

**MISSISSAUGAS OF SCUGOG ISLAND
FIRST NATION**

FINANCIAL STATEMENTS

MARCH 31, 2014

**MISSISSAUGAS OF SCUGOG ISLAND
FIRST NATION**

FINANCIAL STATEMENTS

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MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

For The Year Ended March 31, 2014

MANAGEMENT REPORT

The accompanying financial statements of the Mississaugas of Scugog Island First Nation are the responsibility of management and have been approved by Council.

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

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

Council reviews and approves the First Nation's financial statements for issuance to the members. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the external auditor's report.

The financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Collins Barrow Kawarthas LLP has full and free access to Council.

Chief

Date

INDEPENDENT AUDITORS' REPORT

To Council and the Members of Mississaugas of Scugog Island First Nation

Report on the Financial Statements

We have audited the accompanying financial statements of Mississaugas of Scugog Island First Nation, which comprise the statement of financial position as at March 31, 2014, 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 controls as management determines are 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' 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Mississaugas of Scugog Island First Nation as at March 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Peterborough, Ontario
July 28, 2014

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

STATEMENT OF FINANCIAL POSITION

At March 31, 2014

	2014	2013
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	68,278,392	66,715,226
Investments (note 2)	28,599,254	26,431,726
Due from government and other government agencies (note 5)	286,288	83,248
Accounts receivable (note 6)	22,985,735	23,513,160
Mortgages due from First Nation members (note 4)	2,406,790	2,370,318
Funds held in trust by Federal Government (note 7)	11,851	12,381
TOTAL FINANCIAL ASSETS	122,568,310	119,126,059
LIABILITIES		
Accounts payable and accrued liabilities (note 9)	2,686,510	2,824,518
Deferred revenue (note 10)	307,035	801,011
Long term debt (note 12)	997,463	688,348
TOTAL LIABILITIES	3,991,008	4,313,877
NET FINANCIAL ASSETS	118,577,302	114,812,182
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	9,820,728	9,956,334
Prepaid expenses and other (note 11)	109,196	76,303
TOTAL NON-FINANCIAL ASSETS	9,929,924	10,032,637
ACCUMULATED SURPLUS (note 13)	128,507,226	124,844,819

The accompanying notes are an integral part of these financial statements

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended March 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
REVENUES			
Aboriginal Affairs and Northern Development Canada (AANDC) (notes 14 and 19)	1,166,772	1,535,261	15,576,997
Other Government of Canada (note 14)	151,518	132,102	156,152
Canada Mortgage and Housing Corporation (note 14)	89,150	78,438	83,762
Province of Ontario contributions (note 14)	128,820	124,327	135,305
Commercial operations	15,695,467	14,689,160	15,491,301
Ontario First Nations Limited Partnership	-	419,082	422,630
Other	986,661	1,031,457	645,815
Interest earned on funds held in trust (note 7)	-	700	530
Income from investments	5,000	334,286	458,497
Other interest income	738,840	833,524	698,387
Gain on sale of tangible capital assets	-	139,242	-
TOTAL REVENUES	18,962,228	19,317,579	33,669,376
EXPENSES			
Administration	3,876,674	3,688,847	5,218,013
Community services	1,412,072	724,265	482,516
Economic development	9,309,588	9,832,158	9,794,350
Education	389,981	325,243	347,106
Social development	41,020	39,365	44,552
Health	814,785	787,282	709,746
Housing	331,758	258,012	210,908
TOTAL EXPENSES	16,175,878	15,655,172	16,807,191
ANNUAL SURPLUS	2,786,350	3,662,407	16,862,185
ACCUMULATED SURPLUS - beginning of year	124,844,819	124,844,819	107,982,634
ACCUMULATED SURPLUS - end of year	127,631,169	128,507,226	124,844,819

The accompanying notes are an integral part of these financial statements

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended March 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
ANNUAL SURPLUS/(DEFICIT)	2,786,350	3,662,407	16,862,185
Amortization of tangible capital assets	482,345	378,144	327,846
Acquisition of tangible capital assets	(704,400)	(595,148)	(770,363)
Gain on disposal of tangible capital assets	-	(139,242)	-
Proceeds on sale of tangible capital assets	-	491,852	-
Increase in prepaid expenses and other	-	(32,893)	(16,015)
INCREASE IN NET FINANCIAL ASSETS	2,564,295	3,765,120	16,403,653
NET FINANCIAL ASSETS - beginning of year	114,812,182	114,812,182	98,408,529
NET FINANCIAL ASSETS - end of year	117,376,477	118,577,302	114,812,182

The accompanying notes are an integral part of these financial statements

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2014

	2014 \$	2013 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	3,662,407	16,862,185
Increase in due from government and other government agencies	(203,040)	(1,205)
Decrease in accounts receivable	527,425	1,134,805
(Increase)/decrease in funds held in trust by federal government	530	(531)
Increase in prepaid expenses and other	(32,893)	(16,015)
Increase/(decrease) in accounts payable and accrued liabilities	(138,008)	796,391
Decrease in due to government and other government organizations	-	(1,018,614)
Decrease in deferred revenue	(493,976)	(20,933)
Non-cash charges to operations:		
Amortization of tangible capital assets	378,144	327,846
Gain on disposal of tangible capital assets	(139,242)	-
<u>Net increase in cash from operating transactions</u>	<u>3,561,347</u>	<u>18,063,929</u>
CAPITAL		
Acquisition of tangible capital assets	(595,148)	(770,363)
Proceeds on disposal of tangible capital assets	491,852	-
<u>Net decrease in cash from capital transactions</u>	<u>(103,296)</u>	<u>(770,363)</u>
INVESTING		
(Increase)/decrease in mortgages due from First Nation members	(36,472)	23,791
Disposal of investments	1,104,279	17,693,217
Purchase of investments	(3,271,807)	(2,504,244)
<u>Net increase/(decrease) in cash from investing transactions</u>	<u>(2,204,000)</u>	<u>15,212,764</u>
FINANCING		
Long term debt issued	400,051	-
Debt principal repayments	(90,936)	(85,607)
<u>Net increase/(decrease) in cash from financing transactions</u>	<u>309,115</u>	<u>(85,607)</u>
INCREASE IN CASH		
CASH - beginning of year	66,715,226	34,294,503
CASH - end of year	68,278,392	66,715,226

The accompanying notes are an integral part of these financial statements

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and First Nations as set out by the Chartered Professional Accountants Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the Mississaugas of Scugog Island First Nation.

All interdepartmental assets and liabilities and revenues and expenses have been eliminated.

(b) Cash

Cash consists of cash on hand and balances with Canadian chartered banks.

(c) Investments

Investments are carried at cost. Investments consist of guaranteed investment certificates and mutual funds. Due to the nature of the investments, the organization is exposed to interest rate risk and price risk.

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Investments are subject to interest rate risk as their value will fluctuate with changes in market interest rates. This risk is mitigated by the organization's investment policies.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	20 years
Buildings	25 years
Electronic office equipment	5 years
Machinery and equipment	5-10 years
Vehicles	5 years
Roads	20 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Assets under construction are not amortized. When assets under construction are put into service they are transferred to the appropriate tangible capital asset classification.

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met. Expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(f) Non-financial Assets

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

(g) Reserves and Reserve Funds

Certain amounts, as approved by Council, are restricted for future operating and capital purposes. Transfers to and/or from restricted funds are an adjustment to the respective fund when approved.

(h) Deferred Revenue

Deferred revenues represent grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(i) Government Funding

Government funding is recognized in the financial statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Reimbursement for program costs is dependent ultimately upon their acceptance by the various agencies that fund the programs.

(j) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the First Nation's best information and judgment. Such amounts are not expected to change materially in the near term. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(k) Financial Instruments

The First Nation's financial instruments consist of cash, investments, funds held in trust by Federal Government, due from government and other government agencies, accounts receivable, mortgages due from First Nation members, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the First Nation does not have any significant concentration of currency or credit risk.

2. INVESTMENTS

Investments are recorded at cost and are comprised of the following:

	Market Value \$	2014 \$	2013 \$
RBC Guaranteed Investment Certificates			
Due June 15, 2013, 3.45%	-	-	4,000
Due June 15, 2014, 2.40%	3,144	3,144	3,144
Due June 15, 2017, 2.05%	4,255	4,255	4,255
	7,399	7,399	11,399
BMO Harris Private Banking investment portfolio			
	23,667,607	17,771,582	16,012,486
CIBC Private Wealth Management investment portfolio			
	11,141,980	10,820,273	10,407,841
	34,816,986	28,599,254	26,431,726

\$17,114,608 of the BMO Harris Private Banking investment portfolio is internally restricted for the Future Generations fund (Note 11).

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

3. CASH

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Mississaugas of Scugog Island 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 Apartment Replacement and Subsidy Fund.

Cash consists of the following:

	2014	2013
	\$	\$
Externally Restricted		
Housing	300,864	1,041,977
Internally Restricted		
Resource	34,137,886	45,599,197
Rent	3,298,948	11,795
Commercial account	3,913,090	1,830,864
Commercial operations	3,642,825	1,363,555
Licensing	217,944	98,349
Islands of the Trent	12,057,571	12,057,571
Education	15,881	11,578
	57,284,145	60,972,909
Unrestricted		
General	10,690,639	4,697,255
Petty cash	2,209	2,550
Gas - float	535	535
	10,693,383	4,700,340
	68,278,392	66,715,226

4. MORTGAGES DUE FROM FIRST NATION MEMBERS

The amount shown as mortgages due from First Nation members of \$2,406,790 (2013 - \$2,370,318) represents the amount of funds due with respect to approved housing loans. The unexpended portion of approved loans is not recorded until an actual expenditure has been incurred. The First Nation members have a legal obligation to repay the full amount of the approved loans. The mortgages bear one time simple interest calculated in advance at 4%. The mortgages have varying maturity dates ranging up to 25 years.

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

5. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Amounts due from government and other government organizations consists of:

	2014	2013
	\$	\$
Aboriginal Affairs and Northern Development Canada (AANDC)	286,288	76,228
Provincial government	-	7,020
	<hr/> 286,288	<hr/> 83,248

6. ACCOUNTS RECEIVABLE

Accounts receivable consists of:

	2014	2013
	\$	\$
Commercial operations	676,924	833,094
Accrued investment interest	393,654	475,419
HST	40,884	35,410
Other receivables	113,024	40,642
Rent receivable	21,761,249	22,128,595
	<hr/> 22,985,735	<hr/> 23,513,160

7. FUNDS HELD IN TRUST BY THE FEDERAL GOVERNMENT

The funds held by the Federal Government on behalf of the First Nation of \$11,851 (2013 - \$12,381) are for the use of the First Nation for specific projects. At the request of the First Nation, these funds can be obtained. These amounts arise from funds derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the consolidated revenue fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada.

	Opening Balance	Additions	Interest release	Closing Balance
	\$	\$	\$	\$
Revenue	12,381	700	1,230	<hr/> 11,851

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

8. TANGIBLE CAPITAL ASSETS

The net book value of the First Nation's tangible capital assets are:

	2014 \$	2013 \$
General		
Land	5,310,165	5,527,195
Buildings	4,082,392	3,231,484
Vehicles and equipment	270,830	303,434
Infrastructure		
Roads	157,341	169,445
	9,820,728	9,231,558
Assets under construction	-	724,776
	9,820,728	9,956,334

For additional information, see the Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2013 - \$Nil) and no interest capitalized (2013 - \$Nil).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2014 \$	2013 \$
Trade payables	636,756	1,034,606
Accrued salaries	88,042	41,968
Transfers payable	1,900,159	1,695,259
Payroll and withholding taxes payable	61,553	52,685
	2,686,510	2,824,518

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

10. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	Balance March 31, 2013 \$	Funding Received 2014 \$	Revenue Recognized 2014 \$	Balance March 31, 2014 \$
Aboriginal Affairs and Northern Development Canada (AANDC) Lands	431,145	1,104,116	1,535,261	-
Baagwating Community Association	359,216	347,069	407,800	298,485
Other				
Unearned rent	9,650	1,000	2,100	8,550
Ministry of Citizenship	1,000	-	1,000	-
	10,650	1,000	3,100	8,550
	801,011	1,452,185	1,946,161	307,035

11. PREPAID EXPENSES AND OTHER

Prepaid expenses and other consists of the following:

	2014 \$	2013 \$
Insurance	95,551	57,090
Student allowances	12,070	9,004
Other prepaids	-	7,884
Inventory	1,575	2,325
	109,196	76,303

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

12. LONG TERM DEBT

(a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2014 \$	2013 \$
Mortgage 1.23%, due November 1, 2014, repayable in blended monthly payments of \$2,967.	23,654	58,718
Mortgage 1.50%, due November 1, 2014, repayable in blended monthly payments of \$1,986.	15,817	39,202
Mortgage 2.11%, due January 1, 2019, repayable in blended monthly payments of \$1,662.	171,944	187,312
Mortgage 2.84%, due April 1, 2015, repayable in blended monthly payments of \$2,046.	390,706	403,116
Mortgage 2.35%, due September 1, 2018, repayable in blended monthly payments of \$1,765.	395,342	-
	<hr/> 997,463	<hr/> 688,348

(b) Interest expense on long term debt amounted to \$24,127 (2013 - \$19,251).

(c) The above mortgages are secured by First Nation Council Resolution and guaranteed by Aboriginal Affairs and Northern Development Canada.

(d) Since it is the First Nation's intent to renew these mortgages as they mature, the future payments are based on the existing terms. Estimated principal repayments in each of the next five years are due as follows:

	Principal \$	Interest \$	Total \$
2015	80,798	25,215	106,013
2016	42,513	23,875	66,388
2017	43,681	22,907	66,588
2018	44,881	21,506	66,387
2019	46,115	20,273	66,388
2020 and subsequent years	739,475	172,359	911,834
	<hr/> 997,463	<hr/> 286,135	<hr/> 1,283,598

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

13. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014	2013
	\$	\$
Surplus		
Operating	175,165	2,954,946
Invested In Capital Assets		
Tangible capital assets - net book value	9,820,728	9,956,334
Long term debt	(997,463)	(688,348)
Unfunded capital	-	(724,776)
	8,823,265	8,543,210
Surplus	8,998,430	11,498,156
Restricted		
Housing Capital Reserve Fund - Phases 1-3	88,794	79,674
Housing Capital Reserve Fund - Phases 4-5	18,231	13,450
Future generations fund	17,114,608	16,012,485
Community Betterment Fund	86,786,059	82,661,890
OFNLP reserve	2,928,294	2,509,212
Islands of the Trent Settlement reserve fund	12,057,571	12,057,571
Lands reserve fund	503,388	-
Total Reserves	119,496,945	113,334,282
Held in Trust by the Federal Government		
Held in Trust	11,851	12,381
	128,507,226	124,844,819

The restricted fund balances consists of funds set aside for specific purposes or to meet certain obligations as follows:

- (a) The Housing Capital Reserve Funds are treated as restricted funds. The fund balances represent amounts that have been restricted in compliance with an agreement with the Canada Mortgage and Housing Corporation.
- (b) The Future Generations Fund is treated as a restricted fund by the First Nation. This fund is set aside by the First Nation for the betterment of future generations.
- (c) The Community Betterment Fund is treated as a restricted fund by the First Nation. The First Nation sets aside the excess of revenue over expenditure from commercial operations in this fund.
- (d) The OFNLP reserve is an internally restricted reserve to be used for future community projects.

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

13. ACCUMULATED SURPLUS, continued

- (e) The Islands of the Trent Settlement reserve fund is treated as a restricted fund by the First Nation until community consultation is complete.
- (f) The Lands reserve is an externally restricted fund to be used for future land projects and land development.

14. GOVERNMENT TRANSFERS

Government transfers consists of the following:

	2014	2013
	\$	\$
Aboriginal Affairs and Northern Development Canada		
Operating	1,535,261	880,705
Settlement	-	13,677,678
Forgiven payable	-	1,018,614
	1,535,261	15,576,997
Other Government of Canada		
Health Canada	132,102	156,152
Provincial government transfers	124,327	135,305
Canada Mortgage and Housing Corporation	78,438	83,762
	1,870,128	15,952,216

15. PENSION AGREEMENTS

The First Nation makes contributions to Manulife Financial on behalf of its staff. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan.

The amount contributed by the First Nation for the year ended March 31, 2014 for current service and included as an expense on the Statement of Operations and Accumulated Surplus was \$103,875 (2013 - \$86,602).

16. BUDGET FIGURES

The budget, approved by the First Nation, for 2014 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

17. CONTINGENT LIABILITIES

Mississaugas of Scugog Island First Nation, along with six other Williams Treaty First Nations, are contingently liable for a loan. The purpose of the loan is to finance Treaty negotiations. Once the Treaty dispute has been concluded, the proceeds will be used to repay the loan. Mississaugas of Scugog Island's share of this loan at March 31, 2014 is \$29,700 (2013 - \$29,700)

The First Nation has been named in a number lawsuits as a result of being the landlord of the grounds lease with the Baagwating Community Association and the Association's use of the land for gaming operations. Accruals are made in instances where it is probable that liabilities may be incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the First Nation has no reason to believe that the ultimate outcome of these matters would have a significant impact on its financial position. No amounts have been included in these financial statements for any of these matters.

18. SEGMENTED INFORMATION

The Mississaugas of Scugog Island First Nation provides a range of services to its members and residents. First Nation services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see the Schedule of Segment Disclosure.

Administration

Administration consists of the activities of Council and general financial and administrative management of the First Nation and its programs and services.

Community Services

Community services include public works, community infrastructure, water systems and buildings not included under other segments.

Economic Development

Economic development includes the operations of home rentals, land rentals, amounts from commercial operations, transfer payments, and various other economic development oriented programs of the First Nation.

Education

Education includes off reserve schools and post secondary education.

Social Development

Social development consists of general assistance to residents of the First Nation.

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

18. SEGMENTED INFORMATION, continued

Health

Health services includes operations of the health and recreation centre and various health related programs for the First Nation.

Housing

Housing services includes operations of the non-profit housing to members and residents of the First Nation.

19. RECONCILIATION OF AANDC FUNDING TO FIRST NATION AANDC REVENUE

	\$
AANDC Funding Per Confirmation	1,179,753
Add 2013 Deferred Revenue	
Lands management	431,145
Less Amounts Repayable	
Education	4,497
Special education	71,140
	75,637
AANDC Revenue For The Year	1,535,261

20. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended March 31, 2014

	Cost						Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	2014	2013	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Tangible Capital Assets												
Land	5,527,195	-	217,030	-	5,310,165	-	-	-	-	5,310,165	5,527,195	
Residential buildings	2,042,799	165,499	596,244	2,804,542	1,234,733	104,666	-	1,339,399	1,465,143	808,066		
Non-residential buildings	4,298,528	385,309	128,532	4,576,894	1,875,110	184,430	99,895	1,959,645	2,617,249	2,423,418		
Vehicles	191,448	-	-	191,448	174,622	8,413	-	183,035	8,413	16,826		
Computer equipment	52,631	-	-	52,631	46,014	3,162	-	49,176	3,455	6,617		
Other equipment	854,194	44,340	-	898,534	574,203	65,369	-	639,572	258,962	279,991		
Roads and bridges	242,066	-	-	242,066	72,621	12,104	-	84,725	157,341	169,445		
	13,208,861	595,148	452,505	724,776	14,076,280	3,977,303	378,144	99,895	4,255,552	9,820,728	9,231,558	
Assets Under Construction												
Residential buildings	596,244	-	-	(596,244)	-	-	-	-	-	-	596,244	
Non-residential buildings	128,532	-	-	(128,532)	-	-	-	-	-	-	128,532	
	724,776	-	-	(724,776)	-	-	-	-	-	-	724,776	
Total	13,933,637	595,148	452,505	-	14,076,280	3,977,303	378,144	99,895	4,255,552	9,820,728	9,956,334	

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended March 31, 2014

	Actual 2014 \$	Administration		Community Services			Economic Development		
		Actual 2013 \$	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$	Budget 2014 \$ (Unaudited)
Revenues									
Aboriginal Affairs and Northern Development Canada (AANDC)	969,813	14,953,898	627,491	215,262	284,623	153,328	42,000	46,613	43,008
Other Government of Canada	-	-	-	9,200	9,214	9,000	-	-	-
Province of Ontario contributions	83,789	95,364	85,829	-	-	-	-	-	-
Commercial operations	-	-	-	-	-	-	14,689,160	15,491,301	15,695,467
Ontario First Nations Limited Partnership	419,082	422,630	-	-	-	-	-	-	-
Other	83,956	70,260	105,081	29,772	9,807	31,806	585,474	275,686	359,560
Interest earned on funds held in trust	700	530	-	-	-	-	-	-	-
Income from investments	334,286	458,497	5,000	-	-	-	-	-	-
Other interest income	822,780	698,387	736,420	-	-	-	-	-	-
Gain on sale of tangible capital assets	139,242	-	-	-	-	-	-	-	-
	2,853,648	16,699,566	1,559,821	254,234	303,644	194,134	15,316,634	15,813,600	16,098,035
Expenses									
Salaries and benefits	1,978,399	1,830,654	2,002,288	468,314	187,246	536,749	64,370	87,319	104,370
Materials	633,719	851,687	1,026,008	136,406	204,409	709,190	2,739,192	2,751,673	1,878,501
Contracted services	703,211	2,357,662	358,989	-	-	-	6,980	6,650	14,000
Bank charges and interest	6,369	5,918	4,800	-	-	-	-	-	-
Program costs	261,878	83,031	372,768	9,663	1,044	26,576	253,618	226,708	288,935
External transfers	-	-	-	-	-	-	6,767,998	6,722,000	6,898,000
Amortization	105,271	89,061	111,821	109,882	89,817	139,557	-	-	-
Internal transfers	-	-	-	-	-	-	-	-	125,782
	3,688,847	5,218,013	3,876,674	724,265	482,516	1,412,072	9,832,158	9,794,350	9,309,588
Net surplus/(deficit)	(835,199)	11,481,553	(2,316,853)	(470,031)	(178,872)	(1,217,938)	5,484,476	6,019,250	6,788,447

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2014

	Actual 2014 \$	Education Actual 2013 \$	Budget 2014 \$	Actual 2014 \$	Social Development Actual 2013 \$	Budget 2014 \$	Actual 2014 \$	Health Actual 2013 \$	Budget 2014 \$
									(Unaudited)
Revenues									
Aboriginal Affairs and Northern Development Canada (AANDC)	284,686	265,781	319,445	23,500	26,082	23,500	122,902	146,938	-
Other Government of Canada	-	-	-	-	-	-	-	-	142,518
Province of Ontario contributions	-	-	-	19,067	18,470	21,520	21,471	21,471	21,471
Other	140,263	100,065	280,000	-	-	-	79,555	85,045	89,014
	424,949	365,846	599,445	42,567	44,552	45,020	223,928	253,454	253,003
Expenses									
Salaries and benefits	-	-	-	23,500	26,082	23,500	369,170	321,878	373,658
Materials	9,847	-	-	-	-	-	119,246	99,288	143,757
Contracted services	-	-	-	-	-	-	736	-	1,280
Program costs	315,396	347,106	515,763	15,865	18,470	17,520	230,874	221,324	228,834
Amortization	-	-	-	(125,782)	-	-	67,256	67,256	67,256
Internal transfers	-	-	-	-	-	-	-	-	-
	325,243	347,106	389,981	39,365	44,552	41,020	787,282	709,746	814,785
Net surplus/(deficit)	99,706	18,740	209,464	3,202	-	4,000	(563,354)	(372,530)	(561,782)

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2014

	Actual 2014 \$	Housing Actual 2013 \$	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Consolidated Totals Actual 2013 \$	Budget 2014 \$ (Unaudited)
Revenues						
Aboriginal Affairs and Northern Development Canada (AANDC)	-	-	-	1,535,261	15,576,997	1,166,772
Other Government of Canada	-	-	-	132,102	156,152	151,518
Canada Mortgage and Housing Corporation	78,438	83,762	89,150	78,438	83,762	89,150
Province of Ontario contributions	-	-	-	124,327	135,305	128,820
Commercial operations	-	-	-	14,689,160	15,491,301	15,695,467
Ontario First Nations Limited Partnership	112,437	104,952	121,200	419,082	422,630	-
Other	-	-	-	1,031,457	645,815	986,661
Interest earned on funds held in trust	-	-	-	700	530	-
Income from investments	10,744	-	2,420	334,286	458,497	5,000
Other interest income	-	-	-	833,524	698,387	738,840
Gain on sale of tangible capital assets	-	-	-	139,242	-	-
	201,619	188,714	212,770	19,317,579	33,669,376	18,962,228
Expenses						
Salaries and benefits	-	-	-	2,903,753	2,453,179	3,040,565
Materials	82,339	48,611	98,556	3,720,749	3,955,668	3,856,012
Contracted services	55,811	61,334	31,290	766,738	2,425,646	405,559
Bank charges and interest	24,127	19,251	38,200	30,496	25,169	43,000
Program costs	-	-	-	1,087,294	897,683	1,450,396
External transfers	95,735	81,712	163,712	6,767,998	6,722,000	6,898,000
Amortization	-	-	-	378,144	327,846	482,346
	258,012	210,908	331,758	15,655,172	16,807,191	16,175,878
Net surplus/(deficit)	(56,393)	(22,194)	(118,988)	3,662,407	16,862,185	2,786,350

MISSISSAUGAS OF SCUGOG ISLAND FIRST NATION

SCHEDULE OF SALARIES, HONORARIA, TRAVEL EXPENSES AND OTHER REMUNERATION ELECTED OR APPOINTED OFFICIALS For the Year Ended March 31, 2014

Name of Individual	No. of Months	Salary and Honoraria \$	Other Remuneration \$	Total \$	Travel Expenses \$
Chief					
Kelly LaRocca	12	106,976	28,467	135,443	3,997
Councillors					
Della Charles	12	99,089	2,158	101,247	1,948
Tracy Gauthier	12	97,272	42,638	139,910	2,466