

WUSKWI SIPHK FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015
Audited

WUSKWI SAPIHK FIRST NATION
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As at March 31, 2015

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WUSKWI SIPHIK FIRST NATION

March 31, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Wuskwi Sipihk First Nation and all the information in this annual audit are the responsibility of management and have been approved by the Chief and the Band Administrator on behalf of Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. 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 financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

Chief and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and are ultimately responsible for reviewing and approving the financial statements.

Chief and Council, composed of elected Band Members, review the First Nation's financial statements and recommends their approval. They also meet periodically with management, as well as the external auditor to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each part is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report.

The financial statements have been audited by R.M. Ellingson, CMA Corp., in accordance with Canadian generally accepted auditing standards on behalf of the members. R.M. Ellingson, CMA Corp. has full and free access to the Finance Department and Chief and Council.

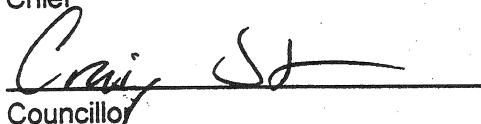
Approved on Behalf of Chief and Council:



Chief



Councillor



Councillor



Councillor

Certified Management Accountant Corp.

1506 Third Street North
Swan River, MB R0L 1Z0

Reg Ellingson, CMA

Shannon Bresky, Bus. Admin. Diploma

AUDITOR'S REPORT

TO THE CHIEF AND COUNCIL OF WUSKWI SAPIHK FIRST NATION

I have audited the accompanying consolidated financial statements of Wuskwi Sipihk first Nation which comprise the statement of financial position as at March 31, 2015 and the statements of surplus and operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Band's management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in these financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of these 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 these 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 these financial statements.

Opinion

I was unable to obtain sufficient documentation to support certain revenue sources, payroll components, and expenditures that may have been incurred in the operation of the Gas Bar during the year. In addition, budgets were not approved by Council in the past fiscal year. As a result, I was unable to determine the existence, completeness, and accuracy of financial reporting of certain program components. I was not able to determine whether certain adjustments may be necessary to program revenues, expenditures, surpluses, and net assets.

In my opinion, except for the components as described above, I have concluded these financial statements present fairly the financial position of Wuskwi Sipihk First Nation as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Certified Management Accountant

Swan River, MB
July 29, 2015

WUSKWI SIPHK FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2015

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	2015	2014
FINANCIAL ASSETS		
Cash and Temporary Investments (note 2)	\$ 112,875	\$ 848,743
Amounts Receivable (note 3 - 4)	650,761	802,052
Long-term Investments (note 5)	345,071	346,281
Inventories for Resale	16,258	1,312
	<u>\$ 1,124,965</u>	<u>\$ 1,998,388</u>
LIABILITIES		
Accounts Payable (note 7 - 8)	\$ 2,484,796	\$ 2,394,002
Deferred Revenue (note 9)	196,770	196,770
Due to Treaty Land Entitlement	251,966	326,965
Long Term Debt (note 10)	3,505,310	3,675,494
Reserves (note 12)	13,421	362,462
	<u>6,452,263</u>	<u>6,955,693</u>
NET DEBT	<u>\$ (5,327,298)</u>	<u>\$ (4,957,305)</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets (note 13)	8,853,828	9,106,911
Prepaid Expenses	-	9,615
	<u>8,853,828</u>	<u>9,116,526</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 3,526,530</u>	<u>\$ 4,159,221</u>

Economic Dependence (note 25)

Approved on Behalf of Chief and Council:



Chief



Councillor



Councillor



Councillor

WUSKWI SIPHIK FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended March 31, 2015

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	2015	2014
REVENUE		
Federal Government Transfer - AANDC	\$ 2,607,128	\$ 2,586,658
Provincial Government Transfer - Finance	-	7,453
Federal Government Transfer - Canada Gov't	784,507	901,672
Interest, Rentals, and Other	227,227	189,241
Swampy Cree Tribal Council	47,146	46,296
Investment Income	199,298	183,170
Gas Bar	226,483	1,256,860
Gaming	79,695	109,962
TLEC - 3rd Party	36,071	76,691
MB Hydro - Bipole	17,889	9,027
CMHC - Subsidy	197,231	202,233
CMHC - Insurance Proceed	-	47,444
Housing Rent	173,981	178,080
Less: Allocation to Reserves-Ottawa Trust	-	(5,328)
Less: Allocation to Reserves	-	(40,870)
Appropriation from Replacement Reserve	334,051	-
Appropriation from Surplus Reserve	<u>55,893</u>	<u>0</u>
 TOTAL REVENUE	 4,986,600	 5,748,589
 EXPENDITURES, see attached	 <u>5,218,831</u>	 <u>5,786,776</u>
 SURPLUS ON OPERATIONS	 <u>\$ (232,231)</u>	 <u>\$ (38,187)</u>
Amortization	(400,460)	(472,678)
Other - Equity injection to Housing Authority	-	-
 ANNUAL SURPLUS (DEFICIT)	 <u>(632,691)</u>	 <u>(510,865)</u>
 ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF THE YEAR	 <u>4,159,221</u>	 <u>4,670,086</u>
 ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	 <u>\$ 3,526,530</u>	 <u>\$ 4,159,221</u>

WUSKWI SAPIHK FIRST NATION

CONSOLIDATED STATEMENT OF DIVISIONAL EXPENDITURES

Year Ended March 31, 2015

	2015	2014
EXPENDITURES:		
Band Government/Community Operations	\$ 1,390,951	\$ 1,891,838
Education Authority	1,089,496	1,014,789
Medical Services	166,112	148,462
Social Services	565,411	472,263
Capital Facilities	15,135	16,486
Economic Development Fund	47,146	46,296
Health Authority	555,120	439,941
Housing Authority	865,027	198,715
Gaming	110,919	75,169
Development Corporation o/a Gas Bar	<u>413,514</u>	<u>1,482,817</u>
TOTAL EXPENDITURES	<u>\$ 5,218,831</u>	<u>\$ 5,786,776</u>

WUSKWI SIPHK FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
Year Ended March 31, 2015

	2015 Actual	2014 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (632,691)	\$ (510,865)
Acquisition of Tangible Capital Assets	(147,377)	(298,939)
Amortization of Tangible Capital Assets	400,460	476,959
Decrease (Increase) in Work-In-Progress	-	293,534
Decrease (Increase) in Prepaid Expenses	<u>9,615</u>	<u>(7,986)</u>
Change in Net Financial Assets	(369,993)	(47,297)
NET DEBT, BEGINNING OF YEAR	<u>(4,957,305)</u>	<u>(4,910,008)</u>
NET DEBT, END OF YEAR	<u>\$ (5,327,298)</u>	<u>\$ (4,957,305)</u>

WUSKWI SIPIHK FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOW
Year Ended March 31, 2015

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	2015	2014
OPERATING TRANSACTIONS		
Cash Receipts from Government Funding and Other	\$ 5,137,891	\$ 5,644,706
Cash Paid to Suppliers and Employees	(5,141,717)	(4,823,491)
Interest Paid	(66,650)	(143,870)
	<u>(70,476)</u>	<u>677,345</u>
CAPITAL TRANSACTIONS		
Acquisition of Fixed Assets (net)	<u>(147,377)</u>	<u>(298,939)</u>
INVESTING TRANSACTIONS		
Decrease in Investments	<u>1,210</u>	<u>(7,731)</u>
FINANCING TRANSACTIONS		
Proceeds of Long Term Debt	-	-
Repayment of Long Term Debt	(170,184)	(271,234)
Increase in Social Housing Fund Members' Equity	(349,548)	77,066
Redistribution of (Increase in) Ottawa Trust Funds	507	5,327
	<u>(519,225)</u>	<u>(188,841)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(735,868)	181,834
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>848,743</u>	<u>666,909</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 112,875</u>	<u>\$ 848,743</u>

WUSKWI SAPIHK FIRST NATION

NOTES TO THE FINANCIAL STATEMENT

As At March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

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a) Basis of Accounting

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

b) Reporting Entity

The Wuskwi Sipihk First Nation reporting entity includes the Wuskwi Sipihk First Nation government and all related entities that are controlled by the First Nation.

The First Nation has been established primarily for the purposes of providing the delivery of essential services of the health, education, employment, social housing, economic development and service delivery for the members of the First Nation.

c) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for any commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Organizations consolidated in Wuskwi Sipihk First Nation's financial statements include:

- Band Government/Community
- Community Services
- Employment and Job Creation
- Education Authority
- Medical Services
- Social Services
- Capital Facilities
- Economic Development Fund
- Development Corporation o/a Gas Bar
- Health Authority
- Gaming
- Land Holding Corporation
- Housing Authority
- Indian/Trust Moneys

d) Cash and Temporary Investments

Cash and temporary investments include cash on hand, balances with banks, net of bank overdrafts and term deposits having a maturity of three months or less from the date of acquisition which are held for the purpose of meeting short-term cash commitments.

e) Inventories for Resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

f) Loans Receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by Chief and Council. Interest income is accrued on loans receivable to the extent it is deemed collectable.

g) Portfolio Investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

h) Non-Financial Assets

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

Entities with No Consolidation Requirement

The following entities' transactions are reported individually within the body of these financial statements. References to these entities are for information purposes only, however, they are not controlled in any way by the Wuskwi Sipihk First Nation. Therefore, there is no need for consolidation of the following entities:

Swampy Cree Tribal Council Inc.
Swampy Cree Holdings Ltd.
Cree Nation Tribal Health Centre Inc.
Wuskwi Sipihk First Nation Treaty Land Entitlement Trust (see Note 13)

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 ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available, have been recorded at current fair market values discounted by a relevant inflation factor.

The rates below are guidelines that will be applied upon completion of the listing. The amortization rate for housing is applying the principle pay down as amortized by Canada Mortgage and Housing Corporation. Only the Housing and Development Corporation have applied amortization within these financial statements.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Wuski Sipihk First Nation's incremental cost of borrowing.

Amortization is provided for on the guidelines listed below.

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 to 10 years
Machinery, equipment and furniture	5 to 20 years
Maintenance and road equipment	20 years
Computer Hardware and Software	4 years
Housing (as per mortgage amortization)	25 to 40 years

WUSKWI SIPHIK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015

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Infrastructure Assets

Transportation	Indefinite
Land	20 years
Road surface	20 to 40 years
Road grade	30 to 45 years
Bridges	
Water and Sewer	Indefinite
Land	25 to 40 years
Buildings	30 years
Underground networks	
Machinery and equipment	20 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to Wuskwi Sipihk First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service. Intangibles, Crown lands that have not been purchased by the Community, forests, water, and other natural resources are not recognized as tangible capital assets.

j) Leases

Leases are classified as capital or operation leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

k) Inventories Held for Use

Inventories held for consumption are recorded at the lower cost and replacement cost.

l) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

m) Foreign Currency Translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. The First Nation has minimal foreign currency exposure.

WUSKWI SAPIHK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015

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n) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

2. Cash and Cash Equivalents

	2015	2014
Externally Restricted		
Housing - Replacement	\$ -	\$ 293,665
Internally Restricted		
Education - Bus Fund	- -	11
Unrestricted		
Band Government	(7,947)	96,919
Education	(26,814)	(35,961)
Gaming	418	2,259
Health Authority	69,850	(2,228)
Gas Bar	11,696	(6,080)
Social Services	(43,715)	(43,819)
Housing	<u>109,387</u>	<u>543,977</u>
	<u><u>\$ 112,875</u></u>	<u><u>\$ 848,743</u></u>

The First Nation designated \$293,665 (2013- \$25,785) to reserves for capital housing replacement and Indian Trust Monies for future purposes.

3. AMOUNTS RECEIVABLE

	2015	2014
Due from Members:		
Advances	\$ 216,583	\$ 280,027
Due from Others:		
GST Rebate	26,679	26,350
Gas Bar Customers	119,924	192,637
Others	<u>235,331</u>	<u>158,643</u>
	<u><u>381,934</u></u>	<u><u>377,630</u></u>
Less: Allowance for Doubtful Accounts	<u>598,517</u>	<u>657,657</u>
	<u><u>(216,583)</u></u>	<u><u>(89,484)</u></u>
Total Amounts Receivable	<u><u>\$ 381,934</u></u>	<u><u>\$ 568,173</u></u>

** See detailed list of Amounts Receivable - Schedule B-1 to B-13

4. DUE FROM GOVERNMENT and OTHER GOVERNMENT ORGANIZATIONS

	2015	2014
Federal Government		
Aboriginal Affairs and Northern Development Canada	\$ 266,091	\$ 117,693
Health Canada	2,736	43,735
Solicitor General	-	15,132
Provincial Government	-	38,203
Other Government Organizations	-	19,116
Total Amounts Receivable	<u><u>\$ 268,827</u></u>	<u><u>\$ 233,879</u></u>

** See detailed list of Amounts Receivable - Schedule B-1 to B-13

WUSKWI SipiHK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015

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5. LONG TERM INVESTMENTS

	2015	2014
Swan Valley Consumers Co-Op		
Patronage Equity Accounts:		
- Band Operations	\$ 221	\$ 468
- Education	356	719
- Medical Services	719	96
- Health Authority	239	715
- Social	14	1,268
Aseneskak Casino Limited Partnership - One Unit (14.29% ownership interest), at cost:	330,101	330,101
	331,650	333,367
Cash in Ottawa Trust see Note 6.	13,421	12,914
	\$ 345,071	\$ 346,281

6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	March 31 2014	Additions 2015	Withdrawals 2015	March 31 2015
Revenue	\$ 11,992	\$ 507	\$ -	\$ 12,499
Capital	922	-	-	922
	\$ 12,914	\$ 507	\$ -	\$ 13,421

7. ACCOUNTS PAYABLE and ACCRUED LIABILITIES

	2015	2014
Trade Payables	\$ 1,996,012	\$ 2,058,671
Accrued Salaries and Benefits Payable	63,737	7,347
Other Accrued Liabilities	361,115	247,953
	\$ 2,420,864	\$ 2,313,971

** See detailed list of Accounts Payable - Schedule B-14 to B-19

8. DUE TO GOVERNMENT and OTHER GOVERNMENT ORGANIZATIONS

	2015	2014
Federal Government	\$ 63,932	\$ 59,107
Provincial Government	-	20,924
Other Government Organizations	-	-
	\$ 63,932	\$ 80,031

** See detailed list of Amounts Receivable - Schedule B-14 to B-19

WUSKWI SAPIHK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015

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9. DEFERRED REVENUE

	Balance March 31 2014	Funding Received 2015	Revenue Recognized 2015	Transfer to Payables 2015	Balance March 31 2015
Federal Government - Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Other - Insurance Proceeds	<u>196,770</u>	-	-	-	196,770
Total	<u>\$ 196,770</u>	\$ -	\$ -	\$ -	\$ 196,770

10. LONG TERM DEBT

2015

2014

Wuskwi Sipihk First Nation Treaty Land Entitlement - loan repayable over 5 year term, estimated at \$58,000 per year, plus interest at 6.00% per annum.	\$ 290,000	\$ 290,000
First Peoples Fund Loan - repayable in monthly installments of \$1,134.00 per month at no interest.	74,133	73,813
Manitoba Lotteries - loan repayable in weekly installments of \$288.34 per week including interest at 4.50%.	26,020	39,531
First Nations Bank Loan - repayable in monthly installments of \$5,886.87 per month including interest at 5.25%.	76,529	76,529
Canada Mortgage and Housing Corporation - mortgage repayable in monthly installments of \$2,512 including interest at 2.40%, secured by Registered Mortgage on housing units (secured by Ministerial guarantee equal to balance outstanding).	275,734	298,985
Canada Mortgage and Housing Corporation - mortgage repayable in monthly installments of \$4,092 including interest at 1.62%, secured by Registered Mortgage on housing units (secured by Ministerial guarantee equal to balance outstanding).	766,567	802,972
Canada Mortgage and Housing Corporation - mortgage repayable in monthly installments of \$5,533 including interest at 4.00%, secured by Registered Mortgage on housing units (secured by Ministerial guarantee equal to balance outstanding).	810,884	845,727
Canada Mortgage and Housing Corporation - mortgage repayable in monthly installments of \$4,534 including interest at 2.610%, secured by Registered Mortgage on housing units (secured by Ministerial guarantee equal to balance outstanding).	646,287	684,468

WUSKWI SAPIHK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015

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Canada Mortgage and Housing Corporation - mortgage repayable in monthly installments of \$2,406 including interest at 1.710%, secured by Registered Mortgage on housing units (secured by Ministerial guarantee equal to balance outstanding).

	<u>539,156</u>	<u>563,469</u>
	<u>3,505,310</u>	<u>3,675,494</u>
Less Current Portion	<u>304,927</u>	<u>244,037</u>
	<u><u>\$ 3,200,383</u></u>	<u><u>\$ 3,431,457</u></u>

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

2016	\$ 304,927	\$ 244,037
2017	246,537	165,967
2018	230,336	180,269
2019	234,405	172,336
2020	<u>238,590</u>	<u>162,795</u>
	<u><u>\$ 1,254,795</u></u>	<u><u>\$ 925,404</u></u>

11. LEASE COMMITMENT

The First Nation entered into a lease agreement with Xerox for office equipment. The terms are \$2,061.11 per quarter expiring September 30, 2016.

12. RESERVES

	2015	2014
Funds on deposit with Indian and Northern Affairs Canada are held in a separate interest bearing bank account:	\$ 13,421	\$ 12,914
Social Housing Authority	<u>-</u>	<u>349,548</u>
	<u><u>\$ 13,421</u></u>	<u><u>\$ 362,462</u></u>

WUSKWI SAPIHK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015

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13. TANGIBLE CAPITAL ASSETS

Tangible Capital Assets	Cost			Accumulated Amortization					Net Book Value Total 2015	Net Book Value Total 2014		
				Transfers and Assets		Opening Balance	Amort	Disposals, Write-offs Other Adj.				
	Balance	Additions	Disposals	Closing Balance								
Land	\$ 849,567	\$ -	\$ -	\$ 849,567	\$ -	\$ -	\$ -	\$ -	\$ 849,567	\$ 849,567		
Buildings	8,489,232	34,898	-	8,524,130	2,297,223	256,272	-	-	5,970,635	6,192,009		
Roads and Bridges	794,980	-	-	794,980	426,454	19,875	-	-	446,329	348,651		
Water & Sewer	2,475,356	-	-	2,475,356	1,123,506	50,174	-	-	1,173,680	1,301,876		
Automotive Equipment	467,050	108,354	-	575,404	243,150	39,306	-	-	282,456	292,948		
Equipment & Computers	809,921	4,125	-	814,046	702,362	34,083	-	-	736,445	77,601		
Land Improvements	32,598	-	-	32,598	19,098	750	-	-	19,848	12,750		
VLT Software	186,099	-	-	186,099	186,099	-	-	-	186,099	-		
Total	14,104,803	147,377	-	14,252,180	4,997,892	400,460	-	5,398,352	8,853,828	9,106,811		
Assets Under Construction												
Residential Buildings	293,534	-	(56,568)	(73,385)	163,581	-	-	(163,581)	(163,581)	-		
Closing accum'd amortization	293,534	-	(56,568)	(73,385)	163,581	-	-	(163,581)	(163,581)	-		
Net Book Value of Tangible Capital Assets	\$ 13,811,269	\$ 147,377	\$ 56,568	\$ 73,385	\$ 14,088,599	\$ 4,997,892	\$ 400,460	\$ 163,581	\$ 5,561,933	\$ 8,853,828	\$ 9,106,811	

14. CONSOLIDATION OF TREATY LAND ENTITLEMENT TRUST

The Treaty land Entitlement Trust has not been consolidated within these financial statements. The position has been taken that the Board of the TLE is independent of the Chief and Council of the First Nation. In addition, full disclosure of these statements has been approved by Chief and Council only. Accounts payable with the TLE have been disclosed for informational purposes. Funds held in trust by the TLE as at December 31, 2013 (audited-for informational purposes only):

Land Acquisition	\$ -
Land Acquisition - Fixed Income Security	<u>\$ 1,878,479</u>
	<u>\$ 1,878,479</u>

WUSKWI SIPHK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015

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15. AANDC FUNDING RECONCILIATION

	2015	2014
Total Funding per AANDC	\$ 2,548,187	\$ 2,548,882
Add:		
Adjustment from prior Tuition	56,997	-
Adjustment to 2012/13 - Tuition	-	8,610
TPM - Requested Funds - audit fees	9,771	29,526
TPM - Requested Funds - Consulting	7,755	
Less:		
Education Overpayment - Low Cost	-	(96)
Education Overpayment - Transporation	-	(264)
TPM Fees Requested and not advanced		
TPM-Requested Fee denied -audit fees	(15,582)	-
	<u>\$ 2,607,128</u>	<u>\$ 2,586,658</u>

16 BASIS OF OPERATIONS OF LAND HOLDING CORPORATION

Land acquiring by the Wuskwi Sipihk First Nation Treaty Land Entitlement and transferred to the Wuskwi Sipihk First Nation Land Holding Corporation:

	2015	2014
Section 30-41-24	\$ 86,285	\$ 86,285
NW 5-41-24	19,709	19,709
NW 8-41-24	88,228	88,228
NW 1-41-25, etc.	66,926	66,926
SW 32-38-23, etc.	49,803	49,803
NE 36-40-25, etc.	146,037	146,037
NE 25-40-25	55,000	55,000
NE 6-39-26	91,000	91,000
McKay Lots 22 and 25	5,500	5,500
NW 6-39-26	141,079	141,079
Lots 14-16 Block 29 Plan 426	<u>100,000</u>	<u>100,000</u>
	<u>\$ 849,567</u>	<u>\$ 849,567</u>

WUSKWI SAPIHK FIRST NATION

NOTES TO THE FINANCIAL STATEMENT

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17 PENSION BENEFITS

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

The majority of the employees of the First Nation are members of the London Life Private Pension Plan, which is a single-employer defined contribution pension plan. The costs of the retirement plan are allocated to the individual entities within the First Nation.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by London Life by placing plan assets in trust and through their investment policy. The pension expense is based on the contribution rate.

	2015	2014
Vacation and overtime	\$ -	\$ -
Employee Benefits - Insurance	3,244	10,837
Pension Plan	<u>23,199</u>	<u>24,061</u>
	<u><u>\$ 26,443</u></u>	<u><u>\$ 34,898</u></u>

18 FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Community is exposed to credit risk from customers. In order to reduce its credit risk, the Community reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Community has a significant number of customers which minimizes concentration of credit risk.

19 FAIR VALUE

The First Nation's carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

20 INTEREST RATE

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risk from interest rate fluctuations, the First Nation manages exposure through its normal operation and financing activities. The First Nation is exposed to minimal interest rate risk primarily through its implementation of fixed interest rate bank indebtedness and credit facilities.

21 BASIS OF PRESENTATION

The Statements of Revenue and Expenditures have been presented consistent with the Band's entity structure as per prior years. All grant, fixed, and set contribution funded revenue and expenditures have been presented on schedules B-25 to B-43 as per Department of Indian Affairs reporting requirements.

**WUSKWI SipiHK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015**

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22 SEGMENT DISCLOSURE

No budgets were passed in 2015 and therefore are not presented.

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WUSKWI SAPIHK FIRST NATION
NOTES TO THE FINANCIAL STATEMENT
As At March 31, 2015

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	INTER-SEGMENT							
	OTHER		ELIMINATION		CONSOLIDATED TOTALS			
	2015	2014	2015	2014	2015	2014		
Revenues								
Federal Government	\$ 47,146	\$ 46,296	(\$47,146)	(\$46,296)	\$ 3,499,386	\$ 3,736,859		
Provincial Government	-	-	-	-	136,628	7,453		
Economic Activities	-	-	-	-	306,177	1,549,994		
Other Revenues	-	-	-	-	988,517	469,069		
Total Revenue	47,146	46,296	(47,146)	(46,296)	4,930,708	5,763,375		
Expenses								
Salaries and benefits	-	-	-	-	1,780,624	1,451,362		
Amortization	-	-	-	-	400,460	472,678		
Debt Servicing	-	-	-	-	62,906	116,760		
Other Expenses	-	-	-	-	3,319,409	4,233,440		
Total Expense	-	-	-	-	5,563,399	6,274,240		
Annual Surplus (Deficit)	\$ 47,146	\$ 46,296	(\$47,146)	(\$46,296)	\$ (632,691)	\$ (510,865)		

23 EXPENSES BY OBJECT

The following is a summary of expenses by object.

	2015	2014
Salaries and wages and benefits	\$ 1,750,365	\$ 1,702,805 }
Bad Debts	990,077	2,063
Building Maintenance/Utilities	176,359	31,046
Staff development	21,141	8,596
Chief & Council - Salary & Honoraia (incl in Salaires)	-	165,613
Chief & Council - Travel	-	2,116
Travel - Staff	172,231	60,617
Interest	226,573	149,335
Insurance	85,632	130,432
Professional services/Contract Services	545,640	121,203
Rental expenditures	-	31,217
Office	49,602	28,597
Tuition & student services	17,275	574,504
Supplies and operations	325,599	321,777
Social assistance	433,108	455,512
Capital expenditures	20,859	298,939
Health services	-	72,892
Inventory for resale	-	1,194,661
Administrative/Other	3,910	748,576
Amortization	400,460	472,678
	\$ 5,218,831	\$ 6,573,179

24 PRIOR YEAR ADJUSTMENTS

No prior year adjustments were made in the March 31, 2015 fiscal year, as no adjustments were deemed necessary as a result of accounting error. Any adjustments as a result of estimates or other adjustments deemed necessary have been included in current year operations.

WUSKWI SAPIHK FIRST NATION

NOTES TO THE FINANCIAL STATEMENT

As At March 31, 2015

25 ECONOMIC DEPENDENCE

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Wuskwi Sipihk First Nation receives a major portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada.

26 BUDGET INFORMATION

Budget information is not disclosed. The Band did not prepare a budget in the fiscal year and therefore no disclosure of the budget information was available for these statements.

27 COMPARATIVE FIGURES

The prior year comparative figures have been restated to conform with current year presentation. Due to a lack of reporting controls some detail may not be correctly reported. See audit report.

28 CONTINGENT LIABILITIES

Wuskwi Sipihk First Nation, as a limited partner in the Aseneskak Casino Limited Partnership, has guaranteed the obligation of the Limited Partnership to a maximum of \$1.05 million dollars.

Wuskwi Sipihk First Nation has filed two legal claims as at the date of these financial statements. One is filed against Sakastew Inc., for investments uncollected. The second is primarily in respect to the housing construction contracts. In addition, a forensic audit investigation is under review pertaining to housing and operating controls. The potential materiality effect on costs can only be measurable and reported after the cases are resolved, which should occur within the next fiscal year.

Wuskwi Sipihk First Nation has one claim filed against the First Nation. This claim has been filed by a former employee for wrongful dismissal. The potential materiality effect can only be measured and reported after the case is resolved which should occur within the next fiscal year.