

Consolidated financial statements of

EAGLE VILLAGE FIRST NATION - KIPAWA

March 31, 2015

EAGLE VILLAGE FIRST NATION - KIPAWA

Table of contents

	<u>PAGE</u>
Management's Statement of Responsibility	
Independent Auditors' Report	1-2
Consolidated financial Statements	
Statement of Operations	3-4
Statement of Cumulative Operating Surplus	5
Statement of Net Investment in Capital Assets	6
Statement of Financial Position	7
Statement of Changes in Net Financial Assets (Net Debt)	8
Statement of Cash Flows	9
Notes to the financial statements	10-27
Annexes 1 to 110	
Statements of Revenues and Expenses by project	28-159

EAGLE VILLAGE FIRST NATION - KIPAWA
Management's Statement of Responsibility
Year ended March 31, 2015

The consolidated financial statements of Eagle Village First Nation - Kipawa as at March 31, 2015 are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared in conformity with Canadian public sector accounting standards as defined by the CPA Canada Public Sector Accounting Handbook and, where appropriate, include amounts that are based on management's best estimates and judgements. Management has established internal control systems to ensure that the financial information is objective and reliable and that band assets are safeguarded.

The consolidated financial statements have been audited by the independent auditors, Deloitte LLP whose report outlines the scope of their audit and their opinion on the consolidated financial statements.

The Chief and Council carries out its responsibility for the consolidated financial statements through the Office of Chief and Council, which is comprised of a quorum of councillors. The Chief and Council meets with the auditors to review the consolidated financial statements and independent auditor's report.

The Chief and Council reviews the audited consolidated financial statements with the independent auditors before making recommendations for presentation to the band membership.


Signature and title
for Eagle Village First Nation - Kipawa

Independent Auditors' report

To the Chief and Council
Eagle Village First Nation - Kipawa

We have audited the accompanying consolidated financial statements of the Eagle Village First Nation - Kipawa as at March 31, 2015, which comprise the consolidated statement of Financial Position as at March 31, 2015, and the consolidated statements of Operations, Cumulative Operating Surplus, Net Investment in Capital Assets, Changes in Net Financial Assets (Net Debt) and Cash Flows, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Eagle Village First Nation - Kipawa 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.

Observations

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which states that the First Nation includes certain financial information that are not required by the Canadian public sector accounting standards. This information is presented in order to satisfy to Aboriginal Affairs and Northern Development Canada and presented on pages 28 to 159.

1

Deloitte LLP
July 24, 2015

¹ CPA auditor, CA, public accountancy permit No A112314

EAGLE VILLAGE FIRST NATION - KIPAWA
Consolidated Statement of Operations
Year ended March 31, 2015

	2015	2014
	\$	\$
REVENUES		
Sales	1 792 978	1 838 403
Taxi services	83 096	87 614
AANDC - Unexpended funds	111 198	(817 391)
Allocation from the replacement reserve	8 335	-
AANDC - Fixed Contribution funding	35 262	35 249
AANDC - Set Contribution	1 342 521	448 433
AANDC - Block funding	2 727 847	2 701 215
Administration fees	279 079	284 868
Recreation	14 128	21 400
Canada Mortgage and Housing Corporation (CMHC)	392 779	173 104
First Nations Education Council	42 892	49 607
First Nations of Quebec and Labrador Health and Social Services Commission	89 080	27 378
Centre Jeunesse de l'Abitibi-Témiscamingue	131 223	131 223
Forestry contracts	197 258	22 366
Government of Quebec	42 550	35 542
First Nations Human Resources Development Commission of Quebec	283 864	281 879
Interests	7 398	8 935
Land management	250 000	100 000
Loan revenue	324 964	200 000
Ministry of Natural Resources	106 000	106 000
Health Canada	1 394 467	1 213 876
Refundable surplus to AANDC	(31 821)	(62 104)
Refundable surplus to Health Canada	(19 571)	(18 376)
Refundable surplus to FNEC	(12 486)	-
Provincial and Federal police	313 313	410 547
Other recreation revenue	-	8 874
Rent revenue	345 759	463 695
Special activities revenue	35 899	7 376
Sale of housing units	213 000	108 600
Other revenue	393 931	465 179
Transfer to Net Investment in Capital Assets	(1 820 810)	(487 646)
Deferred revenue from the previous year	165 757	177 913
Deferred revenue to the following year	(738 900)	(165 757)
	8 500 990	7 858 002

EAGLE VILLAGE FIRST NATION - KIPAWA
Consolidated Statement of Operations
Year ended March 31, 2015

	2015	2014
	\$	\$
EXPENSES		
Band government	17 619	21 368
Administration	707 820	653 574
Human resources development	180 651	192 456
Education	956 992	990 886
Health	1 543 276	1 304 961
Public works	803 763	855 475
Public security	465 368	482 069
Social assistance	284 233	320 138
Housing	1 188 208	1 435 611
Economic development	2 595 313	2 540 059
Natural resources and others	684 191	628 426
	9 427 434	9 425 023
DEFICIT	(926 444)	(1 567 021)

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

EAGLE VILLAGE FIRST NATION - KIPAWA
Consolidated Statement of Cumulative Operating Surplus
Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
BALANCE AT BEGINNING OF YEAR	2 964 579	3 753 714
DEFICIT	(926 444)	(1 567 021)
ALLOCATION FROM THE ECONOMIC INVESTMENT SURPLUS	405 373	243 323
TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS - AMORTIZATION/ LOSS / PROCEEDS FROM DISPOSAL	690 936	570 575
ADJUSTMENT TO ARTICLE 95 RESERVE	6 252	(36 012)
BALANCE AT END OF YEAR	3 140 696	2 964 579

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

EAGLE VILLAGE FIRST NATION - KIPAWA
Consolidated Statement of Net Investment in Capital Assets
Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	12 989 894	11 868 139
ADJUSTMENT DUE TO FIRST TIME CONSOLIDATION	-	577 697
ACQUISITION OF CAPITAL ASSETS	1 820 810	644 330
LOSS AND PROCEEDS ON DISPOSAL OF CAPITAL ASSETS	(4 548)	-
REIMBURSEMENT OF LONG-TERM DEBT	370 524	662 702
REIMBURSEMENT OF RRAP	20 433	23 601
PROCEEDS FROM LONG-TERM DEBT	(27 000)	(216 000)
AMORTIZATION OF CAPITAL ASSETS	(686 388)	(570 575)
NET INVESTMENT IN CAPITAL ASSETS AT END OF YEAR	<u>14 483 725</u>	<u>12 989 894</u>

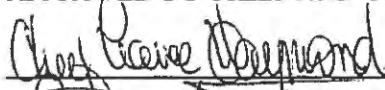

The accompanying notes are an integral part of the consolidated financial statements.

EAGLE VILLAGE FIRST NATION - KIPAWA
Consolidated Statement of Financial Position
as at March 31, 2015

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash	1 335 369	1 236 387
Term deposit, prime rate less 2 %	16 452	16 452
Accounts receivable (Note 3)	2 114 187	1 618 012
Long-term investments (Note 4)	96 063	234 699
Restricted cash and deposits (Note 5)	272 118	242 505
	3 834 189	3 348 055
LIABILITIES		
Bank loan (Note 15)	-	35 000
Accounts payable and accrued liabilities	596 824	386 294
Deferred revenue (note 7)	1 179 748	629 807
Due to Health Canada	19 571	18 376
AADNC - Unexpended funds	706 193	817 391
Long-term debt (Note 8)	1 560 193	1 924 150
	4 062 529	3 811 018
NET FINANCIAL ASSETS (NET DEBT)	(228 340)	(462 963)
NON-FINANCIAL ASSETS		
Capital assets (Note 6)	16 029 757	14 899 881
Inventories	74 865	68 126
Prepaid expenses	86 891	44 932
Other assets	20 000	43 584
	16 211 513	15 056 523
ACCUMULATED SURPLUS (Note 11)	15 983 173	14 593 560

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

APPROVED BY CHIEF AND COUNCIL

EAGLE VILLAGE FIRST NATION - KIPAWA**Consolidated Statement of Changes in Net Financial Assets (Net Debt)**

Year ended March 31, 2015

	2015	2014
	\$	\$
DEFICIT	(926 444)	(1 567 021)
CHANGES IN CAPITAL ASSETS		
Acquisition of capital assets	(1 820 810)	(644 330)
Proceeds from sale of capital asset	559	-
Amortization	686 388	570 575
Loss on other asset write-off	23 584	
Loss on disposal of capital asset	3 989	
	(1 106 290)	(73 755)
CHANGES IN OTHER NON-FINANCIAL ASSETS		
Change in the inventories	(6 739)	(63 126)
Change in the prepaid expenses	(41 959)	41 816
	(48 698)	(21 310)
CHANGES IN THE NON-OPERATIONAL SURPLUSES AND RESERVES		
Changes in reserves	131 273	(37 141)
Increase of In-Trust surplus	15	12
Net financing by capital assets surplus	2 184 767	1 114 633
Net adjustment due to first time consolidation	-	(713 002)
Adjustment to prior years	-	(184 721)
	2 316 055	179 781
CHANGES IN NET FINANCIAL ASSETS	234 623	(1 482 305)
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	(462 963)	1 019 342
NET FINANCIAL ASSETS (NET DEBT) AT END OF YEAR	(228 340)	(462 963)

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

EAGLE VILLAGE FIRST NATION - KIPAWA
Consolidated Statement of Cash Flows
Year ended March 31, 2015

	2015	2014
	\$	\$
OPERATING ACTIVITIES		
deficit	(926 444)	(1 567 021)
Item not affecting cash:		
Loss on other asset write-off	23 584	-
Loss on disposal of capital assets	3 989	-
Amortization of capital assets	686 388	570 575
Depreciation of governmental assistance	(23 202)	(24 424)
	(235 685)	(1 020 870)
Changes in non-cash operating working capital items (Note 12)	128 797	682 263
	(106 888)	(338 607)
INVESTING ACTIVITIES		
Net adjustment due to first time consolidation	-	302 702
Acquisition of term deposit	-	(16 452)
Acquisition of capital assets	(1 820 810)	(644 330)
Proceeds from sale of capital asset	559	-
Increase in the restricted cash and deposits	(29 613)	(49 787)
Changes in long-term investments	138 636	-
	(1 711 228)	(407 867)
FINANCING ACTIVITIES		
Net financing by capital assets surplus	2 184 767	1 114 633
Adjustment to prior years	-	(184 721)
Increase in In-Trust surplus	15	12
Changes in reserves	131 273	(37 141)
Changes in bank loan	(35 000)	35 000
Proceeds from long-term debt	27 000	216 000
Reimbursement of long-term debt	(390 957)	(686 303)
	1 917 098	457 480
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	98 982	(288 994)
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	1 236 387	1 525 381
CASH AND CASH EQUIVALENTS, END OF YEAR	1 335 369	1 236 387

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

Cash and cash equivalents consist of cash.

Additional information (Note 12)

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

1. DESCRIPTION OF THE ORGANIZATION

The First Nation is an unincorporated legal body as defined in the Indian Act. A band council is considered a form of local government consisting of a Chief and two or more councillors who are chosen by election or band custom to carry out the functions of government for the First Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards applicable to local governments and issued by the CPA Canada Public Sector Accounting Handbook.

The principles of fund accounting have been used in the preparation of these consolidated financial statements in accordance with Canadian public sector accounting standards. Accounts are classified into funds in accordance with specified requirements, activities and objectives. The accrual method is followed for the recognition of revenues and expenses.

The First Nation includes certain financial information that are not required by the Canadian public sector accounting standards. This information is presented in order to satisfy to Aboriginal Affairs and Northern Development Canada and presented on pages 28 to 159.

Capital assets

The capital assets is composed of all capital assets recorded at cost. The methods, the term and depreciation rates for the capital assets are as follows:

Community buildings	2,5%	diminishing balance
Private housing	25 years	straight line
Water and sanitation systems	2,5%	diminishing balance
Roadway system	2,5%	diminishing balance
Motorized equipment	10% to 20%	diminishing balance
Office and other equipment	20%	diminishing balance
Building Migizy Odenaw inc.	5%	diminishing balance
Equipment Migizy Odenaw inc.	10%	diminishing balance
Restaurant equipment Migizy Odenaw inc.	20%	diminishing balance

EAGLE VILLAGE FIRST NATION - KIPAWA
Notes to the consolidated financial statements
Year ended March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues recognition

Revenues are recorded in the period specified in funding agreements entered into with government agencies and other organizations. Assistance received in advance of making the related expenditure is deferred. Revenues are recognized when persuasive evidence of an arrangement exists, price is fixed or determinable and collection is reasonably assured.

Capital and interests repayments on the long-term debt are treated as expenses in the housing operations projects where as the rent charged by the First Nation Council to the tenants and the grant coming from CMHC are treated as revenues in that same project.

Use of estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful lives of long-lived assets and liabilities under legal contingencies. Actual results could differ from these estimates.

Principle of consolidation

The consolidated financial statements include the accounts of the First Nation and the organizations under its control. These organizations include Migizy Odenaw inc. and Taxi Tem inc. Transactions concluded between these organizations and reciprocal balances are eliminated. The reciprocal balances have not been eliminated in the information of the annexes presented on pages 28 to 159 neither than in the segment disclosure.

Investments in controlled entities

Taxi Tem inc. and Migizy Odenaw inc. are wholly-owned by Eagle Village First Nation - Kipawa. As at March 31, 2015, the financial information available for the operations of Taxi Tem inc. and those of Migizy Odenaw inc. were taken from their respective year-end, September 30, 2014 for both. These investments in controlled entities are recorded on the modified equity basis of accounting unless the controlled entities become entirely dependant from a financing point of view from Eagle Village First Nation - Kipawa. When a controlled entity becomes dependant from a financing point of view, it is consolidated into the financial statements of the First Nation.

EAGLE VILLAGE FIRST NATION - KIPAWA
Notes to the consolidated financial statements
Year ended March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-term investments

Other long-term investments are recorded at cost.

Revenues and expenses related to the acquisition of capital assets

Revenues and expenses related to the acquisition of capital assets are recorded in the Net Investment in Capital Assets when the related capital expenses are recorded, provided that the First Nation meets the eligibility criteria.

Pension plan

The cost of the defined pension plan is equal to the pension plan expenditure.

The pension plan is a multiemployer defined benefit pension plan that is accounted for as a defined contribution plan.

Loans

Loans with significant concessionary terms are presented at face value discounted by the amount of the grant portion.

Proceeds on the disposal of capital assets and the related deferred revenue

Proceeds on the disposal of capital assets and from assets held for sale are recorded in the Net Investment in Capital Assets.

Changes in accounting policies

The First Nation adopted Section PS 3260, "Liability for Contaminated Sites" for the fiscal year beginning April 1, 2014. This new section requires to determine whether there is a liability for remediation of a contaminated site when it ceases to make productive use or where an unforeseeable event resulting in contamination could occur. The adoption of this Section had no impact on the consolidated financial statements of the First Nation.

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

3. ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
AANDC receivable	761 986	509 764
Health Canada receivable	51 542	25 000
HRD receivable	20 018	(5 184)
FNEC receivable	15 411	28 672
FNQLHSS receivable	8 908	5 354
Loan receivable	171 700	14 200
GST and QST receivable	23 570	349 567
Police funding receivable	239 113	100 250
Forestry contracts receivable	57 824	5 161
Government of Quebec receivable	33 975	28 550
Land management receivable	101 500	106 000
Other administration accounts receivable	74 311	300 957
Rent receivable	427 108	75 030
Accounts receivable (housing)	135 604	84 776
Water and garbage receivable	15 478	15 239
Other accounts receivable	26 079	46 318
Expenses to be reimbursed (housing)	65 435	39 923
RRAP loan and other receivable	8 400	12 210
	2 237 962	1 741 787
Allowance for doubtful accounts	(123 775)	(123 775)
	2 114 187	1 618 012

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

4. LONG-TERM INVESTMENTS

	2015	2014
	\$	\$
Loan to receive from an individual, no interests	17 405	17 405
Loan to a promoter, no interests	10 000	10 000
Loan to a promoter, no interests	25 714	19 986
Loan to a promoter, no interests	8 500	8 500
Loan to a promoter, no interests	10 000	10 000
Loan to a promoter, no interests	10 000	10 000
Migizy Odenaw inc. - Advance	1 993	137 593
Taxi Tem - Advance	12 451	21 215
	96 063	234 699

5. RESTRICTED CASH AND DEPOSITS

	2015	2014
	\$	\$
In-Trust surplus	531	516
Replacement reserve (Note 13)	271 587	241 989
	272 118	242 505

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

6. CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Value	
	\$	\$	2015 \$	2014 \$
Assets under construction	1 139 917	-	1 139 917	492 631
Community buildings	2 543 273	1 061 951	1 481 322	1 377 510
Private housing	9 443 302	4 520 021	4 923 281	4 595 000
Water and sanitation systems	7 444 804	736 163	6 708 641	6 880 657
Roadway system	662 418	384 450	277 968	140 588
Motorized equipment	1 465 319	783 087	682 232	705 423
Building Migizy Odenaw inc.	662 331	260 551	401 780	422 926
Equipment Migizy Odenaw inc.	422 272	269 443	152 829	169 810
Restaurant equipment Migizy Odenaw inc.	32 312	28 078	4 234	5 292
Office and other equipment	955 930	698 377	257 553	110 044
	24 771 878	8 742 121	16 029 757	14 899 881

EAGLE VILLAGE FIRST NATION - KIPAWA
Notes to the consolidated financial statements
Year ended March 31, 2015

7. DEFERRED REVENUE

	2015	2014
	\$	\$
Matamec (Annex 99)	38 837	71 634
Poverty alliances for solidarity (Annex 53)	7 284	2 907
Transcanada East Energy (Annex 119)	1 288	
Wastewater treatment system (AQB03) (Annex 69)	272 907	
Amik avenue curbs (Annex 67)	262 277	
Nursing station maintenance (Annex 22)	284	
Management support - Health (Annex 46)	7 044	
Maternal and child health (Annex 51)	9 029	
Movable asset reserve - Health (annex 57)	8 997	
Community food security (Annex 28)	10 588	24 050
Forum Jeunesse - First line services (Annex 61)	36 019	31 968
Head start project (Annex 37)	9 564	15 782
Arbor Project (Annex 60)	14 000	
Eagle Village police - additional funds (Annex 72)		19 416
Regalia Project (Annex 104)	5 589	-
Land management (Forestry) (Annex 115)	52 173	-
Québec en forme - Sports and leisure (Annex 43)	3 020	-
Migizy Odenaw inc. - Deferred governmental assistance	440 848	464 050
	1 179 748	629 807

8. LONG-TERM DEBT

	2015	2014
	\$	\$
Loan, 1,49 %, secured by AANDC, payable by monthly instalments of \$878, capital and interests, maturing in 2037	196 006	203 574
Loan, 1,49 %, secured by AANDC, payable by monthly instalments of \$1,595, capital and interests, maturing in 2033	298 924	313 499
Loan, 3,68 %, secured by AANDC, payable by monthly instalments of \$312, capital and interests, maturing in 2020	7 288	17 819
Loan, 4,79 %, secured by AANDC, payable by monthly instalments of \$246, capital and interests, maturing in 2016	2 164	4 940
Loan, 4,79 %, secured by AANDC, payable by monthly instalments of \$278, capital and interests, maturing in 2016	2 446	5 585

EAGLE VILLAGE FIRST NATION - KIPAWA
Notes to the consolidated financial statements
Year ended March 31, 2015

Loan, 3,71 %, secured by AANDC, payable by monthly instalments of \$399, capital and interests, maturing in 2024	37 334	40 688
Loan, 3,71 %, secured by AANDC, payable by monthly instalments of \$323, capital and interests, maturing in 2024	30 281	33 001
Loan, 2,85 %, secured by AANDC, payable by monthly instalments of \$142, capital and interests, maturing in 2016	44 056	50 086
Loan, 4,07 %, secured by AANDC, payable by weekly instalments of \$123, capital and interests, maturing in 2030	70 681	74 212
Loan, 5,53%	-	197 116
Loan, 5,05 %, secured by AANDC, payable by monthly instalments of \$1,683, capital and interests, maturing in 2032	225 190	236 204
Loan, 3,49 %, secured by AANDC, payable by monthly instalments of \$233, capital and interests, maturing in 2016	4 306	6 907
Loan, 3,5 %, secured by AANDC, payable by monthly instalments of \$349, capital and interests, maturing in 2017	10 875	15 441
Loan, 3,49 %, secured by AANDC, payable by monthly instalments of \$706, capital and interests, maturing in 2016	13 023	20 889
Loan, 1,52 % secured by AANDC, payable by monthly instalments of \$532 , capital and interests, maturing in 2032	101 046	95 089
Loan, 4,30 %, secured by AANDC, payable by monthly instalments of \$1,500, capital and interests, maturing in 2027	163 321	175 440
Loan, 3,16 % secured by AANDC, payable by monthly instalments of \$713, capital and interests, maturing in 2031	106 779	112 454
Loan, 3,88 %	-	22 736

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

Loan, 3,88 %	-	12 687
Loan, 2,98 %	-	9 965
Loan, 2,61 %, secured by AANDC, payable by monthly instalments of \$798, capital and interests, maturing in 2019	37 711	46 258
Loan, 2,61 %, secured by AANDC, payable by monthly instalments of \$260, capital and interests, maturing in 2029	37 017	39 204
Loan from Canada Mortgage and Housing Corporation (RRAP) *	47 734	52 167
Loan, 2,61%, secured by AANDC, payable by monthly instalments of \$571, capital and interests, maturing in 2026	66 645	71 807
Loan, 3,42 %, secured by AANDC, payable by monthly instalments of \$177, capital and interests, maturing in 2017	27 254	28 427
Loan, 4,37 % secured by AANDC, payable by monthly instalments of \$769, capital and interests, maturing in 2019	30 112	37 955
	1 560 193	1 924 150

Capital payments due within each of the next five years are as follows:

	\$
2016	219 826
2017	228 934
2018	221 861
2019	174 241
2020	168 076

*Under this program, an agreement has been reached by the Eagle Village First Nation - Kipawa and the Canada Mortgage and Housing Corporation concerning the CMHC's cumulative contributions for the major repairs of houses located on the First Nation's territory.

Should all the conditions of the agreement be met by the First Nation, the amortization of these loans will be made by remission instalments based on a straight-line method of depreciation of five years. Should the conditions not be respected by the First Nation, the outstanding balance of these loans will be repaid by the First Nation as an usual mortgage (subject of interests charges).

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

9. RESERVES FOR ACQUISITION OF CAPITAL ASSETS

The First Nation has reserved funds for the future acquisition of capital assets in accordance with funding agreements. Here is the detail of these reserves as at March 31, 2015 :

	2015	2014
	\$	\$
School bus	24 082	14 082
Public works equipment	50 000	
Single apartment building	35 551	
Band rental	4 625	
Police department	210 322	210 322
Fire truck	205 000	205 000
	529 580	429 404

10. FUNDS BALANCES

The funds balances as of March 31, 2015 do not take into consideration possible modifications following the review and analysis of the present consolidated financial statements by the Aboriginal Affairs and Northern Development Canada (AANDC), the Canada Mortgage and Housing Corporation (CHMC) and Health Canada. Any adjustment resulting of these analysis will be recorded in the current year as an adjustment of funds balances as indicated by the AANDC.

11. ACCUMULATED SURPLUS

The accumulated surplus of Eagle Village First Nation - Kipawa is divided among several surpluses and reserves, as detailed below:

EAGLE VILLAGE FIRST NATION - KIPAWA
Notes to the consolidated financial statements
Year ended March 31, 2015

11. ACCUMULATED SURPLUS (continued)

	2015	2014
	\$	\$
FUNDS BALANCES AND RESERVES		
Reserves for acquisition of capital assets (Note 9)	529 580	429 404
Economic investment deficit	(2 536 217)	(2 130 845)
In-Trust surplus	531	516
Operating reserve fund	93 271	98 023
Replacement reserve (Note 13)	271 587	241 989
Capital assets surplus	14 483 725	12 989 894
Cumulative operating surplus	3 140 696	2 964 579
	15 983 173	14 593 560

**12. ADDITIONAL INFORMATION RELATING TO THE
STATEMENT OF CASH FLOWS**

Changes in non-cash operating working capital items

	2015	2014
	\$	\$
AADNC - Unexpended funds	(111 198)	817 391
Accounts receivable	(496 175)	104 382
Inventories	(6 739)	(63 126)
Prepaid expenses	(41 959)	41 816
Accounts payable and accrued liabilities	210 530	(224 420)
Deferred revenue (note 7)	573 143	(12 156)
Due to Health Canada	1 195	18 376
	128 797	682 263

13. REPLACEMENT RESERVE

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited annually. These funds along with accumulated interests must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. The funds in the account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interests first and then principal.

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

14. SUBSIDY SURPLUS RESERVE

Under the terms of the agreement with Canada Mortgage and Housing Corporation, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interests. The reserve is to be comprised on monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. Withdrawals are credited to interests first and then principal. When the fund has attained the maximum of \$500 per unit, up to 10 % of the excess assistance during a year may be transferred to other projects owned by the borrower requiring additional assistance if they are within the same municipality or area and are assisted under the same program.

15. FINANCIAL INSTRUMENTS

Credit facility (bank loan):

An authorized line of credit of \$300,000 and another line of credit of \$35,000, bearing interests at prime rate (2,85 %) plus 2,25 % and prime rate (2,85 %) plus 2,5 %, are available. The loans are repayable on demand and fluctuate regularly. No amount was used as at March 31, 2015.

Fair value of financial assets and liabilities:

The fair value of accounts receivable, bank overdraft, bank loan, accounts payable and accrued liabilities is approximately equal to their carrying value due to their short-term maturity date.

The fair value of the long-term debt elements is approximately equal to their carrying value due to the small difference between interests rates paid by the First Nation and interests rates offered on the market for loans having similar terms and conditions.

16. BUDGET

Budget figures were presented in each statement of Revenues and Expenses by project, when available.

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

17. PENSION PLAN

The band supports the contributory defined benefit pension plan for substantially all of its employees (except for the police department which is described below). It is a multiemployer plan that is administered by the Native benefit plan. The pension for native employees is 8,5 % of the gross salary and the employer contributes 1,82 % of the 8,5 %, for the non-native employees, it is 6,8 % of the gross with the employer's contribution of 1,82 time this amount.

For the police department, the rate is 8,5 % of the gross salary for the native employees and 7,2 % for the non-native employees. The employer's contribution is 2 times this amount.

For the current fiscal year, the pension plan expense amounted to \$204,798 (\$144,526 in 2014).

18. RECONCILIATION OF FUNDS FROM AANDC

	2015	2014
	\$	\$
Block funding	2 727 847	2 701 215
Set Contribution	1 342 521	448 433
Fixed Contribution funding	35 262	35 249
Refundable surplus to AANDC	(31 821)	(62 104)
Equal revenue confirmed from AANDC:	4 073 809	3 122 793

All transfers between projects are identified in each statement of Revenues and Expenses by project as are all deferred revenue from previous year and to following year. Note 7 details all deferred revenue to following year.

EAGLE VILLAGE FIRST NATION - KIPAWA
Notes to the consolidated financial statements
Year ended March 31, 2015

19. EXPENSES BY OBJECT

	<u>2015</u>	<u>2014</u>
	\$	\$
Cost of good sold	1 588 149	1 668 891
Advertizing	4 075	3 224
Loss on disposal of capital asset	3 989	-
Loss on other asset write-off	23 584	-
Salaries and fringe benefits	2 720 975	2 606 893
Administration expenses	30 888	-
Allocations	288 385	292 000
Allocation to future acquisition of capital assets	100 176	20 000
Administration fees	276 860	284 866
Bank charges	37 498	20 732
Councillors' honoraries	18 000	17 500
Contracts	217 263	236 884
Depreciation of deferred governmental assistance	(23 202)	(24 424)
Amortization	686 388	570 575
Doubtful accounts (recovered)	(6 137)	10 601
Management expenses	86 944	16 098
Energy	110 347	118 204
Membership fees	11 193	1 941
Gas	12 676	81 947
Insurances	90 357	82 235
Interests and bank charges	12 184	17 108
Interests on long-term debt	45 330	52 904
Licences and permits	21 240	24 324
Maintenance expenses	51 462	68 365
Material and supplies	292 479	364 807
Other	7 916	6 694
Payments to members for housing units	298 665	108 600
Pension plan	145 808	144 526
Purchase of equipment	4 782	56 494
Professional fees	491 279	457 558
Recreation activities expenses	4 833	7 672
Registration fees	70 910	11 707
Reimbursement of capital on long-term debt	367 713	661 999
Rental of equipment	83 282	128 893
Room and board	222 019	263 277
Telephone	77 235	97 523

EAGLE VILLAGE FIRST NATION - KIPAWA
Notes to the consolidated financial statements
Year ended March 31, 2015

19. EXPENSES BY OBJECT (continued)

Training expenses (reimbursement)	(14 322)	109 102
Transfer to Migizy Odenaw Child Care Center	31 453	26 171
Transfer to the replacement reserve	39 433	40 775
Transportation costs	157 262	143 307
Travel	104 775	113 199
Travel and transportation expenses (reimbursement)	(13 038)	(68 514)
Tuition fees	539 924	491 671
Water, garbage and sewer expenses	7 128	8 406
Workshop expenses	99 274	80 288
	9 427 434	9 425 023

20. COMPARATIVE FIGURES

For comparison reasons with the current year, certain figures of 2014 were reclassified.

21. SEGMENT DISCLOSURE

	Band government		Administration	
	2015	2014	2015	2014
Revenues:				
Federal government transfers	7 325	6 403	412 274	399 855
Other revenue	-	-	465 224	(459 359)
Total revenues	7 325	6 403	877 498	(59 504)
Expenses:				
Salaries and benefits	10 886	13 331	386 157	325 798
Amortization	-	-	26 902	20 949
Other expenses	6 733	8 037	850 976	308 624
Total expenses	17 619	21 368	1 264 035	655 371
Annual surplus (deficit)	(10 294)	(14 965)	(386 537)	(714 875)

EAGLE VILLAGE FIRST NATION - KIPAWA
Notes to the consolidated financial statements
Year ended March 31, 2015

21. SEGMENT DISCLOSURE (continued)

	Human resources		Education	
	2015	2014	2015	2014
Revenues:				
Federal government transfers	-	-	1 121 232	1 142 019
Provincial government transfers	174 650	177 405	42 892	29 218
Other revenue	-	-	-	8 200
Total revenues	174 650	177 405	1 164 124	1 179 437
Expenses:				
Salaries and benefits	29 502	100 993	92 884	107 461
Amortization	-	-	9 111	8 858
Other expenses	151 149	91 463	857 811	882 816
Total expenses	180 651	192 456	959 806	999 135
Annual surplus (deficit)	(6 001)	(15 051)	204 318	180 302

	Health		Public works	
	2015	2014	2015	2014
Revenues:				
Federal government transfers	1 386 617	1 271 467	1 672 730	630 827
Provincial government transfers	262 853	187 151	-	-
Other revenue	1 694	(57 924)	(304 919)	83 090
Transfer to Net Investment in Capital Assets	-	-	-	-
Total revenues	1 651 164	1 400 694	1 367 811	713 917
Expenses:				
Salaries and benefits	862 304	739 734	361 957	219 673
Amortization	38 464	31 654	213 915	134 367
Other expenses	781 220	620 140	911 573	531 259
Total expenses	1 681 988	1 391 528	1 487 445	885 299
Annual surplus (deficit)	(30 824)	9 166	(119 634)	(171 382)

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

21. SEGMENT DISCLOSURE (continued)

	Public security		Social assistance	
	2015	2014	2015	2014
Revenues:				
Federal government transfers	256 880	286 914	582 618	593 220
Provincial government transfers	150 390	197 063	-	-
Other revenue	17 235	(3 276)	-	-
Total revenues	424 505	480 701	582 618	593 220
Expenses:				
Salaries and benefits	219 677	177 070	28 047	25 311
Amortization	26 897	23 707	-	-
Other expenses	239 654	288 720	256 186	294 827
Total expenses	486 228	489 497	284 233	320 138
Annual surplus (deficit)	(61 723)	(8 796)	298 385	273 082

	Housing		Economic development	
	2015	2014	2015	2014
Revenues:				
Federal government transfers	429 447	187 155	155 678	211 602
Provincial government transfers	-	-	-	6 992
Other revenue	955 169	812 556	1 978 920	2 259 591
Transfer to Net Investment in Capital Assets	-	-	-	-
Total revenues	1 384 616	999 711	2 134 598	2 478 185
Expenses:				
Salaries and benefits	407 113	391 775	460 102	444 857
Debt servicing	206 073	637 897	206 970	77 006
Amortization	308 832	283 348	46 703	52 573
Other expenses	720 832	592 138	1 882 555	1 965 623
Total expenses	1 642 850	1 905 158	2 596 330	2 540 059
Annual surplus (deficit)	(258 234)	(905 447)	(461 732)	(61 874)

EAGLE VILLAGE FIRST NATION - KIPAWA

Notes to the consolidated financial statements

Year ended March 31, 2015

21. SEGMENT DISCLOSURE (continued)

	Others		Natural resources	
	2015	2014	2015	2014
Revenues:				
Federal government transfers	-	13 860	-	-
Provincial government transfers	-	-	106 000	106 000
Other revenue	99 741	120 093	409 570	262 806
Total revenues	99 741	133 953	515 570	368 806
Expenses:				
Salaries and benefits	34 159	47 164	223 272	231 916
Amortization	692	536	14 872	14 583
Other expenses	150 000	149 277	286 484	196 465
Total expenses	184 851	196 977	524 628	442 964
Annual surplus (deficit)	(85 110)	(63 024)	(9 058)	(74 158)

	Total	
	2015	2014
Revenues:		
Federal government transfers	6 024 801	4 743 322
Provincial government transfers	736 785	703 829
Other revenue	3 622 634	3 025 777
Transfer to Net Investment in Capital Assets	-	-
Total revenues	10 384 220	8 472 928
Expenses:		
Salaries and benefits	3 116 060	2 825 083
Debt servicing	413 043	714 903
Amortization	686 388	570 575
Other expenses	7 095 173	5 929 388
Total expenses	11 310 664	10 039 949
Annual surplus (deficit)	(926 444)	(1 567 021)