

**LAKE COWICHAN FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2015**

**LAKE COWICHAN FIRST NATION**  
**Index to Consolidated Financial Statements**  
**March 31, 2015**

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Lake Cowichan First Nation are the responsibility of management and have been approved by Chief and Executive Director on behalf of Council.

The consolidated 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 of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

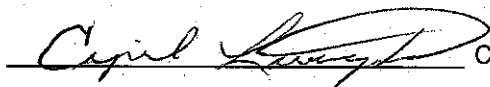
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

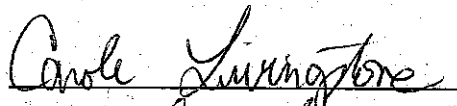
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

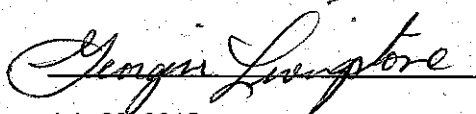
The First Nation Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and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

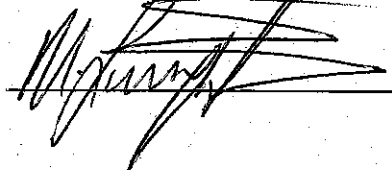
The external auditors, Lee & Company, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Lake Cowichan First Nation and meet when required.

On behalf of Lake Cowichan First Nation:

 Chief

 Councillor

 Councillor

 Councillor

July 28, 2015

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### INDEPENDENT AUDITOR'S REPORT

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#### TO THE MEMBERS OF LAKE COWICHAN FIRST NATION

##### Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of LAKE COWICHAN FIRST NATION which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, 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 the 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

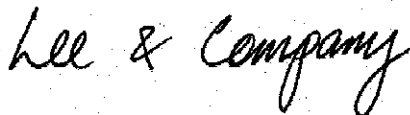
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity'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 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

##### Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of LAKE COWICHAN FIRST NATION as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.




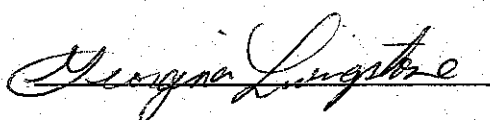
CHARTERED ACCOUNTANT

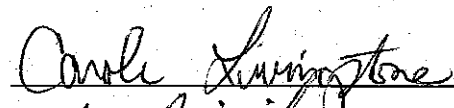
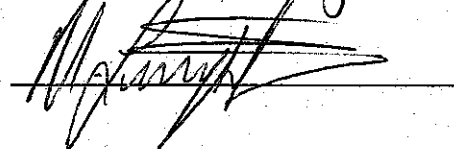
Victoria, BC  
July 28, 2015

**LAKE COWICHAN FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2015**

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	106,059	4,715
Accounts receivable (Note 3)	40,091	58,228
Ottawa Trust funds (Note 4)	3,381	3,259
Investments (Note 5)	5,000	5,000
	<u>154,531</u>	<u>71,202</u>
<b>LIABILITIES</b>		
Bank indebtedness (Note 2)	-	-
Accounts payable and accrued liabilities (Note 6)	99,918	99,889
Deferred revenue (Note 7)	42,952	18,212
Reserve funds (Note 1)	12,542	9,537
Long term debt (Note 8)	442,584	450,165
	<u>597,996</u>	<u>577,803</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>(443,465)</u>	<u>(506,601)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 9)	450,756	471,482
Prepaid expenses	2,697	5,134
	<u>453,453</u>	<u>476,616</u>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 12)</b>	<u>9,988</u>	<u>(29,985)</u>
Contingent liabilities (Note 14)		

Approved by Chief and Council

 Chief  
 Councillor

 Councillor  
 Councillor

**LAKE COWICHAN FIRST NATION**  
**Consolidated Statement of Operations**  
**For the year ended March 31, 2015**

	Budget	2015	2014
<b>REVENUE</b>			
Federal funding - Aboriginal Affairs and Northern Development Canada	174,105	265,066	240,378
Federal funding - Canada Mortgage and Housing Corporation	49,076	49,076	11,224
Federal funding - Other	135,640	197,489	135,488
Provincial funding	35,000	44,876	59,152
Ottawa Trust	-	122	133
Rent	40,807	37,324	40,439
Other	163,275	186,229	183,026
	<u>597,903</u>	<u>780,182</u>	<u>669,840</u>
<b>EXPENSES</b>			
Governance and administration	145,968	227,408	166,458
Social development	54,670	47,372	44,903
Health services	60,000	65,428	71,978
Education and training	54,700	80,891	96,707
Public works	9,358	12,369	10,435
Lands and treaty	153,539	163,281	164,486
Economic development	40,000	40,493	98,010
Capital projects	38,565	38,716	-
Band housing	11,525	9,893	18,725
Social housing	22,994	26,115	25,628
Depreciation	16,000	28,243	22,235
	<u>607,319</u>	<u>740,209</u>	<u>719,565</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>(9,416)</u>	<b>39,973</b>	(49,725)
<b>ACCUMULATED SURPLUS (DEFICIT), at beginning of year</b>		<b>(29,985)</b>	19,740
Transfer from (to) reserves		-	-
<b>ACCUMULATED SURPLUS (DEFICIT), at end of year (Note 12)</b>		<u><b>9,988</b></u>	<u>(29,985)</u>

**LAKE COWICHAN FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets (Net Debt)**  
**For the year ended March 31, 2015**

	2015	2014
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>39,973</b>	<b>(49,725)</b>
Tangible capital assets		
Acquisition of tangible capital assets	(44,931)	(59,783)
Proceeds on disposal of tangible capital assets	29,260	26,297
Amortization of tangible capital assets	28,243	22,235
Write-downs on tangible capital assets	-	-
(Gain) loss on disposal of tangible capital assets	8,154	6,011
	<u>20,726</u>	<u>(5,240)</u>
Acquisition of supplies inventories	-	-
Acquisition of prepaid expense	(2,697)	(5,134)
Transfer from (to) reserves	-	-
Consumption of supplies inventories	-	-
Use of prepaid expense	5,134	5,597
	<u>2,437</u>	<u>463</u>
<b>CHANGE IN NET FINANCIAL ASSETS (NET DEBT)</b>	<b>63,136</b>	<b>(54,502)</b>
<b>NET FINANCIAL ASSETS (NET DEBT), at beginning of year</b>	<b>(506,601)</b>	<b>(452,099)</b>
<b>NET FINANCIAL ASSETS (NET DEBT), at end of year</b>	<b>(443,465)</b>	<b>(506,601)</b>

**LAKE COWICHAN FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	39,973	(49,725)
Items not affecting cash		
Amortization of tangible capital assets	28,243	22,235
(Gain) loss on disposal of tangible capital assets	8,154	6,011
Transfers from (to) reserves	-	-
Change in non-cash charges to operations		
Accounts receivable	18,137	21,995
Ottawa Trust funds	(122)	(133)
Prepaid expenses	2,439	462
Accounts payable and accrued liabilities	28	29,434
Deferred revenue	24,740	18,212
Reserve funds	3,004	1,226
	<u>124,596</u>	<u>49,717</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on disposal of tangible capital assets	29,260	26,297
Acquisition of tangible capital assets	<u>(44,931)</u>	<u>(59,783)</u>
	<u>(15,671)</u>	<u>(33,486)</u>
<b>INVESTING TRANSACTIONS</b>		
Investments	<u>-</u>	<u>-</u>
<b>FINANCING TRANSACTIONS</b>		
Long term debt	<u>(7,581)</u>	<u>(10,068)</u>
<b>INCREASE (DECREASE) IN CASH DURING YEAR</b>	<b>101,344</b>	<b>6,163</b>
<b>CASH, at beginning of year</b>	<u><b>4,715</b></u>	<u><b>(1,448)</b></u>
<b>CASH, at end of year</b>	<u><b>106,059</b></u>	<u><b>4,715</b></u>
<b>REPRESENTED BY:</b>		
Cash (bank indebtedness)	96,520	(2,258)
Cash - restricted by CMHC	<u>9,539</u>	<u>6,973</u>
	<u><b>106,059</b></u>	<u><b>4,715</b></u>



**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. 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 of the Canadian Institute of Chartered Accountants.

**b. Reporting Entity and Principles of Financial Reporting**

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

- Lake Cowichan First Nation Government Administration
- Lake Cowichan First Nation Trusts Fund
- CMHC Housing Program

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

**c. Cash and cash equivalents**

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

**d. Financial Instruments**

The carrying amounts for accounts receivable, grants receivable and accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

**e. Investments**

Investments are recorded at cost. Investments are written down where there has been a loss in value that is other than a temporary decline.

**f. Tangible capital assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Social Housing	Equal to loan principal payment
Equipment	20%
Vehicle	20%
Boat	33%

In the year of acquisition, 50% of the normal amortization is recorded. Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**g. Reserve funds**

Reserve funds represent the replacement and operating reserve funds required under the terms of the agreement with Canada Mortgage and Housing Corporation.

**h. Revenue Recognition**

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing that the transfers are authorized, all eligibility criteria have been met by the Nation, and reasonable estimates of the amounts can be made. Government transfers received for which the Nation has not met all eligibility requirements are recorded as revenue. Government transfers include financial transfer agreement payments, band trust revenue payments, contribution arrangements, and other federal and provincial grants.

Grant revenue is recognized in the financial statements as the related expenditures are incurred and when the terms and conditions of the funding are satisfied. Other income is recorded as revenue when earned.

**i. Use of Estimates**

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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumption used in estimating provisions for accrued liabilities and estimating the useful lives of tangible capital assets. Actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Lake Cowichan First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Operating Fund. Cash and cash equivalents is comprised of the following:

	2015	2014
Unrestricted - Operating	96,520	(2,258)
Restricted - CMHC	9,539	6,973
	<u>106,059</u>	<u>4,715</u>

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**3. ACCOUNTS RECEIVABLE**

	<u>2015</u>	<u>2014</u>
Federal government		
Aboriginal Affairs and Northern Development Canada	-	-
Other government organizations	19,603	32,597
Canada Mortgage and Housing Corporation	1,519	1,519
	<u>21,122</u>	<u>34,116</u>
Members		
Rent	4,901	3,936
Social housing	4,908	4,137
	<u>9,809</u>	<u>8,073</u>
Other	<u>9,160</u>	<u>16,039</u>
	<u>40,091</u>	<u>58,228</u>

**4. OTTAWA TRUST FUNDS**

	March 31, 2014	Additions	Withdrawals	March 31, 2015
Revenue	1,394	122	-	1,516
Capital	1,865	-	-	1,865
	<u>3,259</u>	<u>122</u>	<u>-</u>	<u>3,381</u>

The trust funds arise from monies 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.

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**5. INVESTMENTS**

	<u>2015</u>	<u>2014</u>
Hul'Q'Umn Num Fisheries Limited Partnership	<u>5,000</u>	<u>5,000</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2015</u>	<u>2014</u>
Aboriginal Affairs and Northern Development Canada	10,800	3,141
Trade payables	62,243	61,999
Accrued salaries and benefits payable	10,470	17,220
Canada Revenue Agency - Source deductions payable	3,206	4,300
Other accrued liabilities	13,199	13,229
	<u>99,918</u>	<u>99,889</u>

**7. DEFERRED REVENUE**

The changes in the deferred contributions balance for the year are as follows:

	Balance March 31, 2014	Funding Received 2015	Revenue Recognized 2015	Balance March 31, 2015
Department of Fisheries and Oceans Canada	18,212	-	6,071	12,141
Hul'qumi'num Treaty Group	-	129,275	98,464	30,811
	<u>18,212</u>	<u>129,275</u>	<u>104,535</u>	<u>42,952</u>

Department of Fisheries and Oceans Canada - Contributions were provided to assist in the purchase or construction of tangible capital assets.

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**8. LONG TERM DEBT**

	<u>2015</u>	<u>2014</u>
All Nations Trust - mortgage repayable at \$2,119 per month including interest @ 2.08%, maturing February 1, 2034. Secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on three housing units.	397,607	414,606
Ford Credit Canada Ltd. - auto loan repayable at \$789 per month including interest at 1.99% per annum. Secured by vehicle, maturing December 19, 2019.	44,976	-
Ford Credit Canada Ltd. - auto loan repayable at \$697 per month including interest at 0% per annum. Secured by vehicle, maturing June 3, 2018.	-	35,559
	<u>442,583</u>	<u>450,165</u>
Portion payable within one year	<u>(26,829)</u>	<u>(25,419)</u>
	<u>415,754</u>	<u>424,746</u>

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2016	26,829
2017	27,191
2018	27,561
2019	27,939
2020	25,941
Thereafter	307,122

	<u>2015</u>	<u>2014</u>
Interest expense for the year on long-term debt	<u>8,585</u>	<u>8,191</u>

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**9. TANGIBLE CAPITAL ASSETS**

	<b>Social Housing Buildings</b>	<b>Equipment</b>	<b>Vehicle</b>	<b>Boat</b>	<b>2015 Total</b>	<b>2014 Total</b>
<b>Cost</b>						
Opening Balance	491,999	192,273	43,470	18,212	745,954	722,070
Additions	-	-	44,931	-	44,931	59,783
Disposals	-	-	(41,570)	-	(41,570)	(35,898)
Write-downs	-	-	-	-	-	-
Closing balance	491,999	192,273	46,831	18,212	749,315	745,955
<b>Accumulated Amortization</b>						
Opening Balance	77,393	191,973	5,107	-	274,473	255,828
Amortization	16,999	300	4,873	6,071	28,243	22,235
Disposals	-	-	(4,157)	-	(4,157)	(3,590)
Write-downs	-	-	-	-	-	-
Closing balance	94,392	192,273	5,823	6,071	298,559	274,473
<b>Net book value</b>	<b>397,607</b>	<b>-</b>	<b>41,008</b>	<b>12,141</b>	<b>450,756</b>	<b>471,482</b>

**10. EXPENSES BY OBJECT**

The following is a summary of expenses by object.

	<b>2015</b>	<b>2014</b>
Amortization	28,243	22,235
Debt servicing and interest	9,477	9,189
Education and training	22,148	28,725
Other	145,987	118,085
Professional fees	143,463	158,448
Social assistance	13,678	15,811
Travel	33,175	30,381
Wages and benefits	344,039	336,691
	<b>740,210</b>	<b>719,565</b>

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**11. SEGMENT DISCLOSURE**

Lake Cowichan First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

	Governance and Administration		Social Development		Health Services		Education and Training		Public Works	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUES</b>										
Federal funding - Aboriginal Affairs and Northern Development Canada	162,606	70,499	44,988	53,161	-	-	15,775	23,337	11,697	10,371
Federal funding - Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-
Federal funding - Other	25,000	-	-	-	103,891	92,448	40,027	32,252	-	-
Provincial funding	-	-	-	-	-	-	(624)	16,652	-	-
Ottawa Trust	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Other	22,087	29,386	-	-	4,000	10,200	-	-	672	64
	209,693	99,885	44,988	53,161	107,891	102,648	55,178	72,241	12,369	10,435
<b>EXPENSES</b>										
Wages and benefits	90,622	94,257	29,341	26,551	53,572	47,563	41,852	43,927	3,303	2,098
Debt servicing	1,044	1,355	-	-	-	-	-	-	-	-
Amortization	4,793	4,757	-	-	-	-	-	-	-	-
Other Expenses	135,743	70,846	18,031	18,352	11,856	24,415	39,038	52,780	9,066	8,337
	232,202	171,215	47,372	44,903	65,428	71,978	80,890	96,707	12,369	10,435
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(22,509)</b>	<b>(71,330)</b>	<b>(2,384)</b>	<b>8,258</b>	<b>42,463</b>	<b>30,670</b>	<b>(25,712)</b>	<b>(24,466)</b>	<b>-</b>	<b>-</b>

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**11. SEGMENT DISCLOSURE (Continued)**

	Lands and Treaty		Economic Development		Capital Projects		Band Housing		Social Housing	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUES</b>										
Federal funding - Aboriginal Affairs and Northern Development Canada	-	-	30,000	83,010	-	-	-	-	-	-
Federal funding - Canada Mortgage and Housing Corporation	-	-	-	-	30,850	-	-	-	18,226	11,224
Federal funding - Other	28,571	10,788	-	-	-	-	-	-	-	-
Provincial funding	45,500	42,500	-	-	-	-	-	-	-	-
Ottawa Trust	122	133	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	10,900	14,015	26,424	26,424
Other	159,470	143,376	-	-	-	-	-	-	-	-
	233,663	196,797	30,000	83,010	30,850	-	10,900	14,015	44,650	37,648
<b>EXPENSES</b>										
Wages and benefits	111,564	100,322	11,484	19,873	-	-	200	-	2,100	2,100
Debt servicing	36	-	-	-	-	-	-	-	8,397	7,834
Amortization	6,451	380	-	-	-	-	-	-	16,999	17,098
Other Expenses	45,610	82,377	29,008	78,137	38,716	-	9,692	18,725	15,617	15,694
	163,661	183,079	40,492	98,010	38,716	-	9,892	18,725	43,113	42,726
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>70,002</b>	<b>13,718</b>	<b>(10,492)</b>	<b>(15,000)</b>	<b>(7,866)</b>	<b>-</b>	<b>1,008</b>	<b>(4,710)</b>	<b>1,537</b>	<b>(5,078)</b>



**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2015**

**12. ACCUMULATED SURPLUS (DEFICIT)**

	Operating	Trust	Housing	Capital	2015 Total	2014
Accumulated Surplus (Deficit), at the beginning of year	(24,295)	3,258	(10,198)	1,250	(29,985)	19,740
Annual Surplus (Deficit)	38,316	121	1,536	-	39,973	(49,725)
Transfers	680	-	-	(680)	-	-
Accumulated Surplus (Deficit), at the beginning of year	14,701	3,379	(8,662)	570	9,988	(29,985)

**13. TREATY NEGOTIATIONS**

Treaty negotiations for Lake Cowichan First Nation are being carried on by the Hul'qumi'num Treaty Group. As at March 31, 2015, the Treaty Group is responsible to repay in excess of \$31,716,028 to the Federal Government for advances made under the treaty process.

**14. CONTINGENT LIABILITY**

- a) The First Nation has a contingent liability of \$491,999 for various on-reserve housing loan guarantees.
- b) The First Nation entered into forgivable loan agreements with CMHC for the On-Reserve Residential Rehabilitation Assistance Program (RRAP). These loans are forgivable over three to four years if the First Nation comply with the terms and conditions of the RRAP loans. The loans become payable with interest rates varying between 3.125% to 3.750% should the First Nation fail to comply.

**15. ECONOMIC DEPENDENCE**

The First Nation receives a majority portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

**16. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.