

**?Esdilagh First Nation
Consolidated Financial Statements
For the year ended March 31, 2015**

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Consolidated Financial Statements
For the year ended March 31, 2015

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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 First Nation Councilor of the First Nation 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 consolidated 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 consolidated 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 consolidated financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the consolidated 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



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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, 2015 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 conducting the audit in accordance with Canadian generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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 and expenditures 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 and expenditures 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.


Chartered Professional Accountants

Kamloops, British Columbia
March 7, 2016

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

| As at March 31 | 2015 | 2014 |
|---|---------------------|---------------------|
| Financial Assets | | |
| Cash (Note 3) | \$ 988,569 | \$ 613,726 |
| Restricted cash (Note 4) | 188,494 | 183,601 |
| Accounts receivable (Note 5) | 98,536 | 279,386 |
| Investments (Note 6) | 51 | 51 |
| | <u>1,285,650</u> | <u>1,076,764</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 7) | 177,937 | 143,381 |
| Deferred revenue (Note 8) | 491,975 | 571,474 |
| Long-term debt (Note 9) | 93,697 | 126,590 |
| | <u>763,609</u> | <u>841,445</u> |
| Net Assets | <u>522,041</u> | <u>235,319</u> |
| Non-financial Assets | | |
| Prepaid expenses | 22,845 | 5,484 |
| Tangible capital assets (Note 10) | 1,583,750 | 1,656,083 |
| | <u>1,606,595</u> | <u>1,661,567</u> |
| Accumulated Surplus (Note 11) | <u>\$ 2,128,636</u> | <u>\$ 1,896,886</u> |
| Commitments (Note 12) | | |
| Contingencies (Note 13) | | |

Approved on behalf of the First Nation Council:

 Chief

 Councilor

?Esdilagh First Nation

Exhibit B - Consolidated Statement of Change in Net Assets

| For the year ended March 31 | 2015 | 2014 |
|--|-------------------|---------------------|
| Annual surplus (deficit) | \$ 226,859 | \$ (257,146) |
| Acquisition of tangible capital assets | (15,528) | (49,692) |
| Amortization of tangible capital assets | 87,861 | 90,107 |
| Loss on disposal of tangible capital assets | - | 2,784 |
| Write-downs of tangible capital assets | - | 46,300 |
| | 299,192 | (167,647) |
| Change in prepaid expenses | (17,363) | 9,793 |
| Adjustment | - | (1,385) |
| Equity change in Ottawa Trust | 4,893 | 5,533 |
| Equity change in funded reserves | - | (54,500) |
| Change in net financial assets | 286,722 | (208,206) |
| Net financial assets, beginning of year | 235,319 | 443,525 |
| Net financial assets, end of year | \$ 522,041 | \$ 235,319 |

?Esdilagh First Nation
Exhibit C - Consolidated Statement of Operations

| For the year ended March 31 | 2015 | 2014 |
|--|---------------------|---------------------|
| Revenue | | |
| Aboriginal Affairs and Northern Development Canada | \$ 644,726 | \$ 857,385 |
| AANDC (recovery/transfer) | (18,169) | (486,023) |
| First Nations Health Authority | 263,689 | 115,720 |
| Health Canada | - | 124,220 |
| Health Canada and FNHA(recovery/transfer) | (92,290) | (35,036) |
| Other revenue | 1,006,129 | 555,516 |
| | 1,804,085 | 1,131,782 |
| Expenses | | |
| Band Revenue and Support | 480,660 | 300,513 |
| Indian Registry Administration | 1,100 | 1,440 |
| Cariboo Indian Enterprise Settlement | 5 | 59 |
| Community Economic Development Program | 1,424 | 10,000 |
| New Relationship Trust | 2,511 | 2,500 |
| Highway Negotiations | - | 9,925 |
| CCATEC Projects | 7,445 | 63,619 |
| Infrastructure Operation and Maintenance | 40,785 | 53,306 |
| Safe Water Operations | 3,104 | 7,800 |
| Bottled Water | 100 | - |
| BC Hydro | 33,807 | - |
| Post Secondary | 75,242 | 48,492 |
| Education Support | 2,997 | 5,304 |
| Ancillary Services | 405 | 865 |
| Guidance & Counseling | 2,278 | 7,631 |
| FNESC | 2,910 | 3,002 |
| Reimbursable Expenses | 36,536 | - |
| Financial Assistance | - | 1,650 |
| Basic Needs | 50,094 | 67,257 |
| Preparedness | 7,484 | - |
| Special Needs | - | 2,100 |
| Service Delivery | 7,051 | 26,139 |
| In-Home Care | 2,290 | 8,115 |
| Prevention Projects | 100 | - |
| Silviculture | 157,599 | 143,974 |
| Commercial Leasing | - | 4,780 |
| Gravel Sales | 14,790 | - |
| Health Canada - Water Awareness Initiative | - | 1,827 |
| - | | |
| First Nations Health Authority & Health Canada | 165,393 | 174,948 |
| National Child Benefit | 13,250 | 19,215 |
| Forestry Projects | 116,245 | 142,593 |
| Subtotal | \$ 1,227,432 | \$ 1,105,227 |

?Esdilagh First Nation
Exhibit C - Consolidated Statement of Operations

| For the year ended March 31 | 2015 | 2014 |
|---------------------------------------|---------------------|---------------------|
| Revenue carried forward | \$ 1,804,085 | \$ 1,131,782 |
| Expenses carried forward | 1,227,432 | 1,105,227 |
| Healthy Communities Capacity Building | - | 4,500 |
| ECDA | - | 82,908 |
| Gibraltar Mine Committee | 3,389 | - |
| BC Hydro Project | - | 10,000 |
| EFN/TML Working Group | 11,157 | 9,000 |
| Vancouver Foundation | 3,350 | 5,318 |
| Reserves for Recoveries | - | 33,061 |
| Dept #612 | 250 | - |
| Insurance Claim - Band Office | 81,993 | - |
| Insurance Claim - Health Building | 4,750 | - |
| Capital repairs and maintenance | 238,254 | 148,635 |
| ?Esdilagh Development Corporation | 6,651 | (9,721) |
| | 1,577,226 | 1,388,928 |
| Annual surplus (deficit) | \$ 226,859 | \$ (257,146) |

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

| For the year ended March 31 | 2015 | 2014 |
|---|---------------------|--------------------|
| Cash provided by (used for) | | |
| Operating activities | | |
| Cash receipts from various sources | \$ 1,905,435 | \$ 1,596,781 |
| Cash paid to employees and suppliers | <u>(1,614,737)</u> | <u>(1,561,175)</u> |
| Cash flows from operating activities | <u>290,698</u> | <u>35,606</u> |
| Capital activities | | |
| Net changes of tangible capital assets | <u>71,038</u> | <u>76,023</u> |
| Investing activities | | |
| Change in equity in Ottawa Trust | <u>(4,893)</u> | <u>(5,533)</u> |
| Financing activities | | |
| Proceeds from issuance (repayment) long-term debt | <u>32,893</u> | <u>32,511</u> |
| Net increase in cash and cash equivalents | 389,736 | 138,607 |
| Cash and cash equivalents, beginning of year | <u>797,327</u> | <u>658,720</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,187,063</u> | <u>\$ 797,327</u> |
| Represented by: | | |
| Cash | \$ 998,569 | \$ 613,726 |
| Restricted cash | <u>188,494</u> | <u>183,601</u> |
| | <u>\$ 1,187,063</u> | <u>\$ 797,327</u> |

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2015

1. Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements have been prepared, in all material respects, in accordance with Canadian public sector accounting standards for government entities as recommended by the Public Sector Accounting Board (PSAB), defined in the CPA Canada Public Sector Accounting Handbook, 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.

All other revenue is recognized in the period in which the events give rise to the revenue occurs.

Ottawa Trust Funds

The First Nation uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Trusts. 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, 2015

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 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

Unless otherwise noted, it is management's opinion the the First Nation is not exposed to significant interest, currency or credit risks arising from its financial instruments.

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 operations in the year in which it is used for the specified purpose.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts (if any) with maturities of three months or less.

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2015

1. Summary of Significant Accounting Policies (continued)

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.

Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. No provision is made with respect to lands held in trust for the First Nation by the Government of Canada as any remediation and funding thereof is expected to be the responsibility of the Government of Canada.

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

| | 2015 | 2014 |
|----------------|-------------------|-------------------|
| Operating Fund | \$ 947,017 | \$ 606,651 |
| EDC | 51,552 | 7,075 |
| | <u>\$ 998,569</u> | <u>\$ 613,726</u> |

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2015

4. Restricted Cash

| | 2015 | 2014 |
|--------------------|------------|------------|
| Ottawa Trust Funds | \$ 188,494 | \$ 183,601 |

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:

| | 2015 | 2014 |
|--|-----------|------------|
| Operating Fund | | |
| Aboriginal Affairs and Northern Development Canada | \$ - | \$ 53,388 |
| First Nation Health Authority | - | 996 |
| Band member loans | - | 168,748 |
| Due from Tsilhqot'in National Government | - | 10,112 |
| Trade accounts receivable | 97,684 | 45,287 |
| | \$ 97,684 | \$ 278,531 |
| Accounts receivable - EDC | 852 | 855 |
| | \$ 98,536 | \$ 279,386 |

6. Investments

| | 2015 | 2014 |
|-----------------------|-------|-------|
| Sturgeon Insurance LP | \$ 51 | \$ 51 |

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2015

7. Accounts Payable

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Operating Fund | | |
| Accounts payable and accrued liabilities | \$ 176,625 | \$ 142,070 |
| Accounts payable - EDC | <u>1,312</u> | <u>1,311</u> |
| | <u>\$ 177,937</u> | <u>\$ 143,381</u> |

Included in accounts payable at year end is government remittances of \$333 (2014 - \$368).

8. Deferred Revenue

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

| | <u>2015</u> | <u>2014</u> |
|--|----------------|----------------|
| Operating Fund | | |
| Aboriginal Affairs and Northern Development Canada | | |
| 2012-2013 Audit Recoveries | \$ 54,814 | \$ 122,522 |
| ACRS Group 2 | - | 4,274 |
| Basic Needs | 205,689 | 225,652 |
| COPH | 18,393 | 8,541 |
| Post Secondary | 996 | 40,855 |
| Prevention Projects | 2,998 | 1,549 |
| Special Needs | 4,576 | 2,496 |
| NCBR | 5,547 | - |
| P&ID | 281 | - |
| Preparedness | <u>2,100</u> | <u>-</u> |
| | <u>295,394</u> | <u>405,889</u> |

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2015

8. Deferred Revenue (continued)

| | | |
|--|-------------------|-------------------|
| Deferred Revenue carried forward | \$ 295,394 | \$ 405,889 |
| First Nations Health Authority (Health Canada) | | |
| Brighter Futures | 2,070 | 2,070 |
| Community Health Nursing | 12,417 | 574 |
| HIV/AIDS | 290 | 145 |
| Community Health Promotion | 4,322 | - |
| Diabetes Initiative | 3,853 | - |
| Drinking Water Safely | 11,368 | - |
| Environmental Contaminants | 22,236 | - |
| Health Planning and Management | | 18,821 |
| - | | |
| Home and Community Care | 8,760 | 8,760 |
| Medical Transportation | 27,846 | 15,333 |
| Mental Health Crisis | 9,335 | 4,562 |
| NNADAP | 2,961 | 2,961 |
| Prenatal Nutrition | 4,642 | 3,664 |
| Solvent Abuse | 1,660 | 222 |
| | 130,581 | 38,291 |
| Other operating | 16,000 | 16,000 |
| Capital | | |
| Aboriginal Affairs and Northern Development Canada | | |
| DWS Upgrade #2886 | - | 15,993 |
| Mould Renovations | - | 7,579 |
| Solid Waste Transfer Site | - | 87,722 |
| Health Building | 50,000 | - |
| | 50,000 | 111,294 |
| | \$ 491,975 | \$ 571,474 |

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2015

9. Long-term Debt

?Esdilagh First Nation - Capital Fund

Kubota Tractor Financing, repayable in monthly instalments of \$1,889 monthly including interest at 0%, secured by related equipment with a carrying amount of \$45,682, due June 2017

| | | |
|--|------------------|-----------|
| | 2015 | 2014 |
| | \$ 32,090 | \$ 46,352 |

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

| | | |
|--|------------------|------------|
| | 61,607 | 80,238 |
| | \$ 93,697 | \$ 126,590 |

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

| | | |
|------|----|-----------|
| 2016 | \$ | 34,264 |
| 2017 | | 35,249 |
| 2018 | | 24,184 |
| | | \$ 93,697 |

?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 therefore the bank could demand payment.

10. Tangible Capital Assets

| | 2015 | | 2014 | |
|----------------------------|------------------|-----------------------------|------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Automotive equipment | \$ 172,257 | \$ 94,815 | \$ 172,257 | \$ 75,455 |
| Buildings and improvements | 626,106 | 527,855 | 612,007 | 525,994 |
| Computer equipment | 1,429 | 393 | - | - |
| Infrastructure | 1,536,724 | 129,703 | 1,536,724 | 63,456 |
| | 2,336,516 | 752,766 | 2,320,988 | 664,905 |
| Net book value | | \$ 1,583,750 | | \$ 1,656,083 |

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2015

10. Tangible Capital Assets (continued)

| | 2015 | | | | | |
|--|-------------------------|------------|-----------------------|----------------------------|----------------|--------------|
| | Automotive equipment | Buildings | Computer equipment | Furniture and equipment | Infrastructure | Total |
| Cost, beginning of year | \$ 172,257 | \$ 612,007 | \$ - | \$ - | \$ 1,536,724 | \$ 2,320,988 |
| Additions | | 14,099 | 1,429 | - | - | 15,528 |
| Cost, end of year | \$ 172,257 | \$ 626,106 | \$ 1,429 | \$ - | \$ 1,536,724 | \$ 2,336,516 |
| Accumulated amortization, beginning of year | \$ 75,455 | \$ 525,994 | \$ - | \$ - | \$ 63,456 | \$ 664,905 |
| Amortization | 19,360 | 1,861 | 393 | - | 66,247 | 87,861 |
| Accumulated amortization, end of year | 94,815 | 527,855 | 393 | - | 129,703 | 752,766 |
| Net carrying amount, end of year | \$ 77,442 | \$ 98,251 | \$ 1,036 | \$ - | \$ 1,407,021 | \$ 1,583,750 |

?Esdilagh First Nation
Notes to Consolidated Financial Statements

March 31, 2015

10. Tangible Capital Assets (continued)

| | 2014 | | | | | |
|---|-------------------------|------------|-----------------------|----------------------------|----------------|--------------|
| | Automotive equipment | Buildings | Computer equipment | Furniture and equipment | Infrastructure | Total |
| Cost, beginning of year | \$ 172,257 | \$ 640,601 | \$ 1,936 | \$ 4,831 | \$ 1,533,332 | \$ 2,352,957 |
| Additions | - | - | - | - | 49,692 | 49,692 |
| Disposals | - | (28,594) | (1,936) | (4,831) | (46,300) | (81,661) |
| Cost, end of year | \$ 172,257 | \$ 612,007 | \$ - | \$ - | \$ 1,536,724 | \$ 2,320,988 |
| Accumulated amortization, beginning of year | \$ 51,255 | \$ 552,833 | \$ 1,936 | \$ 1,352 | \$ - | \$ 607,376 |
| Amortization | 24,200 | 1,756 | - | 695 | 63,456 | 90,107 |
| Disposals | - | (28,595) | (1,936) | (2,047) | - | (32,578) |
| Accumulated amortization, end of year | 75,455 | 525,994 | - | - | 63,456 | 664,905 |
| Net carrying amount, end of year | \$ 96,802 | \$ 86,013 | \$ - | \$ - | \$ 1,473,268 | \$ 1,656,083 |

?Esdilagh First Nation Notes to Consolidated Financial Statements

March 31, 2015

11. Accumulated Surplus

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

| | 2015 | 2014 |
|-----------------------------------|---------------------|--------------|
| Equity in Ottawa Trust | 188,494 | 183,601 |
| Equity in tangible capital assets | 1,490,053 | 1,529,492 |
| EDC equity | 6,616 | 6,616 |
| Unrestricted surplus | 443,473 | 177,177 |
| | \$ 2,128,636 | \$ 1,896,886 |

12. Commitments

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

| | |
|------|------------------|
| 2016 | \$ 5,659 |
| 2017 | 5,659 |
| 2018 | 5,659 |
| | <u>16,977</u> |
| | <u>\$ 16,977</u> |

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, 2015

14. Expenses by Object

| | 2015 | 2014 |
|-------------------------------------|---------------------|---------------------|
| Advertising | \$ 5,958 | \$ 2,845 |
| Allowances and financial assistance | 109,747 | 114,965 |
| Bad debts | 179,994 | - |
| Bank charges and interest | 4,370 | 2,522 |
| Contractors | 264,415 | 229,339 |
| Donations | 3,953 | 1,319 |
| Fuel | 10,499 | 14,064 |
| Honorarium | 52,841 | 19,046 |
| Insurance | 28,565 | 24,061 |
| Interest on long term debt | 3,479 | 4,198 |
| Licenses | 411 | 1,339 |
| Office supplies | 14,708 | 17,736 |
| Professional fees | 23,619 | 97,078 |
| Repairs and maintenance | 4,136 | 29,386 |
| Supplies | 71,709 | 72,676 |
| Training | 35,337 | 27,462 |
| Travel | 133,280 | 79,857 |
| Tuition | 195 | 6,455 |
| Utilities | 35,371 | 34,015 |
| Wages and benefits | 356,385 | 461,930 |
| Capital repairs and maintenance | 238,254 | 148,635 |
| | \$ 1,577,226 | \$ 1,388,928 |

?Esdilagh First Nation

Notes to Consolidated Financial Statements

March 31, 2015

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.

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15. Segment Disclosure - continued

2015

| | Community Welfare | Administration | Operations & Maintenance | Education | Economic Development | Capital | Total |
|--------------------------|----------------------|----------------|-----------------------------|------------|-------------------------|--------------|------------|
| Revenue | | | | | | | |
| AANDC | \$ 187,910 | \$ 75,006 | \$ 95,982 | \$ 131,236 | \$ 7,996 | \$ 128,427 | \$ 626,557 |
| Other Revenue (recovery) | 175,799 | 118,265 | 684 | 7,558 | 876,517 | (1,295) | 1,177,528 |
| Total | 363,709 | 193,271 | 96,666 | 138,794 | 884,513 | 127,132 | 1,804,085 |
| Expenses | | | | | | | |
| Wages and benefits | 71,490 | 116,938 | 12,787 | 9,991 | 145,178 | 12,213 | 368,597 |
| Purchases | 171,125 | 503,027 | 31,101 | 77,191 | 200,141 | 138,184 | 1,120,769 |
| Amortization | - | - | - | - | - | 87,860 | 87,860 |
| Total | 242,615 | 619,965 | 43,888 | 87,182 | 345,319 | 238,257 | 1,577,226 |
| Surplus (deficit) | \$ 121,094 | \$ (426,694) | \$ 52,778 | \$ 51,612 | \$ 539,194 | \$ (111,125) | \$ 226,859 |

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) |

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Notes to Consolidated Financial Statements

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16. Fiscal Plan

Canadian public sector accounting standards requires that the First Nation's budget be presented in the consolidated 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.