

Consolidated Financial Statements of

## **POTLOTEK FIRST NATION**

Year ended March 31, 2014

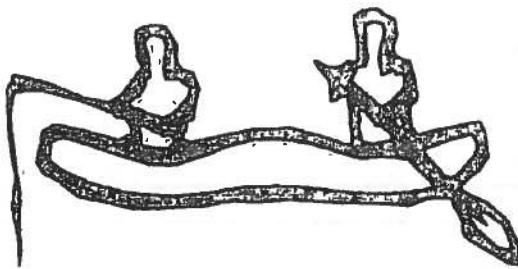


# POTLOTEK FIRST NATION

## Consolidated Financial Statements

Year ended March 31, 2014

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# POTLOTÉK FIRST NATION

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## MANAGEMENT'S REPORT

### Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Potlotek First Nation are the responsibility of management and have been approved by the Council

The consolidated financial statements have been prepared by management in accordance with Canadian 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 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 consolidated financial statements and the external auditor's report.

The external auditors, MGM & Associates, Chartered Accountants, 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 Potlotek First Nation and meet when required

On behalf of Potlotek First Nation

  
Lindsay R. Marshall  
July 22, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Members of  
Potlotek First Nation

We have audited the accompanying consolidated financial statements of Potlotek First Nation which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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' 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 auditors consider 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 audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Potlotek 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.

A handwritten signature in black ink that reads "MGM &amp; Associates".

Chartered Accountants  
Sydney, Canada

July 22, 2014

# POTLOTEK FIRST NATION

## Consolidated Statement of Financial Position

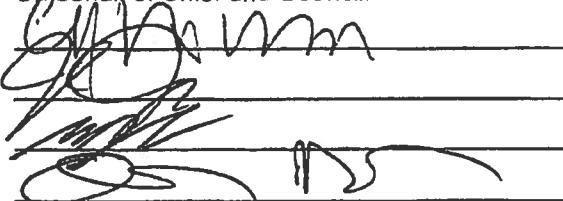
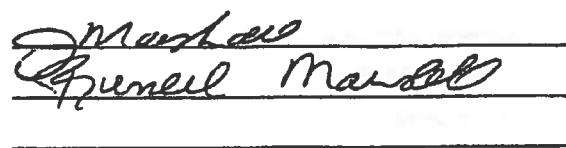
March 31, 2014, with comparative figures for 2013

	2014	2013
<b>FINANCIAL ASSETS</b>		
Restricted cash – CMHC replacement reserve	\$ 151,179	\$ 151,179
Restricted cash – MK capital projects	100,000	100,000
Accounts receivable (note 2)	145,337	146,698
Due from federal government (note 3)	649,947	614,158
Due from provincial government (note 4)	114,066	103,132
Inventories held for resale (note 5)	73,225	60,963
Trust funds – Aboriginal Affairs and Northern Development Canada (note 6)	5,638	5,633
	<u>1,239,392</u>	<u>1,181,763</u>
<b>LIABILITIES</b>		
Cheques issued in excess of funds on deposit	978,644	460,943
Bank indebtedness	421,545	518,671
Accounts payable and accrued liabilities (note 7)	2,452,059	1,824,451
Deferred revenue (note 8)	310,809	225,452
Deferred revenue – obligatory reserve funds (note 9)	409,448	409,448
Long-term debt (note 10)	4,708,107	5,145,340
	<u>9,280,612</u>	<u>8,584,305</u>
<b>NET DEBT</b>	<b>(8,041,220)</b>	<b>(7,402,542)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 11)	11,663,574	12,435,451
Intangible assets	600,000	600,000
Inventory, prepaid expenses and other	63,630	76,766
	<u>12,327,204</u>	<u>13,112,217</u>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 4,285,984</b>	<b>\$ 5,709,675</b>

Contingencies (note 17)

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements

On behalf of Chief and Council:

# POTLOTEK FIRST NATION

## Consolidated Statement of Operations

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013	
	Budget	Actual	Actual
<b>REVENUES</b>			
Transfers from Federal Government			
Aboriginal Affairs and Northern Development			
Canada (Schedule A-17)	\$ 2,859,684	\$ 2,994,048	\$ 3,244,647
Mi'kmaw Kina'matnewey	2,700,000	2,509,022	2,672,992
Health Canada	645,000	675,171	598,121
METS	175,000	230,620	215,204
Fisheries and Oceans Canada	192,000	211,347	454,062
Transfers from Provincial Government	—	340,671	207,807
Revenue from own sources	6,702,000	6,392,892	6,380,709
Rental income	323,400	323,400	323,400
Subsidy	175,000	161,657	175,008
RRAP	—	—	16,000
Other	70,000	70,031	124,233
	13,842,084	13,908,859	14,412,183
<b>EXPENSES</b>			
Administration and management			
	782,500	856,538	921,796
Economic and employment development			
	42,000	48,264	46,641
Operations and maintenance			
	560,000	678,068	564,129
Social development			
	1,865,000	1,869,750	1,599,754
Education			
	2,697,000	2,790,126	2,739,487
Capital, housing and infrastructure			
	621,000	473,147	483,402
Health			
	645,000	736,900	676,370
Fisheries – treaty			
	182,000	313,638	280,031
Fisheries – commercial			
	1,360,000	1,320,371	1,282,247
Gas bar			
	3,427,000	3,406,443	3,335,428
METS			
	265,000	285,238	263,567
Gaming			
	580,000	1,149,195	1,324,584
Other			
	85,000	72,489	94,809
Tobacco			
	40,000	119,888	127,618
Social housing			
	240,051	216,994	295,789
Amortization of tangible capital assets			
	995,501	995,501	1,009,327
	14,387,052	15,332,550	15,044,979
<b>ANNUAL DEFICIT</b>	(544,968)	(1,423,691)	(632,796)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>5,709,675</b>	<b>5,709,675</b>	<b>6,342,471</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 5,164,707</b>	<b>\$ 4,285,984</b>	<b>\$ 5,709,675</b>

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

# POTLOTEK FIRST NATION

## Consolidated Statement of Change in Net Debt

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
<b>ANNUAL DEFICIT</b>	\$ (1,423,691)	\$ (632,796)
Tangible capital assets		
Acquisition of tangible capital assets	(223,624)	(28,028)
Amortization of tangible capital assets	995,501	1,009,327
	771,877	981,299
Other non-financial assets		
Decrease (increase) in inventory, prepaid expenses and other	13,136	(4,619)
<b>DECREASE (INCREASE) IN NET DEBT</b>	<b>(638,678)</b>	<b>343,884</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(7,402,542)</b>	<b>(7,746,426)</b>
<b>NET DEBT, END OF YEAR</b>	<b>\$ (8,041,220)</b>	<b>\$ (7,402,542)</b>

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements

# POTLOTEK FIRST NATION

## Consolidated Statement of Cash Flows

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
<b>Cash provided by (used in)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual deficit	\$ (1,423,691)	\$ (632,796)
Add amortization of tangible capital assets	995,501	1,009,327
Change in non-cash operating items		
Decrease (increase) in accounts receivable	1,361	(28,004)
Increase in due from federal government	(35,789)	(284,062)
Decrease (increase) in due from provincial government	(10,934)	13,558
Increase in inventories held for resale	(12,262)	(1,223)
Decrease (increase) in inventory, prepaid expenses and other	13,136	(4,619)
Increase in accounts payable and accrued liabilities	627,598	6,276
Increase in deferred revenue	85,357	67,857
	<u>240,277</u>	<u>146,314</u>
<b>FINANCING ACTIVITIES</b>		
Issuance of long-term debt	92,410	-
Principal payments on long-term debt	(529,643)	(720,166)
	<u>(437,233)</u>	<u>(720,166)</u>
<b>INVESTING ACTIVITIES</b>		
Additions to tangible capital assets	(223,624)	(28,028)
Increase in trust funds	5	-
	<u>(223,619)</u>	<u>(28,028)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(420,575)</b>	<b>(601,880)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>(728,435)</b>	<b>(126,555)</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ (1,149,010)</u></b>	<b><u>\$ (728,435)</u></b>
<b>Cash and cash equivalents is comprised of the following</b>		
Restricted cash – CMHC replacement reserve	\$ 151,179	\$ 151,179
Restricted cash – MK capital projects	100,000	100,000
Cheques issued in excess of funds on deposit	(978,644)	(460,943)
Bank indebtedness	(421,545)	(518,671)
	<u><b>\$ (1,149,010)</b></u>	<u><b>\$ (728,435)</b></u>

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements

# POTLOTEK FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2014

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### NATURE OF OPERATIONS

Potlotek First Nation Council is comprised of a Chief and six councilors under the Indian Act of Canada. The Council is accountable to the local Mi'kmaq community members for the delivery of programs and services, management of all financial resources and planning to support future community-based self-government.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants

#### (b) Reporting entity

The Potlotek First Nation reporting entity includes Potlotek First Nation government and all related entities which are accountable to the First Nation

#### (c) Principles of consolidation

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation

Potlotek First Nation Operating and Capital Funds

Potlotek First Nation Trust Funds

Canada Mortgage and Housing Corporation Fund

Potlotek Expedition Gas and Convenience

#### (d) Fund accounting

The resources and operations of the First Nation are comprised of the operating, capital and housing funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund

#### (e) 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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale.

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of outstanding cheques and deposits, 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.

### (g) Inventories

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

### (h) Tangible capital assets

Tangible capital assets acquired since 1987 are reported in the consolidated statement of financial position at cost net of accumulated amortization. All tangible capital assets acquired prior to 1987 have been written off. They are amortized on a straight-line basis over their estimated useful lives at the following rates.

Asset	Basis	Rate
Buildings	Straight-line	20-25 years
Equipment	Straight-line	5-10 years
Lagoons and water systems	Straight-line	25 years
Fishing vessels	Straight-line	20 years

A full year's amortization is taken in the year of acquisition

Tangible capital assets are written down when conditions indicate that 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 tangible 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 tangible 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.

### (i) Intangible assets

Intangible assets consist of purchased fishing licenses and are recorded at cost. They are not amortized as they have an indefinite life.

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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 transfer stipulations give rise to liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities 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.

### (l) Financial instruments

#### Measurement of financial instrument

The First Nation initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities as follows:

Financial instrument	Measurement basis
Cash/cheques issued in excess of funds on deposit	Fair value
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Bank indebtedness	Amortized cost

Transaction costs related to financial assets are expensed as incurred.

#### Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenues and expenses in the consolidated financial statements and accompanying notes. Items requiring the use of significant estimates and assumptions include the valuation of receivables, inventories, capital assets and intangible assets. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

## 2. ACCOUNTS RECEIVABLE

	2014	2013
Members	\$ 50,415	\$ 44,660
Lottery retailers	86,888	81,327
Tobacco supplier	15,288	12,099
Other	26,100	41,966
	178,691	180,052
Allowance for doubtful accounts	33,354	33,354
	<hr/> <b>\$ 145,337</b>	<hr/> <b>\$ 146,698</b>

## 3. DUE FROM FEDERAL GOVERNMENT

	2014	2013
Aboriginal Affairs and Northern Development Canada	\$ 36,022	\$ 19,389
Mi'kmaq Employment/Training Secretariat Inc	45,181	37,884
Health Canada	-	2,369
Mi'kmaw Kina'matnewey	121,951	58,134
Fisheries and Oceans Canada	277,825	372,589
HST	168,968	123,793
	<hr/> <b>\$ 649,947</b>	<hr/> <b>\$ 614,158</b>

## 4. DUE FROM PROVINCIAL GOVERNMENT

	2014	2013
Province of Nova Scotia	<hr/> <b>\$ 114,066</b>	<hr/> <b>\$ 103,132</b>

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 5. INVENTORY HELD FOR RESALE

	2014	2013
Gas bar	\$ 73,225	\$ 60,963

## 6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

Trust fund accounts arise from moneys 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.

	Balance March 31, 2013	Additions	Withdrawals	Balance March 31, 2014
Trust funds	\$ 5,633	\$ 5	\$ -	\$ 5,638

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Trade	\$ 2,048,052	\$ 1,657,596
Accrued salaries and employee benefits payable	404,007	166,855
	<b>\$ 2,452,059</b>	<b>\$ 1,824,451</b>

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 8. DEFERRED REVENUE

	Balance March 31, 2013	Funding received 2014	Revenue recognized 2014	Balance March 31, 2014
Federal government				
Aboriginal Affairs and Northern Development Canada				
Response	\$      -	\$    56,190	\$   (8,190)	\$   48,000
Canada Mortgage and Housing Corporation				
Capital projects	20,595	-	(20,595)	-
Mi'kmaw Kina'matnewey				
Capital projects	100,000	-	-	100,000
Summer Games	-	50,000	-	50,000
	120,595	50,000	(20,595)	150,000
Provincial government				
Other	20,000	-	-	20,000
Other	84,857	25,000	(17,048)	92,809
<b>Total</b>	<b>\$ 225,452</b>	<b>\$ 131,190</b>	<b>\$ (45,833)</b>	<b>\$ 310,809</b>

## 9. DEFERRED REVENUE – OBLIGATORY RESERVE FUNDS

### CMHC

Under the terms of housing agreements with CMHC to construct new housing units pursuant to Section 95, certain housing account reserves are to be maintained

A replacement reserve account is to be funded annually for each housing project in an amount determined by CMHC and these funds along with accumulated interest must be held in a separate bank account and its use restricted to expenses approved by CMHC. A subsidy reserve account may be funded to a specified maximum per housing unit out of excess federal subsidy assistance payments with the funds and accumulated interest to be held in a separate bank account with the use of these funds restricted to expenses approved by CMHC

At March 31, 2014, funds along with interest held in these housing reserve bank savings accounts are \$151,179 and amounts required to be maintained are as follows

	2014	2013
Housing Replacement Reserve	\$ 409,448	\$ 409,448

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 10. LONG-TERM DEBT

	2014	2013
Mortgages (15) payable to CMHC with mortgage rates from 1.01% - 5.49% with monthly instalments of principal and interest from \$266 - \$4,547, maturing from October, 2014 – September, 2018	\$ 2,837,623	\$ 2,873,399
Section 10 mortgage payable to Royal Bank of Canada with a mortgage rate of 3.89%, repayable in monthly instalments of principal and interest of \$1,560, maturing July, 2015 and amortized to June, 2025	171,460	183,225
Mortgages (4) payable to Royal Bank of Canada with mortgage rates of 3.3% - 3.89% with monthly instalments of principal and interest of \$373 - \$762, maturing January, 2015 to July, 2015 and amortized to April, 2025	260,245	300,058
Mortgages (4) payable to Peace Hills Trust Company with a mortgage rates of 3.55% - 3.95% with monthly instalments from \$799 to \$1,702, maturing May 1, 2014 to January 1, 2017 and amortized to May, 2014 to January, 2022	148,132	207,788
Loan payable to Peace Hills Trust Company with an interest rate of 4.15% with monthly instalments of principal and interest of \$900, maturing and amortized to October, 2017	23,885	32,662
Loan payable to Peace Hills Trust Company with an interest rate of 5.0% with monthly instalments of principal and interest of \$2,050, maturing October, 2016 and amortized to November, 2016	58,843	79,120
Loan payable to Peace Hills Trust Company with an interest rate of prime plus 2%, with monthly payments of principal and interest of \$5,303, maturing January, 2018 and amortized to March, 2021	439,884	477,046
Loan payable to Peace Hills Trust Company with an interest rate of 4.5%, with quarterly instalments of principal and interest of \$5,420, maturing April 1, 2018 and amortized to March, 2021	158,506	177,448
Loan payable to Peace Hills Trust Company with an interest rate of 3.95%, with monthly instalments of principal and interest of \$384, maturing April 1, 2018, amortized to April, 2028	49,905	52,506

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 10. LONG-TERM DEBT (CONTINUED)

	2014	2013
Carry forward	\$ 4,148,483	\$ 4,383,252
Loan payable to Peace Hills Trust Company with an interest rate of 3.95%, with monthly instalments of principal and interest of \$465, maturing July 1, 2018, amortized to July, 2028	61,926	64,900
Loan payable to Peace Hills Trust Company with an interest rate of 6.5% with annual principal payment of \$70,000 and blended monthly payments of \$2,099, maturing and amortized to October 1, 2017	240,430	315,519
Loan payable to Peace Hills Trust Company with an interest rate of 6.5% with monthly instalments of principal and interest of \$11,550, maturing May 1, 2015 and amortized to 2017	248,342	366,555
Loan payable to Peace Hills Trust Company with an interest rate of 7.0% with annual principal payments of \$588 and interest paid monthly, maturing July 1, 2015 and amortized to 2017	8,926	15,114
<b>Total long-term debt</b>	<b>\$ 4,708,107</b>	<b>\$ 5,145,340</b>

Principal repayments for the next five years are as follows:

	Total
2015	\$ 480,000
2016	482,000
2017	451,000
2018	335,000
2019	324,000

The long-term debt in the CMHC Fund is secured by separate Aboriginal Affairs and Northern Development Canada Ministerial guarantees

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 11. TANGIBLE CAPITAL ASSETS

	Cost					Transfer of assets	Closing Balance
	Opening Balance	Additions	Disposals				
Land	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
<b>Buildings</b>							
Fire Hall	93,336	-	-	-	-	-	93,336
Island church	39,578	-	-	-	-	-	39,578
Band office	106,912	-	-	-	-	-	106,912
Daycare	71,588	-	-	-	-	-	71,588
Gas bar	1,309,702	-	-	-	-	-	1,309,702
Fishery Complex	404,925	-	-	-	-	-	404,925
Housing demo	199,683	-	-	-	-	-	199,683
Police station	222,849	-	-	-	-	-	222,849
Youth centre	121,098	-	-	-	-	-	121,098
School	3,111,951	-	-	-	-	-	3,111,951
Medical centre	534,872	-	-	-	-	-	534,872
School Board admin	219,445	-	-	-	-	-	219,445
Mobile homes	136,347	-	-	-	-	-	136,347
Old store	193,298	-	-	-	-	-	193,298
Investment in housing	430,699	-	-	-	-	-	430,699
Co-op	30,210	-	-	-	-	-	30,210
Social housing	9,978,757	226,051	-	-	-	-	10,204,808
<b>Equipment</b>							
Garbage trucks	72,060	-	-	-	-	-	72,060
Snow plow	78,195	-	-	-	-	-	78,195
Medical	24,299	-	-	-	-	-	24,299
Fire trucks	180,983	-	-	-	-	-	180,983
Old store	10,700	-	-	-	-	-	10,700
Co-op	130,784	-	-	-	-	-	130,784
Truck	24,539	-	-	-	-	-	24,539
<b>Other</b>							
Fishing vessels	1,449,975	-	-	-	-	-	1,449,975
Sewer and water	3,499,185	-	-	-	-	-	3,499,185
Tennis courts	40,605	-	-	-	-	-	40,605
Ball fields	50,875	-	-	-	-	-	50,875
Co-op	48,786	-	-	-	-	-	48,786
Expedition Gas and Convenience	105,826	-	(2,427)	-	-	-	103,399
Roads	765,672	-	-	-	-	-	765,672
<b>Total</b>	<b>\$ 23,757,734</b>	<b>\$ 226,051</b>	<b>\$ (2,427)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,981,358</b>

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 11. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Accumulated amortization					Net book value	
	Opening Balance	Amortization	Disposals, write-offs and other adjustments		Closing Balance	Total 2014	Total 2013
			\$	–		\$	70,000
<b>Tangible assets</b>							
Land	\$	–	\$	–	\$	–	\$ 70,000
Buildings							
Fire Hall	70,000	4,667	–	74,667	18,669	23,336	
Island church	14,247	1,583	–	15,830	23,748	25,331	
Band office	90,879	5,345	–	96,224	10,688	16,033	
Daycare	57,287	3,579	–	60,846	10,742	14,321	
Gas bar	392,910	65,485	–	458,395	851,307	916,792	
Fishery Complex	283,448	40,492	–	323,940	80,985	121,477	
Housing demo	127,794	7,987	–	135,781	63,902	71,889	
Police station	98,294	8,914	–	107,208	115,641	124,555	
Youth centre	43,596	4,844	–	48,440	72,658	77,502	
School	1,866,250	124,478	–	1,990,728	1,121,223	1,245,701	
Medical centre	277,365	21,395	–	298,760	236,112	257,507	
School Board admin	61,639	10,973	–	72,612	146,833	157,806	
Mobile homes	29,724	5,454	–	35,178	101,169	106,823	
Old store	141,724	9,665	–	151,389	41,909	51,574	
Investment in housing	234,654	17,228	–	251,882	178,817	196,045	
Co-op	13,119	1,209	–	14,328	15,882	17,091	
Social housing	4,790,946	399,150	–	5,190,096	5,014,712	5,187,811	
Equipment							
Garbage trucks	50,443	7,206	–	57,649	14,411	21,817	
Snow plow	78,195	–	–	78,195	–	–	
Medical	24,299	–	–	24,299	–	–	
Fire trucks	180,983	–	–	180,983	–	–	
Old store	10,700	–	–	10,700	–	–	
Co-op	124,982	1,450	–	126,432	4,352	5,802	
Truck	14,724	7,362	–	22,086	2,453	9,815	
Other							
Fishing vessels	868,011	72,499	–	940,510	509,465	581,964	
Sewer and water	1,161,704	139,967	–	1,301,671	2,197,514	2,337,481	
Tennis courts	40,605	–	–	40,605	–	–	
Ball fields	45,788	5,087	–	50,875	–	5,087	
Co-op	48,786	–	–	48,786	–	–	
Expedition Gas and –							
Convenience	21,781	10,340	–	32,121	71,278	84,045	
Roads	57,426	19,142	–	76,568	689,104	708,248	
<b>Total</b>	<b>\$ 11,322,283</b>	<b>\$ 995,501</b>	<b>\$ –</b>	<b>\$ 12,317,784</b>	<b>\$ 11,663,574</b>	<b>\$ 12,435,451</b>	

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 12. GOVERNMENT TRANSFERS

	2014			2013		
	Operating	Capital	Total	Operating	Capital	Total
<b>Federal government transfers</b>						
Aboriginal Affairs and Northern Development						
Canada	\$ 2,798,297	\$ 195,751	\$ 2,994,048	\$ 2,995,482	\$ 249,155	\$ 3,244,647
Health Canada	675,171	—	675,171	583,382	14,739	598,121
Mi'kmaq Kins'matnewey	2,509,022	—	2,509,022	2,672,992	—	2,672,992
Canada Mortgage and Housing Corporation	161,657	—	161,657	191,008	—	191,008
Fisheries and Oceans						
Canada	211,347	—	211,347	384,856	69,206	454,062
Other	230,620	—	230,620	215,204	—	215,204
Total	6,586,114	195,751	6,781,865	7,042,924	333,110	7,376,034
Provincial government transfers	340,671	—	340,671	207,807	—	207,807
	<b>\$ 6,926,785</b>	<b>\$ 195,751</b>	<b>\$ 7,122,536</b>	<b>\$ 7,250,731</b>	<b>\$ 333,110</b>	<b>\$ 7,583,841</b>

## 13. EXPENSES BY OBJECT

The following is a summary of expenses by object.

	2014		
	Budget	Actual	Actual
	(unaudited)		
Salaries, wages and employee benefits	\$ 5,350,000	\$ 5,431,451	\$ 5,247,623
Professional development and travel	100,000	101,393	113,480
Supplies and services	160,000	178,891	146,234
Interest	217,000	217,333	247,827
Professional services	250,000	322,779	230,297
Fees and contract services	225,000	237,237	224,545
Utilities	305,000	310,137	298,250
Expedition Gas and Convenience purchases	3,022,000	3,030,079	2,926,041
Other	2,527,500	4,507,749	4,601,355
Amortization	995,000	995,501	1,009,327
	<b>\$13,151,500</b>	<b>\$15,332,550</b>	<b>\$15,044,979</b>

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 14. SEGMENT DISCLOSURE

	Education			Health		
	Budget	2014 Actual	2013 Actual	Budget	2014 Actual	2013 Actual
	(unaudited)			(unaudited)		
<b>REVENUES</b>						
Federal government						
Operating	\$ 2,700,000	\$ 2,509,023	\$ 2,672,992	\$ 645,000	\$ 675,171	\$ 583,382
Capital	—	—	—	—	—	14,739
Provincial government						
Operating	—	222,932	106,875	—	—	—
Other	—	800	61,800	—	60,320	62,433
	2,700,000	2,732,755	2,841,667	645,000	735,491	660,554
<b>EXPENSES</b>						
Salaries and benefits	1,600,000	1,573,393	1,504,431	450,000	436,901	460,516
Debt servicing	9,000	8,961	13,015	—	—	—
Other	1,088,000	1,207,772	1,222,041	195,000	299,999	215,854
Amortization	—	—	—	—	—	—
	2,697,000	2,790,126	2,739,487	645,000	736,900	676,370
<b>ANNUAL SURPLUS (DEFICIT)</b>						
	\$ 3,000	\$ (57,371)	\$ 102,180	\$ —	\$ (1,409)	\$ (15,816)

	Operations and Maintenance			Capital Housing and Infrastructure		
	Budget	2014 Actual	2013 Actual	Budget	2014 Actual	2013 Actual
	(unaudited)			(unaudited)		
<b>REVENUES</b>						
Federal government						
Operating	\$ 319,800	\$ 331,061	\$ 348,896	\$ —	\$ —	\$ 257,263
Capital	—	—	48,000	133,484	195,751	201,165
Provincial government						
Operating	—	—	—	—	—	—
Other	—	—	—	—	—	—
	319,800	331,061	396,896	133,484	195,751	458,428
<b>EXPENSES</b>						
Salaries and benefits	170,000	172,595	154,701	140,000	143,470	63,842
Debt servicing	—	—	—	60,000	59,723	126,995
Other	390,000	505,473	409,428	421,000	269,954	292,565
Amortization	—	—	—	—	—	—
	560,000	678,068	564,129	621,000	473,147	483,402
<b>ANNUAL SURPLUS (DEFICIT)</b>						
	\$ (240,200)	\$ (347,007)	\$ (167,233)	\$ (487,516)	\$ (277,396)	\$ (24,974)

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 14. SEGMENT DISCLOSURE (CONTINUED)

	Social Development			Band Government		
	Budget	2014 Actual	2013 Actual	Budget	2014 Actual	2013 Actual
	(unaudited)			(unaudited)		
<b>REVENUES</b>						
Federal government						
Operating	\$ 1,880,000	\$ 1,925,736	\$ 1,876,574	\$ 452,400	\$ 469,090	\$ 450,465
Capital	—	—	—	—	—	—
Provincial government						
Operating	—	—	—	—	—	—
Other	—	—	—	—	—	—
	1,880,000	1,925,736	1,876,574	452,400	469,090	450,465
<b>EXPENSES</b>						
Salaries and benefits	235,000	230,005	234,958	550,000	533,280	584,379
Debt servicing	—	—	—	—	—	—
Other	1,630,000	1,639,745	1,364,796	232,500	323,258	337,417
Amortization	—	—	—	—	—	—
	1,865,000	1,869,750	1,599,754	782,500	856,538	921,796
<b>ANNUAL SURPLUS (DEFICIT)</b>						
	\$ 15,000	\$ 55,986	\$ 276,820	\$ (330,100)	\$ (387,448)	\$ (471,331)
	Other			Total		
	Budget	2014 Actual	2013 Actual	Budget	2014 Actual	2013 Actual
	(unaudited)			(unaudited)		
<b>REVENUES</b>						
Federal government						
Operating	\$ 441,000	\$ 676,033	\$ 853,352	\$ 6,438,200	\$ 6,586,114	\$ 7,042,924
Capital	—	—	69,206	133,484	195,751	333,110
Provincial government						
Operating	—	117,738	100,932	—	340,670	207,807
Other	6,772,000	6,725,204	6,704,109	6,772,000	6,786,324	6,828,342
	7,213,000	7,518,975	7,727,599	13,343,684	13,908,859	14,412,183
<b>EXPENSES</b>						
Salaries and benefits	2,205,000	2,341,807	2,244,795	5,350,000	5,431,451	5,247,622
Debt servicing	148,000	148,649	107,817	217,000	217,333	247,827
Other	2,633,000	4,442,064	4,698,102	8,589,500	8,688,265	8,540,203
Amortization	995,000	995,501	1,009,327	995,000	995,501	1,009,327
	5,981,000	7,928,021	8,060,041	13,151,500	15,332,550	15,044,979
<b>ANNUAL SURPLUS (DEFICIT)</b>						
	\$ 1,232,000	\$ (409,046)	\$ (332,442)	\$ 192,184	\$ (1,423,691)	\$ (632,796)

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 15. ACCUMULATED SURPLUS

	2014	2013
Operating	\$ (1,827,124)	\$ (840,643)
Capital	5,813,853	6,119,981
Social Housing	293,617	424,704
Trust Fund	5,638	5,633
	<hr/> <b>\$ 4,285,984</b>	<hr/> <b>\$ 5,709,675</b>

## 16. PENSION PLAN

The First Nation maintains a defined contribution pension plan for its current employees. The total expense recognized in the statement of operations for the defined contribution pension plan is \$74,718 (2013 - \$64,822), which represents the total cash amount paid or payable by the First Nation to the plan during the year.

## 17. CONTINGENCIES

Potlotek First Nation has entered into 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.

## 18. FINANCIAL INSTRUMENTS

The First Nation is exposed to various risks through its financial instruments and includes the following significant risks at March 31, 2014.

### Credit risk

The First Nation's credit risk results from trade accounts receivable and receivables from other levels of government.

The First Nation extends credit to members and also receives rebates from various sources. When required, the First Nation records an allowance for doubtful accounts for items where collection is no longer assured.

Amounts owing from other levels of government are based on funding agreements and subject to review by the applicable government body.

The First Nation is not exposed to significant concentration risk.

# POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 18. FINANCIAL INSTRUMENTS (continued)

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation's interest rate risk arises from long-term borrowings at a fixed rate that creates fair value interest rate risk. Changes in market interest rates cause the fair value of long-term debt with fixed interest rates to fluctuate but do not affect the statement of operations, as the First Nation's debt is carried at amortized cost and the carrying value does not change as interest rates change.

### Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation manages this risk through the preparation of budgets and by monitoring forecasted and actual cash flows.

The First Nation's future obligations with respect to debt repayments are disclosed in note 8.

## 19. ECONOMIC DEPENDENCE

The Potlotek First Nation receives a major portion of its revenues pursuant to a funding arrangements with Aboriginal Affairs and Northern Development Canada, Mi'kmaw Kina'matnewey and Health Canada. The continued operation of the First Nation is dependent on the continuation of this funding arrangement.

## 20. COMPARATIVE FIGURES

Certain of the 2013 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

## 21. BUDGETED FIGURES

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

# POTLOTEK FIRST NATION

Schedule A-1 – Non-Consolidated Schedule of Operating Fund and Change in Fund Balance  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
	Budget	Actual
<b>REVENUES</b>		
Transfers from Federal Government		
Aboriginal Affairs and Northern		
Development Canada	\$ 2,859,684	\$ 2,994,048
Mi'kmaq Kina'matnewey	2,700,000	2,509,022
Health Canada	645,000	675,171
METS	175,000	230,620
Fisheries and Oceans Canada	192,000	211,347
Transfers from Provincial Government	–	340,671
Revenue from own sources	6,702,000	6,392,892
RRAP	–	16,000
Other	70,000	70,026
	13,343,684	13,423,797
	13,913,775	
<b>EXPENSES</b>		
Administration and management	782,500	856,538
Economic and employment development	42,000	48,264
Operations and maintenance	560,000	678,068
Social development	1,865,000	1,869,750
Education	2,697,000	2,790,126
Capital, housing and infrastructure	621,000	473,147
Health program	645,000	736,900
Fisheries – treaty	182,000	313,638
Fisheries – commercial	1,360,000	1,320,371
Gas bar	3,427,000	3,406,443
METS	265,000	285,238
Gaming	580,000	1,149,195
Other	85,000	72,489
Tobacco	40,000	119,888
	13,151,500	14,120,055
	13,740,643	
Excess (deficiency) of revenues over expenses before the following	192,184	(696,258)
Financing and transfers		
Term loan principal instalments	(290,223)	(290,223)
<b>ANNUAL DEFICIT</b>	<b>(98,039)</b>	<b>(986,481)</b>
<b>ACCUMULATED DEFICIT, BEGINNING OF YEAR</b>	<b>(840,643)</b>	<b>(840,643)</b>
<b>ACCUMULATED DEFICIT, END OF YEAR</b>	<b>\$ (938,682)</b>	<b>\$ (1,827,124)</b>
	<b>\$ (840,643)</b>	

# POTLOTEK FIRST NATION

## Schedule A-2 – Non-Consolidated Schedule of Revenues and Expenses (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013	
	Budget	Actual	Actual
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BY DEPARTMENT</b>			
Administration and Management (Schedule A-3)			
Economic and employment development (Schedule A-4)	\$ (330,100)	\$ (387,448)	\$ (471,331)
Operations and maintenance (Schedule A-5)	17,000	11,389	12,254
Social development (Schedule A-6)	(240,200)	(347,007)	(167,233)
Education (Schedule A-7)	15,000	55,986	276,820
Capital, housing and infrastructure (Schedule A-8)	3,000	(57,371)	102,180
Health (Schedule A-9)	(487,516)	(277,396)	(24,974)
Fisheries – Treaty (Schedule A-10)	10,000	(102,291)	174,031
Fisheries – Commercial (Schedule A-11)	490,000	296,927	337,593
Gas Bar (Schedule A-12)	(125,000)	(1,575)	(95,884)
METS (Schedule A-13)	(90,000)	(54,618)	(48,363)
Nova Scotia Gaming Agreement (Schedule A-14)	820,000	122,171	78,309
Other (Schedule A-15)	–	(3,440)	(6,027)
Nova Scotia Tobacco Agreement (Schedule A-16)	110,000	49,824	21,762
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 192,184</b>	<b>\$ (696,258)</b>	<b>\$ 173,321</b>

# POTLOTEK FIRST NATION

Schedule A-3 – Non-Consolidated Schedule of Administration and Management  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013	
	Budget	Actual	Actual
<b>REVENUES</b>			
Aboriginal Affairs and Northern Development			
Canada			
Indian government support	\$ 445,000	\$ 448,817	\$ 443,112
Registration and membership	7,400	7,448	7,353
Leadership governance capacity development	–	12,825	–
	<b>452,400</b>	<b>469,090</b>	<b>450,465</b>
<b>EXPENSES</b>			
Administration	343,000	448,048	534,278
Council and election	382,000	265,990	337,040
Professional services	100,000	145,583	74,169
Interest and bank charges	35,000	41,258	26,267
Membership	2,500	1,354	1,393
Administration services transfer	(100,000)	(101,227)	(101,227)
Employee benefits	20,000	55,532	49,876
	<b>782,500</b>	<b>856,538</b>	<b>921,796</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (330,100)</b>	<b>\$ (387,448)</b>	<b>\$ (471,331)</b>

# POTLOTEK FIRST NATION

Schedule A-4 – Non-Consolidated Schedule of Economic and Employment Development  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
	Budget	Actual	Actual
<b>REVENUES</b>			
Aboriginal Affairs and Northern Development			
Canada			
Current allocation	\$ 59,000	\$ 59,653	\$ 58,895
<b>EXPENSES</b>			
Salaries	41,000	40,546	42,039
Travel and other	1,000	7,718	4,602
	<u>42,000</u>	<u>48,264</u>	<u>46,641</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 17,000</b>	<b>\$ 11,389</b>	<b>\$ 12,254</b>

# POTLOTEK FIRST NATION

## Schedule A-5 – Non-Consolidated Schedule of Operations and Maintenance (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013	
	Budget	Actual	Actual
<b>REVENUES</b>			
Aboriginal Affairs and Northern Development			
Canada			
Current allocation	\$ 245,000	\$ 247,239	\$ 244,096
Response	–	56,190	–
Water maintenance	47,800	47,800	47,800
Water project	27,000	27,832	–
Current year deferred	–	(48,000)	–
Prior year deferred	–	–	105,000
	319,800	331,061	396,896
<b>EXPENSES</b>			
Administration	78,000	73,426	75,522
Roads	67,000	62,599	70,336
Community buildings	110,000	131,228	160,091
Water and sewer	150,000	254,076	141,340
Fire protection	20,000	23,164	18,717
Waste collection	95,000	133,575	94,536
Other	40,000	–	3,587
	560,000	678,068	564,129
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (240,200)</b>	<b>\$ (347,007)</b>	<b>\$ (167,233)</b>

# POTLOTEK FIRST NATION

Schedule A-6 – Non-Consolidated Schedule of Social Development  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013	
	Budget	Actual	Actual
<b>REVENUES</b>			
Aboriginal Affairs and Northern Development			
Canada			
Income assistance	\$ 1,800,000	\$ 1,819,779	\$ 1,796,646
Support services	80,000	80,957	79,928
Prevention projects	–	25,000	–
	1,880,000	1,925,736	1,876,574
<b>EXPENSES</b>			
Administration	50,000	49,207	44,385
Adult care	200,000	186,005	193,463
Basic needs	1,600,000	1,623,294	1,352,863
Special needs	15,000	11,244	9,043
	1,865,000	1,869,750	1,599,754
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 15,000</b>	<b>\$ 55,986</b>	<b>\$ 276,820</b>

# POTLOTEK FIRST NATION

## Schedule A-7 – Non-Consolidated Schedule of Education (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
	Budget	Actual	Actual
<b>REVENUES</b>			
Mi'kmaw Kina'matnewey	\$ 2,700,000	\$ 2,509,022	\$ 2,672,992
Province of Nova Scotia	–	222,933	106,875
Other	–	800	61,800
	2,700,000	2,732,755	2,841,667
<b>EXPENSES</b>			
Adult education	125,000	177,355	165,091
Band operated school	1,090,000	1,077,008	1,023,400
Band support	100,000	98,827	98,827
Cap site expenses	3,000	–	3,396
Capital	25,000	8,960	–
Counselling	85,000	85,303	86,047
Crime prevention	–	63,796	168,969
Daly transportation	268,000	237,237	224,545
Employee benefits	–	20,268	94,680
New Paths for Education	–	147,981	–
Governance	140,000	130,017	171,362
MK language Initiative costs	90,000	89,957	92,117
Operating and maintenance	165,000	156,841	164,364
Post secondary	430,000	291,877	269,792
School supplies	27,000	22,296	27,268
Service delivery	31,000	33,501	32,285
Special Education- INAC	117,000	146,367	116,503
Student allowances	1,000	2,535	841
	2,697,000	2,790,126	2,739,487
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>			
	\$ 3,000	\$ (57,371)	\$ 102,180

# POTLOTEK FIRST NATION

Schedule A-8 – Non-Consolidated Schedule of Capital, Housing and Infrastructure  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013	
	Budget	Actual	Actual
<b>REVENUES</b>			
Aboriginal Affairs and Northern Development			
Canada			
Current allocation	\$ 133,484	\$ 195,751	\$ 442,428
RRAP	–	–	16,000
	133,484	195,751	458,428
<b>EXPENSES</b>			
Administration	40,000	46,618	16,388
Housing repairs	285,000	354,546	254,597
Equipment leasing	11,000	12,260	12,975
Interest	–	59,723	126,995
Depreciation	210,000	–	–
Other	75,000	–	72,447
	621,000	473,147	483,402
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (487,516)</b>	<b>\$ (277,396)</b>	<b>\$ (24,974)</b>

# POTLOTEK FIRST NATION

## Schedule A-9 – Non-Consolidated Schedule of Health (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
		Budget	Actual
<b>REVENUES</b>			
Health Canada			
Transitional funding	\$ 450,000	\$ 437,409	\$ 452,837
Set funding	195,000	237,762	153,205
Recovery of prior funding	–	–	(7,921)
	645,000	675,171	598,121
Other	–	60,320	62,433
	645,000	735,491	660,554
<b>EXPENSES</b>			
Community Health	135,000	133,667	139,372
Mental Health Services	43,000	43,765	43,770
Special Capital	–	–	14,739
Healthy Planning and Management	106,500	106,330	106,450
Brighter Futures	41,000	43,197	41,699
Aboriginal Diabetes Initiative	30,000	28,740	31,420
Aboriginal Head Start	52,500	54,019	52,612
Home and Community Care	112,500	108,294	116,011
Operations and Maintenance	55,000	61,490	53,937
Children Oral Health	6,500	7,660	6,636
Health Information Systems	14,000	13,418	14,203
Prenatal Nutrition Program	13,000	15,198	13,400
Medical Transportation	–	84,455	–
Health Governance, Careers	–	–	5,482
Communicable Disease Control	2,000	1,500	2,000
Maternal Child Health	34,000	35,167	34,639
	645,000	736,900	676,370
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>			
	\$ –	\$ (1,409)	\$ (15,816)

# POTLOTEK FIRST NATION

Schedule A-10 – Non-Consolidated Schedule of Fisheries - Treaty  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

			2014	2013
		Budget	Actual	Actual
<b>REVENUES</b>				
Fisheries and Oceans Canada				
AFS agreement	\$ 135,000	\$ 135,000	\$ 135,000	
Other	57,000	76,347	319,062	
	192,000	211,347	454,062	
<b>EXPENSES</b>				
Administration	135,000	173,626	152,093	
Vessel and equipment upgrades	47,000	130,291	118,589	
Other	–	9,721	9,349	
	182,000	313,638	280,031	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>				
	\$ 10,000	\$ (102,291)	\$ 174,031	

# POTLOTEK FIRST NATION

## Schedule A-11 – Non-Consolidated Schedule of Commercial Fisheries (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013	
	Budget	Actual	Actual
<b>REVENUES</b>			
Groundfish	\$ 75,000	\$ 23,000	\$ 77,320
Lobster	70,000	74,344	69,052
Snow crab	1,705,000	1,519,042	1,473,468
Other	–	912	–
	1,850,000	1,617,298	1,619,840
<b>EXPENSES</b>			
Administration	100,000	152,484	41,216
Groundfish	6,500	8,724	6,502
Lobster	35,000	63,166	33,932
Snow crab	1,207,500	1,073,383	1,189,417
Oyster plant	3,000	4,770	3,558
Insurance	7,000	15,179	6,476
Other	1,000	2,665	1,146
	1,360,000	1,320,371	1,282,247
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 490,000</b>	<b>\$ 296,927</b>	<b>\$ 337,593</b>

# POTLOTEK FIRST NATION

Schedule A-12 – Non-Consolidated Schedule of Gas Bar  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
	Budget	Actual	Actual
<b>REVENUES</b>			
Fuel	\$ 1,990,000	\$ 2,076,575	\$ 1,950,686
Store	550,000	494,659	569,148
Tobacco	670,000	732,144	616,709
Lottery tickets	72,000	74,607	73,010
Other	20,000	26,883	29,991
	3,302,000	3,404,868	3,239,544
<b>EXPENSES</b>			
Advertising	15,000	12,344	15,864
Cost of sales	3,022,000	3,030,079	2,926,806
Interest and bank charges	35,000	37,294	31,617
Lights and power	35,000	34,106	32,623
Miscellaneous	30,000	33,278	28,826
Repairs and maintenance	30,000	29,770	29,375
Supplies	7,000	7,353	6,499
Telephone	8,000	10,753	7,715
Wages and benefits	245,000	211,466	256,103
	3,427,000	3,406,443	3,335,428
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (125,000)</b>	<b>\$ (1,575)</b>	<b>\$ (95,884)</b>

# POTLOTEK FIRST NATION

## Schedule A-13 – Non-Consolidated Schedule of METS (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
		Budget	Actual
<b>REVENUES</b>			
METS			
Current allocation	\$ 100,000	\$ 123,947	\$ 108,491
Native employment	14,000	23,040	23,040
Child care	51,000	51,727	51,727
Training	10,000	31,906	31,946
	175,000	230,620	215,204
<b>EXPENSES</b>			
Administration	53,000	53,590	53,873
Allowances	65,000	69,400	64,770
Child care	77,000	82,303	77,255
Other	–	700	75
Supplies	10,000	8,865	14,412
Travel	1,000	5,946	1,443
Tuition and books	59,000	64,434	51,739
	265,000	285,238	263,567
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (90,000)</b>	<b>\$ (54,618)</b>	<b>\$ (48,363)</b>

# POTLOTEK FIRST NATION

Schedule A-14 – Non-Consolidated Schedule of Nova Scotia Gaming Agreement  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
	Budget	Actual	Actual
<b>REVENUES</b>			
Machine revenue gaming	\$ 1,300,000	\$ 1,153,628	\$ 1,301,961
Casino profits	100,000	117,738	100,932
	1,400,000	1,271,366	1,402,893
<b>EXPENSES</b>			
Atlantic Lotto share of proceeds	150,000	159,989	155,123
Site holders share of proceeds	250,000	255,515	273,306
Administration	60,000	55,251	67,013
Youth centre expenses	5,000	6,099	5,682
Mission expenses	20,000	21,340	28,839
Assistance to band members	–	75,049	600
Community events	10,000	24,401	176,303
Works projects	85,000	550,988	617,718
Other	–	563	–
	580,000	1,149,195	1,324,584
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 820,000</b>	<b>\$ 122,171</b>	<b>\$ 78,309</b>

# POTLOTEK FIRST NATION

## Schedule A-15 – Non-Consolidated Schedule of Other (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
		Budget	Actual
<b>REVENUES</b>			
Aboriginal Affairs and Northern Development			
Canada			
Summer works experience program	\$ 15,000	\$ 12,757	\$ 19,389
Administration fees	18,000	18,000	18,000
Rental	30,000	29,386	33,794
Other	22,000	8,906	22,599
	85,000	69,049	93,782
<b>EXPENSES</b>			
Policing	–	4,339	4,194
Summer works experience	50,000	66,997	95,615
Other	35,000	1,153	–
	85,000	72,489	99,809
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	\$ –	\$ (3,440)	\$ (6,027)

# POTLOTEK FIRST NATION

Schedule A-16 – Non-Consolidated Schedule of Tobacco  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
		Budget	Actual
<b>REVENUES</b>			
Commissions		\$ 150,000	\$ 169,712
			\$ 149,380
<b>EXPENSES</b>			
Hall maintenance		–	29,476
Recreation and community activities		40,000	90,412
			99,220
		40,000	119,888
			127,618
<b>EXCESS OF REVENUES OVER EXPENSES</b>		\$ 110,000	\$ 49,824
			\$ 21,762

# POTLOTEK FIRST NATION

Schedule A-17 – Non-Consolidated Schedule of Aboriginal Affairs and  
 Northern Development Canada Funding  
 (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
		Budget	Actual
<b>Governance (Schedule A-3)</b>			
Block Indian Government Support	\$ 445,000	\$ 448,817	\$ 443,112
Block Indian Registry Administration	7,400	7,448	7,353
Set Leadership Governance Capacity			
Development	–	12,825	–
<b>Economic and Employment Development (Schedule A-4)</b>			
Block Economic Development	59,000	59,653	58,895
<b>Operations and Maintenance (Schedule A-5)</b>			
Block Facilities O & M	245,000	247,239	244,096
Set Response	–	56,190	–
Set Water O & M	47,800	47,800	47,800
Fixed Water – under \$1 5m	27,000	27,832	–
<b>Social Development (Schedule A-6)</b>			
Block Income Assistance	1,800,000	1,819,779	1,796,646
Block Social Support Services	80,000	80,957	79,928
Set Prevention Projects	–	25,000	–
<b>Capital, Housing and Infrastructure (Schedule A-8)</b>			
Block Capital	133,484	195,751	442,428
<b>Other (schedule A-15)</b>			
Set Summer Work Experience Program	15,000	12,757	19,389
<b>Aboriginal Affairs and Northern Development Canada revenue per confirmation</b>	2,859,684	3,042,048	3,139,647
<b>Deferred Revenue</b>			
Prior year	–	–	105,000
Current year	–	(48,000)	–
	–	(48,000)	105,000
<b>Aboriginal Affairs and Northern Development Canada Funding per Schedule A - 1</b>	\$ 2,859,684	\$ 2,994,048	\$ 3,244,647

# POTLOTEK FIRST NATION

## Schedule B – Non-Consolidated Schedule of Capital Fund and Change in Fund Balance (Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013	
	Budget	Actual	Actual
<b>REVENUES</b>			
Capital grants	\$ –	\$ –	\$ –
<b>EXPENSES</b>			
Amortization of capital assets	596,351	596,351	610,177
Deficiency of revenues over expenses	(596,351)	(596,351)	(610,177)
Financing and transfers			
Debenture and term loan principal installments	290,223	290,223	487,054
<b>ANNUAL DEFICIT</b>	<b>(306,128)</b>	<b>(306,128)</b>	<b>(123,123)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>6,119,981</b>	<b>6,119,981</b>	<b>6,243,104</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 5,813,853</b>	<b>\$ 5,813,853</b>	<b>\$ 6,119,981</b>

# POTLOTEK FIRST NATION

Schedule C – Non-Consolidated Schedule of Social Housing Fund and Change in Fund Balance  
(Unaudited)

Year ended March 31, 2014, with comparative figures for 2013

		2014	2013
		Budget	Actual
<b>REVENUES</b>			
Rental income	\$ 323,400	\$ 323,400	\$ 323,400
Subsidy	175,000	161,657	175,008
	<b>498,400</b>	<b>485,057</b>	<b>498,408</b>
<b>EXPENSES</b>			
Administration and management	18,000	18,000	18,000
Amortization of housing assets	399,150	399,150	399,150
Insurance	78,500	79,556	76,885
Mortgage interest	91,351	91,351	120,452
Professional fees	7,200	7,200	7,200
Repairs and maintenance	45,000	20,887	73,252
	<b>639,201</b>	<b>616,144</b>	<b>694,939</b>
<b>ANNUAL DEFICIT</b>	<b>(140,801)</b>	<b>(131,087)</b>	<b>(196,531)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>424,704</b>	<b>424,704</b>	<b>621,235</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 283,903</b>	<b>\$ 293,617</b>	<b>\$ 424,704</b>

