
BLOODVEIN FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

SEP 4 15 PM 338

BLOODVEIN FIRST NATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION STATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONS STATEMENT 2

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT STATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWS STATEMENT 4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards 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.

Chief and 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.

Chief and 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 auditors' report.

The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Bloodvein First Nation and meet when required.


Chief


Councillor


Councillor


Councillor


Councillor


Councillor

Collins Barrow HMA LLP
Suite 701 - 330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4 Canada

T. 204.989.2229
F. 204.944.9923
TF. 1.866.730.4777

www.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership
Bloodvein First Nation

We have audited the accompanying consolidated financial statements of Bloodvein First Nation, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, changes 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 consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Bloodvein First Nation as at March 31, 2015, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Collins Barrow HMA LLP
CHARTERED ACCOUNTANTS

Winnipeg, Manitoba
September 4, 2015

BLOODVEIN FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2015

2014

FINANCIAL ASSETS

| | | |
|--------------------------------|------------------|------------------|
| Cash | \$ 438,120 | \$ 434,029 |
| Restricted cash (Note 2) | 261,764 | 260,462 |
| Accounts receivable (Note 3) | 1,126,585 | 2,210,475 |
| Long term investments (Note 4) | <u>3,398,076</u> | <u>3,531,076</u> |
| Total financial assets | <u>5,224,545</u> | <u>6,436,042</u> |

LIABILITIES

| | | |
|---|--------------------|------------------|
| Accounts payable and accrued liabilities (Note 5) | 589,766 | 411,172 |
| Deferred revenue (Note 6) | 6,412 | 9,726 |
| Long term debt (Note 7) | <u>6,417,689</u> | <u>6,398,499</u> |
| Total liabilities | <u>7,013,867</u> | <u>6,819,397</u> |
| Net debt | <u>(1,789,322)</u> | <u>(383,355)</u> |

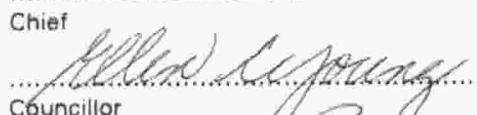
NON-FINANCIAL ASSETS

| | | |
|-----------------------------------|----------------------|----------------------|
| Tangible capital assets (Note 8) | 20,179,887 | 20,870,503 |
| Prepaid expenses | 20,752 | 25,945 |
| Construction in progress (Note 9) | - | 50,000 |
| Total non-financial assets | <u>20,200,639</u> | <u>20,946,448</u> |
| Accumulated surplus | <u>\$ 18,411,317</u> | <u>\$ 20,563,093</u> |

Contingent liabilities (Note 10)

Approved on behalf of Council


Chief


Councillor
Allen Leyoung


Councillor
Neptile Pant


Councillor
Lorraine Cook

.....
Councillor

.....
Councillor

BLOODVEIN FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

| | BUDGET (UNAUDITED) | 2015 | 2014 |
|--|-----------------------|----------------------|----------------------|
| REVENUE | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 5,162,760 | \$ 6,172,572 | \$ 5,375,366 |
| First Nations and Inuit Health Branch | 1,211,479 | 1,311,908 | 1,286,838 |
| Canada Mortgage and Housing Corporation | 309,812 | 300,173 | 313,012 |
| Employment and Social Development Canada | | | 89,292 |
| Canada Post | 16,000 | 16,082 | 17,460 |
| Band generated revenue | 245,306 | 242,736 | 274,826 |
| Casino capital distribution and grants | 650,000 | 670,000 | 651,500 |
| Community Economic Development Office | 82,000 | 82,000 | 61,116 |
| Construction income | 300,000 | 307,039 | 470,232 |
| Other revenue | 453,459 | 485,500 | 400,996 |
| Rental and user fees | <u>353,551</u> | <u>348,091</u> | <u>447,188</u> |
| | <u>8,784,367</u> | <u>9,936,101</u> | <u>9,387,826</u> |
| EXPENDITURES | | | |
| Administration | 599,348 | 637,266 | 600,959 |
| Band Generated | 697,440 | 1,718,980 | 1,120,533 |
| Capital | 323,404 | 1,699,793 | 1,608,862 |
| Economic Development | 82,000 | 25,460 | 62,111 |
| Education | 1,739,493 | 2,138,948 | 2,095,859 |
| Employment and Training | 177,040 | 104,438 | 154,869 |
| Health | 1,310,168 | 1,461,262 | 1,426,946 |
| Housing | 442,414 | 429,640 | 420,662 |
| Operations and Maintenance | 972,825 | 1,423,539 | 1,369,516 |
| Recreation | | 8,391 | 33,738 |
| Social Assistance | <u>2,178,294</u> | <u>2,440,160</u> | <u>2,284,179</u> |
| | <u>8,522,426</u> | <u>12,087,877</u> | <u>11,178,234</u> |
| ANNUAL DEFICIT | 261,941 | (2,151,776) | (1,790,408) |
| ACCUMULATED SURPLUS, <i>beginning of year</i> | <u>20,563,093</u> | <u>20,563,093</u> | <u>22,353,501</u> |
| ACCUMULATED SURPLUS, <i>end of year</i> | <u>\$ 20,825,034</u> | <u>\$ 18,411,317</u> | <u>\$ 20,563,093</u> |

BLOODVEIN FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

| | BUDGET (UNAUDITED) | 2015 | 2014 |
|---|-----------------------------|-------------------------------|-------------------------------|
| Annual deficit | \$ 261,941 | <u><u>\$ (2,151,776)</u></u> | <u><u>\$ (1,790,408)</u></u> |
| Acquisition of tangible capital assets | | (1,234,716) | (820,321) |
| Amortization of tangible capital assets | | 1,925,332 | 1,762,164 |
| Acquisition of construction in progress | | | (50,000) |
| Completion of construction in progress | <u><u>-</u></u> | <u><u>50,000</u></u> | <u><u>46,250</u></u> |
| | <u><u>-</u></u> | <u><u>740,616</u></u> | <u><u>938,093</u></u> |
| Acquisition of supplies and inventories | <u><u>-</u></u> | <u><u>(20,752)</u></u> | <u><u>(25,945)</u></u> |
| Use of prepaid expenses | <u><u>-</u></u> | <u><u>25,945</u></u> | <u><u>-</u></u> |
| CHANGE IN NET DEBT FOR YEAR | 261,941 | (1,405,967) | (878,260) |
| NET ASSETS (DEBT), <i>beginning of year</i> | <u><u>(383,355)</u></u> | <u><u>(383,355)</u></u> | <u><u>494,905</u></u> |
| NET DEBT, <i>end of year</i> | <u><u>\$ (121,414)</u></u> | <u><u>\$ (1,789,322)</u></u> | <u><u>\$ (383,355)</u></u> |

BLOODVEIN FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

| | 2015 | 2014 |
|--|------|------|
|--|------|------|

CASH FLOW FROM

OPERATING ACTIVITIES

| | | |
|--|------------------|----------------|
| Cash receipts from A.A.N.D.C. | \$ 6,150,772 | \$ 5,710,646 |
| Cash received from other funding sources | 4,869,219 | 4,183,129 |
| Cash paid to suppliers and employees | (9,849,072) | (9,656,983) |
| | <u>1,170,919</u> | <u>236,792</u> |

CAPITAL ACTIVITIES

| | | |
|----------------------------|--------------|------------|
| Purchase of capital assets | (1,184,716) | (824,071) |
|----------------------------|--------------|------------|

FINANCING ACTIVITIES

| | | |
|------------------------------|---------------|------------------|
| Proceeds from long term debt | 651,790 | 463,299 |
| Repayment of long term debt | (632,600) | (561,761) |
| | <u>19,190</u> | <u>(98,462)</u> |

NET INCREASE (DECREASE) IN CASH DURING YEAR 5,393 (685,741)

CASH, *beginning of year* 694,491 1,380,232

CASH, *end of year* \$ 699,884 \$ 694,491

CASH COMPRISED OF

| | | |
|-----------------|-------------------|-------------------|
| Cash | \$ 438,120 | \$ 434,029 |
| Restricted cash | 261,764 | 260,462 |
| | <u>\$ 699,884</u> | <u>\$ 694,491</u> |

BLOODVEIN FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

REPORTING ENTITY

The Bloodvein First Nation ("B.F.N.") reporting entity includes the Bloodvein 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 summary financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

B.F.N. Programs:

- Bloodvein First Nation
- Bloodvein First Nation Health Services
- Bloodvein First Nation CMHC Housing Authority

Incorporated and unincorporated business entities which are owned and controlled by the First Nation but which are not dependent on the First Nation for their continuing operations are included in the consolidated financial statements using the modified equity method. These include:

- Bloodvein First Nation Construction Inc.
- South Beach Casino Limited Partnership

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

Long term investments in enterprises that do not form part of the First Nation reporting entity are accounted for using the cost method.

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. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

NET DEBT

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2015****1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******TANGIBLE CAPITAL ASSETS***

Tangible capital assets are stated at cost and recorded in tangible capital assets. Social housing assets acquired under Canada Mortgage and Housing Corporation ("C.M.H.C.") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt. Amortization for other tangible capital assets is provided using the straight-line method at the following annual rates;

| | |
|-------------------------------|-----------|
| Environmental Infrastructure | 2.50% |
| Equipment | 10 - 33% |
| Facilities | 2.50 - 5% |
| Transportation Infrastructure | 2.50% |
| Vehicles | 20% |

Amortization is computed at one-half of the annual amortization in the year of acquisition.

REVENUErecognition

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. Transfer revenue is recognized in the statement of operations as the stipulations are settled.

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

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

SEGMENTS

B.F.N. conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of B.F.N.'s long-term objectives to aid in resource allocation decisions, and to assess operational performance.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets. Actual results could differ from these estimates.

FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, mortgage advances and long-term debt. Unless otherwise stated, it is management's opinion that B.F.N. is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of B.F.N.'s financial assets and liabilities approximates their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2015****1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******FAIR VALUE***

Due to the short term nature of all financial instruments other than long term debt, the carrying value as presented in the consolidated financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so, any difference would be accounted for in the period in which it becomes known. For long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

2. RESTRICTED CASH***C.M.H.C. REPLACEMENT RESERVE***

Under the terms of the operating agreements with C.M.H.C., the Replacement Reserve is to be credited with an annual allocation of \$50,783 pro-rated for the portion of the year in which the various housing projects were available for use. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. The funds in the account may only be used as approved by C.M.H.C. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2015 the C.M.H.C. Replacement Reserve has an accumulated balance of \$312,034 of which there is a separate bank account with a balance of \$245,535 leaving a remaining of \$66,498 unfunded and due from operating.

A.A.N.D.C. TRUST

Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other band capital assets. Capital trust monies are expended on the authorization of the Minister, with the consent of the B.F.N. Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended under the provisions of the Indian Act.

| | 2 0 1 5 | 2 0 1 4 |
|------------------------------|--------------------------|--------------------------|
| C.M.H.C. Replacement Reserve | \$ 245,536 | \$ 245,671 |
| A.A.N.D.C. Trust | <u>16,228</u> | <u>14,791</u> |
| | <u>\$ 261,764</u> | <u>\$ 260,462</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

3. ACCOUNTS RECEIVABLE

| | 2 0 1 5 | 2 0 1 4 |
|---------------------------------------|----------------------------|----------------------------|
| A.A.N.D.C. | | |
| Water > \$1.5M | 21,800 | |
| BNF Construction Inc. | 820,473 | 1,555,381 |
| Canada Post | 1,340 | 2,680 |
| Employee advances | 7,998 | 3,180 |
| First Nations and Inuit Health Branch | 62,409 | |
| Goods and services taxes receivable | 12,284 | 17,984 |
| C.M.H.C. | | 137,214 |
| Norwin Construction Ltd. | 45,653 | 124,500 |
| Other | <u>154,628</u> | <u>369,536</u> |
| | <u><u>\$ 1,126,585</u></u> | <u><u>\$ 2,210,475</u></u> |

4. LONG TERM INVESTMENTS

| | 2 0 1 5 | 2 0 1 4 |
|--------------------------------|------------------|------------------|
| South Beach Casino Partnership | <u>3,398,076</u> | <u>3,531,076</u> |

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2 0 1 5 | 2 0 1 4 |
|---------------------|--------------------------|--------------------------|
| A.A.N.D.C. | | |
| Social recoveries | \$ 108,737 | \$ 108,737 |
| Accrued liabilities | 148,722 | 182,255 |
| Trade and other | <u>332,307</u> | <u>120,180</u> |
| | <u><u>\$ 589,766</u></u> | <u><u>\$ 411,172</u></u> |

6. DEFERRED REVENUE

| | 2 0 1 5 | 2 0 1 4 |
|------------------------------------|--------------|--------------|
| A.A.N.D.C. - Water Treatment Plant | <u>6,412</u> | <u>9,726</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

7. LONG TERM DEBT

| | 2 0 1 5 | 2 0 1 4 |
|---|---------------------|---------------------|
| CMHC mortgage, 1.64%, repayable in monthly installments of \$3,332 (P&I), due February 2017. | \$ 413,382 | \$ 446,318 |
| CMHC mortgage, 1.71%, repayable in monthly installments of \$1,945 (P&I), due September 2017. | 352,983 | 370,152 |
| CMHC mortgage, 1.67%, repayable in monthly installments of \$2,966 (P&I), due June 2018. | 557,587 | 583,658 |
| CMHC mortgage, 1.85%, repayable in monthly installments of \$2,510 (P&I), due August 2019. | 489,616 | 509,609 |
| CMHC mortgage, 2.37%, repayable in monthly installments of \$3,393 (P&I), due June 2016. | 680,215 | 704,575 |
| CMHC mortgage, 1.80%, repayable in monthly installments of \$2,417 (P&I), due October 2016. | 518,120 | 537,637 |
| CMHC mortgage, 1.60%, repayable in monthly installments of \$3,312 (P&I), due January 2018. | 760,069 | 787,452 |
| CMHC mortgage, 1.77%, repayable in monthly installments of \$2,264 (P&I), due November 2019. | 545,480 | 137,214 |
| First Nations Bank of Canada loan, prime plus 2%, repayable in monthly principal installments of \$4,031 plus interest, due August 2015. | 20,156 | 68,531 |
| First Nations Bank of Canada loan advances, prime plus 2.25%, repayable in monthly installments of interest only and annual installments of \$233,360, due December 2016. | 448,845 | 682,205 |
| First Nations Bank of Canada loan, floating rate of prime plus 1.5%, repayable in monthly principal installments of \$1,642, due December 2015. | 14,781 | 34,490 |
| First Nations Bank of Canada loan, 4.07%, repayable in monthly installments of \$5,291 (P&I), due December 2019. | 703,027 | 736,738 |
| First Nations Bank of Canada loan, 3.16%, repayable in monthly installments of \$1,921 (P&I), due September 2019. | 335,108 | 346,221 |
| First Nations Bank of Canada loan, 3.16%, repayable in monthly installments of \$1,420 (P&I), due September 2019. | 247,663 | 255,876 |
| First Nations Bank of Canada loan, 4.3%, repayable in monthly installments of interest only and annual installments of \$78,300, due December 2016. | 156,600 | |
| First Nations Bank of Canada loan, 4.73%, repayable in monthly installments of \$919 (P&I), due September 2018. | 135,468 | 139,973 |
| First Nations Bank of Canada loan, floating rate of prime plus 1.5%, repayable in monthly principal installments of \$1,607, due March 2017. | 38,589 | 57,850 |
| | <u>\$ 6,417,689</u> | <u>\$ 6,398,499</u> |

7. LONG TERM DEBT *(continued)*

Loans payable to Canada Mortgage and Housing Corporation are secured by the specific assets financed and a ministerial guarantee by the Government of Canada.

Loans payable to First Nations Bank of Canada are secured by a general security agreement, the specific assets financed and various Band Council Resolutions authorizing the assignment of certain incoming funding for debt repayment purposes.

The estimated annual principal payments required in each of the next five years to meet retirement provisions are as follows:

| | |
|----------------|------------|
| March 31, 2016 | \$ 616,891 |
| 2017 | 569,916 |
| 2018 | 262,839 |
| 2019 | 268,959 |
| 2020 | 275,268 |

BLOODVEIN FIRST NATION

PAGE 7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

8. TANGIBLE CAPITAL ASSETS

| | Cost | | | | Accumulated Amortization | | | Net Book Value | |
|----------------|----------------------|---------------------|---|----------------------|--------------------------|---------------------|----------------------|----------------------|----------------------|
| | Opening Balance | Additions | Disposals, Write-offs & Adjustments | Closing Balance | Opening Balance | Amortization | Closing Balance | Total | Total |
| | | | | | | | | 2015 | 2014 |
| CMHC Housing | \$ 5,001,243 | \$ 544,276 | \$ | \$ 5,545,519 | \$ 702,857 | \$ 169,054 | \$ 871,911 | \$ 4,673,608 | \$ 4,298,386 |
| Environmental | | | | | | | | | |
| Infrastructure | 5,671,502 | | | 5,671,502 | 3,653,005 | 109,439 | 3,762,444 | 1,909,058 | 2,018,497 |
| Equipment | 317,200 | | | 317,200 | 284,859 | 9,022 | 293,881 | 23,319 | 32,341 |
| Facilities | 40,994,261 | 234,900 | | 41,229,161 | 28,080,706 | 1,232,042 | 29,312,748 | 11,916,413 | 12,913,555 |
| Land | 110,000 | 455,540 | | 565,540 | | 125,170 | 125,170 | 440,370 | 110,000 |
| Transportation | | | | | | | | | |
| Infrastructure | 2,021,273 | | | 2,021,273 | 1,195,430 | 50,531 | 1,245,961 | 775,312 | 825,843 |
| Vehicles | 2,343,827 | | - | 2,343,827 | 1,671,946 | 230,074 | 1,902,020 | 441,807 | 671,881 |
| | <u>\$ 56,459,306</u> | <u>\$ 1,234,716</u> | <u>\$ -</u> | <u>\$ 57,694,022</u> | <u>\$ 35,588,803</u> | <u>\$ 1,925,332</u> | <u>\$ 37,514,135</u> | <u>\$ 20,179,887</u> | <u>\$ 20,870,503</u> |

9. CONSTRUCTION IN PROGRESS

2015 2014

Temporary Classrooms \$ - \$ 50,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2015****10. CONTINGENT LIABILITIES**

The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made.

For accounting purposes any amounts assessed or claims paid will be accounted for in the year of determination.

11. RECONCILIATION OF ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA REVENUE

| | 2 0 1 5 | 2 0 1 4 |
|--|---|----------------------------|
| Per A.A.N.D.C. confirmation March 31 | \$ 6,169,258 | \$ 5,380,013 |
| Plus: Revenue deferred from previous year | | |
| Water Treatment Plant | 9,726 | 9,845 |
| Less: Revenue deferred to subsequent year | | |
| Water Treatment Plant | (6,412) | (9,726) |
| Less: A.A.N.D.C. Recoveries | | |
| Skills Link | - | (4,766) |
| TOTAL A.A.N.D.C. REVENUE PER FINANCIAL STATEMENTS | <u>\$ 6,172,572</u> | <u>\$ 5,375,366</u> |

12. ECONOMIC DEPENDENCE

B.F.N. receives a significant portion of its revenue from A.A.N.D.C. as a result of treaties entered into with the Government of Canada. These treaties are administered by A.A.N.D.C. under the terms and conditions of the Indian Act. The ability of B.F.N. to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

13. BUDGET

The budgeted figures in these consolidated financial statements are unaudited.

14. COMPARATIVE FIGURES

Certain prior year comparative amounts have been reclassified where necessary to conform to the current year's presentation.

15. EXPENDITURES BY OBJECT

The following is a summary of expenditures by object:

| | 2 0 1 5 | 2 0 1 4 |
|---------------------------|-----------------------------|-----------------------------|
| Amortization | \$ 1,925,332 | \$ 1,762,164 |
| Equipment and supplies | 538,127 | 479,760 |
| Insurance | 252,022 | 195,673 |
| Interest and bank charges | 188,357 | 202,594 |
| Other | 2,504,925 | 1,642,294 |
| Professional fees | 140,678 | 137,802 |
| Repairs and maintenance | 625,060 | 862,397 |
| Salaries and benefits | 3,091,045 | 3,231,550 |
| Social assistance | 2,320,340 | 2,133,594 |
| Training and workshops | 131,546 | 119,294 |
| Travel | 213,335 | 279,140 |
| Utilities | <u>157,110</u> | <u>131,972</u> |
| | <u>\$ 12,087,877</u> | <u>\$ 11,178,234</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

16. SEGMENT DISCLOSURE

Bloodvein First Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

| | Administration | | Economic Development | | Social Assistance | | Education | |
|--------------------------|--------------------|--------------------|----------------------|-----------------|-------------------|---------------------|---------------------|---------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenues | | | | | | | | |
| Federal Government | | | | | | | | |
| AANDC | \$ 487,947 | \$ 483,990 | \$ - | \$ - | \$ 2,584,657 | \$ 2,163,455 | \$ 1,630,749 | \$ 1,650,098 |
| Subtotal | 487,947 | 483,990 | | | 2,584,657 | 2,163,455 | 1,630,749 | 1,650,098 |
| Other revenue | 89,070 | 82,584 | 82,000 | 61,116 | - | - | 62,660 | 52,490 |
| Total revenue | 577,017 | 566,574 | 82,000 | 61,116 | 2,584,657 | 2,163,455 | 1,693,409 | 1,702,588 |
| Expenses | | | | | | | | |
| Amortization | | | | | | | 343,242 | 340,306 |
| Debt servicing | | | | | | | 14,707 | 11,682 |
| Other | 380,806 | 262,807 | 25,460 | 62,111 | 2,336,012 | 2,150,116 | 508,737 | 419,668 |
| Salaries and benefits | 256,460 | 338,152 | - | - | 104,148 | 134,063 | 1,272,262 | 1,324,203 |
| Total expenses | 637,266 | 600,959 | 25,460 | 62,111 | 2,440,160 | 2,284,179 | 2,138,948 | 2,095,859 |
| Surplus (Deficit) | \$(60,249) | \$(34,385) | \$ 56,540 | \$(995) | \$ 144,497 | \$(120,724) | \$(445,539) | \$(393,271) |

BLOODVEIN FIRST NATION

PAGE 11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

16. SEGMENT DISCLOSURE *(continued)*

| | Operations and Maintenance | | Employment and Training | | Health | | Capital | |
|--------------------------|----------------------------|---------------------|-------------------------|------------------|--------------------|--------------------|---------------------|---------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Revenues | | | | | | | | |
| Federal Government | | | | | | | | |
| AANDC | \$ 568,770 | \$ 548,427 | \$ 52,995 | \$ 49,187 | \$ 14,000 | \$ 14,000 | \$ 833,454 | \$ 466,209 |
| FNIHB | | | | | 1,311,908 | 1,286,838 | | |
| CMHC | | | | | | | 79,822 | 95,000 |
| ESDC | — | — | — | 89,292 | — | — | — | — |
| Subtotal | 568,770 | 548,427 | 52,995 | 138,479 | 1,325,908 | 1,300,838 | 913,276 | 561,209 |
| Other revenue | 411,881 | 422,384 | 46,073 | 32,182 | 119,341 | 106,646 | 250,106 | 203,114 |
| Total revenue | 980,651 | 970,811 | 99,068 | 170,661 | 1,445,249 | 1,407,484 | 1,163,382 | 764,323 |
| Expenses | | | | | | | | |
| Amortization | 322,492 | 318,992 | | | 34,141 | 21,205 | 1,056,403 | 919,812 |
| Debt servicing | | | | | | | 86,671 | 102,973 |
| Other | 593,723 | 578,883 | 20,750 | 86,799 | 603,030 | 598,283 | 556,719 | 586,077 |
| Salaries and benefits | 507,324 | 471,641 | 83,688 | 68,070 | 824,091 | 807,458 | — | — |
| Total expenses | 1,423,539 | 1,369,516 | 104,438 | 154,869 | 1,461,262 | 1,426,946 | 1,699,793 | 1,608,862 |
| Surplus (Deficit) | \$ (442,888) | \$ (398,705) | \$ (5,370) | \$ 15,792 | \$ (16,013) | \$ (19,462) | \$ (536,411) | \$ (844,539) |

BLOODVEIN FIRST NATION

PAGE 12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

16. SEGMENT DISCLOSURE *(continued)*

| | Housing | | Recreation | | Band Generated | | TOTAL | |
|---------------------------|-----------|-----------|------------|--------|----------------|-------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenues | | | | | | | | |
| Federal Government | | | | | | | | |
| AANDC | \$ | \$ | \$ | \$ | \$ | \$ | \$ 6,172,572 | \$ 5,375,366 |
| FNIHB | | | | | | | 1,311,908 | 1,286,838 |
| CMHC | 220,351 | 218,012 | | | | | 300,173 | 313,012 |
| ESDC | | | | | | | | 89,292 |
| Other | - | - | - | - | 16,082 | 17,460 | 16,082 | 17,460 |
| Subtotal | 220,351 | 218,012 | - | - | 16,082 | 17,460 | 7,800,735 | 7,081,968 |
| Other revenue | 225,157 | 227,960 | - | 33,738 | 849,078 | 1,083,644 | 2,135,366 | 2,305,858 |
| Total revenue | 445,508 | 445,972 | - | 33,738 | 865,160 | 1,101,104 | 9,936,101 | 9,387,826 |
| Expenses | | | | | | | | |
| Amortization | 169,054 | 161,849 | | | | | 1,925,332 | 1,762,164 |
| Debt servicing | 77,588 | 80,162 | | | | | 178,966 | 194,817 |
| Other | 154,545 | 132,028 | 8,391 | 6,334 | 1,704,361 | 1,106,597 | 6,892,534 | 5,989,703 |
| Salaries and benefits | 28,453 | 46,623 | | 27,404 | 14,619 | 13,936 | 3,091,045 | 3,231,550 |
| Total expenses | 429,640 | 420,662 | 8,391 | 33,738 | 1,718,980 | 1,120,533 | 12,087,877 | 11,178,234 |
| Surplus (Deficit) | \$ 15,868 | \$ 25,310 | \$(8,391) | \$ - | \$(853,820) | \$(19,429) | \$(2,151,776) | \$(1,790,408) |