

**CHEMAWAWIN CREE NATION**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

***March 31, 2014***

**CHEMAWAWIN CREE NATION**  
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**March 31, 2014**

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## **RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying consolidated financial statements and all other information contained in this document are the responsibility of the management of Chemawawin Cree Nation ("the First Nation"). The preparation of periodic financial statements involves the use of estimates and approximation because the precise determination of financial information frequently depends on future events. These consolidated financial statements have been prepared by management within reasonable limits of materiality and within the framework of the Canadian Public Sector Accounting Standards of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The consolidated financial statements are reviewed and approved by Chief and Council. In addition, the Chief and Council meet periodically with management and with the First Nation's external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged.

Reimer & Company Chartered Accountants Inc., the First Nation's appointed external auditors, have audited the consolidated financial statements. The Auditors' Report is addressed to Chief and Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of operations of the First Nation in accordance with Canadian Public Sector Accounting Standards.

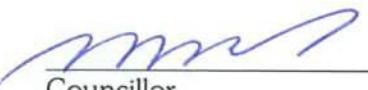
  
Chief Clarence Easter

  
Councillor

  
Councillor

  
Councillor

  
Councillor

  
Councillor

# REIMER & COMPANY

Chartered Accountants

359 Kelsey Trail, P.O. Box 146  
Swan River, Manitoba  
R0L 1Z0

Chris Reimer, CGA, CA, CFP  
Rose Kovachik, CGA  
Brenna Minish-Kichuk, CA  
Joel Mateika, CA

## INDEPENDENT AUDITORS' REPORT

### TO CHIEF AND COUNCIL OF CHEMAWAWIN CREE NATION

We have audited the consolidated statement of financial position of Chemawawin Cree Nation as at March 31, 2014, the consolidated statements of change in net assets, operations and accumulated surplus and cash flows for the year then ended and the accompanying notes and schedules to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on 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 an audit to obtain reasonable assurance about whether the 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. Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the 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 controls. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Audit Opinion***

In our opinion, these financial statements present fairly, in all material respects, the financial position of Chemawawin Cree Nation as at March 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Reimer & Company*  
Chartered Accountants

Swan River, MB  
October 21, 2014

**CHEMAWAWIN CREE NATION**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****March 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents (note 2)	\$ 4,290,286	\$ 3,713,825
Accounts Receivable (note 3)	2,730,303	1,776,450
Inventory for Resale	127,264	169,058
Investments (note 4)	9,629,277	8,883,548
Investment in Government Business Enterprises (note 5)	977,431	1,046,878
	<u>17,754,561</u>	<u>15,589,759</u>
<b>LIABILITIES</b>		
Accounts Payable (note 8)	3,186,603	2,972,693
Deferred Revenue (note 9)	141,605	148,085
Long Term Debt (note 10)	11,460,338	12,440,228
	<u>14,788,546</u>	<u>15,561,006</u>
<b>NET ASSETS</b>	<u>2,966,015</u>	28,753
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (note 6)	46,306,908	46,619,721
Prepaid Expenses	202,242	188,749
Other (note 7)	272,554	310,976
	<u>46,781,704</u>	<u>47,119,446</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 49,747,719</u>	<u>\$ 47,148,199</u>

**COMMITMENTS AND CONTINGENCIES** (note 18)

Approved on behalf of Chief and Council:



Chief Clarence Easter



Councillor



Councillor



Councillor



Councillor



Councillor

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

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS***For the Year Ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>REVENUES</b>		
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 10,732,159	\$ 11,167,289
First Peoples Development Inc.	445,956	414,989
Health Canada	1,310,275	1,009,942
Frontier School Division	120,845	118,300
Investment Income	325,133	242,937
Interest Income	245,623	194,784
Rental and User Fees	1,354,957	1,355,154
Lotteries	666,402	675,541
Canada Mortgage and Housing Corporation	832,477	858,644
Cree Nation Tribal Health Centre Inc.	40,224	186,427
Manitoba Hydro (note 20)	2,620,728	11,459,958
Province of Manitoba	177,731	266,018
Atawekamik Sales	2,438,268	2,069,732
Gain on Disposal of Assets	666,627	332,122
Other (including recoveries/deferrals)	482,272	449,996
	<b><u>22,459,677</u></b>	<b><u>30,801,833</u></b>
<b>EXPENSES</b>		
Band Government and Administration	2,034,142	2,716,986
Education Services	4,243,330	3,858,413
Housing Services	450,275	707,709
Logging, Forestry and Fishing	880	3,052
Health Services	1,232,340	1,221,748
Environmental	1,263,550	1,326,318
Retail Operations	2,298,073	2,205,733
Property and Development	197,321	281,539
Trust Operations (notes 11 and 12)	116,109	85,678
Gaming Operations	616,961	538,436
Social Services	3,354,214	3,351,167
Employment and Daycare	352,716	423,957
Public Works	1,341,138	1,421,452
Other Operations	183,856	119,738
Amortization	2,175,252	2,261,549
	<b><u>19,860,157</u></b>	<b><u>20,523,475</u></b>
<b>ANNUAL SURPLUS BEFORE NON-CONTROLLING INTEREST</b>	<b><u>2,599,520</u></b>	<b><u>10,278,358</u></b>
Non-Controlling Interest (note 13)	-	-
<b>ANNUAL SURPLUS</b>	<b><u>2,599,520</u></b>	<b><u>10,278,358</u></b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b><u>47,148,199</u></b>	<b><u>36,869,841</u></b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b><u>\$ 49,747,719</u></b>	<b><u>\$ 47,148,199</u></b>
<b>SEGMENTED RESULTS</b> (schedule B)		

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2014

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Annual Surplus	\$ 2,599,520	\$ 10,278,358
Non-Cash Changes to Operations:		
Amortization	2,175,252	2,261,549
Share in Earnings of Government Business Enterprises	(130,553)	(178,890)
Gain on Disposal of Tangible Capital Assets	(666,627)	(332,122)
Legal Fees Paid (included in gain on disposal of tangible capital assets)	(5,184)	-
Forgiveness of Long Term Debt	-	(193,255)
Changes in Non-Cash Working Capital Items:		
Accounts Receivable	(953,853)	1,064,443
Prepaid Expenses	(13,493)	405,958
Inventory for Resale	41,794	(56,038)
Accounts Payable	213,910	(950,307)
Deferred Revenue	(6,480)	30,228
	<u>3,254,286</u>	<u>12,329,924</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of Tangible Capital Assets	(2,059,872)	(762,297)
Proceeds on Disposal of Tangible Capital Assets	907,666	617,900
Acquisition of Other Assets	-	(93,500)
	<u>(1,152,206)</u>	<u>(237,897)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Long Term Debt	-	142,449
Repayments of Long Term Debt	<u>(979,890)</u>	<u>(9,576,910)</u>
	<u>(979,890)</u>	<u>(9,434,461)</u>
<b>INVESTING ACTIVITIES</b>		
Increase in Net Investments	(745,729)	(578,271)
Dividends from Aseneskak Casino Limited Partnership	<u>200,000</u>	<u>200,000</u>
	<u>(545,729)</u>	<u>(378,271)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>576,461</b>	2,279,295
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>3,713,825</u></b>	<b><u>1,434,530</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 4,290,286</u></b>	<b><u>\$ 3,713,825</u></b>

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

## CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

For the Year Ended March 31, 2014

	2014	2013
<b>ANNUAL SURPLUS</b>	<b>\$ 2,599,520</b>	\$ 10,278,358
Tangible Capital Assets:		
Amortization of Tangible Capital Assets and Other Assets	2,175,252	2,261,549
Proceeds on Disposal of Tangible Capital Assets	907,666	617,900
Gain on Disposal of Tangible Capital Assets (net of legal fees paid)	(671,811)	(332,122)
Acquisition of Tangible Capital Assets	(2,059,872)	(762,297)
Acquisition of Other Assets	-	(93,500)
Change in Prepaid Expenses	<u>(13,493)</u>	<u>405,958</u>
<b>INCREASE IN NET ASSETS</b>	<b>2,937,262</b>	12,375,846
<b>NET ASSETS (DEBT), BEGINNING OF YEAR</b>	<b><u>28,753</u></b>	<b><u>(12,347,093)</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,966,015</b>	<b>\$ 28,753</b>

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

## **CHEMAWAWIN CREE NATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

#### **1. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. The significant accounting policies are as follows:

##### ***Reporting Entity and Basis of Consolidation***

The consolidated financial statements include the following entities which are accountable to the First Nation and are owned and controlled by the First Nation. All consolidated entities are consolidated on a line-by-line basis and all inter-fund and inter-corporate balances have been eliminated.

##### **(a) *Consolidated Entities***

Entities which are viewed as extensions of the First Nation's operations are:

- Chemawawin Cree Nation
- Chemawawin Cree Nation Development Trust Fund
- Chemawawin Resource Trust
- Chemawawin Gaming Commission
- Chemawawin Educational Authority
- CCN School Inc.
- Chemawawin Housing Authority Inc.
- 3034151 Manitoba Ltd. o/a Chemawawin Service Centre
- Chemawawin Logging
- Chemawawin Development Corporation
- Chemawawin Health Authority
- Chemawawin Economic Development Inc. o/a Cedar Lake Community Project
- CCN Construction
- Chemawawin Otineka Business Corporation o/a Atawekamik (75% ownership interest)
- 5151598 Manitoba Ltd.
- 4216083 Manitoba Ltd.
- CCN Communications

##### **(b) *Government Business Enterprises***

The following investments meet the Public Sector Accounting Standards criteria to be accounted for utilizing the modified equity method for government business enterprises:

- Aseneskak Casino Limited Partnership
- Aseneskak Company Inc.

Under the modified equity method, the government businesses' accounting principles are not adjusted to conform with those of the First Nation and inter-entity transactions are not eliminated.

**CHEMAWAWIN CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

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

***Basis of Accounting***

The consolidated financial statements are prepared using the accrual basis of accounting. This basis records revenue as it is earned and measurable. Expenses are recognized in the period the goods or services are acquired and a liability is incurred.

***Inventory for Resale***

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

***Investments***

Investments include temporary investments such as fixed income bonds, treasury bills, mutual funds and equities. Investments are recorded at the lower of original cost (net of amortized discounts and premiums) and market value on a portfolio basis.

***Non-Financial Assets***

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net assets for the year.

***Tangible Capital Assets***

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital assets is amortized on a diminishing balance basis at the following rates:

Buildings	4% - 10%
Data Communications Equipment	10%
Furniture, Fixtures and Equipment	20%
Automotive Equipment	30%
Infrastructure	4%
Boats	15%
Computer Hardware	30% - 100%

Amortization is recorded at one-half the normal rate in the year of acquisition.

***Leases***

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

## **CHEMAWAWIN CREE NATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

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

##### **Revenue**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

##### **Government Transfers**

Government transfers and grants are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

##### **Management Estimates and Assumptions**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates and assumptions are based on management's best information and judgment and may differ significantly from actual results.

#### **2. CASH AND CASH EQUIVALENTS**

	<b>2014</b>	<b>2013</b>
Cash - Unrestricted:		
- Chemawawin Cree Nation	\$ 2,670,499	\$ 2,544,698
- Chemawawin Gaming Commission	131,037	119,724
- CCN School Inc.	21,137	76,604
- Chemawawin Housing Authority Inc.	456,974	185,090
- Chemawawin Health Authority	70,531	177,466
- Chemawawin Economic Development Inc.	79,854	30,947
- Chemawawin Oanineka Business Corporation	111,925	55,693
- 4216083 Manitoba Ltd.	198,007	20,248
- Other	40,691	(6,523)
	<hr/> <b>3,780,655</b>	<hr/> 3,203,947

**CHEMAWAWIN CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**2. CASH AND CASH EQUIVALENTS (continued)**

	<b>2014</b>	<b>2013</b>
Cash - Restricted:		
- Chemawawin Development Trust	<b>207,775</b>	492,248
- Chemawawin Resource Trust	<b>22,320</b>	17,630
	<b><u>230,095</u></b>	<b><u>509,878</u></b>
Cash - Unrestricted and Restricted	<b>4,010,750</b>	3,713,825
Cash Equivalents:		
- Chemawawin Cree Nation - GIC	<b>279,536</b>	-
Total Cash and Cash Equivalents	<b><u>\$ 4,290,286</u></b>	<b><u>\$ 3,713,825</u></b>

The GIC matures December 2014 and is redeemable with annual interest of 0.80% paid monthly.

**3. ACCOUNTS RECEIVABLE**

Trade Accounts Receivable	\$ <b>809,262</b>	\$ 445,576
Band Members and Employees	<b>819,410</b>	775,089
Aboriginal Affairs and Northern Development Canada:		
- Education Facilities O & M	-	7,062
- Environmental Site Assessment	-	34,000
- Community Economic Development Program	-	8,477
- Other Facilities O & M	-	4,308
- Solid Waste Management	<b>25,000</b>	259,613
Frontier School Division	<b>58,235</b>	10,522
Receiver General of Canada (GST Receivable)	<b>35,260</b>	67,733
Canada Mortgage and Housing Corporation	<b>951,027</b>	570,672
Health Canada	<b>7,150</b>	5,155
Northern Regional Health Authority	<b>508,378</b>	-
Province of Manitoba	<b>50,077</b>	49,329
Other	<b>81,680</b>	107,031
Allowance for Doubtful Accounts	<b>(615,176)</b>	<b>(568,117)</b>
	<b><u>\$ 2,730,303</u></b>	<b><u>\$ 1,776,450</u></b>

**CHEMAWAWIN CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**4. INVESTMENTS**

	<b>2014</b>	<b>2013</b>
Government of Canada Bonds	\$ <b>211,361</b>	\$ 211,361
Guaranteed Investment Certificate	<b>400,000</b>	400,000
Mutual Funds and Equities	<b>4,910,026</b>	4,956,665
Bonds	<b>4,107,890</b>	3,315,522
	<b><u>\$ 9,629,277</u></b>	<b><u>\$ 8,883,548</u></b>

The market value of the mutual funds and equities and bonds at March 31 were \$6,545,144 (2013 - \$5,668,647) and \$4,315,378 (2013 - \$3,597,294) respectively. Total market value of all the investments listed above at March 31, 2014 was \$11,260,522.

The guaranteed investment certificate bears interest at 2.5% annually for a five year term.

**5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES**

- (a) **Aseneskak Casino Limited Partnership** - The First Nation owns one unit which represents a 16.67% ownership interest. The partnership was established in 2000 with the purpose of developing a First Nation's Casino on the Opaskwayak Cree Nation Reserve, in Manitoba, licensed by the Manitoba Gaming Control Commission.
- (b) **Aseneskak Company Inc.** - The First Nation owns 1,000 Common Shares which represents a 16.67% ownership interest. The corporation was organized on January 5, 2001, for the sole undertaking of acting as the general partner of the Aseneskak Casino Limited Partnership.

**Summary of Investments in Government Business Enterprises**

	<b>2014</b>	<b>2013</b>
Aseneskak Casino Limited Partnership (1/6 share)	\$ <b>977,330</b>	\$ 1,046,777
Aseneskak Company Inc. (1/6 share)	<b>101</b>	101
	<b><u>\$ 977,431</u></b>	<b><u>\$ 1,046,878</u></b>

**CHEMAWAWIN CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (continued)**

***Summary of Earnings from Government Business Enterprises***

	<b>2014</b>	<b>2013</b>
Aseneskak Casino Limited Partnership		
- 1/6 Share in Earnings	\$ 130,553	\$ 178,890
- Dividend Distribution	<u>(200,000)</u>	<u>(200,000)</u>
	<u><b>\$ (69,447)</b></u>	<u><b>\$ (21,110)</b></u>

For condensed supplementary financial information for each of the above entities, see Schedule C.

**6. TANGIBLE CAPITAL ASSETS**

	<b>2014</b>	<b>2013</b>
	<b>Net Book Value</b>	<b>Net Book Value</b>
Buildings	\$ 38,559,063	\$ 38,734,214
Data Communications Equipment	305,529	339,477
Furniture, Fixtures and Equipment	351,536	355,145
Automotive Equipment	658,465	516,449
Infrastructure	6,291,430	6,553,573
Boats	101,981	96,653
Computer Hardware	<u>38,904</u>	<u>24,210</u>
	<u><b>\$ 46,306,908</b></u>	<u><b>\$ 46,619,721</b></u>

For additional information, see the Consolidated Schedule of Tangible Capital Assets (schedule A).

During the year, asset writedowns totalled \$25,532 for various vehicles, boats and furniture, fixtures and equipment (2013 - \$14,624).

At March 31, 2014, assets not-in-use totalled \$1,088,699 (2013 - \$119,646). Of this total, \$119,646 (2013 - \$119,646) related to the Chemawawin Service Centre as this entity ceased operations in June 2011. The remaining \$969,053 (2013 - \$0) relates to new housing projects that were still under construction at March 31, 2014.

**CHEMAWAWIN CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**7. OTHER ASSETS**

	<b>2014</b>	<b>2013</b>
Incorporation Costs	\$ 1,370	\$ 1,370
VLT Administration Fee	74,801	103,871
MTS Strategic Alliance Agreement	<u>196,383</u>	205,735
	 <u>\$ 272,554</u>	 \$ 310,976

Other assets consists of incorporation costs incurred by Chemawawin Service Centre net of accumulated amortization, the unamortized portion of Chemawawin Gaming Commission VLT administration fee and the unamortized portion of the original cost of a strategic alliance cellular phone service agreement with MTS acquired during the 2006/07 fiscal year.

**8. ACCOUNTS PAYABLE**

Trade Accounts Payable	\$ 2,517,994	\$ 2,389,102
Accrued Liabilities	453,464	366,981
Band Members In Trust	79,869	75,269
Receiver General of Canada (GST and Employee Source Deductions Payable)	81,446	84,402
Group Pension Plan	7,780	8,603
First Nations Financial Services Inc. (note 13)	36,670	36,670
Other	<u>9,380</u>	<u>11,666</u>
	 <u>\$ 3,186,603</u>	 \$ 2,972,693

**9. DEFERRED REVENUE**

Health Canada - Community Health Promotion and Injury/Illness Prevention	\$ 20,773	\$ 8,169
Province of Manitoba - Emergency Measures Funding	-	73,517
Aboriginal Affairs and Northern Development Canada (AANDC)	3,108	-
First Peoples Development Inc.	79,568	36,930
UCN - Classroom Project	29,469	29,469
Other	<u>8,687</u>	<u>-</u>
	 <u>\$ 141,605</u>	 \$ 148,085

**CHEMAWAWIN CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**10. LONG TERM DEBT**

	<b>2014</b>	<b>2013</b>
<b><i>Chemawawin Gaming Commission</i></b> Manitoba Lotteries Corporation - loan repayable in weekly installments of \$279 with interest at 2.35% included therein, due March 2020:	\$ 80,823	\$ 93,264
<b><i>Chemawawin Housing Authority Inc.</i></b> Peace Hills Trust - (fourplex) loan repayable in monthly installments of \$1,620 with interest at 5.6% included therein, due September 1, 2014, secured by a Ministerial Guarantee and fire insurance:	9,573	27,925
Peace Hills Trust - (14 units) loan repayable in monthly installments of \$8,958 with interest at 4.69% included therein, due November 1, 2016, secured by a Ministerial Guarantee and fire insurance:	264,879	356,101
Peace Hills Trust - (10 units - 1997) loan repayable in monthly installments of \$5,014 with interest at 5.6% included therein, due December 1, 2014, secured by a Ministerial Guarantee and fire insurance:	150,976	200,458
Peace Hills Trust - (10 units) loan repayable in monthly installments of \$5,819 with interest at 4.75% included therein, due February 1, 2016, secured by a Ministerial Guarantee and fire insurance:	127,233	189,226
Canada Mortgage and Housing Corporation - (10 units - 2001) mortgage repayable in monthly installments of \$4,287 with interest at 1.8% included therein, due August 1, 2026, with a renewal date of October 1, 2016, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	572,224	613,006
Canada Mortgage and Housing Corporation - (10 units - 2003) mortgage repayable in monthly installments of \$4,515 with interest at 2.04% included therein, due April 1, 2028, with a renewal date of March 1, 2019, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	663,052	699,922

**CHEMAWAWIN CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**10. LONG TERM DEBT (continued)**

	<b>2014</b>	<b>2013</b>
Canada Mortgage and Housing Corporation - (9 units - 2004) mortgage repayable in monthly installments of \$4,220 with interest at 2.57% included therein, due November 1, 2029, with a renewal date of December 1, 2014, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>653,132</b>	686,608
Canada Mortgage and Housing Corporation - (9 units - 2005) mortgage repayable in monthly installments of \$4,695 with interest at 2.75% included therein, due February 1, 2031, with a renewal date of February 1, 2016, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>762,221</b>	797,195
Canada Mortgage and Housing Corporation - (10 units - 1994) mortgage repayable in monthly installments of \$3,107 with interest at 1.53% included therein, due November 1, 2019, with a renewal date of December 1, 2017, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>202,248</b>	236,162
Canada Mortgage and Housing Corporation - (12 units) mortgage repayable in monthly installments of \$6,134 with interest at 1.53% included therein, due December 1, 2017, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>268,099</b>	337,043
Canada Mortgage and Housing Corporation - (10 trailers) mortgage repayable in monthly installments of \$2,666 with interest at 1.47% included therein, due December 1, 2015, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>55,234</b>	86,167
Canada Mortgage and Housing Corporation - (triplex) mortgage repayable in monthly installments of \$1,630 with interest at 1.53% included therein, due October 1, 2017, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>68,154</b>	86,519

**CHEMAWAWIN CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**10. LONG TERM DEBT (continued)**

	<b>2014</b>	<b>2013</b>
Canada Mortgage and Housing Corporation - (5 units - 2007) mortgage repayable in monthly installments of \$2,745 with interest at 1.53% included therein, due November 1, 2032, with a renewal date of December 1, 2017, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>534,824</b>	559,405
Canada Mortgage and Housing Corporation - (68 units - 2008) mortgage repayable in monthly installments of \$22,376 with interest at 2.04% included therein, due May 1, 2033, with a renewal date of March 1, 2019, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>4,259,862</b>	4,412,157
Canada Mortgage and Housing Corporation - (8 units) mortgage repayable in monthly installments of \$2,042 with interest at 2.23% included therein, due May 1, 2019, with a renewal date of August 1, 2014, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>119,494</b>	141,082
Canada Mortgage and Housing Corporation - (8 units) mortgage repayable in monthly installments of \$2,727 with interest at 2.63% included therein, due June 1, 2036, with a renewal date of June 1, 2016, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>539,255</b>	557,607
Canada Mortgage and Housing Corporation - (31 units) mortgage repayable in monthly installments of \$10,566 with interest at 2.63% included therein, due June 1, 2036, with a renewal date of June 1, 2016, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	<b>2,093,172</b>	2,164,198

**CHEMAWAWIN CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**10. LONG TERM DEBT (continued)**

	<b>2014</b>	<b>2013</b>
<b>Chemawawin Health Authority</b>		
Ford Credit Canada Limited - loan repayable in monthly installments of \$956 with interest at 6.39% included therein, due September 2017, secured by 2012 Ford Econoline van:	35,883	44,749
Ford Credit Canada Limited - loan repayable in monthly installments of \$766 with interest at 7.99% included therein, due September 2013, secured by 2009 Ford F150 Truck:	-	4,489
<b>4216083 Manitoba Ltd.</b>		
Bank of Montreal - mortgage repayable in monthly installments of \$1,782 with interest at prime plus 1.75% included therein, due on demand, secured by property at 1501 Dugald Road, Winnipeg, MB:	-	146,945
	<b><u>\$ 11,460,338</u></b>	<b><u>\$ 12,440,228</u></b>

Scheduled principal reduction over the next five years are estimated as follows:

2015	\$ 875,941
2016	876,766
2017	754,429
2018	628,324
2019	568,687
2020 and thereafter	<u>7,756,191</u>
	<b><u>\$ 11,460,338</u></b>

Interest on debt recorded in the consolidated statement of operations and accumulated surplus is \$354,943 (2013 - \$838,358). Cash paid for interest during the year is \$365,825 (2013 - \$849,443).

## **CHEMAWAWIN CREE NATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***March 31, 2014***

#### **11. DEVELOPMENT TRUST FUND**

The Chemawawin Cree Nation Development Trust Fund was settled on December 20, 1990 with a payment of \$10,265,922 from the Manitoba Hydro-Electric Board in partial settlement of certain damages suffered by the Chemawawin Cree Nation (Cree Nation). The purpose of the Trust is to support the future development of the Cree Nation and Cree Nation Members, including its fishermen, trappers, hunters and other community-resource users.

Equity of the Trust is separated into two distinct funds as set out in the terms of the Trust Agreement.

#### ***Capital Fund***

The Capital Fund includes the original settlement amount and any transfers from the Income Fund less encroachments on capital. Encroachments on capital are limited to 5% of the net value of the Trust at the beginning of the year. The Capital Fund can never be reduced below the original settlement amount. At March 31, 2014 the net market value of the trust fund is \$11,775,722 (2013 - \$10,666,419).

#### ***Income Fund***

The Income Fund accumulates the income generated by the Trust less administrative expenses and any distributions to fixed income beneficiaries or eligible income beneficiaries. Fixed income beneficiaries include Senior Elders of the Cree Nation who are paid \$125 per month. Chemawawin Cree Nation is the eligible income beneficiary.

Income distributions requested by the Cree Nation Trustees are recorded in the accounts of the Trust upon confirmation that the distribution satisfies all of the terms of the Trust Agreement. Any balance in the Income Fund which has not been allocated or paid within six months after the Trust year end shall be transferred to the Capital Fund.

**CHEMAWAWIN CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**11. DEVELOPMENT TRUST FUND (continued)**

The condensed supplementary financial information of the Chemawawin Cree Nation Development Trust Fund is as follows (does not reflect the elimination of inter-entity balances adjusted upon consolidation):

	<b>2014</b>	<b>2013</b>
<b>Financial Position</b>		
Cash	\$ <b>207,775</b>	\$ 492,248
Prepaid Expenses	\$ <b>9,229,276</b>	\$ 8,483,547
Investments (market value 2014 - \$10,860,522)	<b>9,229,276</b>	8,483,547
Loans Receivable - Chemawawin Cree Nation and Related Entities	<b>728,768</b>	926,558
	<b><u>\$ 10,165,819</u></b>	<b><u>\$ 9,902,353</u></b>
Accounts Payable	\$ <b>21,342</b>	\$ 18,332
Trust Equity	<b>10,144,477</b>	9,884,021
	<b><u>\$ 10,165,819</u></b>	<b><u>\$ 9,902,353</u></b>
<b>Results of Operations</b>		
Investment Income	<b>622,072</b>	\$ 508,344
Trust Expenses	<b>163,541</b>	101,672
Funds Disbursed to First Nation for Permitted Uses	<b>198,075</b>	198,988
	<b><u>361,616</u></b>	<b><u>300,660</u></b>
<b>NET INCOME</b>	<b><u>\$ 260,456</u></b>	<b><u>\$ 207,684</u></b>

**12. CHEMAWAWIN RESOURCE TRUST**

In accordance with the 2002 Comprehensive Forebay Agreement signed by Chemawawin Cree Nation, the Province of Manitoba and Manitoba Hydro, \$400,000 was received by the First Nation to establish the Chemawawin Resource Trust. The investment income generated from these monies is to be utilized to support the future participation costs of Chemawawin representatives on the Cedar Lake Resource Management Board.

**CHEMAWAWIN CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

**12. CHEMAWAWIN RESOURCE TRUST (continued)**

In December 2005, the First Nation redeemed the investments of this Trust. These funds totalling \$401,729 were deposited to the accounts of the First Nation and supported by a Band Council Resolution whereby the First Nation borrowed these funds for general use from the Trust and paid interest to the Trust at a rate of 10% per annum. A written legal opinion was not obtained by the First Nation to determine if the redemption of these Trust investments contravened certain aspects of the agreement originally signed.

In the previous fiscal year, the First Nation repaid \$400,000 of the principal amount that was borrowed in 2005. During the current year, \$219,444 of accrued interest owing by the First Nation on this principal amount was written-off and is reflected in the results of operations below. However, an amount of \$20,000 remains outstanding from the First Nation at March 31, 2014.

The condensed supplementary financial information of the Chemawawin Resource Trust is as follows (does not reflect the elimination of inter-entity balances adjusted upon consolidation):

	<b>2014</b>	<b>2013</b>
<b><i>Financial Position</i></b>		
Cash	\$ 22,320	\$ 17,630
Accrued Interest Receivable	685	685
Guaranteed Investment Certificate (5 year; 2.5% annually)	400,000	400,000
Due from Chemawawin Cree Nation	<u>20,000</u>	<u>238,145</u>
	<u><b>\$ 443,005</b></u>	<u><b>\$ 656,460</b></u>
Trust Equity	<u><b>\$ 443,005</b></u>	<u><b>\$ 656,460</b></u>
<b><i>Results of Operations</i></b>		
Investment Income	<u><b>\$ 10,057</b></u>	<u><b>\$ 38,216</b></u>
Trust Expenses	4,068	3,206
Settlement of Debt	<u><b>219,444</b></u>	-
	<u><b>223,512</b></u>	<u><b>3,206</b></u>
<b><i>NET INCOME (LOSS)</i></b>	<u><b>\$ (213,455)</b></u>	<u><b>\$ 35,010</b></u>

## **CHEMAWAWIN CREE NATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

#### **13. NON-CONTROLLING INTEREST**

In 2009, Chemawawin Cree Nation entered into an agreement with First Nations Financial Services Inc. (FNFS), whereby FNFS received a 25% equity interest in Chemawawin Otineka Business Corporation o/a Atawekamik, in exchange for full and complete satisfaction of the First Nation's indebtedness to FNFS. This agreement also stipulates that the corporation must pay 25% of any net income earned during the year to FNFS; however, any net losses are to be fully absorbed by Chemawawin Cree Nation. Accordingly, an amount payable of \$36,670 (2013 - \$36,670) is included in the accounts payable balance at March 31, 2014.

#### **14. OTTAWA TRUST MONIES**

Included in the cash account balance is \$14 (2013 - \$13) of 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 Section 63 to 69 of the Indian Act.

#### **15. PENSION BENEFITS**

The CCN School Inc. has a defined contribution pension plan for employees whereby the employees' contributions to the plan are matched by the First Nation up to a maximum of 2.5% of gross earnings. The pension plan is administered and managed by Great West Life.

The expense recognized in the consolidated statement of operations and accumulated surplus with respect to employer contributions to this plan was \$36,282 (2013 - \$34,634). There were no significant changes to the pension plan in 2014.

Separate bank account(s) for pension deductions (including employer's share) were not maintained by CCN School Inc. As at March 31, 2014, CCN School Inc. had outstanding pension benefits pertaining to deductions of \$7,780 (2013 - \$8,603).

#### **16. UNFUNDED RESERVES**

Canada Mortgage and Housing Corporation (CMHC) imposes certain reserve requirements on the Chemawawin Housing Authority Inc. under the terms of signed agreements. These reserve requirements, which can encompass the replacements reserve and the subsidy surplus reserve, totalled \$1,499,351 as at March 31, 2014 (2013 - \$1,335,212). This represents only the replacement reserve at this time. Currently, the entire amount is unfunded, which is in contravention of CMHC requirements.

## **CHEMAWAWIN CREE NATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***March 31, 2014***

#### **17. DUE FROM (TO) RELATED ENTITIES**

The amounts due from (to) related entities are all non-interest bearing with no specific terms of repayment.

#### **18. COMMITMENTS AND CONTINGENCIES**

A portion of the balance included as surpluses (deficits) is from funds contributed by government agencies. Such surpluses (deficits) may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements. Where not otherwise ascertainable, any such repayment or recovery will be recorded in the fiscal period in which such determination is made.

Pursuant to a motion adopted by Chief and Council on November 16, 1998, and amended February 16, 1999, retroactive to 1994, severance packages equivalent to two months of salary for every year of service to a maximum of twelve months are to be awarded to the Chief and Council members who are removed from their respective position by election or otherwise.

Further, in the previous fiscal year, the Resource Trust engaged Peace Hills Trust Company to act as the corporate trustee in exchange for annual fees of \$1,000.

The Manitoba Health and Post Secondary Education Tax Levy, also known as payroll tax, is a tax imposed on remuneration in excess of \$1.25 million that is paid to employees. CCN School Inc. has payroll exceeding this amount and therefore could be subject to this tax which approximates \$60,393 for the 2013 calendar year (2012 - \$53,000). This issue has also been noted in prior years and therefore the potential cumulative liability would be significant to the First Nation.

Effective September 1, 2010, the First Nation signed a services agreement with ICON Management Services (ICON). Under this agreement, the First Nation is obligated to pay ICON \$11,500 per month until August 31, 2016. The agreement also includes provisions for additional fees related to project management, band financing and negotiation services.

Effective September 30, 2011, the First Nation signed an agreement with DMW Management Consultants Inc. (DMW). Under this agreement, the First Nation is obligated to pay DMW 35% of internet subscription revenues as a management fee for CCN Communications.

Effective November 5, 2010, a service agreement proposal was jointly agreed upon between Vista Building Products Inc. (Vista) and the First Nation. This accepted proposal was for a five year term which would expire on September 30, 2015 and stipulated a project management fee of 10% of a project's gross cost and 40% of the gross margin of the project as being payable to Vista.

## **CHEMAWAWIN CREE NATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

#### **18. COMMITMENTS AND CONTINGENCIES (continued)**

The Chemawawin Development Trust has a signed service agreement in place with Beutel, Goodman and Company to manage its investment portfolio. Under this agreement, the Trust is obligated to pay fees based on a percentage of investments being managed, at a minimum of \$30,000 per year.

In exchange for administrative services, Peace Hills Trust Company, charges the Development Trust a management fee equal to approximately 0.4% of the value of the assets held by the Trust. This equated to approximately \$40,000 for the twelve month period ending March 31, 2014 (2013 - \$40,000).

During the fiscal year, the First Nation received funding from Manitoba Hydro under the Community Endeavors Program (CEP). Under this program, all funds (which includes previous CEP surpluses reported) are to be expended on CEP related activities prior to the expiration of the agreement on April 1, 2060. The First Nation has ongoing reporting obligations to Manitoba Hydro in this regard.

Previously, the First Nation received forgivable loans totalling \$86,565 from CMHC's Residential Rehabilitation Assistance Program (RRAP) which were included in income. Provided the First Nation continues to own and occupy the subject houses until March 1, 2017, the principal amount plus interest at 5.5% will be forgiven. If the homes are not occupied by eligible band members for the required five year period, the unearned portion of the loans plus interest will become due and payable.

Claims have been filed against Chemawawin Cree Nation by the Tribal Council's Investment Group (TCIG) in the aggregate amount of \$685,200. A counter-claim was presented by the First Nation. At the time of financial statement preparation, these claims are not being actively pursued.

In 2011, Chemawawin Cree Nation reached an agreement totalling \$2.1 million (plus applicable taxes) with Manitoba Health for the construction of a nurses' residence facility on the First Nation's reserve lands. During the 2012/13 fiscal year, the First Nation entered into a subcontract agreement with Vista Building Solutions Inc. ("Vista") for Vista to oversee and perform all of the required work to construct the nurses' residence. The subcontract agreement specifies that Chemawawin Cree Nation is to pay Vista \$2.1 million (plus applicable taxes) for the construction of this residence. To the extent that costs exceed the contracted price, the First Nation is required to reimburse Vista for the excess. If costs are less than the contracted price, the agreement specifies that any profits are to be shared with 40% being paid to Vista and 60% to the First Nation. At the time of financial statement preparation, this project is underway but not yet completed so it cannot yet be determined if the project will be completed within the contracted price.

## **CHEMAWAWIN CREE NATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

#### **18. COMMITMENTS AND CONTINGENCIES (continued)**

During the year, an environmental assessment was performed with respect to several of the First Nation's operations including multiple fuel tank sites, previously used garbage dump and sewage lagoons, and burnt homes. The assessment resulted in a number of recommendations in order to restore the sites to comply with Federal guidelines. The assessment did not include an estimate of costs to complete the work, and as such, no amount has been accrued in the consolidated financial statements.

Effective March 1, 2013, the First Nation signed a services agreement with Rose Neufeld and Associates ("Neufeld"). Under this agreement, the First Nation is obligated to pay Neufeld the sum of \$10,000 per month, plus GST and any other applicable taxes, for consulting services at the Chemawawin Health Authority. This contract was renewed effective April 1, 2014, and expires March 31, 2015.

During the year, the First Nation reduced its level of insurance coverage to cover only CMHC homes. As such, the First Nation is uninsured with respect to its other buildings and homes, equipment, other assets, etc.

#### **19. GOVERNMENT TRANSFERS**

	<i>Operating</i>	<i>Capital</i>	<b>2014</b>	<b>2013</b>
			<b>Total</b>	<b>Total</b>
Federal Government Transfers				
- AANDC	\$ 10,011,382	\$ 720,777	<b>\$ 10,732,159</b>	\$ 11,167,289
- Health Canada	1,195,369	114,906	<b>1,310,275</b>	1,009,942
- CMHC	832,477	-	<b>832,477</b>	858,644
- First Peoples Development Inc.	426,659	19,297	<b>445,956</b>	414,989
	<hr/> 12,465,887	<hr/> 854,980	<hr/> <b>13,320,867</b>	<hr/> 13,450,864
Provincial Government Transfers	338,474	-	<b>338,474</b>	158,789
	<hr/> \$ 12,804,361	<hr/> \$ 854,980	<hr/> <b>\$ 13,659,341</b>	<hr/> \$ 13,609,653

## **CHEMAWAWIN CREE NATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2014**

#### **20. SIGNIFICANT EVENTS**

During the previous fiscal year, the First Nation negotiated an amendment to its original agreement with Manitoba Hydro regarding the Community Endeavors Program. This amendment included provisions that the term of the agreement be extended from 25 to 50 years and that future cash flows over the remaining term of the agreement be reduced (by an equivalent amount plus an interest rate adjustment) in exchange for a one-time advance payment of \$9.75 million during the 2012/13 fiscal year. The advance to reduce debt was in response to a community vote on October 17, 2011 in which Council's proposal to refinance the high interest loans and other operational debts was approved. Under the terms of the amendment, the advance monies were to be used to discharge debts owed by the First Nation, specifically the high interest bearing loan with the Slater Family Trust et al.

The First Nation sold the property located at 1501 Dugald Road in Winnipeg, MB to an unrelated corporation for \$475,000. The sale closed August 29, 2013.

#### **21. INSURANCE PROCEEDS**

Due to the inability to reasonably ascertain the proceeds ultimately receivable related to housing units damaged/destroyed, these proceeds are recognized only when the amounts have been confirmed through the actual receipt of funds.

#### **22. STATUS OF LOAN - COMMUNITIES ECONOMIC DEVELOPMENT FUND**

Judgements have been filed against the First Nation with respect to two loans repayable to the Communities Economic Development Fund. These judgments total \$208,600. Both loans were written off in the First Nation's consolidated financial statements during the previous fiscal year.

#### **23. ECONOMIC DEPENDENCE**

Chemawawin Cree Nation receives significant portions of its revenue pursuant to funding agreements with the following entities:

- Aboriginal Affairs and Northern Development Canada
- Health Canada
- Canada Mortgage and Housing Corporation
- Manitoba Hydro
- First Peoples Development Inc.

**CHEMAWAWIN CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***March 31, 2014***

**24. FUNDRAISING ACCOUNTS**

The First Nation maintains separate bank accounts for certain fundraising activities that are undertaken (eg. school fundraisers, etc.). However, management maintains that these accounts are not controlled by the First Nation, and instead are controlled by the staff, students, etc. that are directly undertaking the fundraising activity. Therefore, these accounts have been excluded from these financial statements.

**25. CORRESPONDING FIGURES**

Prior year's corresponding figures have been reclassified where necessary to conform to the current year's presentation.

**CHEMAWAWIN CREE NATION**

**Schedule A**

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**

**March 31, 2014**

	<b>Cost</b>					<b>Mar. 31/14 Closing Balance</b>
	<b>Apr. 1/13 Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers of Assets</b>		
<b>Tangible Capital Assets</b>						
Buildings	\$ 55,005,409	\$ 1,572,852	\$ (325,000)	\$	-	\$ 56,253,261
Data Communications Equipment	397,050	-	-	-	-	397,050
Furniture, Fixtures and Equipment	1,864,972	82,118	(31,712)	-	-	1,915,378
Automotive Equipment	5,160,035	347,912	(125,960)	-	-	5,381,987
Infrastructure	10,748,484	-	-	-	-	10,748,484
Boats	119,245	23,000	(3,000)	-	-	139,245
Computer Hardware	92,592	33,990	-	-	-	126,582
<b>Total</b>	<b>\$ 73,387,787</b>	<b>\$ 2,059,872</b>	<b>\$ (485,672)</b>	<b>\$</b>	<b>-</b>	<b>\$ 74,961,987</b>

**Schedule A (continued)**

**CHEMAWAWIN CREE NATION**

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**

**March 31, 2014**

	<i>Accumulated Amortization</i>				<i>Net Book Value</i>
	<i>Apr. 1/13</i>	<i>Disposals,</i>	<i>Mar. 31/14</i>	<i>2014</i>	
<i>Opening</i>	<i>Write-offs and</i>	<i>Closing</i>	<i>2013</i>	<i>Balance</i>	
<b>Tangible Capital Assets</b>					
Buildings	\$ 16,270,933	\$ 1,548,482	\$ (125,217)	\$ 17,694,198	\$ 38,559,063
Data Communications Equipment	57,573	33,948	-	91,521	305,529
Furniture, Fixtures and Equipment	1,507,702	66,940	(10,800)	1,563,842	351,536
Automotive Equipment	4,643,586	192,441	(112,503)	4,723,524	658,463
Infrastructure	4,194,911	262,142	-	4,457,053	6,291,431
Boats	22,592	15,967	(1,296)	37,263	101,982
Computer Hardware	70,769	16,909	-	87,678	38,904
<b>Total</b>	<b>\$ 26,768,066</b>	<b>\$ 2,136,829</b>	<b>\$ (249,816)</b>	<b>\$ 28,655,079</b>	<b>\$ 46,306,908</b>
					\$ 46,619,721

**CHEMAWAWIN CREE NATION**

**CONSOLIDATED SCHEDULE OF SEGMENTED RESULTS**

**March 31, 2014**

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 following table presents the expenses incurred and the revenues generated by main object of expense and by major revenue type. The segments results for the period are as follows:

	<i>Band Government and Administration</i>		<i>Education</i>		<i>Housing</i>		<i>Logging, Forestry and Fishing</i>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Revenues</b>								
Federal Government	\$ 5,133,615	\$ 5,436,066	\$ 867,400	\$ 822,320	\$ 822,877	\$ 837,924	\$ -	\$ -
Provincial Government	-	73,717	-	-	-	-	-	-
Manitoba Hydro	1,043,509	9,750,000	-	116,569	121,692	694,741	-	-
Economic Activities	-	-	-	-	-	693,232	-	-
Government Business Enterprises	1,976,770	1,781,076	3,316,242	3,202,918	605,977	396,294	-	-
Other Revenue (Loss)	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>8,153,894</b>	<b>17,040,859</b>	<b>4,300,211</b>	<b>4,146,930</b>	<b>2,123,595</b>	<b>1,927,450</b>	<b>54,676</b>	<b>42,118</b>
<b>Expenses</b>								
Salaries and Benefits	806,315	766,988	3,193,350	2,874,925	-	-	-	-
Amortization	-	-	4,578	6,091	640,527	654,119	-	193
Interest on Long-Term Debt	27,652	90,106	-	-	346,663	386,622	-	-
Other Expenses	6,040,609	6,351,490	1,216,006	990,482	421,102	631,137	880	3,052
<b>Total Expenses</b>	<b>6,874,576</b>	<b>7,208,584</b>	<b>4,413,934</b>	<b>3,871,498</b>	<b>1,408,292</b>	<b>1,671,878</b>	<b>880</b>	<b>3,245</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 1,279,318</b>	<b>\$ 9,832,275</b>	<b>\$ (113,723)</b>	<b>\$ 275,432</b>	<b>\$ 715,303</b>	<b>\$ 255,572</b>	<b>\$ 53,796</b>	<b>\$ 38,873</b>

**Schedule B**  
(continued)

**CHEMAWAWIN CREE NATION**

**CONSOLIDATED SCHEDULE OF SEGMENTED RESULTS**

**March 31, 2014**

	<i>Health</i>	<i>2013</i>	<i>2014</i>	<i>Environmental</i>	<i>2013</i>	<i>2014</i>	<i>Retail Operations</i>	<i>2013</i>	<i>2014</i>	<i>Property and Development</i>	<i>2013</i>
<b>Revenues</b>											
Federal Government	\$ 1,310,275	\$ 1,009,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,490	\$ 112,708
Provincial Government	-	-	-	-	-	-	124,489	107,229	-	7,870	-
Manitoba Hydro	-	-	1,577,219	1,572,919	-	-	-	-	-	-	-
Economic Activities	-	-	-	-	-	2,438,268	2,169,732	-	-	258,387	238,120
Government Business Enterprises	-	-	-	-	-	-	-	-	-	-	-
Other Revenue (Loss)	130,301	235,134	(24,760)	(3,125)	35	35	(14,624)	458,900	458,900	11,525	11,525
<b>Total Revenues</b>	<b>1,440,576</b>	<b>1,245,076</b>	<b>1,552,459</b>	<b>1,569,794</b>	<b>2,562,792</b>	<b>2,262,337</b>	<b>839,647</b>	<b>362,353</b>			
<b>Expenses</b>											
Salaries and Benefits	829,600	848,009	913,207	854,031	182,667	249,286	34,614	70,349			
Amortization	79,954	65,244	29,330	23,313	18,420	21,970	52,142	61,610			
Interest on Long-Term Debt	2,703	3,229	-	-	6,074	-	3,352	59,284			
Other Expenses	493,613	434,817	496,627	619,925	2,161,006	2,005,045	374,695	216,952			
<b>Total Expenses</b>	<b>1,405,870</b>	<b>1,351,299</b>	<b>1,439,164</b>	<b>1,497,269</b>	<b>2,368,167</b>	<b>2,276,301</b>	<b>464,803</b>	<b>408,195</b>			
<b>Annual Surplus (Deficit)</b>	<b>\$ 34,706</b>	<b>\$ (106,223)</b>	<b>\$ 113,295</b>	<b>\$ 72,525</b>	<b>\$ 194,625</b>	<b>\$ (13,964)</b>	<b>\$ 374,844</b>	<b>\$ (45,842)</b>			

**Schedule B**  
(continued)

**CHEMAWAWIN CREE NATION**

**CONSOLIDATED SCHEDULE OF SEGMENTED RESULTS**

**March 31, 2014**

	<i>Trust Operations</i>			<i>Gaming Operations</i>			<i>Social Services</i>			<i>Employment and Daycare</i>		
	<i>2014</i>		<i>2013</i>	<i>2014</i>		<i>2013</i>	<i>2014</i>		<i>2013</i>	<i>2014</i>		<i>2013</i>
	<i>2014</i>	<i>2013</i>		<i>2014</i>	<i>2013</i>		<i>2014</i>	<i>2013</i>		<i>2014</i>	<i>2013</i>	
<b>Revenues</b>												
Federal Government	\$ -	\$ -		\$ -	\$ -		\$ -	\$ 3,280,751	\$ 3,229,205	\$ 445,956	\$ 414,989	
Provincial Government	-	-		-	-		-	-	-	-	-	
Manitoba Hydro	-	-		-	-		-	-	-	-	-	
Economic Activities	-	-		669,737	680,768		-	-	-	16,347	13,344	
Government Business Enterprises	-	-		130,553	178,890		-	-	-	-	-	
Other Revenue (Loss)	632,129	546,561		-	(3,034)		773,643	775,130	(42,637)	9,937	9,937	
<b>Total Revenues</b>	<b>632,129</b>	<b>546,561</b>		<b>800,290</b>	<b>856,624</b>		<b>4,054,394</b>	<b>4,004,335</b>	<b>419,666</b>	<b>438,270</b>		
<b>Expenses</b>												
Salaries and Benefits	-	-		316,304	292,084		106,867	199,127	237,302	237,302	255,955	
Amortization	-	-		35,266	38,074		-	-	-	-	-	
Interest on Long-Term Debt	-	-		2,049	42		-	-	-	-	-	
Other Expenses	365,684	303,866		358,292	306,499		3,615,489	3,534,136	143,846	143,846	190,634	
<b>Total Expenses</b>	<b>365,684</b>	<b>303,866</b>		<b>711,911</b>	<b>636,699</b>		<b>3,722,356</b>	<b>3,733,263</b>	<b>381,148</b>	<b>381,148</b>	<b>446,589</b>	
<b>Annual Surplus (Deficit)</b>	<b>\$ 266,445</b>	<b>\$ 242,695</b>		<b>\$ 88,379</b>	<b>\$ 219,925</b>		<b>\$ 332,038</b>	<b>\$ 271,072</b>	<b>\$ 38,518</b>	<b>\$ 38,518</b>	<b>\$ (8,319)</b>	

**Schedule B**  
(continued)

**CHEMAWAWIN CREE NATION**

**CONSOLIDATED SCHEDULE OF SEGMENTED RESULTS**

**March 31, 2014**

	<i>Inter-Segment Eliminations</i>						<i>Consolidated Totals</i>	
	<i>Public Works</i>			<i>Other</i>		<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>			
<b>Revenues</b>								
Federal Government	\$ 1,337,503	\$ 1,587,710	\$ 8,000	\$ 8,000	\$ -	\$ -	\$ 13,320,867	\$ 13,450,864
Provincial Government	-	2,402	45,372	82,670	-	-	<b>177,731</b>	266,018
Manitoba Hydro	-	-	-	137,039	-	-	<b>2,620,728</b>	11,459,958
Economic Activities	447,337	-	-	-	(223,737)	(217,572)	<b>4,417,649</b>	3,699,316
Government Business Enterprises	-	-	-	-	-	-	<b>130,553</b>	178,890
Other Revenue (Loss)	307,008	835,635	149,330	7,299	(6,545,465)	(6,076,057)	<b>1,792,149</b>	1,746,787
<b>Total Revenues</b>	<b>2,091,848</b>	<b>2,425,747</b>	<b>202,702</b>	<b>227,008</b>	<b>(6,769,202)</b>	<b>(6,293,629)</b>	<b>22,459,677</b>	<b>30,801,833</b>
<b>Expenses</b>								
Salaries and Benefits	640,394	481,595	-	-	-	-	<b>7,260,620</b>	6,892,349
Amortization	1,315,035	1,390,935	-	-	-	-	<b>2,175,252</b>	2,261,549
Interest on Long-Term Debt	-	419,594	-	-	(33,726)	(120,519)	<b>354,767</b>	838,358
Other Expenses	744,423	997,355	183,856	119,738	(6,546,610)	(6,173,909)	<b>10,069,518</b>	10,531,219
<b>Total Expenses</b>	<b>2,699,852</b>	<b>3,289,479</b>	<b>183,856</b>	<b>119,738</b>	<b>(6,580,336)</b>	<b>(6,294,428)</b>	<b>19,860,157</b>	<b>20,523,475</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ (608,004)</b>	<b>\$ (863,732)</b>	<b>\$ 18,846</b>	<b>\$ 107,270</b>	<b>\$ (188,866)</b>	<b>\$ 799</b>	<b>\$ 2,599,520</b>	<b>\$ 10,278,358</b>

**Schedule C**

**CHEMAWAWIN CREE NATION**

**SUMMARY OF INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES**

**March 31, 2014**  
**(Unaudited)**

The following entities meet the Public Sector Accounting Standards criteria to be recognized as government business enterprises. Accordingly, they have been accounted for utilizing the required modified equity method of accounting.

**ASENESKAK CASINO LIMITED PARTNERSHIP**

	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>TOTAL ASSETS</b>	<b>\$ 7,332,489</b>	<b>\$ 8,326,155</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 1,646,605</b>	<b>\$ 2,177,316</b>
<b>EQUITY (NET)</b>	<b><u>5,685,884</u></b>	<b><u>6,148,839</u></b>
	<b>\$ 7,332,489</b>	<b>\$ 8,326,155</b>
<b>TOTAL REVENUES</b>	<b>\$ 8,098,745</b>	<b>\$ 8,141,769</b>
<b>TOTAL EXPENSES AND TRUST ALLOCATIONS</b>	<b><u>7,315,425</u></b>	<b><u>7,068,424</u></b>
<b>NET INCOME</b>	<b><u>\$ 783,320</u></b>	<b><u>\$ 1,073,345</u></b>

**Schedule C (continued)**

**CHEMAWAWIN CREE NATION**

**SUMMARY OF INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES**

**March 31, 2014**  
**(Unaudited)**

**ASENESKAK COMPANY INC.**

	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>TOTAL ASSETS</b>	<b>\$ <u>516</u></b>	<b>\$ <u>560</u></b>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>
<b>EQUITY (NET)</b>	<b><u>516</u></b>	<b><u>560</u></b>
	<b>\$ <u>516</u></b>	<b>\$ <u>560</u></b>
<b>TOTAL REVENUES</b>	<b>\$ <u>334,055</u></b>	<b>\$ 326,557</b>
<b>TOTAL EXPENSES</b>	<b><u>334,099</u></b>	<b>326,580</b>
<b>NET INCOME (LOSS)</b>	<b><u>\$ (44)</u></b>	<b><u>\$ (23)</u></b>