



Consolidated financial statements

Fort Folly First Nation

March 31, 2014

## Management's responsibility for financial reporting

The accompanying consolidated financial statements and schedules of the Fort Folly First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council. For a small entity such as Fort Folly First Nation, there is not a clear line of distinction between management and Chief and Council as Chief and Council act in the capacity of managing the First Nation. As a result, management and Chief and Council can be considered the same.

The consolidated financial statements and schedules have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated 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 Band 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 Band's assets are appropriately accounted for and adequately safeguarded.

The Band 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.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and 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 consolidated financial statements and schedules have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.

  
Chief

  
Councillor

  
Councillor

  
Date July 30, 2014

**Fort Folly First Nation**

# Contents

	<b>Page</b>
<b>Management's responsibility for financial reporting</b>	<b>1</b>
<b>Independent auditor's report</b>	<b>2</b>
<b>Consolidated statement of operations and surplus</b>	<b>4</b>
<b>Consolidated statement of financial position</b>	<b>5</b>
<b>Consolidated statement of changes in net financial liabilities</b>	<b>6</b>
<b>Consolidated statement of changes in financial position</b>	<b>7</b>
<b>Notes to the consolidated financial statements</b>	<b>8</b>
<b>Schedule of segment disclosures</b>	<b>16</b>
<b>Schedule of changes in operating funds</b>	<b>18</b>
<b>Schedule of changes in replacement reserve fund</b>	<b>20</b>
<b>Schedule of changes in trust fund</b>	<b>21</b>
<b>Schedule of investment in tangible capital assets</b>	<b>22</b>



## Independent auditor's report

Grant Thornton LLP  
733 Prince Street  
Truro, NS  
B2N 1G7  
T +1 802 893 1150  
F +1 802 893 8757  
www.GrantThornton.ca

To the Chief and Council of Fort Folly First Nation

We have audited the accompanying consolidated financial statements of Fort Folly First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of operations, surplus, changes in net financial liabilities and changes in financial position for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the consolidated financial statements**

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

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation'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 First Nation'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 consolidated financial position of Fort Folly First Nation as at March 31, 2014, and the results of its consolidated operations and changes in consolidated financial position for the year then ended in accordance with Canadian public sector accounting standards.

**Other matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules included on Pages 18 to 24 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Truro, Canada  
July 30, 2014

*Grant Thornton LLP*

Chartered Accountants

**Fort Folly First Nation**  
**Consolidated statement of operations and surplus**

Year ended March 31	(Unaudited)		Actual 2013
	Budget 2014	Actual 2014	
<b>Revenues</b>			
Government transfers (Note 2)	\$ 1,333,630	\$ 1,079,182	\$ 1,180,735
Other revenues (Note 2)	<u>540,000</u>	<u>671,688</u>	<u>538,220</u>
<b>Total revenues</b>	<u>1,873,630</u>	<u>1,650,870</u>	<u>1,718,955</u>
<b>Expenditures</b>			
Bad debts		3,112	10,037
Bait and other	10,000	8,174	12,263
Basic needs	30,000	21,410	32,985
Brighter futures	7,000	4,591	6,934
Community health program	21,000	4,319	10,765
Cultural education	4,830	11,803	8,640
Depreciation	155,000	125,482	182,248
Diesel fuel - vessels	30,000	34,474	26,922
Economic grants and other	10,000	29,338	11,909
Equipment lease	10,000	11,105	8,856
Fishing supplies	15,000	52,218	18,498
Forestry contracts	30,000	28,244	65,460
Honorariums	36,000	36,000	36,000
In-home care	5,000	6,570	9,267
Insurance	60,000	55,910	59,059
Interest and bank charges	5,000	6,319	5,358
Interest on long term debt	10,000	9,197	12,629
Office supplies	8,000	10,544	7,266
Professional fees	60,000	65,231	53,261
Repairs and maintenance			
Buildings and other	70,000	81,859	94,409
Vessels	40,000	105,887	72,798
Salmon recovery – supplies and training	75,000	43,765	29,773
Special needs	5,000	13,813	16,291
Sundry	20,000	16,678	12,790
Travel and vehicle operating	136,000	90,404	133,190
Tuition	65,000	59,819	49,561
Tutoring and allowances	15,000	6,876	6,796
Utilities	60,000	52,681	57,067
Wages and benefits	875,000	817,841	900,552
Water testing	<u>7,000</u>	<u>10,169</u>	<u>6,865</u>
<b>Total expenditures</b>	<u>1,873,630</u>	<u>1,921,813</u>	<u>1,958,429</u>
<b>Net expenditures</b>	\$ <u>-</u>	(170,743)	(239,474)
<b>Accumulated surplus, beginning of year</b>		<u>842,173</u>	<u>1,081,647</u>
<b>Accumulated surplus, end of year</b>		\$ <u>671,430</u>	<u>842,173</u>

See accompanying notes to the consolidated financial statements


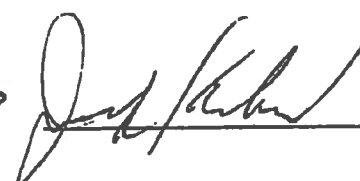
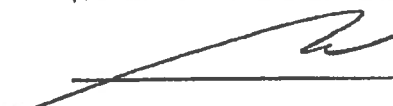
**Fort Folly First Nation**  
**Consolidated statement of financial position**

March 31 2014 2013

<b>Financial assets</b>			
Cash and cash equivalents	\$	2,403	\$ 7,286
Restricted cash			
Trust fund		8,107	7,907
Replacement reserve fund (Note 11)		8,000	8,000
Receivables (Note 3)		<u>295,181</u>	<u>231,854</u>
		<u>313,691</u>	<u>255,047</u>
<b>Financial liabilities</b>			
Payables and accruals (Note 4)		331,107	153,512
Demand loan (Note 5)		14,789	-
Deferred revenue (Note 6)		48,179	48,179
Long term debt – capital (Note 7)		<u>388,359</u>	<u>377,262</u>
		<u>782,434</u>	<u>578,973</u>
<b>Net financial liabilities (Page 6)</b>		<u>(468,743)</u>	<u>(323,926)</u>
<b>Non-financial assets</b>			
Tangible capital assets (Note 8)		1,130,264	1,142,489
Prepays (Note 9)		<u>9,909</u>	<u>23,610</u>
		<u>1,140,173</u>	<u>1,166,099</u>
<b>Surplus (Note 10)</b>	<b>\$</b>	<b><u>671,430</u></b>	<b>\$ <u>842,173</u></b>

Contingencies (Note 12)

On behalf of the Band


Chief

Councillor  

Councillor

See accompanying notes to the consolidated financial statements

**Fort Folly First Nation  
Consolidated statement of changes in  
net financial liabilities**

Year ended March 31	(Unaudited) Budget 2014	Actual 2014	Actual 2013
Net expenditures	\$ -	\$ (170,743)	\$ (239,474)
Acquisition of tangible capital assets	(20,000)	(113,257)	(17,674)
Depreciation of tangible capital assets	<u>155,000</u>	<u>125,482</u>	<u>182,248</u>
	<u>135,000</u>	<u>12,225</u>	<u>164,574</u>
Use of prepaid expenses, net	<u>10,000</u>	<u>13,701</u>	<u>10,501</u>
Change in net financial liabilities	145,000	(144,817)	(64,399)
Net financial liabilities, beginning of year	<u>(323,926)</u>	<u>(323,926)</u>	<u>(259,527)</u>
Net financial liabilities, end of year	\$ <u>(178,926)</u>	\$ <u>(468,743)</u>	\$ <u>(323,926)</u>

See accompanying notes to the consolidated financial statements



---

**Fort Folly First Nation****Consolidated statement of changes in financial position**

Year ended March 31

2014

2013

---

**Operating activities**

Net expenditures	\$ (170,743)	\$ (239,474)
Depreciation	<u>125,482</u>	<u>182,248</u>
	(45,261)	(57,226)

**Change in non-cash working capital**

Receivables	(63,327)	47,973
Payables and accruals	177,595	46,124
Deferred revenue	-	27,804
Prepays	<u>13,701</u>	<u>10,501</u>
	<u>82,708</u>	<u>75,176</u>

**Capital**

Acquisition of tangible capital assets	<u>(113,257)</u>	<u>(17,674)</u>
--	------------------	-----------------

**Financing**

Proceeds from:		
Demand loan	14,789	-
Long term debt - capital	36,200	-
Repayment of:		
Long term debt - capital	(25,123)	(23,962)
Long term debt - other	<u>-</u>	<u>(33,581)</u>
	<u>25,866</u>	<u>(57,543)</u>

**Investing**

Restricted cash and deposits	<u>(200)</u>	<u>(5,190)</u>
------------------------------	--------------	----------------

Change in net cash and cash equivalents	(4,883)	(5,231)
---	---------	---------

Opening, net cash and cash equivalents	<u>7,286</u>	<u>12,517</u>
--	--------------	---------------

Closing, net cash and cash equivalents	<u>\$ 2,403</u>	<u>\$ 7,286</u>
--	-----------------	-----------------

---

See accompanying notes to the consolidated financial statements

---

# Fort Folly First Nation

## Notes to the consolidated financial statements

March 31, 2014

---

### 1. Summary of significant accounting policies

#### Principles and basis of consolidation

The consolidated financial statements of Fort Folly First Nation (the "First Nation") are the representations of management prepared in accordance with Canadian accounting standards for local governments as established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the First Nation are as follows:

#### Consolidation

These consolidated financial statements consolidate the assets, liabilities and results of operations of the First Nation's reporting entity.

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. Fort Folly First Nation maintains the following funds and unincorporated entities:

- The Operating Fund which reports the general activities of the First Nation administration including Band support, social services, education, operations capital, operating and maintenance, economic development, community health and welfare, employment training, and miscellaneous.
- The Band housing projects which report the social housing assets of the First Nation, together with related activities.
- The Trust Fund which reports on trust funds owned and controlled by Fort Folly First Nation and held by third parties.
- Fort Folly Fisheries which reports the First Nation's commercial fishing operation.

#### Revenue recognition

Unconditional and conditional transfers from other governments for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until the conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer is authorized.

All non-government contributions or grant revenues that are externally restricted for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted revenues not yet used for the purpose or purposes specified are reported as deferred revenues.

Fishing and forestry revenues are recognized as revenues when product is sold and when services are provided if the amounts can be reasonably estimated and collection is reasonably assured.

#### Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires the First Nation's management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from those reported. Estimates include depreciation of tangible capital assets and allowances on receivables.

---

**Fort Folly First Nation**  
**Notes to the consolidated financial statements**  
March 31, 2014

---

**1. Summary of significant accounting policies (continued)**

**Cash and cash equivalents and restricted cash balances**

Cash and cash equivalents include cash on hand, balances with banks and term deposits, net of any bank overdraft. Bank borrowings are considered to be financing activities.

Restricted cash balances include separate restricted cash balances for the Trust Fund and the Replacement Reserve Fund (See Note 11).

**Non financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial liabilities for the year.

**Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Housing	4%, straight-line
Water system	4%, straight-line
Housing – CMHC Section 95	Debt reduction
Building	4%, straight-line
Office equipment	30% & 55%, straight-line
Vehicles	30%, straight-line
Fishing boats	15%, straight-line

A half year of depreciation is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

**Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

---

**Fort Folly First Nation**  
**Notes to the consolidated financial statements**  
March 31, 2014

---

2. Revenues	<u>2014</u>	<u>2013</u>
Government transfers		
Aboriginal Affairs and Northern Development Canada \$	436,680	\$ 519,931
Atlantic Salmon Recovery Foundation	20,000	-
Canada Mortgage and Housing Corporation	19,496	40,059
Canada Wildlife	20,000	18,000
Environment Canada	105,000	105,000
Fisheries and Oceans Canada	180,180	213,051
Health Canada	247,774	236,946
Human Resources Canada	3,429	16,305
Parks Canada	24,747	6,050
Province of New Brunswick	<u>21,876</u>	<u>25,393</u>
	<u>1,079,182</u>	<u>1,180,735</u>
Other revenue		
AMEC	65,153	48,920
First Nation Education Initiative	17,000	15,305
Fishing	326,679	302,249
Forestry	30,387	23,747
North Shore Micmac District Council	62,842	62,842
Rent	14,756	17,508
Sundry	64,871	49,974
Transalta	-	17,875
	<u>571,688</u>	<u>538,220</u>
	<u>\$ 1,650,870</u>	<u>\$ 1,718,955</u>

---

3. Receivables	<u>2014</u>	<u>2013</u>
AMEC	\$ -	\$ 5,434
Canada Mortgage and Housing Corporation	4,000	-
Environment Canada	21,210	12,500
Fisheries and Oceans Canada	129,210	103,382
HST	107,884	67,985
JD Irving	1,500	1,500
Parks Canada	-	1,150
Petitcodiac Riverkeeper	-	4,450
Other	<u>31,377</u>	<u>35,453</u>
	<u>\$ 295,181</u>	<u>\$ 231,854</u>

---

**Fort Folly First Nation**  
**Notes to the consolidated financial statements**  
**March 31, 2014**

---

<b>4. Payables and accruals</b>	<u><b>2014</b></u>	<u><b>2013</b></u>
Trade payables	\$ 218,740	\$ 80,968
Accruals	16,003	15,507
Pension payable	<u>96,364</u>	<u>57,037</u>
	<u>\$ 331,107</u>	<u>\$ 153,512</u>

---

**5. Demand loan**

The demand loan of \$14,789 (2013 – nil) is payable in monthly instalments of \$634 including principal and interest at 6.49%, amortized to April 2016. As security, the Band Council has pledged a vehicle with a net book value of \$8,103

---

<b>6. Deferred revenue</b>	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>AANDC</b>		
Beginning of year	\$ 4,627	\$ 4,627
Funding received	-	519,931
Revenue recognized	<u>-</u>	<u>(519,931)</u>
	<u>4,627</u>	<u>4,627</u>
<b>Fisheries and Oceans Canada</b>		
Beginning of year	43,552	8,400
Funding received	-	248,203
Revenue recognized	<u>-</u>	<u>(213,051)</u>
	<u>43,552</u>	<u>43,552</u>
<b>Service Canada</b>		
Beginning of year	-	7,348
Funding received	-	-
Revenue recognized	<u>-</u>	<u>(7,348)</u>
	<u>-</u>	<u>-</u>
<b>Total deferred revenue</b>	<u>\$ 48,179</u>	<u>\$ 48,179</u>

---

**Fort Folly First Nation**  
**Notes to the consolidated financial statements**  
 March 31, 2014

---

7. Long term debt - capital	<u>2014</u>	<u>2013</u>
C.M.H.C. loan, payable in monthly instalments of \$301 including principal and interest at 2.65%, secured by a Band Council resolution and guarantee from Aboriginal Affairs and Northern Development Canada, matures April 2016 and amortized to January 2026.	\$ 36,715	\$ 39,325
C.M.H.C. loan, payable in monthly instalments of \$347 including principal and interest at 1.67%, secured by a Band Council resolution and guarantee from Aboriginal Affairs and Northern Development Canada, matures April 2017 and amortized to April 2027.	48,915	52,234
C.M.H.C. loan, payable in monthly instalments of \$304 including principal and interest at 1.92%, secured by a Band Council resolution and guarantee from Aboriginal Affairs and Northern Development Canada, matures April 2014 and amortized to March 2029.	47,583	50,322
C.M.H.C. loan, payable in monthly instalments of \$391 including principal and interest at 2.35%, secured by a Band Council resolution and a guarantee from Aboriginal Affairs and Northern Development Canada, matures September 2018 and amortized to September 2033.	73,412	76,234
C.M.H.C. loan, payable in monthly instalments of \$331 including principal and interest at 2.87%, secured by a Band Council resolution and a guarantee from Aboriginal Affairs and Northern Development Canada, matures December 2014 and amortized to November 2034.	61,957	64,128
C.M.H.C. loan, payable in monthly instalments of \$360 including principal and interest at 1.62%, secured by a Band Council resolution and guarantee from Aboriginal Affairs and Northern Development Canada, matures March 2018 and amortized to February 2033.	70,449	73,607
Prime plus 2.5% term loan, payable in monthly principal instalments of \$692 plus interest, maturing October 2015. As security, the Band Council has pledged specific equipment having a net book value of \$nil.	13,128	21,432
Unsecured loan, payable in monthly instalments of \$1,683 including principal and interest at 10.75% starting July 2014, amortized to May 2016	36,200	-
	<u>\$ 388,359</u>	<u>\$ 377,282</u>

**Fort Folly First Nation**  
**Notes to the consolidated financial statements**  
 March 31, 2014

**7. Long term debt – capital (continued)** **2014** **2013**

Principal repayments in each of the next five years are due as follows:

2015	\$	37,429
2016	\$	40,273
2017	\$	22,290
2018	\$	17,790
2019	\$	18,284

**8. Tangible capital assets** **2014** **2013**

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
<b>Infrastructure and social</b>				
Water system	\$ 247,736	\$ 152,441	\$ 95,295	\$ 105,205
Land improvements	7,289	3,636	3,633	3,924
CMHC houses section 95	557,175	107,387	449,788	466,607
Houses	126,958	31,423	95,535	100,613
Building salmon recovery program	134,547	62,566	71,981	77,363
Main office	291,539	124,749	166,790	178,451
Operational equipment	253,842	241,606	12,036	21,910
Office equipment	142,281	140,273	2,008	2,869
Fence	9,700	9,700	-	-
Vehicles	53,471	53,471	-	5,786
	<u>1,824,318</u>	<u>927,252</u>	<u>897,086</u>	<u>962,728</u>
<b>Fisheries</b>				
Land	41,439	-	41,439	41,439
Building	181,540	18,233	163,307	81,675
Boats and gear	1,464,170	1,443,820	20,350	56,647
Vehicles	177,950	169,848	8,102	-
	<u>1,865,099</u>	<u>1,631,901</u>	<u>233,198</u>	<u>179,761</u>
	<u>\$ 3,689,417</u>	<u>\$ 2,559,153</u>	<u>\$ 1,130,284</u>	<u>\$ 1,142,489</u>

**9. Prepaids** **2014** **2013**

Prepaid insurance	\$	1,873	\$	12,632
Prepaid employee compensation		<u>8,036</u>		<u>10,978</u>
	\$	<u>9,909</u>	\$	<u>23,610</u>

Prepaid employee compensation relates to the last payroll period in March deducted from the First Nation's bank account. The prepaid represents the dollar amount of payroll for this payroll period that relates to the salaries and wages beyond the year end date of March 31.

---

**Fort Folly First Nation**  
**Notes to the consolidated financial statements**  
 March 31, 2014

---

**10. Surplus**

The surplus balance is comprised of the following:

	<u>2014</u>	<u>2013</u>
Operating (Pages 18 and 19)	\$ (125,793)	\$ 14,059
Replacement Reserve Fund (Page 20)	62,000	55,000
Equity in Trust Fund (Page 21)	<u>8,107</u>	<u>7,907</u>
	(55,686)	76,966
Investment in tangible capital assets (Page 22)	<u>727,116</u>	<u>765,207</u>
	<u>\$ 671,430</u>	<u>\$ 842,173</u>

---

**11. Replacement reserve fund** 2014 2013

Under the terms of the agreement with the C.M.H.C., the replacement reserve account is to be credited in the amount of \$7,000 annually. These funds along with accumulated interest must be held in a separate interest bearing bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the C.M.H.C. from time to time. No interest was earned on the reserve balance during the year. The funds in the account may only be used as approved by the C.M.H.C. Withdrawals are credited to principal first and then interest. At year end, the funds in reserve consisted of the following:

Cash	\$ <u>8,000</u>	\$ <u>8,000</u>	
------	-----------------	-----------------	--

As at March 31, 2014, there was a deficit of \$54,000 in this account.

---

**12. Contingencies**

- (a) The Band has entered into contribution agreements with various funding agencies, which are subject to repayment if the Band fails to comply with the terms and conditions of these agreements.
- (b) As at March 31, 2014, the Fort Folly First Nation is contingently liable to Canada Mortgage and Housing Corporation in the amount of \$17,667 (2013 - \$28,667) for six loans to Band members, under the Residential Rehabilitation Assistance Program (RRAP).
- (c) The housing projects do not calculate their rental income in accordance with sub-paragraph 2(5) of the operating agreement with C.M.H.C. In addition, C.M.H.C. may determine certain expenditures to be not eligible in determining the accumulated surplus/deficit of the housing projects, if such expenditures are not in accordance with the agreement. Failure to comply with the terms and conditions of the agreement could result in repayment of excess subsidies as well as discontinuance of all Federal assistance.



---

## **Fort Folly First Nation**

### **Notes to the consolidated financial statements**

March 31, 2014

---

#### **13. Economic dependence**

The Fort Folly First Nation receives a major portion of its revenues pursuant to funding agreements with various government departments.

---

#### **14. Employee benefits**

- (a) The First Nation contributes to a defined contribution plan on behalf of its employees. The assets of the plan are held separately from those of the First Nation in independently administered funds.

Contributions paid and expensed by the First Nation in the current year amounted to \$19,663 (2013 - \$21,223).

- (b) The First Nation remits Band Employee Benefits on behalf of employees and as of March 31, 2014, the First Nation is up to date on all remittances except for pension contributions of which \$96,364 (2013 - \$57,037) is outstanding as at March 31, 2014. Management intends to make all required payments in the upcoming year.
- 

#### **13. Comparative figures**

Certain of the 2013 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2014.

---

**Fort Folly First Nation**  
**Schedule of segment disclosures**  
Year ended March 31, 2014

	Band Government			Education			Health			Housing		
	(Unaudited) Budget 2014	Actual 2014	Actual 2013	(Unaudited) Budget 2014	Actual 2014	Actual 2013	(Unaudited) Budget 2014	Actual 2014	Actual 2013	(Unaudited) Budget 2014	Actual 2014	Actual 2013
<b>Revenues</b>												
Federal government operating transfers	\$ 179,264	\$ 179,264	\$ 248,119	\$ 96,113	\$ 96,113	\$ 94,299	\$ 247,774	\$ 247,774	\$ 236,546	\$ 19,496	\$ 19,496	\$ 40,059
Federal government capital transfers	45,742	45,742	64,893	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	21,876	21,876	25,999	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-	-	-
Other	166,000	142,469	147,999	30,000	17,000	15,305	-	-	-	-	-	-
	412,882	389,351	484,404	126,113	113,113	109,604	247,774	247,774	236,546	19,496	19,496	40,059
<b>Expenses</b>												
Salaries & benefits	252,917	256,356	292,085	35,526	33,205	21,811	159,808	142,826	137,971	31,804	29,726	57,389
Depreciation	41,131	33,298	54,789	-	-	-	-	-	-	20,775	16,819	15,658
Interest	9,018	7,705	7,899	-	-	-	-	-	-	11,982	7,811	10,088
Other	340,573	301,974	332,807	94,630	78,498	64,957	94,966	121,125	111,177	8,019	5,370	11,474
	644,039	579,373	687,880	120,156	111,703	86,808	247,774	263,951	249,148	72,580	59,726	94,609
<b>Surplus (deficit) for the year</b>	\$ (231,157)	\$ (190,022)	\$ (202,776)	\$ 5,957	\$ 1,410	\$ 22,796	\$ -	\$ (16,177)	\$ (12,202)	\$ (53,084)	\$ (40,230)	\$ (54,550)

**Fort Folly First Nation**  
**Schedule of segment disclosures**  
 Year ended March 31, 2014

	Social Services			Fisheries			Forestry			Totals		
	(Unaudited) Budget 2014	Actual 2014	Actual 2013	(Unaudited) Budget 2014	Actual 2014	Actual 2013	(Unaudited) Budget 2014	Actual 2014	Actual 2013	(Unaudited) Budget 2014	Actual 2014	Actual 2013
<b>Revenues</b>	\$ 115,561	\$ 115,561	\$ 114,620	\$ 607,804	\$ 353,356	\$ 358,406	-	-	-	1,266,012	\$ 1,011,564	\$ 1,090,449
Federal government operating transfers	-	-	-	-	-	-	-	-	-	45,782	45,782	64,899
Federal government capital transfers	-	-	-	-	-	-	-	-	-	21,876	21,876	25,383
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	279,500	326,679	302,249	43,000	30,387	23,747	322,500	357,065	325,996
Economic activities	-	-	-	21,500	55,153	49,520	-	-	-	217,500	204,622	212,224
Other	115,561	115,561	114,620	900,804	735,188	709,575	43,000	30,387	23,747	1,678,630	1,650,670	1,718,958
<b>Expenses</b>	-	-	-	401,946	375,689	391,296	-	-	-	875,001	817,842	900,352
Salaries & benefits	4,069	3,294	5,792	69,314	56,114	77,119	19,711	15,957	26,880	155,000	125,482	182,248
Depreciation	-	-	-	-	-	-	-	-	-	21,000	15,516	17,987
Interest	35,000	35,223	49,256	229,041	254,339	222,871	30,000	26,244	65,460	822,629	862,773	857,842
Other	39,069	38,517	55,048	700,301	726,142	690,286	49,711	42,201	94,350	1,078,630	1,021,613	1,590,429
<b>Surplus (deficit) for the year</b>	\$ 76,492	\$ 77,044	\$ 59,572	\$ 205,858	\$ 9,046	\$ 28,289	\$ (6,713)	\$ (11,814)	\$ (70,603)	\$ -	\$ (170,743)	\$ (239,426)