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**LITTLE PINE FIRST NATION**

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

for the year ended March 31, 2014

**LITTLE PINE FIRST NATION**

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## Management's Responsibility for the Consolidated Financial Statements

To the Members of Little Pine First Nation:

The accompanying consolidated financial statements of Little Pine First Nation are the responsibility of management and have been approved by the 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 Chartered Professional Accountants Canada and as such include amounts that are the best estimates and judgements 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 responsibility 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, Lorne Horning CA PC Inc., 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 the financial management of Little Pine First Nation and meet when required.

On behalf of Little Pine First Nation:

L. Carl (3/78)

Christie Thomas

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INDEPENDENT AUDITOR'S REPORT

To the Members of the **Little Pine First Nation**:

I have audited the accompanying consolidated financial statements of **Little Pine First Nation** which is comprised of the consolidated statement of financial position as of March 31, 2014 and the consolidated statements of operations, changes in net financial assets, surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility of 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

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

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 First Nation'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 First Nation'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.

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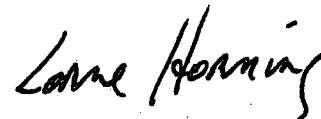
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements present fairly, in all material aspects, the financial position of **Little Pine First Nation** as at March 31, 2014, and the results of its operation and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The supplementary information contained in the accompanying schedules is presented for purposes of additional information to the membership and Aboriginal Affairs and Northern Development Canada and does not form part of the consolidated financial statements. The schedules have not been audited other than in the course of my audit of the financial statements to the extent necessary to allow me to render an opinion thereon.

Saskatoon, Saskatchewan  
August 15, 2014



Chartered Accountant.

LITTLE PINE FIRST NATIONSTATEMENT OF FINANCIAL POSITION  
as at March 31, 2014

	<u>2014</u>	<u>2013</u> (as restated)
<u>FINANCIAL ASSETS</u>		
Bank	\$ 225,257	\$ -
Restricted deposits (Note 2)	1,134,832	1,348,605
Accounts receivable (Note 3)	775,870	625,463
Trust funds (Note 4)	5,894,310	3,227,712
Inventories	48,684	31,233
Investments (Note 5)	2,312,874	1,520,803
	<u>10,391,827</u>	<u>6,753,816</u>
<u>FINANCIAL LIABILITIES</u>		
Bank indebtedness	-	77,885
Accounts payable (Note 6)	1,021,344	1,229,356
Funded reserves (Note 7)	570,096	587,495
Unexpended revenue (Note 8)	695,282	1,149,159
Deferred revenue	-	250,816
Term debt (Notes 9 & 10)	4,495,756	4,701,619
	<u>6,782,478</u>	<u>7,996,330</u>
NET FINANCIAL ASSETS	<u>3,609,349</u>	<u>( 1,242,514)</u>
<u>NON-FINANCIAL ASSETS</u>		
Prepaid expenses	47,401	42,104
Tangible capital assets (Note 11)	29,222,498	29,809,369
	<u>29,269,899</u>	<u>29,851,473</u>
SURPLUS	<u>\$ 32,879,248</u>	<u>\$ 28,608,959</u>

APPROVED BY COUNCIL:

*L. Carl K. Fry*  
*Christie Thompson*

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED AUGUST 15, 2014

LITTLE PINE FIRST NATIONSTATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
for the year ended March 31, 2014

	<u>2014</u>	<u>2013</u> (as restated)
SURPLUS (DEFICIT) FOR THE YEAR	\$ 4,484,470	\$ 2,316,059
Purchase of tangible capital assets	( 94,961)	( 170,375)
Amortization of tangible capital assets	467,651	664,153
Receipt of deferred capital	-	150,000
Prepaid expenses change	( 5,297)	( 34,202)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	4,851,863	2,925,635
BALANCE, beginning of the year	( 1,242,514)	( 4,168,149)
BALANCE, end of the year	\$ 3,609,349	\$ ( 1,242,514)

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED AUGUST 15, 2014

**LITTLE PINE FIRST NATION****STATEMENT OF OPERATIONS  
for the year ended March 31, 2014**

	<u>Budget 2014</u>	<u>2014</u>	<u>2013</u> (as restated)
<b>REVENUE:</b>			
<b>Grants and Contributions:</b>			
- Aboriginal Affairs and Northern Development Canada	\$ 5,827,615	\$ 5,911,031	\$ 5,597,758
- Battleford Agency Tribal Chiefs Community Development Corp	238,001	238,835	146,940
- Battleford Tribal Council Indian Health Services	134,714	134,714	135,514
- Canada Mortgage and Housing	3,500	241,453	-
- First Nations Trust	702,000	689,662	703,424
- Health Canada	35,000	35,000	35,000
Revenue and Capital Trust (Note 4)	4,428,897	4,428,897	2,101,382
Retail sales	2,500,000	2,722,437	2,275,318
Housing rent and subsidy	589,775	611,224	613,711
Leases and royalties	1,615,987	1,666,390	1,038,381
Interest	1,331	4,350	1,792
Expense recoveries	<u>349,893</u>	<u>270,877</u>	<u>793,953</u>
	16,426,713	16,954,870	13,443,173
Unexpended revenue - prior year	-	1,149,159	1,364,798
- current year	<u>-</u>	<u>(695,282)</u>	<u>(1,149,159)</u>
	16,426,713	17,408,747	13,658,812
 <b>EXPENSES</b>	 <u>11,819,528</u>	 <u>12,797,964</u>	 <u>11,217,936</u>
 <b>SURPLUS (DEFICIT) BEFORE UNDERNOTED</b>	 4,607,185	 4,610,783	 2,440,876
 Limited Partnership Earnings (Loss)	 <u>-</u>	 <u>(126,313)</u>	 <u>(124,817)</u>
 <b>SURPLUS (DEFICIT) FOR THE YEAR</b>	 \$ <u>4,607,185</u>	 \$ <u>4,484,470</u>	 \$ <u>2,316,059</u>

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED AUGUST 15, 2014



LITTLE PINE FIRST NATIONSTATEMENT OF SURPLUS  
for the year ended March 31, 2014

	<u>2014</u>	<u>2013</u> (as restated)
<u>DEFERRED CAPITAL TRANSFERS</u>		
BALANCE, beginning of the year	\$ 6,067,763	\$ 6,130,331
Plus: Capital transfers received	-	150,000
Less: Amortization recorded	( 214,181)	( 212,568)
BALANCE, end of the year	\$ 5,853,582	\$ 6,067,763
<u>SURPLUS, UNAPPROPRIATED</u>		
BALANCE, beginning of the year	\$ 22,541,196	\$ 20,225,137
SURPLUS (DEFICIT) FOR THE YEAR	<u>4,484,470</u>	<u>2,316,059</u>
BALANCE, end of the year	\$ 27,025,666	\$ 22,541,196

**LITTLE PINE FIRST NATION**

**STATEMENT OF CASH FLOWS  
for the year ended March 31, 2014**

	<u>2014</u>	<u>2013</u> (as restated)
<b>OPERATIONS:</b>		
Surplus (Deficit) for the year	\$ 4,484,470	\$ 2,316,059
Plus amortization	<u>467,651</u>	<u>664,153</u>
	4,952,121	2,980,212
<b>Changes in non-cash Working Capital items:</b>		
Accounts receivable	( 150,407)	153,791
Prepaid expenses and inventories	( 22,748)	( 27,066)
Accounts payable	( 225,411)	( 139,689)
Unexpended and deferred revenue	<u>( 704,693)</u>	<u>35,177</u>
	<u>3,848,862</u>	<u>3,002,425</u>
<b>INVESTING ACTIVITIES:</b>		
Trust fund balances	-( 2,666,598)	( 878,211)
Purchase of capital assets	( 94,961)	( 170,375)
Investments	<u>( 792,071)</u>	<u>( 640,693)</u>
	<u>( 3,553,630)</u>	<u>( 1,689,279)</u>
<b>FINANCING ACTIVITIES:</b>		
Receipt of deferred capital	-	150,000
Proceeds of term debt	895,574	148,000
Repayment of term debt	<u>( 1,101,437)</u>	<u>( 1,163,364)</u>
	<u>( 205,863)</u>	<u>( 865,364)</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	<b>89,369</b>	<b>447,782</b>
<b>CASH RESOURCES, beginning of the year</b>	<b><u>1,270,720</u></b>	<b><u>822,938</u></b>
<b>CASH RESOURCES, end of the year</b>	<b>\$ 1,360,089</b>	<b>\$ 1,270,720</b>
<b>Cash Resources are represented by:</b>		
Bank	\$ 225,257	\$ -
Restricted bank balances	1,134,832	1,348,605
Bank indebtedness	<u>-</u>	<u>( 77,885)</u>
	<u>\$ 1,360,089</u>	<u>\$ 1,270,720</u>

**LITTLE PINE FIRST NATION**

**SUMMARY OF REVENUE AND EXPENSES BY ACTIVITY**  
**for the year ended March 31, 2014**

	<u>Sch</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Unexpended Revenue</u>	<u>Surplus (Deficit)</u>
<b>RESERVES:</b>					
Membership	1	\$ <u>13,305</u>	\$ <u>15,394</u>	\$ -	\$ ( <u>2,089</u> )
 <b>EDUCATION:</b>					
Instruction	2	1,350,466	1,351,140	-	( 674 )
Transportation	3	213,572	213,572	-	-
High Cost	4	246,219	246,219	-	-
Enhanced	4	42,015	42,015	-	-
Benefits Stat	5	60,642	60,642	-	-
Support	5	119,298	121,576	-	( 2,278 )
Post Secondary	6	671,491	671,924	-	( 433 )
Benefits Non Stat	7	21,915	21,915	-	-
Hot Lunch	8	61,023	61,971	-	( 948 )
Maintenance	8	<u>278,503</u>	<u>285,141</u>	-	( <u>6,638</u> )
		<u>3,065,144</u>	<u>3,076,115</u>	-	( <u>10,971</u> )
 <b>SOCIAL SERVICES:</b>					
Basic Needs	9	1,111,029	1,116,677	( 35,513 )	( 41,161 )
Special Needs	9	115,483	137,743	3,488	( 18,772 )
National Child	10	270,696	336,537	-	( 65,841 )
Home Care	10	37,771	37,776	-	( 5 )
Service Delivery	11	60,900	67,333	-	( 6,433 )
Early Childhood	11	<u>6,375</u>	<u>7,125</u>	<u>750</u>	-
		<u>1,602,254</u>	<u>1,703,191</u>	( <u>31,275</u> )	( <u>132,212</u> )

LITTLE PINE FIRST NATIONSUMMARY OF REVENUE AND EXPENSES BY ACTIVITY  
for the year ended March 31, 2014

	<u>Sch</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Unexpended Revenue</u>	<u>Surplus (Deficit)</u>
<b>INFRASTRUCTURE:</b>					
Roads	12	\$ 143,029	144,808	-	\$ ( 1,779)
Sanitation	13	129,987	131,294	-	( 1,307)
Water Operators	13	13,500	13,500	-	-
Water	14	94,306	105,141	-	( 10,835)
Building Insurance	14	199,076	199,076	-	-
Community Buildings	15	42,949	38,709	-	4,240
Electrical	15	7,360	8,120	-	( 760)
Protection	16	<u>15,292</u>	<u>16,168</u>	<u>-</u>	<u>( 876)</u>
		<u>645,499</u>	<u>656,816</u>	<u>-</u>	<u>( 11,317)</u>
<b>GOVERNMENT:</b>					
Administration	17	748,997	552,131	-	196,866
Benefits Non-Stat	18	18,513	25,277	-	( 6,764)
Benefits Stat	18	<u>47,997</u>	<u>49,456</u>	<u>1,459</u>	<u>-</u>
		<u>815,507</u>	<u>626,864</u>	<u>1,459</u>	<u>190,102</u>
<b>CAPITAL:</b>					
Renovations	19	459,008	459,179	-	( 171)
Water	20	172,735	310,327	137,592	-
Lagoon Expansion	21	78,990	12,454	( 66,536)	-
Capital Projects	21	<u>( 251,725)</u>	<u>52,653</u>	<u>304,378</u>	<u>-</u>
		<u>459,008</u>	<u>834,613</u>	<u>375,434</u>	<u>( 171)</u>

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED AUGUST 15, 2014

**LITTLE PINE FIRST NATION**

**SUMMARY OF REVENUE AND EXPENSES BY ACTIVITY  
for the year ended March 31, 2014**

	<u>Sch</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Unexpended Revenue</u>	<u>Surplus (Deficit)</u>
<b>FIRST NATION PROGRAMS:</b>					
Medical Transport	22	\$ 37,472	\$ 34,837	\$ -	\$ 2,635
Skills Link	23	55,839	58,604	-	( 2,765)
Clinic	24	-	18,985	-	( 18,985)
Business Development	24	123,582	128,163	-	( 4,581)
Economic Development	25	131,200	138,971	-	( 7,771)
Trust Funds	26	4,175,697	175,482	-	4,000,215
Gaming	27	633,662	633,438	-	224
Bright Futures	28	131,714	94,425	-	37,289
Health Committee	28	3,000	-	-	3,000
HASI	29	3,500	3,372	-	128
Band Revenue	30	25,681	52,825	107,375	80,231
NCB Administration	31	29,823	36,361	-	( 6,538)
Fitness Centre	32	25,000	27,024	-	( 2,024)
Work Van	32	38,900	32,500	-	6,400
Recreation	33	65,801	75,943	884	( 9,258)
		<u>5,480,871</u>	<u>1,510,930</u>	<u>108,259</u>	<u>4,078,200</u>
<b>OTHER PROGRAMS:</b>					
Land Permits	34	1,016,394	857,424	-	158,970
Land Entitlement	36	148,271	119,870	-	28,401
Gas Bar	37	2,722,437	2,586,474	-	135,963
Blue Hill Energy	38	371,998	196,091	-	175,907
CMHC Housing	39	614,182	614,182	-	-
		<u>4,873,282</u>	<u>4,374,041</u>	<u>-</u>	<u>499,241</u>
		<u>\$ 16,954,870</u>	<u>\$ 12,797,964</u>	<u>\$ 453,877</u>	<u>\$ 4,610,783</u>

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED AUGUST 15, 2014

**LITTLE PINE FIRST NATION**

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

1. **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:**

These summary financial statements have been prepared in accordance with generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

Common Government Reporting Model

Little Pine First Nation has adopted the common government reporting model, as defined by the CICA Public Sector Accounting Handbook and required for First Nation government bodies for fiscal years beginning on or after January 1, 2009. The changes have been applied retroactively.

Government Funding for Capital Assets

Funding received for the purchase or construction of capital assets is accumulated as an equity account, Deferred Capital Transfers and is amortized at the same rate as the applicable capital assets are amortized.

Reporting Entity and Principles of Financial Reporting

The Little Pine First Nation reporting entity includes the Little Pine 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 financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Blue Hill Energy Inc.
- Little Pine First Nation Permit Enterprise
- Little Pine Treaty Land Entitlement
- Little Pine Gas Bar and Convenience Store
- Little Pine First Nation CMHC Housing

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by the Little Pine First Nation for their continuing operations, are included in the financial statements using the modified equity method.

Long-term investments in non-controlled entities are recorded at the lower of cost or net realizable value.

**LITTLE PINE FIRST NATION**

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Capital Assets

Property, equipment and infrastructure expenditures incurred are valued at acquisition cost.

Amortization

Capital assets are amortized annually over their expected useful life at the following rates and methods:

Buildings and improvements	40 years straight line
General equipment	5 years declining balance
Vehicles and machinery	4 years declining balance
Trailers	20 years straight line
Houses	25 years straight line
Infrastructure	25 years straight line
Public Works	20 years straight line

No amortization is recorded in the year of acquisition.

Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements, which relates to a subsequent fiscal period is reflected as unexpended revenue in the year of receipt.

LITTLE PINE FIRST NATIONNOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

## 2. RESTRICTED DEPOSITS:

Restricted deposits consist of amounts held for:

CMHC Housing Reserve (Note 7)	\$	446,467
Capital Projects (Note 8)		<u>688,365</u>
	\$	<u>1,134,832</u>

## 3. ACCOUNTS RECEIVABLE:

Accounts receivable includes:

Aboriginal affairs	\$	127,273
Canada Mortgage and Housing Corp		220,226
Health Canada		38,832
Battleford Tribal Council		129,188
Battleford Agency Tribal Chiefs		7,490
Trade creditors		129,172
Tobacco and fuel refund		14,154
Sales taxes refund		20,401
TLE revenue trust		31,805
Housing rent receivable		31,740
Housing rental subsidy		<u>25,589</u>
	\$	<u>775,870</u>



LITTLE PINE FIRST NATIONNOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

## 4. TRUST FUNDS:

The First Nation's trust funds held by the Aboriginal Affairs and Northern Development Canada:

	<u>Capital</u>	<u>Revenue</u>	<u>Total</u>
Balance, March 31, 2013	\$ 3,092,831	\$ 134,881	\$ 3,227,712
Plus: Income receipts	<u>4,141,800</u>	<u>287,098</u>	<u>4,428,898</u>
	7,234,631	421,979	7,656,610
Less: Payments disbursed	<u>( 1,557,100)</u>	<u>( 205,200)</u>	<u>( 1,762,300)</u>
Balance, March 31, 2014	<u>\$ 5,677,531</u>	<u>\$ 216,779</u>	<u>\$ 5,894,310</u>

LITTLE PINE FIRST NATIONNOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

## 5. INVESTMENTS:

The First Nation has the following investments:

	<u>2014</u>	<u>2013</u>
Land purchased for development or resale	\$ 558,030	\$ 558,030
Viterra Inc. common shares	-	1,716
Little Pine Business Development Inc.	1	1
Little Pine Business Development Limited Partnership	<u>1,754,843</u>	<u>961,056</u>
	<u>\$ 2,312,874</u>	<u>\$ 1,520,803</u>

The First Nation holds the following investments:

1) Little Pine Business Development Limited Partnership		\$ 1,754,843
- original investment	\$ 961,056	
- additional investment	920,100	
- share of earnings (loss)	<u>( 126,313)</u>	
- balance	<u>\$ 1,754,843</u>	
2) Little Pine Business Development Inc.		1
3) Land		
purchased for development or resale		558,030
- purchase price	\$ 546,344	
- closing costs	1,683	
- appraisal and engineering	<u>10,003</u>	
	<u>\$ 558,030</u>	
		<u>\$ 2,312,874</u>

LITTLE PINE FIRST NATIONNOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

## 6. ACCOUNTS PAYABLE:

Accounts payable includes:

Payroll remittances	\$	124,246
Housing fund interest accruals		8,417
Tuition billings		18,231
Trade creditors		<u>870,450</u>
	\$	<u>1,021,344</u>

## 7. FUNDED RESERVES:

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation is required to fund both an asset replacement reserve and an operating surplus reserve. Use of the funded reserves is subject to the terms of the agreement. As for the fiscal year end the reserve obligation is:

Total obligation	\$	1,016,543
Funded amount on deposit		<u>446,467</u>
Outstanding obligation	\$	<u>570,076</u>

**LITTLE PINE FIRST NATION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014****8. UNEXPENDED / OVEREXPENDED REVENUE:**

The unexpended (overexpended) revenue balances include:

	<u>Sch</u>	<u>2014</u>	<u>2013</u>
Basic Needs	9	\$ 6,917	\$ ( 28,596)
Special Needs	9	-	3,488
ECIP	11	-	750
Band Benefits – Stat	18	-	1,459
Capital Band Office *	20	6,167	6,167
Capital Water *	20	( 51,124)	86,468
Capital Lagoon *	21	113,746	47,210
Capital Major *	21	619,576	923,954
Band Revenue	30	-	107,375
Recreation	33	-	884
		<u>\$ 695,282</u>	<u>\$ 1,149,159</u>

The capital project's unexpended revenue (\*) is on deposit in a separate bank account which is presented in the financial statements as a restricted deposit, which totals \$688,365.

**LITTLE PINE FIRST NATION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014****9. TERM DEBT:**

Little Pine First Nation has the following term debt:

	<u>2014</u>	<u>2013</u>
1) Innovation Credit Union; repayable in quarterly payments of \$15,500 including interest at 4.25%	\$ 141,110	\$ -
2) Innovation Credit Union; Repayable in quarterly payments of \$25,200 including interest at 5.75%	229,882	-
3) Royal Bank	-	148,000
4) Innovation Credit Union	-	190,848
	<u>\$ 370,992</u>	<u>\$ 338,848</u>

The estimated principal repayments for the next three years are as follows:

2015	\$ 111,406
2016	154,204
2017	<u>105,382</u>
	<u>\$ 370,992</u>

LITTLE PINE FIRST NATIONNOTES TO THE FINANCIAL STATEMENTS  
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## 10. MORTGAGES:

The Fund has the following mortgages which are secured by a guarantee from Aboriginal Affairs and Northern Development Canada:

	<u>2014</u>	<u>2013</u>
1) CMHC Mortgage payable at \$703 per month including interest at 1.92%.	\$ 77,332	\$ 84,263
2) CMHC Mortgage payable at \$1,752 per month including interest at 2.65%.	217,361	232,440
3) CMHC Mortgage payable at \$1,326 per month including interest at 1.62%.	198,271	210,875
4) CMHC Mortgage payable at \$1,330 per month including interest at 2.61%.	203,433	213,960
5) CMHC Mortgage payable at \$1,415 per month including interest at 2.84%.	218,387	229,036
6) CMHC Mortgage payable at \$5,791 per month including interest at 2.40%.	698,124	750,259
7) CMHC Mortgage payable at \$7,867 per month including interest at 2.08%.	1,210,452	1,280,735
8) CMHC Mortgage payable at \$8,023 per month including interest at 2.75%.	1,301,404	1,361,203
	<u>\$ 4,124,764</u>	<u>\$ 4,362,771</u>

The aggregate maturities of the mortgage for the next five years are as follows:

2015	\$ 245,200
2016	252,400
2017	259,600
2018	266,800
2019	274,000
Subsequent years	<u>2,826,764</u>
	<u>\$ 4,124,764</u>

**LITTLE PINE FIRST NATION**

NOTES TO THE FINANCIAL STATEMENTS  
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11. TANGIBLE CAPITAL ASSETS:

The major categories of tangible capital assets are:

	<u>2014</u>	<u>2013</u>
Rental homes	\$ 7,633,930	\$ 7,633,930
Land	16,445,080	16,445,080
Mobile homes	163,000	163,000
Infrastructure and roads	7,493,765	7,493,765
Houses	1,862,281	1,862,281
Buildings	2,736,928	2,736,928
Equipment	842,805	765,906
Gas Bar	<u>112,103</u>	<u>94,041</u>
	37,289,892	37,194,931
Accumulated amortization	<u>8,067,394</u>	<u>7,385,562</u>
	<u>\$ 29,222,498</u>	<u>\$ 29,809,369</u>

12. FINANCIAL INSTRUMENTS:

The First Nation, as part of its operations, carries a number of financial instruments which include bank, restricted deposit, accounts receivable, trust funds, investments, accounts payable, funded reserves, unexpended revenue, and term debt. The carrying amount of the company's financial instruments approximates their market value due to their relatively short-term maturity. It is the management's opinion that the company is not exposed to significant liquidity, interest rate, or credit risk arising from these financial instruments.

13. COMPARATIVE FIGURES:

Comparative figures for the 2013 year have been restated to match current reporting practices.