
ROSEAU RIVER ANISHINABE
FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

ROSEAU RIVER ANISHINABE FIRST NATION

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MARCH 31, 2014

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Roseau River Anishinabe 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 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.

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 Roseau River Anishinabe First Nation and meet when required.



Chief



Councillor



Councillor



Councillor

Councillor

Councillor

Councillor

Councillor

INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership
Roseau River Anishinabe First Nation

We have audited the accompanying consolidated financial statements of Roseau River Anishinabe First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, 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 financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Canadian generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

During the year the entity demonstrated significant weaknesses in internal controls, as a result we were not able to gain satisfactory audit evidence in the following areas:

Opening Balances

The audit of the First Nation's financial statements for the year ended March 31, 2013 resulted in a Disclaimer of Opinion. As opening balances affect the determination of the current year results of operations we were unable to determine whether adjustments might be necessary for 2014 pertaining to prior period amounts. Further we were unable to determine if adjustments are required to the corresponding figures for 2013.

Long Term Investments

We have been unable to satisfy ourselves over the completeness, existence, and valuation of long term investments. The Urban Housing entity for Ginew Housing Authority Inc. and the Kiinu Gaming Centre entity have not been consolidated within these financial statements due to incomplete year end financial reporting. As a result, we were not able to assess whether potentially material adjustments were required to long term investments and gain or loss on investments.

INDEPENDENT AUDITORS' REPORT *continued*

Tangible Capital Assets

We have been unable to satisfy ourselves over the completeness, existence, and valuation of tangible capital assets as well as the accuracy of the amounts recorded in the accumulated amortization. There is a lack of documentation to support the additions and disposals during the year, specifically on the community buildings and infrastructure. As a result, we were not able to assess whether potentially material adjustments were required to tangible capital assets, accumulated amortization, and expenses.

Contingencies and Commitments

We have been unable to satisfy ourselves with the completeness and existence of contingencies and commitments for or against the First Nation. We have not been able to make the necessary enquiries nor were we able to obtain or review applicable documents. As a result, we were not able to assess whether potentially material adjustments were required to record the accruals and disclosures of contingencies and commitments.

Disclaimer of Opinion

Due to the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Winnipeg, Manitoba
December 22, 2015

Collins Barrow HMA LLP
CHARTERED ACCOUNTANTS

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2014	2013
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FINANCIAL ASSETS

Cash	\$ 1,442,730	\$ 1,446,622
Restricted cash (Note 2)	83,827	51,738
Term deposits	159,956	158,686
Accounts receivable (Note 3)	723,450	3,439,702
Long term investments (Note 4)	<u>837,428</u>	<u>723,878</u>
Total financial assets	<u>3,247,391</u>	<u>5,820,626</u>

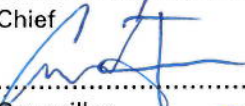
LIABILITIES

Bank indebtedness		446,505
Accounts payable and accrued liabilities (Note 5)	1,390,027	2,331,004
Deferred revenue (Note 6)	41,005	187,745
Long term debt (Note 7)	<u>4,370,548</u>	<u>5,186,346</u>
Total liabilities	<u>5,801,580</u>	<u>8,151,600</u>
Net debt	<u>(2,554,189)</u>	<u>(2,330,974)</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 8)	7,475,521	8,331,107
Prepaid expenses	<u>39,213</u>	<u>40,692</u>
Total non-financial assets	<u>7,514,734</u>	<u>8,371,799</u>
Accumulated surplus	<u>\$ 4,960,545</u>	<u>\$ 6,040,825</u>
Contingent liabilities (Note 9)		
Commitments (Note 10)		

Approved on behalf of Council


 Chief

 Councillor

 Councillor

 Councillor

.....
 Councillor

 Councillor

 Councillor

 Councillor

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2014	2013
REVENUE		
Aboriginal Affairs and Northern Development Canada <i>(Note 11)</i>	\$ 4,888,431	\$ 5,436,507
First Nations and Inuit Health	2,018,261	2,115,795
Canada Mortgage and Housing Corporation	364,531	404,467
Canada Mortgage and Housing Corporation recovery	(795,391)	
Employment and Social Development Canada	519,937	551,233
Community development account trust allocation	2,484,135	10,200,000
Other revenue	921,944	652,625
Own source revenue	1,375,721	1,841,979
Province of Manitoba	1,315,798	2,104,055
Rental income	<u>541,559</u>	<u>582,020</u>
	<u>13,634,926</u>	<u>23,888,681</u>
EXPENDITURES		
Band Government	264,229	817,030
Economic Development	89,003	128,717
Education	443,717	871,879
Public Works	737,745	605,250
Social	2,939,514	2,837,856
Community Development Account	1,947,247	10,511,320
Employment and Training	278,546	601,265
Ginew Housing Authority Inc	1,415,035	1,479,922
Ginew Senior Lodge	151,992	151,536
Ginew Wellness Center	495,845	598,797
Health	2,153,991	2,134,999
Own Source Revenue	<u>3,798,342</u>	<u>2,306,895</u>
	<u>14,715,206</u>	<u>23,045,466</u>
ANNUAL SURPLUS (DEFICIT)	(1,080,280)	843,215
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>6,040,825</u>	<u>5,197,610</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 4,960,545</u>	<u>\$ 6,040,825</u>

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	2014	2013
Annual surplus (deficit)	\$(1,080,280)	\$ 843,215
Acquisition of tangible capital assets	(152,041)	(158,402)
Amortization of tangible capital assets	<u>1,007,627</u>	<u>933,045</u>
	<u>855,586</u>	<u>774,643</u>
Acquisition of prepaid expenses	(39,213)	(3,003)
Use of prepaid expenses	<u>40,692</u>	<u>-</u>
	<u>1,479</u>	<u>(3,003)</u>
CHANGE IN NET DEBT FOR YEAR	(223,215)	1,614,855
NET DEBT, <i>beginning of year</i>	(2,330,974)	(3,945,829)
NET DEBT, <i>end of year</i>	<u>\$(2,554,189)</u>	<u>\$(2,330,974)</u>

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2014	2013
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding and other sources	\$ 16,090,888	\$ 22,886,511
Cash paid to suppliers and employees	(14,647,077)	(22,114,214)
	<u>1,443,811</u>	<u>772,297</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets	(152,041)	(158,402)
<i>FINANCING ACTIVITY</i>		
Repayment of long term debt	(815,798)	(754,846)
NET INCREASE (DECREASE) IN CASH DURING YEAR	475,972	(140,951)
CASH, <i>beginning of year</i>	<u>1,210,541</u>	<u>1,351,492</u>
CASH, <i>end of year</i>	<u>\$ 1,686,513</u>	<u>\$ 1,210,541</u>

CASH COMPRISED OF

Cash	\$ 1,442,730	\$ 1,446,622
Restricted cash	83,827	51,738
Short term investments	159,956	158,686
Bank indebtedness	<u>-</u>	<u>(446,505)</u>
	<u>\$ 1,686,513</u>	<u>\$ 1,210,541</u>

ROSEAU RIVER ANISHINABE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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 Chartered Professional Accountants of Canada.

REPORTING ENTITY

The Roseau River Anishinabe First Nation reporting entity includes the Roseau River Anishinabe First Nation (the First Nation) government and all related entities which are controlled by the First Nation.

PRINCIPLES OF CONSOLIDATION

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Entities consolidated in the First Nation's financial statements include:

- Ginew Employment and Training Services Inc.
- Ginew Housing Authority Inc.
- Ginew Senior Lodge
- Ginew Wellness Center
- Roseau River Anishinabe First Nation Community Development Account
- Roseau River Anishinabe First Nation Own Source Revenue
- Roseau River Anishinabe First Nation Third Party Management

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.

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. Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation. Entities accounted for by the modified equity basis include:

- Roseau River Anishinabe Limited Partnership (o/a Niichi Gaming Centre)

Kiinu Gaming Centre which operates a Video Lotto Terminal Centre through a siteholder agreement between the Province of Manitoba and Roseau River Anishinabe First Nation and Urban Housing which owns and leases off-reserve housing have not been consolidated within these consolidated financial statements due to insufficient available financial information.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**SHORT TERM INVESTMENTS*

Short term investments are recorded at lower of cost and market value.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are stated at cost and recorded in the 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. All other tangible capital assets are amortized at the following annual rates:

Residential Buildings	15 - 40 years
Computer Equipment	5 - 10 years
Furniture and Equipment	5 - 10 years
Automotive	5 - 10 years

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. 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.

MEASUREMENT UNCERTAINTY

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include the allowance for doubtful accounts and the remaining useful life of tangible capital assets.

FINANCIAL INSTRUMENTS

Financial instruments include cash, restricted cash, short term investments, accounts receivable, long term investments, bank indebtedness, accounts payable and accrued liabilities and long term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risk arising from the financial instruments. Unless indicated, the book value of the First Nation's financial instruments approximate their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

2. RESTRICTED CASH

REPLACEMENT RESERVE - GINEW HOUSING AUTHORITY INC.

Under the terms of the operating agreements with CMHC, the Replacement Reserve is to be credited with an annual allocation of \$86,588. 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 CMHC from time to time. The funds in the account may only be used as approved by CMHC. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2014, an accumulated balance \$1,146,089 (2013 - \$1,059,501) for this reserve remains unfunded and due from the operating fund.

REPLACEMENT RESERVE - GINEW SENIORS LODGE

Under the terms of the operating agreements with CMHC, the Replacement Reserve is to be credited with an annual allocation of \$7,280. 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 CMHC from time to time. The funds in the account may only be used as approved by CMHC. Expenditures are charged to accumulated interest first and then to principal.

	2014	2013
Ginew Seniors Lodge	\$ <u>83,827</u>	\$ <u>51,738</u>

3. ACCOUNTS RECEIVABLE

	2014	2013
A.A.N.D.C.		
Band employee benefits	\$	\$ 1,718
Band operated school		2,500
Band support funding		317,850
Band support funding for third party manager services	28,016	74,184
Basic needs		154,138
Community economic development program		28,800
Indian registry		7,558
Instructional services		2,953
Major renovation, extension and repairs		77,333
Planning and skills development		38,802
Post secondary		25,259
Tuition agreement		2,975
Water under \$ 1.5 M		30,181
Waste water under \$ 1.5 M		9,800
Waste water O&M		223
Health Canada - FNIH	26,030	56,250
Canada Mortgage Housing Corporation	548,113	2,172,198
Trade and other	<u>308,480</u>	<u>458,507</u>
Subtotal	910,639	3,461,229
Less: Allowance for doubtful accounts	(<u>187,189</u>)	(<u>21,527</u>)
	\$ <u>723,450</u>	\$ <u>3,439,702</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

4. LONG TERM INVESTMENTS

The following table presents condensed financial information for the Roseau River Anishinabe Limited Partnership (o/a Niichi Gaming Centre) which is a VLT lounge located in Roseau River Anishinabe First Nation.

	2 0 1 4	2 0 1 3
Cash	\$ 65,527	\$ 115,023
Accounts receivable	512	142
Inventory		10,287
Capital assets	1,272,295	1,042,011
Other assets	<u>631</u>	<u>30,120</u>
TOTAL ASSETS	\$ <u>1,338,965</u>	\$ <u>1,197,583</u>
Accounts payable and accrued liabilities	\$ 25,187	\$ 60,481
Other liabilities		156
Long term debt	<u>476,350</u>	<u>413,068</u>
TOTAL LIABILITIES	<u>501,537</u>	<u>473,705</u>
EQUITY	<u>837,428</u>	<u>723,878</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>1,338,965</u>	\$ <u>1,197,583</u>
 REVENUE	 6,194,905	 5,626,361
EXPENDITURES	6,122,786	5,410,650
OTHER ITEMS	<u>(188,853)</u>	<u>(105,898)</u>
NET INCOME	\$ <u>(116,734)</u>	\$ <u>109,813</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 4	2 0 1 3
A.A.N.D.C.	\$	\$
2010/11 Heavy Rains	25,562	
2012/13 Skills Link - Information and Technology	2,952	
2013/14 Skills Link - Work Placement	718	
2013/14 Summer Student	5,256	
2011/12 Flood accountable advances repayable		475,048
Accrued liabilities	117,934	100,769
Health Canada	3,360	23,837
Trade and other	<u>1,234,245</u>	<u>1,731,350</u>
	\$ <u>1,390,027</u>	\$ <u>2,331,004</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

6. DEFERRED REVENUE

	2014	2013
A.A.N.D.C.		
Heavy rains and response	\$	\$ 25,561
Community governance		908
Information Technology		3,750
Economic Development		100
Skills Link - work placement		6,865
In home care		9
Band operated school direct services		15,218
Waste water O&M		233
Employment and training	5,419	
Canada Mortgage and Housing Corporation		157,426
Own source revenue	<u>35,586</u>	<u>-</u>
	<u>\$ 41,005</u>	<u>\$ 187,745</u>

7. LONG TERM DEBT

	2014	2013
Canada Mortgage and Housing Corporation mortgage, 3.14%, repayable in monthly installments of \$2,412 (P & I), due January 2017, secured by a ministerial guarantee and assignment of fire insurance.	\$ 78,360	\$ 104,428
Canada Mortgage and Housing Corporation mortgage, 3.14%, repayable in monthly installments of \$1,019 (P & I), due January 2017, secured by a ministerial guarantee and assignment of fire insurance.	33,127	44,120
Canada Mortgage and Housing Corporation mortgage, 1.71%, repayable in monthly installments of \$580 (P & I), due September 2017, secured by a ministerial guarantee and assignment of fire insurance.	67,789	73,536
Canada Mortgage and Housing Corporation mortgage, 1.71%, repayable in monthly installments of \$1,848 (P & I), due September 2017, secured by a ministerial guarantee and assignment of fire insurance.	228,425	246,544
Canada Mortgage and Housing Corporation mortgage, 1.71%, repayable in monthly installments of \$1,322 (P & I), due September 2017, secured by a ministerial guarantee and assignment of fire insurance.	251,478	262,946
Canada Mortgage and Housing Corporation mortgage, 1.71%, repayable in monthly installments of \$7,693 (P & I), due September 2017, secured by a ministerial guarantee and assignment of fire insurance.	663,014	743,291

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

7. LONG TERM DEBT *(continued)*

	2014	2013
Canada Mortgage and Housing Corporation mortgage, 1.67%, repayable in monthly installments of \$3,612 (P & I), due March 2032, secured by a ministerial guarantee and assignment of fire insurance.	673,693	705,512
CIBC mortgage, 5.3%, repayable in monthly installments of \$8,007 (P & I), due April 2017, secured by a ministerial guarantee and assignment of fire insurance.	632,569	632,569
CIBC mortgage, 5.3%, repayable in monthly installments of \$5,948 (P & I), due April 2017, secured by a ministerial guarantee and assignment of fire insurance.	623,390	623,390
CIBC mortgage, 5.3%, repayable in monthly installments of \$6,762 (P & I), due August 2017, secured by a ministerial guarantee and assignment of fire insurance.	316,635	323,095
CIBC mortgage, 5.3%, repayable in monthly installments of \$6,077 (P & I), due November 2013, secured by a ministerial guarantee and assignment of fire insurance.		304,946
CIBC mortgage, prime plus 1%, repayable in monthly installments of \$6,300 (P & I), due February 2014, secured by a ministerial guarantee and assignment of fire insurance.		319,901
CIBC mortgage, 6.3%, repayable in monthly installments of \$9,748 (P & I), due April 2017, secured by a ministerial guarantee and assignment of fire insurance.	<u>802,068</u>	<u>802,068</u>
	<u>\$ 4,370,548</u>	<u>\$ 5,186,346</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2015	\$ 2,523,477
2016	148,102
2017	154,113
2018	160,397
2019	166,970

ROSEAU RIVER ANISHINABE FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

8. TANGIBLE CAPITAL ASSETS

	Cost		Accumulated Amortization		Net Book Value	
	Opening Balance	Additions	Closing Balance	Amortization	Closing Balance	Total
						Total
Residential Buildings	\$ 13,837,421	\$ 129,214	\$ 13,966,635	\$ 936,251	\$ 6,647,569	\$ 7,319,066
Computer Equipment	168,447	6,140	174,587	13,681	141,967	32,620
Furniture and equipment	466,646	16,687	483,333	29,913	371,139	112,194
Automotive	259,975	-	259,975	27,782	248,334	11,641
	<u>\$ 14,732,489</u>	<u>\$ 152,041</u>	<u>\$ 14,884,530</u>	<u>\$ 1,007,627</u>	<u>\$ 7,409,009</u>	<u>\$ 7,475,521</u>
						<u>\$ 8,331,107</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

9. CONTINGENT LIABILITIES

- a) The First Nation has signed agreements with various government bodies for funding of programs which may require that surpluses be returned. If any amounts become repayable, they will be accounted for in the year of determination.
- b) In March of 2014 an application was filed in the court of Queen's Bench by members of Roseau River Anishinabe First Nation requesting a court order for an audit of the Community Development Account for 2012 and 2013. The outcome of this application is not determinable, nor has it been established what impact such an order would have on the Community Development Account.

10. COMMITMENTS

The First Nation authorized the Roseau River Anishinabe First Nation 1903 Trust (1903 Trust) to secure a \$6,000,000 loan as per the terms of the by-law. The proceeds from the loan were transferred to the Community Development Account (CDA) and recorded as additional trust allotment revenue. The 1903 Trust is liable to repay the authorized loan over 10 years with annual installments. The 1903 Trust will reduce future annual allotments to the CDA by the amount of the annual loan installments, which are estimated to be \$600,000 plus interest.

11. RECONCILIATION OF ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA REVENUE

	2014	2013
A.A.N.D.C. funding as per agreement	\$ 4,863,087	\$ 5,568,083
Plus: Revenue deferred from previous years	30,319	77,626
2012/13 Band support funding recognized in 2013/14	29,513	
Less: Revenue deferred to subsequent year		(30,319)
A.A.N.D.C. Recoveries		
Heavy Rains	(25,562)	
Skills Link - Information and Technology	(2,952)	(5,795)
Skills Link - Work Placement	(718)	(6,805)
Summer Student	(5,256)	(6,516)
Band Operated School Direct Services		(37,706)
New Paths		(23,594)
Basic Needs		(37,360)
Family Violence Prevention		(7,274)
Special Needs		(17,763)
Parental Engagement		(2,470)
Community Economic Development	-	(33,600)
TOTAL A.A.N.D.C. REVENUE PER FINANCIAL STATEMENTS	\$ 4,888,431	\$ 5,436,507

12. ECONOMIC DEPENDENCE

The First Nation receives a majority of its revenue from, and consequently is economically dependant on, the Government of Canada.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

13. RELATED PARTY TRANSACTIONS

In the normal course of business the First Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the First Nation and related parties aggregate revenue and expenditures derived from related parties is not determinable.

14. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 1 4	2 0 1 3
Administration and office	\$ 952,976	\$ 1,480,989
Amortization	1,007,627	933,045
Bank interest and charges	344,360	400,833
Business development	247,413	1,023,073
Capital material and equipment	792,732	5,622,876
Contract fee and services	2,287,957	2,683,208
Debt payment	118,364	52,245
Fuel	55,321	100
Insurance	106,860	97,516
Maintenance	711,577	1,547,709
Other	424,859	801,182
Rent	126,902	108,201
Salaries and benefits	3,212,237	3,591,172
Social assistance	3,482,510	3,521,278
Supplies and material	181,736	320,001
Telephone and communication	140,270	107,234
Travel and accommodations	295,132	361,956
Training	56,788	79,926
Utilities	169,585	312,922
	<u>\$ 14,715,206</u>	<u>\$ 23,045,466</u>

15. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified to conform to the current year's presentation.

16. BUDGET INFORMATION

Budget figures are not presented in the financial statements due to complete budget information not being available from the First Nation.

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YEAR ENDED MARCH 31

17. SEGMENT DISCLOSURE

The 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:

	Band Government		Economic Development		Education		Public Works		Social	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues										
Federal Government										
AANDC	\$ 504,050	\$ 858,508	\$ 89,103	\$ 112,829	\$ 567,579	\$ 1,073,736	\$ 809,023	\$ 496,834	\$ 2,918,676	\$ 2,894,600
FNIHB										
CMHC										
ESDC										
Subtotal	504,050	858,508	89,103	112,829	567,579	1,073,736	809,023	496,834	2,918,676	2,894,600
Other revenue	440	45,249	-	-	-	-	41,745	-	-	-
Total revenue	504,490	903,757	89,103	112,829	567,579	1,073,736	850,768	496,834	2,918,676	2,894,600
Expenses										
Amortization										
Salaries and benefits	94,305	46,371		36,829	63,584	362,123	94,401	65,612	55,200	53,899
Other	169,924	770,659	89,003	91,888	380,133	509,756	643,344	539,638	2,884,314	2,783,957
Total expenses	264,229	817,030	89,003	128,717	443,717	871,879	737,745	605,250	2,939,514	2,837,856
Surplus (Deficit)	\$ 240,261	\$ 86,727	\$ 100	\$ (15,888)	\$ 123,862	\$ 201,857	\$ 113,023	\$ (108,416)	\$ (20,838)	\$ 56,744

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YEAR ENDED MARCH 31

17. SEGMENT DISCLOSURE (continued)

	Community Development Account		Employment and Training		Ginew Housing Authority		Ginew Senior Lodge		Ginew Wellness Center	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues										
Federal Government										
CMHC					(481,064)	355,226	50,204	49,241	115,667	96,598
ESDC			404,270	454,635	-	-	-	-	-	-
Subtotal			404,270	454,635	(481,064)	355,226	50,204	49,241	115,667	96,598
Other revenue	2,484,135	10,200,000	-	-	647,196	2,270,518	54,299	68,676	17,321	407,384
Total revenue	<u>2,484,135</u>	<u>10,200,000</u>	<u>404,270</u>	<u>454,635</u>	<u>166,132</u>	<u>2,625,744</u>	<u>104,503</u>	<u>117,917</u>	<u>132,988</u>	<u>503,982</u>
Expenses										
Amortization	17,497	10,106			783,978	723,506	65,840	65,840	138,127	133,593
Debt servicing		127,400			230,900	249,315	11,476	12,174	2,408	3,819
Salaries and benefits	306,704	799,243	51,896	178,336	73,962	174,430	74,676	73,522	306,357	301,247
Other	<u>1,623,046</u>	<u>9,574,571</u>	<u>226,650</u>	<u>422,929</u>	<u>326,195</u>	<u>332,671</u>	<u>151,992</u>	<u>151,536</u>	<u>48,953</u>	<u>160,138</u>
Total expenses	<u>1,947,247</u>	<u>10,511,320</u>	<u>278,546</u>	<u>601,265</u>	<u>1,415,035</u>	<u>1,479,922</u>	<u>151,992</u>	<u>151,536</u>	<u>495,845</u>	<u>598,797</u>
Surplus (Deficit)	<u>\$ 536,888</u>	<u>\$ (311,320)</u>	<u>\$ 125,724</u>	<u>\$ (146,630)</u>	<u>\$ (1,248,903)</u>	<u>\$ 1,145,822</u>	<u>\$ (47,489)</u>	<u>\$ (33,619)</u>	<u>\$ (362,857)</u>	<u>\$ (94,815)</u>

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YEAR ENDED MARCH 31

17. SEGMENT DISCLOSURE (continued)

Revenues	Health 2014	Health 2013	Own Source Revenue 2014	Own Source Revenue 2013	VLT 2014	VLT 2013	TOTAL 2014	TOTAL 2013
Federal Government								
AAANDC	\$ 2,018,261	\$ 2,115,795	\$ -	\$ -	\$ -	\$ -	\$ 4,888,431	\$ 5,436,507
FNHIB							2,018,261	2,115,795
CMHC							(430,860)	404,467
ESDC							519,937	551,233
Subtotal	2,018,261	2,115,795	-	-	-	-	6,995,769	8,508,002
Other revenue	300,390	-	3,093,631	2,217,342	-	171,510	6,639,157	15,380,679
Total revenue	2,318,651	2,115,795	3,093,631	2,217,342	-	171,510	13,634,926	23,888,681
Expenses								
Amortization			2,185				1,007,627	933,045
Debt servicing				8,125			244,784	400,833
Salaries and benefits	1,475,436	1,217,262	690,392	365,820			3,212,237	3,591,172
Other	678,555	917,737	3,105,765	1,942,950	-	-	10,250,558	18,120,416
Total expenses	2,153,991	2,134,999	3,796,342	2,306,895	-	-	14,715,206	23,045,466
Surplus (Deficit)	\$ 164,660	\$ (19,204)	\$ (704,711)	\$ (89,553)	\$ -	\$ 171,510	\$ (1,080,280)	\$ 843,215