

**CANOE LAKE FIRST NATION**

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

for the year ended March 31, 2015

**CANOE LAKE FIRST NATION**  
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## **Management's Responsibility for the Financial Statements**

To the Members of the Canoe Lake First Nation:

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

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, HNG Accounting Group, conduct an audit in accordance with Canadian general auditing standards, and express their opinion on the financial statements. The external auditors have access to financial management of Canoe Lake First Nation and meet when required.

On behalf of Canoe Lake First Nation:

*J. L. L.*

2911A Cleveland Avenue  
Saskatoon, Saskatchewan  
S7K 8A9

INDEPENDENT AUDITOR'S REPORT

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To the Members of the Canoe Lake First Nation:

We have audited the accompanying consolidated financial statements of **Canoe Lake First Nation** which is comprised of the consolidated statement of financial position as of March 31, 2015 and the consolidated statements of operations, changes in net financial assets, surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility of the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Independent Auditor's Responsibility*

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

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material aspects, the financial position of **Canoe Lake First Nation** as at March 31, 2015, and the results of its operation and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Saskatoon, Saskatchewan  
August 28, 2015

*HNG Accounting Group*

Chartered Professional  
Accountants

## CANOE LAKE FIRST NATION

**STATEMENT OF FINANCIAL POSITION**  
as at March 31, 2015

	2015	2014
<b><u>FINANCIAL ASSETS</u></b>		
Restricted deposits	\$ 1,882,020	\$ 1,777,641
Term deposits	-	100,000
Accounts receivable (Note 2)	226,111	174,072
Trust funds (Note 3)	81,748	107,087
Investments (Note 4)	595,462	608,148
Limited partnership interests (Note 5)	<u>4,686,541</u>	<u>4,789,660</u>
	<u>7,471,882</u>	<u>7,556,608</u>
<b><u>FINANCIAL LIABILITIES</u></b>		
Bank indebtedness	210,067	393,316
Accounts payable (Note 6)	1,126,609	936,629
Funded reserves (Note 7)	613,790	641,835
Unexpended revenue (Note 8)	1,817,769	1,544,521
Term debt (Notes 9 & 10)	<u>7,757,556</u>	<u>8,544,541</u>
	<u>11,525,791</u>	<u>12,060,842</u>
<b>NET FINANCIAL ASSETS</b>	( 4,053,909)	( 4,504,234)
<b><u>NON-FINANCIAL ASSETS</u></b>		
Tangible capital assets (Note 11)	<u>17,994,737</u>	<u>19,191,606</u>
<b>SURPLUS</b>	\$ 13,940,828	\$ 14,687,372

APPROVED BY COUNCIL:

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**THE ACCOMPANYING NOTES ARE AN INTEGRAL  
PART OF THESE FINANCIAL STATEMENTS**

**CANOE LAKE FIRST NATION**

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

	<u>2015</u>	<u>2014</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$ 73,185	\$ 27,711
Receipt of deferred capital	-	142,269
Purchase of capital assets	-	( 889,191)
Amortization of capital assets	395,036	347,484
Funding agency adjustments	( 17,896)	( 48,911)
 <b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	 450,325	 ( 420,638)
<b>BALANCE, beginning of the year</b>	<b>( 4,504,234)</b>	<b>( 4,083,596)</b>
<b>BALANCE, end of the year</b>	<b>\$ ( 4,053,909)</b>	<b>\$ ( 4,504,234)</b>

**CANOE LAKE FIRST NATION****STATEMENT OF OPERATIONS**  
**for the year ended March 31, 2015**

	<u>Budget</u>		
	<u>2015</u>	<u>2015</u>	<u>2014</u>
	(Note 14)		
<b>Grants and Contributions:</b>			
- Aboriginal Affairs and Northern Development Canada	\$ 7,444,758	\$ 7,444,758	\$ 7,668,447
- Health Canada	35,000	35,000	35,000
- Meadow Lake Tribal Council	3,960,011	3,997,409	3,955,491
- Northern Career Quest	-	-	11,000
- First Nations Trust – Gaming	800,000	806,231	820,971
- Canada Mortgage and Housing Corporation	-	68,546	-
- Government of Saskatchewan	21,000	10,500	21,000
- Northern Recreation Committee	45,650	45,650	44,897
- Saskatchewan Lotteries	9,080	9,080	9,080
- Northern Lights Community Development	152,487	152,487	160,016
- Canoe Lake Trusts	110,000	160,000	462,000
Interest earned	-	446	1,612
Donations and fundraising	11,000	12,750	25,460
Rentals	121,825	109,214	94,529
Earnings distributions	10,000	30,363	16,014
Residential school settlements	-	174,000	-
Expense recoveries and other income	293,048	519,806	266,009
Limited partnership allocations	100,000	46,811	231,099
Sales tax refunds	163,498	166,379	200,228
Revenue trust interest and fees	82,050	56,711	134,759
Housing rents and subsidy	<u>841,533</u>	<u>841,533</u>	<u>751,354</u>
	14,200,940	14,687,674	14,908,966
Unexpended revenue - prior year	1,544,521	1,544,521	2,866,937
- current year	( 421,151)	( 1,817,769)	( 1,544,521)
	<u>15,324,310</u>	<u>14,414,446</u>	<u>16,231,382</u>
<b>EXPENSES</b>	<b><u>14,655,022</u></b>	<b><u>14,328,555</u></b>	<b><u>16,288,297</u></b>
<b>SURPLUS (DEFICIT) BEFORE THE UNDERTONED</b>	<b>669,288</b>	<b>85,871</b>	<b>( 56,915)</b>
Equity change in investments	-	( 12,686)	84,626
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>\$ 669,288</b>	<b>\$ 73,185</b>	<b>\$ 27,711</b>

**CANOE LAKE FIRST NATION**

**STATEMENT OF SURPLUS BALANCES**  
**for the year ended March 31, 2015**

	<u>2015</u>	<u>2014</u>
<b><u>SURPLUS, DEFERRED CAPITAL TRANSFERS</u></b>		
BALANCE, beginning of the year	\$ 9,055,229	\$ 9,674,646
PLUS: capital assets acquired with grant funding	-	142,269
LESS: amortization recorded	( 801,833)	( 761,686)
BALANCE, end of the year	\$ 8,253,396	\$ 9,055,229
	<u><u>      </u></u>	<u><u>      </u></u>
<b><u>SURPLUS, EQUITY IN INVESTMENTS</u></b>		
BALANCE, beginning of the year	\$ 608,148	\$ 523,522
Meadow Lake Co-op Membership		
- patronage dividend	11,256	16,863
- receipt of funds	( 28,129)	( 11,014)
Nehiyo Wapasihk Business Development		
- earnings (loss) for the year	( 2,081)	98,454
Opasihk Development Corp.		
- contributed surplus amortized	( 3,031)	( 3,789)
- earnings (loss) for the year	( 42,008)	( 15,888)
Canadian Shield Insurance		
- equity allocation	<u>51,307</u>	<u>-</u>
BALANCE, end of the year	<u>\$ 595,462</u>	<u>\$ 608,148</u>
	<u><u>      </u></u>	<u><u>      </u></u>

**CANOE LAKE FIRST NATION**

**STATEMENT OF SURPLUS / EQUITY BALANCES**  
**for the year ended March 31, 2015**

	<u>2015</u>	<u>2014</u>
<b><u>SURPLUS (DEFICIT) APPROPRIATED FOR CMHC HOUSING</u></b>		
BALANCE, beginning of the year	\$ ( 61,999)	\$ ( 18,569)
Adjustments by funding agency	( 17,896)	( 48,911)
Surplus (Deficit) for the year	<u>3,383</u>	<u>5,481</u>
BALANCE, end of the year	\$ ( 76,512)	\$ ( 61,999)
	<u><u><u></u></u></u>	<u><u><u></u></u></u>
<b><u>SURPLUS (DEFICIT) UNAPPROPRIATED</u></b>		
BALANCE, beginning of the year	\$ 5,085,994	\$ 5,148,390
SURPLUS (DEFICIT) FOR THE YEAR	<u>73,185</u>	<u>27,711</u>
BALANCE	5,159,179	5,176,101
<b>ALLOCATION OF SURPLUS:</b>		
- Appropriated surplus	( 3,383)	( 5,481)
- Investment equity	<u>12,686</u>	<u>( 84,626)</u>
BALANCE, end of the year	\$ 5,168,482	\$ 5,085,994
	<u><u><u></u></u></u>	<u><u><u></u></u></u>

**CANOE LAKE FIRST NATION****STATEMENT OF CASH FLOWS**  
**for the year ended March 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>OPERATIONS:</b>		
Surplus (Deficit) for the year	\$ 73,185	\$ 27,711
Plus: Amortization	395,036	347,484
Funding agency adjustments	( 17,896)	( 48,911)
	450,325	326,284
<b>Changes in non-cash Working Capital items:</b>		
Accounts receivable	( 52,039)	59,819
Accounts payable	189,980	267,238
Unexpended revenue	<u>273,248</u>	<u>( 1,322,416)</u>
	<u>861,514</u>	<u>( 669,075)</u>
<b>INVESTING ACTIVITIES:</b>		
Change in investment balances	115,805	( 215,725)
Change in trust balances	25,339	( 64,759)
Purchase of capital assets	<u>-</u>	<u>( 889,191)</u>
	<u>141,144</u>	<u>( 1,169,675)</u>
<b>FINANCING ACTIVITIES:</b>		
Receipt of deferred capital	-	142,269
Proceeds of term debt	-	1,788,653
Repayment of term debt	( 786,985)	( 1,356,377)
	<u>( 786,985)</u>	<u>574,545</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	<b>215,673</b>	<b>( 1,264,205)</b>
<b>CASH RESOURCES, beginning of the year</b>	<u>842,490</u>	<u>2,106,695</u>
<b>CASH RESOURCES, end of the year</b>	<b>\$ 1,058,163</b>	<b>\$ 842,490</b>
<b>Cash resources are represented by:</b>		
Bank balance	\$ ( 210,067)	\$ ( 393,316)
Term deposits	-	100,000
Restricted deposit	1,882,020	1,777,641
Funded reserves	( 613,790)	( 641,835)
<b>CASH RESOURCES, end of the year</b>	<b>\$ 1,058,163</b>	<b>\$ 842,490</b>

## CANOE LAKE FIRST NATION

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

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

##### Basis of Accounting

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

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

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

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Canoe Lake First Nation – Housing Authority

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

##### Net Financial Assets

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

##### Non-Financial Assets

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

##### Cash and Cash Equivalents

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

## CANOE LAKE FIRST NATION

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

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

##### Investments

Incorporated business entities, which are owned or controlled by the Canoe Lake First Nation and which are not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method.

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

##### Revenue Recognition

Revenue are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenue is recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulation give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Contribution from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the statement of financial operations.

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

##### Pension Plan

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

##### Leased Assets

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

## CANOE LAKE FIRST NATION

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

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

##### Tangible Capital Assets

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

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

Buildings and improvements	20 to 75 years
General equipment	10 to 20 years
Vehicles and machinery	4 years
Trailers	10 years
Roads	25 years
Infrastructure	20 to 80 years
Houses	40 years

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

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

No amortization is recorded in the year of acquisition.

##### Government Funding for Capital Assets

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

## CANOE LAKE FIRST NATION

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

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

##### Financial Instruments

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

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

##### Use of Estimates

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

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

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

## CANOE LAKE FIRST NATION

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

#### 2. ACCOUNTS RECEIVABLE:

	<u>2015</u>	<u>2014</u>
Housing subsidy	\$ 36,986	\$ 37,843
Insurance proceeds	-	14,709
MLTC Program Services	4,352	65,745
MLTC HSDA	-	17,621
Northern Lights Development	-	33,287
Expense recoveries	1,700	4,867
MLTC Child & Family Services	9,073	-
Residential Settlements	<u>174,000</u>	<u>-</u>
	<u>\$ 226,111</u>	<u>\$ 174,072</u>
	<u>=====</u>	<u>=====</u>

#### 3. TRUST FUNDS:

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

	<u>Capital</u>	<u>Revenue</u>	<u>Total</u>
Balance, March 31, 2014	\$ 72,951	\$ 34,136	\$ 107,087
Plus: Interest and royalties	5,913	50,798	56,711
Less: Receipt of funds	<u>-</u>	<u>( 82,050)</u>	<u>( 82,050)</u>
Balance, March 31, 2015	<u>\$ 78,864</u>	<u>\$ 2,884</u>	<u>\$ 81,748</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>

## CANOE LAKE FIRST NATION

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

#### 4. INVESTMENTS:

The First Nation has the following investments:

	<u>2015</u>	<u>2014</u>
MLTC Resource Development Inc.		
- 1 Class A common share (11% ownership)	\$ 1	\$ 1
MLTC Program Services Inc.		
- 1 Class A common share (11% ownership)	1	1
MLDC Investment C. Ltd.		
- 1 Class A common share (11% ownership)	1	1
First Nations Bank		
- 537 Common shares	<u>940</u>	<u>940</u>
	<u>943</u>	<u>943</u>
Nehiyo Wapasihk Business Development Corporation		
- 1 Class A common share (100% ownership)		
- share capital	10,000	10,000
- retained earnings	<u>117,272</u>	<u>119,353</u>
	<u>127,272</u>	<u>129,353</u>
Opasihk Development Corporation		
- 100 Class A common shares (100% ownership)		
- share capital issued	1	1
- contributed capital	509,500	509,500
- contributed surplus	12,124	15,155
- retained earnings (deficit)	<u>(115,685)</u>	<u>(73,667)</u>
	<u>405,940</u>	<u>450,989</u>
Meadow Lake Co-op		
- equity account	<u>10,000</u>	<u>26,863</u>
Canadian Shield Insurance		
- 60,000 shares (30% ownership)		
- equity balance	<u>51,307</u>	-
	<u>\$ 595,462</u>	<u>\$ 608,148</u>

**CANOE LAKE FIRST NATION**

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

**5. LIMITED PARTNERSHIP:**

The First Nation has an 11.1% interest in a limited partnership, MLTC Resource Development Limited Partnership. The First Nation's capital trust account consists of:

	<u>2015</u>	<u>2014</u>
Balance, beginning of the year	\$ 4,789,660	\$ 4,658,561
Plus: share of earnings	46,881	231,099
Less: distribution received	( 150,000)	( 100,000)
Balance, end of the year	\$ 4,686,541	\$ 4,789,660
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**6. ACCOUNTS PAYABLE:**

	<u>2015</u>	<u>2014</u>
Housing reserves obligation (Note 7)	\$ 860,656	\$ 664,277
Employee group insurance	-	10,023
Trade creditors	255,493	249,393
Accrued mortgage interest	<u>10,460</u>	<u>12,936</u>
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	\$ 1,126,609	\$ 936,629
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**7. FUNDED RESERVES:**

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

	<u>2015</u>	<u>2014</u>
Total obligation	\$ 1,474,446	\$ 1,306,112
Funded amount on deposit	<u>613,790</u>	<u>641,835</u>
Outstanding obligation (see Note 6)	\$ 860,656	\$ 664,277
	<hr/>	<hr/>

**CANOE LAKE FIRST NATION**

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

**8. UNEXPENDED REVENUE:**

The First Nation unexpended revenue includes:

	<u>Sch</u>	<u>2015</u>	<u>2014</u>
Instruction	2	\$ 391,675	\$ 236,805
Adult care	7	6,208	-
Capital Lagoon	15	-	464,875
Capital Water	16	253,470	532,130
Capital Eagles Lake	17	1,014,761	198,288
Benefits	20	808	( 12,511)
Student Success	33	69,466	33,804
CEOP Development	34	-	91,130
Residential School	47	<u>81,381</u>	-
		<hr/> <u>\$ 1,817,769</u>	<hr/> <u>\$ 1,544,521</u>

**CANOE LAKE FIRST NATION****NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended March 31, 2015****9. TERM DEBT:**

The First Nation has the following term debt:

	<u>2015</u>	<u>2014</u>
1) First Nations Bank loan; repayable in monthly installments of \$3,881 including interest at the rate of prime plus 1.5%.	\$ 305,850	\$ 336,837
2) First Nations Bank loan; repayable in annual installments of \$160,929 in April plus interest monthly at the rate of prime plus 1.0%.	643,714	804,643
3) First Nations Bank loan;	34,998	
4) First Nations Bank loan; repayable in quarterly installments of \$58,250 plus interest on a monthly basis at 6.0%.	873,750	1,106,750
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	\$ 1,823,314	\$ 2,283,228
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The amount of debt repayable in subsequent periods is estimated at:

2016	\$ 424,929
2017	426,929
2018	429,929
2019	435,000
2020	<u>106,527</u>
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	\$ 1,823,314
	<hr/>

**CANOE LAKE FIRST NATION**

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

**10. RENTAL HOUSING MORTGAGES:**

The First Nation has the following housing mortgages outstanding, which are all guaranteed by Aboriginal Affairs and Northern Development Canada:

	<u>2015</u>	<u>2014</u>
1) Peace Hills Trust is repayable at \$2,890 including interest at 3.95% per annum.	\$ 104,601	\$ 134,208
2) CMHC # 1; payable monthly at \$1,177 including interest at 1.83%.	125,109	136,488
3) CMHC # 2; payable monthly at \$1,795 including interest at 2.69%.	190,151	206,364
4) CMHC # 3; payable monthly at \$1,642 including interest at 1.53%.	221,368	237,559
5) CMHC # 4; payable monthly at \$1,504 including interest at 1.12%.	246,542	260,077
6) CMHC # 5; payable monthly at \$4,992 including interest at 4.45%.	895,353	940,131
7) CMHC # 6; payable monthly at \$4,042 including interest at 1.65%.	534,429	573,786
8) CMHC # 7; payable monthly at \$6,253 including interest at 1.83%.	1,243,146	1,291,147
9) CMHC # 8; payable monthly at \$3,588 including interest at 2.40%.	699,252	725,273
10) CMHC # 9; payable monthly at \$1,456 including interest at 1.60%.	334,118	346,155

**CANOE LAKE FIRST NATION**

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

10. RENTAL HOUSING MORTGAGES: (Continued)

	<u>2015</u>	<u>2014</u>
11) CMHC # 10; payable monthly at \$2,912 including interest at 1.60%.	\$ 668,236	\$ 692,310
12) CMHC # 11; payable monthly at 4,690 including interest at 2.18%.	671,937	717,815
	<hr/> <u>\$ 5,934,242</u>	<hr/> <u>\$ 6,261,313</u>

The amount of debt repayable in subsequent periods is estimated at:

2016	\$ 337,000
2017	350,000
2018	364,000
2019	379,000
2020	395,000
Subsequent years	<u>4,109,242</u>
	<hr/> <u>\$ 5,934,242</u>

## CANOE LAKE FIRST NATION

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

#### 11. TANGIBLE CAPITAL ASSETS:

The major categories of tangible capital assets are:

	<u>2015</u>	<u>2014</u>
<u>Cost</u>		
Rental houses	\$ 9,740,624	\$ 9,740,624
Buildings	9,276,461	9,276,461
Equipment	199,192	199,192
Heavy equipment	222,968	222,968
Trailers	67,639	67,639
Vehicles	331,783	331,783
Infrastructure	6,771,968	6,771,968
Roads	451,731	451,731
Houses	<u>12,438,572</u>	<u>12,438,572</u>
	<u>39,500,938</u>	<u>39,500,938</u>
<u>Accumulated Amortization</u>		
Rental houses	1,819,678	1,492,608
Buildings	4,047,158	3,684,288
Equipment	197,075	196,546
Heavy equipment	122,514	98,080
Trailers	67,639	67,639
Vehicle	252,542	216,979
Infrastructure	3,804,195	3,668,756
Roads	451,731	451,731
Houses	<u>10,743,669</u>	<u>10,432,705</u>
	<u>21,506,201</u>	<u>20,309,332</u>
Net Book Value	<u>\$ 17,994,737</u>	<u>\$ 19,191,606</u>

#### 12. ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA:

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

## CANOE LAKE FIRST NATION

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

#### 13. PENSION AGREEMENT:

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

#### 14. BUDGETED FIGURES:

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

#### 15. RISK MANAGEMENT

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

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

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

#### 16. COMPARATIVE FIGURES:

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