

Pheasant Rump Nakota First Nation

#68

Financial Statements

March 31, 2014

Pheasant Rump Nakota First Nation #68

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For the year ended March 31, 2014

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Management's Responsibility

To the Members of Pheasant Rump Nakota First Nation #68:

The accompanying financial statements of Pheasant Rump Nakota First Nation #68 are the responsibility of management and have been approved by the 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 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 Pheasant Rump Nakota First Nation #68 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 is appointed by the Members to audit the financial statements and report directly to them; 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.

June 25, 2014

"Original Signed By" Councilor

Independent Auditors' Report

To the Members of Pheasant Rump Nakota First Nation #68:

We have audited the accompanying financial statements of Pheasant Rump Nakota First Nation #68, which comprise the consolidated statement of financial position as at 2014, and the consolidated statements of operations and accumulated deficit, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 Pheasant Rump Nakota First Nation #68 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.

Other Matter

The financial statements of Pheasant Rump Nakota First Nation #68 for the year ended March 31, 2013, were audited by another auditor who expressed an unqualified opinion in their report which was dated July 25, 2013.

Regina, Saskatchewan

June 25, 2014


Chartered Accountants

Pheasant Rump Nakota First Nation #68

Consolidated Statement of Financial Position

As at March 31, 2014

	2014	2013
Financial assets		
Current		
Cash	81,680	79,328
Accounts receivable (Note 4)	101,560	132,741
	183,240	212,069
Funds held in trust (Note 5)	116,446	79,708
Total financial assets	299,686	291,777
Liabilities		
Current		
Bank indebtedness (Note 6)	99,701	119,881
Accounts payable and accruals	453,479	622,633
Deferred revenue (Note 7)	24,964	39,290
Current portion of term loans due on demand (Note 8)	55,000	-
Current portion of term loans subject to refinancing (Note 9)	19,666	-
Current portion of long-term debt (Note 10)	85,875	80,718
	738,685	862,522
Term loans due on demand (Note 8)	201,667	-
Term loans subject to refinancing (Note 9)	53,647	-
	993,999	862,522
Long-term debt (Note 10)	313,665	402,071
Total financial liabilities	1,307,664	1,264,593
Net debt	(1,007,978)	(972,816)
Contingencies (Note 12)		
Subsequent events (Note 20)		
Non-financial assets		
Tangible capital assets (Note 13)	943,129	791,598
Prepaid expenses	8,025	7,638
Total non-financial assets	951,154	799,236
Accumulated deficit (Note 15)	(56,824)	(173,580)

Approved by:

“Original Signed By” Councilor

Pheasant Rump Nakota First Nation #68

Consolidated Statement of Operations and Accumulated Deficit

For the year ended March 31, 2014

	<i>Schedules</i>	<i>2014 Budget (Note 19)</i>	<i>2014</i>	<i>2013</i>
Revenue				
Aboriginal Affairs and Northern Development Canada (Note 16)		912,690	914,246	915,630
Health Canada (Note 17)		271,018	277,040	260,730
CMHC		60,224	55,946	56,365
Provincial Disaster Recovery Program (Note 7)		-	(9,985)	19,384
Painted Hand CDC		24,000	189,435	124,135
First Nations Trust		120,000	159,463	154,028
Oil and Gas		120,000	128,637	125,806
FSIN		107,000	114,500	114,500
SIIT		37,000	68,352	68,081
Other		-	44,696	40,432
Rental income		30,400	39,097	53,886
Gain on disposal of tangible capital assets		-	35,722	121,535
Interest income		-	3,268	691
		1,682,332	2,020,417	2,055,203
Program expenses				
Community Development	2	287,575	388,476	339,123
Economic Development	3	30,800	30,827	30,820
Education	4	266,249	257,957	251,058
Government Support	5	280,600	293,159	331,613
Social Development	6	221,994	209,186	231,223
Registration and Membership	7	5,000	6,089	5,000
Health	8	290,689	286,618	245,408
CMHC Housing	9	85,224	123,038	105,341
Other Band Programs	10	281,000	308,311	265,028
Total expenditures		1,749,131	1,903,661	1,804,614
Surplus		(66,799)	116,756	250,589
Accumulated deficit, beginning of year		(173,581)	(173,580)	(424,169)
Accumulated deficit, end of year (Note 15)		(240,380)	(56,824)	(173,580)

Pheasant Rump Nakota First Nation #68

Consolidated Statement of Change in Net Debt

For the year ended March 31, 2014

	2014 Budget (Note 19)	2014	2013
Annual surplus	(66,799)	116,756	250,589
Purchases of tangible capital assets	-	(252,755)	(164,062)
Amortization of tangible capital assets	-	101,224	81,613
Gain on disposal of tangible capital assets	-	(35,722)	(121,535)
Proceeds of disposal of tangible capital assets	-	35,722	121,535
Acquisition of prepaid expenses	-	(151,531)	(82,449)
	-	(387)	(7,638)
(Increase) decrease in net debt	(66,799)	(35,162)	160,502
Net debt, beginning of year	(972,816)	(972,816)	(1,133,318)
Net debt, end of year	(1,039,615)	(1,007,978)	(972,816)

Pheasant Rump Nakota First Nation #68

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	116,756	250,589
Non-cash items		
Amortization	101,224	81,613
Bad debts (recovery)	(2,728)	-
Change in deferred revenue	(14,326)	39,290
Gain on disposal of tangible capital assets	(35,722)	(121,535)
	165,204	249,957
Changes in working capital accounts		
Accounts receivable	33,909	100,011
Prepaid expenses	(387)	(7,638)
Accounts payable and accruals	(169,154)	(105,225)
	29,572	237,105
Financing activities		
Advances of long-term debt	362,500	-
Repayment of long-term debt	(115,770)	(78,997)
Increase in funds held in trust	(36,738)	(45,372)
Repayment (advances) of bank indebtedness	(20,179)	119,879
	189,813	(4,490)
Capital activities		
Purchases of tangible capital assets	(252,755)	(164,062)
Proceeds of disposal of tangible capital assets	35,722	121,535
Increase in cash resources	2,352	190,088
Cash resources (deficiency), beginning of year	79,328	(110,760)
Cash resources (deficiency), end of year	81,680	79,328
Cash resources are composed of:		
Cash and cash equivalents total (positive only)	81,680	79,328
Supplementary cash flow information		
Interest paid	31,212	33,151

Pheasant Rump Nakota First Nation #68

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

1. Operations

The Pheasant Rump Nakota First Nation #68 (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. Pheasant Rump Nakota First Nation #68 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 for governments as recommended by the Public Sector Accounting Standards Board of the Canadian Institute of Chartered Accountants.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses 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.

Reporting entity

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

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

- Pheasant Rump Nakota First Nation
- Pheasant Rump Nakota First Nation CMHC Housing

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.

Other economic interests

Pheasant Rump Nakota First Nation is a member of Yorkton Tribal Council Child and Family Services Incorporated. The Yorkton Tribal Council Child and Family Services Incorporated is an organization of thirteen member First Nations, whose purpose is to provide child and family services to the thirteen member Nations.

The First Nation does not have a share in the profit or loss of the above entity. As a result, the financial statements of Yorkton Tribal Council Child and Family Services Incorporated have not been consolidated with the financial statements of Pheasant Rump Nakota First Nation.

Cash resources

Cash resources include balances with banks and short-term investments with maturities of 1 year or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in trust by AANDC for the First Nation and the cash on deposit in CMHC reserve accounts are recorded as restricted assets.

Funds held in Ottawa Trust Fund

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

- Capital trust moneys derived from non-renewable resource transactions on 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 fund moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Pheasant Rump Nakota First Nation #68
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

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

Tangible capital assets

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

Amortization

Amortization for tangible capital assets is provided using the straight-line method at rates intended to amortize the cost over their estimated useful lives.

	Method	Rate
Buildings	straight-line	25 Years
Automotive equipment	straight-line	4 Years
Equipment	straight-line	5 Years
Housing	straight-line	20 Years
Infrastructure	straight-line	20 Years

Long-lived assets

Long-lived assets consist of tangible capital 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 amount 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 asset's carrying amount exceeds its fair value. Any impairment is included in surplus for the year.

Intangible assets

The First Nation owns mineral rights, water resources and lands inherited from the Crown. These items are not recognized in the First Nation's financial statements in accordance with PS 1200 *Financial Statement Presentation*.

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 financial statements are presented so as to highlight net debt as the 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 comprise a second indicator of financial position, accumulated deficit.

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 expenses during the reporting period. Accounts receivable, and amounts due from related Nation entities and departments, are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records of the periods in which they become known.

Pheasant Rump Nakota First Nation #68

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

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

Revenue recognition

Government Transfers

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.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Other revenue

Rental revenue is recognized over the rental term. Investment income is recognized as it is earned. Other revenues are earned from services provided by the First Nation and are recognized when the service has been provided.

The First Nation received a significant amount of revenue from various oil companies. This revenue is a result of lease agreements pertaining to mineral rights on designated reserve land owned by the First Nation. Royalties are paid on a monthly basis to the First Nation and the First Nation receives a reconciliation of how the royalties were determined with the royalty cheque. There is no set amount to be paid yearly; the royalties fluctuate based on the volumes produced.

Reserves

Trust Funds

The Ottawa Trust accounts arise from funds derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. A reserve is recorded equal to the funds held in trust by the Government of Canada.

CHMC

The First Nation has entered into agreements with CMHC that require that a reserve be established for future replacement costs.

Segments

The First Nation conducts its business through 9 reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue 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 and are apportioned based on a percentage of budgeted revenue, where permitted by the funding agencies.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Pheasant Rump Nakota First Nation #68

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

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

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 First Nation has not yet determined the effect of the new section in its consolidated financial statements.

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. The PSAB plans to review application of this Section by governments by December 31, 2013.

3. Restricted cash

Restricted cash consists of amounts relating to CMHC replacement reserve of \$80,676 (2012 - \$76,967).

4. Accounts receivable

	2014	2013
Aboriginal Affairs and Northern Development Canada	595	3,850
Health Canada	-	22,628
Advances	117,056	129,690
Other accounts receivable	81,984	75,061
Oil and Gas lease revenue receivable	18,981	21,296
	218,616	252,525
Less: Allowance for doubtful accounts	117,056	119,784
	101,560	132,741

Pheasant Rump Nakota First Nation #68

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

5. Funds held in trust

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

	2014	2013
Capital Trust		
Balance, beginning of year	4,184	4,184
Balance, end of year	4,184	4,184
Revenue Trust		
Balance, beginning of year	75,524	30,152
Interest	2,618	1,280
Lease	34,120	44,092
Balance, end of year	112,262	75,524
	116,446	79,708

6. Bank indebtedness

Bank indebtedness includes a line of credit amounting to \$60,000, of which \$43,462 was withdrawn at March 31, 2014. The line of credit bears interest at prime plus 5%. Funding from Aboriginal Affairs and Northern Development Canada is pledged as collateral. The remainder of bank indebtedness is cheques issued in excess of deposits.

7. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Funds received</i>	<i>Recognized as revenue</i>	<i>Balance, end of year</i>
Provincial Disaster Recovery Program	14,979	9,985	-	24,964
Painted Hand Casino Community Development Corporation	6,388	183,047	189,435	-
AANDC - Post Secondary	17,924	172,596	190,520	-
	39,291	365,628	379,955	24,964

Pheasant Rump Nakota First Nation #68

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

8. Term loans due on demand

	2014	2013
Royal Bank of Canada term loan bearing interest of 4.90% payable in monthly instalments of \$4,583 plus interest, maturing in November 2018.	256,667	-
Less current portion of term loans due on demand	(55,000)	-
	201,667	-

Principal repayments on long-term debt in each of the next five years

2015	55,000
2016	55,000
2017	55,000
2018	55,000
2019	36,667
	256,667

9. Term loans subject to refinancing

	2014	2013
Royal Bank of Canada term loan bearing interest at prime plus 3.7% payable in blended monthly installments of \$2,000, maturing in 2017. This loan is subject to refinancing on June 4, 2014.	73,313	-
Current portion term loans subject to refinancing	(19,666)	-
	53,647	-

Principal repayments on term loans subject to refinancing in each of the next five years are estimated as follows::

2015	19,666
2016	21,025
2017	22,478
2018	10,144
	73,313

Pheasant Rump Nakota First Nation #68

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

10. 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 the payment of principal and interest on the following loans:

<u>CMHC Phase</u>	<u>Monthly Payment Including Interest</u>	<u>Interest Rate</u>	<u>Renewal Date</u>	<u>2014</u>	<u>2013</u>
I	7,555	6.64%	May 1/17	258,642	331,689
II	<u>1,141</u>	2.63%	Jun. 1/16	<u>140,898</u>	<u>151,100</u>
II	8,696			399,540	482,789

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2015	85,875
2016	91,331
2017	97,149
2018	26,367
2019	11,231

11. CMHC Reserve

Operating reserve

The First Nation's CMHC Housing Program receives funding 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. Any operating surpluses are retained in an operating reserve fund, which can be used to recover future operating deficits.

Replacement reserve

A replacement reserve has been established for replacement of capital equipment and for major repairs to the houses. The reserve is credited annually in amounts approved by CMHC until the reserve accumulates to the amount specified in the agreements. Any applicable expense is charged against the reserve. Interest income attributable to this reserve fund is credited directly to the replacement reserve fund. Separate reserve funds are maintained for Pre-1997 projects and Post-1996 projects.

At March 31, 2014 the replacement reserve was under funded by \$13,942 (2013 - \$110,556) and the operating reserve was underfunded by \$40,816 (2013 - \$38,616).

12. Contingencies

The First Nation is involved in a dispute over the by-election. The effects of any contingent claims relating to this dispute are not determinable at the date of this report.

The First Nation has entered into an agreement with AANDC to provide funding for legal costs associated with a legal dispute referred as "James McArthur vs. Her Majesty the Queen and the minister of Northern Affairs." No funds were dispersed in the current year.

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment in the First Nation fails to comply with the terms and conditions of the agreements. This amount cannot be reasonably estimated at this point in time.

Pheasant Rump Nakota First Nation #68

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

13. Tangible capital assets

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2014 Net book value</i>
Buildings	907,149	13,155	-	457,678	462,626
Housing	2,234,005	-	-	1,995,412	238,593
Equipment	301,341	198,556	-	296,222	203,675
Infrastructure	-	41,044	-	2,809	38,235
	3,442,495	252,755	-	2,752,121	943,129

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2013 Net book value</i>
Buildings	907,149	-	-	420,734	486,415
Housing	2,212,555	121,535	100,085	1,960,717	273,288
Equipment	258,814	42,527	-	269,446	31,895
	3,378,518	164,062	100,085	2,650,897	791,598

During the year end March 31, 2014 amortization expense of \$101,224 (2013 - \$81,613) was recorded of which \$34,695 (2013 - \$34,695) related to Housing, \$26,776 (2013 - \$10,632) relates to Equipment, \$36,944 (2013 - \$36,286) relates to Buildings, and \$2,809 (2013 - \$nil) relates to Infrastructure.

14. Economic dependence

Pheasant Rump Nakota First Nation #68 receives substantially all 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.

15. Accumulated deficit

Accumulated deficit consists of the following:

	<i>2014</i>	<i>2013</i>
Equity in Ottawa Trust Funds	116,446	79,708
Equity in tangible capital assets	470,277	308,809
Unrestricted deficit	(643,547)	(562,097)
	(56,824)	(173,580)

The First Nation does not maintain a moveable asset reserve.

Pheasant Rump Nakota First Nation #68
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

16. AANDC Reconciliation

	2014	2013
AANDC funding per confirmation	895,727	938,635
Special Needs - payable	(1,869)	(110)
Basic Needs - receivable (payable)	2,464	(4,387)
National Child Benefit - payable	-	(120)
ECIP - payable	-	(464)
	896,322	933,554
Deferred revenue - beginning of year	17,924	-
Deferred revenue - end of year	-	(17,924)
	17,924	(17,924)
Funding total per financial statements	914,246	915,630

17. Reconciliation of funding from Health Canada

	2014	2013
Funding per Health Canada confirmation	272,865	264,213
08/09 funding adjustment	4,669	-
	277,534	264,213
Less: recoveries		
Medical transportation	(466)	-
Administration and coordination	(28)	(28)
Service delivery	-	(2,547)
Health services/board/coordination	-	(598)
Community health prevention	-	(310)
	(494)	(3,483)
Funding total per financial statements	277,040	260,730

Pheasant Rump Nakota First Nation #68

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

18. Segments

The First Nation has 9 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Community Development - includes activities for the maintenance of the community and its infrastructure.

Economic Development - includes activities for future Nation business activities.

Education - includes the operations of education programs.

Government Support - includes administration and governance activities.

Social Development - activities include delivering social programs.

Registration and Membership - includes the administration of band membership.

Health - includes the operations of health care programs.

CMHC Housing - includes the operations of CMHC housing units.

Other Band Programs - other band programs not funded by AANDC or Health Canada.

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

19. Budget information

The disclosed budget information is retrieved from the First Nation's five year Master Action Plan approved by Council and AANDC in 2012.

Reconciliation to approved budget

Total revenues per approved budget	\$2,030,080
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Less: Transfers included in revenue	(347,748)
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Total revenue per Statement of Operations	1,682,332
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Total expenditures per approved budget	\$1,962,786
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Less: Transfers included in expenditures	(213,655)
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Total expenditures per Statement of Operations	1,749,131
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Surplus per approved budget	\$67,294
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Deficit per Statement of Operations	\$(66,799)
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20. Subsequent event

Subsequent to year end, the First Nation settled legal disputes relating to wrongful dismissal claims. As a result, subsequent payments were made to Clarissa McArthur in the amount of \$12,500 and to Matthew McArthur and Bernadette Ryder in the combined amount of \$68,920..

21. Comparative figures

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

22. Other information

Pheasant Rump Nakota First Nation #68 was under co-management up until September 2013 but has since been released as the First Nation has shown improvements in the finance department.

Pheasant Rump Nakota First Nation #68
Schedule 1 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2014

	2014 Budget	2014	2013
Consolidated expenses by object			
Salaries and benefits	445,194	436,264	379,299
Repairs and maintenance	203,564	263,718	214,755
Professional fees	48,648	158,201	96,068
Assistance	146,143	125,570	134,939
Amortization	-	101,224	81,613
Living allowance	82,000	91,261	83,035
Management fees	106,500	83,622	102,000
Contracted services	35,062	81,567	65,168
Supplies	59,081	71,250	132,156
Insurance	28,114	59,551	41,501
Travel	80,620	52,909	73,136
Transportation	50,050	51,776	47,180
Tuition	42,100	45,937	30,214
Program expense	23,500	43,726	46,597
Utilities	76,300	39,233	51,176
Interest on long-term debt	36,054	31,212	33,151
Professional development	31,873	30,778	17,074
Food and beverage	2,292	29,357	32,216
Training	46,333	25,854	34,299
Elders	10,500	19,546	17,161
Honouraria	-	18,128	1,650
Telephone	24,950	18,153	22,389
Community donations	12,000	12,472	41,036
Bank charges and interest	3,720	9,025	7,105
Student expenses	21,488	4,635	12,766
Meeting	19,288	1,420	3,515
Administration	113,757	-	840
Bad debts (recovery)	-	(2,728)	2,576
	1,749,131	1,903,661	1,804,615

Pheasant Rump Nakota First Nation #68
Community Development
Schedule 2 - 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	211,527	216,739	228,178
Rental income	5,400	-	-
Other	-	14,378	1,698
	216,927	231,117	229,876
Expenses			
Repairs and maintenance	109,534	190,203	159,240
Amortization	-	64,397	44,786
Salaries and benefits	68,122	46,330	43,083
Insurance	11,614	40,964	23,073
Utilities	71,300	32,291	42,925
Administration	6,875	7,653	-
Contracted services	-	4,396	7,932
Training	-	2,184	-
Meeting	-	58	-
Interest on long-term debt	-	-	(326)
Bank charges and interest	-	-	(345)
Supplies	17,300	-	1,483
Telephone	450	-	-
Professional development	2,380	-	5,728
Travel	-	-	916
Professional fees	-	-	10,628
	287,575	388,476	339,123
Deficit before transfers	(70,648)	(157,359)	(109,247)
Transfers between programs	(63,445)	52,408	43,600
Deficit	(134,093)	(104,951)	(65,647)

Pheasant Rump Nakota First Nation #68
Economic Development
Schedule 3 - 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	30,800	30,800	30,800
Expenses			
Training	-	19,750	-
Professional fees	-	6,328	-
Administration	3,080	4,722	3,080
Contracted services	-	27	12,000
Supplies	-	-	176
Repairs and maintenance	-	-	851
Travel	27,720	-	14,713
	30,800	30,827	30,820
Deficit	-	(27)	(20)

Pheasant Rump Nakota First Nation #68
Education
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	266,249	284,173	250,965
Other revenue	-	1,779	94
	266,249	285,952	251,059
Expenses			
Living allowance	82,000	69,006	68,360
Transportation	50,050	51,547	47,180
Administration	22,340	35,303	41,160
Salaries and benefits	31,000	30,830	40,809
Tuition costs	42,100	29,711	25,014
Program expense	500	19,133	220
Supplies	9,771	14,184	12,704
Student expenses	21,488	3,460	12,466
Groceries and food	-	2,457	655
Repairs and maintenance	-	847	850
Professional development	-	760	-
Travel	3,500	699	770
Meeting	3,500	20	870
	266,249	257,957	251,058
Surplus	-	27,995	1

Pheasant Rump Nakota First Nation #68
Government Support
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	177,120	177,120	177,120
Other revenue	-	2,541	10,512
Oil and Gas Revenue	-	228	-
	177,120	179,889	187,632
Expenses			
Management fees	102,000	83,622	102,000
Salaries and benefits	95,000	79,124	88,190
Professional fees	25,000	36,906	43,989
Travel	29,000	29,461	33,684
Telephone	18,000	18,153	21,665
Contracted services	-	15,077	4,032
Amortization	-	10,632	10,632
Bank charges and interest	3,600	8,873	7,331
Supplies	6,500	6,293	8,139
Professional development	-	5,222	-
Repairs and maintenance	1,500	1,721	823
Groceries and food	-	555	585
Interest on long-term debt	-	248	7,967
Bad debts (recovery)	-	(2,728)	2,576
	280,600	293,159	331,613
Deficit before transfers	(103,480)	(113,270)	(143,981)
Transfers between programs	103,480	80,000	103,000
Deficit	-	(33,270)	(40,981)

Pheasant Rump Nakota First Nation #68
Social Development
Schedule 6 - 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	221,994	200,414	223,567
Other revenue	-	1,244	-
	221,994	201,658	223,567
Expenses			
Assistance	146,143	107,677	131,650
Salaries and benefits	31,218	40,541	36,446
Professional fees	-	16,666	1,560
Administration	10,400	11,151	9,400
Contracted services	-	9,377	-
Supplies	-	7,272	11,427
Program expense	-	6,821	8,637
Groceries and food	-	5,588	6,858
Training	31,133	1,177	18,421
Travel	1,000	1,107	788
Professional development	2,100	760	4,565
Community donations	-	540	-
Repairs and maintenance	-	509	1,371
Meeting	-	-	100
	221,994	209,186	231,223
Deficit	-	(7,528)	(7,656)

Pheasant Rump Nakota First Nation #68
Registration and Membership
Schedule 7 - Schedule of Revenue and Expenses

For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	5,000	5,000	5,000
Other revenue	-	1,090	-
	5,000	6,090	5,000
Expenses			
Salaries and benefits	-	1,893	2,073
Supplies	1,000	1,886	-
Travel	-	1,239	227
Professional development	-	1,071	-
Administration	4,000	-	500
Repairs and maintenance	-	-	2,200
	5,000	6,089	5,000
Surplus	-	1	-

Pheasant Rump Nakota First Nation #68
Health
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014	2014	2013
Revenue			
Health Canada	271,018	277,040	260,730
Other revenue	-	2,118	668
	271,018	279,158	261,398
Expenses			
Salaries and benefits	102,154	111,206	70,967
Contracted services	11,062	50,280	38,440
Administration	35,842	24,687	23,727
Supplies	16,610	21,019	13,997
Professional development	26,393	17,376	6,781
Travel	16,200	15,898	16,422
Program expense	18,000	13,084	33,073
Groceries and food	2,292	11,848	8,746
Repairs and maintenance	10,500	6,144	6,150
Insurance	5,000	5,657	3,981
Professional fees	6,648	3,335	3,416
Utilities	5,000	2,726	2,799
Training	12,700	1,078	12,383
Meeting	15,788	1,052	1,224
Honouraria	-	728	1,650
Elders	500	500	1,300
Interest on long-term debt	-	-	152
Management fees	4,500	-	-
Telephone	1,500	-	200
	290,689	286,618	245,408
(Deficit) surplus before transfers	(19,671)	(7,460)	15,990
Transfers between programs	19,671	-	-
(Deficit) surplus	-	(7,460)	15,990

Pheasant Rump Nakota First Nation #68
CMHC Housing
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
CMHC	60,224	55,946	56,365
Rental income	25,000	8,977	12,422
Interest income	-	650	-
Gain on disposal of tangible capital assets	-	35,722	121,535
	85,224	101,295	190,322
Expenses			
Repairs and maintenance	29,330	47,210	30,886
Amortization	-	26,195	26,195
Interest on long-term debt	36,054	22,831	25,358
Insurance	10,000	12,930	12,125
Administration	8,720	8,720	6,540
Professional fees	1,000	5,000	4,020
Bank charges and interest	120	152	119
Travel	-	-	98
	85,224	123,038	105,341
(Deficit) surplus	-	(21,743)	84,981

Pheasant Rump Nakota First Nation #68
Other Band Programs
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
Provincial Disaster Recovery Program (Note 7)	-	(9,985)	19,384
Painted Hand CDC	24,000	189,435	124,135
First Nations Trust	120,000	159,463	154,028
Oil and Gas revenue	120,000	128,409	125,806
FSIN	107,000	114,500	114,500
SIIT	37,000	68,352	68,081
Rental income	-	30,120	41,464
Other	-	21,545	27,460
Interest income	-	2,618	691
	408,000	704,457	675,549
Expenses			
Salaries and benefits	117,700	126,338	97,730
Professional fees	16,000	89,966	32,455
Living allowance	-	22,255	14,675
Supplies	7,900	20,596	84,230
Elders	10,000	19,046	15,861
Assistance	-	17,894	3,289
Honouraria	-	17,400	-
Tuition	-	16,226	5,200
Community donations	12,000	11,932	41,036
Repairs and maintenance	52,700	17,085	12,384
Groceries and food	-	8,909	15,371
Interest on long-term debt	-	8,134	-
Professional development	1,000	5,589	-
Program expense	5,000	4,688	4,668
Travel	3,200	4,504	5,517
Utilities	-	4,216	5,451
Contracted services	24,000	2,410	2,764
Training	2,500	1,665	3,495
Student expenses	-	1,175	300
Meeting	-	289	1,321
Transportation	-	230	-
Telephone	5,000	-	524
Insurance	1,500	-	2,323
Administration (recovery)	22,500	(92,236)	(83,566)
	281,000	308,311	265,028
Surplus before transfers	127,000	396,146	410,521
Transfers between programs	(59,706)	(132,408)	(146,600)
Surplus	67,294	263,738	263,921