

RECEIVED

AUG 18 2014

AANDC TBAY

Red Rock Indian Band
Consolidated Financial Statements

March 31, 2014

Red Rock Indian Band Contents

For the year ended March 31, 2014

Page

Management's Responsibility

Independent Auditors' Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations.....	2
Consolidated Statement of Change in Net Financial Assets.....	4
Consolidated Statement of Cash Flows.....	5

Notes to the Consolidated Financial Statements.....	6
-----------------------------------------------------	---

Schedules

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	16
Schedule 2 - Schedule of Consolidated Expenses by Object.....	18
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit).....	19

Management's Responsibility

To the Chief and Council and Members of Red Rock Indian Band:

The accompanying consolidated financial statements of Red Rock Indian Band are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canada public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

The Council meets periodically with management, as well as 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 consolidated financial statements and the external auditor's report.

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Red Rock Indian Band and meet when required.

August 15, 2014



Chief



Councillor

Independent Auditors' Report



To the Chief and Council and Members of Red Rock Indian Band:

We have audited the accompanying consolidated financial statements of Red Rock Indian Band, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, 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 consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Red Rock Indian Band as at March 31, 2014 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Thunder Bay, Ontario

August 15, 2014

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants


Red Rock Indian Band

Consolidated Statement of Financial Position

As at March 31, 2014

	2014	2013
Financial assets		
Cash resources (Note 3)	3,171,438	3,068,729
Accounts receivable (Note 4)	65,201	287,502
Due from government and other government organizations (Note 5)	150,533	194,205
Portfolio investments (Note 6)	25,000	25,000
Trust funds held by federal government (Note 7)	252,459	246,224
Total financial assets	3,664,631	3,821,660
Liabilities		
Accounts payable and accrued liabilities (Note 8)	421,172	364,636
Deferred revenue (Note 9)	65,516	68,716
Due to government and other government organizations (Note 10)	371,476	388,622
Employee benefit obligations (Note 11)	542	592
Long-term debt (Note 12)	-	1,044,235
Total of financial liabilities	858,706	1,866,801
Net financial assets	2,805,925	1,954,859
Contingent liabilities (Note 15)		
Non-financial assets		
Tangible capital assets (Note 13)	10,419,457	10,992,954
Prepaid expenses (Note 14)	53,054	58,332
Total non-financial assets	10,472,511	11,051,286
Accumulated surplus	13,278,436	13,006,145

Approved on behalf of the Council



Chief



Councillor

Red Rock Indian Band

Consolidated Statement of Operations

For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	2,856,390	2,812,097	3,058,079
Health Canada	303,916	314,405	294,817
Canada Mortgage and Housing Corporation	27,673	20,852	10,323
Ontario First Nations Limited Partnership	897,600	872,522	858,242
Ministry of Community and Social Services	185,200	279,192	187,648
Administration fees	31,761	220,778	34,702
Ministry of Transportation	147,532	198,582	10,902
Aboriginal Employment and Training Services	196,022	196,022	206,470
Renewable Energy Systems	-	170,602	252,851
Dilico Anishinabek Family Care	143,617	142,766	136,868
Ministry of Aboriginal Affairs	130,000	130,000	140,000
Rental income	66,655	72,791	102,541
Ministry of Natural Resources	60,362	71,740	11,880
Ontario First Nations Technical Services	60,832	67,897	73,952
Union of Ontario Indians	63,167	63,167	65,569
Waaskinaysay Ziibi Inc.	125,500	42,599	242,414
Hatch Mott	-	17,055	-
Ministry of Education	4,274	4,274	4,274
Parks Canada	4,000	2,975	60,888
Other revenue	296,129	249,727	288,279
Western Heritage	-	-	126,763
Agriculture Canada	-	-	37,500
Red Rock First Nation Business Trust	-	980,570	496,938
2190774 Ontario Ltd.	-	423,766	423,657
	5,600,630	7,354,379	7,125,557
Expenses			
Administration	797,761	960,727	1,230,164
Education	2,006,646	1,854,547	1,883,885
Social Services	547,732	592,427	524,889
Capital Projects	376,143	756,718	838,865
Operations and Maintenance	298,047	587,230	538,534
Social/Cultural Programs	348,142	401,385	367,218
Employment/Economic Programs	77,749	91,180	80,616
Other Programs	152,853	170,895	162,969
Business Trust	-	1,223,689	479,396
2190774 Ontario Limited	-	300,016	216,314
Casino Rama Fund	30,000	56,065	83,044
	4,635,073	6,994,879	6,405,894
Operating surplus before other items	965,557	359,500	719,663
Other income (loss)			
Gain (loss) on disposal of capital assets	-	(55,849)	686
Less: prior year surplus recoveries	-	(31,360)	(19,074)
	-	(87,209)	(18,388)
Operating surplus before transfers	965,557	272,291	701,275

Continued on next page

Red Rock Indian Band

Consolidated Statement of Operations

For the year ended March 31, 2014

	<i>Schedules</i>	2014	2014	2013
Operating surplus before transfers <i>(Continued from previous page)</i>		965,557	272,291	701,275
Transfers between programs				
Transfer to Education Fund	-	(472)	(4,766)	
Transfer from Casino Rama Fund	-	174,553	17,277	
Transfer to Capital Projects	-	-	(6,694)	
Transfer to Operations and Maintenance	-	(85,010)	(810)	
Transfer to Social/Cultural Programs	-	(11,724)	(4,845)	
Transfer to Other Programs	-	(37,192)	(162)	
Transfer to Administration Fund	-	(28,245)	-	
Transfer to Social Services Fund	-	(10,259)	-	
Transfer to Employment/Economic Fund	-	(1,651)	-	
Operating surplus		965,557	272,291	701,275
Accumulated operating surplus, beginning of year		-	13,006,145	12,304,870
Accumulated operating surplus, end of year		965,557	13,278,436	13,006,145

Red Rock Indian Band
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Annual operating surplus	965,557	272,291	701,275
Purchases of tangible capital assets	-	(240,150)	(269,834)
Amortization of tangible capital assets	-	660,051	664,549
Loss (gain) on sale of tangible capital assets	-	55,849	(686)
Proceeds of disposal of tangible capital assets	-	97,747	3,751
Use of prepaid expenses	-	5,278	9,112
Use of deposits	-	-	10,000
Increase in net financial assets	965,557	851,066	1,118,167
Net financial assets, beginning of year	-	1,954,859	836,692
Net financial assets, end of year	965,557	2,805,925	1,954,859

Red Rock Indian Band

Consolidated Statement of Cash Flows

For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Operating surplus	272,291	701,275
Non-cash items		
Amortization	660,051	664,550
Gain (loss) on disposal of capital assets	55,849	(686)
	988,191	1,365,139
Changes in working capital accounts		
Accounts receivable	222,301	138,655
Due from government and other government organizations	43,672	-
Trust funds held by government	(6,235)	(5,904)
Prepaid expenses	5,278	9,112
Deposits	-	10,000
Accounts payable and accrued liabilities	56,536	(721,209)
Deferred revenue	(3,200)	(86,351)
Due to government and other government organizations	(17,146)	-
Employee benefit obligations	(50)	-
	1,289,347	709,442
Financing activities		
Repayment of long-term debt	(1,044,235)	(145,648)
Capital activities		
Purchases of tangible capital assets	(240,150)	(269,834)
Proceeds of disposal of tangible capital assets	97,747	3,751
	(142,403)	(266,083)
Increase in cash resources	102,709	297,711
Cash resources, beginning of year	3,068,729	2,771,018
Cash resources, end of year	3,171,438	3,068,729
Supplementary cash flow information		
Interest paid	33,730	86,309
Interest received	15,015	19,910

Red Rock Indian Band

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

1. Operations

The Red Rock Indian Band (the "First Nation") is located in the province of Ontario, and provides various services to its members. Red Rock Indian Band includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Red Rock First Nation Business Trust, 2190774 Ontario Limited and Red Rock Indian Band General Partner Inc.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Red Rock Indian Band business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Cash and cash equivalents

Cash and cash equivalent include cash on hand, balances with banks, net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Red Rock Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Computer hardware	declining balance	30 %
Land Improvements	declining balance	5 %
Licensed mobile	declining balance	30 %
Linear assets	declining balance	2 %
Machinery and equipment	declining balance	20 %
Office furniture and equipment	declining balance	20 %
Housing	straight-line	40 years
Public buildings	straight-line	40 years

Tangible capital assets are written down when conditions indicate they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

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

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, excepts when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Expense allocation

Certain expenses which pertain to the operations as a whole have been allocated to various programs at the discretion of Chief and Council.

Measurement uncertainty

In preparing the consolidated financial statements for the First Nation in conformity with Canadian public sector accounting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of significant estimates include accounts receivable, accounts payable and accrued liabilities and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to the various programs. Such allocations are recorded as management and administration fees revenue on the Administration Program schedule of revenue and expenses.

Segments

The First Nation conducts its business through eight reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

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

Red Rock Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

3. Cash resources

The First Nation has available to it the following credit facilities:

A \$100,000 Royal Bank of Canada revolving demand facility on the First Nation's general bank account incurring interest at the bank prime rate plus 1%. The bank's prime rate at March 31, 2014 was 3.00% (2013 - 3.00%). The balance of the demand facility was \$nil at March 31, 2014 (2013 - \$nil).

A \$10,000 Royal Bank of Canada revolving demand facility on the First Nation's social services bank account incurring interest at bank prime plus 1%. The bank's prime rate at March 31, 2014 was 3.00% (2013 - 3.00%). The balance of the demand facility was \$nil at March 31, 2014 (2013 - \$nil).

A \$100,000 Royal Bank of Canada revolving demand facility on the First Nation's properties bank account incurring interest at the bank prime plus 1%. The bank's prime rate at March 31, 2014 was 3.00% (2013 - 3.00%). The balance of the demand facility was \$nil at March 31, 2014 (2013 - \$nil).

A \$20,000 Royal Bank of Canada revolving demand facility on the First Nation's properties bank account incurring interest at bank prime plus 1%. The bank's prime rate at March 31, 2014 was 3.00% (2013 - 3.00%). The balance of the demand facility was \$nil at March 31, 2014 (2013 - \$nil).

The demand facilities noted above are secured by a general security agreement on all personal property and equipment of the First Nation, an assignment of rents, and guarantee and postponement of claim in the amount of \$1,500,000 and mortgage on certain properties owned by 2190774 Ontario Ltd with a carrying value of \$1,274,985 (2013 - \$1,327,793).

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the 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.

The OPG Settlement account is internally restricted for the purpose of making payments to various band members upon verification of their current location.

Cash and cash equivalents is comprised of the following:

	2014	2013
Cash on hand	300	310
General (unrestricted)	148,261	86,027
Social Services (unrestricted)	13,984	12,201
Education (unrestricted)	255,377	43,075
Windfarm (unrestricted)	85,922	43,000
Non-profit Housing #1 (unrestricted)	-	8,646
CMHC Replacement Reserve (externally restricted)	3,677	3,850
Non-profit Housing #2 (unrestricted)	-	7,660
OPG Settlement (internally restricted)	218,706	233,220
TransCanada Pipeline (unrestricted)	48,854	48,874
St. Sylvester's Church (unrestricted)	6,291	6,331
Bell Canada (unrestricted)	5,852	4,353
Pow Wow (unrestricted)	3,588	6,667
Fire Department (unrestricted)	5,735	1,420
Ontario First Nation Limited Partnership (unrestricted)	2,264,969	2,455,990
Water Treatment Plant (unrestricted)	64,442	64,442
Business Trust (unrestricted)	9,993	3,955
2190774 Ontario Ltd.	35,487	38,708
	3,171,438	3,068,729

Red Rock Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

4. Accounts receivable

	2014	2013
Due from members:		
Rent	2,474	10,053
Advances	2,733	3,853
Other	13,608	5,545
	18,815	19,451
Less: allowance for doubtful accounts	(479)	(479)
Due from others:		
Enbridge Pipelines	-	104,497
Lake Nipigon Forest Management	311,985	85,537
Renewable Energy Systems America Inc.	15,492	14,589
Waaskiinaysay Ziibi Inc.	3,568	31,795
Other	27,805	32,112
	358,850	268,530
Less: allowance for doubtful accounts	(311,985)	-
	65,201	287,502

5. Due from government and other government organizations

	2014	2013
Federal government		
Aboriginal Affairs and Northern Development Canada	35,322	4,517
Agriculture Canada	1,875	37,500
Health Canada	25,656	40,342
Parks Canada	2,975	18,580
Provincial government		
Ministry of Aboriginal Affairs	13,691	-
Ministry of Community and Social Services - Ontario Works	39,852	9,894
Ministry of Education	714	-
Ministry of Health and Long-term Care	6,921	-
Ministry of Natural Resources	12,765	-
Ministry of Transportation	13,506	-
Ontario First Nation Technical Services Corporation	8,600	28,424
Ontario Native Welfare	1,562	1,562
Other government organizations		
Anishinabek Employment and Training Services	8,543	24,010
Dilico Anishinabek Family Care	805	39,840
Environment Canada	-	894
Union of Ontario Indians	1,762	770
HST receivable	2,382	14,270
Less: allowance for doubtful accounts	(26,398)	(26,398)
	150,533	194,205

Red Rock Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

6. Portfolio investments

	2014	2013
Waaskiinaysay Ziibi Inc., 250 Class A Shares	25,000	25,000

The Waaskiinaysay Ziibi Inc. shares represent an ownership interest of 20%. The Corporation was formed to carry on the business of constructing and operating various energy projects.

7. Trust funds held by federal government

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council.

	2014	2013
Capital Trust		
Balance, beginning of year	6,880	6,880
Balance, end of year	6,880	6,880
Revenue Trust		
Balance, beginning of year	239,344	233,441
Interest	6,235	5,903
Balance, end of year	245,579	239,344
	252,459	246,224

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

8. Accounts payable and accrued liabilities

	2014	2013
Trade payables	331,872	252,286
Accrued liabilities - OPG settlement	89,300	104,600
Other accrued liabilities	-	7,750
	421,172	364,636

9. Deferred revenue

	<i>Balance March 31, 2013</i>	<i>Funding Received 2014</i>	<i>Revenue Recognized 2014</i>	<i>Balance March 31, 2014</i>
TransCanada Pipeline	28,800	-	3,200	25,600
Other	39,916	-	-	39,916
	68,716	-	3,200	65,516

Red Rock Indian Band

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

10. Due to government and other government organizations

	2014	2013
Federal government	43,408	61,657
Other government organizations	328,068	326,965
	371,476	388,622

11. Employee benefit obligations

	2014	2013
Pension	2	51
Vacation and overtime	540	541
	542	592

Vacation and overtime: The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Pension plan

The First Nation has a defined contribution plan for which all full-time, permanent employees of the First Nation are eligible. Members are required to contribute between 3%-5% of their salary. The First Nation contributes between 3%-5% which contributions are directed to the member's contribution account. 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. Employer contributions during the year were \$3,395 (2013 - \$2,904). The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2014.

12. Long-term debt

	2014	2013
Royal Bank of Canada mortgage payable with payments of \$16,842 per month including interest at 6.25%. Fully repaid during the year.	-	1,044,235

13. Tangible capital assets

The Consolidated Schedule of Tangible Capital Assets (schedule 1) represents all balances and changes in the year relating to the tangible capital assets owned by the First Nation.

14. Prepaid expenses

	2014	2013
Insurance	50,119	53,964
Social assistance	2,935	4,368
	53,054	58,332

Red Rock Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

15. Contingent liabilities

The First Nation has entered in to contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

16. Interfund transfers

An amount of \$174,553 (2013 - \$17,277) was transferred from the Casino Rama fund to the Operating fund in order to fund disbursements for operating activities.

17. Segments

The First Nation has eight reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Band Government - includes administration and governance activities.

Operations and Maintenance - includes Band programs and maintenance.

Economic/Employment Development - includes activities for the maintenance of the community and its infrastructure.

Education - includes the operations of education programs.

Capital Projects - includes activities relating to housing and other large capital projects.

Social Services - activities include delivering social programs.

Social/Cultural Programs - activities include delivering community support programs.

Other Programs - includes other activities and programs within the community.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 2.

Red Rock Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

18. Government transfers

	<i>Operating</i>	<i>Capital</i>	<i>2014</i>	<i>2013</i>
Aboriginal Affairs and Northern Development Canada	2,600,407	211,690	2,812,097	3,058,079
Health Canada	314,405	-	314,405	294,817
Canada Mortgage and Housing Corporation	20,852	-	20,852	10,323
Other	2,975	-	2,975	98,388
Federal Government transfers	2,938,639	211,690	3,150,329	3,461,607
Provincial Government transfers	697,758	-	697,758	354,704
	3,636,397	211,690	3,848,087	3,816,311

19. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair Value of Financial Instruments

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The First Nation manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Credit exposure is limited due to the First Nation's large customer base.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

20. Budgeted figures

The budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

Red Rock Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

21. Consolidated entities

RED ROCK FIRST NATION BUSINESS TRUST
Financial assets

December 31, 2013

December 31, 2012

Cash	9,993	53,955
Accounts receivable	772	90,079
	<u>10,765</u>	<u>144,034</u>
Liabilities		
Accounts payable and accrued liabilities	235,792	81,469
Due to government and other government organizations	14,145	9,771
Due to related parties	774,046	825,568
	<u>1,023,983</u>	<u>916,808</u>
Net financial debt	<u>(1,013,218)</u>	<u>(772,774)</u>
Non-financial assets		
Tangible capital assets	1,915	21,597
Accumulated deficit	<u>(1,011,303)</u>	<u>(751,177)</u>

The due to related parties balance of \$774,046 (2013 - \$825,568) was eliminated in the Consolidated Statement of Financial Position.

2190774 ONTARIO LTD.
Financial assets

March 31, 2014

March 31, 2013

Cash	35,487	38,708
Accounts receivable	-	1,469
Due from related party	238,052	238,052
	<u>273,539</u>	<u>278,229</u>
Liabilities		
Accounts payable and accrued liabilities	103,194	84,480
Due to government and other government organizations	14,939	16,208
Deferred revenue	39,916	39,916
Due to related party	1,475,011	270,670
Long-term debt	-	1,044,235
	<u>1,633,060</u>	<u>1,455,509</u>
Net financial debt	<u>(1,359,521)</u>	<u>(1,177,280)</u>
Non-financial assets		
Tangible capital assets	1,274,985	1,327,793
Prepaid expenses	8,504	8,502
	<u>1,283,489</u>	<u>1,336,295</u>
Accumulated surplus (deficit)	<u>(76,032)</u>	<u>159,015</u>

The due from related party balance of \$238,052 (2013 - \$238,052) and due to related party balance of \$1,475,011 (2013 - \$270,670) were eliminated in the Consolidated Statement of Financial Position.

The First Nation controls the Red Rock First Nation Business Trust and 2190774 Ontario Ltd. which are fully consolidated in the consolidated financial statements. Financial information for these entities included in the Consolidated Statement of Financial Position are shown above. Inter-company balances which were eliminated upon consolidation have been included.

Red Rock Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Land</i>	<i>Land Improvements</i>	<i>Housing and Buildings</i>	<i>Machinery and Equipment</i>	<i>Linear Assets</i>	<i>Licensed Mobile</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	493,509	189,758	11,770,731	2,248,740	2,153,538	834,951	17,691,227
Acquisition of tangible capital assets	5,728	-	110,961	16,784	29,146	69,358	231,977
Disposal of tangible capital assets	-	-	-	(21,211)	-	(581,729)	(602,940)
Balance, end of year	499,237	189,758	11,881,692	2,244,313	2,182,684	322,580	17,320,264
Accumulated amortization							
Balance, beginning of year	-	106,060	3,836,025	1,470,287	740,467	571,228	6,724,067
Annual amortization	-	5,250	318,858	155,715	28,553	144,698	653,074
Disposal, write-offs, & other adjustments	-	-	-	(12,019)	-	(437,325)	(449,344)
Balance, end of year	-	111,310	4,154,883	1,613,983	769,020	278,601	6,927,797
Net book value of tangible capital assets	499,237	78,448	7,726,809	630,330	1,413,664	43,979	10,392,467
2013 Net book value of tangible capital assets	493,509	83,698	7,934,706	778,453	1,413,071	263,723	10,967,160

Red Rock Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Subtotal</i>	<i>Office Furniture and Equipment</i>	<i>Computer Hardware</i>	<i>2014</i>	<i>2013</i>
Cost					
Balance, beginning of year	17,691,227	128,719	39,600	17,859,546	17,600,713
Acquisition of tangible capital assets	231,977	-	8,173	240,150	269,834
Disposal of tangible capital assets	(602,940)	-	-	(602,940)	(11,001)
Balance, end of year	17,320,264	128,719	47,773	17,496,756	17,859,546
Accumulated amortization					
Balance, beginning of year	6,724,067	108,826	33,699	6,866,592	6,209,979
Annual amortization	653,074	3,979	2,998	660,051	664,549
Disposal, write-offs, & other adjustments	(449,344)	-	-	(449,344)	(7,936)
Balance, end of year	6,927,797	112,805	36,697	7,077,299	6,866,592
Net book value of tangible capital assets	10,392,467	15,914	11,076	10,419,457	10,992,954
2013 Net book value of tangible capital assets	10,967,160	19,893	5,901	10,992,954	

Red Rock Indian Band
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Consolidated expenses by object			
Accident	-	3,141	-
Administration	38,998	191,165	15,578
Advertising	3,500	4,038	4,293
Amortization	-	660,051	664,549
Assistance	75,000	80,997	64,517
Bad debts	-	329,361	-
Bank charges and interest	9,760	48,575	15,929
Community meetings	5,500	7,970	-
Contracted services	420,234	534,093	705,932
Cost of goods sold	-	825,539	375,576
Equipment	35,936	53,079	19,216
Fuel	39,653	82,277	72,885
Honouraria	209,200	187,972	201,775
Insurance	60,900	78,701	74,239
Interest on long-term debt	-	33,730	70,380
Land taxes and fees	4,100	19,359	13,021
Licenses and dues	6,050	92,280	75,684
Materials and supplies	57,300	41,391	96,189
Miscellaneous	15,000	17,607	18,972
Office supplies	28,100	48,597	43,306
Ontario Works - Discretionary benefits	30,000	33,571	-
Ontario Works - Mandatory benefits	-	1,826	-
Professional fees	85,000	93,396	124,349
Program and project activities	169,655	205,872	228,496
Rental expense	43,481	46,501	35,635
Repairs and maintenance	(62,433)	96,382	59,139
Shelter allowance	95,000	100,219	94,083
Special education	130,486	134,027	-
Training	3,000	18,497	11,443
Travel	79,768	68,953	125,005
Tuition	1,666,000	1,426,942	1,694,395
Utilities and telephone	91,611	135,108	125,447
Wages and fringe benefits	1,294,274	1,293,662	1,375,861
	4,635,073	6,994,879	6,405,894

Red Rock Indian Band
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	AANDC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)
Administration						
Administration - Council	-	-	-	204,052	-	(204,052)
Administration - Treaty Research Annuity	-	-	-	28,245	28,245	-
Administration - Lake Sturgeon Tagging	-	2,764	2,764	2,714	-	50
Administration - Pension	17,900	-	17,900	17,839	-	61
Administration - Parks Canada	-	2,975	2,975	4,181	-	(1,206)
Administration - RES Canada	-	170,102	170,102	91,701	-	78,401
Administration - MNR	-	33,496	33,496	30,014	-	3,482
Administration - Community Development Advisor	-	42,599	42,599	44,618	-	(2,019)
Administration - Band Administration	250,313	179,103	429,416	333,608	-	95,808
Administration - Road Building Training	-	152,230	152,230	138,507	-	13,723
Administration - Hatch Mott	-	17,055	17,055	15,993	-	1,062
Administration - MTO Liason	-	36,050	36,050	33,368	-	2,682
Administration - Kenogami	-	38,244	38,244	15,887	-	22,357
	268,213	674,618	942,831	960,727	28,245	10,349
Education						
Education - Tuition	1,567,400	-	1,567,400	1,567,392	-	8
Education - Special Education	91,319	-	91,319	77,112	-	14,207
Education - Ancillary Support	59,000	1,467	60,467	52,762	-	7,705
Education - Guidance & Counselling	36,000	-	36,000	35,722	472	750
Education - Student Transportation	110,074	3,165	113,239	110,813	-	2,426
Education - Student Allowance	8,750	-	8,750	8,746	-	4
Education - Advice	2,000	-	2,000	2,000	-	-
	1,874,543	4,632	1,879,175	1,854,547	472	25,100
Social Services						
Social Services - SS	-	172,862	172,862	165,256	-	7,606
Social Services - OW COA	29,300	42,079	71,379	71,169	-	210
Social Services - Basic Needs	22,500	-	22,500	22,500	-	-
Social Services - Special Needs	200	-	200	200	-	-
Social Services - National Child Benefit	15,000	-	15,000	15,000	-	-
Social Services - OW Child Care	-	4,274	4,274	4,275	1	-
Social Services - Employment & Training	3,300	21,452	24,752	24,536	-	216
Social Services - Homemakers	2,000	8,000	10,000	6,431	-	3,569
Social Services - Family Support Worker	-	94,191	94,191	92,008	-	2,183
Social Services - Patient Transportation	-	89,007	89,007	99,699	9,545	(1,147)
Social Services - CHR	-	48,575	48,575	48,538	713	750
Social Services - OW Transitional Fund	-	12,800	12,800	12,799	-	1
Social Services - OW Discretionary Benefits	-	30,000	30,000	30,016	-	(16)
	72,300	523,240	595,540	592,427	10,259	13,372

Red Rock Indian Band
Schedule 3 - - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	AANDC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)
Capital Projects						
Capital Projects - Capital Housing	114,257	-	114,257	217,936	-	(103,679)
Capital Projects - Renovations	97,433	968	98,401	50,838	-	47,563
Capital Projects - Water Treatment Plant	-	-	-	276,696	-	(276,696)
Capital Projects - CMHC/RAAP	-	20,852	20,852	-	-	20,852
Capital Projects - AETS	-	197,282	197,282	191,007	-	6,275
Capital Projects - Additions to reserve	-	127,000	127,000	20,241	-	106,759
	211,690	346,102	557,792	756,718	-	(198,926)
Operations & Maintenance						
Operations & Maintenance - Roads	32,893	8,291	41,184	85,914	25,188	(19,542)
Operations & Maintenance - Water Systems	57,760	35,665	93,425	124,079	31,798	1,144
Operations & Maintenance - Solid Waste	1,400	-	1,400	1,400	-	-
Operations & Maintenance - Fire Hall	22,501	4,400	26,901	71,330	4,646	(39,783)
Operations & Maintenance - Community Buildings	23,167	75,765	98,932	123,196	15,020	(9,244)
Operations & Maintenance - Electrification	12,586	-	12,586	17,087	3,963	(538)
Operations & Maintenance - Non-Profit Housing #1	-	-	-	44,378	-	(44,378)
Operations & Maintenance - Non-Profit Housing #2	-	-	-	26,431	-	(26,431)
Operations & Maintenance - Enhanced	65,953	32,232	98,185	93,415	4,395	9,165
	216,260	156,353	372,613	587,230	85,010	(129,607)
Social/Cultural Programs						
Social/Cultural Programs - Consultations	-	73,421	73,421	81,091	6,868	(802)
Social/Cultural Programs - Family Violence	-	6,864	6,864	6,859	-	5
Social/Cultural Programs - Early Childhood Development	-	49,017	49,017	45,766	-	3,251
Social/Cultural Programs - Childrens Oral Health Initiative (COHI)	-	10,416	10,416	10,416	-	-
Social/Cultural Programs - Prevention/AHWS	-	55,303	55,303	55,576	34	(239)
Social/Cultural Programs - Youth Employment	18,400	2,926	21,326	21,326	-	-
Social/Cultural Programs - FNWWAP	-	13,920	13,920	13,929	9	-
Social/Cultural Programs - Canada Summer Jobs	-	5,516	5,516	2,513	-	3,003
Social/Cultural Programs - Brighter Futures	-	72,496	72,496	76,573	2,707	(1,370)
Social/Cultural Programs - Building Healthy Communities	-	51,057	51,057	47,736	-	3,321
Social/Cultural Programs - HCON	-	2,000	2,000	2,004	4	-
Social/Cultural Programs - Aboriginal Diabetes Initiative	-	34,284	34,284	34,406	122	-
Social/Cultural Programs - St. Sylvester's Church	-	-	-	3,190	1,980	(1,210)
	18,400	377,220	395,620	401,385	11,724	5,959
Employment/Economic Development						
Employment/Economic Programs - Economic Development Officer	42,000	-	42,000	41,564	400	836
Employment/Economic Programs - Membership Clerk	13,300	-	13,300	14,616	1,251	(65)

Red Rock Indian Band
Schedule 3 - - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	AANDC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)
Employment/Economic Programs - Community Economic Opportunities	35,000	-	35,000	35,000	-	-
	90,300	-	90,300	91,180	1,651	771
Other Programs						
Other Programs - Communication Strategy	-	50,000	50,000	50,000	-	-
Other Programs - HIV/AIDS	-	1,000	1,000	1,000	-	-
Other Programs - Ontario Power Generation Claim	-	789	789	3	-	786
Other Programs - Pow Wow	-	19,220	19,220	52,116	32,896	-
Other Programs - Fire Prevention	60,391	1,075	61,466	67,776	4,296	(2,014)
	60,391	72,084	132,475	170,895	37,192	(1,228)
2190774 Ontario Limited						
2190774 Ontario Limited	-	423,766	423,766	300,016	-	123,750
Business Trust						
Business Trust - Income Statement	-	992,428	992,428	1,223,689	-	(231,261)
Casino Rama Fund						
CASINO RAMA	-	884,630	884,630	56,065	(174,553)	654,012
Total	2,812,097	4,455,073	7,267,170	6,994,879	-	272,291