

Lac La Ronge Indian Band
Consolidated Financial Statements
March 31, 2014

Lac La Ronge Indian Band

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For the year ended March 31, 2014

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Management's Responsibility

To the Members of Lac La Ronge Indian Band:

The accompanying consolidated financial statements of Lac La Ronge Indian Band are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Lac La Ronge Indian Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed to audit the consolidated financial statements and report directly to the Council; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

September 9, 2014

(signature on file)

Susan Stabner,
Chief Financial
Officer

Independent Auditors' Report

To the Members of Lac La Ronge Indian Band:

We have audited the accompanying consolidated financial statements of Lac La Ronge Indian Band, 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 financial assets, cash flows, and supporting schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 entity's preparation and fair presentation of the consolidated 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 policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 financial position of Lac La Ronge Indian Band as at March 31, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Albert, Saskatchewan

September 9, 2014

MNP LLP
Chartered Accountants

Lac La Ronge Indian Band
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial assets		
Current		
Cash resources (Note 3)	12,930,687	12,922,250
Temporary investments (Note 4)	47,880	47,673
Accounts receivable (Note 5)	3,497,832	3,996,504
Inventory for resale (Note 6)	1,862,606	1,829,683
Restricted cash (Note 7)	887,999	620,151
Home ownership program loans receivable (Note 8)	481,774	538,911
	19,708,778	19,955,172
Restricted cash (Note 7)	5,389,082	4,994,146
Investments in Nation business partnerships and corporate business entities (Note 9)	74,327,323	65,249,155
Ottawa Trust funds (Note 10)	318,348	399,578
	99,743,531	90,598,051
Liabilities		
Current		
Accounts payable and accruals	4,531,276	6,200,855
Deferred revenue (Note 12)	3,483,168	3,017,166
Current portion of long-term debt (Note 13)	2,025,956	1,954,717
	10,040,400	11,172,738
Long-term debt (Note 13)	17,903,045	18,791,833
	27,943,445	29,964,571
Net financial assets	71,800,086	60,633,480
Contingencies (Note 14)		
Non-financial assets		
Tangible capital assets (Note 15) (Schedule 1)	110,689,237	114,942,439
Prepaid expenses	279,773	171,818
	110,969,010	115,114,257
Accumulated surplus (Note 16), (Note 17)	182,769,096	175,747,737
Approved on behalf of the Council		
(signature on file)	(signature on file)	
Tammy Cook - Searson	Ann Ratt	Councilor

The accompanying notes are an integral part of these financial statements

Lac La Ronge Indian Band

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2014

	Schedules	2014 Budget (Note 21)	2014	2013
Revenue				
Federal government funding (Note 18)				
Aboriginal Affairs and Northern Development Canada		45,070,091	47,420,124	46,455,119
Health Canada		10,723,551	11,967,951	11,508,538
Canada Mortgage and Housing Corporation		280,258	1,703,911	1,746,474
Justice Canada		-	240,213	301,607
		56,073,900	61,332,199	60,011,738
Prince Albert Grand Council		2,465,852	3,676,239	3,702,001
First Nations Trust (SIGA gaming allocation)		500,000	3,454,405	3,855,991
Rental income		1,761,884	2,890,587	2,907,009
Grants and donations		343,226	2,400,808	2,810,714
Northern Lights School Division		886,321	869,874	948,532
Fundraising revenue		-	766,813	902,222
Saskatchewan Indian Institute of Technologies		-	429,329	517,638
Fuel and tobacco rebates (external sources)		30,000	359,559	361,238
Province of Saskatchewan		-	352,070	606,587
Lease income		-	306,546	304,969
Miscellaneous		1,229,109	2,692,441	3,202,401
Earnings (loss) from investment in Nation business partnerships		104,000	11,072,876	14,941,015
Earnings (loss) from investment in Nation corporate business entities		-	5,292	18,640
Retail sales, net (Note 24)		-	6,330,449	5,895,714
Other retail revenue		-	285,583	262,693
		63,394,292	97,225,070	101,249,102
Program expenses (Schedule 2)				
Band Governance	3	8,802,096	16,756,684	15,813,476
Education	4	19,784,382	22,726,128	23,836,454
Infrastructure & Facilities	5	10,260,720	19,709,512	19,398,094
Health	6	13,152,342	13,631,864	12,841,211
Social Assistance	7	11,737,283	12,122,921	11,678,230
Retail Operations	8	-	5,170,272	5,152,580
		63,736,823	90,117,381	88,720,045
Surplus before other items		(342,531)	7,107,689	12,529,057
Other items				
Loss on disposal of capital assets		-	(86,330)	(34,337)
Loss on writedown of tangible capital assets		-	-	(41,022)
		(342,531)	7,021,359	12,453,698
Accumulated surplus, beginning of year		175,747,737	175,747,737	163,294,039
Accumulated surplus, end of year (Note 16)		175,405,206	182,769,096	175,747,737

The accompanying notes are an integral part of these financial statements

Lac La Ronge Indian Band
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2014

	2014 Budget (Note 21)	2014	2013
Annual surplus	(342,531)	7,021,359	12,453,698
Purchases of tangible capital assets	(667,318)	(6,727,959)	(7,673,729)
Amortization of tangible capital assets	347,016	10,874,495	11,081,347
Loss (gain) on sale of tangible capital assets	-	86,330	34,337
Proceeds of disposal of tangible capital assets	-	20,336	97,162
Loss on writedown of tangible capital assets	-	-	41,022
	(320,302)	4,253,202	3,580,139
Acquisition of prepaid expenses	-	(107,955)	-
Use of prepaid expenses	-	-	65,631
Increase in net financial assets	(662,833)	11,166,606	16,099,468
Net financial assets, beginning of year	60,633,480	60,633,480	44,534,012
Net financial assets, end of year	59,970,647	71,800,086	60,633,480

The accompanying notes are an integral part of these financial statements

Lac La Ronge Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Surplus	7,021,359	12,453,698
Non-cash items		
Amortization	10,874,495	11,081,347
Gain (loss) on disposal of capital assets	86,330	34,337
Earnings from investment in Nation business partnerships	(11,072,876)	(14,941,015)
Earnings from investment in Nation business entities	(5,292)	(18,640)
Loss on writedown of tangible capital assets	-	41,022
	6,904,016	8,650,749
Changes in working capital accounts		
Accounts receivable	498,672	(502,319)
Prepaid expenses	(107,955)	65,631
Restricted cash (current)	(267,848)	930,549
Restricted cash (non-current)	(662,784)	(271,025)
Inventory held for resale	(32,923)	(123,314)
Home ownership program loans receivable	57,137	(5,238)
Accounts payable and accruals	(1,401,731)	2,376,767
Deferred revenue	466,002	(949,337)
	5,452,586	10,172,463
Financing activities		
Advances of long-term debt	1,296,025	2,419,131
Repayment of long-term debt	(2,113,574)	(2,475,118)
	(817,549)	(55,987)
Capital activities		
Purchases of tangible capital assets	(6,727,959)	(7,673,729)
Proceeds of disposal of tangible capital assets	20,336	97,162
	(6,707,623)	(7,576,567)
Investing activities		
Purchase of temporary investments	(207)	(951)
Withdrawal from investments in Nation business partnerships	2,000,000	2,000,000
Change in Ottawa Trust funds	81,230	(211,909)
	2,081,023	1,787,140
Increase in cash resources	8,437	4,327,049
Cash resources, beginning of year	12,922,250	8,595,201
Cash resources, end of year	12,930,687	12,922,250
Supplementary cash flow information		
Interest paid	461,166	604,194

The accompanying notes are an integral part of these financial statements

Lac La Ronge Indian Band

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

1. Operations

The Lac La Ronge Indian Band ("the Nation") is located in the province of Saskatchewan, and provides various services to its members. Lac La Ronge Indian Band includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities.

The Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

La Ronge Reserve, including:

- Administration (La Ronge, Sucker River, Hall Lake) - Public Works (Housing and CMHC)
- Education
- Keethanow Gas Bar
- Keethanow Supermarket
- Hall Lake Gas Bar
- Keethanow Holdings
- Elder Catherine Charles Long Term Care Home Inc.
- Lac La Ronge Indian Band Health Services Inc.
- Keethanow Lumber and Furniture
- Sucker River Gas Bar
- Keethanow Bingo North Inc.
- Keethanow Corner Grocery

Little Red River Reserve, including:

- Administration
- Little Red River Gas Bar
- Red Water Distributors
- Public Works (Housing)
- Little Red Sand and Gravel Ltd.

Grandmother's Bay Reserve, including:

- Administration
- Education
- Public Works (Housing)

Stanley Mission Reserve, including

- Administration
- Education
- Amachewespimawin Gas Bar
- Public Works (Housing)
- Stanley Mission Health Services Inc.
- Stanley Mission Economic Development Corporation

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

The Nation has proportionately consolidated the assets, liabilities, revenues and expenses of the following government partnerships:

- Four Nations Police Management Board (25%)

(Created to manage an agreement with the Government of Canada and Province of Saskatchewan on Police Management Board operations for four Nations).

- Lac La Ronge Regional Waste Management Corporation (40%)

(Created to operate waste management services in the geographical location of La Ronge, partners are Town of La Ronge and the Northern Village of Air Ronge).

- Lac La Ronge Regional Water Corporation (54%)

(Created to operate water distribution services in the geographical location of La Ronge, partners are Town of La Ronge and the Northern Village of Air Ronge).

- Northern Inter-Tribal Health Authority (25%)

(Created to provide specialized health services to Northern Saskatchewan, partners are Peter Ballantyne Cree Nation, Meadow Lake Tribal Council and Prince Albert Grand Council).

- Woodland Cree Enterprises Incorporated (33.33%)

(Created to provide financial assistance to members of the Lac La Ronge Indian Band, Peter Ballantyne Cree Nation and Montreal Lake Cree Nation, pursuing post secondary education and training).

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Lac La Ronge Indian Band business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis are disclosed in Note 9.

Other economic interests

The Nation does not either share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the Lac La Ronge Indian Band.

The Nation is a member of the Prince Albert Grand Council (PAGC Management Co. Ltd. or "PAGC"). The PAGC is an organization of twelve Nations. The PAGC is mandated to enhance the services provided to the member Nations.

The Nation is a member of the Lac La Ronge Indian Band Child & Family Services Agency Inc. (the "Agency"). The Agency is an organization providing child and family protection and prevention services on reserve to the Lac La Ronge Indian Band and off reserve on behalf of the Province of Saskatchewan.

The Nation is a member of the Woodlands and Waterways Regional Development Corporation ("Woodlands and Waterways"). The Woodlands and Waterways operates a tourism centre in the area of La Ronge, and represents the Town of La Ronge, Northern Village of Air Ronge, and the Nation.

The Nation is affiliated with the Little Red River Education Authority Inc. ("LRR Education"). LRR Education operates an on-reserve elementary and secondary school on the Little Red River Reserve. Members of the Nation and Montreal Lake Cree Nation from the Little Red Reserves govern the LRR Education through an independent Board. The LRR Education authority is funded by Aboriginal Affairs and Northern Development Canada through a separate funding agreement.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Non-government funding

Non-government funding is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the balance sheet in the year of receipt.

Government Transfers

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

Investment and interest income are recognized when earned. Rent and other revenue is recognized when the related services are provided.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	25 years
Housing	straight-line	25 years
Equipment	straight-line	3-10 years
Infrastructure	straight-line	15-50 years

Cash resources

Cash resources includes balances with banks and short-term investments with maturities of three months or less where the intent is to not reinvest the short-term investment. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Temporary investments

Temporary investments are valued at the lower of cost and market value, which for the Nation's temporary investments, market value approximates the cost due to the short-term nature of the investments.

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of tangible assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in surplus for the year.

Funds held in Ottawa Trust Fund

Ottawa Trust Funds consist of funds held in trust on behalf of Nation members by the Government of Canada. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Nation capital assets; and,
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Measurement uncertainty

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

Segments

The Nation conducts its business through seven reportable segments: band governance, education, infrastructure & facilities, retail operations, social assistance, health and investments. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements. Inter-segment transfers are recorded at their exchange amount.

Recent accounting pronouncements

Liability for contaminated sites

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Nation has not yet determined the effect of the new section in its consolidated financial statements.

Lac La Ronge Indian Band

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation has not yet determined the effect of these new standards on its consolidated financial statements.

3. Cash resources

	2014	2013
Grandmother's Bay general operations	7,865	436,180
La Ronge general operations	(2,300,944)	(3,014,283)
Little Red general operations	19,519	98,753
Stanley Mission general operations	4,718,999	4,981,535
La Ronge and Stanley Mission health operations	5,711,443	4,965,925
Retail operations	3,629,611	3,649,634
Government partnerships	1,144,194	1,804,506
	12,930,687	12,922,250

In the above table, general operations includes band governance, education, and infrastructure and facilities operations.

During the year the Stanley Mission Reserve designated \$5,025,000 (2013 – \$5,400,000) of cash to be used specifically for future capital projects, operation of recreation and youth facilities, and economic development investment.

During the year the La Ronge Reserve department of Health designated \$354,509 (2013 – \$392,715) of cash to be used specifically for future capital projects.

	2014	2013
Stanley Mission - recreation and youth centre construction and operation	2,075,000	2,000,000
Stanley Mission - community housing construction and renovations	950,000	1,400,000
Stanley Mission - economic development investment	2,000,000	2,000,000
La Ronge - health future capital projects	354,509	392,715
	5,379,509	5,792,715

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

4. Temporary investments

	2014	2013
Little Red River Reserve - CIBC redeemable term deposit, one year term maturing November 1, 2014, interest at 0.8%.	11,103	11,055
Little Red River Reserve - CIBC redeemable term deposit, one year term maturing November 1, 2014, interest at 0.8%	36,777	36,618
	47,880	47,673

5. Accounts receivable

	2014	2013
Aboriginal Affairs and Northern Development Canada	348,079	103,802
Health Canada	259,271	441,694
CMHC subsidy assistance receivable	144,479	121,857
Rent receivable	2,956,830	2,838,314
Other accounts receivable	1,673,283	2,586,838
Retail operations trade receivables	1,159,160	827,257
	6,541,102	6,919,762
Allowance for doubtful accounts	(3,043,270)	(2,923,258)
	3,497,832	3,996,504

6. Inventory for resale

	2014	2013
Amachewespimawin Gas Bar	159,077	136,466
Hall Lake Gas Bar	62,032	49,969
Keethanow Bingo North Inc.	12,162	12,207
Keethanow Corner Grocery	64,892	36,020
Keethanow Gas Bar	132,803	134,429
Keethanow Lumber and Furniture	1,059,732	1,230,230
Keethanow Supermarket	320,765	207,383
Sucker River Gas Bar	51,143	22,979
	1,862,606	1,829,683

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

7. Restricted cash

	2014	2013
Current restricted cash		
La Ronge Reserve - AANDC major capital projects	239,017	298,879
Stanley Mission Reserve - AANDC major capital projects	423,243	93,760
Grandmother's Bay Reserve - AANDC major capital projects	13,995	49,200
Little Red River Reserve - AANDC major capital projects	13,742	14,030
La Ronge Reserve - Capital projects (Health Canada)	5,713	-
La Ronge Reserve - Bingo fundraising	192,289	164,282
	887,999	620,151
Non-current restricted cash		
2% Subsidy (Pre 1997) CMHC Program Replacement Reserve	1,806,276	2,427,944
Fixed Subsidy (Post 1997) CMHC Program Replacement Reserve	1,694,489	1,414,036
CMHC Program Operating Reserve	1,888,317	1,152,166
	5,389,082	4,994,146
	6,277,081	5,614,297

8. Home ownership program loans receivable

The Nation conducts a private home purchase program in partnership with the Bank of Montreal ("BMO") and Aboriginal Affairs and Northern Development Canada ("AANDC") to allow Nation members to access capital to purchase a home located on reserve land. Participants either borrow capital from BMO or directly from the Nation through the program. The loans through the program have been issued at a rate of 6.00%.

Since all loans are in default due to late payment, the full amount has been reported as current. The loans have no security.

9. Investments in First Nation business partnerships and corporate business entities

The First Nation has investments in the following entities:

	<i>Investment balance, beginning of year</i>	<i>Withdrawals</i>	<i>share of earnings (loss)</i>	<i>2014 Investment balance, end of year</i>
Wholly-owned Businesses:				
KDC Management Corp. - 100%	(1,880)	-	5,292	3,412
Portfolio investment, at cost:				
La Ronge Wild Rice Corporation - 23.2%	99,287	-	-	99,287
First Nation Business Partnerships:				
Kitsaki Development Limited Partnership - 99.9%	32,966,932	(2,000,000)	5,780,844	36,747,776
Kitsaki Management Limited Partnership - 99.9%	32,184,816	-	5,292,032	37,476,848
	65,151,748	(2,000,000)	11,072,876	74,224,624
	65,249,155	(2,000,000)	11,078,168	74,327,323

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

9. **Investments in Nation business partnerships and corporate business entities** *(Continued from previous page)*

	<i>Investment balance, beginning of year</i>	<i>Withdrawals</i>	<i>share of earnings (loss)</i>	<i>Investment balance, end of year</i>
				<i>2013</i>
Wholly-owned Businesses:				
KDC Management Corp. - 100%	1,321	-	(3,201)	(1,880)
Portfolio investment, at cost:				
La Ronge Wild Rice Corporation - 23.2%	99,287	-	-	99,287
First Nation Business Partnerships:				
Kitsaki Development Limited Partnership - 99.9%	27,437,926	(2,000,000)	7,529,006	32,966,932
Kitsaki Management Limited Partnership - 99.9%	24,772,807	-	7,412,009	32,184,816
	52,210,733	(2,000,000)	14,941,015	65,151,748
	52,311,341	(2,000,000)	14,937,814	65,249,155

Summary financial information for the Kitsaki Group owned by the Nation, which is accounted for using the modified equity method, is as follows:

	<i>Kitsaki Group As at March 31, 2014</i>
Assets	
Cash	39,042,954
Accounts receivable	22,719,349
Inventory	802,278
Investments	87,535,374
Other assets	185,556
Property, plant and equipment	11,895,903
Advances from related parties	16,479,087
Total assets	178,660,501
Liabilities	
Accounts payable and accruals	16,673,303
Deferred revenue	29,593
Total liabilities	16,702,896
Non-controlling interest	8,693,801
	153,263,804
Total revenue	56,189,571
Total expenses	42,707,786
Net income	13,481,785
Other comprehensive loss	(179,371)
Comprehensive income	13,302,414

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

10. Ottawa Trust funds

Capital and revenue trust moneys are transferred to the Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Nation's Council.

	2014	2013
Capital Trust		
Balance, beginning of year	45,968	45,968
Balance, end of year	45,968	45,968
Revenue Trust		
Balance, beginning of year	353,610	141,701
Interest	12,223	6,940
Land leases	306,547	304,969
	672,380	453,610
Less: Transfers to Nation	400,000	100,000
Balance, end of year	272,380	353,610
	318,348	399,578

BCR 2012/13-79 - Transfer to Nation of \$175,000 - expenditures included in Band support in Schedule 3.

BCR 2012/13-81 - Transfer to Nation of \$100,000 - expenditure included in capital purchases in Schedule 1.

BCR 2012/13-80 - Transfer to Nation of \$75,000 - funds have been included in restricted cash (note 3) and internally restricted accumulated surplus (note 17) as the intended use of funds is to help build a recreation centre, for which construction will not start until the next fiscal year.

BCR 2013/14-14 - Transfer to Nation \$50,000 - expenditure included in Miscellaneous in Schedule 3.

11. Available credit

The Nation has an operating loan amounting to \$nil (2013- \$nil) included in cash resources, authorized to a maximum of \$2,000,000 for the total of the La Ronge Reserve, Stanley Mission Reserve, Little Red River Reserve, Hall Lake Reserve, and Grandmother's Bay Reserve. This operating loan is due on demand and interest is payable monthly at prime. This loan is secured by all assets of the Lac La Ronge Indian Band.

The Nation's proprietorships have operating loans with authorized maximum's of \$215,000. These operating loans are due on demand and interest is payable monthly at prime. The Nation's proprietorships also have \$165,000 of letters of credit issued to various suppliers. Fees are 0.8%, minimum of \$1,000, plus out of pocket costs.

The Nation uses corporate credit cards to facilitate operations which combined have a maximum credit of \$95,000.

All above bank indebtedness are secured by additional Band Council Resolutions requesting credit and assigning government funding to be deposited to the Canadian Imperial Bank of Commerce.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

12. Deferred revenue

	2014	2013
Grandmother's Bay Reserve	13,995	85,575
La Ronge Reserve	2,606,402	2,504,236
Little Red Reserve	53,052	80,076
Stanley Mission Reserve	659,508	234,016
Government partnerships	150,211	113,263
	3,483,168	3,017,166

13. Long-term debt

	2014	2013
Canadian Mortgage and Housing Corporation ("CMHC") mortgage, 2.17%, repayable in monthly instalments of \$20,797 blended principal and interest. Loan is guaranteed by the Government of Canada. Matures in 2030 and renews in 2016.	3,478,564	3,650,944
CMHC mortgage, 2.02%, repayable in monthly installments of \$16,101 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2018.	2,425,042	2,045,128
CMHC mortgage, 2.11%, repayable in monthly installments of \$14,098 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2019.	2,133,683	2,250,423
CMHC mortgage, 1.80%, repayable in monthly instalments of \$13,448 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2026 and renews in 2017.	1,805,761	1,933,498
Canadian Imperial Bank of Commerce ("CIBC") demand loan, interest at prime, repayable in monthly instalments to be determined upon completion of project, blended principal and interest. Loan is authorized to \$2,156,884. Matures ten years after completion of project.	1,430,000	1,370,000
CMHC mortgage, 1.71%, repayable in monthly installments of \$9,704 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2027 and renews in 2017.	1,403,359	1,495,044
CMHC mortgage, 1.64%, repayable in monthly installments of \$5,630 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2032 and renews in 2017.	1,050,418	1,100,406
CMHC mortgage, 2.69%, repayable in monthly instalments of \$7,171 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2026 and renews in 2016.	845,756	908,270
CMHC mortgage, 2.35%, repayable in monthly installments of \$4,627 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2018.	675,967	714,065
CMHC mortgage, 1.53%, repayable in monthly installments of \$3,766 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2018.	560,219	596,565

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

13. Long-term debt *(Continued from previous page)*

	2014	2013
Demand instalment loan payable to CIBC in principle only monthly instalments of \$8,333, plus interest at prime rate. A general security agreement has pledged as collateral. Due July 1, 2018.	433,333	-
CIBC mortgage, 4.74%, repayable in monthly instalments of \$11,050 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018 and renews in 2018.	430,271	539,868
CMHC mortgage, 1.64%, repayable in monthly instalments of \$1,877 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2031 and renews in 2017.	350,243	366,906
CIBC mortgage, 3.89%, repayable in monthly instalments of \$7,654 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018 and renewed in 2015.	339,964	416,646
CIBC mortgage, 3.89%, repayable in monthly instalments of \$8,540 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018 and renewed in 2015.	312,574	399,958
CIBC mortgage, 6.14%, repayable in monthly instalments of \$5,302 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2019.	305,639	350,887
CIBC mortgage, 3.05%, repayable in monthly instalments of \$10,657 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2017 and renewed in 2015.	287,735	403,020
Term loan due on demand, payable in annual instalments of \$40,000 with interest paid monthly at bank prime rate, secured by general security agreement, due April 1, 2020.	280,000	320,000
CMHC mortgage, 1.67%, repayable in monthly instalments of \$1,221 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2018.	172,109	183,788
CIBC demand loan, interest at prime, repayable in annual principal instalments of \$25,000 plus interest. Matures in 2021.	160,000	-
Term loan due on demand, payable in annual instalments of \$50,000 including interest at prime, secured by general security agreement, due April 2016.	120,591	165,595
CIBC mortgage, 6.14%, repayable in monthly instalments of \$1,787 blended principal and interest. Matures in 2020.	117,583	132,052
CIBC demand loan, interest at prime, repayable in monthly principal instalments of \$2,792 plus interest. Matures in 2018.	111,667	-
CIBC demand revolving capital loan, repayable in 36 monthly instalments of \$4,583 plus accrued interest at prime, due 2016.	105,417	160,417
CIBC demand loan, 4.96%, repayable in quarterly instalments of \$45,762 blended principal and interest. Matures in 2015.	89,873	263,024
CIBC demand loan, interest at prime, repayable in monthly instalments of \$4,330 plus interest. Matures in 2016.	86,545	138,505

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

13. Long-term debt *(Continued from previous page)*

	2014	2013
CIBC mortgage, 3.00%, repayable in monthly installments of \$9,988 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2015.	79,020	193,674
CIBC demand loan, interest at prime, repayable in monthly instalments of \$3,500 plus interest. Matures in 2015.	55,500	97,500
CIBC demand revolving capital loan, repayable in 60 monthly instalments of \$992 plus accrued interest at prime, due 2018.	46,608	58,508
CIBC mortgage, 4.74%, repayable in monthly installments of \$1,334 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018 and renews 2015.	42,172	55,354
CIBC mortgage, 6.15%, repayable in monthly instalments of \$10,207 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2015.	33,702	-
CIBC mortgage, interest at prime, repayable in monthly instalments of \$1,408 plus interest. Matures in 2016.	29,575	46,475
Term loan due on demand, payable in monthly instalments of \$840 including interest at 5.59%, secured by assets purchased with the loan, maturing in 2017.	26,329	34,677
Term loan due on demand, payable in monthly instalments of \$784 with interest paid monthly at bank prime rate plus 3%, secured by assets purchased with the loan, maturing in 2017.	24,428	32,095
Ford Credit loan, 6.59%, repayable in monthly instalments of \$778 blended principal and interest. Secured by related capital asset. Matures in 2016.	14,683	22,754
Ford Credit loan, 6.59%, repayable in monthly instalments of \$718 blended principal and interest. Secured by related capital asset. Matures in 2016.	13,565	21,022
Ford Credit loan, 6.59%, repayable in monthly instalments of \$718 blended principal and interest. Secured by related capital asset. Matures in 2016.	13,565	21,022
Finance contract to GMAC payable in monthly payments of \$1,027 including principal and interest, with annual interest at 1.15%, secured by related capital asset, maturing in 2015.	13,293	21,148
Saskatchewan Indian Equity Foundation loan payable in monthly instalments of \$1,174 including interest at 12.5%. A general security agreement has been pledged as collateral. Matures in 2015.	7,572	19,865
Finance contract to GMAC payable in monthly payments of \$409 including principal and interest, with annual interest at 6.59%, secured by related capital asset, maturing in 2015.	6,258	10,600
CIBC demand loan, 2.5%, repayable in monthly instalments of \$1,198 blended principle and interest. A general security agreement has pledged as collateral, maturing in 2015.	6,038	20,414
Finance contract to GMAC payable in monthly payments of \$630 including principal and interest, with annual interest at 1.9%, secured by related capital asset, maturing in 2015.	4,380	11,776
CIBC demand loan, interest at prime, repayable in annual instalments of \$100,000, plus monthly interest. Matured in 2014.	-	100,000

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

13. Long-term debt *(Continued from previous page)*

	2014	2013
CIBC mortgage, 6.15%, repayable in monthly instalments of \$11,432 blended principal and interest. Loan is guaranteed by Government of Canada. Matured in 2014.	-	45,155
Finance contract to GMAC payable in monthly payments of \$1,027 including principal and interest, with annual interest at 7.49%. Matured in 2014.	-	14,658
CIBC demand loan, interest at prime, repayable in monthly principal instalments of \$1,382 plus interest. Matured in 2014.	-	9,654
Finance contract payable to GMAC in monthly principle and interest installments of \$586, with interest at 8.49%. Matured in 2014.	-	2,308
Term loan payable to GMAC in monthly instalments of \$939 including interest at 7.4%. Matured in 2014.	-	1,870
Term loan payable to GMAC in monthly instalments of \$508 including interest at 8.3%. Matured in 2014.	-	1,012
	19,929,001	20,746,550
Less: current portion	2,025,956	1,954,717
	17,903,045	18,791,833

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2015	2,025,956
2016	1,820,366
2017	1,624,765
2018	1,400,448
2019	1,138,512

All above CIBC loans (except for mortgages which are secured by Government of Canada guarantees) are secured by a Band Council Resolution directing all present and future AANDC funding to CIBC for deposit to the Nation's accounts at CIBC and a general security agreement over all property.

Prime rate as at March 31, 2014 was 3.00% (2013 - 3.00%).

Long-term debt is subject to certain covenants with respect to financial reporting. As at March 31, 2014, the Nation is not in compliance with all such covenants. However, it is not expected the covenant violation will affect the Nation's financing.

14. Contingencies

The Nation is involved in several lawsuits related to various matters. In the opinion of management, these lawsuits are without substantial merit. It is not possible at this time to make an estimate of the amount, if any, of liabilities that may result. Any future settlements or costs associated with these potential claims will be expensed in the period they become known.

As part of the Home Ownership Program, the Nation has agreed to be contingently liable to the Bank of Montreal for outstanding housing loans of members to a maximum of \$5.5 million. Any future settlements or costs associated with these potential claims will be expensed in the period they become known.

As part of the Home Ownership Program, the Nation has agreed to be contingently liable to the Royal Bank of Canada for outstanding housing loans of members to a maximum of \$2 million. Any future settlements or costs associated with these potential claims will be expensed in the period they become known.

The Nation has provided indemnities in favour of individuals acting as directors of the investment corporations held by the Nation.

Kitsaki Development Limited Partnership has paid expenses related to treaty land entitlement on behalf of the Reserve. These amounts may be recovered by the Reserve upon successful resolution of this matter. The total subject to recovery as at March 31, 2014 is \$2,237,569 (2013 - \$2,237,569).

15. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Infrastructure includes various projects which were not complete at March 31, 2014, with carrying values totaling \$3,885,680 (2013 - \$7,226,314). No amortization of these assets has been recorded because they are currently under construction.

Houses includes a CMHC project identified as phase 22 (2013 - phase 21) which was not complete at March 31, 2014, with carrying value totaling \$1,669,461 (2013 - \$2,264,779). No amortization of these assets has been recorded because they are currently under construction.

The Nation's CMHC Housing Program has 81 houses with a net book value of \$1,299,948 which are no longer part of an operating agreement with CMHC. As a result, there is neither rent charged nor any subsidy received for these properties. The properties are available for use by members of the Lac La Ronge Indian Band, and in some cases are available for ownership if certain conditions are met. During the year, ownership of one house (2013 - two houses) was transferred to Lac La Ronge Indian Band members through the home ownership program, in recognition of long-term compliance with the CMHC rental program. An additional four houses which are not part of the CMHC rental program were also transferred to Lac La Ronge Indian Band members through the home ownership program.

Tangible capital assets include certain infrastructure assets, specifically older roads and water and sewer assets disclosed at a nominal amount.

The Nation holds works of art from community members contributed to the Nation and historical treasures of a cultural value, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

16. Accumulated surplus

The Nation designates and tracks separately the following funds and reserves in accordance with internal management policies. These funds are designated to assist with fund management and to comply with legislation.

	2014	2013
Equity in Ottawa Trust funds		
Balance, beginning of year	399,578	187,669
Income earned	318,770	311,909
Withdrawals	(400,000)	(100,000)
	318,348	399,578
Equity in externally restricted reserves (CMHC and Health Canada)		
Balance, beginning of year	5,430,093	4,996,625
Contributions	689,450	518,363
Withdrawals	(687,713)	(84,895)
	5,431,830	5,430,093
Equity in tangible capital assets		
Balance, beginning of year	94,295,893	97,920,044
Amortization	(10,874,495)	(11,081,347)
Purchases	6,727,959	7,673,729
Disposals	(106,666)	(172,522)
Loan advances	(1,296,025)	(2,419,133)
Loan advances receivable	(1,669,464)	-
Loan repayments	2,013,574	2,375,122
	89,090,776	94,295,893
Equity in business investments		
Balance, beginning of year	65,249,155	52,289,500
Income earned	11,078,168	14,959,655
Withdrawals	(2,000,000)	(2,000,000)
	74,327,323	65,249,155
Equity in unrestricted and internally restricted accumulated surplus (Note 17)		
Balance, beginning of year	10,373,018	7,900,201
Transfer from (to) equity in Ottawa Trust funds	81,230	(211,909)
Transfer from (to) equity in externally restricted reserves	(1,737)	(433,468)
Transfer from (to) equity in tangible capital assets	5,205,117	3,624,151
Transfer from (to) equity in business investments	(9,078,168)	(12,959,655)
Current year surplus	7,021,359	12,453,698
	13,600,819	10,373,018
	182,769,096	175,747,737

16. Accumulated surplus *(Continued from previous page)*

The Ottawa Trust funds are revenues received in trust by AANDC from land rents which haven't been designated for specific expenditures and are held on account by the Government of Canada in Ottawa.

The externally restricted reserves are replacement and operating reserves required to be funded for future capital replacements and program operations, as per agreements with CMHC and Health Canada.

The invested in capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services.

The business investments amount represents equity in investments not readily available for operational cash flows as the investments are not likely to be liquidated within the next year.

The internally restricted reserves represents amounts designated by the Nation for specified future uses and are funded by designated cash as per note 3.

The unrestricted operating surplus represents amounts available to offset future operational revenue requirements (if deficit, future revenue required for past operational activities).

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

17. Unrestricted and internally restricted accumulated surplus

	2014	2013
General operations (including band governance, education, and infrastructure and facilities)		
Grandmother's Bay	7,980	414,395
La Ronge	(141,695)	(2,906,356)
Little Red	2,880	28,753
Stanley Mission	(32,701)	55,429
	(163,536)	(2,407,779)
Health operations		
La Ronge	3,678,101	2,611,487
Stanley Mission	445,937	548,230
	4,124,038	3,159,717
Retail operations		
La Ronge	837,341	1,021,426
Stanley Mission	2,417,313	1,700,689
Little Red	(342,553)	(300,693)
	2,912,101	2,421,422
Government partnerships		
La Ronge	486,158	348,556
Little Red	(50)	(50)
LLRIB	862,598	1,058,438
	1,348,706	1,406,944
Internally restricted		
Stanley Mission - Recreation and youth centre	2,075,000	2,000,000
Stanley Mission - Community housing	950,000	1,400,000
Stanley Mission - Economic development	2,000,000	2,000,000
La Ronge - Health capital replacement	354,509	392,715
	5,379,509	5,792,715

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

18. Federal government funding

	2014	2013
Aboriginal Affairs and Northern Development Canada		
AANDC per confirmation	47,788,298	46,093,926
Add: major capital deferred from prior year	62,928	583,445
Less: major capital deferred to future years	(431,102)	(222,252)
	47,420,124	46,455,119
Health Canada (FNIHB)		
Health Canada per confirmation	11,030,250	10,483,904
Less: minor capital deferred to future years	(32,015)	(24,548)
Add: NITHA proportionate funding reported	1,031,971	1,078,613
Less: Amounts repayable to Health Canada	(26,002)	(29,431)
Add: Additional minor construction expenditures set up as receivable	3,698	-
Less: Recovery of 2012 transportation expenditures included in 2014 confirmation	(26,423)	-
Less: Recovery from 2013	(13,528)	-
	11,967,951	11,508,538
Canada Mortgage and Housing Corporation		
S95 loan subsidy	1,509,595	1,483,270
RRAP contributions	194,316	263,204
	1,703,911	1,746,474
Justice Canada		
Police Management Board agreement funding	-	93,109
Project Venture funding	240,213	208,498
	240,213	301,607
	61,332,199	60,011,738

19. Economic dependence

Lac La Ronge Indian Band receives a significant portion of its revenues from Aboriginal Affairs and Northern Development Canada ("AANDC") as a result of Treaties entered into with the government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

20. Related party transactions

During the year, the Nation conducted sales and purchases with related entities that are proprietorships and corporations under the control of Lac La Ronge Indian Band. All sales and purchases were undertaken at normal market prices for similar goods and services and have been reported as revenue or expenses in the financial statements at the exchange amounts.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

21. Budget information

The disclosed budget information was approved by the Chief and Council as follows:

Grandmother's Bay Reserve - June 2013

La Ronge Reserve - March 2013

Little Red Reserve - April 2013

Stanley Mission Reserve - May 2013

The disclosed budget information is required to be presented on the same basis as the actual results, therefore \$250,777 of budgeted loan repayments and \$448,000 of budget capital purchases have been removed from the budgeted expenses as presented on the Statement of Operations.

The Nation has not budgeted for its CMHC housing program, other small programs including home ownership and daycare, its proprietorships, and its government partnerships.

22. Commitments

The Nation has committed to the installation of natural gas to the La Ronge Reserve. The expected total costs for the project is \$4,162,621. AANDC has agreed to provide 43.5% of the funding, or \$1,931,300. The remaining funding will be financed from a loan from Canadian Imperial Bank of Commerce ("CIBC"). As of March 31, 2014, \$1,430,000 (2013 - \$1,370,000) has been drawn on the loan from CIBC, which is authorized to \$2,156,884. As of March 31, 2014, \$3,330,662 has been committed for the installation and \$1,931,300 has been received from AANDC. The project is expected to be completed in the fiscal year ending March 31, 2015.

The Nation has committed to the completion of a water treatment plant upgrade. The expected total costs for the project is \$4,493,299. Aboriginal Affairs and Northern Development Canada ("AANDC") has agreed to fully fund the project. As of March 31, 2014 nothing has been spent on the project.

During March of 2013, the Lac La Ronge Indian Band signed a Project Operating Agreement, Direct Lending Commitment and Loan Agreement with CMHC, known as Phase 22. Phase 22 is for the purpose of building 19 new housing units. The expected maximum construction costs and loan proceeds are \$2,014,000. Costs incurred by March 31, 2014 in the Housing Department of the La Ronge Reserve were \$1,669,461 and there were no loan proceeds advanced as at March 31, 2014.

23. Compliance with authorities

The Nation is required to make its financial statements publically available and submit its consolidated financial statements to Aboriginal Affairs and Northern Development Canada by July 29, 2014. As the audit report is dated after July 29, 2014, the Nation is in breach of this requirement. The possible effect of this breach has not yet been determined.

These financial statements are subject to review by the Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

24. Retail sales

	2014	2013
Gross sales		
Amachewespimawin Gas Bar	3,881,139	3,742,396
Hall Lake Gas Bar	1,689,668	1,633,482
Little Red Sand and Gravel Ltd.	30,002	53,895
Keethanow Bingo North Inc.	2,731,500	2,764,436
Keethanow Corner Grocery	808,398	746,625
Keethanow Gas Bar	5,417,123	5,074,228
Keethanow Lumber and Furniture	3,199,685	3,405,529
Keethanow Supermarket	3,334,470	2,867,475
Sucker River Gas Bar	788,274	529,947
	21,880,259	20,818,013
Cost of sales		
Amachewespimawin Gas Bar	(2,575,699)	(2,609,494)
Hall Lake Gas Bar	(1,193,161)	(1,186,911)
Keethanow Bingo North Inc.	(1,651,403)	(1,629,700)
Keethanow Corner Grocery	(594,239)	(528,606)
Keethanow Gas Bar	(4,067,172)	(3,704,915)
Keethanow Lumber and Furniture	(2,429,498)	(2,625,144)
Keethanow Supermarket	(2,509,887)	(2,237,104)
Sucker River Gas Bar	(528,751)	(400,425)
	(15,549,810)	(14,922,299)
	6,330,449	5,895,714

Lac La Ronge Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Buildings</i>	<i>Housing</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Purchased land</i>	<i>2014</i>	<i>2013</i>
Cost							
Balance, beginning of year	90,541,766	81,733,059	16,096,174	84,437,981	61,368	272,870,348	266,158,108
Acquisition of tangible capital assets	699,083	3,951,824	1,304,138	772,914	-	6,727,959	7,673,729
Disposal of tangible capital assets	(77,578)	(200,986)	(248,792)	-	-	(527,356)	(961,489)
Balance, end of year	91,163,271	85,483,897	17,151,520	85,210,895	61,368	279,070,951	272,870,348
Accumulated amortization							
Balance, beginning of year	56,670,800	44,911,699	11,948,386	44,397,024	-	157,927,909	147,635,530
Annual amortization	3,691,658	2,803,493	1,083,444	3,295,900	-	10,874,495	11,081,347
Accumulated amortization on disposals	(58,199)	(166,562)	(195,929)	-	-	(420,690)	(788,968)
Balance, end of year	60,304,259	47,548,630	12,835,901	47,692,924	-	168,381,714	157,927,909
Net book value of tangible capital assets	30,859,012	37,935,267	4,315,619	37,517,971	61,368	110,689,237	114,942,439
2013 Net book value of tangible capital assets	33,870,966	36,821,360	4,147,788	40,040,957	61,368	114,942,439	

Lac La Ronge Indian Band
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2014

	2014 Budget (Note 21)	2014	2013
Consolidated expenses by object			
Salaries and benefits	32,297,631	36,418,307	35,454,723
Social assistance	11,294,128	12,491,502	11,824,907
Amortization	173,508	10,874,495	11,081,347
Repairs and maintenance	2,030,521	3,121,363	2,483,710
Tuition	3,122,500	3,054,201	3,177,612
Supplies	2,117,578	3,031,340	3,160,425
Utilities	2,377,150	2,650,700	2,533,590
Program expense	1,019,884	2,637,890	2,537,207
Student expenses	2,061,758	2,368,922	2,607,539
Travel, meetings and honoraria	1,750,191	2,098,023	1,720,549
Renovation materials	741,975	1,419,837	1,297,456
Band support	113,000	1,395,565	2,341,191
Transportation	1,166,583	1,314,325	1,241,455
Miscellaneous	932,850	1,306,595	1,035,696
Office supplies and expenses	480,800	827,181	793,988
Professional fees	391,113	762,855	826,430
Contracted services	394,552	709,151	947,281
Community donations	73,000	597,133	665,874
Insurance	497,057	586,498	588,864
Interest on long-term debt	120,755	461,166	593,147
Professional development	474,283	449,554	634,373
Bad debt (recovery)	1,500	435,804	60,179
Telephone	329,874	415,892	404,550
Rent	205,460	311,280	346,755
Consulting	58,300	214,534	231,086
Bank charges and interest	19,000	178,836	128,127
Community events	113,000	174,361	286,722
Administration	73,672	152,828	182,141
Inter-department sales / allocation	(694,800)	(342,757)	(466,879)
	63,736,823	90,117,381	88,720,045

Lac La Ronge Indian Band
Band Governance
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	7,339,188	8,631,428	7,500,992
Additional government funding	-	240,213	301,607
Earnings (loss) from investment in Nation partnerships	104,000	-	-
First Nations Trust (SIGA gaming allocation)	484,000	3,441,605	3,855,991
Fundraising revenue	-	766,813	902,222
Rental income	352,000	(13,786)	19,193
Prince Albert Grand Council	158,000	712,081	812,922
Fuel and tobacco rebates (external sources)	30,000	359,559	361,238
Province of Saskatchewan	-	265,963	381,587
Grants and donations	15,000	826,702	639,083
Lease income	-	306,546	304,969
Miscellaneous	400,699	1,217,103	1,493,725
	8,882,887	16,754,227	16,573,529

Continued on next page

Lac La Ronge Indian Band
Band Governance
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
<i>(Continued from previous page)</i>	8,882,887	16,754,227	16,573,529
Expenses			
Salaries and benefits	4,848,446	6,130,474	6,424,288
Band support	928,000	2,671,808	2,316,191
Program expense	231,000	1,534,877	1,221,110
Social assistance	178,345	1,154,066	774,635
Travel, meetings and honoraria	773,100	1,034,378	724,388
Miscellaneous	429,500	862,990	471,417
Repairs and maintenance	47,000	490,108	476,072
Renovation materials	-	409,674	282,075
Professional fees	256,000	378,418	554,032
Supplies	64,470	362,626	455,616
Amortization	-	358,334	362,387
Office supplies and expenses	263,400	312,536	307,732
Professional development	86,280	167,040	214,170
Telephone	107,900	150,760	133,866
Community events	113,000	137,731	286,722
Bank charges and interest	14,000	108,382	63,625
Administration	-	91,864	64,513
Insurance	171,400	80,608	137,428
Rent	30,000	71,357	51,735
Community donations	73,000	60,834	146,149
Utilities	46,100	60,540	190,153
Transportation	17,000	33,499	28,145
Bad debt (recovery)	-	32,857	57,258
Interest on long-term debt	110,655	32,203	34,066
Contracted services	2,500	22,694	2,415
Student expenses	11,000	6,026	33,288
	8,802,096	16,756,684	15,813,476
Surplus (deficit) before other items	80,791	(2,457)	760,053
Other income (expense)			
Gain (loss) on disposal of capital assets	-	(55,242)	39,400
Surplus (deficit) before transfers	80,791	(57,699)	799,453
Transfers between programs			
Transfer between programs	-	(100,000)	(165,000)
Transfer investment drawings	-	1,867,981	1,786,983
Surplus	80,791	1,710,282	2,421,436

Lac La Ronge Indian Band
Education

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	15,851,509	15,936,922	15,844,301
Prince Albert Grand Council	2,254,502	2,886,864	2,815,110
Northern Lights School Division	886,321	869,874	948,532
Grants and donations	328,226	732,359	952,405
Saskatchewan Indian Institute of Technologies	-	429,329	517,638
Province of Saskatchewan	-	60,000	225,000
Rental income	16,800	21,450	16,675
Miscellaneous	418,000	584,927	612,717
First Nations Trust (SIGA gaming allocation)	16,000	12,800	-
	19,771,358	21,534,525	21,932,378
Expenses			
Salaries and benefits	12,602,478	13,338,604	12,957,491
Tuition	3,122,500	3,054,201	3,177,612
Student expenses	2,050,758	2,362,896	2,574,251
Amortization	-	1,948,976	2,025,455
Supplies	740,791	895,806	1,110,486
Transportation	350,376	339,009	288,453
Program expense	137,780	327,971	501,715
Travel, meetings and honoraria	261,370	291,555	294,729
Repairs and maintenance	90,901	159,675	150,863
Rent	102,000	85,892	156,591
Professional development	145,428	81,584	208,811
Telephone	75,400	81,020	76,804
Miscellaneous	31,800	42,667	171,027
Utilities	38,000	32,841	39,700
Office supplies and expenses	27,900	30,201	24,040
Consulting	22,500	28,038	27,407
Insurance	28,400	22,553	31,832
Community donations	-	16,743	-
Administration	-	11,222	3,077
Bank charges and interest	1,000	6,678	7,737
Professional fees	-	5,195	5,871
Contracted services	-	3,324	7,553
Bad debt (recovery)	-	277	(5,051)
Band support	(45,000)	(440,800)	-
	19,784,382	22,726,128	23,836,454
Surplus (deficit)	(13,024)	(1,191,603)	(1,904,076)

Lac La Ronge Indian Band
Infrastructure & Facilities
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	9,790,483	10,839,149	11,059,571
Canada Mortgage and Housing Corporation	280,258	1,703,911	1,746,474
Rental income	285,000	1,860,588	1,770,209
Grants and donations	-	684,331	1,219,225
Miscellaneous	115,660	480,582	561,176
	10,471,401	15,568,561	16,356,655
Expenses			
Amortization	-	7,560,374	7,646,489
Salaries and benefits	5,071,463	4,722,343	4,563,119
Repairs and maintenance	1,786,120	2,039,923	1,537,281
Utilities	1,566,900	1,680,281	1,469,577
Renovation materials	741,975	1,010,163	1,015,381
Supplies	503,380	812,145	644,495
Contracted services	392,052	650,400	813,007
Transportation	474,000	640,094	595,022
Interest on long-term debt	10,100	424,818	549,148
Insurance	225,590	308,599	285,947
Bad debt (recovery)	1,500	260,278	15,860
Miscellaneous	401,500	251,352	266,908
Travel, meetings and honoraria	253,000	243,112	157,823
Office supplies and expenses	146,000	113,112	88,958
Telephone	48,940	47,608	63,879
Professional development	48,000	45,307	25,492
Rent	4,000	41,612	43,782
Professional fees	7,500	38,859	24,570
Program expense	39,500	16,499	45,046
Administration	-	3,681	-
Bank charges and interest	4,000	2,150	4,573
Community donations	-	-	8,610
Inter-department sales / allocation	(694,800)	(342,756)	(466,873)
Band support	(770,000)	(860,442)	-
	10,260,720	19,709,512	19,398,094
Deficit before other items	210,681	(4,140,951)	(3,041,439)
Other income (expense)			
Gain (loss) on disposal of capital assets	-	(31,422)	(72,778)
Deficit before transfers	210,681	(4,172,373)	(3,114,217)
Transfers between programs			
Transfer between programs	-	100,000	165,000
Transfer investment drawings	-	132,019	213,017
Deficit	210,681	(3,940,354)	(2,736,200)

Lac La Ronge Indian Band
Health

Schedule 6 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	400,000	325,000	325,000
Health Canada	10,723,551	11,967,951	11,508,538
Rental income	1,108,084	1,022,335	1,100,932
Prince Albert Grand Council	53,350	77,294	73,969
Miscellaneous	294,750	407,628	532,783
Province of Saskatchewan	-	26,107	-
Grants and donations	-	157,416	-
	12,579,735	13,983,731	13,541,222
Expenses			
Salaries and benefits	9,775,244	9,342,098	8,714,848
Amortization	173,508	763,906	794,202
Supplies	808,937	759,672	673,815
Program expense	611,604	758,543	769,335
Travel, meetings and honoraria	462,721	464,649	400,911
Transportation	325,207	301,724	319,799
Repairs and maintenance	106,500	275,760	142,382
Consulting	35,800	162,984	27,501
Utilities	166,150	156,420	150,882
Professional development	194,575	146,580	164,100
Office supplies and expenses	43,500	126,642	168,167
Professional fees	127,613	121,234	108,935
Telephone	97,634	105,307	97,929
Insurance	71,667	80,554	61,575
Rent	69,460	55,181	62,770
Administration	73,672	46,061	114,550
Miscellaneous	8,550	9,952	2,676
Contracted services	-	-	27,019
Bad debt (recovery)	-	(45,402)	39,815
	13,152,342	13,631,865	12,841,211
Surplus before other items	(572,607)	351,866	700,011
Other income (expense)			
Gain (loss) on disposal of capital assets	-	333	(243)
Surplus	(572,607)	352,199	699,768

Lac La Ronge Indian Band
Social Assistance
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	11,688,912	11,687,625	11,725,255
Miscellaneous	-	2,200	2,000
	11,688,912	11,689,825	11,727,255
Expenses			
Social assistance	11,115,783	11,337,436	11,050,273
Utilities	560,000	617,821	561,971
Miscellaneous	61,500	115,153	65,986
Community events	-	36,630	-
Consulting	-	15,881	-
	11,737,283	12,122,921	11,678,230
Surplus (deficit)	(48,371)	(433,096)	49,025

Lac La Ronge Indian Band
Retail Operations
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Retail sales, net	-	6,330,449	5,895,714
Other retail revenue	-	285,583	262,693
	-	6,616,032	6,158,407
Expenses			
Salaries and benefits	-	2,884,789	2,794,976
Community donations	-	519,555	511,114
Office supplies and expenses	-	244,689	205,092
Amortization	-	242,905	252,813
Professional fees	-	219,149	133,023
Supplies	-	201,092	276,014
Bad debt (recovery)	-	187,793	(47,704)
Repairs and maintenance	-	155,896	177,112
Utilities	-	102,797	121,309
Insurance	-	94,184	72,081
Travel, meetings and honoraria	-	64,329	142,698
Bank charges and interest	-	61,626	52,191
Rent	-	57,238	31,877
Contracted services	-	32,734	97,287
Telephone	-	31,197	32,070
Band support	-	25,000	25,000
Miscellaneous	-	24,481	57,681
Professional development	-	9,043	21,801
Consulting	-	7,631	176,178
Interest on long-term debt	-	4,144	9,932
Transportation	-	-	10,036
	-	5,170,272	5,152,581
Surplus before other items	-	1,445,760	1,005,826
Other items			
Loss on disposal of capital assets	-	-	(716)
Loss on writedown of tangible capital assets	-	-	(41,022)
Surplus	-	1,445,760	964,088

Lac La Ronge Indian Band
Investments
Schedule 9 - Consolidated Schedule of Revenues
For the year ended March 31, 2014

	<i>2014</i>	<i>2014</i>	<i>2013</i>
	<i>Budget</i>		
Revenue			
Earnings (loss) from investment in Nation partnerships	-	11,072,876	14,941,015
Earnings (loss) from investment in Nation business entities	-	5,292	18,640
Surplus before transfers	-	11,078,168	14,959,655
Transfers between programs			
Transfer investment drawings	-	(2,000,000)	(2,000,000)
Surplus	-	9,078,168	12,959,655