

GITGA'AT FIRST NATION**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014 (Continued)****11. TANGIBLE CAPITAL ASSETS (Continued)**

	2014 Cost	2014 Accumulated Amortization	2014 Net Book Value
Infrastructure	\$ 23,407,349	\$ 9,197,811	\$14,209,538
Equipment	2,300,698	1,874,933	425,765
Boat	553,111	100,555	452,556
Vehicles	187,073	66,039	121,034
Assets under construction	2,486,962	-	2,486,962
	<u>\$ 28,935,193</u>	<u>\$ 11,239,338</u>	<u>\$ 17,695,855</u>

12. CONTINGENT LIABILITIES

The Nation has entered into contribution agreements with various federal government departments for the purpose of negotiating a land claims treaty with the federal and provincial governments. Funding received under these contribution agreements is subject to repayment once a treaty enters into force between the Nation and the federal and provincial governments. No repayments are required under the contribution agreements during the period that negotiations continue, and is only repayable contingent upon the settlement of the treaty process which is ongoing. The balance owing under these agreements at March 31, 2014 is \$3,584,293 and has not been accrued in the consolidated financial statements.

13. LONG TERM DEBT

The Nation's long-term debt is analyzed as follows:

	2014	2013
Northern Savings Credit Union - Boat loan with monthly interest only payments at prime plus 1% per annum. Secured by a term deposit for the same.	\$ 215,000	\$ 295,000
Northern Savings Credit Union - Housing loan up to a maximum amount of \$185,000, with monthly interest only payments at prime plus 1.50% per annum. Secured by a commercial security agreement.	30,000	69,000
	<u>245,000</u>	<u>364,000</u>
Less - current portion	<u>(40,000)</u>	<u>(80,000)</u>
	<u>\$ 205,000</u>	<u>\$ 284,000</u>

GITGA'AT FIRST NATION**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014 (Continued)****13. LONG TERM DEBT (Continued)**

Approximate principal payments due in the next five years and thereafter are as follows:

2015	\$	40,000
2016		40,000
2017		40,000
2018		40,000
2019		40,000
Thereafter		45,000
	\$	245,000

14. ECONOMIC DEPENDENCE

Funding from AANDC accounts for 67% of revenue in the current year (2013 - 61%); the Nation's ability to continue viable operations is dependent upon maintaining its right to receive this funding.

15. COMPARATIVE FIGURES

Certain balances of the preceding year have been reclassified to conform with current year's financial statement presentation.

16. ACCUMULATED SURPLUS (DEFICIT)

The Nation's accumulated surplus is analyzed as follows:

	2014	2013
Investment in tangible capital assets	\$17,695,855	\$19,857,825
Trust funds held by federal government - Capital	80,180	80,180
Investment in and due from (to) North Co-Corp Ferry Services Ltd.	41,844	(3,554)
Fishing licenses	607,340	607,340
Restricted cash and cash equivalents	610,244	162,511
	19,035,463	20,704,302
Unexpended funding available for operations	1,798,097	3,108,062
	\$20,833,560	\$23,812,364

GITGA'AT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014 (Continued)

17. SEGMENT DISCLOSURE

The Nation describes its operating segments as follows:

(a) Administration

The segment provides band support, governance and administrative services for the operations of the Nation including various financial functions such as payroll, accounts receivable and accounts payable.

(b) Social Assistance

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, home to work transition assistance, assisted living, family violence prevention and awareness and the national child benefit reinvestment.

(c) Community Health

This segment is responsible for the operation of health facilities and the delivery of programs to support child development and community health.

(d) Education

This segment is responsible for managing and delivering kindergarten to grade 12 education programs and services as well as the management of post-secondary student funding and support programs.

(e) Village Operations & Capital Projects

This segment maintains village infrastructure and implements capital projects undertaken, by the Nation. Infrastructure includes buildings, the subdivision, electrical and sanitation systems.

(f) Economic Development

This segment implements community economic development planning and capacity building initiatives that will benefit the Nation by enhancing employment, income generating activities.

(g) Community Services and Employment Programs & Special Projects

This segment is responsible for providing assistance to the Nation's members when looking for employment and delivering training programs for skill development. The Nation is engaging in a number of agreements for capacity development.

(h) Fisheries, Guardian Watchman & Land & Marine

This segment is responsible for maintaining the Nation's fishing licences, delivery of land and ocean programs and research and risk assessments relating to climate change. There is also a focus on the conservation and preservation of the Nation's traditional territory.

(i) Own Source Revenue & Forest and Range

This segment is responsible for collecting own source revenue and operating the Hartley Bay Fuel station. Forest and Range income is used for activities that benefit the Nation such as housing projects, economic development and activities for the elders.

(j) Development Corporation & Other

The Gitga'at Development Corporation is responsible for generating economic activity through the development of partnerships, business ventures and joint ventures.

GITGA'AT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014 (Continued)

17. SEGMENT DISCLOSURE (Continued)

(k) Capital Asset Program

This segment is comprised of capital assets and related amortization as well as revenue of capitalized assets and assets under construction.

GITGA'AT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014 (Continued)

17. SEGMENT DISCLOSURE (Continued)

	Administration	Social Assistance	Community Health	Education	Village Operations & Capital Projects	Economic Development & Clean Energy	Community Services and Employment Programs & Special Projects
REVENUES:							
AANDC (recovery)	\$ 280,104	\$ 352,170	\$ -	\$ 1,287,857	\$ 7,946,359	\$ 63,951	\$ -
HC/FNHA	-	-	654,988	-	-	-	-
Investment income	5,654	-	-	-	-	-	19,429
Government of Canada	-	-	-	-	-	-	-
Province of British Columbia (recovery)	-	-	-	-	-	-	20,000
BC Hydro	-	-	-	-	108,226	-	-
Fishing licences	-	-	-	-	-	-	-
Fuel revenue	-	-	-	-	-	-	-
Own source revenue	-	-	-	-	185,609	-	-
Management fees (recovery)	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-
Administration fees	526,336	-	-	-	-	-	-
TRICORP	-	-	-	13,720	-	-	-
Other income	20,138	9,643	-	46,705	115,730	-	712,643
	832,232	361,813	654,988	1,348,282	8,355,924	63,951	752,072
EXPENSES:							
Administration	-	34,931	63,456	85,982	65,617	-	53,667
Advertising and promotion	149	-	1,000	-	-	593	(3,809)
Amortization	-	-	-	-	-	-	-
Bank charges and interest	15,413	-	-	-	7,651	-	70
Education	-	-	-	329,207	-	-	70,000
Honoraria	111,000	-	-	-	-	-	-
Insurance	9,287	-	6,545	26,250	69,189	-	-
Office supplies and miscellaneous (recovery)	(102,629)	33,226	64,188	44,492	95,103	10,000	35,051
Professional fees	308,072	5,793	127,258	870,011	6,773,574	106,591	357,340
Rent and occupancy costs	3,125	5,149	21,826	4,739	394,088	3,000	39,536
Repairs and maintenance	65	-	8,882	-	305,080	1,370	-
Social assistance	-	9,647	-	-	-	-	-
Telephone and utilities	56,600	2,805	55,863	78,014	636,767	-	20,456
Travel and training	65,702	15,300	225,843	28,100	29,960	3,722	86,954
Wages and benefits	324,478	281,045	192,618	37,101	406,277	24,693	85,588
Other operating expenses	60	-	-	-	-	-	8,409
	791,322	387,896	767,479	1,503,896	8,783,306	149,969	753,262
SURPLUS (DEFICIT) BEFORE TRANSFERS							
	40,910	(26,083)	(112,491)	(155,614)	(427,382)	(86,018)	(1,190)
TRANSFERS							
	95,189	52,981	-	110,108	(329,997)	(241,586)	(70,070)
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR							
	106,955	79,066	(24,699)	286,110	176,418	-	865,498
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR							
	\$ 243,054	\$ 105,964	\$ (137,190)	\$ 240,604	\$ (580,961)	\$ (327,604)	\$ 794,238

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014 (Continued)

17. SEGMENT DISCLOSURE (Continued)

	Fisheries, Guardian Watchman & Land & Marine	Own Source Revenue & Forest and Range	Development Corporation & Other	Capital Asset Program	2014	2013
REVENUES:						
AANDC (recovery)	\$ 268,853	\$ -	\$ (41,500)	\$ -	\$ 10,157,794	\$ 6,621,871
HC/FNHA	31,172	-	-	-	686,160	817,096
Investment income	-	59,442	-	-	84,525	82,996
Government of Canada	575,324	-	-	-	575,324	434,723
Province of British Columbia (recovery)	-	-	-	(125,000)	(105,000)	327,600
BC Hydro	-	-	-	20	108,246	5,000
Fishing licences	-	45,399	-	-	45,399	(49,538)
Fuel revenue	-	455,915	-	-	455,915	365,594
Own source revenue	5,490	92,976	-	-	284,075	312,001
Management fees (recovery)	-	(36,000)	-	-	(36,000)	50,000
Rental income	177,767	30,400	-	-	208,167	76,744
Administration fees	-	-	-	-	526,336	449,049
TRICORP	42,000	-	-	-	55,720	13,720
Other income	1,510,735	192,000	100,000	(85,000)	2,622,594	1,701,780
	2,611,341	840,132	58,500	(209,980)	15,669,255	11,208,636
EXPENSES:						
Administration	212,683	-	10,000	-	526,336	449,049
Advertising and promotion	2,115	-	-	-	48	2,198
Amortization	-	-	-	792,291	792,291	763,598
Bank charges and interest	13,089	9,878	-	-	46,101	24,816
Education	-	-	-	-	399,207	290,821
Honoraria	58,600	-	-	-	169,600	92,643
Insurance	23,290	6,546	-	-	141,107	54,000
Office supplies and miscellaneous (recovery)	78,576	15,100	-	-	273,107	248,418
Professional fees	565,177	12,604	11,858	-	9,138,278	2,399,273
Rent and occupancy costs	136,119	6,500	21,300	-	635,382	297,628
Repairs and maintenance	116,669	-	-	-	432,066	496,723
Social assistance	-	-	-	-	9,647	40,365
Telephone and utilities	9,032	535,121	-	-	1,394,658	1,495,411
Travel and training	189,433	6,550	5,900	-	657,464	499,946
Wages and benefits	809,026	20,879	63,432	-	2,245,137	1,668,126
Other operating expenses	568	-	2,134	1,776,459	1,787,630	159,562
	2,214,377	613,178	114,624	2,568,750	18,648,059	8,982,577
SURPLUS (DEFICIT) BEFORE TRANSFERS						
	396,964	226,954	(56,124)	(2,778,730)	(2,978,804)	2,226,059
TRANSFERS						
	194,091	368,136	30,000	(208,852)	-	-
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR						
	376,916	1,312,553	194,250	20,439,297	23,812,364	21,586,305
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR						
	\$ 967,971	\$ 1,907,643	\$ 168,126	\$ 17,451,715	\$ 20,833,560	\$ 23,812,364