

WAPEKEKA FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

WAPEKEKA FIRST NATION  
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MARCH 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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WAPEKEKA FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

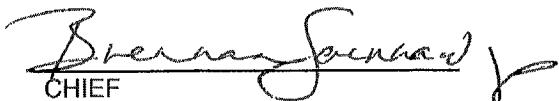
**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

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

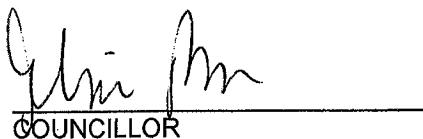
Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, 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 Chief and Council are 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 the Chief and 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)

101 - 1180 Pembina Highway  
Winnipeg, Manitoba R3T 2A4  
Telephone (204) 452-6449  
Fax (204) 452-3397

## INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors and Members of  
Wapekeka First Nation

We have audited the accompanying financial statements of Wapekeka First Nation, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statement of accumulated surplus, consolidated statement of operations, consolidated statement of change in Ottawa Trust Funds, consolidated statement of change in net financial assets/net debt and consolidated statement of 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 generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

# **Holukoff Chiarella**

CHARTERED ACCOUNTANTS

## EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.  
(Practising as Kevin Masse Chartered Accountant Ltd.)  
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## INDEPENDENT AUDITORS' REPORT - CONTINUED

### **Basis for Qualified Opinion**

The First Nation has undertaken to identify the total cost of tangible capital assets not previously recorded and any impairment or related amortization attributed to each of those assets. The full extent of these unrecorded assets and appropriate amortization is not determinable at the date of the audit report. As a result we were unable to determine what further adjustments, if any, might be necessary to tangible capital assets, annual surplus and accumulated surplus.

Inventory consists of fuel purchased for the community of Wapekka First Nation plus materials for projects and operations. We did not observe the inventory counts at the beginning or end of the year and alternative means did not provide us with the necessary assurance concerning the cost of inventory. As a result, we were unable to determine what adjustments, if any, might be necessary to assets, annual surplus (deficit) and accumulated surplus.

The financial statements include investments in Wasaya Partnership, Wasaya Group Inc. and Landmark Inn Limited Partnership. The financial information for Wasaya Partnership, Wasaya Group Inc. and Landmark Limited Partnership has not been audited. As a result, we were not able to determine if adjustments might have been found necessary in respect of the long-term investments and the elements marking up the consolidated statements of accumulated surplus, consolidated statements of operations, consolidated statements of financial position, consolidated statements of accumulated surplus, consolidated statements of operations, consolidated statements of change in net debt and consolidated statements of cash flows.

### **Qualified Opinion**

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



WINNIPEG, MANITOBA  
July 25, 2014

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2014

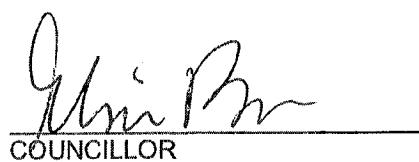
EXHIBIT "B"

	<u>ASSETS</u>	2014	2013
<b>FINANCIAL ASSETS</b>			
Cash in bank, Note 2	\$ 414,060	947,306	
Accounts receivable, Note 3	1,951,556	1,197,965	
Investments, Note 4	2,527,645	2,527,645	
Ottawa Trust funds, Exhibit "E", Note 5	<u>31,293</u>	<u>21,743</u>	
	<u>4,924,554</u>	<u>4,694,659</u>	
<b>LIABILITIES</b>			
Accounts payable, Note 6	1,765,182	1,228,852	
Deferred revenue, Note 7	334,355	362,301	
Moveable assets reserve, Note 8	42,974	41,383	
Replacement reserves, Note 9	21,127	21,477	
Long term debt, Note 10	<u>673,822</u>	<u>544,720</u>	
	<u>2,837,460</u>	<u>2,198,733</u>	
<b>NET FINANCIAL ASSETS</b>		<u>2,087,094</u>	<u>2,495,926</u>
<b>NON-FINANCIAL ASSETS</b>			
Prepaid expenses, Note 11	229,320	121,421	
Tangible capital assets, Note 12	<u>9,716,811</u>	<u>10,160,760</u>	
	<u>9,946,131</u>	<u>10,282,181</u>	
<b>ACCUMULATED SURPLUS, Exhibit "C", Note 13</b>	<b>\$ 12,033,225</b>	<b><u>12,778,107</u></b>	

APPROVED BY:

  
 CHIEF

  
 COUNCILLOR

  
 COUNCILLOR

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2014

EXHIBIT "C"

	<u>2014</u>	<u>2013</u>
BALANCE AT BEGINNING OF YEAR	\$ 12,778,107	13,222,802
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	<u>(744,882)</u>	<u>(444,695)</u>
BALANCE AT END OF YEAR	<u>\$ 12,033,225</u>	<u>12,778,107</u>

EXHIBIT "D"

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
<b>REVENUE</b>		
Federal Government		
AANDC	\$ 3,718,685	3,465,229
Health Canada	2,032,765	1,922,240
Canada Mortgage and Housing Corporation	24,876	28,041
Provincial government	1,056,170	980,331
Ontario First Nations Limited Partnership	808,706	814,448
Less: Transferred to programs	(572,735)	(692,360)
Other	<u>1,834,070</u>	<u>2,220,075</u>
	<u>8,902,537</u>	<u>8,738,004</u>
<b>EXPENSES</b>		
Band Support	809,190	767,908
Municipal Services	1,232,703	1,256,589
Education Services	1,380,128	1,177,473
Social Services	1,282,617	1,353,748
Economic Development	115,666	107,931
Capital Projects	450,522	917,198
Ki-Chi-Ha-Gamic Home	71,117	57,469
OFNLP	235,971	122,088
Health Services	2,072,596	1,857,515
Other Programs	<u>1,378,462</u>	<u>1,262,894</u>
	<u>9,028,972</u>	<u>8,880,813</u>
<b>ANNUAL DEFICIT BEFORE OTHER ITEMS</b>	<b>(126,435)</b>	<b>(142,809)</b>
<b>OTHER ITEMS</b>		
Transfer to tangible capital assets from operations	53,828	285,335
Amortization not included in operations	(457,220)	(459,402)
Net income (loss) from investments in		
Wasaya Partnership and Wasaya Group Inc.		(128,728)
Payment on Hydro One arrears	(225,000)	
Interest, Ottawa Trust Fund	9,550	522
Interest, Trust Funds - community	<u>395</u>	<u>387</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (744,882)</b>	<b>(444,695)</b>

EXHIBIT "D-1"

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>AANDC</u>	<u>Other</u>	<u>Revenue</u>	<u>Total</u>	<u>Expenses</u>	<u>Annual Surplus (Deficit)</u>
Band Support	\$ 509,221	290,907	800,128	809,190		(9,062)
Municipal Services	1,065,790	20,550	1,086,340	1,232,703		(146,363)
Education Services	1,083,755	290,269	1,374,024	1,380,128		(6,104)
Social Services	424,006	866,001	1,290,007	1,282,617		7,390
Economic Development	50,000	65,666	115,666	115,666		
Capital Projects	424,913	25,609	450,522	450,522		
Ki-Chi-Ha-Gamic Home		70,517	70,517	71,117		(600)
OFNLP		235,971	235,971	235,971		
Health Services		2,131,658	2,131,658	2,072,596		59,062
Other Programs	161,000	1,186,704	1,347,704	1,378,462		(30,758)
<b>OTHER ITEMS</b>						
Transfer to tangible capital assets						
Amortization not included in operations						
Interest, Ottawa Trust Fund						
Interest, Trust Funds - community						
Band member contributions - Hydro One arrears						
<b>ANNUAL SURPLUS (DEFICIT)</b>						
						\$ (744,882)

EXHIBIT "E"

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN OTTAWA TRUST FUNDS  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
BALANCE AT BEGINNING OF YEAR	\$ 21,743	21,221
ADDITIONAL DEPOSITS DURING THE YEAR	9,000	
INTEREST RECEIVED DURING THE YEAR	<u>550</u>	<u>522</u>
BALANCE AT END OF YEAR	<u>\$ 31,293</u>	<u>21,743</u>

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN  
NET DEBT/NET FINANCIAL ASSETS  
FOR THE YEAR ENDED MARCH 31, 2014

EXHIBIT "F"

	<u>2014</u>	<u>2013</u>
ANNUAL DEFICIT, Exhibit "D"	\$ (744,882)	(444,695)
Change in prepaid expenses	(107,899)	454,020
Acquisition of tangible capital assets	(53,828)	(1,090,629)
Transfer to assets under construction	790,719	
Amortization of tangible capital assets	<u>497,777</u>	<u>472,067</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(408,832)	(181,482)
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>2,495,926</u>	<u>2,314,444</u>
NET FINANCIAL ASSETS AT END OF YEAR	<b>\$ 2,087,094</b>	<b><u>2,495,926</u></b>

EXHIBIT "G"

WAPEKEKA FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
<b>OPERATING TRANSACTIONS</b>		
Annual deficit, Exhibit "D"	\$ (744,882)	(444,695)
Add non-cash items		
Amortization	497,777	472,067
Replacement reserve	(350)	(20)
Moveable asset reserve	1,591	(6,639)
Net change in financial assets/liabilities and prepaid expenses		
Accounts receivable	(753,591)	(102,781)
Investments	128,728	
Prepaid expenses	(107,899)	454,020
Ottawa Trust funds	(9,550)	(522)
Accounts payable	536,326	(171,734)
Deferred revenue	(27,942)	(118,094)
	<u>(608,520)</u>	<u>210,330</u>
<b>FINANCING TRANSACTIONS</b>		
Net increase (decrease) in term loans and mortgages	<u>129,102</u>	<u>(138,878)</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(53,828)	(1,090,629)
Transfer to assets under construction	790,719	
	<u>(53,828)</u>	<u>(299,910)</u>
<b>NET CHANGE IN CASH POSITION</b>	<u>(533,246)</u>	<u>(228,458)</u>
<b>CASH POSITION AT BEGINNING OF YEAR</b>	<u>947,306</u>	<u>1,175,764</u>
<b>CASH POSITION AT END OF YEAR</b>	<u>\$ 414,060</u>	<u>947,306</u>

EXHIBIT "H"

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

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

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

**a) Nature and Purpose of Organization**

The purpose of the organization is the management and administration of all aspects of the Wapekeka First Nation. The organization operates with a Chief and Council, who are ultimately responsible for the establishment and administration of all programs of the First Nation.

**b) Reporting Entity and Principles of Financial Reporting**

Wapekeka First Nation reporting entity includes the Wapekeka First Nation government and all related unincorporated non-business entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements summarize on a combined basis the assets, liabilities and results of operations for the following entities. The readers of these summarized financial statements have access to the detailed information of each entity's financial statement.

Wapekeka First Nation Revenue Fund  
Wapekeka Education Authority  
Wapekeka First Nation Health Authority  
Ki-Chi-Ha-Gamic Home

All inter-entity balances have been eliminated on summarization, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated.

Investments in non controlled entities are recorded at the lower of cost and net realizable value.

**c) Amortization**

Assets are amortized over their expected useful life using the straight line method at the following rates:

Water and Sewage Service	2.5%
General Housing	5.0%
General Equipment	20.0%
Vehicles	20.0%
Small Business Centre	5.0%
Multi-Purpose Building	5.0%

In the year of acquisition, 50% of the normal amortization is recorded.

Social Housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long term debt, which approximates its economic life.

**WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

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

**d) Revenue Recognition**

The organization follows the deferral method of accounting for revenue. Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and can reasonably be 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.

**e) 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 or delivering services. The organization 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.

**f) Assets Under Construction**

Capital projects under construction at year end are recorded at cost and are segregated as part of the non-financial assets. As the construction of these assets are completed, they are added to the appropriate tangible capital asset category. Amortization is not taken until the asset is put into use.

**g) Net Debt/Net Financial Assets**

The organization's financial statements are presented so as to highlight the net debt/net financial assets as a measurement of financial position. The net debt/net financial assets of the organization are determined by its financial assets less its liabilities.

**h) Deferred Revenue**

Deferred revenue represents funding received or receivable under the terms of their respective funding arrangements for specified purposes and for which the related expenses have not been incurred. Unspent funding or expenses made which are not in accordance with the terms of the funding arrangements may constitute a debt to the funding authority upon review of the funding arrangement expenses. Note 5 provides a summary of deferred revenue by project.

**i) Financial Instruments**

The organization's financial instruments consist of cash in bank, accounts receivable, investments, Ottawa Trust Funds, accounts payable, term loans and mortgages and available operating lines of credit. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair market value of these financial instruments approximate their carrying values.

WAPEKEKA FIRST NATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

EXHIBIT "H"

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

**k) Economic Dependence**

Wapekeka First Nation receives a major portion of its revenues pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada and Health Canada.

**j) 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.

**2. CASH IN BANK**

	<u>2014</u>	<u>2013</u>
GIC at 2.1% interest, maturing September 2015	\$ 19,199	18,804
Cultural Access Road	7,943	
Social Services	24,004	(119,657)
Education	79,290	(47,055)
Administration	368,796	111,809
Soil Remediation	12,827	186,860
Health Authority	(131,363)	747,583
Revenue Fund	62,145	8,002
Ki-Chi-Ha-Gamic Home	<u>(20,838)</u>	<u>33,017</u>
	<b>\$ 414,060</b>	<b>947,306</b>

**3. ACCOUNTS RECEIVABLE**

	<u>2014</u>	<u>2013</u>
CMHC	\$ 2,111	2,337
Aboriginal Affairs and Northern Development Canada	209,580	288,670
Health Canada	1,123,428	197,236
Other government agencies	54,580	136,905
Members loans, advances and rent	489,284	280,491
CRA - Goods and Services Tax recovery	4,806	4,806
Other	<u>509,148</u>	<u>595,020</u>
	2,392,937	1,505,465
Allowance for doubtful accounts	<u>(441,381)</u>	<u>(307,500)</u>
	<b>\$ 1,951,556</b>	<b>1,197,965</b>

WAPEKEKA FIRST NATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

EXHIBIT "H"

**4. INVESTMENTS**

	<u>2014</u>	<u>2013</u>
The First Nation has the following investments:		
2137922 Ontario Inc. – shares in holding company for interest in Landmark Inn Limited Partnership.	\$ 100,000	100,000
Wasaya Partnership	1,392,582	1,392,582
Wasaya Group Inc.	1,035,063	1,035,063
Kenawun Community Development Corporation		
Loan with no specified interest or terms of repayment.	62,000	62,000
Less: Provision for write-down in value	(62,000)	(62,000)
Kenawun Properties Ltd.		
Loan with no specified interest or terms of repayment.	150,000	150,000
Less: Provision for write-down in value	(150,000)	(150,000)
145005 Ontario Inc. and 2028975 Ontario Inc.		
Shares and advances	160,000	160,000
Less: Provision for write-down in value	(160,000)	(160,000)
	<u>\$ 2,527,645</u>	<u>2,527,645</u>

**5. OTTAWA TRUST FUNDS**

Ottawa Trust Funds are derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in the consolidated revenue fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 21,743	21,221
Amount placed on deposit	9,000	
Interest received in the year	<u>550</u>	<u>522</u>
Balance, end of year	<u>\$ 31,293</u>	<u>21,743</u>

WAPEKEKA FIRST NATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

EXHIBIT "H"

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 1,632,620	992,435
Health Canada	18,008	
Canada Revenue Agency	<u>114,554</u>	<u>236,417</u>
	<b>\$ 1,765,182</b>	<b>1,228,852</b>

**7. DEFERRED REVENUE**

Funding in the current period to be applied against subsequent period programs are recorded as incomplete projects in the financial statements.

Deferred revenue consists of the following:

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>
Soil Remediation	\$ 158,312		41,033	117,279
Remediation Project	171,145			171,145
Electrical System -				
Diesel Generating System		20,000		20,000
Literacy Program	27,844		1,913	25,931
Cemetery maintenance	<u>5,000</u>		<u>5,000</u>	
	<b>\$ 362,301</b>	<b>20,000</b>	<b>47,946</b>	<b>334,355</b>

**8. MOVABLE ASSETS RESERVE**

Under the terms of the Health Services Transfer Agreement with Health Canada the initial lump sum, interest and an annual amount are to be placed in the reserve for the replacement of assets. Expenditures for the replacement or substitutions of moveable assets are charged to the reserve during the year.

**9. REPLACEMENT RESERVE**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, Replacement Reserves are to be credited in the amount of \$2,100 annually until it accumulates to \$21,000 plus interest. These funds, along with accumulated interest, are to be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal.

WAPEKEKA FIRST NATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

EXHIBIT "H"

**10. LONG TERM DEBT**

	<u>2014</u>	<u>2013</u>
Bank loan, Royal Bank, non-revolving, repayable in four annual payments of \$113,000 commencing May 15, 2013 for principal and interest of 5% per annum, secured by assignment of minor capital funds of AANDC for the year 2013 to 2015 and Ontario First Nations Limited Partnership funds.	\$ 207,509	305,247
Bank loan, Royal Bank, non-revolving facility #7 repayable in semi-annual payments of \$45,000 principal plus interest at 6.25%. Secured by assignment of minor capital funds of AANDC for the year 2013 to 2015 and Ontario First Nations Limited Partnership funds.	225,000	
Bank loan repayable at \$820 per month plus interest at 4.35%, secured by a guarantee and school bus.	36,605	
Bank loan repayable at \$730 per month plus interest at 5%, secured by a guarantee and postponement of claim in the amount of \$35,000 signed by Wapekeka First Nation.	7,990	
Mortgage for Ki-Chi-Ha-Gamic Home, repayable at \$2,739 per month principal and interest at 2.34% per annum maturing February 2015.	<u>204,708</u>	<u>231,483</u>
	<u><b>\$ 673,822</b></u>	<u><b>544,720</b></u>

Principal repayments on loans and mortgages over the next three years are estimated as follows:

2015	\$ 432,810
2016	212,840
2017	<u>28,172</u>
	<u><b>\$ 673,822</b></u>

**11. PREPAID EXPENSES**

Prepaid expenses at March 31, 2014 are comprised of building materials and fuel purchases on hand, based on an invoice price at time of purchase, as follows:

	<u>2014</u>	<u>2013</u>
Fuel purchases on hand	\$ 229,320	118,907
Building materials	<u>2,514</u>	
	<u><b>\$ 229,320</b></u>	<u><b>121,421</b></u>

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WAPEKEKA FIRST NATION  
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12. TANGIBLE CAPITAL ASSETS

		2014			
	Cost Mar. 31/13	Additions (Disposals)	Cost Mar. 31/14	Accumulated Amortization	Net Book Value
School bus	\$ 74,900		74,900	74,900	
Health vehicles	215,836	53,828	269,664	169,319	100,345
Trucks and vans	853,574		853,574	810,616	42,958
Bombardier groomer	40,247		40,247	40,247	
Grader - Champion	8,000		8,000	8,000	
School and office equipment	126,464		126,464	123,882	2,582
Education vehicles	167,122	(1,456)	165,666	83,484	82,182
Sawmill	32,377		32,377	32,377	
Back hoe	48,000		48,000	38,400	9,600
Water and sewage system	10,703,534		10,703,534	3,077,262	7,626,272
Small Business Centre	1,735,230		1,735,230	997,763	737,467
Ki-Chi-Ha-Gamic Home	487,200		487,200	282,492	204,708
Multi-purpose building	984,537		984,537	73,840	910,697
	\$ 15,477,021	<u>52,372</u>	<u>15,529,393</u>	<u>5,812,582</u>	<u>9,716,811</u>

		2013			
	Cost Mar. 31/12	Additions (Disposals)	Cost Mar. 31/13	Accumulated Amortization	Net Book Value
School bus	\$ 74,900		74,900	74,900	
Health vehicles	169,319	46,517	215,836	169,319	46,517
Trucks and vans	808,574	45,000	853,574	773,048	80,526
Bombardier groomer	40,247		40,247	40,247	
Grader - Champion	8,000		8,000	8,000	
School and office equipment	126,464		126,464	121,926	4,538
Education vehicles	152,547	14,575	167,122	73,114	94,008
Sawmill	32,377		32,377	25,902	6,475
Back hoe	48,000		48,000	28,800	19,200
Water and sewage system	10,703,534		10,703,534	2,809,674	7,893,860
Small Business Centre	1,735,230		1,735,230	911,001	824,229
Ki-Chi-Ha-Gamic Home	487,200		487,200	255,717	231,483
Multi-purpose building		984,537	984,537	24,613	959,924
	\$ 14,386,392	<u>1,090,629</u>	<u>15,477,021</u>	<u>5,316,261</u>	<u>10,160,760</u>

EXHIBIT "H"

WAPEKEKA FIRST NATION  
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13. 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 contribution arrangements.

14. FEDERAL ASSISTANCE PAYMENTS

The Ki-Chi-Ha-Gamic Home has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to reduce mortgage interest expense to 2% to enable the project to provide housing to low-income individuals. The amount of assistance received in 2014 was \$24,876 (2013 - \$28,041).

15. AVAILABLE OPERATING LINES OF CREDIT

The First Nation has available operating lines of credit facilities totalling \$270,000 with the Royal Bank, repayable on demand with interest at Royal Bank prime rate plus 1.75%. These lines of credit were not utilized at March 31, 2014.

16. COMPARATIVE FIGURES

Some comparative figures for the previous year have not been shown in these financial statements, as the information is not considered to be meaningful for comparison with the current year. Certain comparative figures for the previous year have been reclassified to conform with the current year's financial statement presentation.

17. BUDGET INFORMATION

Budget data was included when available. The budget figures are unaudited.

EXHIBIT "H"

WAPEKEKA FIRST NATION  
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MARCH 31, 2014

18. SEGMENT DISCLOSURE

	Band Support			Municipal Services			Education Services		
	Budget	2014	2013	Budget	2014	2013	Budget	2014	2013
<b>REVENUE</b>									
Federal government	\$ 509,221	509,221	474,193		1,065,790	984,722	1,083,755	1,083,755	1,004,396
Provincial government									
Economic activities									
Net income from investments in government business enterprises									
Other revenue	300,779	290,907	417,430		20,550	76,250	226,231	290,269	248,510
<b>TOTAL REVENUE</b>	<b>810,000</b>	<b>800,128</b>	<b>891,623</b>		<b>1,086,340</b>	<b>1,060,972</b>	<b>1,309,986</b>	<b>1,374,024</b>	<b>1,252,906</b>
<b>EXPENSES</b>									
Honoraria	258,600	251,190	253,200		304,085	267,219	379,645	491,621	492,552
Chief and Councillors									
Elders and Board Members	222,000	253,262	216,900		457,220	459,402	12,326	12,326	19,294
Wages and benefits					(285,335)				
Amortization									
Tangible capital assets									
Interest	12,000	23,523	24,957						
Other expenses	115,800	496,270	400,670						
<b>TOTAL EXPENSES</b>	<b>608,400</b>	<b>1,481,465</b>	<b>1,069,794</b>		<b>928,618</b>	<b>989,370</b>	<b>843,341</b>	<b>876,181</b>	<b>665,627</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 201,600</b>	<b>(681,337)</b>	<b>(178,171)</b>		<b>1,232,703</b>	<b>1,256,589</b>	<b>1,222,986</b>	<b>1,380,128</b>	<b>1,177,473</b>
					<b>(146,363)</b>	<b>(195,617)</b>	<b>87,000</b>	<b>(6,104)</b>	<b>75,433</b>

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WAPEKEKA FIRST NATION  
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MARCH 31, 2014

18. SEGMENT DISCLOSURE, continued

REVENUE	\$	Social Services			Economic Development			Capital Projects	
		Budget	2014	2013	Budget	2014	2013	Budget	2014
Federal government		424,006	466,297	50,000	50,000	50,000	50,000	424,913	412,110
Provincial government		932,970	904,253						
Economic activities									
Net income from investments in government business enterprises									
Other revenue		(66,969)	(54,924)	50,800	65,666	57,931		25,609	497,110
<b>TOTAL REVENUE</b>		<b>1,290,007</b>	<b>1,315,626</b>	<b>100,800</b>	<b>115,666</b>	<b>107,931</b>		<b>450,522</b>	<b>909,220</b>
EXPENSES									
Honoraria									
Chief and Councillors									
Elders and Board Members									
Wages and benefits									
Amortization									
Tangible capital assets									
Interest									
Other expenses		1,185,385	1,265,135	6,000	19,980	14,527		336,591	729,516
<b>TOTAL EXPENSES</b>		<b>1,282,617</b>	<b>1,353,748</b>	<b>100,800</b>	<b>115,666</b>	<b>107,931</b>		<b>450,522</b>	<b>917,198</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$</b>	<b>7,390</b>	<b>(38,122)</b>						<b>(7,978)</b>

EXHIBIT "H"

WAPEKEKA FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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18. SEGMENT DISCLOSURE, continued

	Health Services			Total		
	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE</b>						
Federal government	\$ 2,032,765	2,032,765	1,922,240	3,625,741	5,776,326	5,419,612
Provincial government					1,056,170	904,253
Economic activities						
Net income from investments in government business enterprises						
Other revenue	50,984	98,893	65,416	577,994	2,070,041	2,414,139
<b>TOTAL REVENUE</b>	<b>2,083,749</b>	<b>2,131,658</b>	<b>1,987,656</b>	<b>4,203,735</b>	<b>8,902,537</b>	<b>8,738,004</b>
 <b>EXPENSES</b>						
Honoraria						
Chief and Councillors						
Elders and Board Members	14,400	11,900	12,680	258,600	251,190	253,200
Wages and benefits	237,458	253,900	220,111	14,400	13,400	12,680
Amortization						
Tangible capital assets						
(53,828)						
Interest						
Other expenses						
<b>TOTAL EXPENSES</b>	<b>1,501,972</b>	<b>1,806,796</b>	<b>1,624,724</b>	<b>12,000</b>	<b>2,461,113</b>	<b>28,758</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 329,919</b>	<b>112,890</b>	<b>130,141</b>	<b>618,519</b>	<b>(744,882)</b>	<b>(444,695)</b>

**WAPEKEKA FIRST NATION**  
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18. SEGMENT DISCLOSURE, continued

	<u>Revenue</u>	<u>Ki-Ch-Ha-Gamic Home</u>		<u>OPENP and Other Programs</u>	
		<u>Budget</u>	<u>2014</u>	<u>Budget</u>	<u>2014</u>
Federal government	\$ 24,876	28,041		161,000	77,613
Provincial government				123,200	173,200
Economic activities					
Net income from investments in government business enterprises		45,641	29,309		1,299,475
Other revenue					903,907
<b>TOTAL REVENUE</b>	<b>\$ 70,517</b>	<b>57,350</b>		<b>1,583,675</b>	<b>1,154,720</b>
<b>EXPENSES</b>					
Honoraria				1,500	
Chief and Councillors				512,175	502,199
Elders and Board Members		26,775	27,550		
Wages and benefits					
Amortization					
Tangible capital assets		5,235	6,735		
Interest		39,107	23,184		
Other expenses				1,100,758	882,783
<b>TOTAL EXPENSES</b>	<b>\$ 71,117</b>	<b>57,469</b>		<b>1,614,433</b>	<b>1,384,982</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (600)</b>	<b>(119)</b>		<b>(30,758)</b>	<b>(230,262)</b>