

NORTH SPIRIT LAKE FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

NORTH SPIRIT LAKE FIRST NATION  
FOR THE YEAR ENDED MARCH 31, 2015

COUNCIL

Chief  
Deputy Chief  
Councillors

Caroline Keesick  
Donald Campbell  
Brian Rae  
Rita Thompson  
Corey Rae

ADMINISTRATION

Band Manager  
Operations and Maintenance

Donna Campbell  
Phillip Campbell

HEALTH AUTHORITY

Director  
Finance  
Health Board  
Chair  
Member

Tony Kakekagumick  
John Keesic  
  
Robert Rae  
Homer Meekis  
Margaret Kakegamic

EDUCATION

Education Board  
Chair  
Member  
Member

Jesslynne Ombash  
Merilyn Keno  
Calvin Rae

SOCIAL SERVICES

Administrator

Rosemary Kekepetum

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FOR THE YEAR ENDED MARCH 31, 2015

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NORTH SPIRIT LAKE FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2015

**MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of the North Spirit Lake First Nation are the responsibility of management and have been approved by the Chief and Councillors.


Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

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

Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the members has audited the consolidated financial statements. Holukoff Chiarella has full and free access to Council.

  
CHIEF

  
COUNCILLOR

  
COUNCILLOR

  
COUNCILLOR

# ***Holukoff Chiarella***

CHARTERED ACCOUNTANTS

## **EXHIBIT "A"**

Kevin Masse, B.Comm. (Hons), C.A.  
(Practising as Kevin Masse 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  
North Spirit Lake First Nation

We have audited the accompanying combined financial statements of North Spirit Lake First Nation, which comprise the combined statement of financial position as at March 31, 2015 and the combined statements of operations, accumulated surplus, revenue and expenses, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

/ continued

# Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.  
(Practising as Kevin Masse Chartered Accountant Ltd.)  
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Fax (204) 452-3397

## INDEPENDENT AUDITORS' REPORT, continued

### **Basis for Qualified Opinion**

Inventory consists of fuel, materials and gravel purchased or owned by the First Nation. We did not observe the inventory count for the gravel at the beginning of the year and alternative means did not provide us with the necessary assurance concerning the quantity on hand or 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.

### **Qualified Opinion**

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary as a result of the matters in the preceding paragraph, the combined financial statements present fairly, in all material respects, the financial position of North Spirit Lake First Nation as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



WINNIPEG, MANITOBA  
July 21, 2015.

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

NORTH SPIRIT LAKE FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
<b>FINANCIAL ASSETS</b>		
Cash, Note 4	\$ 1,823,538	1,134,261
Restricted cash - CMHC Reserve Fund	90,041	16,413
Accounts receivable, Note 5	985,096	1,239,357
Ottawa Trust Funds, Note 6	<u>23,235</u>	<u>22,596</u>
	<u>2,921,910</u>	<u>2,412,627</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities, Note 7	1,033,562	1,779,207
Deferred revenue, Note 8	1,048,547	673,413
Long term debt, Note 9	3,466,765	4,322,242
Reserves, Note 10	<u>90,073</u>	<u>170,286</u>
	<u>5,638,947</u>	<u>6,945,148</u>
<b>NET DEBT</b>	<u>(2,717,037)</u>	<u>(4,532,521)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses, Note 11	64,425	88,159
Inventory, Note 12	1,241,715	1,864,942
Tangible capital assets, Note 13	<u>29,721,390</u>	<u>29,528,334</u>
	<u>31,027,530</u>	<u>31,481,435</u>
<b>ACCUMULATED SURPLUS, Exhibit "D"</b>	<b>\$ <u>28,310,493</u></b>	<b><u>26,948,914</u></b>

APPROVED ON BEHALF OF FIRST NATION COUNCIL:

Caroline Keenick  
CHIEF

Donald J. Pien  
COUNCILLOR

Rita [Signature]  
COUNCILLOR

[Signature]  
COUNCILLOR

NORTH SPIRIT LAKE FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>		
Federal Government		
AANDC	\$ 4,761,188	4,018,285
Health Canada	1,818,942	770,007
Canada Mortgage and Housing Corporation	163,340	122,442
Canada Post	34,034	39,348
Provincial Government	1,575,308	1,119,193
Ontario First Nations Limited Partnership	827,308	810,606
Other	<u>1,929,947</u>	<u>2,007,612</u>
	<u>11,110,067</u>	<u>8,887,493</u>
<b>EXPENSES</b>		
Band Support	475,349	610,130
Public Works	899,848	1,091,687
Housing	340,090	103,788
Health Services	1,003,426	935,977
Social Services	1,173,573	1,018,053
Education	1,784,643	1,402,709
Power Authority	1,712,360	1,232,797
CMHC Housing	160,928	108,429
OFNLP	934	1,135
E Centre	6,120	(21)
Other Programs	813,305	866,595
Capital	<u>1,570,968</u>	<u>1,294,653</u>
	<u>9,941,544</u>	<u>8,665,932</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS</b>	1,168,523	221,561
<b>OTHER ITEMS</b>		
Transfer to tangible capital assets	2,110,896	600,294
Amortization	<u>(1,917,840)</u>	<u>(1,989,928)</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u><b>1,361,579</b></u>	<u><b>(1,168,073)</b></u>



EXHIBIT "D"

NORTH SPIRIT LAKE FIRST NATION  
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
BALANCE AT BEGINNING OF YEAR	\$ 26,948,914	28,116,987
ANNUAL SURPLUS (DEFICIT), EXHIBIT "C"	<u>1,361,579</u>	<u>(1,168,073)</u>
BALANCE AT YEAR END	\$ <b><u>28,310,493</u></b>	<b><u>26,948,914</u></b>

EXHIBIT "E"

NORTH SPIRIT LAKE FIRST NATION  
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES BEFORE OTHER ITEMS  
FOR THE YEAR ENDED MARCH 31, 2015

	2015			2014	
	Revenue				Annual Surplus (Deficit)
	AANDC	Other	Total	Expenses	Transfers
Band Support	\$ 431,469	335,435	766,904	475,349	78,584
Public Works	800,892	122,130	923,022	899,848	(18,510)
Housing	359,790		359,790	340,090	(19,700)
Health Services		1,092,986	1,092,986	1,003,426	89,560
Social Services	148,100	1,025,473	1,173,573	1,173,573	
Education	1,509,790	322,551	1,832,341	1,784,643	(47,242)
Power Authority	563,337	1,264,819	1,828,156	1,712,360	594,379
CMHC Housing		163,340	163,340	263,800	6,060
OFNLP		644,852	644,852	934	(643,918)
Internet Services		2,250	2,250	6,120	(3,870)
Other Programs	279,069	480,914	759,983	813,305	3,635
Capital	668,741	893,489	1,562,230	1,570,968	(12)
Ottawa Trust Fund		640	640		640
TOTAL	\$ 4,761,188	6,348,879	11,110,067	10,044,416	1,065,651
AANDC Funding Per Confirmation	\$ 4,761,188				141,689

NORTH SPIRIT LAKE FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	\$ 1,361,579	(1,168,073)
Acquisitions of tangible capital assets	(2,110,896)	(1,379,372)
Disposition of tangible capital assets		119,814
Amortization of tangible capital assets	1,917,840	1,989,928
Change in prepaid expenses	23,734	(57,944)
Change in inventory	<u>623,227</u>	<u>(316,021)</u>
INCREASE IN NET DEBT	1,815,484	(811,668)
NET DEBT AT BEGINNING OF YEAR	<u>(4,532,521)</u>	<u>(3,720,853)</u>
NET DEBT AT END OF YEAR	\$ <u>(2,717,037)</u>	<u>(4,532,521)</u>

NORTH SPIRIT LAKE FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,361,579	(1,168,073)
Non-cash item		
Amortization of tangible capital assets	1,917,840	1,989,928
Changes to financial assets/liabilities		
Restricted cash	(73,628)	20
Accounts receivable	254,261	162,116
Ottawa trust funds	(639)	(558)
Accounts payable and accrued liabilities	(745,645)	(214,967)
Deferred revenue	375,134	159,576
Reserves	(80,213)	29,250
Changes to prepaid expenses and inventory	<u>646,961</u>	<u>(373,965)</u>
	<u>3,655,650</u>	<u>583,327</u>
CAPITAL TRANSACTIONS		
Acquisitions of tangible capital assets	(2,110,896)	(1,379,372)
Disposition of capital asset		<u>119,814</u>
	<u>(2,110,896)</u>	<u>(1,259,558)</u>
FINANCING TRANSACTIONS		
Proceeds of long term debt		2,340,614
Principal repayments on long term debt	<u>(855,477)</u>	<u>(1,428,861)</u>
	<u>(855,477)</u>	<u>911,753</u>
NET CHANGE IN CASH POSITION	689,277	235,522
CASH POSITION AT BEGINNING OF YEAR	<u>1,134,261</u>	<u>898,739</u>
CASH POSITION AT END OF YEAR	\$ <u>1,823,538</u>	<u>1,134,261</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ <u>70,579</u>	53,622

NORTH SPIRIT LAKE FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION

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 North Spirit Lake 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

North Spirit Lake First Nation reporting entity includes the North Spirit Lake First Nation Government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for these entities, which all use accounting principles which lend themselves to consolidations.

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

Incorporated business entities, which are owned or controlled by the North Spirit Lake First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. The North Spirit Lake First Nation does not have entities to report using the modified equity method.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

The First Nation follows the deferral method of accounting for restricted revenue. Revenues restricted by legislation, regulation or agreement and not available for general government purposes are deferred on the consolidated statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose. Unrestricted revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

b) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out basis.

NORTH SPIRIT LAKE FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued

c) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services. The First Nation does not capitalize computer software.

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

d) Amortization

Tangible capital assets recorded at cost and are amortized annually as a charge to operations. Assets are amortized over their expected useful life on a straight line basis at the following rates:

Amortization commences in the following year after acquisition.

Infrastructure	4%
Buildings - Standard construction	6.67%
- Metal clad	5%
- Log construction	25%
- CMHC	4%
Equipment - General and moveable	25%
Infrastructure - General	4%
- Roads	5%
Vehicles - General purpose	50%
- School bus	20%
- Construction vehicles	20%
Betterments	
- General/Housing	20%
- Plumbing	10%
- General	6.67%
- Equipment	33.3%
Capital Leases - Based on term of lease	
Site Development - Based on structure	

NORTH SPIRIT LAKE FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Financial instruments

*Initial and subsequent measurement*

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

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

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

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities, deferred revenue, long term debt and reserves.

*Transaction costs*

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

f) Net Debt/Net Financial Assets

The First Nation's financial statements are presented so as to highlight net debt/net financial assets as the measurement of financial position. The net debt/net financial assets of the First Nation are determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

g) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 expenditures during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. ACCUMULATED SURPLUS

A portion of this balance includes surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements.

NORTH SPIRIT LAKE FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 4. CASH

	<u>2015</u>	<u>2014</u>
Administration		
General	\$ 383,153	363,158
AANDC deposit	195,564	118
OFNLP	51,674	17,894
Health	94,392	106,756
Welfare	41,622	(8,497)
Education	64,830	212,514
Power Authority	432,428	124,160
CMHC	101,747	72,404
CMHC construction		46,114
Capital	272,600	79,056
Small Business Centre	169,519	37,434
New school project	<u>16,009</u>	<u>83,150</u>
	<b>\$ <u>1,823,538</u></b>	<b><u>1,134,261</u></b>

## 5. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
ADMINISTRATION		
AANDC	\$ 40,150	19,171
MNDM	55,833	
MNR		23,640
Trade	131,989	13,689
Advances and loans - Band Members	<u>1,996</u>	<u>72,400</u>
	229,968	128,900
Less: Allowance for doubtful accounts	<u>(3,023)</u>	<u>(49,480)</u>
	<u>226,945</u>	<u>79,420</u>
CMHC		
Subsidy	<u>13,612</u>	<u>10,155</u>
HEALTH		
Health Canada	45,380	
NAN	35,757	45,533
Employee advances	<u>5,409</u>	<u>5,996</u>
	86,546	51,529
Allowance for doubtful accounts	<u>(1,358)</u>	<u>(1,088)</u>
	<u>85,188</u>	<u>50,441</u>
NEW SCHOOL		
AANDC	<u>25,721</u>	<u>—</u>



NORTH SPIRIT LAKE FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 5. ACCOUNTS RECEIVABLE, continued

	<u>2015</u>	<u>2014</u>
WELFARE		
Advances and loans - Band Members	\$ 33,546	71,271
Ontario Works	<u>8,568</u>	<u>29,408</u>
	<u>42,114</u>	<u>100,679</u>
EDUCATION		
Trade		940
AANDC	1,800	7,000
Advances and loans - Band Members	7,947	
NNEC	<u>894</u>	<u>8,955</u>
	10,641	16,895
Less: Allowance for doubtful accounts	<u>(7,947)</u>	<u>(8,955)</u>
	<u>2,694</u>	<u>7,940</u>
POWER AUTHORITY		
AANDC	81,299	62,687
Ontario Clean Energy	67,309	
Ministry of Transport - Airport	24,902	37,605
Residential customers - Band Members	194,801	495,570
Business accounts	<u>840,367</u>	<u>1,039,110</u>
	1,208,678	1,634,972
Less: Allowance for doubtful accounts	<u>(619,856)</u>	<u>(644,250)</u>
	<u>588,822</u>	<u>990,722</u>
 TOTAL ACCOUNTS RECEIVABLE	 \$ <u>985,096</u>	 <u>1,239,357</u>

## 6. OTTAWA TRUST FUNDS

The Ottawa Trust Accounts arise from monies derived from capital or revenues sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada.

	<u>2015</u>	<u>2014</u>
Balance at Beginning of Year	\$ 22,596	22,038
Interest Income	<u>639</u>	<u>558</u>
Balance at End of Year	\$ <u>23,235</u>	<u>22,596</u>

NORTH SPIRIT LAKE FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2015</u>	<u>2014</u>
ADMINISTRATION		
Trade	\$ <u>229,513</u>	<u>1,117,946</u>
EDUCATION AUTHORITY		
AANDC	7,708	
Trade	<u>264,550</u>	<u>168,549</u>
	<u>272,258</u>	<u>168,549</u>
HEALTH		
Trade	61,080	44,910
Health Canada		<u>2,000</u>
	<u>61,080</u>	<u>46,910</u>
SOCIAL SERVICES		
AANDC	12,940	
Trade	<u>36,632</u>	<u>74,167</u>
	<u>49,572</u>	<u>74,167</u>
POWER AUTHORITY		
Trade	<u>94,237</u>	<u>151,064</u>
CMHC CONSTRUCTION COST		
Trade	<u>—</u>	<u>28,618</u>
CAPITAL		
Trade payable	<u>277,148</u>	<u>75,600</u>
CMHC		
Trade	5,139	4,035
CMHC accrued interest	<u>3,758</u>	<u>2,638</u>
	<u>8,897</u>	<u>6,673</u>
NEW SCHOOL		
Trade	<u>40,857</u>	<u>109,680</u>
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ <u>1,033,562</u>	<u>1,779,207</u>

**NORTH SPIRIT LAKE FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**8. DEFERRED REVENUE**

Funding received or receivable in the current period to be applied against subsequent period programs are recorded as deferred revenue in the financial statements, as follows:

	2014			
	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>
Band Administration				
Bell Canada - Fiber Optic	\$ 2,250		(2,250)	
Lands and land use		22,267		22,267
Housing Program		359,790	(131,101)	228,689
Capital				
Small Business Centre	248,387		(248,387)	
Mini Hydro Dam project	119		(119)	
Motel		155,473		155,473
DGS Repair Power Generator		352,337	(346,495)	5,842
Health Garage/Generator		208,380		208,380
Education				
Operation and Maintenance	365,136	693,801	(944,537)	114,400
Planning and Design	17,972	17,999		35,971
FNSSP		42,120		42,120
School Effectiveness		3,750	(2,127)	1,623
First Nation Education Management and Governance Capacity		10,455	(5,809)	4,646
Health Canada				
O&M	24,447		(24,447)	
Mental Health	7,602		(7,602)	
Maternal Child Health	1,024		(1,024)	
Traditional Place Name Mapping	6,476		(6,476)	
Management and Support		74,771	(68,168)	6,603
Prenatal Nutrition		16,366	(13,757)	2,609
Early Childhood Development		53,999	(44,195)	9,804
Mental Health Crisis Management		91,867	(80,424)	11,443
Brighter Futures		90,562	(85,915)	4,647
Aboriginal Diabetes Initiative		48,782	(46,286)	2,496
Community Health Promotion		113,709	(104,632)	9,077
OFNLP		827,308	(644,851)	182,457
	<b>\$ 673,413</b>	<b>3,183,736</b>	<b>(2,808,602)</b>	<b>1,048,547</b>

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## 9. LONG TERM DEBT

	<u>2015</u>	<u>2014</u>
Royal Bank of Canada - Fuel loan		
Term loan, interest at prime plus 2% per annum, repayable at \$130,167 per month plus interest, repayable in full March 31, 2015. Secured by a Band Council Resolution.	\$	1,562,000
Royal Bank of Canada - Fuel loan		
Term loan, interest at prime plus 1.65% per annum, repayable at \$90,000 per month plus interest, repayable in full December 13, 2015. Secured by a guarantee supported by a Band Council Resolution	810,000	
CMHC loan payable, interest at 1.67% per annum, repayable at \$2,695.57 per month principal and interest, due June 1, 2018, secured by Ministerial guarantee of the Minister of Aboriginal Affairs and Northern Development Canada. Restrictive provision on the loan may terminate the government assistance.	\$ 380,053	405,841
CMHC loan payable, interest at 3.16% per annum, repayable at \$3,442 per month principal and interest, due January 1, 2018, secured by Ministerial guarantee of the Minister of Aboriginal Affairs and Northern Development Canada. Restrictive provision on the loan may terminate the government assistance.	790,079	818,541
CMHC loan payable, interest at 1.49% per annum, repayable at \$3,262 per month principal and interest, due January 1, 2017, secured by Ministerial guarantee of the Minister of Aboriginal Affairs and Northern Development Canada. Restrictive provision on the loan may terminate the government assistance.	729,163	757,246
CMHC loan advances converted to CMHC loan payable on April 1, 2014. Interest at 1.92% per annum, repayable at \$3,272.89 per month principal and interest, due April 1, 2019, secured by Ministerial guarantee of Minister of Aboriginal Affairs and Northern Development Canada. Restrictive provision on the loan may terminate the government assistance.	<u>757,470</u>	<u>778,614</u>
Total long term debt	3,466,765	4,322,242
Less current portion	<u>918,667</u>	<u>1,665,698</u>
	<b>\$ <u>2,548,098</u></b>	<b><u>2,656,544</u></b>

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## 9. LONG TERM DEBT, continued

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

2016	\$	918,667
2017		110,483
2018		110,052
2019		114,171
2020		116,081
Thereafter		<u>2,097,311</u>
	\$	<u><b>3,466,765</b></u>

## 10. RESERVES

	<u>2015</u>	<u>2014</u>
Vehicle Reserve - Health		
Represents allocations toward the future purchase of vehicles	\$	50,780
Bus Reserve - Education		
Represents allocations toward the future purchase of School Bus		39,452
Vehicle Reserve - Power Authority		
Represents allocation toward the future purchase of vehicle		13,229
The vehicles reserve was not separately funded.		
Replacement Reserve		
Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$4,000 per unit annually. These funds along with the accumulated interest, must be 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. The reserve has been fully funded in a separate interest bearing account.		
	<u>90,073</u>	<u>66,825</u>
	\$ <u><b>90,073</b></u>	<u><b>170,286</b></u>

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## 11. PREPAID EXPENSES

	<u>2015</u>	<u>2014</u>
Administration	\$ 17,279	17,033
CMHC	42,332	40,319
Health	1,750	1,750
Education	3,064	
Welfare	<u>          </u>	<u>29,057</u>
	<b>\$ <u>64,425</u></b>	<b><u>88,159</u></b>

## 12. INVENTORY

Inventory consists of fuel totalling \$946,102 (2014 - \$1,452,402) to generate electricity and gravel totalling \$295,613 (2014 - \$412,540) for ongoing projects.

## 13. TANGIBLE CAPITAL ASSETS

		<u>2015</u>			
	Cost	Additions	Cost	Accumulated	Net Book
	<u>Mar. 31/14</u>	<u>(Disposals)</u>	<u>Mar. 31/15</u>	<u>Amortization</u>	<u>Value</u>
Buildings	\$ 14,391,832		14,391,832	12,972,504	1,419,328
Infrastructure	19,542,152	16,046,528	35,588,680	14,881,534	20,707,146
Vehicles	820,179	217,821	1,038,000	602,008	435,992
Equipment	1,299,366		1,299,366	1,259,484	39,882
Band Housing	8,624,022		8,624,022	6,441,446	2,182,576
CMHC Housing	2,642,572	911,253	3,553,825	510,434	3,043,391
Assets under construction	16,957,781	(15,064,706)	1,893,075	<u>          </u>	1,893,075
	<b>\$ <u>64,277,904</u></b>	<b><u>2,110,896</u></b>	<b><u>66,388,800</u></b>	<b><u>36,667,410</u></b>	<b><u>29,721,390</u></b>

		<u>2014</u>			
	Cost	Additions	Cost	Accumulated	Net Book
	<u>Mar. 31/13</u>	<u>(Disposals)</u>	<u>Mar. 31/14</u>	<u>Amortization</u>	<u>Value</u>
Buildings	\$ 14,391,832		14,391,832	12,611,078	1,780,754
Infrastructure	19,542,152		19,542,152	13,978,483	5,563,669
Vehicles	611,028	209,151	820,179	526,650	293,529
Equipment	1,299,366		1,299,366	1,242,913	56,453
Band Housing	8,624,022		8,624,022	5,985,715	2,638,307
CMHC Housing	2,642,108	464	2,642,572	404,731	2,237,841
Assets under construction	15,907,838	1,049,943	16,957,781	<u>          </u>	16,957,781
	<b>\$ <u>63,018,346</u></b>	<b><u>1,259,558</u></b>	<b><u>64,277,904</u></b>	<b><u>34,749,570</u></b>	<b><u>29,528,334</u></b>

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14. BANK INDEBTEDNESS

Bank indebtedness involves a revolving line of credit with a maximum limit of \$100,000 and interest at prime plus 1.75%. The line of credit is secured by a guarantee supported by a Band Council Resolution.

15. FEDERAL ASSISTANCE PAYMENTS

The CMHC Four Unit Housing receives federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to reduce mortgage interest to 2% to enable the project to provide housing to low-income individuals. The amount of assistance received in 2014 was \$163,340 (2014 - \$122,442).

16. ECONOMIC DEPENDENCE

The North Spirit First Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

17. COMPARATIVE FIGURES

Prior year's comparative amounts have been reclassified where necessary to conform to the current period's presentation. Certain comparative figures for the previous period have not been shown as the information is considered not to be meaningful for comparison with the current period. The budget figures are unaudited.

19. SUBSEQUENT EVENT

On May 18, 2015, a fire at the North Spirit Lake diesel generating station (DGS) resulted in the total loss of the Unit C engine and generator. The building housing this generator was also totally destroyed in the fire. The total cost of replacement of the damages is approximately \$3,000,000.

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## 20. SEGMENT DISCLOSURE

	Band Support		Public Works		Social Services	
	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2015</u>
REVENUE						
Federal government	\$ 431,469	431,469	417,875	800,892	148,100	159,100
Provincial government				748,634	698,250	886,828
Economic activities						
Net income for investments in government business enterprises						
Other revenue	<u>41,378</u>	<u>335,435</u>	<u>17,363</u>	<u>122,130</u>		
TOTAL REVENUE	<u>472,847</u>	<u>766,904</u>	<u>435,238</u>	<u>923,022</u>	<u>846,350</u>	<u>1,045,928</u>
EXPENSES						
Honoraria						
Chief and Councillors	246,676	246,820	246,731			
Elders and Board Members	1,600	1,600	1,475			
Wages and benefits	80,204	80,643	80,983	229,424	143,490	120,319
Amortization		1,814,968	1,910,056			
Tangible Capital Assets		(2,110,896)	(600,294)			
Other expenses	<u>272,822</u>	<u>146,286</u>	<u>235,872</u>	<u>596,314</u>	<u>698,849</u>	<u>926,764</u>
TOTAL EXPENSES	<u>601,302</u>	<u>179,421</u>	<u>1,874,823</u>	<u>899,848</u>	<u>842,339</u>	<u>1,047,083</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS	(128,455)	587,483	(1,439,585)	70,737	4,011	(1,155)
TRANSFERS	<u>84,644</u>	<u>78,584</u>	<u>130,132</u>	<u>(69,760)</u>		<u>24,157</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(43,811)</u>	<u>666,067</u>	<u>(1,309,453)</u>	<u>977</u>	<u>4,011</u>	<u>23,022</u>



NORTH SPIRIT LAKE FIRST NATION  
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## 20. SEGMENT DISCLOSURE

	Education		Band Housing & CMHC	
	Budget	2015	Budget	2015
REVENUE				
Federal government	\$ 1,904,017	1,509,790	523,122	523,130
Provincial government		1,648,766		484,237
Economic activities				
Net income for investments in government business enterprises				
Other revenue	170,123	322,551		
		(257,850)		
TOTAL REVENUE	2,074,140	1,832,341	523,122	523,130
		1,390,916		484,237
EXPENSES				
Honoraria				
Chief and Councilors				
Elders and Board Members	8,750	8,250		750
Wages and benefits	717,542	693,338	750	42,039
Amortization		711,633	104,850	79,872
Tangible Capital Assets				
Other expenses	1,300,606	1,083,055	636,745	500,268
		683,976		170,178
TOTAL EXPENSES	2,026,898	1,784,643	742,345	603,890
		1,402,709		292,089
SURPLUS (DEFICIT) BEFORE TRANSFERS	47,242	47,698	(219,223)	(80,760)
		(11,793)		192,148
TRANSFERS	(47,242)	(47,242)	99,320	86,820
		2,505		
ANNUAL SURPLUS (DEFICIT)	\$	456	(119,903)	6,060
		(9,288)		192,148

NORTH SPIRIT LAKE FIRST NATION  
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## 20. SEGMENT DISCLOSURE

	Health		Community Services		Total	
	Budget	2015	2014	Budget	2015	2014
REVENUE						
Federal government	\$ 813,469	813,469	770,007	2,462,513	2,550,654	721,463
Provincial government				223,331	549,835	232,365
Economic activities				640	640	558
Net income for investments in government business enterprises						
Other revenue	174,183	279,517	67,520	2,364,063	1,696,982	2,660,266
TOTAL REVENUE	987,652	1,092,986	837,527	5,050,547	4,798,111	3,614,652
EXPENSES						
Honoraria						
Chief and Councilors					246,676	246,820
Elders and Board Members	9,857	7,650	3,950		20,207	17,500
Wages and benefits	518,340	523,444	531,977	345,379	324,121	395,186
Amortization					2,035,129	1,898,911
Tangible Capital Assets					104,850	1,917,840
Other expenses	459,455	472,332	329,956	4,391,194	3,779,566	2,860,590
TOTAL EXPENSES	987,652	1,003,426	865,883	4,736,573	4,103,687	3,257,276
SURPLUS (DEFICIT) BEFORE TRANSFERS		89,560	(28,356)	313,974	694,424	357,376
TRANSFERS			39,094	(66,962)	(99,652)	(127,086)
ANNUAL SURPLUS (DEFICIT)	\$	89,560	10,738	247,012	594,772	230,290
				88,286	1,361,579	(1,168,073)
				88,286	1,361,579	(1,168,073)