

Ross River Dena Council

Financial Statements

March 31, 2014

Ross River Dena Council

Financial Statements

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Ross River Dena Council

Management's Responsibility for Financial Reporting

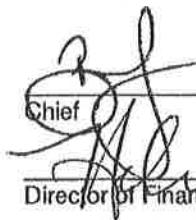
March 31, 2014

The accompanying financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments established by the Canadian Institute of Chartered Accountants and necessarily include estimates which are based on management's best judgements.

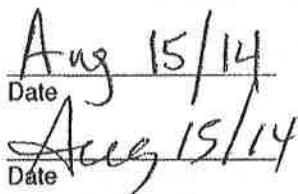
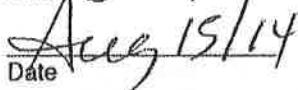
Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The financial statements have been reviewed and approved by Chief and Council.

Crowe MacKay LLP, an independent firm of Chartered Accountants, has been engaged to examine the financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the financial statements, follows.


Chief


Director of Finance


Aug 15/14
Date

Aug 15/14
Date

Independent Auditors' Report



To the Members of
Ross River Dena Council

We have audited the accompanying financial statements of the Ross River Dena Council, which comprises the statement of financial position as at March 31, 2014 and the statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for Financial Statements

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

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 financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

Canadian public sector accounting standards require investments subject to significant influence to be recorded on the modified equity basis. The financial statements for Tu Lidlini Petroleum Corp., North Star Trading Post Ltd., Dena Nezziddi Development Corporation, Kaska Drilling Limited Partnership and Kaska Oil and Gas Limited Partnership for the year ending March 31, 2014 were not available. Tu Lidlini Petroleum Corp., Kaska Drilling Limited Partnership and Kaska Oil and Gas Limited Partnership have only been recorded to March 31, 2013, Dena Nezziddi Development Corporation and North Star Trading Post Ltd. have only been recorded. In addition, the financial statements that were available were not audited. This departure from Canadian public sector accounting standards on the audited financial statements has not been determined. As a result, we were unable to determine whether adjustments were required to revenue, investments, and surplus/deficit.

Our examination indicated serious deficiencies in internal control over Social Assistance expenditures. As a consequence, we were unable to obtain sufficient appropriate audit evidence concerning the completeness and accuracy of social assistance expenditures. As a result, we were unable to determine whether adjustments were required to social assistance, accounts receivable, and surplus/deficit.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Ross River Dena Council as at March 31, 2014 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

Crowe MacKay LLP
Chartered Accountants

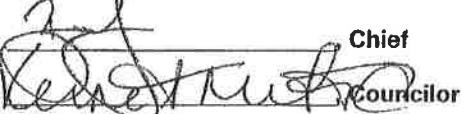
Whitehorse, Canada
August 12, 2014

Ross River Dena Council

Statement of Financial Position

March 31	2014	2013
		(Restated - note 17)
Financial Assets		
Cash	\$ 92,182	\$ 276,422
Accounts receivable (Note 2)	244,160	355,908
Portfolio investments (Note 13) (Note 13)	863,129	931,710
Grants receivable (Note 3)	489,629	350,157
Investments (Note 12)	619,761	325,669
	2,308,861	2,239,866
Liabilities		
Accounts payable	771,603	772,831
Deferred revenue	20,000	20,000
Current portion of lease (Note 3)	16,681	-
Long-term debt (Note 14)	138,517	141,436
	946,801	934,267
Net financial assets	1,362,060	1,305,599
Non-financial Assets		
Capital assets (Note 10)	5,275,790	5,291,186
Prepaid expenses	47	39,411
	5,275,837	5,330,597
Accumulated Surplus (Note 15)	\$ 6,637,897	\$ 6,636,196

Approved on behalf of the Ross River Dena Council


Chief
Councilor

Ross River Dena Council

Statement of Change in Net Financial Assets

<u>For the year ended March 31</u>	<u>2014</u>	<u>2013</u>
Annual surplus	\$ 1,701	\$ 1,192,637
Acquisition of tangible capital assets	(242,827)	(66,249)
Amortization of tangible capital assets	258,223	236,833
	15,397	170,584
Prepaid asset	39,364	(39,411)
Increase in net financial assets	56,462	1,323,810
Net financial assets (debt), beginning of year	1,305,599	(18,213)
Net financial assets, end of year	\$ 1,362,060	\$ 1,305,599

Ross River Dena Council

Statement of Cash Flows

<u>For the year ended March 31,</u>	2014	2013
		(Restated - note 17)
Cash flows from Operating activities		
Items not affecting cash		
Annual surplus from operations	\$ 34,322	\$ 1,557,998
Amortization	258,223	236,833
Loss on sale of investment	(32,621)	(365,361)
	259,924	1,429,470
Change in non-cash operating working capital		
Accounts receivable	111,748	(78,645)
Portfolio investments	68,581	(931,710)
Grants receivable	(139,472)	120,867
Prepaid expenses	39,364	(39,411)
Accounts payable	(1,228)	(100,437)
Deferred revenue	-	(711,044)
	338,917	(310,910)
Financing activities		
Current portion of lease	16,681	-
Repayment of long-term debt	(2,919)	(37,731)
	13,762	(37,731)
Investing activities		
Purchase of property and equipment	(242,827)	(66,248)
Equity in investments	(294,092)	11,260
	(536,919)	(54,988)
Increase (Decrease) in cash and cash equivalents	(184,240)	(403,629)
Cash (Bank indebtedness), beginning of year	276,422	680,051
Cash and cash equivalents, end of year	\$ 92,182	\$ 276,422

Ross River Dena Council

Statement of Operations and Accumulated Surplus

For the year ended March 31	2014	2013
Revenue		(Restated - note 17)
Aboriginal Affairs and Northern Development Canada	\$ 3,759,800	\$ 3,838,571
Socio-economic participation agreements	-	1,740,200
Other revenue	914,139	1,048,242
Other Federal Government	671,825	674,431
Government of Yukon	493,305	530,068
Investment	320,643	55,754
Aboriginal organizations	114,107	153,839
	6,273,819	8,041,105
Expenditures		
Education	227,339	279,886
Finance and Executive	1,223,011	1,074,974
Health and Social Development	2,647,673	2,931,482
Heritage, Lands and Resources	860,136	923,598
Housing, Property Management, and Municipal	1,281,338	1,273,167
	6,239,497	6,483,107
Annual surplus (deficit) from operations	34,322	1,557,998
Loss on sale of investment	(32,621)	(365,361)
Annual surplus	1,701	1,192,637
Accumulated surplus, as previously stated	6,516,193	5,443,559
Correction of accounting error (Note 18)	120,000	-
Accumulated surplus , as restated	6,636,196	5,443,559
Accumulated surplus, end of year	\$ 6,639,897	\$ 6,636,196

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

1. Significant accounting policies (continued)

(g) Surplus

All unexpended items of revenue are treated by the First Nation as surplus until such time as the relevant project is complete.

(h) Restricted cash

Certain amounts of cash are restricted in their use by funding agencies.

(i) Land Claims Negotiation Funding

The First Nation receives funding from Aboriginal Affairs and Northern Development Canada and the Kaska Dena Council for the research, development and negotiation of land claims. Under the terms of the funding agreement, these advances are to be repaid by the First Nation out of their final land claims settlement or upon specified future dates, whichever is sooner. Since these advances represent funding for activities that were performed by the First Nation they have been treated as revenue on the Statement of Operations and Accumulated Surplus.

(j) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The summary financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized above.

(k) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

Ross River Dena Council**Notes to Financial Statements**

March 31, 2014

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(a) Basis of presentation

The summary financial statements reflect all revenues, expenditures, assets and liabilities of the Ross River Dena Council (the "First Nation").

(b) Cash equivalents

The First Nation considers all investments with maturities of three months or less and demand bank loans that are utilized periodically for day to day operations to be cash equivalents.

(c) Capital assets

Capital asset expenditures are valued at acquisition cost. Capital assets are amortized using the declining balance method with half year rule, commencing in the year of acquisition, at the following annual rates:

Buildings	4% - 5%
Automotive equipment	30%
Computer equipment	30%
Office furniture and equipment	20%

Construction in progress is valued at costs incurred up to year-end. Amortization commences in the year the asset is available for use.

(d) Investments

The First Nation's investments in incorporated enterprises that are subject to significant influence are accounted for on the modified equity basis. Investments that are not subject to significant influence are accounted for on the cost basis.

Portfolio investments are accounted for using the cost basis. If there is a loss in value that is other than a temporary decline, the investment is accounted for on a market basis.

(e) Revenue recognition

Grants are recognized as revenue in the applicable period at the time grant applications are approved by the relevant funding agency. Funding received under funding agreements relating to a subsequent fiscal period is reflected as deferred revenue in the year of receipt. Income from investments is recorded on an accrual basis.

(f) Investment income

The First Nation recognizes interest income as earned, dividends when declared, and investment gains and losses when realized. Interest revenue includes amortization of any premium or discount recognized at the date of purchase. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base.

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

5. Related party transactions

The First Nation received \$191,700 in 2002 from the Kaska Dena Council, (of which the First Nation is a member), as a loan to enable the First Nation to prepare for, and participate in, the British Columbia Treaty Process. The loan is payable on the earliest of the following dates: the date a treaty signed by the negotiating parties takes effect, the twelfth anniversary of the date of the first loan advance by Canada to Kaska Dena Council, the seventh anniversary after the signing of an agreement in principle or the date the federal minister demands payment, from the Kaska Dena Council, due to default. These notes are interest free until the loan becomes due and payable. These loans were recorded as revenue in the year they were received.

During the year the First Nation purchased fuel from Tu-Lidlini Petroleum Corporation (51% ownership held in trust) in the amount of \$382,578 (2013 - \$353,672), purchased groceries from the North Star Trading Post Ltd. (100% ownership held in trust) in the amount of \$28,000 (2013 - \$38,874). The First Nation received funds from Dena Nezziddi Development Corporation (100% ownership) in the amount of \$150,000 (2013 - \$17,349) to cover operating deficits. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

6. Administration fees

Administration fees have been charged by the Band Support Program to various other programs within the First Nation. The Social Assistance Program pays fees to assist with work opportunities to various other Programs.

7. Monies held in trust

At March 31, 2014, the Government of Canada held funds in trust of \$4,905 (2013 - \$16,124) for the First Nation. These funds are not included in the financial statements.

8. Land Claims Negotiation and Transboundary Programs

In prior years, the First Nation received loans from the Government of Canada for land claims negotiations. These loans were included in revenue and have not been recorded as liabilities as it was anticipated that they would be offset against future land claims settlements.

The amounts repayable under the terms of a funding agreement with Canada are \$2,300,000 plus interest of \$450,358 with respect to the land claim negotiation program and \$670,000 with respect to the transboundary program. An amount of \$3,800,606 plus interest of \$2,607,888 is with respect to loans to the Council of Yukon First Nations for the First Nation, and \$1,270,002 plus interest of \$691,968 is with respect to loans to the Council of Yukon First Nations for Ross River Elders. The amounts are payable at the effective date a treaty is signed.

The repayable amount of \$3,800,606 plus interest of \$2,607,888 with respect to loans to the Council of Yukon First Nations for the First Nation is being disputed by the First Nation and is currently the subject of litigation in the Supreme Court of Yukon. The outcome of this litigation is not determinable.

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

2. Accounts receivable

	2014	2013
Accounts receivable	\$ 202,087	\$ 287,204
GST receivable	80,400	68,704
Due from employees	51,923	51,923
	334,410	407,831
Allowance for doubtful accounts	(90,250)	(51,923)
	244,160	355,908

3. Grants receivable

	2014	2013 (Restated - note 17)
Aboriginal Affairs and Northern Development Canada	\$ 178,379	\$ 118,160
Yukon Zinc	311,250	120,000
YTG - FMCP	-	57,089
Fire Smart	-	19,350
Other	-	35,558
	489,629	350,157

4. Bank indebtedness

The First Nation has access to an operating line of credit of \$50,000 which is subject to interest rates of prime plus 2%. This operating line of credit is used to meet unexpected cash flow needs. At year end the line of credit has not been accessed.

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

		Education	Heritage, Lands and Resources	Health and Social Development	Municipal	Finance and Executive	Housing, Property and Total
Revenue							
Aboriginal Affairs and Northern Development Canada	\$ 70,585	\$ 183,411	\$ 1,868,502	\$ 1,230,932	\$ 406,371	\$ 3,759,801	
Other revenue	1,685	379,993	70,870	37,072	414,518	904,138	
Other Federal Government	24,800	-	647,025	-	-	671,825	
Yukon Territorial Government	22,388	302,750	132,623	45,544	-	503,305	
Aboriginal organizations	114,107	-	-	-	-	114,107	
Investment income	-	-	-	-	320,643	320,643	
	233,565	866,154	2,719,020	1,313,548	1,141,532	6,273,819	
Expenses							
Amortization	-	-	-	-	-	258,223	258,223
Bad debts	-	32,622	-	-	-	60,472	93,094
Consulting	-	108,582	16,194	52,057	49,857	226,690	
Contract services	-	27,161	3,067	307,164	3,130	340,522	
Offices and administration	66,308	91,730	174,864	116,495	150,423	599,820	
Operations & maintenance	-	16,342	33,023	308,077	29,795	387,237	
Professional services	-	51,300	1,500	-	1,803	54,603	
Programming	36,724	-	8,640	-	-	45,364	
Repayment of prior year funds	-	29	37,566	34,281	15,892	87,768	
Salaries & benefits	52,178	253,714	659,972	408,908	613,261	1,988,033	
Social assistance, benefits & health	-	80,781	1,527,731	-	-	1,608,512	
Training	49,679	19,523	40,640	-	4,918	114,760	
Travel & meetings	22,450	178,352	144,476	54,356	35,237	434,871	
	227,339	860,136	2,647,673	1,281,338	1,223,011	6,239,497	
Annual surplus (deficit)							
Loss on sale of investment	6,226	6,018	71,347	32,210	(81,479) (32,621)	34,322 (32,621)	
Annual surplus (deficit)	6,226	6,018	71,347	32,210	(112,070))	3,701	

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

9. Budget information

Budget figures were not prepared by the First Nation under the PSAB reporting requirement and are therefore not available for comparative purposes.

10. Segmented information

PSAB requirements include disclosure about each of a government's segments. Requirements are that the government disclose the basis for identifying segments, the nature of the segments and the method of significant allocations to segments. Disclosure is made of segment expense by major object or category and segment revenue by source and type.

There are five segments which are shown under Expenditures on the Statement of Operations. Each segment is headed by a department head.

The First Nation provides a wide range of services to its citizens. For management reporting purposes, the First Nation's operations and activities are organized and reported by department. The following departments and activities have been separately disclosed in the segmented information:

Operating Departments

Education: Provides programs and services to the First Nation citizens for K - 12 school support, post secondary program advising and support, and daycare programs.

Heritage, Lands and Resources: Provides programs and services to the First Nation members for language, cultural and land use.

Health and Social Development: Provides services to the First Nation members in the areas of income assistance, individual case management, elders fuel benefits, Community Care, elders programs, youth programs, recreation, family health, health promotion and counselling services.

Housing, Property Management and Municipal: Provides and manages services to the First Nation rental, subsidy and CMHC housing, maintains community infrastructure, community buildings and roads, and new construction and renovations projects.

Finance and Executive: Responsible for managing and carrying out the financial affairs of the First Nation, including managing and administration of the consolidated revenue fund and all revenues and expenditures of the First Nation.

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

11. Capital assets

	2014 Cost			Accumulated amortization		
	Balance, beginning of year	Additions	Balance, end of year	beginning of year	Amortization	Balance, end of year
Land	\$ 59,816	\$ -	\$ 59,816	\$ 5,479,647	\$ 206,064	\$ 5,685,711
Buildings	10,572,424	117,660	10,690,084	221,548	28,234	249,782
Automotive equipment	260,988	109,347	370,335	63,801	7,535	71,336
Computer equipment	81,415	15,010	96,425	523,781	16,389	540,170
Office furniture and equipment	605,319	810	606,129			65,959
	\$ 11,579,962	\$ 242,827	\$ 11,822,789	\$ 6,288,777	\$ 258,222	\$ 6,546,999
2013 Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	beginning of year	Amortization	Balance, end of year
Land	\$ 59,816	\$ -	\$ 59,816	\$ -	\$ -	\$ 59,816
Buildings	10,516,561	55,863	10,572,424	5,285,745	193,902	5,479,647
Automotive equipment	260,988	-	260,988	204,645	16,903	221,548
Computer equipment	74,618	6,797	81,415	57,708	6,093	63,801
Office furniture and equipment	601,731	3,588	605,319	503,845	19,936	523,781
	\$ 11,513,714	\$ 66,248	\$ 11,579,962	\$ 6,051,943	\$ 236,834	\$ 6,288,777

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

		Education	Heritage, Lands and Resources	Health and Development	Social Management and Municipal	Housing, Property	Finance and Executive	2013 Total	(Restated - Note 17)
Revenue									
Aboriginal Affairs and Northern Development Canada	\$	76,136	\$ 363,048	\$ 2,072,576	\$ 870,584	\$ 456,227	\$ 3,838,571		
Other revenue		-	504,101	49,315	84,053	410,773	1,048,242		
Other Federal Government		22,400	5,265	646,766	-	-	674,431		
Yukon Territory Government		14,078	242,018	76,670	197,302	-	530,068		
Aboriginal Organizations		153,839	-	-	-	-	153,839		
Investment income		-	-	-	-	-	1,795,955	1,795,955	
		266,453	1,114,432	2,845,327	1,151,939	2,662,955	8,041,106		
Expenses									
Amortization		-	-	-	-	8,495	236,833	236,833	
Bad debt		-	-	-	49,286	-	8,495	8,495	
Consulting		-	210,450	27,308	142,139	-	345,493	345,493	
Contract services		-	4,820	21,206	178,687	4,494	172,659	172,659	
Office & administration		46,211	119,716	193,216	350,244	71,447	609,277	609,277	
Operations & maintenance		-	14,155	65,720	37,080	12,000	442,119	442,119	
Professional services		-	107,420	-	-	72,139	216,639	216,639	
Programming		51,611	35,636	56,166	-	1,465	144,878	144,878	
Repayment of prior year funds		-	82,946	-	5,549	2,272	90,767	90,767	
Salaries & benefits		87,078	185,032	498,725	460,137	585,289	1,816,261	1,816,261	
Social assistance, benefits & health		-	46,263	2,008,204	-	-	2,054,467	2,054,467	
Training		71,162	18,212	1,569	-	(1,078)	89,865	89,865	
Travel & meetings		23,824	98,948	59,368	41,550	31,664	255,354	255,354	
		279,886	923,598	2,931,482	1,273,167	1,074,974	6,483,107		
Annual surplus (deficit)	\$	(13,433)	\$ 190,834	\$ (86,155)	\$ (121,228)	\$ 1,587,981	\$ 1,557,999		
Loss on sale of investment							(365,360)	(365,360)	
Annual surplus (deficit)		(13,433)	190,834	(86,155)	(121,228)	1,222,621	1,192,639		

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

13. Portfolio Investments

The portfolio investments are measured at cost. The costs and market values of the investments contained are as follows:

	Market Value	Cost
Veris Gold Corp	79,678	842,930
Silvercorp Metals Inc.	10,800	20,200
Total	\$ 90,478	\$ 863,130

14. Long term debt

2014 2013

Canada Mortgage and Housing Corporation (C.M.H.C.), repayable in fifteen equal annual payments of \$11,667, interest free, maturing in 2015. The loan is forgivable in fifteen equal payments of \$11,667 provided all the terms and conditions of the loan are met.

\$ 5,833 \$ 17,500

Development loan from Yukon Zinc, repayable up to a maximum of 25% from the annual Community Support Initiative payments from Yukon Zinc. If no, or insufficient payments are made to provide for the repayment of the Development loan, then the outstanding unpaid amount of the loan will be forgiven by Yukon Zinc. The loan will be interest free for a period of ten years. Thereafter, it will bear interest at the prime rate of The Royal Bank of Canada.

86,188 123,936

Ford Credit, vehicle leases ending April 15, 2016. The leases have set monthly payments of \$911.86 and \$847.85 plus GST.

46,496

Current portion

138,517 141,436
60,015 49,167

\$ 78,502 \$ 92,269

Principal portion of long-term debt due within the next five years:

2015	60,015
2016	78,502
138,517	

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

12. Investments

	2014	2013
Yukon Indian Development Corporation (5.9%)	\$ 66,000	\$ 66,000
Tu Lidlini Petroleum Corporation (51%)	154,757	204
Kayah Nan Petroleum Inc. (20%)	1	1
Akita/Kaska Drilling Ltd. (20%)	1	1
Dena Nezziddi Development Corporation (100%)	1	1
Advances to Yukon Indian Development Corporation	70,981	70,981
Advances to Dena Nezziddi Development Corporation	163,593	19,502
Advances to Kaska Oil and Gas Limited Partnership (20%)	164,427	168,979
	<hr/> \$ 619,761	<hr/> \$ 325,669

100% of the outstanding common shares of North Star Trading Post, Ross River Dena Development Corporation, Dena Nezziddi Development Corporation, and 51% of Tu Lidlini Petroleum Corporation are owned by Ross River Dena Council. The First Nation accounts for its investment on the modified equity basis. Ross River Dena Development Corporation, North Star Trading Post Ltd., and Tu Lidlini Petroleum Corporation have operating deficits. Consequently, the investments have been written down to nil to reflect their net realizable value. Yukon Indian Development Corporation is accounted for on a cost basis.

In 2003, Ross River Dena Development Corporation had assets of \$9,889, liabilities of \$231,845, share capital and contributed surplus of \$31,405 and an accumulated deficit of \$253,361. No information is available from that time to the 2014 fiscal year.

To March 31, 2011, North Star Trading Post Ltd. had assets of \$463,664, liabilities of \$262,401, share capital of \$201,263 and an accumulated deficit of \$6,252. No information is available for the 2014 fiscal year. These amounts are unaudited.

The financial information for Tu Lidlini Petroleum Corporation is presented for the year ending March 31, 2013. To March 31, 2013, Tu Lidlini Petroleum Corporation had assets of \$934,6691, liabilities of \$541,223, share capital of \$400, and an accumulated surplus of \$303,046. These amounts are unaudited.

The financial information for Dena Nezziddi Development Corporation is presented for the year ending March 31, 2012. To March 31, 2012, Dena Nezziddi Development Corporation had assets of \$1,208,021, liabilities of \$1,014,426, share capital of \$1, and an accumulated deficit of \$163,594. These amounts are unaudited.

The financial information for Kaska Drilling Limited Partnership is reported for the year ended March 31, 2013. Kaska Oil and Gas Limited Partnership is reported for the year ended March 31, 2013. These amounts are unaudited.

The Kaska Drilling Limited Partnership reported at March 31, 2013 assets of 5,349, a contributed surplus of \$233,975 and partners' equity of (\$233,626). This Council's 20% equity portion in the partnership is (\$46,724).

The Kaska Oil and Gas Services Limited Partnership reported to March 31, 2013 assets of \$162,954, liabilities of \$5,398 and a partners' equity of \$157,556. This Council's 20% equity portion in the partnership is \$164,426. No information is available for the 2014 fiscal year.

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

16. Comparative amounts

The financial statements have been reclassified where applicable, to conform with the presentation used in the current year.

17. Correction of accounting error

An adjustment has been made to the prior period due to an accounting error. The error resulted in Revenue, Accounts Receivable and the Operating surplus being understated by \$120,000.

Ross River Dena Council

Notes to Financial Statements

March 31, 2014

15. Accumulated surplus

	2014	2013
		(Restated note 17)
Operating surplus	\$ 748,179	\$ 1,036,841
Capital equity surplus	5,269,957	5,273,685
Investments surplus	619,761	325,669
	<hr/>	<hr/>
	\$ 6,637,897	\$ 6,636,195

a) Operating surplus

Balance, beginning of the year	\$ 1,036,841	\$ (325,972)
Annual surplus	1,701	1,192,639
Transfers	(290,363)	170,174
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Balance, end of the year	\$ 748,179	\$ 1,036,841

b) Capital equity surplus

Balance, beginning of the year	\$ 5,273,685	\$ 5,432,602
Additions:		
Investment in capital assets	242,827	66,249
Principal repayment of long term debt	11,667	11,667
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Total additions	254,494	77,916
 Deductions:		
Amortization of capital assets	(258,222)	(236,833)
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Balance, end of the year	\$ 5,269,957	\$ 5,273,685

c) Investment surplus

Balance, beginning of the year	\$ 325,669	\$ 336,929
Additions/Deductions:		
Equity in investments	294,092	(11,260)
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Balance, end of the year	\$ 619,761	\$ 325,669