

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

To the Members of Lucky Man First Nation:

The accompanying financial statements of Lucky Man First Nation are the responsibility of management and have been approved by the Council.

These 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. Management is responsible 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.

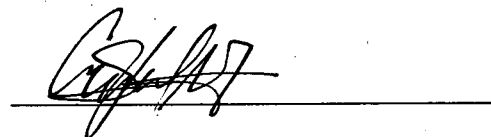
Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

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 financial statements and the external auditor's report.

The external auditors, Lorne Horning CA PC Inc., conduct an audit in accordance with Canadian general auditing standards, and express their opinion on the financial statements. The external auditors have access to financial management of Lucky Man First Nation and meet when required.

On behalf of Lucky Man First Nation:

  
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# **LORNE HORNING** CHARTERED ACCOUNTANT

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2911A CLEVELAND AVENUE  
SASKATOON, SASK  
S7K 8A9  
Phone (306) 931-2131  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the **Lucky Man First Nation**

I have audited the accompanying financial statements of **Lucky Man First Nation** which comprise of the statement of financial position as of March 31, 2014 and the statements of operations, changes in net financial 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 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.

### *Independent 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 financial statements are free from 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 auditor's judgment, 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 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 financial statements.

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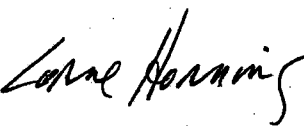
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements present fairly, in all material aspects, the financial position of **Lucky Man First Nation** as at March 31, 2014, and the results of its operations, changes in its net financial assets and 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 Canada and does not form part of the 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.

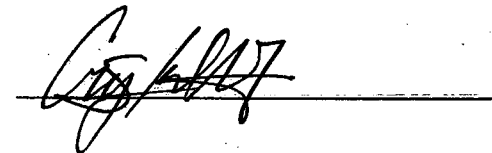
Saskatoon, Saskatchewan  
July 4, 2014

  
Chartered Accountant.

**LUCKY MAN FIRST NATION****STATEMENT OF FINANCIAL POSITION**  
**as at March 31, 2014**

	<u>2014</u>	<u>2013</u> (as restated)
<b>FINANCIAL ASSETS</b>		
Bank (Note 2)	\$ 17,651	\$ -
Portfolio investments (Note 3)	556,459	496,696
Accounts receivable (Note 4)	65,982	58,862
Trust funds (Note 5)	1,709,446	1,663,016
Investments (Note 6)	-	-
Member advances (Note 7)	<u>20,275</u>	<u>15,562</u>
	<u>2,369,813</u>	<u>2,234,136</u>
<b>FINANCIAL LIABILITIES</b>		
Bank indebtedness	-	22,360
Accounts payable (Note 8)	21,785	37,195
Unexpended revenue (Note 9)	<u>21,438</u>	<u>-</u>
	<u>43,223</u>	<u>59,555</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,326,590</u>	<u>2,174,581</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	14,304	19,498
Prepaid expenses	<u>93</u>	<u>3,700</u>
	<u>14,397</u>	<u>23,198</u>
<b>SURPLUS</b>	<u>\$ 2,340,987</u>	<u>\$ 2,197,779</u>

APPROVED BY COUNCIL:



SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED JULY 4, 2014

**LUCKY MAN FIRST NATION****STATEMENT 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	\$ 143,208	\$ 3,990
Purchase of tangible capital assets	-	-
Amortization of tangible capital assets	5,194	4,746
Prepaid expenses	<u>3,607</u>	<u>(3,700)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	152,009	5,036
BALANCE, beginning of the year	<u>2,174,581</u>	<u>2,169,545</u>
BALANCE, end of the year	\$ <u>2,326,590</u>	\$ <u>2,174,581</u>

**LUCKY MAN FIRST NATION****STATEMENT OF OPERATIONS  
for the year ended March 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>		
Grants and Contributions:		
- Aboriginal Affairs and Northern Development Canada (Note 11) \$	232,507	\$ 217,310
- Battlefords Tribal Council	28,300	49,850
- Battlefords Agency Tribal Council	28,500	16,188
Trust interest and rent	171,430	96,104
First Nations Trust Gaming	52,883	52,589
Interest and earnings distributions	15,655	24,125
Expense recoveries and other income	6,002	113
Outfitting	15,000	13,200
Undisclosed gains on portfolio investments	-	11,848
	<u>550,277</u>	<u>481,327</u>
Unexpended revenue - current year	( 21,438)	-
	<u>528,839</u>	<u>481,327</u>
 <b>EXPENSES</b>	 <u>385,631</u>	 <u>477,337</u>
 <b>SURPLUS (DEFICIT) BEFORE THE UNDERNOTED</b>	 143,208	 3,990
Change in investment equity (Note 6)	<u>-</u>	<u>-</u>
 <b>SURPLUS (DEFICIT) FOR THE YEAR</b>	 \$ 143,208	 \$ 3,990
	<u><u>          </u></u>	<u><u>          </u></u>

**LUCKY MAN FIRST NATION****STATEMENT OF SURPLUS / EQUITY BALANCES  
for the year ended March 31, 2014**

	<u>2014</u>	<u>2013</u>
<b><u>SURPLUS, APPROPRIATED FOR EDUCATION</u></b>		
BALANCE, beginning of the year	\$ 506,437	\$ 457,485
TRANSFER FROM UNAPPROPRIATED SURPLUS	<u>50,022</u>	<u>48,952</u>
BALANCE, end of the year	<u>\$ 556,459</u>	<u>\$ 506,437</u>
 <b><u>SURPLUS, UNAPPROPRIATED</u></b>		
BALANCE, as previously reported	\$ 1,731,195	\$ 1,736,304
PRIOR PERIOD ADJUSTMENTS (Note 13)	( <u>39,853</u> )	<u>-</u>
BALANCE AS RESTATED	1,691,342	1,736,304
SURPLUS (DEFICIT) FOR THE YEAR	143,208	3,990
TRANSFER TO APPROPRIATED FOR EDUCATION SURPLUS	( <u>50,022</u> )	( <u>48,952</u> )
BALANCE, end of the year	<u>\$ 1,784,528</u>	<u>\$ 1,691,342</u>

**LUCKY MAN FIRST NATION****STATEMENT OF CASH FLOWS**  
**for the year ended March 31, 2014**

	<u>2014</u>	<u>2013</u> (as restated)
OPERATIONS:		
Surplus (deficit) for the year	\$ 143,208	\$ 3,990
Plus: Amortization	<u>5,194</u>	<u>4,746</u>
	148,402	8,736
Changes in non-cash Working Capital items:		
Accounts receivable	( 11,833)	40,838
Accounts payable	( 15,410)	-
Prepaid expenses	3,607	-
Unexpended revenue	<u>21,438</u>	<u>( 3,700)</u>
	146,204	45,874
INVESTING ACTIVITIES:		
Trust fund changes	<u>( 46,430)</u>	<u>( 57,469)</u>
INCREASE (DECREASE) IN CASH RESOURCES	99,774	( 11,595)
CASH AND CASH EQUIVALENTS, beginning of the year	<u>474,336</u>	<u>485,931</u>
CASH AND CASH EQUIVALENTS, end of the year	\$ <u>574,110</u>	\$ <u>474,336</u>
Cash and cash equivalents are represented by:		
Bank balances	\$ 17,651	\$ ( 22,360)
Portfolio investments	<u>556,459</u>	<u>496,696</u>
	\$ <u>574,110</u>	\$ <u>474,336</u>



**LUCKY MAN FIRST NATION****STATEMENT 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 AND TRUSTS:</b>					
Registry	1	\$ <u>5,000</u>	<u>5,000</u>	<u>-</u>	\$ <u>-</u>
<b>EDUCATION:</b>					
Post Sec Administration	2	17,250	17,250	-	-
Post Sec Allowance	2	<u>29,927</u>	<u>10,231</u>	( <u>19,696</u> )	<u>-</u>
		<u>47,177</u>	<u>27,481</u>	( <u>19,696</u> )	<u>-</u>
<b>INFRASTRUCTURE:</b>					
Municipal	3	<u>25,943</u>	<u>26,816</u>	<u>-</u>	( <u>873</u> )
<b>CAPITAL:</b>					
Donations	4	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BAND SUPPORT:</b>					
Administration	5	121,741	91,500	-	30,241
Benefits	6	1,045	5,601	-	( 4,556 )
Benefits	6	<u>4,624</u>	<u>2,882</u>	( <u>1,742</u> )	<u>-</u>
		<u>127,410</u>	<u>99,983</u>	( <u>1,742</u> )	<u>25,685</u>
<b>HEALTH:</b>					
Wellness	7	<u>36,800</u>	<u>33,299</u>	<u>-</u>	<u>3,501</u>
<b>FIRST NATION PROGRAMS:</b>					
Reserve Development	8	90,582	90,582	-	-
Pasture Development	9	35,787	35,787	-	-
Outfitting	9	15,000	26,074	-	( 11,074 )
Economic Development	10	40,609	40,609	-	-
Ottawa Trust	10	57,445	-	-	57,445
Education Trust	11	68,524	-	-	68,524
Gaming	12	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>307,947</u>	<u>193,052</u>	<u>-</u>	<u>114,895</u>
		\$ <u>550,277</u>	<u>385,631</u>	( <u>21,438</u> )	\$ <u>143,208</u>

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED JULY 4, 2014

## LUCKY MAN 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 Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.

##### Reporting Entity and Principles of Financial Reporting

The Lucky Man First Nation reporting entity includes the Lucky Man First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

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.

##### Investments

Incorporated business entities, which are owned or controlled by the Lucky Man 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.

##### Tangible Capital Assets

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

##### Amortization

Tangible capital assets recorded are amortized annually over their expected useful life using the straight line method at the following rates:

Buildings	25 years
General equipment	10 years
Roads	20 years
Infrastructure	20 years
Computers	4 years

##### Cash and Cash Equivalents

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

**LUCKY MAN FIRST NATION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)****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.

**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. Actual results could differ from estimates. Significant estimates in the financial statements would include the provision for depreciation and the allowance for doubtful accounts.

**Financial Instruments**

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.

**Pension Plan**

Lucky Man Cree 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.

**2. BANK:**

The First Nation has an overdraft facility of \$25,000 that is secured by a general security agreement. The facility has an interest payable monthly at bank prime plus 1.5%.

LUCKY MAN FIRST NATIONNOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

## 3. PORTFOLIO INVESTMENTS:

Funds received from the First Nations Gaming Trust are deposited directly into an investment account held at a major Canadian financial institution. Funds withdrawn from this investment account are for the purpose of education for Lucky Man members.

Balance, March 31, 2013	\$	506,437
Plus : Transfers from Gaming		54,438
: Investment revenue		<u>15,641</u>
		576,516
Less : Disbursements		<u>20,057</u>
Balance, March 31, 2014	\$	<u><u>556,459</u></u>

## 4. ACCOUNTS RECEIVABLE:

Accounts receivable include:

	<u>2014</u>	<u>2013</u> (as restated)
First Nations Trust	\$ 9,713	\$ 11,268
Battlefords Tribal Council	28,500	13,264
Scotia Trust	20,057	-
Good and Services tax rebate	7,712	-
Land rental	-	33,519
Accrued interest	<u>-</u>	<u>811</u>
	<u><u>\$ 65,982</u></u>	<u><u>\$ 58,862</u></u>

# LUCKY MAN FIRST NATION

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

### 5. TRUST FUNDS:

The First Nation has the following trust funds held by Aboriginal Affairs and Northern Development Canada:

	<u>Capital</u>	<u>Revenue</u>	<u>Total</u>
Balance, March 31, 2013	\$ 1,400,008	\$ 263,008	\$ 1,663,016
Plus: Land rent	-	125,988	125,988
: Interest earned	-	<u>45,442</u>	<u>45,442</u>
	1,400,008	434,438	1,834,446
Less: Receipts	-	( 125,000)	( 125,000)
Balance, March 31, 2014	\$ 1,400,008	\$ 309,438	\$ 1,709,446

The trust funds arise from 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

### 6. INVESTMENTS:

Lucky Man First Nation is a member of the Battlefords Tribal Council. Battlefords Tribal Council, on behalf of its member First Nations, has invested in a number of companies which include holdings in property, hotels and gaming. Lucky Man First Nation does not have a controlling interest in these entities and there has been no information provided to Lucky Man to value the investments.

LUCKY MAN FIRST NATIONNOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

## 7. MEMBER ADVANCES:

The First Nation has the following outstanding member advances:

	<u>2014</u>	<u>2013</u>
Albert, Crystal	\$ 23,688	\$ 20,134
Bird, Leona	450	-
Okemow, Dagney	240	240
Okemow, Fonda	3,471	3,082
Okemow, Janet	924	924
Okemow, Karen	702	432
Okemow, Richard	800	750
	<u>30,275</u>	<u>25,562</u>
Allowance for uncollectible amounts	( 10,000)	( 10,000)
	<u>\$ 20,275</u>	<u>\$ 15,562</u>

## 8. ACCOUNTS PAYABLE:

Accounts payable include:

	<u>2014</u>	<u>2013</u>
Trade creditors	\$ 4,402	\$ 10,438
Employee benefits	1,380	9,807
Accrued liabilities	14,900	13,000
Payroll remittances	1,103	3,826
Refund payable	-	124
	<u>\$ 21,785</u>	<u>\$ 37,195</u>

LUCKY MAN FIRST NATIONNOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

## 9. UNEXPENDED REVENUE:

The First Nation has the following programs which had funding that was unspent at the year end:

	<u>Sch</u>	<u>2014</u>	<u>2013</u>
Post Secondary	2	\$ 19,696	\$ -
Benefits	6	<u>1,742</u>	<u>-</u>
		\$ 21,438	\$ -
		<u>21,438</u>	<u>-</u>

## 10. TANGIBLE CAPITAL ASSETS:

The First Nation's tangible capital assets include:

	<u>2014</u>	<u>2013</u>
<u>Cost</u>		
Buildings	58,600	58,600
Computers	7,917	7,917
Roads	15,995	15,995
Infrastructure	26,592	26,592
Water lines	<u>1,103</u>	<u>1,103</u>
	<u>110,207</u>	<u>110,207</u>
<u>Accumulated Amortization</u>		
Buildings	44,432	42,088
Computers	7,917	7,917
Roads	15,859	15,059
Infrastructure	26,592	24,542
Water lines	<u>1,103</u>	<u>1,103</u>
	<u>95,903</u>	<u>90,709</u>
	\$ 14,304	\$ 19,498
	<u>14,304</u>	<u>19,498</u>

**LUCKY MAN FIRST NATION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014****11. ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA:**

The First Nation has entered into funding arrangements with Aboriginal Affairs and Northern Development 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.

**12. 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 gratuity that could be purchased based on the employee's share of the pension plan at the time the employee's withdrawal from the plan. The First Nation contributed \$12,485 during the year for retirement benefits.

**13. PRIOR PERIOD ADJUSTMENT:**

A prior period adjustment was recorded to correct for transactions that relate to the prior years which were not accounted for. The March 31, 2013 trust interest and rent (Schedule 10) were overstated by \$39,853. Accounts receivable was decreased by \$39,853.

**14. COMPARATIVE FIGURES:**

Prior years comparative figures have been reclassified when necessary to conform to the current year's presentation.