

LITTLE PINE FIRST NATION

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

for the year ended March 31, 2015

LITTLE PINE FIRST NATION

INDEX TO THE FINANCIAL STATEMENT

<u>PAGE</u>	
1	MANAGEMENT'S RESPONSIBILITY
2	INDEPENDENT AUDITOR'S REPORT
4	STATEMENT OF FINANCIAL POSITION
5	STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
6	STATEMENT OF OPERATIONS
7	STATEMENT OF SURPLUS
8	STATEMENT OF CASH FLOWS
9	NOTES TO THE FINANCIAL STATEMENT
22	SUMMARY OF SCHEDULES
25	SCHEDULES OF PROGRAM REVENUE AND EXPENSES BY ACTIVITY

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.

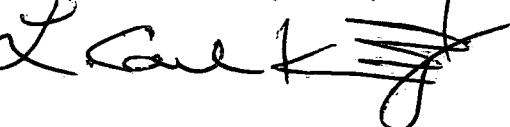
The Council is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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, HNG Accounting Group, 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:





2911A Cleveland Avenue
Saskatoon, Saskatchewan
S7K 8A9

INDEPENDENT AUDITOR'S REPORT

Phone: (306) 931 2131
Fax: (306) 931 2323
hngcpas@gmail.com

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

We 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, 2015 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.

Independent Auditor's 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 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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S7K 8A9

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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 financial statements present fairly, in all material aspects, the financial position of **Little Pine First Nation** as at March 31, 2015, 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 our audit of the financial statements to the extent necessary to allow us to render an opinion thereon.

HNG Accounting Group

Saskatoon, Saskatchewan
August 25, 2015

Chartered Professional
Accountants

LITTLE PINE FIRST NATION

STATEMENT OF FINANCIAL POSITION as at March 31, 2015

	<u>2015</u>	<u>2014</u>
<u>FINANCIAL ASSETS</u>		
Bank	\$ -	\$ 225,257
Restricted deposits (Note 2)	708,536	1,134,832
Accounts receivable (Note 3)	1,164,659	775,870
Trust funds (Note 4)	7,526,434	5,894,310
Inventories	42,710	48,684
Investments (Note 5)	<u>2,580,519</u>	<u>2,312,874</u>
	<u>12,022,858</u>	<u>10,391,827</u>
<u>FINANCIAL LIABILITIES</u>		
Bank indebtedness	100,585	-
Accounts payable (Note 6)	1,039,900	1,021,344
Funded reserves (Note 7)	623,186	570,096
Unexpended revenue (Note 8)	124,080	695,282
Term debt (Notes 9 & 10)	<u>4,195,855</u>	<u>4,495,756</u>
	<u>6,083,606</u>	<u>6,782,478</u>
NET FINANCIAL ASSETS	<u>5,939,252</u>	<u>3,609,349</u>
<u>NON-FINANCIAL ASSETS</u>		
Prepaid expenses	43,707	47,401
Tangible capital assets (Note 11)	<u>28,944,330</u>	<u>29,222,498</u>
	<u>28,988,037</u>	<u>29,269,899</u>
SURPLUS	\$ 34,927,289	\$ 32,879,248

APPROVED BY COUNCIL:

Wyo Semagis
Paul K. Knobell

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THESE FINANCIAL STATEMENTS

LITTLE PINE FIRST NATION

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
for the year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ 2,262,222	\$ 4,484,470
Purchase of tangible capital assets	(418,204)	(94,961)
Amortization of tangible capital assets	482,191	467,651
Prepaid expenses change	<u>3,694</u>	<u>(5,297)</u>
 INCREASE (DECREASE) IN NET FINANCIAL ASSETS	 2,329,903	 4,851,863
 BALANCE, beginning of the year	 <u>3,609,349</u>	 <u>(1,242,514)</u>
 BALANCE, end of the year	 <u>\$ 5,939,252</u>	 <u>\$ 3,609,349</u>
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LITTLE PINE FIRST NATION**STATEMENT OF OPERATIONS**
for the year ended March 31, 2015

	Budget 2015 (Note 14)	2015	2014
REVENUE:			
Grants and Contributions:			
- Aboriginal Affairs and Northern Development Canada (Note 12)	\$ 5,614,562	\$ 5,524,621	\$ 5,911,031
- First Nations Trust	702,000	657,691	689,662
- Battleford Agency Tribal Chiefs Community Development Corp	263,001	221,088	238,835
- Battleford Tribal Council Indian Health Services	156,528	177,563	134,714
- Health Canada (Note 12)	35,000	35,000	35,000
- Canada Mortgage and Housing	13,004	6,960	241,453
Retail sales	2,800,000	2,944,782	2,722,437
Revenue and Capital Trust (Note 4)	3,500,000	2,689,821	4,428,897
Leases and royalties	1,631,767	1,554,992	1,666,390
Housing rent and subsidy	596,887	611,893	611,224
Expense recoveries and other income	123,391	511,144	270,877
Interest	2,280	3,611	4,350
	15,438,420	14,939,166	16,954,870
Unexpended revenue	- prior year	695,282	1,149,159
	- current year	(311,315)	(695,282)
		15,822,387	17,408,747
EXPENSES	12,196,996	13,164,704	12,797,964
SURPLUS (DEFICIT) BEFORE UNDERNOTED	3,625,391	2,345,664	4,610,783
Limited Partnership Earnings (Loss)	-	(83,442)	(126,313)
SURPLUS (DEFICIT) FOR THE YEAR	\$ 3,625,391	\$ 2,262,222	\$ 4,484,470

LITTLE PINE FIRST NATIONSTATEMENT OF SURPLUS
for the year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
<u>DEFERRED CAPITAL TRANSFERS</u>		
BALANCE, beginning of the year	\$ 5,853,582	\$ 6,067,763
Plus: Capital transfers received	-	-
Less: Amortization recorded	(214,181)	(214,181)
BALANCE, end of the year	\$ 5,639,401	\$ 5,853,582
<hr/>		
<u>SURPLUS, UNAPPROPRIATED</u>		
BALANCE, beginning of the year	\$ 27,025,666	\$ 22,541,196
SURPLUS (DEFICIT) FOR THE YEAR	<u>2,262,222</u>	<u>4,484,470</u>
BALANCE, end of the year	\$ 29,287,888	\$ 27,025,666
<hr/>		

LITTLE PINE FIRST NATION**STATEMENT OF CASH FLOWS**
for the year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATIONS:		
Surplus (Deficit) for the year	\$ 2,262,222	\$ 4,484,470
Plus amortization	<u>482,191</u>	<u>467,651</u>
	2,744,413	4,952,121
Changes in non-cash Working Capital items:		
Accounts receivable	(388,789)	(150,407)
Prepaid expenses and inventories	9,668	(22,748)
Accounts payable	71,646	(225,411)
Unexpended and deferred revenue	<u>(571,202)</u>	<u>(704,693)</u>
	1,865,736	3,848,862
INVESTING ACTIVITIES:		
Trust fund balances	(1,632,124)	(2,666,598)
Purchase of capital assets	<u>(418,204)</u>	<u>(94,961)</u>
Investments	<u>(267,645)</u>	<u>(792,071)</u>
	<u>(2,317,973)</u>	<u>(3,553,630)</u>
FINANCING ACTIVITIES:		
Proceeds of term debt	15,701	895,574
Repayment of term debt	<u>(315,602)</u>	<u>(1,101,437)</u>
	<u>(299,901)</u>	<u>(205,863)</u>
INCREASE (DECREASE) IN CASH RESOURCES	(752,138)	89,369
CASH RESOURCES, beginning of the year	<u>1,360,089</u>	<u>1,270,720</u>
CASH RESOURCES, end of the year	\$ 607,951	\$ 1,360,089
Cash Resources are represented by:		
Bank	\$ -	\$ 225,257
Restricted bank balances	708,536	1,134,832
Bank indebtedness	<u>(100,585)</u>	-
	\$ 607,951	\$ 1,360,089

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.

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.

Net Financial Assets

Net financial assets are the net amount of financial assets less financial liabilities outstanding. Financial assets represent items which could provide resources to the First Nation to discharge existing liability or finance future operations.

Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the First Nation as they can be used to provide services in future periods. These assets do not provide resources to discharge the liabilities of the First Nation unless they are sold.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and term deposits having maturity of three months or less at acquisition which are held for the purposes of meeting short term cash commitments.

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2015

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

Investments

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. These include:

Little Pine Business Development Limited Partnership

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

Revenue Recognition

Revenue are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenue is 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 stipulation give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Contribution 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. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the statement of financial operations.

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

Pension Plan

Little Pine First Nation provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee.

Leased Assets

Leased assets that transfer substantially all of the benefits and risks of ownership are recorded as the acquisition of a tangible capital asset and in the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expenses as incurred.

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2015

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

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Costs includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Costs include overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization is provided for on a straight-line basis over the estimated lives as follows:

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to Little Pine First Nation's ability to provide goods and services, or when the value of future economic benefits associated with tangible capital assets are less than their book value. The net write downs are accounted for as expenses in the consolidated financial statements.

Assets under construction are not amortized until the asset is available to be put into service.

No amortization is recorded in the year of acquisition.

Government Funding for Capital Assets

Funding received for the purchase of 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.

LITTLE PINE FIRST NATION**NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2015****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)****Financial Instruments**

Financial instruments consist of bank, portfolio investments, accounts receivable, trust funds, accounts payable and unexpended revenue. The First Nation's financial instruments are measured at cost or amortized cost. Interest attributable to financial instruments is reported in the statement of operations. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Due to the short-term nature of all financial instruments other than long-term investments and long-term debt, the carrying values are presented in the financial statements are reasonable estimates of fair value. As is true for all estimates, actual fair value could differ from this estimate and, if so, any difference could be accounted for in the period in which it becomes known. Since long-term investments are not traded in an organized financial market, it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability.

Use of Estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year.

Accounts receivable and members advance are assessed for collectability annually and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from estimates.

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2015

2. RESTRICTED DEPOSITS:

Restricted deposits consist of amounts held for:

	<u>2015</u>	<u>2014</u>
CMHC Housing Reserve (Note 7)	\$ 599,077	\$ 446,467
Capital Projects (Note 8)	<u>109,459</u>	<u>688,365</u>
	\$ 708,536	\$ 1,134,832

3. ACCOUNTS RECEIVABLE:

Accounts receivable includes:

	<u>2015</u>	<u>2014</u>
Trade customers	\$ 508,596	\$ 129,172
Canada Mortgage and Housing Corp	288,162	220,226
Battleford Tribal Council	206,945	129,188
Housing rent receivable	42,780	31,740
TLE revenue trust	40,774	31,805
Sales taxes refund	28,385	20,401
Housing rental subsidy	25,521	25,589
Battleford Agency Tribal Chiefs	23,496	7,490
Aboriginal Affairs and Northern Dev Canada	-	127,273
Health Canada	-	38,832
Tobacco and fuel refund	-	14,154
	<hr/>	<hr/>
	\$ 1,164,659	\$ 775,870

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2015

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, 2014	\$ 5,677,531	\$ 216,779	\$ 5,894,310
Plus: Income receipts	<u>2,432,962</u>	<u>256,859</u>	<u>2,689,821</u>
	8,110,493	473,638	8,584,131
Less: Payments disbursed	<u>(841,245)</u>	<u>(216,452)</u>	<u>(1,057,697)</u>
Balance, March 31, 2015	<u>\$ 7,269,248</u>	<u>\$ 257,186</u>	<u>\$ 7,526,434</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>

5. INVESTMENTS:

The First Nation has the following investments:

	<u>2015</u>	<u>2014</u>
Land purchased for development or resale	\$ 558,030	\$ 558,030
Little Pine Business Development Inc.	1	1
Little Pine Business Development Limited Partnership	<u>2,022,488</u>	<u>1,754,843</u>
	<u>=====</u>	<u>=====</u>
	<u>\$ 2,580,519</u>	<u>\$ 2,312,874</u>
	<u>=====</u>	<u>=====</u>

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2015

5. INVESTMENTS: (Continued)

The First Nation holds the following investments:

1) Little Pine Business Development Limited
 Partnership

- original investment	\$ 961,056
- additional investment	1,271,187
- share of earnings (loss)	<u>(209,755)</u>
- balance	\$ 2,022,448
	<hr/>

2) Little Pine Business Development Inc. 1

3) Land

purchased for development or
 resale

- purchase price	\$ 546,344
- closing costs	1,683
- appraisal and engineering	<u>10,003</u>
\$ 558,030	\$ 558,030
	<hr/>
	\$ 2,580,519
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LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2015

6. ACCOUNTS PAYABLE:

Accounts payable includes:

	<u>2015</u>	<u>2014</u>
Trade creditors	\$ 821,598	\$ 870,450
Government Sales Tax payable	205,484	-
Housing fund interest accruals	12,818	8,417
Payroll remittances	-	124,246
Tuition billings	-	18,231
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	\$ 1,039,900	\$ 1,021,344
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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	\$ 1,222,263
Funded amount on deposit (Note 2)	(599,077)
Outstanding obligation	\$ 623,186
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LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2015

8. UNEXPENDED / OVEREXPENDED REVENUE:

The unexpended (overexpended) revenue balances include:

	<u>Sch</u>	<u>2015</u>	<u>2014</u>
Post Secondary	6	\$ 11,900	\$ -
Basic Needs	10	2,721	6,917
Capital Band Office *	21	6,167	6,167
Capital Water *	21	(10,454)	(51,124)
Capital Lagoon *	22	113,746	113,746
Capital Major *	23	-	619,576
		\$ 124,080	\$ 695,282

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 \$109,459 (see Note 2).

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2015

9. TERM DEBT:

Little Pine First Nation has the following term debt secured by a general security from the First Nation:

	<u>2015</u>	<u>2014</u>
1) Innovation Credit Union; repayable in quarterly payments of \$15,500 including interest at 4.10%	\$ 134,590	\$ 141,110
2) Innovation Credit Union; repayable in quarterly payments of \$25,200 including interest at 5.60%	163,046	229,882
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	\$ 297,636	\$ 370,992
	<hr/>	<hr/>

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

2016	\$ 169,424
2017	<u>128,212</u>
	<hr/>
	\$ 297,636
	<hr/>

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2015

10. MORTGAGES:

The First Nation has the following mortgages on its CMHC program which are secured by a guarantee from Aboriginal Affairs and Northern Development Canada:

	<u>2015</u>	<u>2014</u>
1) CMHC Mortgage payable at \$703 per month including interest at 1.92%.	\$ 70,308	\$ 77,332
2) CMHC Mortgage payable at \$1,752 per month including interest at 2.65%.	201,880	217,361
3) CMHC Mortgage payable at \$1,326 per month including interest at 1.62%.	185,461	198,271
4) CMHC Mortgage payable at \$1,330 per month including interest at 2.61%.	192,300	203,433
5) CMHC Mortgage payable at \$1,415 per month including interest at 2.84%.	207,434	218,387
6) CMHC Mortgage payable at \$5,791 per month including interest at 2.40%.	644,731	698,124
7) CMHC Mortgage payable at \$7,867 per month including interest at 2.08%.	1,140,455	1,210,452
8) CMHC Mortgage payable at \$8,023 per month including interest at 2.75%.	1,239,949	1,301,404
9) CMHC Mortgage towards new construction	<u>15,701</u>	<u>-</u>
	<u>\$ 3,898,219</u>	<u>\$ 4,124,764</u>

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

2016	\$ 246,500
2017	248,000
2018	250,000
2019	255,000
2020	262,000
Subsequent years	<u>2,636,719</u>
	<u>\$ 3,898,219</u>

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2015

11. TANGIBLE CAPITAL ASSETS:

The major categories of tangible capital assets are:

	<u>2015</u>	<u>2014</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	2,750,915	2,736,928
Equipment	1,026,731	842,805
Gas Bar	<u>332,385</u>	<u>112,103</u>
	37,708,087	37,289,892
Accumulated amortization	<u>8,763,757</u>	<u>8,067,394</u>
	\$ 28,944,330	\$ 29,222,498

12. FUNDING AGREEMENTS

The First Nation has entered into funding arrangements with Aboriginal Affairs and Northern Development Canada and Health Canada. The funds are used by the First Nation to administer its operations and provide service to its members in accordance with the terms of the funding arrangement. Funding received under these contribution agreements is subjected to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

13. PENSION AGREEMENT:

The First Nation provides a defined contribution plan for eligible members of its staff. The First Nation matches employees' contributions. The amount to be received by employees will be the amount of retirement annuity that could be purchased based on the employee's share of the pension plan at the time the employee's withdrawal from the plan.

14. BUDGETED FIGURES:

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates supplied by management.

LITTLE PINE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2015

15. RISK MANAGEMENT

The First Nation is exposed to credit risk and liquidity risk from its financial instruments.

The First Nation's member advances are exposed to credit risk. The First Nation manages its exposure to credit risk by actively limiting the amount of non-funding accounts receivable outstanding.

The First Nation is exposed to liquidity risk which are limitations on the ability of the First Nation to convert financial assets to cash in order to meet financial liabilities as a result of being economically dependent on funding from AANDC. The First Nation's approach to managing its liquidity risk is to ensure that it will have sufficient cash flows to fund its operations and to meet its obligations when due, under both normal and stressed conditions.

16. COMPARATIVE FIGURES:

Comparative figures for 2014 fiscal year have been restated to match current reporting practices.