

**Birdtail Sioux First Nation  
Consolidated Financial Statements**

*March 31, 2014*

# Birdtail Sioux First Nation Contents

For the year ended March 31, 2014

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	Page
<b>Management's Responsibility</b>	
<b>Independent Auditors' Report</b>	
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations.....	2
Consolidated Statement of Changes in Accumulated Surplus.....	3
Consolidated Statement of Changes in Net Debt.....	4
Consolidated Statement of Cash Flows.....	5
<b>Notes to the Consolidated Financial Statements.....</b>	<b>6</b>
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	19
Schedule 2 - Consolidated Schedule of Expenses by Object.....	21
Schedule 3 - Consolidated Summary Schedule of Segment Operations.....	22
<b>Consolidated Schedules of Segment Operations</b>	
Schedule 4 - Health.....	23
Schedule 5 - Economic Development.....	24
Schedule 6 - Governance.....	25
Schedule 7 - Social Assistance.....	26
Schedule 8 - Infrastructure.....	27
Schedule 9 - Economic Enterprises.....	28
Schedule 10 - Off-Reserve Housing.....	29
Schedule 11 - Subsidized Housing.....	30
Schedule 12 - Other.....	31

## **Management's Responsibility**

## To the Members of Birdtail Sioux First Nation:

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Birdtail Sioux First Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Chief and Council are also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Chief and Council on behalf of the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

November 26, 2014

## Operations Manager

## Independent Auditors' Report

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To the Members of Birdtail Sioux First Nation:

We have audited the accompanying consolidated financial statements of Birdtail Sioux First Nation which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, changes in 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, including supporting schedules.

### *Management's Responsibility for the Consolidated 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 from 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 qualified audit opinion.

### *Basis for Qualified Opinion*

The First Nation receives revenues from sales from its General Store, the completeness of which was not susceptible to satisfactory audit verification. Accordingly, our verification of these sales revenues was limited to amounts recorded in the records of the First Nation and we were not able to determine whether any adjustments might be necessary to sales revenue, operating surplus, or accumulated surplus.

The First Nation's consolidated statement of operations and consolidated statement of changes in net debt do not present a comparison of the results for the accounting period with those originally planned, which constitutes a departure from Canadian public sector accounting standards.

During the year, houses were contributed to the First Nation. The First Nation has not recorded a value for all of these contributed assets on its statement of financial position and did not record the related contribution revenue in its statement of operations. We were unable to determine the extent of this error. Because the First Nation did not record the transactions associated with the contributed houses, the carrying value of tangible capital assets is understated as at March 31, 2014 and the revenue associated with the contributions of houses is understated for the year ended March 31, 2014.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly in all material respects the financial position of Birdtail Sioux First Nation as at March 31, 2014, and the results of its operations, changes in accumulated surplus, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

The prior year figures were audited by another firm of Chartered Accountants who expressed an unqualified opinion in their report dated August 21, 2013.

Winnipeg, Manitoba

November 26, 2014

**MNP LLP**  
Chartered Accountants

**Birdtail Sioux First Nation**  
**Consolidated Statement of Financial Position**  
As at March 31, 2014

	2014	2013
	(Restated)	
<b>Financial assets</b>		
Cash	312,156	-
Accounts receivable (Note 3)	52,902	373,375
Inventory	16,133	17,309
Restricted cash (Note 4)	261,808	122,604
	642,999	513,288
<b>Liabilities</b>		
Bank indebtedness (Note 5)	19,948	288,357
Accounts payable and accruals (Note 6)	841,212	1,509,938
Deferred revenue (Note 7)	104,603	124,603
Due to Summer Roads Development Group Ltd. (Note 8)	193,545	193,545
Due to 2992770 Manitoba Ltd. (Note 9)	400,500	400,500
Due to Aboriginal Affairs and Northern Development Canada (Note 10)	654,522	702,403
Long-term debt (Note 11)	5,095,925	5,627,221
	7,310,255	8,846,567
<b>Net debt</b>	(6,667,256)	(8,333,279)
<b>Contingencies (Note 12)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	17,187,612	18,386,781
<b>Accumulated surplus (Note 13)</b>	10,520,356	10,053,502

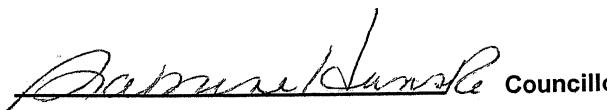
Approved on behalf of the Council



Chief

Councillor

Councillor



Councillor

Councillor

Councillor

**Birdtail Sioux First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2014*

	<i>Schedules</i>	<b>2014</b>	<b>2013</b> (Restated)
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada (Note 14)		<b>2,587,034</b>	2,443,036
First Nations and Inuit Health (Note 15)		972,827	922,721
Rent		624,421	806,393
Sales		459,596	464,364
Canada Mortgage and Housing Corporation		271,931	313,424
Other revenue		205,279	311,473
First Peoples Development Inc.		185,124	189,611
Provincial tax rebates		71,438	75,911
Interest		1,214	1,200
Prior year recovery		(28,223)	(8,025)
Revenue deferred in prior year (Note 7)		124,603	-
Revenue deferred to subsequent year (Note 7)		(104,603)	(124,603)
		<b>5,370,641</b>	5,395,505
<b>Segment expenses</b>			
Health	4	984,743	1,091,694
Economic Development	5	133,035	236,816
Governance	6	1,489,483	1,482,766
Social Assistance	7	1,476,224	1,281,233
Infrastructure	8	612,849	540,390
Economic Enterprises	9	650,605	757,717
Off-Reserve Housing	10	972,981	411,357
Subsidized Housing	11	873,358	1,008,466
Other	12	246,368	53,576
<b>Total segment expenses (Schedule 2)</b>		<b>7,439,646</b>	6,864,015
		<b>(2,069,005)</b>	(1,468,510)
<b>Other items</b>			
Contributed houses (Note 16)		2,734,094	-
Impairment of tangible capital assets (Note 17)		(198,235)	-
		<b>2,535,859</b>	-
<b>Operating surplus (deficit)</b>		<b>466,854</b>	(1,468,510)

*The accompanying notes are an integral part of these financial statements*

**Birdtail Sioux First Nation**  
**Consolidated Statement of Changes in Accumulated Surplus**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
		<i>(Restated)</i>
<b>Accumulated surplus, beginning of year, as previously stated</b>	<b>13,675,996</b>	15,283,637
<b>Correction of errors (Note 18)</b>	<b>(3,622,494)</b>	(3,761,625)
<b>Accumulated surplus, beginning of year, as restated</b>	<b>10,053,502</b>	11,522,012
<b>Operating surplus (deficit)</b>	<b>466,854</b>	(1,468,510)
<b>Accumulated surplus, end of year</b>	<b>10,520,356</b>	10,053,502

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*The accompanying notes are an integral part of these financial statements*

**Birdtail Sioux First Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b> (Restated)
<b>Annual operating surplus (deficit)</b>	<b>466,854</b>	(1,468,510)
Purchases of tangible capital assets	(156,645)	(808,821)
Amortization of tangible capital assets	1,157,579	1,107,097
Impairment of tangible capital assets	198,235	-
	<b>1,199,169</b>	298,276
<b>Decrease (increase) in net debt</b>	<b>1,666,023</b>	(1,170,234)
<b>Net debt, beginning of year</b>	<b>(8,333,279)</b>	(7,163,045)
<b>Net debt, end of year</b>	<b>(6,667,256)</b>	(8,333,279)

*The accompanying notes are an integral part of these financial statements*

**Birdtail Sioux First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2014*

**2014**                    **2013**  
*(Restated)*

**Cash provided by (used for) the following activities**

**Operating activities**

Cash receipts from contributors	8,405,208	5,449,234
Cash paid to suppliers	(5,560,906)	(3,966,811)
Cash paid to employees	(1,333,890)	(1,477,448)
Interest on long-term debt	(102,702)	(144,636)
	<b>1,407,710</b>	<b>(139,661)</b>

**Financing activities**

Advances (repayments) of bank indebtedness	(268,409)	263,357
Advances (repayment) of long-term debt	(531,296)	340,728
Increase in restricted cash	(139,204)	(122,604)
	<b>(938,909)</b>	<b>481,481</b>

**Capital activities**

Purchases of tangible capital assets	(156,645)	(808,821)
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<b>Increase (decrease) in cash resources</b>	<b>312,156</b>	<b>(467,001)</b>
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<b>Cash resources, beginning of year</b>	<b>-</b>	<b>467,001</b>
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<b>Cash resources, end of year</b>	<b>312,156</b>	<b>-</b>
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*The accompanying notes are an integral part of these financial statements*

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**1. Operations**

The Birdtail Sioux First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its members.

**2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Reporting entity***

The Birdtail Sioux First Nation includes the First Nation government and all related entities that are either owned or controlled by the First Nation. Trusts administered on behalf of third parties by Birdtail Sioux First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Birdtail Sioux General Store
- Birdtail Sioux Housing Authority Inc.
- Birdtail Sioux First Nation Housing Authority
- 5503800 Manitoba Ltd.
- Birdtail Dakota Ltd.
- Birdtail Sioux First Nation Social Assistance Department
- Assiniboine Valley Cattle Ranch Inc.

All inter-entity balances and transactions have been eliminated on consolidation.

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Cash***

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Inventory***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted-average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**2. Significant accounting policies** *(Continued from previous page)*

**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 financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

**Non-financial assets**

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

**Tangible capital assets**

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

**Amortization**

Tangible capital assets are amortized using methods and rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half of the rates below:

	<b>Method</b>	<b>Rate</b>
Buildings	declining balance	4%
Vehicles	declining balance	10%
Equipment	declining balance	4%
Infrastructure	declining balance	2.5%
Houses	straight-line	25 years

**Long-lived assets**

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the assets' carrying value exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

**Revenue recognition**

Government transfer revenue which includes Aboriginal Affairs and Northern Development Canada, First Nations and Inuit Health, Canada Mortgage and Housing Corporation, and First Peoples Development Inc. is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt and is recognized as revenue in the year to which it was designated. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Sales are recognized when the services are provided or the goods are shipped and subsequent collection is reasonably assured.

Rent revenue is recorded in the year they are earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

Provincial tax rebates are recognized when the rebates have been earned from the Province of Manitoba.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**2. Significant accounting policies** *(Continued from previous page)*

***Employee future benefits***

The First Nation's employee future benefit programs consist of a defined contribution pension plan. First Nation contributions to the defined contribution plan are expensed as incurred.

***Financial instruments***

Financial instruments include cash, accounts receivable, restricted cash, bank indebtedness, accounts payable and accruals, due to Summer Roads Development Group Ltd., due to 2992770 Manitoba Ltd., due to Aboriginal Affairs and Northern Development Canada 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.

***Measurement uncertainty***

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where necessary. Amortization is based on the estimated useful lives of the related tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue. Provisions for funding recoveries and site rehabilitation costs are recorded in accordance with management's estimates of future costs. Inventory is stated after provisions are made for slow-moving or obsolete inventory.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**2. Significant accounting policies** *(Continued from previous page)*

**Segments**

During the year, management changed its accounting policy with respect to segments, now identifying nine segments, which are different than those reported on its previously issued financial statements. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent amounts that are directly attributable to the segment.

These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

*Health*

Activities include the delivery of programs to promote community-based health and to address environmental issues and non-insured health benefits.

*Economic Development*

Benefits include greater use of land resources under the control of the community, better access to opportunities from land and resources beyond the control of the community, more and larger businesses and business opportunities within the community and a better economic environment.

*Governance*

Activities include the band support administration function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

*Social Assistance*

Activities include satisfying the economic, social or health related needs of members of the community who require assistance.

*Infrastructure*

Activities include the provision of residential housing opportunities for community members as well as planning, managing and delivery of large scale infrastructure and capital projects to the community.

*Economic Enterprises*

Reports on the activities of economic enterprises including Assiniboine Valley Cattle Ranch Inc., 5503800 Manitoba Ltd., Birdtail Sioux General Store, and Birdtail Dakota Ltd.

*Off-reserve Housing*

Activities include management and sale of rental housing that is off of the reserve.

*Subsidized Housing*

Activities include provision of residential housing opportunities for community members.

*Other*

Activities include reporting transactions not included in the above segments.

**Recent accounting pronouncements**

**Liability for contaminated sites**

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The First Nation expects to apply PS 3260 for its financial statements dated March 31, 2015. The First Nation has not yet determined the effect of the new section in its financial statements.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments**

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation has not yet determined the effect of these new standards on its financial statements.

**3. Accounts receivable**

	<b>2014</b>	<b>2013</b> (Restated)
Aboriginal Affairs and Northern Development Canada	-	113,812
Trade receivables	<b>198,725</b>	215,877
CMHC subsidy assistance receivable	<b>22,356</b>	24,134
First Nations and Inuit Health	<b>11,819</b>	41,621
Due from members	<b>81,360</b>	21,390
GST receivable	<b>1,307</b>	1,307
Due from Province	<b>20,668</b>	2,006
Allowance for doubtful accounts	<b>(283,333)</b>	(46,772)
	<b>52,902</b>	373,375

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**4. Restricted cash**

	<b>2014</b>	<b>2013</b>
		(Restated)
CMHC replacement reserve	194,257	122,604
Ottawa Trust	67,551	-
	<b>261,808</b>	122,604

**Ottawa Trust**

The Ottawa Trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust moneys are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Chief and Council.

Capital trust      \$38,697 (2014 - lease revenue of \$38,697) (2013 - \$0)  
 Revenue trust      \$28,854 (2014 - lease revenue of \$27,910 and interest revenue of \$944) (2013 - \$0)

**CMHC replacement reserve**

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The First Nation is not in compliance with its agreement with CMHC. The agreement requires that the First Nation maintain a separate bank account to fund the full amount of the CMHC replacement reserve. At year end a separate bank account had not been established by the First Nation.

**5. Bank indebtedness**

Birdtail Sioux First Nation has an operating line of credit of \$75,000 (2013 - \$75,000) through the Royal Bank of Canada. Interest on this line of credit is charged at a rate of prime (3%) plus 2%.

	<b>2014</b>	<b>2013</b>
Cheques issued in excess of operating line of credit	19,948	213,357
Operating line of credit	-	75,000
	<b>19,948</b>	288,357

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**6. Accounts payable and accruals**

	<b>2014</b>	<b>2013</b>
		(Restated)
Employee benefits payable	12,512	19,224
Due to First Nations and Inuit Health	111,407	191,209
Trade payables and accruals	684,293	1,266,505
Due to Foxwarren Cafe and Gas Bar Co-op Ltd.	33,000	33,000
	<b>841,212</b>	1,509,938

**7. Deferred revenue**

	<b>2014</b>	<b>2013</b>
		(Restated)
Aboriginal Affairs and Northern Development Canada	(Schedule 12)	104,603
First Peoples Development Inc.	(Schedule 12)	-
	<b>104,603</b>	104,603
	<b>104,603</b>	20,000
	<b>104,603</b>	124,603

**8. Due to Summer Roads Development Group Ltd.**

During the year ended March 31, 2008, Summer Roads Development Group Ltd. loaned money to the First Nation in order to facilitate the First Nation's purchase of a property (land and building) in Foxwarren, Manitoba. The First Nation intends to use the property to operate a gaming centre. Amounts owed to Summer Roads Development Group Ltd. are unsecured, non-interest bearing and have no agreed upon terms of repayment.

**9. Due to 2992770 Manitoba Ltd.**

During the year ended March 31, 2009, the First Nation took possession of cattle and farm equipment (the "Asset") for which the required payment as outlined in the purchase agreement was not provided to 2992770 Manitoba Ltd (the "Vendor"). The purchase agreement with the Vendor indicates that the Vendor will remain the legal owner of the property until the purchase amount has been settled. The Vendor is claiming that, since the First Nation took possession of the Asset and handled it in a manner not consistent with the terms of the agreement, the First Nation should be required to pay the Vendor for the Asset in accordance with the terms outlined in the agreement, including accrued interest. The First Nation no longer holds possession of the Asset, and as explained in the Agreement, never became the legal owner of the property. Amounts that the Vendor is claiming are due are unsecured and the First Nation has not agreed with the Vendor regarding amounts owing or any terms of repayment. The First Nation asserts that the terms of interest and repayment outlined in the agreement are not applicable, since the First Nation did not become the legal owner of the Asset. The likely outcome of this disagreement is not determinable at this time.

**10. Due to Aboriginal Affairs and Northern Development Canada**

Amounts due to Aboriginal Affairs and Northern Development Canada ("AANDC") relate to Basic Needs funding that AANDC has deemed to have not been spent on eligible expenditures. The amount owing is unsecured. Future repayments will be in accordance with funding decisions of AANDC.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**11. Long-term debt**

	<b>2014</b>	<b>2013</b> (Restated)
Loan repaid during the year	-	13,328
Toronto Dominion Bank, payments of \$5,191 per month including interest at 4.37%, maturing August 2014, secured by a Ministerial guarantee for a seven-unit rental housing project and an assignment of fire insurance.	<b>25,672</b>	85,698
Royal Bank of Canada, payments of \$2,611 per month including interest at 3.55%, due on demand, secured by a Ministerial guarantee for a ten-unit rental housing project and an assignment of fire insurance.	<b>57,786</b>	86,490
Royal Bank of Canada, payments of \$8,380 per month including interest at 2.78%, due on demand, secured by a Ministerial guarantee for a six-unit rental housing project and an assignment of fire insurance.	<b>304,555</b>	395,211
Peace Hills Trust, payments of \$3,590 per month including interest at 3.70%, maturing February 2018, secured by a Ministerial guarantee for an eighteen-unit rental housing project and an assignment of fire insurance.	<b>157,461</b>	194,158
CMHC loan, payments of \$3,430 per month including interest at 1.92%, maturing November 2018, with a scheduled renewal date of April 2017, secured by a Ministerial guarantee for an eight-unit rental housing project and an assignment of fire insurance.	<b>183,596</b>	220,853
Peace Hills Trust, payments of \$2,671 per month including interest at 3.70%, maturing February 2020, with a scheduled renewal date of February 2018, secured by a Ministerial guarantee for a ten-unit rental housing project and an assignment of fire insurance.	<b>170,772</b>	196,141
CMHC loan, payments of \$1,326 per month including interest at 2.11%, maturing December 2028, with a scheduled renewal date of January 2019, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	<b>201,720</b>	212,744
CMHC loan, payments of \$1,242 per month including interest at 2.57%, maturing October 2029, with a scheduled renewal date of December 2014, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	<b>191,378</b>	201,251
CMHC loan, payments of \$1,634 per month including interest at 2.76%, maturing June 2030, with a scheduled renewal date of June 2015, secured by a Ministerial guarantee for a five-unit rental housing project and an assignment of fire insurance.	<b>256,890</b>	269,267
CMHC loan, payments of \$2,252 per month including interest at 1.53%, maturing July 2032, with a scheduled renewal date of December 2017, secured by a Ministerial guarantee for a seven-unit rental housing project and an assignment of fire insurance.	<b>431,856</b>	452,119
CMHC loan, payments of \$2,237 per month including interest at 1.53%, maturing September 2032, with a scheduled renewal date of December 2017, secured by a Ministerial guarantee for a seven-unit rental housing project and an assignment of fire insurance.	<b>432,421</b>	452,501
CMHC loan, payments of \$1,582 per month including interest at 2.08%, maturing February 2034, with a scheduled renewal date of February 2019, secured by a Ministerial guarantee for a four-unit rental housing project and an assignment of fire insurance.	<b>309,640</b>	322,415

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**11. Long-term debt** *(Continued from previous page)*

	<b>2014</b>	<b>2013</b> <i>(Restated)</i>
CMHC loan, payments of \$1,665 per month including interest at 1.65%, maturing June 2037, with a scheduled renewal date of June 2017, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	<b>385,355</b>	383,926
Royal Bank of Canada, repayable in monthly principal instalments of \$2,555 plus interest at Royal Bank prime (3%) plus 2%, secured by a general security agreement, maturing March 2016.	<b>61,329</b>	91,993
Royal Bank of Canada, repayable in blended monthly instalments of \$3,184 including interest at 4.75%, secured by a general security agreement, matures March 2017.	<b>112,423</b>	144,422
First Peoples Economic Growth Fund, repayable in monthly instalments of \$5,412 with interest at 6%, secured by a general security agreement, maturing August 2022.	<b>476,047</b>	499,894
Royal Bank of Canada, repayable in monthly principal instalments of \$1,904 plus interest at 5.25%, secured by off-reserve housing, maturing March 2025.	<b>294,177</b>	301,372
Royal Bank of Canada, repayable in blended monthly instalments of \$3,184 including interest at 4.75%. secured by off-reserve housing, matures March 2017.	<b>275,465</b>	290,957
Royal Bank of Canada, repayable in monthly principal instalments of \$3,722 including interest at 5.07%, secured by off-reserve housing, maturing March 2032.	<b>513,115</b>	551,335
Sensus Partnership of Chartered Accountants, repayable in monthly instalments of \$3,082 plus interest at 7.25%, maturing December 2022.	<b>254,267</b>	261,146
	<b>5,095,925</b>	5,627,221

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2015	495,185
2016	454,399
2017	448,300
2018	354,285
2019	315,776
	<hr/>
	2,067,945
	<hr/>

**12. Contingencies**

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year-end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2014 might be recovered by these agencies.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**13. Accumulated surplus**

	<b>2014</b>	<b>2013</b>
Invested in tangible capital assets	11,898,142	12,566,015
Operating accumulated deficit	(1,639,594)	(2,640,597)
Ottawa Trust	67,551	-
CMHC replacement reserve	194,257	128,084
	<b>10,520,356</b>	<b>10,053,502</b>

**14. Aboriginal Affairs and Northern Development Canada revenue reconciliation**

	<b>2014</b>	<b>2013</b>
Aboriginal Affairs and Northern Development Canada per confirmation	2,587,034	2,443,036
Aboriginal Affairs and Northern Development Canada per financial statements	2,587,034	2,443,036

**15. First Nations and Inuit Health revenue reconciliation**

	<b>2014</b>	<b>2013</b>
First Nations and Inuit Health per confirmation	972,827	922,721
First Nations and Inuit Health per financial statements	972,827	922,721

**16. Related party transactions**

During the year, houses were contributed to the First Nation from Dakota Ojibway Tribal Council Housing Authority Inc. ("DOTCHA").

These contributed tangible capital assets were recorded at their fair value of \$2,734,094 (2013 - \$0). Fair value was estimated through consideration of the proceeds from the subsequent sale of the houses by the First Nation to unrelated parties.

The First Nation also paid management fees to DOTCHA in the amount of \$73,114 (2013 - \$21,916) in exchange for property management services for houses owned on off-reserve urban land.

This transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

DOTCHA is a not-for-profit organization jointly controlled by six First Nations, including the Birdtail Sioux First Nation.

**17. Impairment of tangible capital assets**

The First Nation has recognized the fact that certain machinery and equipment no longer hold future service potential to the First Nation. An impairment loss has been recognized in these financial statements to reduce the carrying value of these items to \$0.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**18. Correction of errors**

During the year, management determined that 5503800 Manitoba Ltd., a company owned and controlled by Birdtail Sioux First Nation, was not accounted for in the consolidated financial statements for the year ended March 31, 2013. Prior year figures have been restated, resulting in a \$113,000 increase in restricted cash, a \$48,000 increase in accounts payable and accruals, a \$193,545 increase in due to Summer Roads Development Group Ltd. and a \$94,785 increase to tangible capital assets as at March 31, 2013. This also resulted in an increase of \$1,200 in interest revenue, \$1,700 in economic enterprises expenses, and \$33,260 decrease in accumulated surplus, beginning of year, for the year ended March 31, 2013.

In accordance with Canadian public sector accounting standards, business entities owned or controlled by the First Nation but 1) is not dependent on the First Nation for its continuing operations 2) sells goods and services to customers outside of the First Nation as its principal activity 3) has been delegated authority from the First Nation to carry on a business and 4) is a separate legal entity, are defined as government business enterprises (GBE's). GBE's are included in the financial statements using the modified equity method. In the March 31, 2013 financial statements, the Assiniboine Valley Cattle Ranch Inc. was accounted for in the consolidated financial statements of the First Nation using the modified equity method, even though the company was in fact dependent on the First Nation for its continuing operations, did not sell goods and services to customers outside of the First Nation and did not have a separate Board of Directors that had been delegated operational and financial authority from the Chief and Council of the First Nation. The First Nation should have accounted for the Assiniboine Valley Cattle Ranch Inc. through full consolidation of assets, liabilities, revenue and expenses. The prior year figures have been restated, resulting in a decrease to the investment in government business enterprise liability of \$576,799, an increase to restricted cash of \$1,400, a decrease to accounts receivable of \$114,789, an increase to tangible capital assets of \$198,235, an increase to long-term debt of \$261,145, and an increase to due to 2992770 Manitoba Ltd of \$400,500 as at March 31, 2013. This also resulted in a decrease of \$38,818 to the government business enterprise expense and an increase of \$38,818 in Economic Enterprises expenses for the year ended March 31, 2013.

During the year, management determined that the replacement reserve maintained under the requirements of CMHC was a component of accumulated surplus, rather than a liability. The prior year figures have been restated, causing a \$128,084 decrease in the replacement reserve liability as at March 31, 2013, and a \$106,013 increase in accumulated surplus, beginning of the year, and a \$22,071 decrease in Subsidized Housing expenses for the year ended March 31, 2013.

During the year, management determined that the subsidy receivable from CMHC was not recorded in the prior year. The prior year figures have been restated, causing a \$24,134 increase in accounts receivable as at March 31, 2013 and an increase of \$24,134 to accumulated surplus, beginning of year for the year ended March 31, 2013.

During the year, management determined that the balance in due to Aboriginal Affairs and Northern Development Canada was understated as at March 31, 2013. The prior year figures have been restated, causing an increase of \$44,358 to due to Aboriginal Affairs and Northern Development Canada and a decrease of \$44,358 to accumulated surplus, beginning of year for the year ended March 31, 2013.

During the year, management determined that the accounting policy used to amortize housing tangible capital assets accounted for in its controlled department referred to as the Birdtail Sioux First Nation Housing Authority was not an appropriate accounting policy. The policy amortized the related tangible capital assets at a rate equal to the principal reduction of the related mortgages. Management has retroactively applied an amortization rate of 25 years to these assets, using the straight-line method. The prior year figures have been restated, causing a \$3,347,958 decrease in tangible capital assets as at March 31, 2013, as well as a \$3,465,519 decrease in accumulated surplus, beginning of year and a \$117,561 decrease in subsidized housing expenses for the year ended March 31, 2013.

During the year, management determined that certain disbursements, accounted for as tangible capital assets in the March 31, 2013 financial statements, should have been recorded as expenses when the disbursements were incurred. These tangible capital assets had not been subject to amortization expense during the years in which they were recorded as tangible capital assets in the financial statements. The prior year figures have been restated, resulting in a \$348,635 decrease to tangible capital assets as at March 31, 2013 and a \$348,635 decrease to accumulated surplus, beginning of year, for the year ended March 31, 2013.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**19. Restated figures due to correction of errors**

The restatement to the comparative figures as at March 31, 2013 and for the year then ended are as follows:

	<b>As restated</b>	<b>As previously stated</b>
Accounts receivable	373,375	464,060
Restricted cash	122,604	8,204
Accounts payable and accruals	1,509,938	1,461,938
Due to Summer Roads Development Group Ltd.	193,545	-
Investment in Government Business Enterprise	-	576,799
Long-term debt	5,627,221	5,366,076
Due to 2992770 Manitoba Ltd.	400,500	-
Due to Aboriginal Affairs and Northern Development Canada	702,403	658,045
Replacement reserve liability	-	128,084
Tangible capital assets	18,386,781	21,790,354
Interest revenue	1,200	-
Economic Enterprises expenses	757,717	717,199
Subsidized Housing expenses	1,008,466	1,148,098
Government Business Enterprise deficit	-	38,818
Accumulated surplus, beginning of year	11,522,012	15,283,637
Accumulated surplus, end of year	10,053,502	13,675,996

**20. Economic dependence**

Birdtail Sioux First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC), and First Nations and Inuit Health ("FNIH") as a result of Treaties entered into with the Government of Canada. During the year, the First Nation received 48.3% (2013 - 47.7%) of its revenue from AANDC and 18.2% (2013 - 18.0%) of its revenue from FNIH.

These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**21. Provision for site rehabilitation**

As directed by PS 3270, a liability for closure and post-closure care of landfill sites must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability is to be recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care. The estimated total expenditure represents the sum of discounted future cash flows associated with the required closure and post-closure care.

Birdtail Sioux First Nation operates and manages a landfill site. The requirements for closure and post-closure care of the landfill site are determined on the basis of environmental laws that the First Nation is subject to.

The Manitoba Environmental Protection Act sets out regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance. However, generally speaking, provincial environmental law does not apply to existing landfill sites on First Nation reserve land.

The Indian Reserve Waste Disposal Regulations of the Indian Act applies on First Nation land, and does not indicate any closure or post-closure requirements for landfill sites.

Therefore, no liability for landfill site closure and post-closure costs has been recorded in these financial statements.

**22. First Nations Financial Transparency Act**

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2014. As the audit report is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not been determined.

**23. Comparative figures**

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

**24. Defined contribution pension plan**

The First Nation has a defined contribution pension plan covering its full time employees. The First Nation remits its pension liabilities on a monthly basis and remittances were current at year end.

**Birdtail Sioux First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2014*

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	<i>Land</i>	<i>Buildings</i>	<i>Vehicles</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Subtotal</i>
<b>Cost</b>						
Balance, beginning of year	728,200	11,849,486	641,139	685,157	8,078,589	21,982,571
Acquisition of tangible capital assets	-	31,465	105,180	20,000	-	156,645
Impairment of tangible capital assets	-	(94,400)	-	(320,025)	-	(414,425)
Balance, end of year	728,200	11,786,551	746,319	385,132	8,078,589	21,724,791
<b>Accumulated amortization</b>						
Balance, beginning of year	-	4,055,012	410,120	233,687	3,708,202	8,407,021
Annual amortization	-	498,678	69,373	10,308	201,965	780,324
Accumulated amortization on impaired assets	-	(36,614)	-	(179,576)	-	(216,190)
Balance, end of year	-	4,517,076	479,493	64,419	3,910,167	8,971,155
<b>Net book value of tangible capital assets</b>	<b>728,200</b>	<b>7,269,475</b>	<b>266,826</b>	<b>320,713</b>	<b>4,168,422</b>	<b>12,753,636</b>
Net book value of tangible capital assets - 2013	728,200	7,794,474	231,019	451,470	4,370,387	13,575,550

**Birdtail Sioux First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2014*

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	<i>Subtotal</i>	<i>Houses</i>	<i>2014</i>	<i>2013</i>
	(Restated)			
<b>Cost</b>				
Balance, beginning of year	21,982,571	12,877,686	34,860,257	34,051,436
Acquisition of tangible capital assets	156,645	-	156,645	808,821
Impairment of tangible capital assets	(414,425)	-	(414,425)	-
<b>Balance, end of year</b>	<b>21,724,791</b>	<b>12,877,686</b>	<b>34,602,477</b>	<b>34,860,257</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	8,407,021	8,066,455	16,473,476	15,366,379
Annual amortization	780,324	377,255	1,157,579	1,107,097
Accumulated amortization on impaired assets	(216,190)	-	(216,190)	-
<b>Balance, end of year</b>	<b>8,971,155</b>	<b>8,443,710</b>	<b>17,414,865</b>	<b>16,473,476</b>
<b>Net book value of tangible capital assets</b>	<b>12,753,636</b>	<b>4,433,976</b>	<b>17,187,612</b>	<b>18,386,781</b>
<b>Net book value of tangible capital assets - 2013</b>	<b>13,575,550</b>	<b>4,811,231</b>	<b>18,386,781</b>	

**Birdtail Sioux First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b> (Restated)
<b>Consolidated expenses by object</b>		
Amortization	1,157,579	1,107,097
Bad debts	173,757	-
Band housing administration	73,969	137,648
Bank charges and interest	47,784	72,801
Community events	85,632	89,233
Consulting	43,970	-
Cost of sales	374,131	529,131
Memberships and dues	591	895
Groceries	12,874	7,981
Internet	3,579	1,573
Honourariums	246,958	194,212
Insurance	352,729	334,924
Interest on long-term debt	102,702	144,636
Management fees	73,114	21,916
Other	57,588	348,614
Legal fees	524,732	2,774
Office expenses	34,693	39,682
Septic waste hauling	38,546	5,045
Postage	105	14
Professional development	-	2,767
Professional fees	163,728	64,231
Advertising and promotion	383	384
Program expense	1,942	65,718
Property tax	92,675	47,319
Rent	2,586	1,020
Repairs and maintenance	557,818	452,968
Salaries and benefits	1,317,533	1,477,448
Social assistance	1,433,679	1,242,338
Special needs	42,545	38,895
Supplies	40,588	76,836
Telephone	67,630	43,609
Training	8,440	7,301
Transportation	510	-
Travel	127,304	126,798
Utilities	123,237	106,043
Workshops	26,228	34,405
Vehicle	27,787	37,759
	<b>7,439,646</b>	<b>6,864,015</b>

**Birdtail Sioux First Nation**  
**Schedule 3 - Consolidated Summary Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<i>Revenue and other items</i>	<i>Expenses</i>	<i>2014 Surplus (Deficit)</i>	<i>2013 Surplus (Deficit) (Restated)</i>
<b>Segments (Schedules 4 to 12)</b>				
Health	981,843	984,743	(2,900)	(7,114)
Economic Development	128,467	133,035	(4,568)	(120,790)
Governance	605,376	1,489,483	(884,107)	(1,080,504)
Social Assistance	1,382,764	1,476,224	(93,460)	(15,956)
Infrastructure	607,202	612,849	(5,647)	(13,505)
Economic Enterprises	470,374	650,605	(180,231)	(216,242)
Off-Reserve Housing	(205,195)	972,981	(1,178,176)	(67,604)
Subsidized Housing	458,692	873,358	(414,666)	(340,102)
Other	3,476,977	246,368	3,230,609	393,307
<b>Total</b>	<b>7,906,500</b>	<b>7,439,646</b>	<b>466,854</b>	<b>(1,468,510)</b>

**Birdtail Sioux First Nation**  
**Health**  
**Schedule 4 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
First Nations and Inuit Health	972,827	922,721
Aboriginal Affairs and Northern Development Canada	46,271	181,294
Other revenue	39,150	75,252
	<b>1,058,248</b>	1,179,267
<b>Expenses</b>		
Bank charges and interest	811	661
Community events	67,376	78,260
Insurance	24,581	73,203
Internet	899	1,573
Management fees	-	1,640
Office expenses	21,437	19,994
Other	5,828	4,513
Postage	105	14
Professional development	-	2,767
Professional fees	2,585	8,582
Program expense	1,942	687
Rent	2,248	1,020
Repairs and maintenance	18,721	61,714
Salaries and benefits	606,973	571,500
Septic waste hauling	38,546	5,045
Supplies	37,215	62,638
Telephone	10,412	7,063
Training	8,440	7,302
Travel	48,774	45,289
Utilities	21,528	58,932
Vehicle	27,787	37,759
Workshops	26,113	34,405
Groceries	12,422	7,133
	<b>984,743</b>	1,091,694
<b>Operating surplus before transfers between segments</b>	<b>73,505</b>	87,573
<b>Transfers between segments</b>	<b>(76,405)</b>	(94,687)
<b>Operating deficit</b>	<b>(2,900)</b>	(7,114)

**Birdtail Sioux First Nation**  
**Economic Development**  
**Schedule 5 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
First Peoples Development Inc.	108,866	122,815
Aboriginal Affairs and Northern Development Canada	27,828	16,142
	<b>136,694</b>	138,957
<b>Expenses</b>		
Community events	7,303	9,870
Interest on long-term debt	-	54,250
Management fees	-	4,162
Program expense	-	65,031
Repairs and maintenance	4,903	-
Salaries and benefits	120,829	103,503
	<b>133,035</b>	236,816
<b>Operating surplus (deficit) before transfers between segments</b>	<b>3,659</b>	(97,859)
<b>Transfers between segments</b>	<b>(8,227)</b>	(22,931)
<b>Operating deficit</b>	<b>(4,568)</b>	(120,790)

**Birdtail Sioux First Nation**  
**Governance**  
**Schedule 6 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	431,470	407,365
<b>Expenses</b>		
Advertising and promotion	383	384
Amortization	739,779	689,180
Bank charges and interest	30,356	29,581
Honourariums	234,808	183,462
Insurance	17,635	-
Interest on long-term debt	2,893	-
Internet	2,680	-
Memberships and dues	591	895
Office expenses	8,141	13,680
Other	50,283	221,146
Professional fees	60,000	45,148
Repairs and maintenance	12,661	15,054
Salaries and benefits	208,363	180,991
Telephone	44,042	26,079
Travel	76,753	77,166
Workshops	115	-
	<b>1,489,483</b>	<b>1,482,766</b>
<b>Operating deficit before transfers between segments</b>	<b>(1,058,013)</b>	<b>(1,075,401)</b>
<b>Transfers between segments</b>	<b>173,906</b>	<b>(5,103)</b>
<b>Operating deficit</b>	<b>(884,107)</b>	<b>(1,080,504)</b>

**Birdtail Sioux First Nation**  
**Social Assistance**  
**Schedule 7 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	1,410,987	1,265,277
Prior year recovery	(28,223)	-
	<b>1,382,764</b>	1,265,277
<b>Expenses</b>		
Social assistance	1,433,679	1,242,338
Special needs	42,545	38,895
	<b>1,476,224</b>	1,281,233
<b>Operating deficit</b>	<b>(93,460)</b>	(15,956)

**Birdtail Sioux First Nation**  
**Infrastructure**  
**Schedule 8 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	<b>670,478</b>	572,958
<b>Expenses</b>		
Community events	10,953	1,103
Consulting	39,461	-
Honourariums	12,150	10,750
Insurance	33,910	8,620
Professional fees	49,943	-
Rent	338	-
Repairs and maintenance	201,534	16,583
Salaries and benefits	206,469	479,480
Supplies	3,373	14,198
Telephone	9,213	6,718
Travel	1,722	2,938
Utilities	43,783	-
	<b>612,849</b>	540,390
<b>Operating surplus before transfers between segments</b>	<b>57,629</b>	32,568
<b>Transfers between segments</b>	<b>(63,276)</b>	(46,073)
<b>Operating deficit</b>	<b>(5,647)</b>	(13,505)

**Birdtail Sioux First Nation**  
**Economic Enterprises**  
**Schedule 9 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
	<i>(Restated)</i>	
<b>Revenue</b>		
Sales	459,596	464,364
Provincial tax rebates	71,438	75,911
Interest	1,214	1,200
	<b>532,248</b>	<b>541,475</b>
<b>Expenses</b>		
Amortization	40,554	1,700
Bank charges and interest	15,781	36,767
Cost of sales	374,131	529,131
Insurance	13,644	14,103
Interest on long-term debt	62,810	44,867
Office expenses	3,121	4,952
Professional fees	15,200	2,500
Repairs and maintenance	1,895	5,960
Salaries and benefits	110,043	113,988
Telephone	3,963	3,749
Utilities	9,463	-
	<b>650,605</b>	<b>757,717</b>
<b>Operating deficit before other items</b>	<b>(118,357)</b>	<b>(216,242)</b>
<b>Other items</b>		
Impairment of tangible capital assets	(198,235)	-
Transfers between segments	136,361	-
	<b>(61,874)</b>	<b>-</b>
<b>Operating deficit</b>	<b>(180,231)</b>	<b>(216,242)</b>

**Birdtail Sioux First Nation**  
**Off-Reserve Housing**  
**Schedule 10 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Rent	432,260	343,753
<b>Expenses</b>		
Amortization	87,317	87,928
Bank charges and interest	113	159
Insurance	33,425	16,675
Interest on long-term debt	36,999	45,519
Legal fees	524,732	2,774
Management fees	73,114	16,114
Other	-	77,450
Property tax	92,675	47,319
Repairs and maintenance	77,787	70,308
Utilities	46,819	47,111
	972,981	411,357
<b>Operating deficit before other items</b>	<b>(540,721)</b>	<b>(67,604)</b>
<b>Other items</b>		
Contributed houses	2,734,094	-
Transfers between segments	(3,371,549)	-
	(637,455)	-
<b>Operating deficit</b>	<b>(1,178,176)</b>	<b>(67,604)</b>

**Birdtail Sioux First Nation**  
**Subsidized Housing**  
**Schedule 11 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b> (Restated)
<b>Revenue</b>		
Canada Mortgage and Housing Corporation subsidy	271,931	313,424
Rent	186,761	354,940
	<b>458,692</b>	668,364
<b>Expenses</b>		
Amortization	289,929	328,289
Band housing administration	73,969	120,097
Insurance	228,315	221,722
Other	-	42,902
Printing, stationary and office supplies	723	5,634
Professional fees	36,000	8,000
Repairs and maintenance	224,422	281,822
Wages and benefits	20,000	-
	<b>873,358</b>	1,008,466
<b>Operating deficit</b>	<b>(414,666)</b>	(340,102)

**Birdtail Sioux First Nation**  
**Other**  
**Schedule 12 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Other revenue	166,129	236,221
First Peoples Development Inc.	76,258	66,796
Rent	5,400	107,700
Prior year recovery	-	(8,025)
Revenue deferred in prior year	124,603	-
Revenue deferred to subsequent year	(104,603)	(124,603)
	<b>267,787</b>	278,089
<b>Expenses</b>		
Bad debts	173,757	-
Band housing administration	-	17,551
Consulting	4,509	-
Groceries	452	848
Insurance	1,219	602
Office expenses	1,994	1,055
Other	1,477	2,603
Repairs and maintenance	15,895	1,526
Salaries and benefits	44,856	27,986
Travel	55	1,405
Utilities	2,154	-
	<b>246,368</b>	53,576
<b>Operating surplus (deficit) before transfers between segments</b>	<b>21,419</b>	224,513
<b>Transfers between segments</b>	<b>3,209,190</b>	168,794
<b>Operating surplus</b>	<b>3,230,609</b>	393,307