

*Consolidated financial statements of*

**EAGLE VILLAGE FIRST NATION - KIPAWA**

*March 31, 2014*

# **EAGLE VILLAGE FIRST NATION - KIPAWA**

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**EAGLE VILLAGE FIRST NATION - KIPAWA**  
**Management's Statement of Responsibility**  
**Year ended March 31, 2014**

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The consolidated financial statements of Eagle Village First Nation - Kipawa as at March 31, 2014 are the responsibility of management and have been approved by the Chief and Council.

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

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

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

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

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Signature and title  
for Eagle Village First Nation - Kipawa

## Independent Auditors' report

To the Chief and Council  
*Eagle Village First Nation - Kipawa*

We have audited the accompanying consolidated financial statements of the Eagle Village First Nation - Kipawa as at March 31, 2014, which comprise the consolidated statement of Financial Position as at March 31, 2014, and the statements of Operations, Cumulative Operating Surplus, Net Investment in Capital Assets, Changes in Net Financial Assets (Net Debt) and Cash Flows, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditor's Responsibility*

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the Financial Position of Eagle Village First Nation - Kipawa as at March 31, 2014 and the results of its operations and its Cash Flows for the year then ended in accordance with Canadian public sector accounting standards.

*Observations*

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which states that the First Nation includes certain financial information that are not required by the Canadian public sector accounting standards. This information is presented in order to satisfy to Aboriginal Affairs and Northern Development Canada and presented on pages 28 to 150.

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*Dorville LLP*

*July 30, 2014*

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<sup>1</sup> CPA auditor, CA, public accountancy permit No A112314

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Statement of Operations

Year ended March 31, 2014

	2014	2013
	\$	\$
REVENUES		
Sales	1 838 403	-
Taxi services	87 614	-
AANDC - Unexpended funds	(817 391)	-
Allocation from the replacement reserve	-	54 446
AANDC - Fixed Contribution funding	35 249	11 262
AANDC - Set Contribution	448 433	1 129 097
AANDC - Block funding	2 701 215	2 571 253
Administration fees	284 868	231 759
Bingo (net)	21 400	19 014
Canada Mortgage and Housing Corporation (CMHC)	173 104	156 922
First Nations Education Council	49 607	44 851
First Nation Forestry Program	-	1 137
First Nations of Quebec and Labrador Health and Social Services Commission	27 378	23 692
Forum Jeunesse de l'Abitibi-Témiscamingue	131 223	131 223
Forestry contracts	22 366	20 475
Government of Quebec	35 542	28 550
First Nations Human Resources Development Commission of Quebec	281 879	285 172
Interests	8 935	7 626
Land management (Tembec)	100 000	80 000
Loan revenue	200 000	-
Ministry of Natural Resources	106 000	131 000
Health Canada	1 213 876	1 070 253
Refundable (surplus) deficit from (to) AANDC	(62 104)	58 335
Recoverable surplus to Health Canada	(18 376)	-
Provincial and Federal police	410 547	310 297
Other recreation revenue	8 874	9 733
Rent revenue	463 695	273 660
Special activities revenue	7 376	11 786
Sale of housing units	108 600	260 331
Urban funding revenue	-	4 088
Other revenue	465 179	686 825
Transfer to Net Investment in Capital Assets	(487 646)	(147 286)
Deferred revenue from the previous year	177 913	11 286
Deferred revenue to the following year	(165 757)	(177 913)
	<b>7 858 002</b>	<b>7 298 874</b>

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Statement of Operations

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
EXPENSES		
Band government	21 368	14 025
Administration	653 574	715 369
Human resources development	192 456	261 103
Education	990 886	1 148 607
Health	1 304 961	1 303 256
Public works	855 475	505 306
Public security	482 069	435 949
Social assistance	320 138	320 146
Housing	1 435 611	1 164 335
Economic development	2 540 059	215 610
Natural resources and others	628 426	517 245
	<u>9 425 023</u>	<u>6 600 951</u>
SURPLUS (DEFICIT) BEFORE NET DEFICIT OF INVESTMENTS IN CONTROLLED ENTITIES	(1 567 021)	697 923
NET DEFICIT OF INVESTMENTS IN CONTROLLED ENTITIES	-	(249 996)
<b>SURPLUS FOR THE YEAR (DEFICIT)</b>	<b>(1 567 021)</b>	<b>447 927</b>

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

**EAGLE VILLAGE FIRST NATION - KIPAWA**  
**Statement of Cumulative Operating Surplus**  
Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
BALANCE AT BEGINNING OF YEAR	<b>3 938 435</b>	2 788 722
SURPLUS FOR THE YEAR (DEFICIT)	<b>(1 567 021)</b>	447 927
ADJUSTMENTS TO PRIOR YEARS (Note 21)	<b>(184 721)</b>	-
	<b>2 186 693</b>	3 236 649
ALLOCATION FROM THE ECONOMIC INVESTMENT SURPLUS	<b>243 323</b>	249 996
TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS - AMORTIZATION	<b>570 575</b>	448 301
ADJUSTMENT TO ARTICLE 95 RESERVE	<b>(36 012)</b>	3 489
<b>BALANCE AT END OF YEAR</b>	<b>2 964 579</b>	3 938 435

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



**EAGLE VILLAGE FIRST NATION - KIPAWA**  
**Statement of Net Investment in Capital Assets**  
Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	<b>11 868 139</b>	11 854 228
ADJUSTMENT DUE TO FIRST TIME CONSOLIDATION	<b>577 697</b>	-
ACQUISITION OF CAPITAL ASSETS	<b>644 330</b>	379 377
REIMBURSEMENT OF LONG-TERM DEBT	<b>662 702</b>	185 886
REIMBURSEMENT OF RRAP	<b>23 601</b>	22 949
PROCEEDS FROM LONG-TERM DEBT	<b>(216 000)</b>	(126 000)
AMORTIZATION OF CAPITAL ASSETS	<b>(570 575)</b>	(448 301)
<b>NET INVESTMENT IN CAPITAL ASSETS AT END OF YEAR</b>	<b>12 989 894</b>	11 868 139

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

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Statement of Financial Position

as at March 31, 2014

	2014	2013
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	1 236 387	1 525 381
Term deposit, prime rate less 2 %	16 452	-
Accounts receivable (Note 3)	1 618 012	1 722 394
Long-term investments (Note 4)	234 699	691 930
Restricted cash and deposits (Note 5)	242 505	192 718
	<b>3 348 055</b>	4 132 423
<b>LIABILITIES</b>		
Bank loan (Note 15)	35 000	-
Accounts payable and accrued liabilities	386 294	610 714
Deferred revenue (note 7)	629 807	177 913
Due to Health Canada	18 376	-
AADNC - Unexpended funds	817 391	-
Long-term debt (Note 8)	1 924 150	2 324 454
	<b>3 811 018</b>	3 113 081
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<b>(462 963)</b>	1 019 342
<b>NON-FINANCIAL ASSETS</b>		
Capital assets (Note 6)	14 899 881	14 178 430
Inventories	68 126	5 000
Prepaid expenses	44 932	86 748
Other assets	43 584	-
	<b>15 056 523</b>	14 270 178
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>14 593 560</b>	15 289 520

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

APPROVED BY CHIEF AND COUNCIL

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**EAGLE VILLAGE FIRST NATION - KIPAWA**  
**Statement of Changes in Net Financial Assets (Net Debt)**  
**Year ended March 31, 2014**

	<u>2014</u>	<u>2013</u>
	\$	\$
<b>SURPLUS FOR THE YEAR (DEFICIT)</b>	<b>(1 567 021)</b>	447 927
<b>CHANGES IN CAPITAL ASSETS</b>		
Acquisition of capital assets	(644 330)	(379 377)
Amortization	570 575	448 301
	<b>(73 755)</b>	68 924
<b>CHANGES IN OTHER NON-FINANCIAL ASSETS</b>		
Change in the inventories	(63 126)	-
Change in the prepaid expenses	41 816	(33 555)
	<b>(21 310)</b>	(33 555)
<b>CHANGES IN THE NON-OPERATIONAL SURPLUSES AND RESERVES</b>		
Changes in reserves	(37 141)	(15 046)
Increase of In-Trust surplus	12	13
Net financing by capital assets surplus	1 114 633	462 212
Net adjustment due to first time consolidation	(713 002)	-
Adjustment to prior years	(184 721)	-
	<b>179 781</b>	447 179
<b>CHANGES IN NET FINANCIAL ASSETS</b>	<b>(1 482 305)</b>	930 475
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	<b>1 019 342</b>	88 867
<b>NET FINANCIAL ASSETS (NET DEBT) AT END OF YEAR</b>	<b>(462 963)</b>	1 019 342

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

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Statement of Cash Flows

Year ended March 31, 2014

	2014	2013
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Surplus for the year (deficit)	<b>(1 567 021)</b>	447 927
Item not affecting cash:		
Net deficit of investments in controlled entities	-	249 996
Amortization of capital assets	<b>570 575</b>	448 301
Depreciation of governmental assistance	<b>(24 424)</b>	-
	<b>(1 020 870)</b>	1 146 224
Changes in non-cash operating working capital items (Note 12)	<b>682 263</b>	408 232
	<b>(338 607)</b>	1 554 456
<b>INVESTING ACTIVITIES</b>		
Net adjustment due to first time consolidation	<b>302 702</b>	-
Acquisition of term deposit	<b>(16 452)</b>	-
Acquisition of capital assets	<b>(644 330)</b>	(379 377)
(Increase) decrease in the restricted cash and deposits	<b>(49 787)</b>	22 907
Changes in long-term investments	-	(319 300)
	<b>(407 867)</b>	(675 770)
<b>FINANCING ACTIVITIES</b>		
Net financing by capital assets surplus	<b>1 114 633</b>	462 212
Adjustment to prior years	<b>(184 721)</b>	-
Increase in In-Trust surplus	<b>12</b>	13
Changes in reserves	<b>(37 141)</b>	(15 046)
Changes in bank loan	<b>35 000</b>	-
Proceeds from long-term debt	<b>216 000</b>	126 000
Reimbursement of long-term debt	<b>(686 303)</b>	(208 837)
	<b>457 480</b>	364 342
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(288 994)</b>	1 243 028
<b>CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR</b>	<b>1 525 381</b>	282 353
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>1 236 387</b>	1 525 381

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

Cash and cash equivalents consist of cash.

Additional information (Note 12)

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 1. DESCRIPTION OF THE ORGANIZATION

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The First Nation includes certain financial information that are not required by the Canadian public sector accounting standards. This information is presented in order to satisfy to Aboriginal Affairs and Northern Development Canada and presented on pages 28 to 150.

#### Capital assets

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

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

# **EAGLE VILLAGE FIRST NATION - KIPAWA**

## **Notes to the financial statements**

**Year ended March 31, 2014**

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Revenues recognition**

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

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

#### **Use of estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful lives of long-lived assets and liabilities under legal contingencies. Actual results could differ from these estimates.

#### **Principle of consolidation**

The consolidated financial statements include the accounts of the First Nation and the organizations under its control. These organizations include Migizy Odenaw inc. and Taxi Tem inc. Transactions concluded between these organizations and reciprocal balances are eliminated. The reciprocal balances have not been eliminated in the information of the annexes presented on pages 28 to 150 neither than in the segment disclosure.

#### **Investments in controlled entities**

Taxi Tem inc. and Migizy Odenaw inc. are wholly-owned by Eagle Village First Nation - Kipawa. As at March 31, 2013, the financial information available for the operations of Taxi Tem inc. and those of Migizy Odenaw inc. were taken from their respective year-end, September 30, 2012 for both. These investments in controlled entities are recorded on the modified equity basis of accounting unless the controlled entities become entirely dependant from a financing point of view from Eagle Village First Nation - Kipawa. When a controlled entity becomes dependant from a financing point of view, it is consolidated into the financial statements of the First Nation.

# **EAGLE VILLAGE FIRST NATION - KIPAWA**

## **Notes to the financial statements**

**Year ended March 31, 2014**

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Long-term investments**

Other long-term investments are recorded at cost.

#### **Revenues and expenses related to the acquisition of capital assets**

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

#### **Pension plan**

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

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

#### **Loans**

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

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

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

#### **Changes in accounting policies**

On April 1, 2013, the First Nation adopted the recommendations of new accounting standard PS 3410, Government Transfers. This new standard requires that the government transfers be recognized as revenues in the year the transfers are authorized by the transferor and the eligibility criteria have been met, unless the transfer stipulations give rise to an obligation that meets the definition of a liability. The First Nation has determined that the retroactive application of the standard has no impact on the presentation of its consolidated financial statements.

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The First Nation changed the accounting principles relating to the accounting of the controlled entities since these entities became entirely dependant from the First Nation in a financing point of view because they have not demonstrated their ability to become profitable. Consequently and accordingly to the public sector accounting standard PS 3070, the First Nation began to consolidate the financial statements of its subsidiaries starting April 1, 2013. The change in accounting principle was applied prospectively as required by the public sector accounting rules.

### 3. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
	\$	\$
AANDC receivable	509 764	1 099 090
Health Canada receivable	25 000	55 365
HRD receivable	(5 184)	2 589
FNEC receivable	28 672	18 489
FNQLHSS receivable	5 354	8 292
Loan receivable	14 200	64 341
GST and QST receivable	349 567	-
Police funding receivable	100 250	-
Forestry contracts receivable	5 161	-
Government of Quebec receivable	28 550	28 550
Land management receivable	106 000	59 300
Other administration accounts receivable	300 957	60 547
Rent receivable	75 030	171 973
Accounts receivable (housing)	84 776	82 541
Water and garbage receivable	15 239	10 853
Other accounts receivable	46 318	116 244
Expenses to be reimbursed (housing)	39 923	43 702
RRAP loan and other receivable	12 210	11 757
	<hr/> 1 741 787	1 833 633
Allowance for doubtful accounts	(123 775)	(111 239)
	<hr/> 1 618 012	1 722 394

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# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 4. LONG-TERM INVESTMENTS

	<u>2014</u>	<u>2013</u>
	\$	\$
Loan to receive from an individual, no interests	17 405	17 405
Loan to a promoter, no interests	10 000	10 000
Loan to a promoter, no interests	19 986	17 460
Loan to a promoter, no interests	8 500	8 500
Loan to a promoter, no interests	10 000	10 000
Loan to a promoter, no interests	10 000	10 000
100 % shares of Taxi Tem inc.	-	7 500
Migizy Odenaw inc. - Advance	137 593	1 396 528
Taxi Tem - Advance	21 215	583 507
Equity pick-up (deficit) in Taxi Tem inc.	-	(497 600)
Equity pick-up (deficit) in Migizy Odenaw inc.	-	(871 370)
	<u>234 699</u>	<u>691 930</u>

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Summary financial statements of Taxi Tem inc. as at September 30, 2012 are as follows:

	<u>2012</u>
	\$
<b>Balance sheet</b>	
Current assets	8 948
Capital assets and other long-term assets	59 751
Current liabilities	9 878
Payable to Eagle Village	561 692
Shareholders' equity deficiency	(511 819)
<b>Income Statement</b>	
Revenue	127 476
Expenditure	173 006

#### Related party transactions:

During 2013, the First Nation purchased \$27,638 (\$36,809 in 2012) of taxi services from Taxi Tem inc. These transactions were made in the normal course of business and have been recorded at the exchange amount.

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 4. LONG-TERM INVESTMENTS (continued)

Summary financial statements of Migizy Odenaw inc. as at September 30, 2012 are as follows:

	<u>2012</u>
	\$
<b>Balance sheet</b>	
Current assets	347 867
Capital assets	640 479
Current liabilities	260 728
Long-term debt	35 000
Payable to Eagle Village First Nation	1 260 235
Deferred governmental assistance	488 474
Shareholders' equity deficiency	(1 056 091)
<b>Income Statement</b>	
Revenue	1 908 798
Expenditure	2 025 500

#### Related party transactions:

During 2013, the First Nation purchased \$53,214 (\$55,646 in 2012) of goods from Migizy Odenaw inc. These transactions were made in the normal course of business and have been recorded at the exchange amount.

### 5. RESTRICTED CASH AND DEPOSITS

	<u>2014</u>	<u>2013</u>
	\$	\$
In-Trust surplus	516	504
Replacement reserve (Note 13)	241 989	192 214
	<u>242 505</u>	<u>192 718</u>

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# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

### 6. CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Value	
			2014	2013
	\$	\$	\$	\$
Assets under construction	492 631	-	492 631	6 669 790
Community buildings	2 403 273	1 025 763	1 377 510	1 412 831
Private housing	9 127 109	4 532 109	4 595 000	4 635 546
Water and sanitation systems	7 444 804	564 147	6 880 657	555 598
Roadway system	519 740	379 152	140 588	144 193
Motorized equipment	1 472 587	767 164	705 423	623 636
Building Migizy Odenaw inc.	662 331	239 405	422 926	-
Equipment Migizy Odenaw inc.	422 272	252 462	169 810	-
Restaurant equipment Migizy Odenaw inc.	32 312	27 020	5 292	-
Office and other equipment	767 578	657 534	110 044	136 836
	<b>23 344 637</b>	<b>8 444 756</b>	<b>14 899 881</b>	<b>14 178 430</b>

### 7. DEFERRED REVENUE

	2014	2013
	\$	\$
Matamec (Annex 90)	71 634	159 050
Poverty alliances for solidarity (Annex 52)	2 907	-
Community food security (Annex 28)	24 050	-
Forum Jeunesse - First line services (Annex 57)	31 968	-
Head start project (Annex 37)	15 782	-
Eagle Village police - additional funds (Annex 65)	19 416	-
United church (Annexe 94)	-	3 021
Anicinabee Language (Annex 95)	-	15 842
Migizy Odenaw inc. - Deferred governmental assistance	464 050	-
	<b>629 807</b>	<b>177 913</b>

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 8. LONG-TERM DEBT

	<u>2014</u>	<u>2013</u>
	\$	\$
Loan, 1,49 %, secured by AANDC, payable by monthly instalments of \$878, capital and interests, maturing in 2037	<b>203 574</b>	211 073
Loan, 1,49 %, secured by AANDC, payable by monthly instalments of \$1,595, capital and interests, maturing in 2033	<b>313 499</b>	327 929
Loan, 3,68 %, secured by AANDC, payable by monthly instalments of \$312, capital and interests, maturing in 2020	<b>17 819</b>	20 843
Loan, 4,79 %, secured by AANDC, payable by monthly instalments of \$246, capital and interests, maturing in 2015	<b>4 940</b>	7 588
Loan, 4,79 %, secured by AANDC, payable by monthly instalments of \$278, capital and interests, maturing in 2015	<b>5 585</b>	8 578
Loan, 3,71 %, secured by AANDC, payable by monthly instalments of \$399, capital and interests, maturing in 2024	<b>40 688</b>	43 892
Loan, 3,71 %, secured by AANDC, payable by monthly instalments of \$323, capital and interests, maturing in 2024	<b>33 001</b>	35 599
Loan, 2,85 %, secured by AANDC, payable by monthly instalments of \$142, capital and interests, maturing in 2016	<b>50 086</b>	56 059
Loans, 4,98 % and prime rate plus 2 %	-	401 399
Loan, 4,07 %, secured by AANDC, payable by weekly instalments of \$123, capital and interests, maturing in 2030	<b>74 212</b>	77 592
Loan, 5,53%, secured by a movable hypothec on receivables and the subordination of the amount due to it, repayable by monthly instalments of \$3,823, including interests, maturing in 2018	<b>197 116</b>	-
Loan, 5,05 %, secured by AANDC, payable by monthly instalments of \$1,683, capital and interests, maturing in 2032	<b>236 204</b>	247 031
Loan, 3,49 %, secured by AANDC, payable by monthly instalments of \$233, capital and interests, maturing in 2016	<b>6 907</b>	9 416

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 8. LONG-TERM DEBT (continued)

	<u>2014</u>	<u>2013</u>
	\$	\$
Loan, 3,5 %, secured by AANDC, payable by monthly instalments of \$349, capital and interests, maturing in 2017	<b>15 441</b>	19 846
Loan, 3,49 %, secured by AANDC, payable by monthly instalments of \$706, capital and interests, maturing in 2016	<b>20 889</b>	28 478
Loan, 1,52 % secured by AANDC, payable by monthly instalments of \$532 , capital and interests, maturing in 2032	<b>95 089</b>	110 000
Loan, 4,30 %, secured by AANDC, payable by monthly instalments of \$1,500, capital and interests, maturing in 2027	<b>175 440</b>	187 362
Loan, 3,16 % secured by AANDC, payable by monthly instalments of \$713, capital and interests, maturing in 2031	<b>112 454</b>	117 863
Loan, 3,88 %, secured by AANDC, payable by monthly instalments of \$2,887, capital and interests, maturing in 2015	<b>22 736</b>	55 782
Loan, 3,88 %, secured by AANDC, payable by monthly instalments of \$1,610, capital and interests, maturing in 2015	<b>12 687</b>	31 129
Loan, 2,98 %, secured by AANDC, payable by monthly instalments of \$843, capital and interests, maturing in 2015	<b>9 965</b>	19 627
Loan, 2,61 %, secured by AANDC, payable by monthly instalments of \$798, capital and interests, maturing in 2019	<b>46 258</b>	54 518
Loan, 2,61 %, secured by AANDC, payable by monthly instalments of \$260, capital and interests, maturing in 2029	<b>39 204</b>	41 273
Loan from Canada Mortgage and Housing Corporation (RRAP) *	<b>52 167</b>	59 767
Loan, 2.61%, secured by AANDC, payable by monthly instalments of \$571, capital and interests, maturing in 2026	<b>71 807</b>	76 724
Loan, 3,42 %, secured by AANDC, payable by monthly instalments of \$177, capital and interests, maturing in 2017	<b>28 427</b>	29 553

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 8. LONG-TERM DEBT (continued)

	<u>2014</u>	<u>2013</u>
	\$	\$
Loan, 4,37 % secured by AANDC, payable by monthly instalments of \$769, capital and interests, maturing in 2019	<b>37 955</b>	45 533
	<b>1 924 150</b>	2 324 454

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

	\$
2015	219 826
2016	228 934
2017	221 861
2018	174 241
2019	168 076

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

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

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 9. RESERVES FOR ACQUISITION OF CAPITAL ASSETS

The First Nation has reserved funds for the future acquisition of capital assets in accordance with funding agreements. Here is the detail of these reserves as at March 31, 2014 :

	<u>2014</u>	<u>2013</u>
	\$	\$
School bus	14 082	102 000
Police department	210 322	210 322
Fire truck	205 000	195 000
	<u>429 404</u>	<u>507 322</u>

### 10. FUNDS BALANCES

The funds balances as of March 31, 2014 do not take into consideration possible modifications following the review and analysis of the present consolidated financial statements by the Aboriginal Affairs and Northern Development Canada (AANDC), the Canada Mortgage and Housing Corporation (CHMC) and Health Canada. Any adjustment resulting of these analysis will be recorded in the current year as an adjustment of funds balances as indicated by the AANDC.

### 11. ACCUMULATED SURPLUS

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

	<u>2014</u>	<u>2013</u>
	\$	\$
<b>FUNDS BALANCES AND RESERVES</b>		
Reserves for acquisition of capital assets (Note 9)	429 404	507 322
Economic investment deficit	(2 130 845)	(1 288 105)
In-Trust surplus	516	504
Operating reserve fund	98 023	71 011
Replacement reserve (Note 13)	241 989	192 214
Capital assets surplus	12 989 894	11 868 139
Cumulative operating surplus	2 964 579	3 938 435
	<u>14 593 560</u>	<u>15 289 520</u>

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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

#### Changes in non-cash operating working capital items

	2014	2013
	\$	\$
AADNC - Unexpended funds	817 391	-
Accounts receivable	104 382	244 378
Inventories	(63 126)	-
Prepaid expenses	41 816	(33 555)
Accounts payable and accrued liabilities	(224 420)	145 342
Deferred revenue (note 7)	(12 156)	166 627
Due to AANDC	-	(17 500)
Due to Health Canada	18 376	(97 060)
	<b>682 263</b>	<b>408 232</b>

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### 13. REPLACEMENT RESERVE

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

### 14. SUBSIDY SURPLUS RESERVE

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



# **EAGLE VILLAGE FIRST NATION - KIPAWA**

## **Notes to the financial statements**

**Year ended March 31, 2014**

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### **15. FINANCIAL INSTRUMENTS**

#### **Credit facility (bank loan):**

An authorized line of credit of \$300,000 and another line of credit of \$35,000, bearing interests at prime rate (3 %) plus 2,25 % and prime rate (3 %) plus 2,5 %, are available. The loans are repayable on demand and fluctuate regularly. An amount of \$35,000 was used as at March 31, 2014.

#### **Fair value of financial assets and liabilities:**

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

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

### **16. BUDGET**

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

### **17. PENSION PLAN**

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

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

For the current fiscal year, the pension plan expense amounted to \$144,526 (\$129,742 in 2013).

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 18. CONTINGENCIES

The First Nation has secured a loan of \$350,000 of its subsidiary Migizy Odenaw inc. The First Nation also secured loans of members for mortgages on residential housing units of approximately \$230,000. Any loss resulting from these guarantees will be inscribed as an expense in the period in which they would occur.

### 19. RECONCILIATION OF FUNDS FROM AANDC

	<u>2014</u>	<u>2013</u>
	\$	\$
Block funding	2 701 215	2 571 253
Set Contribution	448 433	1 129 097
Fixed Contribution funding	35 249	11 262
Refundable (surplus) deficit from (to) AANDC	(62 104)	
Revenue transferred to Net Investment in Capital Assets	-	117 103
<b>Equal revenue confirmed from AANDC:</b>	<b>3 122 793</b>	<b>3 828 715</b>

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

### 20. COMPARATIVE FIGURES

For comparison reasons with the current year, certain figures of 2013 were reclassified.

### 21. ADJUSTMENTS TO PRIOR YEARS

The prior years adjustment consists of adjustment of Tobacco Sales Tax in the subsidiary Migizy Odenaw inc. An amount of \$184,721, is applicable to years prior to September 30, 2011, and the deficit balance at that date was adjusted accordingly.

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

### 22. SEGMENT DISCLOSURE

	Band government		Administration	
	2014	2013	2014	2013
<b>Revenues:</b>				
Federal government transfers	6 403	9 922	399 855	370 300
Other revenue	-	-	358 032	372 086
<b>Total revenues</b>	<b>6 403</b>	<b>9 922</b>	<b>757 887</b>	<b>742 386</b>
<b>Expenses:</b>				
Salaries and benefits	13 331	8 918	325 798	333 690
Amortization	-	-	20 949	22 842
Other expenses	8 037	5 107	308 624	358 837
<b>Total expenses</b>	<b>21 368</b>	<b>14 025</b>	<b>655 371</b>	<b>715 369</b>
<b>Annual surplus (deficit)</b>	<b>(14 965)</b>	<b>(4 103)</b>	<b>102 516</b>	<b>27 017</b>

	Human resources		Education	
	2014	2013	2014	2013
<b>Revenues:</b>				
Federal government transfers	-	-	1 117 562	1 313 061
Provincial government transfers	177 405	244 220	-	-
Other revenue	-	-	61 875	28 288
<b>Total revenues</b>	<b>177 405</b>	<b>244 220</b>	<b>1 179 437</b>	<b>1 341 349</b>
<b>Expenses:</b>				
Salaries and benefits	100 993	138 862	107 461	73 344
Amortization	-	-	8 858	4 527
Other expenses	91 463	122 241	882 816	1 070 736
<b>Total expenses</b>	<b>192 456</b>	<b>261 103</b>	<b>999 135</b>	<b>1 148 607</b>
<b>Annual surplus (deficit)</b>	<b>(15 051)</b>	<b>(16 883)</b>	<b>180 302</b>	<b>192 742</b>

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

### 22. SEGMENT DISCLOSURE (continued)

	Health		Public works	
	2014	2013	2014	2013
<b>Revenues:</b>				
Federal government transfers	1 264 253	1 083 584	731 061	1 369 300
Provincial government transfers	55 928	52 242	-	-
Other revenue	80 513	164 050	(17 144)	(65 359)
Transfer to Net Investment in Capital Assets	-	-	-	-
<b>Total revenues</b>	<b>1 400 694</b>	<b>1 299 876</b>	<b>713 917</b>	<b>1 303 941</b>
<b>Expenses:</b>				
Salaries and benefits	739 734	684 293	219 673	94 900
Amortization	31 654	31 551	134 367	55 579
Other expenses	620 140	587 412	531 259	354 827
<b>Total expenses</b>	<b>1 391 528</b>	<b>1 303 256</b>	<b>885 299</b>	<b>505 306</b>
<b>Annual surplus (deficit)</b>	<b>9 166</b>	<b>(3 380)</b>	<b>(171 382)</b>	<b>798 635</b>
	Public security		Social assistance	
	2014	2013	2014	2013
<b>Revenues:</b>				
Federal government transfers	286 914	231 845	593 220	574 341
Provincial government transfers	197 063	148 943	-	-
Other revenue	(3 276)	19 130	-	-
<b>Total revenues</b>	<b>480 701</b>	<b>399 918</b>	<b>593 220</b>	<b>574 341</b>
<b>Expenses:</b>				
Salaries and benefits	177 070	201 613	25 311	21 244
Amortization	23 707	26 503	-	-
Other expenses	288 720	207 833	294 827	298 902
<b>Total expenses</b>	<b>489 497</b>	<b>435 949</b>	<b>320 138</b>	<b>320 146</b>
<b>Annual surplus (deficit)</b>	<b>(8 796)</b>	<b>(36 031)</b>	<b>273 082</b>	<b>254 195</b>

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

### 22. SEGMENT DISCLOSURE (continued)

	Housing		Economic development	
	2014	2013	2014	2013
<b>Revenues:</b>				
Federal government transfers	187 155	293 716	152 707	211 602
Provincial government transfers		-	6 992	-
Other revenue	812 556	701 044	2 318 486	21 862
<b>Total revenues</b>	<b>999 711</b>	<b>994 760</b>	<b>2 478 185</b>	<b>233 464</b>
<b>Expenses:</b>				
Salaries and benefits	391 775	277 086	444 857	70 823
Debt servicing	589 115	188 051	-	-
Amortization	283 348	281 771	52 573	8 682
Other expenses	640 920	674 713	2 042 629	157 967
<b>Total expenses</b>	<b>1 905 158</b>	<b>1 421 621</b>	<b>2 540 059</b>	<b>237 472</b>
<b>Annual surplus (deficit)</b>	<b>(905 447)</b>	<b>(426 861)</b>	<b>(61 874)</b>	<b>(4 008)</b>

	Others		Natural resources	
	2014	2013	2014	2013
<b>Revenues:</b>				
Federal government transfers	-	50 000	-	1 137
Provincial government transfers	-	-	106 000	131 000
Other revenue	133 953	117 578	262 806	134 130
<b>Total revenues</b>	<b>133 953</b>	<b>167 578</b>	<b>368 806</b>	<b>266 267</b>
<b>Expenses:</b>				
Salaries and benefits	47 164	29 607	231 916	104 355
Amortization	536	594	14 583	16 251
Other expenses	149 277	212 377	196 465	154 062
<b>Total expenses</b>	<b>196 977</b>	<b>242 578</b>	<b>442 964</b>	<b>274 668</b>
<b>Annual surplus (deficit)</b>	<b>(63 024)</b>	<b>(75 000)</b>	<b>(74 158)</b>	<b>(8 401)</b>

# EAGLE VILLAGE FIRST NATION - KIPAWA

## Notes to the financial statements

Year ended March 31, 2014

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### 22. SEGMENT DISCLOSURE (continued)

	Total	
	2014	2013
<b>Revenues:</b>		
Federal government transfers	4 739 130	5 508 808
Provincial government transfers	543 388	576 405
Other revenue	4 007 801	1 492 809
Transfer to Net Investment in Capital		
Assets	-	-
<b>Total revenues</b>	<b>9 290 319</b>	<b>7 578 022</b>
<b>Expenses:</b>		
Salaries and benefits	2 825 083	2 038 735
Debt servicing	589 115	188 051
Amortization	570 575	448 300
Other expenses	6 055 177	4 205 013
<b>Total expenses</b>	<b>10 039 950</b>	<b>6 880 099</b>
<b>Annual surplus (deficit)</b>	<b>(749 631)</b>	<b>697 923</b>