

LAC LA CROIX FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

LAC LA CROIX FIRST NATION
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FOR THE YEAR ENDED MARCH 31, 2015

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LAC LA CROIX FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

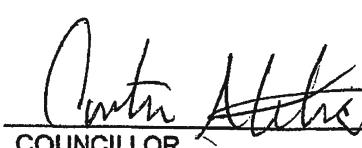
The consolidated financial statements of Lac La Croix First Nation are the responsibility of management and have been approved by Chief and Councillors.

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


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 statement of financial position as at March 31, 2015 and the consolidated statements of accumulated surplus, operations, revenue and expenses, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 public sector accounting 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, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

WINNIPEG, MANITOBA
July 30, 2015.

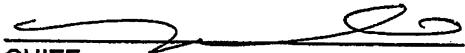
EXHIBIT "B"

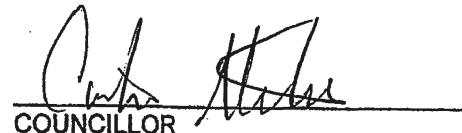
LAC LA CROIX FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Accounts receivable, Note 2	\$ 497,435	459,212
Ottawa Trust Funds, Note 3	40,492	39,377
Investments, Note 4	<u>1,181,747</u>	<u>1</u>
Total financial assets	<u>1,719,674</u>	<u>498,590</u>
LIABILITIES		
Bank indebtedness, Note 5	211,706	135,876
Accounts payable and accrued liabilities, Note 6	1,616,448	1,852,074
Long term debt, Note 7	1,713,668	1,643,035
Reserves, Note 8	<u>164,285</u>	<u>147,354</u>
Total liabilities	<u>3,706,107</u>	<u>3,788,339</u>
NET DEBT	<u>(1,986,433)</u>	<u>(3,279,749)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets, Note 9	8,986,823	9,972,365
Prepaid expenses	<u>15,000</u>	<u>30,000</u>
	<u>9,001,823</u>	<u>10,002,365</u>
ACCUMULATED SURPLUS, Exhibit "C", Note 11	\$ 7,015,390	<u>6,722,616</u>

CONTINGENT LIABILITIES, Note 12

APPROVED BY:


CHIEF


COUNCILLOR


COUNCILLOR

EXHIBIT "C"

LAC LA CROIX FIRST NATION
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
BALANCE AT BEGINNING OF YEAR	\$ 6,722,616	7,850,332
ANNUAL SURPLUS (DEFICIT), EXHIBIT "D"	<u>292,774</u>	<u>(1,127,716)</u>
BALANCE AT YEAR END	<u>\$ 7,015,390</u>	<u>6,722,616</u>

EXHIBIT "D"

LAC LA CROIX FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015

		<u>2015</u>	<u>2014</u>
		<u>Budget</u>	<u>Actual</u>
REVENUE			
Federal Government			
AANDC	\$ 2,415,358	2,405,221	2,365,091
Health Canada	529,771	529,771	490,323
Canada Mortgage and Housing Corporation		86,416	87,452
Provincial government	850,509	918,411	897,768
Ontario First Nations Limited Partnership		494,896	484,801
Other	<u>1,274,704</u>	<u>2,540,659</u>	<u>1,190,157</u>
	<u>5,070,342</u>	<u>6,975,374</u>	<u>5,515,592</u>
EXPENSES			
Band Support	604,407	734,649	413,460
Municipal Services	376,410	413,624	410,125
Education Authority	1,431,006	1,433,214	1,430,876
Social Services	440,250	475,013	430,609
Economic Development	42,000	50,483	253,210
Capital Projects	68,500	7,851	236,122
CMHC		171,895	171,812
Health Services	1,113,018	1,242,341	1,093,469
OFNLP		494,896	484,801
Other Programs	<u>646,833</u>	<u>730,107</u>	<u>753,882</u>
	<u>4,722,424</u>	<u>5,754,073</u>	<u>5,678,366</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	347,918	1,221,301	(162,774)
OTHER ITEMS			
Transfer to tangible capital assets		45,617	86,367
Amortization	(1,000,000)	(975,259)	(1,052,281)
Ottawa trust fund income		<u>1,115</u>	<u>972</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(652,082)</u>	<u>292,774</u>	<u>(1,127,716)</u>

EXHIBIT "D-1"

LAC LA CROIX FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015

	2015			2014		
	<u>AANDC</u>	<u>Revenue</u>	<u>Total</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Annual Surplus (Deficit)</u>
Band Support	\$ 374,607	397,554	772,161	1,089,545	354,896	37,512
Public Works	376,410		376,410	413,624		(37,214)
Education Authority	1,515,000	1,575	1,516,575	1,433,214		83,361
Social Services	97,204	356,872	454,076	475,013		(20,937)
Economic Development	42,000		42,000	50,483		(8,483)
Capital Projects				147,851	140,000	(7,851)
CMHC Housing Projects		171,916	171,916	171,895		21
OFNLP	494,896	494,896		(494,896)		
Health Services		1,154,055	1,154,055	1,242,341		(88,286)
Other Programs		1,993,285	1,993,285	730,107		1,263,178
	\$ 2,405,221	<u>4,570,153</u>	<u>6,975,374</u>	<u>5,754,073</u>		<u>(127,865)</u>
OTHER ITEMS						
Ottawa Trust Fund interest						1,115
Transfer to tangible capital assets						45,617
Amortization not included in operations						(975,259) (1,052,281)
AANDC Funding Per Confirmation	\$ 2,405,221				\$ 292,774	<u>(1,127,716)</u>

LAC LA CROIX FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2015

EXHIBIT "E"

	<u>2015</u>	<u>2014</u>
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	\$ 292,774	(1,127,716)
(Acquisition) disposal of tangible capital assets	(45,617)	(86,367)
Amortization of tangible capital assets	1,031,159	1,123,532
Change in prepaid expenses	<u>15,000</u>	<u>(30,000)</u>
(INCREASE) DECREASE IN NET DEBT	1,293,316	(120,551)
NET DEBT AT BEGINNING OF YEAR	<u>(3,279,749)</u>	<u>(3,159,198)</u>
NET DEBT AT END OF YEAR	<u>\$ (1,986,433)</u>	<u>(3,279,749)</u>

LAC LA CROIX FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 292,774	(1,127,716)
Non-cash item		
Amortization	1,031,159	1,123,532
Changes to financial assets/liabilities		
Ottawa Trust Funds	(1,115)	(972)
Investments	(1,181,746)	
Accounts receivable	(38,123)	271,167
Accounts payable and accrued liabilities	(235,726)	98,933
Reserves	16,931	(4,450)
Changes to prepaid expenses	<u>15,000</u>	<u>(30,000)</u>
	<u>(100,846)</u>	<u>330,494</u>
CAPITAL TRANSACTIONS		
Disposal (acquisition) of tangible capital assets	<u>(45,617)</u>	<u>(86,367)</u>
FINANCING TRANSACTIONS		
Principal repayments on long term debt	(66,200)	(302,113)
Proceeds from new borrowing	<u>136,833</u>	<u>100,000</u>
	<u>70,633</u>	<u>(202,113)</u>
NET CHANGE IN CASH POSITION	<u>(75,830)</u>	<u>42,014</u>
CASH POSITION AT BEGINNING OF YEAR	<u>(135,876)</u>	<u>(177,890)</u>
CASH POSITION AT END OF YEAR	<u>\$ (211,706)</u>	<u>(135,876)</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 42,618	32,552

LAC LA CROIX FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

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
FOR THE YEAR ENDED MARCH 31, 2015

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 collectability 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
FOR THE YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

h) Financial Instruments

Initial and subsequent measurement

The First Nation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The First Nation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, accounts receivable, Ottawa Trust Funds and investments.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities, Treaty Land Entitlement Advance, reserves and long-term debt.

Transaction costs

Transactions costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

2. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
CMHC	\$ 122,423	36,007
Aboriginal Affairs and Northern Development Canada	45,890	57,486
Health Canada		143,496
Ministry of Natural Resources	83,417	23,879
Other government agencies	145,948	68,946
Members loans and advances	455,751	457,883
CRA - Goods and Services Tax recovery		41,029
Other	<u>99,457</u>	<u>116,425</u>
	952,886	945,151
Allowance for doubtful accounts	<u>(455,451)</u>	<u>(485,939)</u>
	\$ 497,435	<u>459,212</u>

LAC LA CROIX FIRST NATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

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>2015</u>	<u>2014</u>
Revenue Account		
Balance, beginning of year	\$ 25,445	24,473
Amount placed on deposit	<u>1,115</u>	<u>972</u>
Balance, end of year	26,560	25,445
Capital Account		
Balance, beginning of year and end of year	<u>13,932</u>	<u>13,932</u>
	\$ <u>40,492</u>	<u>39,377</u>

4. INVESTMENTS

Ten Clans Development Corporation

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>2015</u>	<u>2014</u>
Initial investment	\$ 100,000	100,000
Advances	20,306	20,306
Less: Net deficit	<u>(145,306)</u>	<u>(145,306)</u>
	(25,000)	(25,000)
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. in 2014, 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.

Osisko Mining Corporation Distribution

In October 2014 Osisko Mining Corporation distributed cash and shares to seven First Nations in the Rainy River district. These investments are managed by CIBC Wood Gundy. There are no internal or external restrictions on how these funds can be used by the First Nation.

	<u>Market Value</u>	<u>Unrealized Gains</u>	<u>Book Value</u>
At March 31, 2015			
Cash	\$ 24,307		24,307
Bond Fund	361,335	11,183	350,152
Shares	<u>859,332</u>	<u>52,045</u>	<u>807,287</u>
	\$ 1,244,974	<u>63,228</u>	<u>1,181,746</u>

LAC LA CROIX FIRST NATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

5. BANK INDEBTEDNESS

	<u>2015</u>	<u>2014</u>
The bank indebtedness consists of:		
Cash at bank	\$ 297,276	212,723
Outstanding cheques	(367,596)	(223,794)
Operating line of credit BMO	<u>(141,386)</u>	<u>(124,805)</u>
	\$ (211,706)	(135,876)

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

	<u>2015</u>	<u>2014</u>
Trade payables	\$ 1,031,261	1,179,835
AANDC	296,672	345,520
Canada Revenue Agency	259,845	308,446
Wages and benefits	<u>28,670</u>	<u>18,273</u>
	\$ 1,616,448	1,852,074

7. LONG TERM DEBT

	<u>2015</u>	<u>2014</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 June 1, 2015.	\$ 826,882	858,162
The First Nation obtained financing to build six houses. Through this program the housing authority receives government assistance of \$2,633 per month to operate the houses as rental units.		
CMHC loan payable, interest at 1.62% per annum, repayable at \$3,093 per month principal and interest, maturing March 1, 2018.	622,859	647,379
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.

EXHIBIT "G"

LAC LA CROIX FIRST NATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

7. LONG TERM DEBT, continued

	<u>2015</u>	<u>2014</u>
AANDC Treaty Land Entitlement		
Negotiations Advance no fixed terms of repayment, to be repaid out of settlement proceeds from Treaty Land Entitlement negotiations (Note 10)	\$ 136,833	
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.	\$ 16,621	27,021
Dr. Michael Dan promissory note with no fixed terms of repayment.	<u>150,000</u>	<u>150,000</u>
Current portion	<u>1,713,668</u>	<u>1,643,035</u>
	<u>377,434</u>	<u>244,978</u>
	<u>\$ 1,336,234</u>	<u>1,398,057</u>

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

2016	\$ 377,434
2017	75,626
2018	77,310
2019	79,033
2020	80,796
Thereafter	<u>1,023,469</u>
	\$ 1,713,668

8. RESERVES

The First Nation established reserves for legal and contractual obligations as follows. The reserves were partially funded.

	<u>2015</u>			<u>2014</u>
	<u>Replacement Reserve Post 1996</u>	<u>Operating Surplus Reserve</u>	<u>Total</u>	<u>2014</u>
Balance, beginning of year	\$ 127,925	19,429	147,354	151,804
Adjustment		(3,909)	(3,909)	
Annual allocation	<u>15,300</u>	<u>5,540</u>	<u>20,840</u>	<u>(4,450)</u>
Balance, end of year	<u>\$ 143,225</u>	<u>21,060</u>	<u>164,285</u>	<u>147,354</u>

LAC LA CROIX FIRST NATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

9. TANGIBLE CAPITAL ASSETS

		2015				
		<u>Cost</u>	<u>Additions</u>	<u>Disposals</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Day care centre	\$ 25,760			1,288	21,279	3,193
Other assets	1					1
Pow-wow grounds	241,327				199,095	42,232
Housing projects	5,893,451				3,541,846	2,351,605
Bridge	3,008,342				1,331,194	1,677,148
Entry station	183,102				159,683	23,419
Clinic	1,059,890				687,528	372,362
Sewage lagoons	75,125				48,840	26,285
Heavy equipment	383,091				383,091	
Automotive	425,543	46,905			433,361	39,087
Boats and motors	14,360				14,360	
Computers	198,981				198,981	
Furniture	85,555				85,555	
Fire truck	18,509				18,509	
Fire hall	73,400				44,040	29,360
School	7,631,000				4,960,150	2,670,850
Water treatment plant	3,719,000				2,045,450	1,673,550
Gas kiosk	86,367				8,636	77,731
	\$ 23,122,804	46,905	1,288	14,181,598	8,986,823	
		2014				
		<u>Cost</u>	<u>Additions</u>	<u>Disposals</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Day care centre	\$ 25,760				21,252	4,508
Other assets	1					1
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 lagoons	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	
Fire hall	73,400				40,370	33,030
School	7,631,000				4,578,600	3,052,400
Water treatment plant	3,719,000				1,859,500	1,859,500
Gas kiosk	86,367				4,318	82,049
	\$ 23,036,437	86,367	—	13,150,439	9,972,365	

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.

EXHIBIT "G"

LAC LA CROIX FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

10. TREATY LAND ENTITLEMENT NEGOTIATIONS ADVANCE

AANDC advanced \$136,833 to the First Nation to be used for Treaty Land Entitlement negotiations. Upon completion of negotiations these funds are repayable to AANDC.

11. 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.

12. 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.

13. ECONOMIC DEPENDENCE

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

14. 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.

15. BUDGET AMOUNTS

The budget amounts are not audited.

LAC LA CROIX FIRST NATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2015

16. SEGMENT DISCLOSURE

		First Nation Management	Municipal Services	Social Services
	Budget	2015	2014	Budget
REVENUE			2015	2014
Federal government	\$ 382,207	374,607	358,055	376,410
Provincial government				376,410
Economic activities				365,695
Net income for investments in government business enterprises				99,741
Other revenue	<u>372,200</u>	<u>397,554</u>	<u>357,445</u>	<u>340,509</u>
TOTAL REVENUE	<u>754,407</u>	<u>773,276</u>	<u>716,472</u>	<u>97,204</u>
EXPENSES				
Honoraria		254,789	281,610	
- Chief and Councillors				
- Elders and Board Members				
Wages and benefits	350,000	149,837	54,766	225,188
Amortization	1,000,000	975,259	1,052,281	
Tangible capital assets		(45,617)	(86,367)	
Interest				
Other expenses	<u>594,407</u>	<u>684,919</u>	<u>553,204</u>	<u>193,568</u>
TOTAL EXPENSES	<u>1,944,407</u>	<u>2,019,187</u>	<u>1,855,494</u>	<u>176,410</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS				
TRANSFERS	<u>480,000</u>	<u>354,896</u>	<u>476,120</u>	
ANNUAL SURPLUS (DEFICIT)	<u>\$ (710,000)</u>	<u>(891,015)</u>	<u>(662,902)</u>	<u>(37,214)</u>
				<u>(44,430)</u>
				<u>(20,937)</u>
				<u>6,014</u>
				<u>6,014</u>
				<u>(20,937)</u>
				<u>6,014</u>

LAC LA CROIX FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

16. SEGMENT DISCLOSURE, continued

		Economic Development		Education		CMHC		
		Budget	2015	Budget	2014	Budget	2015	2014
REVENUE								
Federal government	\$ 42,000	42,000	42,000	1,515,000	1,515,000	1,489,235	86,416	87,452
Provincial government								
Economic activities								
Net income for investments in government business enterprises								
Other revenue								
TOTAL REVENUE	42,000	42,000	42,000	1,515,636	1,516,575	1,490,460	171,916	171,812
EXPENSES								
Honoraria								
- Chief and Councillors								
- Elders and Board Members								
Wages and benefits	30,000	32,954	24,308	793,809	935,374	804,351	55,800	71,250
Amortization								
Tangible capital assets								
Interest	12,000	17,529	228,902	637,197	497,840	626,525	42,618	32,552
Other expenses								
TOTAL EXPENSES	42,000	50,483	253,210	1,431,006	1,433,214	1,430,876	171,895	171,812
SURPLUS (DEFICIT) BEFORE TRANSFERS								
TRANSFERS								
ANNUAL SURPLUS (DEFICIT)	\$ —	(8,483)	(211,210)	84,630	83,361	59,584	21	—

LAC LA CROIX FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

16. SEGMENT DISCLOSURE, continued

	Health			Community Services			Total for		
	<u>Budget</u>	<u>2015</u>	<u>2014</u>	<u>Budget</u>	<u>2015</u>	<u>2014</u>	<u>Budget</u>	<u>2015</u>	<u>2014</u>
REVENUE									
Federal government	\$ 529,771	529,771	490,323	510,000	561,538	13,990	2,945,129	3,021,408	2,942,866
Provincial government						557,261	850,509	918,410	897,768
Economic activities									
Net income for investments in government business enterprises									
Other revenue	<u>556,535</u>	<u>624,284</u>	<u>678,371</u>	<u>345,333</u>	<u>1,431,747</u>	<u>553,557</u>	<u>1,274,704</u>	<u>2,540,660</u>	<u>1,674,958</u>
TOTAL REVENUE	<u>1,086,306</u>	<u>1,154,055</u>	<u>1,168,694</u>	<u>855,333</u>	<u>1,993,285</u>	<u>1,124,808</u>	<u>5,070,342</u>	<u>6,481,593</u>	<u>5,516,564</u>
EXPENSES									
Honoraria									
- Chief and Councillors									
- Elders and Board Members									
Wages and benefits	708,845	803,510	696,497	320,500	319,058	456,669	2,516,521	2,595,991	2,359,407
Amortization							1,000,000	1,031,059	1,123,531
Tangible capital assets									
Interest									
Other expenses	<u>404,173</u>	<u>438,831</u>	<u>396,972</u>	<u>529,333</u>	<u>557,351</u>	<u>1,016,036</u>	<u>2,680,403</u>	<u>2,803,326</u>	<u>3,407,567</u>
TOTAL EXPENSES	<u>1,113,018</u>	<u>1,242,341</u>	<u>1,093,469</u>	<u>855,333</u>	<u>877,958</u>	<u>1,474,805</u>	<u>6,202,424</u>	<u>6,683,715</u>	<u>7,120,400</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS									
(26,712)	(88,286)	75,225			1,115,327	(349,997)	(1,132,082)	(202,122)	(1,603,836)
TRANSFERS							<u>140,000</u>	<u>—</u>	<u>480,000</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (26,712)</u>	<u>(88,286)</u>	<u>75,225</u>		<u>1,255,327</u>	<u>(349,997)</u>	<u>(652,082)</u>	<u>292,774</u>	<u>(1,127,716)</u>