(177,890)</u></b>
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
Interest paid	\$ 32,552	47,466

LAC LA CROIX FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Public Sector Accounting and Auditing Handbook of the Institute of Chartered Accountants.

These financial statements include all organization, operations and activities that are:

1. Accountable for the administration of their financial affairs and resources directly to the First Nation.
2. Owned and controlled by the First Nation.

This includes all aspects of band operations including provision of social, educational, administrative, housing, economic development and operational services. As well, the results of operations of any First Nation enterprises should be reflected on a modified equity basis.

**a) Reporting Entity**

These financial statements are presented on a consolidated basis which includes the unincorporated business operations which are owned and/or controlled by Lac La Croix First Nation.

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific entity, transactions amongst entities have not necessarily been eliminated on the individual statements.

Business entities, which are owned or controlled by the Lac La Croix First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. The Ten Clans Development was inactive during the current year.

**b) Net Debt/Net Financial Assets**

The First Nation's financial statements are presented so as to highlight net debt/net financial assets as the measurement of financial position. The net debt/net financial assets of the First Nation are determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

**c) Tangible Capital Assets**

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services. The First Nation does not capitalize computer software.

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

LAC LA CROIX FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

d) Amortization

Social housing assets acquired under Canada Mortgage and Housing Corporation (CMHC) sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. For consolidation, Social Housing is amortized on a straight line basis over 20 years. Amortization for other tangible capital assets is provided using the straight-line method at the following rates intended to amortize the cost of the assets over their estimated useful lives:

Bridge	2.50%
Clinic	5.00%
Fire hall	5.00%
Day care centre	5.00%
Entry station	5.00%
Sewage lagoon	5.00%
Housing projects	5.00%
School	5.00%
Water treatment plant	5.00%
Gas kiosk	5.00%
Pow-wow grounds	5.00%
Heavy equipment	20.00%
Automotive	33.33%
Computers	33.33%
Boats and motors	33.33%
Furniture	33.33%
Fire truck	33.33%

e) Reserves

The reserves are funded by a charge to operations.

f) Revenue Recognition

The First Nation follows the deferral method of accounting for revenue. Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and can be reasonably estimated and collection is reasonably assured. Funding received under the funding arrangements which relates 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.

Other income, primarily fees for service, is recognized upon transfer of title of the product or upon performance of the service and when collectibility is reasonably assured.

g) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

LAC LA CROIX FIRST NATION  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

h) Financial Instruments

The First Nation's financial instruments consist of bank indebtedness, trust funds, accounts receivable, loans and advances receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless indicated, the book value of the First Nation's financial instruments approximate their carrying value.

2. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
CMHC	\$ 36,007	8,237
Aboriginal Affairs and Northern Development Canada	57,486	413,569
Health Canada	143,496	
Other government agencies	68,946	144,257
Members loans and advances	457,883	465,145
CRA - Goods and Services Tax recovery	41,029	27,132
Other	<u>140,304</u>	<u>137,184</u>
	945,151	1,195,524
Allowance for doubtful accounts	<u>(485,939)</u>	<u>(465,145)</u>
	<u>\$ 459,212</u>	<u>730,379</u>

3. OTTAWA TRUST FUNDS

Ottawa Trust Funds are derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held 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.

	<u>2014</u>	<u>2013</u>
Revenue Account		
Balance, beginning of year	\$ 24,473	23,552
Amount placed on deposit	<u>972</u>	<u>921</u>
Balance, end of year	<u>25,445</u>	<u>24,473</u>
Capital Account		
Balance, beginning of year and end of year	<u>13,932</u>	<u>13,932</u>
	<u>\$ 39,377</u>	<u>38,405</u>

LAC LA CROIX FIRST NATION  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

**4. INVESTMENTS**

Lac La Croix First Nation is the sole shareholder of the Ten Clans Development Corporation. This investment has been recorded using the modified equity method. As the investment has declined into a deficit of \$25,000, the value has been adjusted to a nominal amount of \$1.

The Ten Clans Development Corporation was inactive during the year.

	<u>2014</u>	<u>2013</u>
Initial investment	\$ 100,000	100,000
Advances	20,306	20,306
Less: Net deficit	<u>(145,306)</u>	<u>(145,306)</u>
	<u>(25,000)</u>	<u>(25,000)</u>
Fair value adjustment	<u>25,001</u>	<u>25,001</u>
	<u>\$ 1</u>	<u>1</u>

The First Nation advanced \$115,000 to EOS BITE Inc. as disclosed in the Statement of Operations, Economic Development, Schedule 5. The \$115,000 has been expensed as there is no formal agreement and the value of the investment cannot be determined.

**5. BANK INDEBTEDNESS**

	<u>2014</u>	<u>2013</u>
The bank indebtedness consists of:		
Cash at bank	\$ 212,723	236,272
Outstanding cheques	(223,794)	(247,164)
Operating line of credit BMO	<u>(124,805)</u>	<u>(166,998)</u>
	<u>\$ (135,876)</u>	<u>(177,890)</u>

The First Nation has an operating line of credit at an interest rate of prime plus 3% at Bank of Montreal (BMO) with a loan limit of \$175,000.

The operating line of credit is secured by an irrevocable letter of direction from AANDC.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Trade payables	\$ 1,179,835
AANDC	345,520
Canada Revenue Agency	308,446
Wages and benefits	<u>18,273</u>
	<u>\$ 1,852,074</u>

LAC LA CROIX FIRST NATION  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

## 7. LONG TERM DEBT

	<u>2014</u>	<u>2013</u>
The First Nation obtained financing to build twelve houses. Through this program the housing authority receives government assistance of \$4,568 per month to operate the houses as rental units.		
CMHC loan payable, interest at 2.57% per annum, repayable at \$5,556 per month principal and interest, maturing December 1, 2014.	\$ 858,162	902,294
The First Nation obtained financing to build six houses. Through this program the housing authority receives government assistance of \$3,351 per month to operate the houses as rental units.		
CMHC loan payable, interest at 3.9% per annum, repayable at \$3,811 per month principal and interest, maturing March 1, 2013.	647,379	674,497
Unadvanced funds	(39,527)	(39,527)
Restrictive provisions on the CMHC housing loans may terminate the government assistance. The loans are guaranteed by the Aboriginal Affairs and Northern Development Canada.		
Bank of Montreal Demand Loan, repayable in blended monthly payments of \$9,783, bearing interest at BMO bank prime plus 3%, secured by an assignment of Aboriginal Affairs and Northern Development Canada funding.	72,897	
Bank of Montreal Demand Loan, interest repayable monthly, bearing interest at BMO bank prime plus 2%, secured by general security agreement.	39,154	
Bank of Montreal Demand Loan, repayable in blended monthly payments of \$10,000 plus interest, bearing interest at BMO bank prime plus 2%, secured by an assignment of Aboriginal Affairs and Northern Development Canada funding and a general security agreement.	90,000	
Bank of Montreal Demand Loan, interest repayable monthly, bearing interest at BMO bank prime plus 2%, secured by an assignment of Aboriginal Affairs and Northern Development Canada funding and a general security agreement.	5,833	

LAC LA CROIX FIRST NATION  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

## 7. LONG TERM DEBT, continued

	<u>2014</u>	<u>2013</u>
Bank of Montreal Demand Loan, interest repayable monthly, bearing interest at BMO bank prime plus 2%, secured by an assignment of Aboriginal Affairs and Northern Development Canada funding and a general security agreement.	\$ 27,021	
Dr. Michael Dan promissory note with no fixed terms of repayment.	150,000	100,000
Current portion	<u>1,643,035</u>	<u>1,845,148</u>
	<u>244,978</u>	<u>373,823</u>
	<b>\$ 1,398,057</b>	<b><u>1,471,325</u></b>

Estimated principal payments for the next five years and thereafter are as follows:

2015	\$ 244,978
2016	70,037
2017	72,183
2018	74,397
2019	76,682
Thereafter	<u>1,104,758</u>
	<b>\$ 1,643,035</b>

## 8. RESERVES

The First Nation establishes revenues for legal and contractual basis as follows. The reserves were partially funded.

	2014					<u>2013</u>
	<u>Replacement Reserve Pre 1997</u>	<u>Replacement Reserve Post 1996</u>	<u>Operating Surplus Reserve</u>	<u>Total</u>		
Balance, beginning of year	\$ 20,454	112,625	18,725	151,804	135,119	
Annual allocation	<u>(20,454)</u>	<u>15,300</u>	<u>704</u>	<u>(4,450)</u>	<u>16,685</u>	
Balance, end of year	<u>\$ —</u>	<b><u>127,925</u></b>	<b><u>19,429</u></b>	<b><u>147,354</u></b>	<b><u>151,804</u></b>	

LAC LA CROIX FIRST NATION  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

## 9. TANGIBLE CAPITAL ASSETS

	\$	2014			Net Book Value
		Cost	Additions	Disposals	
Day care centre	\$ 25,760				21,252 4,508
Other assets	1				1
Fire hall	73,400				40,370 33,030
Pow-wow grounds	241,327				187,029 54,298
Housing projects	5,893,451				3,247,200 2,646,251
Bridge	3,008,342				1,255,985 1,752,357
Entry station	183,102				150,528 32,574
Clinic	1,059,890				634,534 425,356
Sewage lagoon	75,125				45,084 30,041
Heavy equipment	383,091				383,091
Automotive	425,543				425,543
Boats and motors	14,360				14,360
Computers	198,981				198,981
Furniture	85,555				85,555
Fire truck	18,509				18,509
School	7,631,000				4,578,600 3,052,400
Water treatment plant	3,719,000				1,859,500 1,859,500
Gas kiosk	<u>86,367</u>				<u>4,318</u> <u>82,049</u>
	<b>\$ 23,036,437</b>	<b><u>86,367</u></b>			<b><u>13,150,439</u></b> <b><u>9,972,365</u></b>
2013					
	\$	Cost	Additions	Disposals	Accumulated Amortization Net Book Value
Day care centre	\$ 25,760				19,964 5,796
Other assets	1				1
Fire hall	73,400				36,700 36,700
Pow-wow grounds	241,327				174,963 66,364
Housing projects	5,893,451				2,952,528 2,940,923
Bridge	3,008,342				1,180,776 1,827,566
Entry station	183,102				141,373 41,729
Clinic	1,059,890				581,539 478,351
Sewage lagoon	75,125				41,328 33,797
Heavy equipment	311,091	72,000			325,491 57,600
Automotive	363,589	61,954			384,240 41,303
Boats and motors	14,360				14,360
Computers	198,981				198,981
Furniture	85,555				85,555
Fire truck	18,509				18,509
School	7,631,000				4,197,050 3,433,950
Water treatment plant	<u>3,719,000</u>				<u>1,673,550</u> <u>2,045,450</u>
	<b>\$ 22,902,483</b>	<b><u>133,954</u></b>			<b><u>12,026,907</u></b> <b><u>11,009,530</u></b>

The Entry Station, Guard Station and Youth Camp are assets located on Provincial land. Their costs are \$183,102, \$28,331 and \$405,483 respectively. The total costs of \$616,916 are included in the cost of Housing projects. The First Nation is working with the Provincial Government to clarify ownership and title to these assets.

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**10. ACCUMULATED SURPLUS**

A portion of this balance includes surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements.

**11. CONTINGENT LIABILITIES**

The First Nation is involved in several claims, and counter-claims, over disputed payable balances. The financial statements include provisions for these payables based on Managements' assessment of the claims.

**12. ECONOMIC DEPENDENCE**

The First Nation is economically dependent on the Government of Canada.

**13. COMPARATIVE FIGURES**

Some of the comparative figures for the previous year have not been shown as the information is considered not to be meaningful for comparison with the current year. Certain comparative figures for the previous period have been reclassified to conform with the presentation of the current year.

**14. BUDGET AMOUNTS**

The budget amounts for the 2013/14 funding year are not available.

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**14. SEGMENT DISCLOSURE**

	<u>First Nation Management</u>		<u>Municipal Services</u>		<u>Social Services</u>	
	<u>Budget</u> <u>2014</u>	<u>2013</u>	<u>Budget</u> <u>2014</u>	<u>2013</u>	<u>Budget</u> <u>2014</u>	<u>2013</u>
<b>REVENUE</b>						
Federal government	\$ 358,055	424,005	365,695	394,535	96,116	121,242
Provincial government					340,507	385,950
Economic activities						
Net income for investments in government business enterprises	972	921				
Other revenue	<u>357,445</u>	<u>980,393</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,858</u>
<b>TOTAL REVENUE</b>	<u>716,472</u>	<u>1,405,319</u>	<u>365,695</u>	<u>394,535</u>	<u>436,623</u>	<u>514,050</u>
 <b>EXPENSES</b>						
Honoraria	281,610	225,071				
- Chief and Councillors						
- Elders and Board Members						
Wages and benefits	54,766	210,184	225,188	170,793	114,428	104,489
Amortization	1,052,281	996,726				
Tangible capital assets	(86,367)	(133,954)				
Interest						
Other expenses	<u>77,084</u>	<u>(334,243)</u>	<u>184,937</u>	<u>250,893</u>	<u>—</u>	<u>316,181</u>
<b>TOTAL EXPENSES</b>	<u>1,379,374</u>	<u>963,784</u>	<u>410,125</u>	<u>421,686</u>	<u>—</u>	<u>418,112</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ <u>(662,902)</u></b>	<b><u>441,535</u></b>	<b><u>(44,430)</u></b>	<b><u>(27,151)</u></b>	<b><u>6,014</u></b>	<b><u>(8,551)</u></b>

EXHIBIT "G"

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14. SEGMENT DISCLOSURE, continued

		<u>Economic Development</u>	<u>Education</u>	<u>CMHC</u>
	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>
<b>REVENUE</b>				
Federal government	\$ 42,000	42,000	1,489,235	1,459,330
Provincial government				87,452
Economic activities				106,737
Net income for investments in government business enterprises				
Other revenue	—	—	—	—
<b>TOTAL REVENUE</b>	<b>42,000</b>	<b>42,000</b>	<b>1,490,460</b>	<b>1,460,851</b>
 <b>EXPENSES</b>				
Honoraria				
- Chief and Councillors				
- Elders and Board Members				
Wages and benefits	24,308	43,887	804,351	863,403
Amortization				
Tangible capital assets				
Interest	228.902	50,484	626,525	550,196
Other expenses				
<b>TOTAL EXPENSES</b>	<b>253,210</b>	<b>94,371</b>	<b>1,430,876</b>	<b>1,413,599</b>
 <b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (211,210)</b>	<b>(52,371)</b>	<b>59,584</b>	<b>47,252</b>
				<b>(1,525)</b>

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## 14. SEGMENT DISCLOSURE, continued

	Budget	Health		Community Services		Budget	Total
		2014	2013	Budget	2014	2013	2014
<b>REVENUE</b>							
Federal government	\$ 490,323	405,679		13,990	13,990	2,942,866	2,967,518
Provincial government				557,261	225,790	897,768	611,740
Economic activities						972	921
Net income for investments in government business enterprises							
Other revenue	678,371	104,894		553,557	1,018,793		1,674,958
							2,210,499
<b>TOTAL REVENUE</b>	<b>1,168,694</b>	<b>510,573</b>		<b>1,124,808</b>	<b>1,258,573</b>		<b>5,516,564</b>
<b>EXPENSES</b>							
Honoria							
- Chief and Councillors						281,610	225,071
- Elders and Board Members						2,100	
Wages and benefits	696,497	361,317		2,100		2,376,207	2,536,301
Amortization				456,669	782,228	1,123,531	1,075,659
Tangible capital assets						(86,367)	(133,954)
Interest						32,552	47,463
Other expenses	396,972	247,843		1,016,036	753,786		2,914,647
<b>TOTAL EXPENSES</b>	<b>1,093,469</b>	<b>609,160</b>		<b>1,474,805</b>	<b>1,536,014</b>		<b>6,644,280</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 75,225</b>	<b>(98,587)</b>		<b>(349,997)</b>	<b>(277,441)</b>		<b>(1,127,716)</b>
							<b>23,161</b>