

**?Esdilagh First Nation
Consolidated Financial Statements
For the year ended March 31, 2014**

?Esdilagh First Nation
Consolidated Financial Statements
For the year ended March 31, 2014

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the ?Esdilagh First Nation are the responsibility of management and have been approved by the Chief and another Band Councilor of the Band Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The ?Esdilagh First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The ?Esdilagh First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through the Chief and Council.

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also appoint the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the First Nation Council.



Chief



Councilor

Independent Auditor's Report

To the Members of ?Esdilagh First Nation

We have audited the accompanying consolidated financial statements of ?Esdilagh First Nation, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of change in net debt, operations and cash flows for the year then ended, 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 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.

Basis for Disclaimer of Opinion

Management was unable to provide appropriate supporting documentation for a large number of the transactions selected for audit. We were unable to satisfy ourselves by alternative means concerning the revenues, expenditures, accounts receivable, accounts payable and deferred revenue reported by ?Esdilagh First Nation in the consolidated financial statements. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of the revenues, expenditures, accounts receivable, accounts payable and deferred revenue making up the consolidated financial statements.



Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements.


BDO Canada LLP
Chartered Accountants

Kamloops, British Columbia
November 24, 2014

?Esdilagh First Nation
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2014	2013
		(Restated) (Note 20)
Financial Assets		
Cash (Note 3)	\$ 613,726	\$ 480,651
Restricted cash (Note 4)	183,601	178,068
Accounts receivable (Note 5)	279,386	342,312
Investments (Note 6)	51	51
	1,076,764	1,001,082
Liabilities		
Accounts payable and accrued liabilities (Note 7)	143,381	338,427
Deferred revenue (Note 8)	571,474	60,030
Long-term debt (Note 9)	126,590	159,100
	841,445	557,557
Net Assets	235,319	443,525
Non-financial Assets		
Prepaid expenses	5,484	15,278
Tangible capital assets (Note 10)	1,656,083	1,745,581
	1,661,567	1,760,859
Accumulated Surplus (Note 11)	\$ 1,896,886	\$ 2,204,384

Commitments (Note 12)

Contingencies (Note 13)

Approved on behalf of the First Nation Council:

Ben Mack, Chief

Paul John, Councilor

?Esdilagh First Nation
Exhibit B - Consolidated Statement of Change in Net Assets

<u>For the year ended March 31</u>	<u>2014</u>	<u>2013</u>
		(Restated) (Note 18)
Annual surplus (deficit)	\$ (257,146)	\$ 389,058
Acquisition of tangible capital assets	(59,278)	(224,133)
Amortization of tangible capital assets	90,108	21,056
Loss on disposal of tangible capital assets	2,784	-
	<hr/>	<hr/>
Change in prepaid expenses	(223,532)	185,981
Equity change in Ottawa Trust	9,793	(4,587)
	<hr/>	<hr/>
Change in net financial assets	(208,206)	(5,618)
Net financial assets, beginning of year	443,525	449,143
Net financial assets, end of year	\$ 235,319	\$ 443,525

?Esdilagh First Nation
Exhibit C - Consolidated Statement of Operations

<u>For the year ended March 31</u>	<u>2014</u>	<u>2013</u>
		(Restated) (Note18)
Revenue		
AANDC	\$ 857,385	\$ 1,260,807
AANDC (recovery/transfer)	(486,023)	(109,075)
FNHA revenue	115,720	4,971
Health Canada	124,220	228,717
Health Canada & FNHA (recovery/transfer)	(35,036)	17,337
Other income	555,516	469,880
Ottawa Trust revenue	-	200,000
	<u>1,131,782</u>	<u>2,072,637</u>
Expenses		
Band Revenue and Support Fund	300,513	217,069
Financial Management Improvements	-	20,028
Indian Registry Administration	1,440	1,310
Cariboo Indian Enterprise Settlement	59	5,654
CCATEC Funds	-	59,139
Community Economic Development Fund	10,000	150,622
Northern Development Trust Fund	-	11,310
New Relationship Trust Fund	2,500	5,685
Highway Negotiations	9,925	15,051
CCATEC - Projects	63,619	5,978
Infrastructure Operation and Maintenance Fund	53,306	46,257
AANDC Safe Water Operations	7,800	7,800
Bottled Water Fund	-	4,895
BC Hydro Fund	-	448
Post Secondary	48,492	41,876
Education Support	5,304	1,694
Ancillary Services	865	7,322
AANDC - Guidance & Counseling	7,631	2,948
FNESC Fund	3,002	7,275
AANDC - Financial Assistance	1,650	650
AANDC - Basic Needs	67,257	141,024
AANDC - Active Measures	-	81,810
AANDC - Child out of Parental Home	-	9,089
Employment and Training Fund	-	6,163
AANDC - Special Needs	2,100	5,899
AANDC - Service Delivery	26,139	26,194
AANDC - In-Home Care	8,115	12,144
AANDC - Prevention Projects	-	1,380
Silviculture Fund	143,974	205,794
AANDC - Commercial Leasing	4,780	124,000
AANDC - Mining Fund	-	46,040
Health Canada & First Nations Health Authority	174,948	213,209
AANDC - National Child Benefit	19,215	16,024
Forestry Projects	<u>142,593</u>	<u>97,395</u>
Subtotal	\$ 1,105,227	\$ 1,599,176

The accompanying notes are an integral part of these financial statements.

?Esdilagh First Nation
Exhibit C - Consolidated Statement of Operations

<u>For the year ended March 31</u>	<u>2014</u>	<u>2013</u>
Revenue carried forward	\$ 1,131,782	\$ 2,072,637
Expenses carried forward	1,105,227	1,599,176
Healthy Communities Capacity Building	4,500	-
ECDA	82,908	-
BC Hydro Project	10,000	-
EFN/TML Working Group	9,000	-
Licenses	5,318	-
Reserve Fund for Recoveries	33,061	-
?Esdilagh Development Corporation	(9,721)	29,767
Other Capital	26,651	21,056
DWS Upgrade CPMS #2886	93,398	669
Wastewater CPMS #10416	-	12,991
Mould Renovations #10711	590	19,920
ARCS Group 2 #8752	-	-
Solid Waste Transfer Site CPMS	27,996	-
	1,388,928	1,683,579
Annual surplus (deficit)	\$ (257,146)	\$ 389,058

?Esdilagh First Nation
Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2014	2013
Cash provided by (used for)		
Operating activities		
Cash receipts from various sources	\$ 1,596,782	\$ 2,111,991
Cash paid to employees and suppliers	<u>(1,561,175)</u>	<u>(1,895,869)</u>
Cash flows from operating activities	<u>35,607</u>	<u>216,122</u>
Capital activities		
Net changes of tangible capital assets	<u>76,023</u>	<u>(192,385)</u>
Investing activities		
Change in equity in Ottawa Trust	<u>(5,533)</u>	<u>187,012</u>
Financing activities		
Proceeds from issuance (repayment) long-term debt	<u>32,511</u>	<u>(159,100)</u>
Net increase in cash and cash equivalents	138,608	51,649
Cash and cash equivalents, beginning of year	658,719	607,070
Cash and cash equivalents, end of year	\$ 797,327	\$ 658,719
Represented by:		
Cash	\$ 613,726	\$ 480,651
Restricted cash	<u>183,601</u>	<u>178,068</u>
	\$ 797,327	\$ 658,719

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2014

1. Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, which encompasses the following principles.

Reporting Entity and Principles of Financial Reporting

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

The First Nation owns 100% of ?Esdilagh Development Corporation ("EDC"). The First Nation's 100% share of the corporation are reflected in the operating fund. The investment in this corporation is accounted for using the consolidation method.

All inter-entity balances have been eliminated on consolidation.

Revenue Recognition

Government grants and transfers, which include Federal funding agreements are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. When the eligibility criteria is not met, transfers received are reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position.

Rental revenue is recognized when a tenant commences occupancy and rent is due. ?Esdilagh First Nation retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Periodic revenue is recognized on an accrual basis commencing at the beginning of the month.

Ottawa Trust Funds

The First Nation uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in revenue of the First Nation upon withdrawal from the Ottawa Trust Fund.

Investments

The First Nation accounts for its equity investments for which market value is not readily available at cost.

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2014

1. Summary of Significant Accounting Policies (continued)

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization and are recorded in the Capital Fund. The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations through interfund transfers and matched with the applicable revenue source in the year of expenditure. Tangible capital asset acquisitions are also recorded as an addition to assets of the Capital Fund with a corresponding increase in equity in tangible capital assets.

Amortization is charged against tangible capital assets and equity in tangible capital assets using the declining balance method basis at the following rates:

Automotive equipment	20%
Buildings and improvements	2%
Computer equipment	50%
Furniture and equipment	20%
Infrastructure	4%

In the year of acquisition, 50% of the normal amortization is recorded.

Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could be different from those estimates.

Financial Instruments

The First Nation recognizes and measures financial assets and financial liabilities on the consolidated statement of financial position when it becomes party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on initial recognition. Financial instruments are subsequently measured at amortized cost as the First Nation has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on the active market. Since no financial instruments are measured at fair value after initial recognition, a consolidated statement of remeasurement gains and losses has not been presented in these consolidated financial statements.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of financial activity in the year in which it is used for the specified purpose.

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2014

1. Summary of Significant Accounting Policies (continued)

Loans

Loans issued and repaid under the fund accounting method are recorded as expenditures and revenue respectively. Loans which become uncollectible are removed from equity in the year they are first considered doubtful.

Impairment of Long-lived Assets

In the event that fact and circumstances indicate that the First Nation's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The First Nation considers that no circumstances exist that would require such an evaluation.

Leased Assets

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

2. Economic Dependence

The First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada ("AANDC").

3. Cash

	2014	2013
Operating Fund	\$ 606,651	\$ 457,531
EDC	<u>7,075</u>	<u>23,120</u>
	<hr/>	<hr/>
	\$ 613,726	\$ 480,651

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2014

4. Restricted Cash

	2014	2013
Ottawa Trust Funds	<u>\$ 183,601</u>	<u>\$ 178,068</u>

The Ottawa trust accounts 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 Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The First Nation is permitted to use its revenue for any purpose that will promote the general progress and welfare of the First Nation and its members. The expenditures of capital funds requires the consent of Aboriginal Affairs and Northern Development Canada and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

5. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2014	2013
Operating Fund		
Aboriginal Affairs and Northern Development Canada	\$ 53,388	\$ 91,957
First Nation Health Authority	996	69,502
Band member loans	168,748	-
Due from Tsilhqot'in National Government	10,112	14,148
Trade accounts receivable	45,287	163,850
	<hr/>	<hr/>
Accounts receivable - EDC	\$ 278,531	\$ 339,457
	855	2,855
	<hr/>	<hr/>
	\$ 279,386	\$ 342,312

6. Investments

	2014	2013
Sturgeon Insurance LP	<u>\$ 51</u>	<u>\$ 51</u>

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2014

7. Accounts Payable

	2014	2013
Operating Fund		
Accounts payable and accrued liabilities	\$ 142,070	\$ 337,226
Accounts payable - EDC	<u>1,311</u>	1,201
	<u>\$ 143,381</u>	<u>\$ 338,427</u>

Included in accounts payable at year end is government remittances of \$1,141 (2013 - (\$10)).

8. Deferred Revenue

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	2014	2013
Operating Fund		
2012-2013 Audit Recoveries	\$ 122,522	\$ -
ACRS Group 2	4,274	-
Basic Needs	225,652	-
COPH	8,541	560
Post Secondary	40,855	30,184
Prevention Projects	1,549	-
Special needs	2,496	-
T.E.S.I	-	-
Community Economic Development Program	-	-
	405,889	30,744
First Nations Health Authority (Health Canada)		
CBH Community Health Nursing	574	-
Brighter Futures	2,070	-
CD - HIV/AIDS	145	-
Canada Prenatal Nutrition	3,664	-
EW/DWSP	-	996
Home and Community Care	8,760	-
Medical Transportation	15,333	-
Mental Health Crisis	4,562	-
NNADAP	2,961	-
Prenatal Nutrition	-	2,261
Solvent Abuse	<u>222</u>	-
	<u>38,291</u>	<u>3,257</u>
Subtotal	<u>\$ 444,180</u>	<u>\$ 34,001</u>

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2014

8. Deferred Revenue (continued)

Deferred Revenue carried forward	\$ 444,180	\$ 34,001
Non-AANDC operating Capital Fund	16,000	17,000
Aboriginal Affairs and Northern Development Canada		
DWS Upgrade #2886	15,993	-
Mould Renovations	7,579	9,029
Solid Waste Transfer Site	<u>87,722</u>	-
	<u>111,294</u>	9,029
	<u><u>\$ 571,474</u></u>	<u><u>\$ 60,030</u></u>

9. Long-term Debt

	2014	2013
?Esdilagh First Nation - Capital Fund		
Kubota Tractor Financing, repayable in monthly instalments of \$1,889 monthly including interest at 0%, secured by related equipment, due June 2017	\$ 46,352	\$ 60,614
Toronto Dominion Bank of Canada demand loan, repayable in monthly instalments of \$1,871 monthly including interest at prime + 2.5%, secured by a general security agreement, due February 2018	<u>80,238</u>	98,486
	<u><u>\$ 126,590</u></u>	<u><u>\$ 159,100</u></u>

Assuming payment is not demanded, regular principal repayments due in the next four years are as follows:

2015	\$ 33,343
2016	34,241
2017	35,181
2018	<u>23,825</u>
	<u><u>\$ 126,590</u></u>

?Esdilagh First Nation is in violation of their lending agreement with Toronto Dominion Bank of Canada due to breach of covenants associated with timing of audited financial statements and could demand payment.

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2014

10. Tangible Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Automotive equipment	172,257	75,455	172,257	51,255
Buildings and improvements	612,007	525,994	640,601	552,832
Computer equipment	-	-	1,936	1,936
Furniture and equipment	-	-	4,831	1,353
Infrastructure	1,487,032	59,481	1,487,032	-
Tipping station	49,692	3,975	46,300	-
	2,320,988	664,905	2,352,957	607,376
Net book value	\$ 1,656,083		\$ 1,745,581	

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2014

10. Tangible Capital Assets (continued)

	2014				
	Automotive equipment	Buildings	Computer equipment	Furniture and equipment	Infrastructure
Cost, beginning of year	\$ 172,257	\$ 640,601	\$ 1,936	\$ 4,831	\$ 1,533,332
Additions	-	-	-	-	49,692
Disposals	-	(28,594)	(1,936)	(4,831)	(46,300)
Cost, end of year	172,257	612,007	-	-	1,536,724
Accumulated amortization, beginning of year	51,256	552,832	1,936	1,352	-
Amortization	24,200	1,756	-	695	63,456
		(28,595)	(1,936)	(2,047)	(32,578)
Accumulated amortization, end of year	75,456	525,993	-	-	63,456
Net carrying amount, end of year	\$ 96,801	\$ 86,014	\$ -	\$ -	\$ 1,473,268
					\$ 1,656,083

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2014

10. Tangible Capital Assets (continued)

	2013				
	Automotive equipment	Buildings	Computer equipment	Furniture and equipment	Infrastructure
Cost, beginning of year	\$ 77,482	\$ 639,733	\$ 1,936	\$ 4,831	\$ 1,404,844
Additions	94,775	868	-	-	128,488
Cost, end of year	172,257	640,601	1,936	4,831	1,533,332
Accumulated amortization, beginning of year	32,852	551,050	1,936	483	-
Amortization	18,404	1,782	-	869	-
Accumulated amortization, end of year	51,256	552,832	1,936	1,352	-
Net carrying amount, end of year	\$ 121,001	\$ 87,769	-	\$ 3,479	\$ 1,533,332
					\$ 1,745,581
					607,376

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2014

11. Accumulated Surplus

Accumulated surplus of the First Nation is comprised of the following:

	2014	2013
Equity in Ottawa Trust	183,601	178,068
Equity in tangible capital assets	1,514,005	1,537,651
EDC equity	6,618	24,773
Unrestricted surplus	<u>192,662</u>	<u>463,892</u>
	\$ 1,896,886	\$ 2,204,384

12. Commitments

?Esdilagh First Nation has entered into various lease agreements for office equipment. Minimum annual lease payments due are approximately as follows:

2015	\$ 5,664
2016	5,664
2017	5,664
2018	<u>5,664</u>
	\$ 22,656

13. Contingencies

?Esdilagh First Nation has guaranteed certain First Nation members loans with Aboriginal Affairs and Development Canada.

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2014

14. Expenses by Object

	2014	2013
Advertising	\$ 2,845	\$ 13,018
Allowances and financial assistance	114,965	272,363
Amortization	90,108	21,056
Bank charges and interest	6,720	4,691
Contractors	277,664	234,846
Donations	1,319	3,000
Fuel	14,064	13,865
Honorarium	19,046	22,250
Insurance	24,061	28,288
Licenses	1,339	592
Office supplies	17,736	25,054
Professional fees	97,078	94,236
Repairs and maintenance	30,021	37,735
Supplies	73,984	134,308
Training	27,462	93,229
Travel	80,203	123,231
Tuition	6,455	3,834
Utilities	34,015	30,711
Wages and benefits	469,843	527,272
	<hr/> \$ 1,388,928	<hr/> \$ 1,683,579

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2014

15. Segment Disclosure

The First Nation is a diversified organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Community Welfare

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

Administration

This item relates to the revenues and expenses that relate to the operations of the First Nation itself and cannot be directly attributed to a specific segment.

Operations and Maintenance

This service area provides services relating to the development, maintenance and service of the First Nation's assets, infrastructure and common property.

Education

This service area provides educational services through post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the First Nation's Members.

Economic Development

This service area provides for the development of economic opportunities to the members.

Capital

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

?Esdillagh First Nation
Notes to Consolidated Financial Statements

March 31, 2014

15. Segment Disclosure - continued

	2014	Community Welfare	Administration	Operations & Maintenance	Education	Economic Development	Capital	Total
Revenue								
AANDC (Recovery)	\$ (88,922)	\$ 178,589	\$ 48,555	\$ 68,710	\$ 10,000	\$ 154,427	\$ 371,359	
Other Revenue (Recovery)	195,902	165,455	2,842	12,366	386,642	(2,784)		760,423
Total	106,980	344,044	51,397	81,076	396,642	151,643	1,131,782	
Expenses								
Wages and benefits	119,664	150,029	15,339	14,681	162,217	7,913	469,843	
Purchases	85,112	202,097	45,768	31,830	330,803	133,367	828,977	
Amortization	-	-	-	-	-	90,108	90,108	
Total	204,776	352,126	61,107	46,511	493,020	231,388	1,388,928	
Surplus (deficit)	\$ (97,796)	\$ (8,082)	\$ (9,710)	\$ 34,565	\$ (96,378)	\$ (79,745)	\$ (257,146)	

	2013	Community Welfare	Administration	Operations & Maintenance	Education	Economic Development	Capital	Total
Revenue								
AANDC	\$ 518,690	\$ 121,766	\$ 47,688	\$ 58,740	\$ 274,000	\$ 130,848	\$ 1,151,732	
Other Revenue	265,054	135,138	-	8,934	311,779	200,000	920,905	
Total	783,744	256,904	47,688	67,674	585,779	330,848	2,072,637	
Expenses								
Wages and benefits	147,844	128,880	14,860	11,611	224,072	5	527,272	
Purchases	465,478	174,486	39,195	50,286	372,900	32,906	1,135,251	
Amortization	-	-	-	-	-	21,056	21,056	
Total	613,322	303,366	54,055	61,897	596,972	53,967	1,683,579	
Surplus (deficit)	\$ 170,422	\$ (46,462)	\$ (6,367)	\$ 5,777	\$ (11,193)	\$ 276,881	\$ 389,058	

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2014

16. Fiscal Plan

Canadian public sector accounting standards requires that the First Nation's budget be presented in the financial statements. As the First Nation currently does not prepare a budget, no budgeted figures have been presented as otherwise required.

17. Comparative Figures

Certain amounts of the comparative figures have been reclassified to conform with the presentation adopted in the current year.

18 . Change in Accounting Policy

During the year the First Nation discovered that a transfer and interest revenue associated with the Ottawa Trust Fund had not been reported consistent with Public Sector Accounting Standards within the fiscal 2013 period. This revenue influx was treated as a decrease to Ottawa Trust Fund equity without recognizing the associated revenue. The interest earned by Ottawa Trust was recognized as revenue of the First Nation.

Itemized impact for the Ottawa Trust Fund transfer are as follows:

- Increase in Other revenue	\$200,000
- Decrease in Other revenue	\$12,988

These errors have been corrected on a retrospective basis, the impact on opening equity was nil as the client directly recorded this transfer to equity.

19 . Prior Period Adjustment

During the year the First Nation discovered a capital purchase that had not been allocated accurately in the 2013 fiscal period. This capital purchase was treated as an expense and the increase in capital had not increased equity in the capital fund. This amount was discovered by the bookkeepers and the amount has been adjusted in the current period. However, this item needs to be represented properly in the prior period.

Itemized impact for the Capital fund are as follows:

- Increase in tangible capital assets of \$10,691
- Increase in equity in capital assets of \$10,691

The errors have been corrected on a retrospective basis, the impact on opening equity was nil as the client adjusted the error in the current period.

20 . Subsequent Events

Subsequent to year end but before the release of the audited financial statements for the fiscal period the band office and all of its contents were completely destroyed by a fire. This has resulted in a write down of tangible capital assets that were destroyed in the fire. This write down has resulted in a net loss on disposal of capital assets of \$2,783.