

EEL RIVER BAR FIRST NATION
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
MARCH 31, 2014



Allen, Paquet & Arseneau LLP

Chartered Accountants • Comptables agréés CA[®]

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INDEPENDENT AUDITORS' REPORT

To The Chief and Councillors
Eel River Bar First Nation

Report on the Financial Statements

We have audited the accompanying financial statements of Eel River Bar First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statement of operations, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Board (PSAB) principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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 financial statements present fairly, in all material respects, the financial position of Eel River Bar First Nation as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with PSAB principles.

Campbellton, N.B.

July 29, 2014

Allen, Paquet & Arseneau LLP

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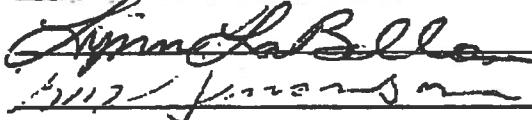
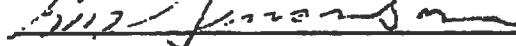
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EEL RIVER BAR FIRST NATIONConsolidated Statement of Financial Position as at March 31, 2014

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash (Note 3)	\$ 1,869,819	\$ 327,293
Accounts Receivable (Note 4)	448,255	439,501
Due From Governments (Note 5)	2,154,478	2,202,814
Promissory Notes Receivable (Note 6)	149,923	149,923
Inventories For Resale (Note 7)	112,746	122,653
Funds on Deposit with AANDC (Note 8)	8,715	8,715
Investment (Note 9)	141,221	141,221
Restricted Funds - CMHC (Note 10)	<u>343,608</u>	<u>296,983</u>
	<u>5,228,765</u>	<u>3,689,103</u>
<u>Liabilities</u>		
Bank Advances (Note 11)	245,689	260,009
Accounts Payable and Accrued Liabilities (Note 12)	1,181,449	1,212,248
Due to Governments (Note 13)	-	87,549
Funds on Deposit with AANDC	8,715	8,715
Deferred Revenue (Note 14)	17,513	-
Long Term Debt (Note 15)	4,770,944	4,930,655
Restricted Funds - CMHC	<u>343,608</u>	<u>296,983</u>
	<u>6,567,918</u>	<u>6,796,159</u>
<u>Net Debt (Page 7)</u>		<u>(1,339,153)</u> <u>(3,107,056)</u>
<u>Non-Financial Assets</u>		
Tangible Capital Assets (Note 16)	27,554,269	26,960,130
Prepaid Expenses (Note 17)	<u>66,500</u>	<u>66,052</u>
	<u>27,620,769</u>	<u>27,026,182</u>
<u>Accumulated Surplus</u>	<u>\$ 26,281,616</u>	<u>\$ 23,919,126</u>

See accompanying notes to the financial statements.

Approved On Behalf of the First Nation

 Chief
 Councillor



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EEL RIVER BAR FIRST NATION

Consolidated Statement of Operations

For The Year Ended March 31, 2014

	Budget 2014 (Note 24)	2014	2013
Revenues			
Federal Government Transfers for Operating	\$ 4,804,385	\$ 5,622,732	\$ 5,119,093
Federal Government Transfers for Capital	326,276	1,702,621	2,664,351
Provincial Government Transfers for Operating	382,348	517,389	548,984
Provincial Government - HST	456,000	692,016	630,457
Rent	90,000	430,623	449,424
Other	<u>7,484,147</u>	<u>11,380,969</u>	<u>9,040,185</u>
	<u>13,543,156</u>	<u>20,346,350</u>	<u>18,452,494</u>
Expenses			
Enterprises	5,220,793	6,008,960	6,365,998
Education	896,854	995,802	907,245
Health	768,051	824,071	818,012
Economic Development	140,227	72,658	98,465
Housing	368,782	909,492	648,688
Social Services	2,553,598	3,579,017	2,909,883
Band Government	1,663,987	2,325,636	2,324,274
Community Services	260,674	350,461	276,576
Debt Servicing	483,767	159,298	183,627
Amortization	-	1,328,513	1,279,851
Other	<u>791,117</u>	<u>1,429,952</u>	<u>1,493,935</u>
	<u>13,147,850</u>	<u>17,983,860</u>	<u>17,306,554</u>
Annual Surplus		395,306	1,145,940
Accumulated Surplus at Beginning of Year		<u>23,919,126</u>	<u>23,919,126</u>
Accumulated Surplus at End of Year		\$ 24,314,432	\$ 26,281,616
		\$ 23,919,126	

Segment Disclosure (Note 19)

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.



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EEL RIVER BAR FIRST NATION
Consolidated Statement of Change in Net Debt
For The Year Ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u>	<u>2013</u>
<u>Surplus For the Year</u>			
Acquisition of Tangible Capital Assets	\$ 395,306	\$ 2,362,490	\$ 1,145,940
Amortization of Tangible Capital Assets	- (1,922,652)	(1,561,935)	
Prepaid Expenses	- 1,328,513	1,279,851	
	<u>—</u>	<u>(448)</u>	<u>(628)</u>
<u>Decrease in Net Debt</u>	395,306	1,767,903	863,228
<u>Net Debt, Beginning of Year</u>	(3,107,056)	(3,107,056)	(3,970,284)
<u>Net Debt, End of Year</u>	<u>\$ (2,711,750)</u>	<u>\$ (1,339,153)</u>	<u>\$ (3,107,056)</u>

EEL RIVER BAR FIRST NATION
Consolidated Statement of Cash Flow
For The Year Ended March 31, 2014

	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities</u>		
Cash Receipts From Funding Agreements and Other	\$ 20,971,887	\$ 18,117,365
Cash Paid to Suppliers and Employees	(17,173,380)	(16,674,127)
Interest Paid	(159,298)	(183,627)
	<u>3,639,209</u>	<u>1,259,611</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds From Long Term Debt	403,472	565,108
Principal Repayment of Long Term Debt	(563,183)	(607,260)
	<u>(159,711)</u>	<u>(42,152)</u>
<u>Cash Flows From Investing Activity</u>		
Acquisition of Tangible Capital Assets	(1,922,652)	(1,561,935)
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	1,556,846	(344,476)
<u>Cash and Cash Equivalents, Beginning of Year</u>	67,284	411,760
<u>Cash and Cash Equivalents, End of Year (Note 22)</u>	\$ 1,624,130	\$ 67,284



EEL RIVER BAR FIRST NATION
Notes To The Financial Statements
For The Year Ended March 31, 2014

1. Basis of Presentation and Significant Accounting Policies

a. Basis of Presentation

These financial statements have been prepared in accordance with the Canadian generally accepted accounting principles for government outlined in the Canadian Institute of Chartered Accountants Public Sector Accounting Board (PSAB) Handbook.

b. Accounting for Tangible Capital Assets

Tangible capital assets (TCAs) are items that can be physically touched, are used to provide Band services, are used for Band administration purposes or are used for the construction and/or maintenance of other TCAs owned by the Band, will be useful for a period of greater than one year, will be used by the Band on a regular basis and are not surplus properties held for resale or disposal.

Amortization is calculated using methods which will reduce the original cost of property and equipment to estimated residual values over the useful life of each asset using the following annual rates:

Buildings	4%	Diminishing and Straight Line Basis
Infrastructures	4-8%	Straight Line Basis
Equipment	20% and 100%	Diminishing and Straight Line Basis
Vehicles	20%	Straight Line Basis
Fishing Vessels	5%	Straight Line Basis

c. Revenue Recognition

Major sources of revenue are recorded on an accrual basis and matched to the fiscal year when the related expenditures for that particular program are incurred. Certain other sources of revenue are recorded on a cash basis.

d. Expenditure Recognition

Commitments for goods and services relating to the current fiscal year are accrued at the balance sheet date.

e. Reporting Entity and Principles of Financial Reporting

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

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

- Aboriginal Heritage Garden Inc.
- Eel River Bar Development Corporation Inc.



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EEL RIVER BAR FIRST NATION

Notes To The Financial Statements

For The Year Ended March 31, 2014

1. Basis of Presentation and Significant Accounting Policies (Cont'd)

e. Reporting Entity and Principles of Financial Reporting (Continued)

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific program, transactions amongst programs have not necessarily been eliminated on the individual statements.

f. Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the First Nation may undertake in the future. Actual results may differ from those estimates.

g. Government Transfers

Government transfers are recognized in the financial statements in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

2. Economic Dependence

The Eel River Bar First Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada. The continued operation of the First Nation is dependent on the continuation of this funding arrangement.

3. Cash

Cash is comprised of the following.

	2014	2013
Externally restricted Capital Improvements	\$ 233,420	\$ 161,278
Internally restricted Capital Planning	20,373	23,113
Unrestricted Operating Savings	97,329 1,518,697 1,616,026	142,902 - 142,902
Total Cash	\$ 1,869,819	\$ 327,293



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EEL RIVER BAR FIRST NATION**Notes To The Financial Statements****For The Year Ended March 31, 2014****4. Accounts Receivable**

	2014	2013
Due from members:		
Rent	\$ 27,360	\$ 39,600
Social	195	12,098
Advances	<u>118,624</u>	<u>135,871</u>
	<u>146,179</u>	<u>187,569</u>
Due from others		
Services	20,076	34,868
Other	<u>314,925</u>	<u>229,989</u>
	<u>335,001</u>	<u>264,857</u>
Less: Allowance for Doubtful Accounts	481,180	452,426
	<u>(32,925)</u>	<u>(12,925)</u>
Total Accounts Receivable	\$ 448,255	\$ 439,501

5. Due From Governments

	2014	2013
Federal Government		
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 804,069	\$ 1,395,367
Health Canada	7,719	16,000
Fisheries and Oceans Canada	84,538	365,879
Province of New Brunswick	<u>1,258,152</u>	<u>425,568</u>
	<u>\$ 2,154,478</u>	<u>\$ 2,202,814</u>

6. Promissory Notes Receivable

	2014	2013
Housing loan, 6.5%, repayable in equal monthly instalments of \$565, principal and interest, beginning in 2014 and due in 2019	\$ 28,946	\$ 28,946
Housing loan, 6.5%, repayable in equal monthly instalments of \$279, principal and interest, beginning in 2014 and due in 2019	14,279	14,279
Housing loan, 6.5%, repayable in equal monthly instalments of \$259, principal and interest, beginning in 2014 and due in 2019	13,255	13,255
Housing loan, 6.5%, repayable in equal monthly instalments of \$157, principal and interest, beginning in 2014 and due in 2019	<u>8,000</u>	<u>8,000</u>
Amount Carried Forward	<u>64,480</u>	<u>64,480</u>



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EEL RIVER BAR FIRST NATION
Notes To The Financial Statements
For The Year Ended March 31, 2014

6. Promissory Notes Receivable (Cont'd)

	<u>2014</u>	<u>2013</u>
Amount Brought Forward	\$ 64,480	\$ 64,480
Housing loan, 6.5%, repayable in equal monthly instalments of \$273, principal and interest, beginning in 2014 and due in 2019	13,931	13,931
Housing loan, 6.5%, repayable in equal monthly instalments of \$1,399, principal and interest, beginning in 2014 and due in 2019	71,512	71,512
	<u>\$ 149,923</u>	<u>\$ 149,923</u>

The promissory notes receivable relate to loan agreements entered into by band members with Eel River Bar First Nation for the construction of houses.

7. Inventories for Resale

	<u>2014</u>	<u>2013</u>
Osprey Truck Stop, at lower of cost and net realizable value, cost determined using the first in, first out method	\$ 112,746	\$ 122,653

8. Funds on Deposit with AANDC

<u>Capital Account</u>		
Balance, Beginning and End of the Year	\$ 8,715	\$ 8,715
<u>Revenue Account</u>		
Balance, Beginning of the Year	-	16,002
Less: Approved Transfers to Operations	-	16,002
Balance, End of the Year	-	-
	<u>\$ 8,715</u>	<u>\$ 8,715</u>

9. Investment

	<u>2014</u>	<u>2013</u>
F.N. Fisheries, preferred shares, at cost	\$ 141,221	\$ 141,221



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EEL RIVER BAR FIRST NATION
Notes To The Financial Statements
For The Year Ended March 31, 2014

10. Restricted Funds

Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$15,614 annually for pre-1998 programs until it accumulates to \$156,141 plus interest. An amount of \$25,000 can be credited annually to the post-1997 program with no limit. These funds along with accumulated interest 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 CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal. The First Nation had not actually transferred these funds in past years and accordingly CMHC had ordered to have these allocations stopped, effective with the March 31, 1998 fiscal year, until such time as prior year amounts had been paid. An agreement was reached between the Eel River Bar First Nation and CMHC in September 2004 to rectify this problem and as at March 31, 2014, there were sufficient unrestricted funds to fund the reserve but the funds were not set aside in a separate bank account.

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 interest. The reserve is to be comprised of 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 CMHC from time to time. The funds in the 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 interest 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 within the same community or area that are assisted under the same program. Otherwise the excess amount is payable to CMHC. There was no balance in the Subsidy Surplus Reserve as at March 31, 2014.

Operating Surplus Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, excess surpluses in the Post 97 programs may be retained in an operating surplus reserve with no maximum plus interest. The reserve is to be comprised of 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 CMHC from time to time. The funds in the accounts may be used to offset future operating deficits. Withdrawals are credited to interest first and then principal. There was no balance in the Operating Surplus Reserve as at March 31, 2014.

11. Bank Advances

	<u>2014</u>	<u>2013</u>
Bank Overdraft	\$ 150,360	\$ 28,155
Line of Credit	<u>95,329</u>	<u>231,854</u>
	<u>\$ 245,689</u>	<u>\$ 260,009</u>

The line of credit has a limit of \$200,000 and carries an interest rate of 5.75%.



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EEL RIVER BAR FIRST NATION**Notes To The Financial Statements****For The Year Ended March 31, 2014****12. Accounts Payable and Accrued Liabilities**

	<u>2014</u>	<u>2013</u>
Trade Payables	\$ 627,037	\$ 629,689
Accrued Salaries and Benefits Payable	86,759	59,012
Other Accrued Liabilities	<u>467,653</u>	<u>523,547</u>
	<u>\$ 1,181,449</u>	<u>\$ 1,212,248</u>

13. Due to Governments

	<u>2014</u>	<u>2013</u>
Federal Government		
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ -	\$ 62,565
Province of New Brunswick	<u>-</u>	<u>24,984</u>
	<u>\$ -</u>	<u>\$ 87,549</u>

14. Deferred Revenue

Deferred revenue represents funding that has been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year services are provided.

15. Long Term Debt

	<u>2014</u>	<u>2013</u>
Phase I Mortgage, Bank of Montreal, repaid during the year	\$ -	\$ 8,038
Phase II Mortgage, Royal Bank of Canada, repaid during the year	-	3,987
Phase III Mortgage, Bank of Montreal, 6.35%, repayable in equal monthly instalments of \$2,125, principal and interest, due in 2015	38,849	57,298
Phase IV Mortgage, Bank of Montreal, 4.89%, repayable in equal monthly instalments of \$2,008, principal and interest, due in 2016	59,042	76,138
Phase V Mortgage, Royal Bank of Canada, 2.47%, repayable in equal monthly instalments of \$2,187, principal and interest, due in 2016	<u>63,587</u>	<u>87,923</u>
Amount Carried Forward	<u>161,478</u>	<u>233,384</u>



EEL RIVER BAR FIRST NATION**Notes To The Financial Statements****For The Year Ended March 31, 2014**

15. <u>Long Term Debt (Cont'd)</u>	2014	2013
Amount Brought Forward	\$ 161,478	\$ 233,384
Phase VI Mortgage, Royal Bank of Canada, 3.37%, repayable in equal monthly instalments of \$1,183, principal and interest, due in 2015	35,804	48,554
Phase VII Mortgage, CMHC, 2.76%, repayable in equal monthly instalments of \$380, principal and interest, renewable in June 2015, due in 2020	25,178	28,986
Phase VIII Mortgage, CMHC, 2.76%, repayable in equal monthly instalments of \$742, principal and interest, renewable in June 2015, due in 2020	49,204	56,646
Phase IX Mortgage, CMHC, 1.65%, repayable in equal monthly instalments of \$295, principal and interest, renewable in June 2017, due in 2022	26,227	29,304
Phase X Mortgage, CMHC, 1.62%, repayable in equal monthly instalments of \$287, principal and interest, renewable in March 2018, due in 2022	27,797	30,762
Phase XI Mortgage, CMHC, 1.67%, repayable in equal monthly instalments of \$300, principal and interest, renewable in June 2018, due in 2023	30,842	33,842
Phase XII Mortgage, CMHC, 2.56%, repayable in equal monthly instalments of \$322, principal and interest, renewable in December 2015, due in 2025	38,521	41,368
Phase XIII Mortgage, CMHC, 2.65%, repayable in equal monthly instalments of \$325, principal and interest, renewable in April 2016, due in 2026	40,346	43,145
Phase XIV Mortgage, CMHC, 2.65%, repayable in equal monthly instalments of \$327, principal and interest, renewable in April 2016, due in 2026	40,512	43,323
Phase XV Mortgage, CMHC, 1.71%, repayable in equal monthly instalments of \$307, principal and interest, renewable in September 2017, due in 2027	44,151	47,055
Phase XVI Mortgage, CMHC, 1.71%, repayable in equal monthly instalments of \$305, principal and interest, renewable in September 2017, due in 2027	44,097	46,978
Amount Carried Forward	<u>564,157</u>	<u>683,347</u>



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EEL RIVER BAR FIRST NATION**Notes To The Financial Statements****For The Year Ended March 31, 2014**

15. <u>Long Term Debt (Cont'd)</u>	2014	2013
Amount Brought Forward	\$ 564,157	\$ 683,347
Commercial Loan, Peace Hill Trust Company, 4.50%, repayable in weekly instalments of \$5,621, interest and principal, guaranteed by First Mortgage on land, assignment of all capital assets for Osprey, a charge over 3 marine vessels of the Eel River Bar First Nation, maturing in 2017	961,582	1,167,693
Phase XVII Mortgage, CMHC, 1.81%, repayable in equal monthly instalments of \$569, principal and interest, renewable in May 2014, due in 2029	89,705	94,867
Loan, Peace Hills Trust, 4.50% repayable in equal monthly instalments of \$6,017, principal and interest, due in 2016	118,559	174,284
Phase XVIII Mortgage, CMHC, 1.65%, repayable in equal monthly instalments of \$950, principal and interest, renewable in June 2017, due in 2032	178,243	186,639
Phase XIX Mortgage, CMHC, 1.64%, repayable in equal monthly instalments of \$948, principal and interest, renewable in February 2017, due in 2032	176,590	185,006
Phase XX Mortgage, CMHC, 1.65%, repayable in equal monthly instalments of \$1,309, principal and interest, renewable in June 2017, due in 2032	246,583	258,136
Phase XXI Mortgage, C.M.H.C., 1.67%, repayable in equal monthly instalments of \$927, principal and interest, renewable in June 2018, due in 2033	183,101	190,816
Phase XXII Mortgage, C.M.H.C., 1.81%, repayable in equal monthly instalments of \$917, principal and interest, renewable in May 2014, due in 2034	185,300	192,897
Loan, Peace Hills Trust, repaid during the year	-	26,068
Phase XXIII Mortgage, C.M.H.C., 2.76%, repayable in equal monthly instalments of \$1,021, principal and interest, renewable in June 2015, due in 2035	197,109	203,853
Amount Carried Forward	<u>2,900,929</u>	<u>3,363,606</u>

EEL RIVER BAR FIRST NATIONNotes To The Financial StatementsFor The Year Ended March 31, 2014

15. <u>Long Term Debt (Cont'd)</u>	2014	2013
Amount Brought Forward	\$ 2,900,929	\$ 3,363,606
Phase XXIV Mortgage, C.M.H.C., 2.78%, repayable in equal monthly instalments of \$1,016, principal and interest, renewable in August 2015, due in 2035	196,279	202,942
Phase XXV Mortgage, C.M.H.C., 2.17%, repayable in equal monthly instalments of \$485, principal and interest, renewable in December 2015, due in 2035	100,680	104,287
Phase XXVI Mortgage, C.M.H.C., 2.97%, repayable in equal monthly instalments of \$1,061, principal and interest, renewable in April 2016, due in 2036	205,747	212,305
Phase XXVII Mortgage, C.M.H.C., 1.92%, repayable in equal monthly instalments of \$944, principal and interest, renewable in April 2017, due in 2037	211,188	218,404
Phase XXVIII Mortgage, C.M.H.C., 1.92%, repayable in equal monthly instalments of \$1,409, principal and interest, renewable in April 2017, due in 2037	314,948	325,722
Loan, Ulnooweg Development Group Inc., 6%, repayable in equal monthly instalments of \$1,544, principal and interest, secured by a promissory note, due in July 2016	30,275	46,535
Phase XXIX Mortgage, C.M.H.C., 1.62%, repayable in equal monthly instalments of \$912, principal and interest, renewable in March 2018, due in 2038	195,557	202,774
Phase XXX Mortgage, C.M.H.C., 2.04%, repayable in equal monthly instalments of \$1,706, principal and interest, renewable in March 2019, due in 2039	397,995	-
Loan, Peace Hills Trust, 4.05%, repayable in equal monthly instalments of \$568.39, principal and interest, due in 2037	104,363	106,961
Loan, Peace Hills Trust, 4.50%, repayable in equal monthly instalments of \$3,913, principal and interest, due in 2016	<u>112,983</u> 4,770,944	<u>147,119</u> 4,930,655
<u>Less: Amount Due Within One Year</u>	<u>601,640</u>	<u>599,514</u>
	<u>\$ 4,169,304</u>	<u>\$ 4,331,141</u>

Principal repayments of long term debt over the next five years are due as follows:

2015	\$ 601,640
2016	581,634
2017	486,349
2018	368,742
2019	<u>163,180</u>
	<u>\$ 2,201,545</u>



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16. Tangible Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 2,159,324	\$ -	\$ 2,159,324	\$ 2,159,324
Buildings	17,681,280	5,801,999	11,879,281	11,932,855
Infrastructures	11,232,962	3,086,505	8,146,457	7,172,244
Equipment	208,170	167,590	40,580	50,443
Vehicles	171,100	88,700	82,400	98,880
Fishing Vessels	2,172,518	1,286,084	886,434	995,060
Osprey Truck Stop	<u>6,812,504</u>	<u>2,452,711</u>	<u>4,359,793</u>	<u>4,551,324</u>
	<u><u>\$ 40,437,858</u></u>	<u><u>\$ 12,883,589</u></u>	<u><u>\$ 27,554,269</u></u>	<u><u>\$ 26,960,130</u></u>

17. Prepaid Expenses

Prepaid expenses represent amounts which have been paid to suppliers to cover expenses not yet incurred.

18. Government Transfers

	<u>2014</u>			<u>2013</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal Government Transfers						
Aboriginal Affairs and Northern Development Canada	\$ 4,608,737	\$ 1,443,153	\$ 6,051,890	\$ 4,032,816	\$ 2,495,297	\$ 6,528,113
Health Canada	574,961	109,282	684,243	657,674	-	657,674
Canada Mortgage and Housing Corporation	42,000	150,186	192,186	11,050	169,054	180,104
Other	397,034	-	397,034	441,861	-	441,861
Total	5,622,732	1,702,621	7,325,353	5,143,401	2,664,351	7,807,752
Provincial Government Transfers						
	1,209,405	-	1,209,405	1,179,441	-	1,179,441
	<u>\$ 6,832,137</u>	<u>\$ 1,702,621</u>	<u>\$ 8,534,758</u>	<u>\$ 6,322,842</u>	<u>\$ 2,664,351</u>	<u>\$ 8,987,193</u>

The Aboriginal Affairs and Northern Development Canada transfer amounts include the following deferred revenue and recovery amounts:

	<u>2014</u>	<u>2013</u>
Deferred Revenue, Beginning of Year	\$ -	\$ 53,000
AANDC Recovery	(226,002)	(100,877)
Recoverable from AANDC	-	24,478
	<u>\$ (226,002)</u>	<u>\$ (23,399)</u>



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19. Segment Disclosure

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

	Enterprises			Education			Health		
	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013
REVENUES									
Federal government operating transfers	\$ -	\$ -	\$ -	\$ 401,740	\$ 432,230	\$ 368,479	\$ 555,605	\$ 574,961	\$ 657,574
Federal government capital transfers	-	-	-	-	382,348	435,770	470,210	-	109,282
Provincial government operating transfers	-	-	-	-	-	-	-	-	-
Provincial governments - HST	-	-	-	-	-	-	-	-	-
Rent	90,000	84,915	60,946	-	-	-	-	-	-
Other revenue	5,999,355	9,531,127	7,418,892	150,000	34,555	27,884	-	74,737	1,908
Total Revenue	6,089,355	9,715,142	7,479,938	934,088	903,504	866,273	555,605	758,960	659,582
EXPENSES									
Salaries and benefits	624,329	602,572	608,574	581,124	726,311	614,031	-	-	-
Debt Servicing	312,533	63,400	73,079	-	-	-	-	-	-
Amortization	-	394,463	366,534	-	15,980	15,980	-	-	-
Other Expenses	4,597,464	3,406,038	5,757,924	315,730	269,491	257,726	768,031	814,071	818,012
Total Expenses	5,533,226	6,467,023	6,377,611	896,854	1,011,782	941,377	768,031	824,071	818,012
Annual Surplus/(Deficit)	\$ 556,529	\$ 3,248,119	\$ 631,447	\$ 37,234	\$ 108,278	\$ 73,464	\$ 212,446	\$ 65,091	\$ 154,359

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19. Segment Disclosure (Cont'd)

	Economic Development			Housing			Social Services		
	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013
REVENUES									
Federal government operating transfers	\$ 150,150	\$ 49,773	\$ 81,475	\$ 136,276	\$ 293,914	\$ 42,000	\$ 11,050	\$ 2,943,579	\$ 3,604,205
Federal government capital transfers	-	-	-	-	-	-	310,476	-	\$ 3,041,343
Provincial government operating transfers	-	-	-	-	-	-	-	-	-
Provincial government - HST	-	-	-	-	-	-	-	-	1,032
Rent	-	-	-	-	-	346,608	383,408	-	-
Other revenues	-	-	-	-	-	62,610	86,353	97,088	97,947
Total Revenue	150,150	49,773	81,475	386,276	682,522	167,544	10,299,882	3,701,293	3,140,322
EXPENSES									
Salaries and benefits	49,907	67,165	68,436	204,855	244,172	176,895	601,233	542,660	457,975
Debt Services	-	-	171,234	73,250	81,053	-	-	-	-
Amortization	-	500,495	460,365	-	60,583	60,583	-	5,121	6,974
Other Expenses	90,320	41,493	66,029	163,927	665,370	471,793	1,952,365	3,556,408	2,929,350
Total Expenses	140,227	609,153	594,830	540,016	1,043,325	793,216	2,353,598	4,104,189	3,594,199
Annual Surplus/(Deficit)	\$ 5	9323	\$ 559,380	\$ 313,355	\$ 213,740	\$ 360,801	\$ 22,762	\$ 476,234	\$ 402,875
									\$ 233,877

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Notes To The Financial Statements
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19. Segment Disclosure (Cont'd)

	Band Government		Community Services		Other		
	Budget 2014	2014	Budget 2014	2013	Budget 2014	2014	2013
REVENUES							
Federal government operating transfers	\$ 417,305	\$ 575,199	\$ 545,593	\$ 59,883	\$ 104,078	\$ 294,172	\$ 237,573
Federal government capital transfers	-	-	-	-	-	-	1,298,476
Provincial government operating transfers	-	-	-	-	-	-	2,353,875
Provincial government - HST	456,000	692,016	630,457	-	-	-	81,619
Rent	-	-	5,950	-	-	-	-
Other revenue	-	839,772	943,992	-	-	1,247,939	1,259,741
Total Revenue	873,306	2,106,987	2,125,192	99,883	104,078	1,484,111	2,677,409
EXPENSES							
Salaries and benefits	931,141	1,049,440	1,037,373	1,02,374	126,370	138,349	587,115
Debt Servicing	-	22,448	27,493	-	-	-	567,328
Administration	-	345,881	340,283	-	6,290	6,232	-
Other Expenses	732,846	1,274,196	1,285,701	108,300	223,991	139,227	204,002
Total Expenses	1,663,987	2,691,665	2,695,950	260,674	356,751	287,408	791,117
Annual Surplus/(Deficit)	\$ (790,681)	\$ 586,676	\$ 569,356	\$ (60,791)	\$ 240,960	\$ 177,350	\$ 1,447,257
							\$ 2,255,989

EEL RIVER BAR FIRST NATION**Notes To The Financial Statements****For The Year Ended March 31, 2014****19. Segment Disclosure (Cont'd)**

	Total before Adjustments			Consolidated Adjustments			Consolidated Total		
	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013
REVENUES									
Federal government operating transfers	\$ 4,884,385	\$ 3,622,732	\$ 5,119,093	\$ -	\$ -	\$ -	\$ 4,884,385	\$ 5,622,732	\$ 5,119,093
Federal government capital transfers	326,276	1,702,621	2,664,351	-	-	-	326,276	1,702,621	2,664,351
Provincial government operating transfers	382,248	517,389	548,984	-	-	-	382,248	517,389	548,984
Provincial government - HST	455,030	692,016	630,457	-	-	-	456,000	692,016	630,457
Rent	90,000	430,623	449,424	-	-	-	90,000	430,623	449,424
Other revenues	7,484,147	11,937,020	9,572,139	-	(556,051)	(531,954)	7,484,147	11,380,969	9,040,185
Total Revenue	13,543,156	20,902,401	18,984,448	-	(556,051)	(531,954)	13,543,156	20,346,350	18,457,494
EXPENSES									
Salaries and benefits	3,736,078	3,976,168	3,634,985	-	-	-	3,736,078	3,926,168	3,654,985
Debt Servicing	483,767	159,298	183,627	-	-	-	483,767	159,298	183,627
Amortization	-	1,326,513	1,279,851	-	-	-	-	1,326,513	1,279,851
Other Expenses	8,978,005	13,125,957	12,720,045	-	(556,051)	(531,954)	8,978,005	12,569,881	12,188,091
Total Expenses	13,147,450	18,539,911	17,938,598	-	(556,051)	(531,954)	13,147,450	17,981,860	17,308,554
Annual Surplus	\$ 395,306	\$ 2,362,490	\$ 1,145,940	\$ -	\$ -	\$ -	\$ 395,306	\$ 2,362,490	\$ 1,145,940

EEL RIVER BAR FIRST NATION
Notes To The Financial Statements
For The Year Ended March 31, 2014

20. Expenses by Object

The following is a summary of expenses by object.

	<u>2014</u>	<u>2013</u>
Salaries and Benefits	3 926 168	\$ 3 654 985
Staff Development	8 512	\$ 15 383
Supplies and Services	293 736	359 783
Interest	179 082	204 801
Professional Services	237 972	79 716
Other	12 009 877	11 712 035
Amortization	<u>1 328 513</u>	<u>1 279 851</u>
	<u>17 983 860</u>	<u>\$ 17 306 554</u>

21. CMHC Subsidy

The First Nation receives a subsidy under a program administered by Canada Mortgage and Housing Corporation under the terms of Section 95 of the National Housing Act. This is tied to compliance with the conditions set forth in the agreement by the First Nation and CMHC. The amount of assistance received in the 2013/2014 fiscal year was 150 186 \$.

22. Cash and Cash Equivalents, End of Year

	<u>2014</u>	<u>2013</u>
Cash	1 869 819	\$ 327 293
<u>Less:</u> Bank Advances	<u>(245 689)</u>	<u>(260 009)</u>
	<u>1 624 130</u>	<u>\$ 67 284</u>

Cash and cash equivalents consist of cash on hand and bank balances less bank advances.

23. Commitments

The First Nation has entered into a lease commitment for office equipment requiring future lease payments totalling 75 120 \$ over the next five year period.

EEL RIVER BAR FIRST NATION
Notes To The Financial Statements
For The Year Ended March 31, 2014

24. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Eel River Bar First Nation Chief and Council and the Director of Operations.

25. Financial Instruments

a. Credit Risk

The First Nation is exposed to normal credit risk on the accounts receivable.

b. Fair Values

The carrying amount of current assets and current liabilities approximates their fair value due to the short term maturities of these items.

The First Nation's long term debt is carried at an amount which approximates the fair value as the outstanding interest rates are close to or at market rates.



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26. AANDC Funding Reconciliation

Other Capital - Source Code 8740; Page 12	\$ 143,728
Social Development - Source Code 2300; Page 13	2,013,888
Administration - Source Code 2300; Page 13	66,200
Child and Family Services - Source Code 2369; Page 14	30,600
Child and Family Services - Source Code 2373; Page 14	129,504
Child and Family Services - Source Code 2420; Page 14	32,000
Adult Care - Source Code 2390; Page 14	70,780
Maintenance - Source Code 2371; Page 15	1,056,296
Prevention and Least Disruptive Services - Source Code 2373; Page 15	99,996
Head-Start - Source Code 2373; Page 16	72,145
Band Development - Source Code 8075; Page 17	49,773
Education - Source Code 2100; Page 19	224,720
Education - Source Code 2105; Page 19	28,323
Education - Source Code 2107; Page 19	475
Education - Source Code 8615; Page 19	949
Education - Source Code 8616; Page 19	8,693
Daily Transportation - Source Code 2100; Page 20	110,859
Operational and Maintenance - Source Code 8741; Page 20	106,791
Band Support Funding - Source Code 1065; Page 21	437,591
Band Support Funding - Source Code 2505; Page 21	19,100
Band Support Funding - Source Code 8103; Page 21	49,776
Lands, Revenue and Trusts Membership - Source Code 2050; Page 22	7,132
Emergency Response - Source Code 8502; Page 25	1,500,000
Student Programs - Source Code 2701; Page 27	<u>18,573</u>
 AANDC Revenue per Funding Confirmation	 <u>\$ 6,277,892</u>



EEL RIVER BAR FIRST NATION**Notes To The Financial Statements****For The Year Ended March 31, 2014****26. AANDC Funding Reconciliation (Cont'd)****Accounts Receivable**

Maintenance - Source Code 2371; Page 15	\$ 200,000
Band Support Funding - Source Code 8103; Page 21	9,888
Emergency Response - Source Code 8502; Page 25	<u>468,380</u>
Per AANDC Funding Confirmation Report	678,268
AANDC 2012/2013 funding retained in PAYE - Maintenance	<u>125,801</u>
	\$ <u>804,069</u>

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Notes To The Financial Statements

For The Year Ended March 31, 2014

27. AANDC Funding Surplus (Deficit) Reconciliation

	Contribution	Expenses	Transfer	Capital Assets	Surplus(Deficit)
Other Capital					
- Source Code 8740; Page 12	\$ 143,728	\$(384,665)	\$ -	\$(30,038)	\$(270,975)
Social Development					
- Source Code 2300; Page 13	2,013,888	(1,493,837)	(520,051)	-	-
Administration					
Source Code 2300; Page 13	66,200	(103,306)	-	-	(37,106)
Child and Family Services					
- Source Code 2369; Page 14	30,600	(37,024)	-	-	(6,424)
- Source Code 2373; Page 14	129,504	(156,690)	-	-	(27,186)
- Source Code 2420; Page 14	32,000	(38,718)	-	-	(6,718)
Adult Care					
- Source Code 2390; Page 14	70,780	(70,780)	-	-	-
Maintenance					
- Source Code 2371; Page 15	1,056,296	(1,289,325)	-	-	(233,029)
Prevention and Least Disruptive Services					
- Source Code 2373; Page 15	99,996	(87,178)	-	-	12,818
Head-Start					
- Source Code 2373; Page 16	72,145	(72,163)	-	-	(18)
Band Development					
- Source Code 8075; Page 17	49,773	(573,153)	(36,000)	-	(559,380)
Education					
- Source Code 2100; Page 19	224,720	(233,157)	-	-	(8,437)
- Source Code 2105; Page 19	28,323	(29,386)	-	-	(1,063)
- Source Code 2107; Page 19	475	(493)	-	-	(18)
- Source Code 8615; Page 19	949	(985)	-	-	(36)
- Source Code 8616; Page 19	8,693	(9,019)	-	-	(326)
Daily Transportation					
- Source Code 2100; Page 20	110,859	(113,348)	-	-	(2,489)
Operational and Maintenance					
- Source Code 8741; Page 20	106,791	(356,751)	-	-	(249,960)
Band Support Funding					
- Source Code 1065; Page 21	437,591	(1,188,515)	499,963	-	(250,961)
- Source Code 2505; Page 21	19,100	(24,213)	-	-	(5,113)
- Source Code 8103; Page 21	49,776	(63,100)	-	-	(13,324)
Lands, Revenue and Trusts Membership					
- Source Code 2050; Page 22	7,132	(31,728)	-	-	(24,596)
Emergency Response					
- Source Code 8502; Page 25	1,500,000	(72,214)	-	(1,626,368)	(198,582)
Student Programs					
- Source Code 2701; Page 27	18,573	(92,237)	-	-	(73,664)
	\$ 6,277,892	\$(6,521,985)	\$(56,088)	\$(1,656,406)	\$(1,956,587)