

**QALIPU MI'KMAQ FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2014**

QALIPU MI'KMAQ FIRST NATION

MARCH 31, 2014

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QALIPU MI'KMAQ FIRST NATION

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements of Qalipu Mi'kmaq First Nation are the responsibility of management and have been approved by 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.

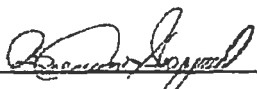
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced

The 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

The 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 auditor's report.

The external auditors, Bonnell Cole Janes, 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 Qalipu Mi'kmaq First Nation and meet when required

On behalf of Qalipu Mi'kmaq First Nation

_____, Chief

_____, Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To the Members of Council
Qalipu Mi'kmaq First Nation

We have audited the accompanying consolidated financial statements of Qalipu Mi'kmaq First Nation, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of operations and accumulated surplus, changes in net assets 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 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. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the 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 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 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Qalipu Mi'kmaq First Nation as at March 31, 2014, and the results of its consolidated operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Corner Brook,
Newfoundland and Labrador
May 27, 2014

Bonnell Cole Janes
CHARTERED ACCOUNTANTS

QALIPU MI'KMAQ FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Financial assets		
Cash and cash equivalents(Note 2)	\$ 781,692	\$ 825,192
Accounts receivable (Note 3)	898,666	341,024
Income tax receivable	<u>1,920</u>	<u> </u>
Total financial assets	<u>1,682,278</u>	<u>1,166,216</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 1,433,309	\$ 1,047,576
Income taxes payable		1,898
Deferred revenue (Note 5)	162,786	168,866
Long term debt (Note 6)	949,078	981,700
Deferred government assistance (Note 8)	788,983	818,823
Future income taxes payable	2,686	2,798
Reserves (Note 12)	<u>60,000</u>	<u>30,000</u>
Total liabilities	<u>3,396,842</u>	<u>3,051,661</u>
Net assets (net debt)	<u>(1,714,564)</u>	<u>(1,885,445)</u>
Non-financial assets		
Tangible capital assets (Note 17)	2,540,653	2,649,800
Fishing Licences (Note 13)	877,600	877,600
Prepaid expenses (Note 7)	<u>62,184</u>	<u>29,459</u>
Total non-financial assets	<u>3,480,437</u>	<u>3,556,859</u>
Accumulated surplus	<u>\$ 1,765,873</u>	<u>\$ 1,671,414</u>
Contingencies (Note 9)		
Contractual Obligations (Note 11)		

Approved on Behalf of Chief & Council:

Signature

Date

The accompanying notes and supplementary schedules are an integral part of these financial statements



**QALIPU MI'KMAQ FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
Revenue	\$ 10,408,524	\$ 10,311,391	\$ 11,738,667
Expenditures	<u>10,484,563</u>	<u>10,216,932</u>	<u>11,712,628</u>
Annual surplus / (deficit)	\$ <u>(76,039)</u>	94,459	26,039
Accumulated surplus at beginning of year		1,671,414	1,779,949
Transfer of capital assets to Qalipu Development Corporation (net)			<u>(134,574)</u>
Accumulated surplus at end of year		\$ <u>1,765,873</u>	\$ <u>1,671,414</u>

The accompanying notes and supplementary schedules are an integral part of these financial statements



**QALIPU MI'KMAQ FIRST NATION
CONSOLIDATED STATEMENT OF REVENUE
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
REVENUE			
Federal Government			
Aboriginal Affairs and Northern			
Development Canada (Note 14)	\$ 8,175,873	\$ 8,156,988	\$ 9,882,204
Service Canada	1,319,686	1,280,159	1,175,609
Department of Fisheries and Oceans	445,000	445,000	275,000
Health Canada	98,068	98,068	93,068
Province of Newfoundland and Labrador			
Department of Tourism, Culture and Recreation	12,000	12,000	
Department of Health and Community Services			5,963
Department of Advanced Education & Skills	23,672	23,672	11,328
Women's Policy Office	15,000	15,000	
Congress of Aboriginal Peoples	33,000	33,000	83,500
Emera	38,000	38,000	
Management and administration fees	105,126	60,900	74,843
Rent	105,039	105,019	124,603
Miscellaneous	2,160	2,038	5,828
Government assistance	30,000	29,840	6,721
Contribution from Federation of Newfoundland			
Indians		11,707	
Contribution from Qalipu Development Corporation	<u>5,900</u>		
	<u>\$ 10,408,524</u>	<u>\$ 10,311,391</u>	<u>\$ 11,738,667</u>

The accompanying notes and supplementary schedules are an integral part of these financial statements



QALIPU MI'KMAQ FIRST NATION
CONSOLIDATED STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
EXPENDITURES			
Skills development - University	\$ 4,084,614	\$ 4,891,290	\$ 5,624,089
Skills development - Community College	2,567,894	1,937,452	2,922,542
Wages and benefits	1,459,300	1,364,894	1,263,448
Consulting and research fees	538,803	559,490	531,141
Contribution to Mi'kmaq Commercial Fisheries Inc	234,000	234,000	75,000
Travel and meetings	207,880	186,958	138,043
Amortization of tangible capital assets	169,285	168,787	117,309
Office and postage	79,944	107,105	98,333
Graduate incentive	62,500	78,774	54,050
Rent	138,949	51,671	102,608
Honorariums and per diems	73,400	73,072	53,964
Summer program	73,999	71,256	71,409
Professional fees	118,233	53,712	73,278
Telephone	50,900	43,498	46,007
Self employment assistance	60,000	43,333	49,017
Interest on long term debt	43,337	42,956	28,392
Wage subsidy	48,000	42,674	30,571
Maintenance and supplies	45,873	39,582	30,116
RCMP youth program	46,000	35,768	35,804
Advertising and promotion	54,863	39,617	22,199
Reserve for election (Note 12)		30,000	30,000
Cultural activities	20,882	23,394	21,730
Staff skills development	55,321	18,256	66,024
Municipal tax	17,295	17,716	10,594
Insurance	43,093	17,328	34,548
Utilities	19,750	17,238	12,607
Career Threads Program	21,704	9,102	
Interest and bank charges	7,216	7,894	10,270
Contribution to New Horizons Program		5,000	
Income taxes		(112)	4,696
Capacity building	2,000	2,684	1,935
Miscellaneous	3,364	1,657	5,092
Licences and fees	603	753	
Communications	3,500	133	10,304
Equipment purchases	35,745		
Election expenses	2,400		97,115
Contribution to Qalipu Development Corporation			23,963
Contribution to MAMKA			16,000
Band support			430
Administration fees	<u>93,916</u>		
	<u>\$ 10,484,563</u>	<u>\$ 10,216,932</u>	<u>\$ 11,712,628</u>

The accompanying notes and supplementary schedules are an integral part of these financial statements

BC BORNELL
COLF
IANES
Chartered Accountant

QALIPU MI'KMAQ FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (NET DEBT)
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
Annual surplus/ (deficit)	\$ (76,039)	\$ 94,459	\$ 26,039
Tangible capital assets:			
Acquisition of tangible capital assets	(35,745)	(59,640)	(1,513,982)
Amortization of tangible capital assets	<u>169,285</u>	<u>168,787</u>	<u>117,309</u>
Total Tangible Capital Assets:	57,501	203,606	(1,370,634)
Acquisition of prepaid expenses	<u> </u>	<u>(32,725)</u>	<u>(12,892)</u>
Increase (decrease) in net assets (net debt)	\$ <u><u>57,501</u></u>	170,881	(1,383,526)
Net assets (net debt) at beginning of year		<u>(1,885,445)</u>	<u>(501,919)</u>
Net assets (net debt) at end of year		<u><u>\$(1,714,564)</u></u>	<u><u>\$(1,885,445)</u></u>

The accompanying notes and supplementary schedules are an integral part of these financial statements



QALIPU MI'KMAQ FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Operating Transactions		
Annual surplus / (deficit)	\$ 94,459	\$ 26,039
Items not affecting cash		
Amortization of government assistance	(29,840)	(6,721)
Amortization of tangible capital assets	168,787	117,309
Future income taxes	<u>(112)</u>	<u>2,798</u>
	233,294	139,425
Changes in non-cash items on Statement of Financial Position		
(Increase) decrease in accounts receivable	(557,642)	517,376
Increase in reserve for future election	30,000	30,000
Increase in Income taxes receivable	(1,920)	
Increase in prepaid expenses	(32,725)	(22,206)
Increase (decrease) in income taxes payable	(1,898)	1,898
Increase in accounts payable	385,733	314,960
Increase (decrease) in deferred revenue	<u>(6,080)</u>	<u>159,366</u>
Cash provided by (applied to) operating transactions	<u>48,762</u>	<u>1,140,819</u>
Capital Transactions		
Purchase of tangible capital assets	<u>(59,640)</u>	<u>(354,992)</u>
Cash provided by (applied to) capital transactions	<u>(59,640)</u>	<u>(354,992)</u>
Financing Transactions		
Proceeds from (repayment of) debt		(5,000)
Payment of debt	<u>(32,622)</u>	<u>(16,008)</u>
Cash provided by (applied to) financing transactions	<u>(32,622)</u>	<u>(21,008)</u>
Increase (decrease) in cash and cash equivalents	(43,500)	764,819
Cash and cash equivalents, beginning of the year	<u>825,192</u>	<u>60,373</u>
Cash and cash equivalents, end of the year	<u>\$ 781,692</u>	<u>\$ 825,192</u>

The accompanying notes and supplementary schedules are an integral part of these financial statements



QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. In addition, Qalipu Mi'kmaq First Nation includes certain financial information that are not required by the Canadian public sector accounting standards. This information is presented in order to satisfy Aboriginal Affairs and Northern Development Canada and is presented on pages 39 to 43.

(b) Reporting Entity

The Qalipu Mi'kmaq First Nation reporting entity includes the Qalipu Mi'kmaq First Nation government and all related entities that are controlled by the First Nation.

(c) Principles of Consolidation

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

Organizations consolidated in Qalipu Mi'kmaq First Nation's financial statements include:

- Qalipu Development Corporation

(d) Asset Classification

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

(e) Cash

Cash includes cash on hand and balances with banks net of bank overdraft.

(f) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are reported at net book value. Contributions received to assist in the acquisition of tangible capital assets are reported as deferred revenue and amortized to income at the same rate as the related asset.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(Cont'd)

QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Tangible Capital Assets - Cont'd

Amortization is provided for on a straight-line basis, over the expected useful life of the assets in the table that follows

Boats	10 years
Machinery, equipment and furniture	5 years
Computer Hardware and Software	4 years

(g) Net Assets

The First Nation's financial statements are presented so as to highlight net assets as the measurement of financial position. The net assets of the First Nation is determined by its financial assets less its liabilities

(h) Revenue recognition

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. 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

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

(i) Measurement Uncertainty

In preparing the consolidated financial statements for Qalipu Mi'kmaq First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. The main estimates used in preparing these financial statements include the amortization of the capital assets. Actual results could differ from these estimates

2. CASH AND CASH EQUIVALENTS

Cash is comprised of the following

	<u>2014</u>	<u>2013</u>
Unrestricted		
Operating	\$ <u>781,692</u>	\$ <u>825,192</u>



QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

3. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Aboriginal Affairs and Northern Development Canada	\$	\$ 19,589
Department of Fisheries and Oceans	327,000	108,195
Federation of Newfoundland Indians	281,955	18,904
Mi'kmaq Commercial Fisheries Inc	44,948	
Congress of Aboriginal Peoples	8,000	67,500
Government of Newfoundland and Labrador		34,000
Small amounts owing (Net of doubtful accounts)	24,055	2,595
Mi'kmaq Alsumk Mowimsikik Koqoey Association Inc	150,282	2,345
HST Refund	<u>62,426</u>	<u>87,896</u>
Total Accounts Receivable	<u>\$ 898,666</u>	<u>\$ 341,024</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 381,424	\$ 441,072
Accrued salaries and employee benefits payable	18,338	41,067
Other accrued liabilities	799,547	505,638
Mi'kmaq Commercial Fisheries	234,000	37,624
Aboriginal Affairs and Northern Development Canada		<u>22,175</u>
Total Accounts Payable	<u>\$ 1,433,309</u>	<u>\$ 1,047,576</u>

5. DEFERRED REVENUE

The Nation has received the following advances from funding agencies. These advances are recorded as deferred revenue and will be recorded as current revenue in the year the expenses are incurred.

	<u>2014</u>	<u>2013</u>
Department of Human Resources Labour and Employment	\$	\$ 22,672
Aboriginal Affairs and Northern Development Canada	42,922	23,543
Department of Education	9,500	9,500
Service Canada	39,527	89,114
Department of Health and Community Services		24,037
New Horizons	30,000	
Post Secondary Client Recovery Revenue	<u>40,837</u>	
	<u>\$ 162,786</u>	<u>\$ 168,866</u>

QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

6. LONG TERM DEBT

	<u>2014</u>	<u>2013</u>
4.46% bank loan repayable in blended monthly installments of \$2,838 to 2032, secured by land and building with a carrying value of \$855,221	\$ 429,591	\$ 444,178
4.48% bank loan repayable in blended monthly installments of \$3,460 to 2032, secured by land and building with a carrying value of \$1,042,476	<u>519,487</u>	<u>537,522</u>
	<u>\$ 949,078</u>	<u>\$ 981,700</u>

Long term debt repayments required to meet retirement provisions in each of the next five years are

2015	\$ 33,712
2016	35,252
2017	36,831
2018	38,546
2019	40,305
Subsequent	<u>764,432</u>
	<u>\$ 949,078</u>

	<u>2014</u>	<u>2013</u>
Interest expense for the year on long term debt	<u>\$ 42,956</u>	<u>\$ 28,392</u>

7. PREPAID EXPENSES

	<u>2014</u>	<u>2013</u>
Employee benefits	\$ 23,864	\$ 15,624
Municipal taxes	12,550	10,540
Insurance	<u>25,770</u>	<u>3,295</u>
Total Prepaid Expenses	<u>\$ 62,184</u>	<u>\$ 29,459</u>

8. DEFERRED GOVERNMENT ASSISTANCE

Aboriginal Affairs and Northern Development Canada has provided government assistance for the purchase of land and building. The government assistance is being amortized to income on the same basis as the building is being amortized.

QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

9. CONTINGENCIES

Qalipu Mi'kmaq First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements

In addition, in the normal course of its operations, Qalipu Mi'kmaq First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Qalipu Mi'kmaq First Nation's financial statements

10. ECONOMIC DEPENDENCE

The government of Qalipu Mi'kmaq First Nation receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada and Service Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue

11. CONTRACTUAL OBLIGATIONS

The nature of Qalipu Mi'kmaq First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. At March 31, 2014 there were no significant contractual obligations that can be reasonably estimated

12. RESERVES

Qalipu Mi'kmaq First Nation has established a reserve to fund future election expenses. Amounts added to the reserve in the fiscal year will be recorded as a current expenditure in the year of addition

13. FISHING LICENSES

The Qalipu Mi'kmaq First Nation has ownership of eight commercial fishing licences for the use and benefit of its membership. These assets have been recorded at cost of \$877,600

QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

14. ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA FUNDING RECONCILIATION

	<u>2014</u>	<u>2013</u>
Funding per financial statements	\$ 8,156,988	\$ 9,882,204
Add: Current year deferred revenue		
Community Economic Opportunities Program		23,543
Community Economic Development Program	18,885	
Secure Card program	<u> </u>	<u>22,175</u>
	8,175,873	9,927,922
Less: Prior year deferred revenue		
Community Economic Opportunities Program	<u>23,543</u>	<u> </u>
Funding per funding confirmation report	<u><u>\$ 8,152,330</u></u>	<u><u>\$ 9,927,922</u></u>

15. RELATED PARTY TRANSACTIONS

During the year, the company provided services to a related party for \$53,000. (2013- \$0)

During the year, the company provided services to a second related party for \$30,074 (2013 - \$45,253)

During the year, the company provided services to a third related party for 14,176 (2013 - \$6,026)

The related parties are Organizations that are controlled by First Nations people

These purchases are in the normal course of business and are measured at the exchange rate, which is the amount of consideration established and agreed to by the related parties

**QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014**

16. SEGMENT DISCLOSURE

Qalipu Mi'kmaq First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. These are as follows:

Education – The Education department works to help Aboriginal students acquire the skills they need to enter the labour market. Support is provided primarily for post-secondary education.

Health – The Health department is focused on improving the health of Aboriginal communities. Its mandate is to educate and assist members in accessing Non-Insured Health Benefits.

Economic Development – The Economic Development department is dedicated to encouraging Aboriginal entrepreneurship, enhancing workforce skills of members, and facilitating community economic development projects.

Band Government – Band Government is accountable for administration of the Band.

Other - Other funding includes support for the Band Registrar, Secure Card Program and other fisheries support programs.

For each segment separately reported, the segment revenue and expenses represent 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 periods are reported on the following pages:

QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

16 SEGMENT DISCLOSURE (Continued)

	EDUCATION			HEALTH			ECONOMIC DEVELOPMENT		
	BUDGET 2014	2014	2013	BUDGET 2014	2014	2013	BUDGET 2014	2014	2013
REVENUE									
Federal government operating transfers	\$ 7,971,618	\$ 7,932,091	\$ 9,644,170	\$ 98,068	\$ 98,068	\$ 93,068	\$ 937,703	\$ 918,818	\$ 697,957
Federal government capital transfers									
Provincial government operating transfers			11,328			5,963	23,672	23,672	
Provincial government capital transfers									
Contributed assets									
Economic activities									
Income from investments in government business enterprises									
Other revenue	33,000	33,000	67,500				193,939	187,859	104,290
Total Revenue	8,004,618	7,965,091	9,722,998	98,068	98,068	99,031	1,155,314	1,130,349	802,247
EXPENSES									
Salaries and benefits	680,488	606,585	528,155	56,427	56,748	57,414	280,118	279,447	141,980
Debt Servicing								42,956	28,392
Amortization							70,000	72,726	18,024
Other Expenses	7,324,130	7,316,261	9,114,360	41,641	23,708	27,765	877,919	738,618	648,827
Total Expenses	8,004,618	7,922,846	9,642,515	98,068	80,456	85,179	1,228,037	1,133,747	837,223
Annual Surplus (Deficit)	\$	\$ 42,245	\$ 80,483	\$	\$ 17,612	\$ 13,852	\$ (72,723)	\$ (3,398)	\$ (34,976)

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16. SEGMENT DISCLOSURE (Continued)

	BAND GOVERNMENT			OTHER			TOTAL		
	BUDGET 2014	2014	2013	BUDGET 2014	2014	2013	BUDGET 2014	2014	2013
REVENUE									
Federal government operating transfers	\$ 494,974	\$ 494,974	\$ 439,298	\$ 536,264	\$ 536,264	\$ 551,388	\$ 10,038,627	\$ 9,980,215	\$ 11,425,881
Federal government capital transfers									
Provincial government operating transfers				27,000	27,000		50,672	50,672	17,291
Provincial government capital transfers									
Contributed assets									
Economic activities			46,550						46,550
Income from investments in government business enterprises									
Other revenue	92,286	47,938	61,155		11,707	16,000	319,225	280,504	248,945
Total Revenue	587,260	542,912	547,003	563,264	574,971	567,388	10,408,524	10,311,391	11,738,667
EXPENSES									
Salaries and Benefits	210,149	181,667	188,231	232,118	240,447	347,669	1,459,300	1,384,894	1,263,449
Debt Servicing								42,956	28,392
Amortization	99,285	96,061	99,285				169,285	168,787	117,309
Other Expenses	279,510	254,676	336,007	332,778	307,032	176,519	8,855,978	8,640,295	10,303,478
Total Expenses	588,944	532,404	623,523	564,896	547,479	524,188	10,484,563	10,216,932	11,712,628
Annual Surplus (Deficit)	\$ (1,684)	\$ 10,508	\$ (76,520)	\$ (1,632)	\$ 27,492	\$ 43,200	\$ (76,039)	\$ 94,459	\$ 26,039

QALIPU MI'KMAQ FIRST NATION
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FOR THE YEAR ENDED MARCH 31, 2014

17. TANGIBLE CAPITAL ASSETS

								<u>Totals</u>	
	Land and Land Improvements	Buildings and Leasehold Improvements	Equipment	Fishing Vessel	ATP Equipment	River guardian equipment	Assets under construction	2014	2013
Opening Costs	\$ 150,000	\$ 1,836,643	\$ 258,463	\$ 585,314	\$ 202,597	\$ 22,713	\$	\$ 3,053,730	\$ 1,677,068
Transferred from Federation of Newfoundland Indians Transferred to Qalipu Development Corporation									(137,320)
Additions during the year	4,550		55,090					59,840	1,513,982
Disposals and write downs									
Closing costs	<u>154,550</u>	<u>1,836,643</u>	<u>311,553</u>	<u>585,314</u>	<u>202,597</u>	<u>22,713</u>		<u>3,113,370</u>	<u>3,053,730</u>
Opening Accumulated Amortization		20,770	128,679	98 161	137,412	18 908		403,930	
Transferred from Federation of Newfoundland Indians Transferred to Qalipu Development Corporation									286,621
Amortization		72,728	31,066	51,197	13,037	761		168,787	117,309
Disposals and write downs									
Closing accumulated amortization		<u>93,496</u>	<u>159,745</u>	<u>149,358</u>	<u>150,449</u>	<u>19,669</u>		<u>572,717</u>	<u>403,930</u>
Net Book Value of Tangible Capital Assets									
	<u>\$ 154,550</u>	<u>\$ 1,743,147</u>	<u>\$ 151,808</u>	<u>\$ 435,956</u>	<u>\$ 52,148</u>	<u>\$ 3,044</u>	<u>\$</u>	<u>\$ 2,540,653</u>	<u>\$ 2,649,800</u>



QALIPU MI'KMAQ FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

18. GOVERNMENT TRANSFERS

		2014			2013	
	Operating	Capital	Total	Operating	Capital	Total
Federal government operating transfers						
Aboriginal Affairs and Northern Development Canada	\$ 8,156,988	\$	\$ 8,156,988	\$ 9,882,204	\$	\$ 9,882,204
Health Canada	98,068		98,068	93,068		93,068
Service Canada	1,280,159		1,280,159	1,175,609		1,175,609
Other	445,000		445,000	275,000		275,000
Total	9,980,215		9,980,215	11,425,881		11,425,881
Provincial government transfers	50,672		50,672	17,291		17,291
Other						
Total	\$ 10,030,887	\$	\$ 10,030,887	\$ 11,443,172	\$	\$ 11,443,172

19 EXPENSES BY OBJECT

The following is a summary of expenses by object

	2014	2013
Salaries and benefits	\$ 1,364,894	\$ 1,263,448
Staff development	18,256	66,024
Supplies and services	39,582	30,116
Interest and bank charges	7,894	10,270
Professional services	53,712	73,278
Rental expenditures	51,871	102,608
Fees and contract services	559,490	531,141
Other	8,022,148	9,518,434
Amortization	99,285	117,309
Total	\$ 10,216,932	\$ 11,712,628



The accompanying notes and supplementary schedules are an integral part of these financial statements

QALIPU MI'KMAQ FIRST NATION

ANNEX INFORMATION

FOR THE YEAR ENDED

MARCH 31, 2014

REVIEW ENGAGEMENT REPORT

To the Chief, Council and Members of
Qalipu Mi'kmaq First Nation

We have reviewed the Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration for Elected or Appointed Officials of Qalipu Mi'kmaq First Nation for the year ended March 31, 2014. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the First Nation

A review does not constitute an audit and consequently we do not express an audit opinion on this schedule

Based on our review, nothing has come to our attention that causes us to believe that this schedule is not, in all material respects, in accordance with Canadian generally accepted accounting principles

Corner Brook,
Newfoundland and Labrador
May 27, 2014

Bonneli Cole Jones
CHARTERED ACCOUNTANTS