
ST.THERESA POINT FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

ST. THERESA POINT FIRST NATION

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MARCH 31, 2015

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

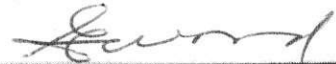
Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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 St. Theresa Point First Nation and meet when required.




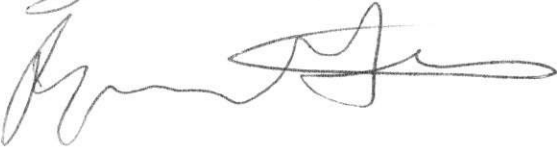
Chief




Councillor




Councillor







Councillor



Councillor



Councillor



INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership
St. Theresa Point First Nation

We have audited the accompanying consolidated financial statements of St. Theresa Point First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

Collins Barrow HMA LLP
Chartered Professional Accountants

Winnipeg, Manitoba
March 15, 2016

ST. THERESA POINT FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2015

2014

FINANCIAL ASSETS

Cash	\$		\$	678,798
Restricted cash (Note 3)		734,542		931,903
Accounts receivable (Note 4)		1,496,817		3,059,042
Inventory (Note 5)		1,786,459		2,373,824
Total financial assets		4,017,818		7,043,567

LIABILITIES

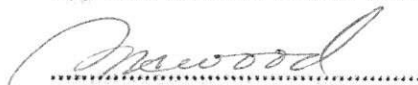
Bank indebtedness		108,146		
Accounts payable and accrued liabilities (Note 6)		1,981,313		3,243,228
Deferred revenue (Note 7)		802,572		85,891
Long term debt (Note 8, 9)		20,688,787		18,314,011
Mortgage advances (Note 10)		1,120,548		1,124,606
Total liabilities		24,701,366		22,767,736
Net debt		(20,683,548)		(15,724,169)

NON-FINANCIAL ASSETS

Prepaid expenses				602,482
Tangible capital assets (Note 11)		112,917,942		113,083,074
Construction in progress (Note 12)		4,438,592		4,455,233
Total non-financial assets		117,356,534		118,140,789
Accumulated surplus	\$	96,672,986	\$	102,416,620

Contingent liabilities (Note 16)

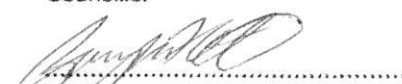
Approved on behalf of Chief and Council

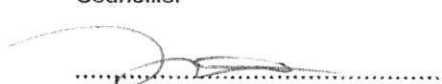

Chief


Councillor

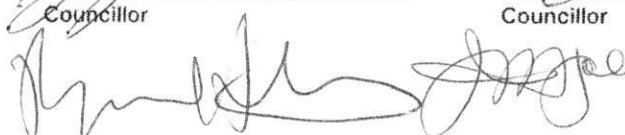

Councillor


Councillor


Councillor


Councillor





ST. THERESA POINT FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2015	2014
REVENUE			
Aboriginal Affairs and Northern Development Canada \$	30,996,150 \$	30,323,389 \$	29,397,503
First Nation and Inuit Health	3,022,747	2,919,747	2,868,648
Employment and Social Development Canada	809,005	775,674	851,886
Canada Mortgage and Housing Corporation	624,779	825,000	489,615
Solicitor General	38,876	38,876	70,683
Federal Justice	66,912	66,912	65,209
Other revenue		4,039,895	4,159,156
Sales		2,059,161	687,335
Province of Manitoba		1,197,276	926,351
Rental		1,034,245	1,106,201
Island Lake Tribal Council		317,050	291,877
Four Arrows Regional Health Authority		-	29,943
	<u>35,558,469</u>	<u>43,597,225</u>	<u>40,944,407</u>
EXPENSES			
Band administration	1,625,411	2,043,615	2,719,510
Community and economic development	6,068,237	6,694,243	3,186,657
Community services	1,113,665	2,061,436	2,237,879
Social development	11,154,627	11,429,838	10,819,573
Employment and training	926,697	919,342	945,038
Capital	3,480,765	7,328,009	6,893,027
Community wellness	2,819,108	3,707,302	3,067,307
Daycare	500,000	382,608	323,217
Housing	2,819,108	1,029,547	941,667
Education	<u>12,627,699</u>	<u>13,744,919</u>	<u>11,713,970</u>
	<u>43,135,317</u>	<u>49,340,859</u>	<u>42,847,845</u>
ANNUAL DEFICIT	(7,576,848)	(5,743,634)	(1,903,438)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>102,416,620</u>	<u>102,416,620</u>	<u>104,320,058</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 94,839,772</u>	<u>\$ 96,672,986</u>	<u>\$ 102,416,620</u>

ST. THERESA POINT FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	2015	2014
Annual Deficit	\$ (5,743,634)	\$ (1,903,438)
Acquisition of tangible capital assets and construction in progress	(5,093,207)	(6,191,454)
Amortization of tangible capital assets	<u>5,274,980</u>	<u>5,479,904</u>
	<u>181,773</u>	<u>(711,550)</u>
Acquisition of prepaid expenses		(602,482)
Use of prepaid expenses	<u>602,482</u>	<u>821,189</u>
	<u>602,482</u>	<u>218,707</u>
CHANGE IN NET DEBT FOR YEAR	(4,959,379)	(2,396,281)
NET DEBT, <i>beginning of year</i>	(15,724,169)	(13,327,888)
NET DEBT, <i>end of year</i>	<u>\$ (20,683,548)</u>	<u>\$ (15,724,169)</u>

ST. THERESA POINT FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2015	2014
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding agencies and other sources	\$ 45,876,131	\$ 40,384,004
Cash paid to suppliers and employees	(44,945,835)	(36,894,624)
Interest paid	<u>807,888</u>	<u>(628,394)</u>
	<u>1,738,184</u>	<u>2,860,986</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(5,093,207)	(6,191,454)
<i>FINANCING ACTIVITIES</i>		
Proceeds of long term debt	2,620,548	9,627,586
Repayment of long term debt	(249,830)	(5,140,712)
	<u>2,370,718</u>	<u>4,486,874</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	(984,305)	1,156,406
CASH, <i>beginning of year</i>	<u>1,610,701</u>	<u>454,295</u>
CASH, <i>end of year</i>	<u>\$ 626,396</u>	<u>\$ 1,610,701</u>

CASH COMPRISED OF

Cash	\$ 734,542	\$ 678,798
Restricted cash	(108,146)	931,903
Bank indebtedness	<u>626,396</u>	<u>-</u>
	<u>\$ 626,396</u>	<u>\$ 1,610,701</u>

ST. THERESA POINT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

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 St. Theresa Point First Nation (the "First Nation") reporting entity includes the St. Theresa Point First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These consolidated financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. Trusts administered on behalf of third parties by St. Theresa Point 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:

- St. Theresa Point First Nation Band Administration
- St. Theresa Point First Nation Education Authority
- St. Theresa Point First Nation Health Authority
- St. Theresa Point First Nation Social Services
- St. Theresa Point First Nation In-Home Care
- St. Theresa Point First Nation Economic Development
- St. Theresa Point First Nation Capital Projects
- St. Theresa Point First Nation Employment and Training
- St. Theresa Point First Nation Retail and Barge
- St. Theresa Point Bulk Fuels Ltd.
- Ke-tche-wa-zang Home
- Mikahnow Construction Ltd.
- St. Theresa Point First Nation Housing Authority
- St. Theresa Point First Nation Tobacco Tax Rebate
- 4676484 Manitoba Ltd.

ASSET CLASSIFICATION

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, construction in progress and prepaid expenses.

CASH AND CASH EQUIVALENTS

Cash resources 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

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

TANGIBLE CAPITAL ASSETS

Capital assets are recorded at cost with the exception of land which is reported at the value assigned to it under the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.).

C.M.H.C. sponsored housing assets are amortized at a rate equivalent to the annual principal reduction in related long term debt. All other assets are amortized over their expected useful life using the declining balance basis at the following rates:

Environmental Infrastructure	2.5% to 5%
Equipment	20% to 30%
Facilities	2.5% to 5%
Transportation Infrastructure	2.5%
Vehicles	20% to 33%

LONG-LIVED ASSETS

Long-lived assets consists 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 losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

NET DEBT

The First Nation's consolidated 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 comprises a second indicator of financial position, accumulated surplus.

SEGMENTS

St. Theresa Point First Nation conducts its operations through a number of reportable segments as identified in Note 18. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2015**

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**REVENUE RECOGNITION*

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

FINANCIAL INSTRUMENTS

Financial instruments include cash, restricted cash, accounts receivable, 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 organization's financial instruments approximate their value.

USE OF ESTIMATES

The preparation of the 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 estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

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.

EMPLOYEE FUTURE BENEFITS

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

PROVISION FOR SITE REHABILITATION

Environmental law requires appropriate closure and post-closure care of landfill sites. This would include covering and landscaping of the site an ongoing environmental monitoring, site inspection and maintenance. No liability has been recorded as of March 31, 2015 as funding from agencies will offset any cost associated with the closure of landfill sites.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

2. ECONOMIC DEPENDENCE

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

3. RESTRICTED CASH

	2 0 1 5	2 0 1 4
Ottawa Trust Fund	\$ 9,941	\$ 8,729
Secured Revenues Trust Account - Trust Account		347,947
Secured Revenues Trust Account - Reserve Account	555,376	425,792
CMHC Replacement Reserve	64,832	23,842
Capital projects:		
Inineu	62,366	75,232
PM Associates	37,540	45,809
Ingram Consulting	4,487	4,552
	<u>\$ 734,542</u>	<u>\$ 931,903</u>

4. ACCOUNTS RECEIVABLE

	2 0 1 5	2 0 1 4
A.A.N.D.C.	\$	\$
Economic Development Opportunities	6,601	
Planning and design	50,352	173,750
Social Services		132,451
Soil Remediation	171,630	
Tuition Agreements	8,703	
CMHC	19,600	
First Nation Inuit Health		67,328
Island Lake Tribal Council	29,687	
MKO	152,370	40,450
Other	48,757	66,380
Province of Manitoba	686,907	
Trade, member, and other receivables	<u>1,020,221</u>	<u>3,169,769</u>
Subtotal	2,194,828	3,650,128
Less: Allowance for doubtful accounts	(698,011)	(591,086)
	<u>\$ 1,496,817</u>	<u>\$ 3,059,042</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

5. INVENTORY

	2 0 1 5	2 0 1 4
Fuel	\$ 1,768,499	\$ 2,361,932
Merchandise	<u>17,960</u>	<u>11,892</u>
	<u>\$ 1,786,459</u>	<u>\$ 2,373,824</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 5	2 0 1 4
Trade payables and accrued liabilities	\$ 1,966,844	\$ 3,229,882
CMHC	<u>14,469</u>	<u>13,346</u>
	<u>\$ 1,981,313</u>	<u>\$ 3,243,228</u>

7. DEFERRED REVENUE

	2 0 1 5	2 0 1 4
A.A.N.D.C.		
Band Operated School	\$ 590,472	\$
Soil Remediation	<u>48,344</u>	<u>34,604</u>
Other		
MKO	<u>163,756</u>	<u>51,287</u>
	<u>\$ 802,572</u>	<u>\$ 85,891</u>

8. LONG TERM FINANCING - FIRST NATION FINANCING AUTHORITY

A) GENERAL TERM & CONDITIONS:

The First Nation has entered into an agreement with the First Nation Finance Authority (FNFA) to borrow funds at an interest Rate of 2.6%. The funds received have been advanced by the FNFA in anticipation of a bond issuance by the FNFA. This interim financing will be replaced by long term financing upon the issuance of such securities based on the earlier of five years from the date of issuance of the interim financing or the completion by the First Nation of the defined purpose included in the Borrowing Agreement.

The interim financing loans require monthly interest payments only and are paid from Secured Revenue sources other than AANDC or FNIH funding. These funds are specified in the Borrowing Law adopted by the First Nation and are paid directly into a Secured Revenues Trust Account (SRTA), which is governed by a Secured Revenues Trust Management Agreement between the First Nation and the FNFA.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

8. LONG TERM FINANCING - FIRST NATION FINANCING AUTHORITY *(continued)*

The following amounts are withdrawn directly from the SRTA, which is governed by a trust agreement:

- 1) Monthly interest and principle payments directly to the FNFA under the terms of the Borrowing Agreement, and
- 2) The excess in the SRTA is paid to the First Nation.

DEBT RESERVE FUND:

Investment: 5% of any funds borrowed from the FNFA are held by the Authority in a fund as security for payments for bond payments and interim financing providers. If at any time the First Nation does not have sufficient funds to meet its obligations under the terms and conditions of the Borrowing Agreement, the payments will be made from the Debt Reserve Fund.

B) CURRENT INTERIM FINANCING:

Funds Outstanding	\$ 3,610,368
Debt Reserve Fund	<u>190,019</u>
Total Funds Owning	<u>\$ 3,800,387</u>

Total interest paid during the current fiscal year on the above was \$ 60,344.

C) DEBENTURE

During the fiscal year, the First Nation agreed to have \$ 6,201,613, transferred out of this interim financing to a long term debenture financing. The debenture has a term of 10 years, with amortization period of 30 years and an interest rate of 3.79%.

Balance owing at March 31, 2015	\$ 6,119,668
Less: Current portion	<u>110,593</u>
Long term portion	<u>\$ 6,009,075</u>

Principle repayment over the next five years:

2016	\$ 110,593
2017	110,593
2018	110,593
2019	110,593
2020	110,593

During the current fiscal year, interest of \$ 176,309 was paid on the debenture financing.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

9. LONG TERM DEBT	2 0 1 5	2 0 1 4
A.A.N.D.C		
Repayable in annual installments of \$80,000, due May 2015.	\$ 292,549	\$ 288,000
MERCADO CAPITAL CORPORATION		
Lease payable, repayable in monthly installments of \$4,596, maturity date April 30, 2014.		4,596
PEACE HILLS TRUST		
Mortgage payable, 5.85%, repayable in monthly installments of \$4,546 principal and interest, due May 2017.	210,784	253,646
CMHC		
Mortgage payable, 1.71%, repayable in monthly installments of \$6,505 principal and interest, due September 2017.	1,170,650	1,228,223
PEACE HILLS TRUST		
Mortgage payable, 4.05%, repayable in monthly installments of \$3,860 principal and interest, due October 2018.	194,113	228,784
PEACE HILLS TRUST		
Mortgage payable, 3.49%, repayable in monthly installments of \$5,391 principal and interest, due June 1, 2019.	910,701	943,180
CMHC		
Mortgage payable, 2.26%, repayable in monthly installments of \$5,836 principal and interest, due August 2016.	1,189,172	1,231,923
CMHC		
Mortgage payable, 1.65%, repayable in monthly installments of \$5,615 principal and interest, due June 2017.	1,254,135	1,300,486
CMHC		
Mortgage payable, 1.44%, repayable in monthly installments of \$4,658 principal and interest, due July 2017.	1,066,984	1,107,252
TORMONT CAT		
Loan payable, 6.20%, repayable in monthly installments of \$10,837 principal and interest.		6,573
CMHC		
Mortgage payable, 1.67%, repayable in monthly installments of \$6,355 principal and interest, due June 2018.	1,194,863	1,250,733
CMHC		
Mortgage payable, 2.11%, repayable in monthly installments of \$5,455 principal and interest, due January 2019.	1,010,098	1,053,841
CMHC		
Mortgage payable, 2.04%, repayable in monthly installments of \$4,636 principal and interest, due March 2019.	876,377	913,794

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

9. LONG TERM DEBT *(continued)*

	2015	2014
Interim Financing <i>(Note 8)</i>	3,800,387	8,502,980
Debenture Financing <i>(Note 8)</i>	6,119,668	
Tormont Industries Ltd, 5.950%, repayable in monthly installments of \$8,390 principal and interest, due August 2018.	276,025	
CMHC Mortgage payable, 1.92%, repayable in monthly installments of \$4,849 principal and interest, due April 2019.	<u>1,122,281</u>	<u>-</u>
	<u>\$ 20,688,787</u>	<u>\$ 18,314,011</u>

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

March 31, 2016	\$568,943
2017	586,430
2018	604,635
2019	520,110
2020	481,168

10. MORTGAGE ADVANCES - CMHC

St. Theresa Point First Nation Housing Authority was in the progress of constructing two new housing projects during the year. The project were not completed as at March 31, 2015 and the Housing Authority received \$506,866 and \$613,682 from Canada Mortgage and Housing Corporation in terms of accountable advances. Upon completion of the project, all accountable advances received from CMHC will form part of mortgage payable.

ST. THERESA POINT FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

11. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization		Net Book Value		
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	2015	2014
Environmental Infrastructure	\$ 14,633,833	\$	\$ 14,633,833	\$ 7,705,562	\$ 267,095	\$ 7,972,657	\$ 6,661,176	\$ 6,928,271
Equipment	2,963,022	965,435	3,928,457	1,916,740	335,552	2,252,292	1,676,165	1,046,282
Facilities	173,866,922	3,715,222	177,582,144	76,278,785	4,184,068	80,462,853	97,119,291	97,588,137
Land	510,000		510,000				510,000	510,000
Transportation Infrastructure	8,654,759		8,654,759	3,193,903	136,522	3,330,425	5,324,334	5,460,856
Vehicles	5,804,977	429,187	6,234,164	4,255,449	351,739	4,607,188	1,626,976	1,549,528
	\$ 206,433,513	\$ 5,109,844	\$ 211,543,357	\$ 93,350,439	\$ 5,274,976	\$ 98,625,415	\$ 112,917,942	\$ 113,083,074

12. CONSTRUCTION IN PROGRESS

	2015	2014
Arena		
Buildings - (Capital Special Project RTM)	\$ 1,298,899	\$ 1,280,012
CMHC 9 Units	310,530	159,000
CMHC 5 Units		1,243,064
CMHC 8 Units	804,966	
Complex	613,682	
Communication Tower / Transmitter	261,141	59,169
Digital Video	364,030	
Fish Plant	71,573	69,086
Garage	70,000	87,487
Housing		1,211,380
North/South Road	643,771	346,035
	\$ 4,438,592	\$ 4,455,233

The costs for the above projects are recorded as tangible capital assets and amortized accordingly upon their respective completion.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

13. RECONCILIATION OF ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA

	2 0 1 5	2 0 1 4
Per A.A.N.D.C. confirmation March 31	\$ 30,996,150	\$ 29,217,227
Plus: Revenue deferred from previous years		
Soil Remediation	34,604	59,373
Wastewater O& M - Under \$1.5M		62,303
Less: Revenue deferred to subsequent year		
Band Operated School	(590,472)	
Soil Remediation	(48,344)	(34,604)
Less:		
Prior Year - recovery A.A.N.D.C Basic Needs	(68,549)	(39,247)
Plus:		
Receivable - In Home Care		12,097
Receivable - In Home Care	-	120,354
TOTAL A.A.N.D.C. REVENUE PER FINANCIAL STATEMENTS	\$ <u>30,323,389</u>	\$ <u>29,397,503</u>

14. RECONCILIATION OF FNIH FUNDING

	2 0 1 5	2 0 1 4
Per F.N.I.H. confirmation March 31	\$ 2,871,217	\$ 2,917,811
Plus: Revenue deferred from previous years		
Nurses residences		94,534
Less: Revenue deferred to subsequent year		
Prior Year - recovery	(103,000)	(103,801)
H&CC commitment balance not released		(39,896)
Special Projects - RTM committed for 2014/2015	<u>151,530</u>	<u>-</u>
	\$ <u>2,919,747</u>	\$ <u>2,868,648</u>

14 . BUDGET INFORMATION

The disclosed budget information has been approved by the Chief and Council of St. Theresa Point First Nation. The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on them.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

15 . CONSOLIDATED EXPENSES BY OBJECT

	2 0 1 5	2 0 1 4
Amortization	\$ 5,274,977	\$ 5,479,904
Community events and donations	156,216	159,843
Insurance	419,552	465,202
Interest	807,888	628,394
Other	5,835,159	2,814,473
Professional fees	704,546	785,516
Program contribution	592,060	1,007,740
Rent	24,195	24,567
Repairs and maintenance	1,322,866	881,293
Salaries and benefits	16,325,514	14,903,284
Social assistance	11,510,607	10,024,250
Student support	1,532,223	1,414,930
Supplies	1,112,427	841,762
Telephone	179,683	201,319
Training	147,553	168,711
Travel	2,896,076	2,363,986
Utilities	499,317	682,671
	<u>\$ 49,340,859</u>	<u>\$ 42,847,845</u>

16 . CONTINGENT LIABILITIES

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, 2015 might be recovered by these agencies.

Various lawsuits have been filed against the First Nation entities for incidents which arose in the ordinary course of business. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be expensed in the year paid.

17 . COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified where necessary to conform with the presentation adopted for the current year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2015**

18. SEGMENTS

The First Nation has ten reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation segments are as follows:

Band Administration - includes administration and governance activities.

Social Development - activities include delivering social programs.

Education - includes the operations of education programs.

Community Services - includes activities for the maintenance of the community and its infrastructure.

Community Wellness - reports on the Nation's funding related to health and wellness.

Housing - includes activities related to the development and sustainment of on-reserve housing.

Community and Economic Development - includes activities related to the economic development of the community, including its commercial operations.

Capital - includes activities related to capital projects, major renovations and construction, infrastructure

Employment and Training - includes activities related to training and employment for community members.

Daycare - includes activities related to providing care for children in the community.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 1.

ST. THERESA POINT FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31

19. SEGMENT DISCLOSURE

St. Theresa Point 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 Administration		Community and Economic Development		Community Services		Social Development	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues								
Federal Government								
AANDC	\$ 1,405,365	\$ 1,601,778	\$ 267,685	\$ 267,685	\$ 1,760,941	\$ 1,502,779	\$ 11,006,953	\$ 10,941,019
Solicitor General	<u>38,876</u>	<u>70,683</u>	-	-	-	-	-	-
Subtotal	1,444,241	1,672,461	267,685	267,685	1,760,941	1,502,779	11,006,953	10,941,019
Other revenue	<u>160,347</u>	<u>322,135</u>	<u>6,100,757</u>	<u>4,399,812</u>	-	<u>313,650</u>	-	-
Total revenue	<u>1,604,588</u>	<u>1,994,596</u>	<u>6,368,442</u>	<u>4,667,497</u>	<u>1,760,941</u>	<u>1,816,429</u>	<u>11,006,953</u>	<u>10,941,019</u>
Expenses								
Amortization			259,924	68,402	210,093	226,184	6,984	8,405
Debt servicing	33,426	19,945	532,531	323,921				
Other	673,194	1,258,920	4,223,710	2,183,750	1,234,624	1,236,200	11,050,417	10,446,173
Compensation	<u>1,336,995</u>	<u>1,440,645</u>	<u>1,560,381</u>	<u>610,584</u>	<u>616,719</u>	<u>775,495</u>	<u>372,437</u>	<u>364,995</u>
Total expenses	<u>2,043,615</u>	<u>2,719,510</u>	<u>6,576,546</u>	<u>3,186,657</u>	<u>2,061,436</u>	<u>2,237,879</u>	<u>11,429,838</u>	<u>10,819,573</u>
Surplus (Deficit)	\$ (439,027)	\$ (724,914)	\$ (208,104)	\$ 1,480,840	\$ (300,495)	\$ (421,450)	\$ (422,885)	\$ 121,446

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31

19. SEGMENT DISCLOSURE (continued)

	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues										
Federal Government										
AANDC	\$ 117,697	\$ 119,795	\$ 3,236,318	\$ 2,851,947	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$	
FNIH					2,919,747	2,868,648				
CMHC			108,200							
HRSDC	775,674	851,886	-	-	-	-	-	-	-	-
Subtotal	893,371	971,681	3,344,518	2,851,947	2,933,747	2,882,648	-	-	-	-
Other revenue	117,697	55,471	1,101,981	1,346,887	453,837	29,943	354,372	307,211	307,211	307,211
Total revenue	1,011,068	1,027,152	4,446,499	4,198,834	3,387,584	2,912,591	354,372	307,211	307,211	307,211
Expenses										
Amortization	4,047	4,593	3,042,555	1,619,538	708,731	779,481	27,184	29,234	29,234	29,234
Debt servicing	6,787	4,341	25,707	66,634	5,090	6,135	586	544	544	544
Other	512,088	502,524	1,839,287	2,820,196	1,435,640	941,659	110,612	49,101	49,101	49,101
Compensation	514,117	433,580	2,420,460	2,386,659	1,557,841	1,340,032	244,226	244,338	244,338	244,338
Total expenses	1,037,039	945,038	7,328,009	6,893,027	3,707,302	3,067,307	382,608	323,217	323,217	323,217
Surplus (Deficit)	\$(25,971)	\$ 82,114	\$(2,881,510)	\$(2,694,193)	\$(319,718)	\$(154,716)	\$(28,236)	\$(16,006)	\$(16,006)	\$(16,006)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31

19. SEGMENT DISCLOSURE (continued)

	Housing		Education		TOTAL	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Federal Government						
AANDC	\$	\$	\$	\$	\$	\$
FNIH					2,919,747	2,868,648
CMHC	716,800	489,615	-	-	825,000	489,615
HRSDC	-	-	-	-	775,674	851,886
Solicitor General	-	-	-	-	38,876	70,683
Subtotal	716,800	489,615	12,514,430	12,098,500	34,882,686	33,678,335
Other revenue	425,548	490,963	-	-	8,714,539	7,266,072
Total revenue	1,142,348	980,578	12,514,430	12,098,500	43,597,225	40,944,407
Expenses						
Amortization	403,829	389,135	611,633	2,354,932	5,274,980	5,479,904
Debt servicing	188,258	205,661	15,503	1,213	807,888	628,394
Other	430,960	346,871	5,421,945	2,050,869	26,932,477	21,836,263
Compensation	6,500	-	7,695,838	7,306,956	16,325,514	14,903,284
Total expenses	1,029,547	941,667	13,744,919	11,713,970	49,340,859	42,847,845
Surplus (Deficit)	\$ 112,801	\$ 38,911	\$ (1,230,489)	\$ 384,530	\$ (5,743,634)	\$ (1,903,438)