

Piapot First Nation
Consolidated Financial Statements
March 31, 2014

Management's Responsibility

Independent Auditors' Report

Consolidated Financial Statements

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Management's Responsibility

To the Members of Piapot First Nation:

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 consolidated financial statements.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for appointing the First Nation's external auditors.

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

July 23, 2014

signed - Lynette Isnana Management

To the Members of Piapot First Nation:

We have audited the accompanying consolidated financial statements of Piapot First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows, and the related 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 consolidated 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 in our audit 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 Piapot First Nation as at March 31, 2014 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan

July 23, 2014

MNP LLP
Chartered Accountants

Piapot First Nation
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial assets		
Current		
Cash resources	224,823	637,884
Accounts receivable (Note 3)	131,789	201,773
Restricted cash	776,723	187,878
Due from related parties (Note 4)	289,285	283,342
	1,422,620	1,310,877
Portfolio investment (Note 5)	60,000	60,000
Investments in commercial enterprises (Note 6)	(222,995)	86,506
Funds held in trust (Note 7)	187,227	53,539
Total financial assets	1,446,852	1,510,922
Liabilities		
Current		
Accounts payable and accruals	385,099	313,165
Deferred revenue (Note 8)	586,678	61,446
Current portion of long-term debt (Note 9)	480,329	317,893
	1,452,106	692,504
Long-term debt (Note 9)	1,887,894	1,943,086
Total financial liabilities	3,340,000	2,635,590
Net debt	(1,893,148)	(1,124,668)
Non-financial assets		
Tangible capital assets (Note 10)	38,500,261	37,825,990
Prepaid expenses	63,894	67,919
Total non-financial assets	38,564,155	37,893,909
Accumulated surplus (Note 11)	36,671,007	36,769,241

Approved on behalf of the chief and council

signed - Ira Lavallee Chief

signed - Delbert Toto Councillor

Piapot First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada (Note 15)	5,481,702	5,833,208	6,196,758
Earnings from investment in commercial enterprises (Note 6)	1,400,000	2,120,672	2,154,118
First Nations Trust	803,124	833,912	830,030
Health Canada	568,565	616,068	593,322
FHQ Tribal Council	460,673	461,681	364,628
Rental	222,280	249,431	220,990
Other	136,315	184,556	285,583
Rent - CMHC	81,000	137,218	136,068
Subsidy - CMHC	79,051	80,408	88,831
Insurance proceeds	-	31,845	107,412
Daycare fees	-	13,337	7,727
Interest	274	3,932	2,760
CMHC (RRAP)	-	-	704
Federation of Saskatchewan Indian Nations	-	-	43,000
Repayment of funding	-	(5,392)	(2,869)
	9,232,984	10,560,876	11,029,062
Program expenses			
Community Development	1,224,915	1,939,413	1,725,134
Economic Development	82,381	87,807	38,163
Education	2,356,058	2,375,193	2,472,948
Government Support	582,707	725,365	603,535
Land Management	127,399	118,884	112,882
Social Development	1,657,968	1,643,785	1,637,806
Indian Registry	16,989	16,989	16,130
Health	629,906	700,225	685,655
Band Programs	2,129,897	3,051,449	3,080,879
Total expenses	8,808,220	10,659,110	10,373,132
Annual surplus (deficit)	424,764	(98,234)	655,930
Accumulated surplus, beginning of year	36,769,241	36,769,241	36,113,311
Accumulated surplus, end of year	37,194,005	36,671,007	36,769,241

Piapot First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Annual surplus (deficit)	424,764	(98,234)	655,930
Purchases of tangible capital assets	(1,421,330)	(1,301,840)	(226,117)
Amortization of tangible capital assets	-	627,569	664,520
Use (acquisition) of prepaid expenses	-	4,025	(51,594)
	(1,421,330)	(670,246)	386,809
Decrease (increase) in net debt	(996,566)	(768,480)	1,042,739
Net debt, beginning of year	(1,124,668)	(1,124,668)	(2,167,407)
Net debt, end of year	(2,121,234)	(1,893,148)	(1,124,668)

The accompanying notes are an integral part of these consolidated financial statements

Piapot First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	(98,234)	655,930
Non-cash items		
Amortization	627,569	664,520
Earnings from investment in commercial enterprises	(2,120,672)	(2,154,118)
	(1,591,337)	(833,668)
Changes in		
Accounts receivable	69,984	(54,567)
Prepaid expenses	4,025	(51,594)
Accounts payable and accruals	71,934	(217,988)
Deferred revenue	525,232	(161,854)
	(920,162)	(1,319,671)
Financing activities		
Advances of long-term debt	522,155	36,847
Repayment of long-term debt	(414,911)	(299,062)
	107,244	(262,215)
Capital activities		
Purchases of tangible capital assets	(1,301,840)	(226,117)
Investing activities		
Increase in restricted cash (net)	(588,845)	(51,234)
Distribution from investments in commercial enterprises	2,430,173	1,993,616
Increase in funds held in trust (net)	(133,688)	(16,498)
Increase in due from related parties (net)	(5,943)	(16,125)
	1,701,697	1,909,759
Increase (decrease) in cash resources	(413,061)	101,756
Cash resources, beginning of year	637,884	536,128
Cash resources, end of year	224,823	637,884

The accompanying notes are an integral part of these consolidated financial statements

Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

1. Operations

The Piapot First Nation (the "First Nation") is located in the Province of Saskatchewan, and provides various services to its Members. The Piapot First Nation financial reporting entity includes all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated 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 First Nation reporting entity.

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

- Piapot First Nation;
- Piapot First Nation Health Services;
- Piapot First Nation CMHC Housing;
- Kehiew Holdings Inc.;
- Piapot Treaty Land Entitlement Trust;
- Piapot First Nation Business Trust; and
- Piapot Specific Claim Trust.

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

Piapot First Nation Business Trust is an other government organization and is fully consolidated by the First Nation. The Trust owns Cree Land Mini-Mart Limited Partnership and consolidates the Partnership using the modified equity method. Income and expenses of the Trust are allocated to the First Nation for its fiscal year of January to December 31.

Piapot First Nation business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated 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 its proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Piapot Urban Development Corporation (Oskapewis Holdings Inc.) is accounted for using the modified equity method.

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash resources includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Restricted cash

Restricted cash consists of funds held in the CMHC replacement reserve bank account, the CMHC operating reserve bank account and the school boiler replacement bank account.

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

Asset classification

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

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as a measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

Tangible capital assets disclosed at a nominal amount include the original reserve land. Land purchased is recorded at the purchase price.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Tangible capital assets are amortized using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until they are put into use. Land is not amortized.

	Rate
Buildings	40 years
Infrastructure	40 years
Housing (Band and CMHC)	25 years
Equipment	10 years
Vehicles	5 years

Long-term debt

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt.

Repayments of long-term financing are recognized as a decrease in long-term debt.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

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

Funds held in trust

These funds are held in trust on behalf of the First Nation by the Government of Canada. Trust moneys consist of:

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

Revenues from trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Revenue recognition

Revenue 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 consolidated statement of financial position in the year of receipt.

Rental revenue is recognized over the rental term. Other revenues earned from other services provided by the First Nation are recognized when the service has been provided.

The First 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 First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Use of estimates

The preparation of consolidated financial statements 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Segments

The First Nation conducts its business through 10 reportable segments (Note 14). These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses 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.

Related entities financial statements

Separate financial statements are prepared for the following related entities:

- Piapot First Nation CMHC Housing;
- Kehiew Holdings Inc; and
- Creeland Mini-Mart Limited Partnership.

Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

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

Other economic interests

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been reported in these consolidated financial statements.

Recent accounting pronouncements

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, 2016. 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. Accounts receivable

	2014	2013
Aboriginal Affairs and Northern Development Canada	48,409	38,978
Other	43,736	47,638
BATC	24,405	-
CMHC subsidies	5,881	7,403
FHQ Tribal Council	5,058	60,992
FSIN	4,300	4,300
Insurance proceeds	-	42,462
	<u>131,789</u>	<u>201,773</u>

4. Due from (to) related parties

	2014	2013
Cree Land Mini-Mart Limited Partnership	324,285	318,342
Piapot Urban Development Corporation (Oskapewis Holdings Inc.)	(35,000)	(35,000)
	<u>289,285</u>	<u>283,342</u>

The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. Piapot First Nation owns 100% of Cree Land Mini Mart Limited Partnership through the Piapot First Nation Business Trust. Piapot First Nation owns 100% of Piapot Urban Development Corporation (Oskapewis Holdings Inc.).

5. Portfolio investment

The First Nation has an 8.3% interest in Kessechiwan Holdings Inc. (Swift Current Casino Development).

Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

6. Investments in commercial enterprises

The First Nation has investments in the following entities:

	2014	2013
Piapot First Nations Business Trust (Cree Land Mini-Mart Limited Partnership)	(258,029)	51,472
Piapot Urban Development Corporation (Oskapewis Holdings Inc.)	35,034	35,034
	(222,995)	86,506

Summary financial information for each business entity, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Piapot First Nation Business Trust (Cree Land Mini-Mart Limited Partnership) As at December 31, 2013</i>	<i>Oskapewis Holdings Inc. As at March 31, 2014</i>
Assets		
Cash	205,221	34
Accounts receivable	164,245	-
Inventory	209,965	-
Investments	1,100	-
Due from related parties	24,670	35,000
Property, plant and equipment	480,376	-
Total assets	1,085,577	35,034
Liabilities		
Bank indebtedness	117,467	-
Accounts payable and accruals	533,405	-
Current portion of long-term debt	30,034	-
Advances from related parties	345,565	-
Long-term debt	317,135	-
Total liabilities	1,343,606	-
Equity (deficiency)	(258,029)	35,034
Total revenues	12,519,514	-
Total expenses	10,398,842	-
Net income	2,120,672	-

Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

7. Funds held in trust

	<i>Balance Beginning of Year</i>	<i>Lease income</i>	<i>Interest income</i>	<i>Payments to Nation</i>	<i>Balance End of Year</i>
Capital account	3,872	-	-	-	3,872
Revenue account	49,667	204,131	3,513	(73,956)	183,355
	53,539	204,131	3,513	(73,956)	187,227

8. Deferred revenue

		<i>2014</i>	<i>2013</i>
Economic Development	FHQ Tribal Council	-	53,368
Water Treatment Plant	AANDC	-	8,078
School Boiler Replacement	AANDC	586,678	-
		586,678	61,446

Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

9. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with payment of principal and interest on the following loans:

<u>Phase</u>	<u>Monthly Payment Including Interest</u>	<u>Interest Rate</u>	<u>Renewal Date</u>	<u>2014</u>	<u>2013</u>
V	3,455	4.54%	1-Oct-18	171,428	202,793
VI	714	4.29%	1-Oct-14	4,926	13,093
VII	1,606	5.39%	1-Feb-15	17,312	35,230
VIII	4,287	5.14%	1-Dec-18	209,349	247,252
IX	716	5.59%	1-Dec-14	42,423	48,525
X	528	2.40%	1-Oct-15	33,995	39,446
				479,433	586,339
Peace Hills Trust term loan repayable in quarterly payments of \$55,000 and monthly payments of \$5,000 including interest at 4.5%, maturing December 2015, secured by a general security agreement, land lease revenue, and First Nation Trust monies				1,350,250	1,540,222
Peace Hills Trust term loan repayable in quarterly payments of \$28,767 including interest at 5.75%, maturing September 2016, secured by a general security agreement and land lease revenues				258,622	-
John Deere Credit Inc. commercial lease agreement repayable in monthly payments of \$3,093 including interest at 11.7%, maturing April 2016, secured by John Deere grader				156,253	-
John Deere Credit Inc. commercial lease agreement repayable in monthly payments of \$3,767 including interest at 8.25%, maturing March 2018, secured by a Loader and Skid Steer Loader				70,682	97,777
Peace Hills Trust term loan repayable in quarterly payments of \$2,265 including interest at 5.00%, maturing July 2017, secured by a general security agreement and land lease revenues				27,514	36,641
Canada Mortgage and Housing Corporation loan advances				25,469	-
				2,368,223	2,260,979
Less: current portion				480,329	317,893
				1,887,894	1,943,086

Principal repayments on long-term debt in each of the next five years, assuming loans are renewed at similar rates and terms, are estimated as follows:

2015	480,329
2016	503,932
2017	435,368
2018	404,639
2019	389,540

10. Tangible capital assets

For the year ended March 31, 2014

	Cost			Accumulated Amortization				
	Opening balance	Additions	Disposals	Ending balance	Opening balance	Current amortization on disposals	Ending balance	Net book value
Buildings	10,400,144	-	-	10,400,144	2,648,582	244,384	2,892,966	7,507,178
Infrastructure	6,525,063	16,860	-	6,541,923	1,112,841	156,773	1,269,614	5,272,309
Band Housing	2,684,187	31,245	-	2,715,432	2,392,933	51,431	2,444,364	271,068
CMHC Housing	2,439,852	-	-	2,439,852	1,937,664	114,113	2,051,777	388,075
Equipment	335,902	184,685	-	520,587	83,111	52,058	135,169	385,418
Vehicles	25,000	19,048	-	44,048	5,000	8,810	13,810	30,238
Assets under construction	-	1,050,002	-	1,050,002	-	-	-	1,050,002
Land	23,595,973	-	-	23,595,973	-	-	-	23,595,973
	46,006,121	1,301,840	-	47,307,961	8,180,131	627,569	8,807,700	38,500,261

For the year ended March 31, 2013

	Cost			Accumulated Amortization					
	Opening balance	Additions	Disposals	Ending balance	Opening balance	Current amortization	Amortization on disposals	Ending balance	Net book value
Buildings	10,392,144	8,000	-	10,400,144	2,373,358	275,224	-	2,648,582	7,751,562
Infrastructure	6,476,322	48,741	-	6,525,063	956,088	156,773	-	1,112,841	5,412,222
Band Housing	2,575,503	108,684	-	2,684,187	2,313,112	79,821	-	2,392,933	291,254
CMHC Housing	2,439,852	-	-	2,439,852	1,823,552	114,112	-	1,937,664	502,188
Equipment	300,210	35,692	-	335,902	49,521	33,590	-	83,111	252,791
Vehicles	-	25,000	-	25,000	-	5,000	-	5,000	20,000
Land	23,595,973	-	-	23,595,973	-	-	-	-	23,595,973
	45,780,004	226,117	-	46,006,121	7,515,611	684,520	-	8,180,131	37,825,990

Land includes the original reserve land carried at a nominal amount of \$1.

Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

11. **Accumulated surplus**

Accumulated surplus (deficit) consists of the following:

	Operating Fund	Capital Asset Fund	CMHC Operating Reserve	CMHC Replacement Reserve	Ottawa Trust Funds	Total
Surplus, beginning of year	843,867	35,565,751	286,769	19,315	53,539	36,769,241
Annual surplus (deficit)	(986,097)	596,287	(114,035)	1,923	133,688	(98,234)
Surplus, end of year	157,770	36,132,038	172,734	21,238	187,227	36,671,007

Accumulated surplus (deficit) by segment consists of the following:

Community Development	110,028	29,735,586	-	-	-	29,845,614
Economic Development	82,347	-	-	-	-	82,347
Education	359,953	-	-	-	-	359,953
Government Support	(936,887)	-	-	-	-	(936,887)
Land Management	51,839	-	-	-	-	51,839
Social Development	(48,716)	-	-	-	-	(48,716)
Indian Registry	(6,094)	-	-	-	-	(6,094)
Health	104,627	1,872,450	-	-	-	1,977,077
Band Programs	440,683	4,524,002	172,734	21,238	-	5,158,657
Ottawa Trust Funds	-	-	-	-	187,227	187,227
	157,770	36,132,038	172,734	21,238	187,227	36,671,007

12. Funds and reserves

The Piapot First Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration;
- Capital Asset Fund reports on the capital assets and projects of the First Nation;
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program;
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses; and
- Ottawa Trust Funds reports trust moneys owned by the First Nation and held by the Government of Canada.

13. Economic dependence

Piapot First Nation receives some of its revenue from the Government of Canada as a result of Treaties entered into with Her Majesty the Queen. However, these Treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

14. Segments

The First Nation has 10 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Community Development - reports on capital projects and major repairs to community infrastructure;

Economic Development - reports on the economic development of the First Nation;

Education - reports on the operations of the First Nation's education programs;

Government Support - reports administration and governance activities;

Land Management - reports on operations for administration of lands;

Social Development - reports on delivery of social programs;

Indian Registry - reports on administration of membership;

Health - reports on operations of the First Nation's health programs;

Band Programs - reports on operations of band programs not funded by AANDC and Health Canada; and

Ottawa Trust Funds - reports on revenue allocated to the fund and transfers to other segments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

15. Aboriginal Affairs and Northern Development Canada Reconciliation

AANDC funding per confirmation	6,438,788
Add:	
Deferred revenue, beginning of year	8,078
Deduct:	
2013/14 Funding recovered	(26,980)
Deferred revenue, end of year	(586,678)
	5,833,208

16. Budget information

The disclosed budget information has been approved by the Chief and Council of the Piapot First Nation. The budget approved by Chief and Council included purchases of tangible capital assets as expenses. Canadian Public Sector accounting standards do not consider these items to be expenses. To ensure the budgeted information is in accordance with Canadian Public Sector accounting standards, these items have been presented on the Statement of Changes in Net Debt instead of on the Statement of Operations.

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Piapot First Nation
Schedule of Consolidated Expenses by Object
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Salaries and benefits	2,464,492	2,549,198	2,410,482
Social assistance	1,180,265	1,162,717	1,219,527
Contracted services	449,729	905,309	763,362
Travel	371,043	871,639	724,703
Amortization	-	627,569	664,520
Student expenses	516,700	511,937	521,222
Community events	402,252	511,443	442,390
Assistance	275,000	508,658	635,049
Repairs and maintenance	222,515	441,718	351,303
National child benefit	287,432	276,667	259,648
Utilities	221,700	255,629	237,357
Tuition	241,500	226,978	246,866
Governance	2,913	218,086	205,758
Elders fees	102,400	200,368	193,993
Renovations	123,437	164,528	192,254
Professional fees	161,989	155,998	205,332
Interest on long-term debt	-	133,317	156,683
Supplies	165,173	131,357	166,457
Insurance	94,626	101,356	102,618
Workshops	88,412	95,862	100,902
Office	41,446	73,680	46,992
Project management fees	47,900	70,908	46,478
Rent paid on behalf of Members - CMHC housing	-	61,825	54,712
Administration	104,311	53,718	44,052
Training	60,590	49,931	53,108
Transportation	34,500	48,936	49,604
Telephone	51,255	43,121	41,751
Program expense	47,607	34,783	33,859
Property tax	33,957	34,196	34,104
Bad debts	-	32,707	-
Meal preparation	10,500	24,294	23,943
Office equipment lease	106,406	23,402	28,365
Nutrition Program	19,500	20,170	23,273
Bank charges and interest	12,655	19,330	15,476
Economic development	339,164	11,228	-
Office rent	2,400	2,400	2,400
Other	159,851	1,981	8,926
Meeting	-	991	200
Per diems	1,000	875	39,398
Rent	3,600	300	4,244
Consulting	360,000	-	21,821
	8,808,220	10,659,110	10,373,132

Piapot First Nation
Community Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	1,051,894	1,204,197	1,378,384
Rental	48,680	45,300	31,891
FHQ Tribal Council	10,118	10,118	10,119
Other	-	1,700	427
Interest	-	113	163
CMHC (RRAP)	-	-	704
	1,110,692	1,261,428	1,421,688
Expenses			
Amortization	-	450,471	491,233
Contracted services	201,279	410,965	215,504
Utilities	203,000	225,441	211,900
Repairs and maintenance	165,012	211,916	205,497
Salaries and benefits	223,499	204,655	187,616
Renovations	123,437	164,528	192,225
Insurance	70,426	72,650	68,047
Project management fees	47,900	60,908	38,028
Supplies	37,371	39,493	37,958
Administration	22,813	24,418	22,813
Telephone	24,200	23,548	20,809
Interest on long-term debt	-	23,021	11,807
Office	6,000	19,319	7,932
Travel	14,000	4,612	9,958
Training	2,500	2,137	2,035
Office equipment lease	83,478	1,281	1,642
Bank charges and interest	-	50	130
	1,224,915	1,939,413	1,725,134
Deficit before transfers	(114,223)	(677,985)	(303,446)
Transfers between programs	114,223	263,069	180,437
Deficit	-	(414,916)	(123,009)

Piapot First Nation
Economic Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenue			
FHQ Tribal Council	91,531	144,899	38,163
Expenses			
Contracted services	-	58,306	37,246
Professional fees	4,000	20,351	-
Administration	-	9,150	-
Economic	78,381	-	-
Travel	-	-	917
	82,381	87,807	38,163
Surplus before transfers	9,150	57,092	-
Transfers between programs	-	1,942	-
Surplus	9,150	59,034	-

Piapot First Nation
Education

Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	2,155,436	2,261,090	2,281,604
FHQ Tribal Council	-	22,464	18,712
Other	-	-	12,570
	2,155,436	2,283,554	2,312,886
Expenses			
Salaries and benefits	1,254,856	1,320,468	1,311,735
Student expenses	516,700	511,937	521,222
Tuition	241,500	226,978	246,866
Contracted services	171,363	177,704	202,143
Administration	27,950	47,142	27,950
Supplies	38,100	22,097	56,950
Program expense	33,000	18,178	26,917
Travel	25,404	16,301	27,543
Office equipment lease	13,000	15,447	17,953
Office	12,185	8,230	10,417
Training	13,000	4,909	12,895
Insurance	2,000	2,178	1,908
Bank charges and interest	1,000	1,537	1,514
Telephone	2,000	1,212	2,941
Honourarium	1,000	875	-
Professional fees	3,000	-	3,994
	2,356,058	2,375,193	2,472,948
Deficit before transfers	(200,622)	(91,639)	(160,062)
Transfers between programs	158,623	64,240	141,517
Deficit	(41,999)	(27,399)	(18,545)

Piapot First Nation
Government Support
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	525,616	528,085	547,925
Other	-	64,790	98,862
Interest	-	189	567
FHQ Tribal Council	57,091	-	-
	582,707	593,064	647,354
Expenses			
Salaries and benefits	437,407	466,876	428,281
Rent paid on behalf of Members - CMHC housing	-	61,825	54,712
Professional fees	35,000	60,816	63,477
Contracted services	24,600	44,764	48,330
Travel	35,000	31,026	36,527
Office	13,000	26,539	19,357
Project management fees	-	10,000	-
Training	10,200	8,556	10,152
Bank charges and interest	8,500	7,138	10,357
Telephone	10,000	5,930	5,761
Office equipment lease	4,000	1,048	1,551
Repairs and maintenance	2,000	847	4,716
Community events	3,000	-	2,984
Insurance	-	-	3,292
Per diems	-	-	1,098
Administration	-	-	(87,060)
	582,707	725,365	603,535
Surplus (deficit) before transfers	-	(132,301)	43,819
Transfers between programs	-	126,040	-
Surplus (deficit)	-	(6,261)	43,819

Piapot First Nation
Land Management
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	83,799	84,929	81,832
Rental	43,600	-	-
	127,399	84,929	81,832
Expenses			
Salaries and benefits	50,875	51,197	35,487
Property tax	33,957	34,196	34,104
Administration	8,379	8,379	8,379
Travel	7,200	8,228	11,614
Office	-	5,572	1,040
Professional fees	10,000	4,554	9,868
Office rent	2,400	2,400	2,400
Supplies	3,150	2,143	-
Repairs and maintenance	2,500	1,401	850
Training	7,438	814	600
Contracted services	1,500	-	8,540
	127,399	118,884	112,882
Deficit before transfers	-	(33,955)	(31,050)
Transfers between programs	-	-	37,754
Surplus (deficit)	-	(33,955)	6,704

Piapot First Nation
Social Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	1,647,968	1,624,184	1,714,080
Other	-	2,527	-
FHQ Tribal Council	-	500	-
Interest	-	37	-
	1,647,968	1,627,248	1,714,080
Expenses			
Social assistance	1,180,265	1,162,717	1,219,527
National child benefit	287,432	276,667	259,648
Salaries and benefits	111,583	118,719	107,586
Contracted services	47,137	46,727	26,867
Administration	2,500	18,857	15,009
Program expense	8,107	9,775	-
Travel	10,244	3,525	8,870
Bank charges and interest	-	2,524	-
Office	5,000	2,418	149
Supplies	-	1,856	-
Training	5,700	-	-
Per diems	-	-	150
	1,657,968	1,643,785	1,637,806
Surplus (deficit) before transfers	(10,000)	(16,537)	76,274
Transfers between programs	10,000	16,949	329
Surplus (deficit)	-	412	76,603

Piapot First Nation
Indian Registry
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	16,989	16,989	16,130
Expenses			
Salaries and benefits	13,200	12,544	12,324
Office	430	1,989	1,308
Administration	859	1,699	-
Travel	2,500	757	2,498
	16,989	16,989	16,130
Surplus	-	-	-

Piapot First Nation
Health

Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	-	-	15,965
Health Canada	568,565	616,068	593,322
FHQ Tribal Council	23,888	23,888	23,888
Other	-	-	981
Interest	-	79	34
Repayment of funding	-	(5,392)	(2,869)
	592,453	634,643	631,321
Expenses			
Salaries and benefits	218,932	231,833	209,242
Workshops	88,412	95,862	100,902
Supplies	84,588	65,710	56,782
Professional fees	91,513	61,751	75,663
Amortization	-	50,607	50,607
Transportation	34,500	48,936	42,214
Training	17,047	32,046	27,426
Meal preparation	10,500	24,294	23,943
Nutrition Program	19,500	20,170	23,273
Travel	18,409	19,427	16,595
Insurance	6,000	10,760	5,695
Telephone	13,450	10,620	11,199
Utilities	10,000	8,814	10,301
Repairs and maintenance	-	6,756	9,518
Office equipment lease	4,500	4,413	4,219
Office	900	3,950	4,200
Bank charges and interest	3,155	2,069	2,445
Meeting	-	991	200
Elders fees	4,900	916	4,006
Rent	3,600	300	2,825
Program expense	-	-	4,400
	629,906	700,225	685,655
Deficit before transfers	(37,453)	(65,582)	(54,334)
Transfers between programs	-	9,775	-
Deficit	(37,453)	(55,807)	(54,334)

Piapot First Nation
Band Programs

Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	-	113,735	160,838
Earnings from investment in commercial enterprises	1,400,000	2,120,672	2,154,118
First Nation Trust	803,124	833,912	830,030
FHQ Tribal Council	278,045	259,812	273,747
Rent - CMHC	81,000	137,218	136,068
Other	136,315	115,539	172,743
Subsidy - CMHC	79,051	80,408	88,831
Insurance proceeds	-	31,845	107,412
Daycare fees	-	13,337	7,727
FSIN	-	-	43,000
Interest	274	-	42
	2,777,809	3,706,478	3,974,556

Continued on next page

Piapot First Nation
Band Programs
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
<i>(Continued from previous page)</i>	2,777,809	3,706,478	3,974,556
Expenses			
Travel	258,286	787,765	610,181
Community events	399,252	511,443	439,406
Assistance	275,000	508,658	635,049
Repairs and maintenance	53,003	220,798	130,721
Governance	2,913	218,086	205,758
Contracted services	3,850	166,844	224,733
Elders fees	97,500	199,453	189,987
Salaries and benefits	154,140	142,904	118,210
Amortization	-	126,492	122,681
Interest on long-term debt	-	110,296	144,876
Bad debts	-	32,707	-
Utilities	8,700	21,374	15,157
Insurance	16,200	15,768	23,677
Economic	260,783	11,228	-
Professional fees	18,476	8,527	52,329
Program expense	6,500	6,831	2,542
Bank charges and interest	-	6,012	1,029
Office	3,931	5,663	2,590
Other	159,851	1,981	8,926
Telephone	1,605	1,811	1,040
Training	4,705	1,469	-
Office equipment lease	1,428	1,213	3,000
Supplies	1,964	54	14,766
Consulting	360,000	-	21,821
Renovations	-	-	29
Rent	-	-	1,419
Transportation	-	-	7,390
Per diems	-	-	38,150
Project management fees	-	-	8,450
Administration	41,810	(55,928)	56,962
	2,129,897	3,051,449	3,080,879
Surplus before transfers	647,912	655,029	893,677
Transfers between programs	(173,548)	(409,849)	(185,483)
Surplus	474,364	245,180	708,194

Piapot First Nation
Ottawa Trust Funds
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Rental	130,000	204,131	189,099
Interest	-	3,513	1,953
Surplus before transfers	130,000	207,644	191,052
Transfers between programs	(112,500)	(73,956)	(174,554)
Surplus	17,500	133,688	16,498