

STURGEON LAKE FIRST NATION

Consolidated Financial Statements

For the Year Ended March 31, 2015

STURGEON LAKE FIRST NATION

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For the Year Ended March 31, 2015

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STURGEON LAKE FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Sturgeon Lake First Nation and all of the information in these financial statements are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. 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.

Sturgeon Lake 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 that Sturgeon Lake First Nation assets are appropriately accounted for and adequately safeguarded.

Sturgeon Lake First Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The First Nation carries out this responsibility through the Chief and Council.

Chief and Council review Sturgeon Lake First Nation consolidated financial statements and recommend their approval. Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issue, 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 have been audited by C.S. Skrupski CPA Professional Corporation in accordance with Canadian auditing standards on behalf of the members. C.S. Skrupski CPA Professional Corporation has full and free access to the Chief and Council, accountant and program directors. The report of the auditing firm is on the following page.

Acting Chief

Carla Parentis

Councillor

Jonas Sanderson

Councillor

D. McLean

Councillor

John S.

Councillor

John S.

Date: August 7, 2015

C.S. Skrupski
CPA Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Chief and Council,
Sturgeon Lake First Nation:

I have audited the accompanying consolidated financial statements of Sturgeon Lake First Nation, which are comprised of the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, change in net financial assets (net debt), cash flows and accumulated surplus 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

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Sturgeon Lake First Nation as at March 31, 2015, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



CPA Professional Corporation

Rosthern, Saskatchewan
August 7, 2015

STURGEON LAKE FIRST NATION
Consolidated Statement of Financial Position
As at March 31, 2015

		2015	2014
Financial Assets			
Cash and cash equivalents	(Note 2)	\$ 1,260,153	\$ -
Accounts receivable	(Note 3)	435,085	647,074
Trust funds held by federal government	(Note 4)	59,838	118,780
Inventories for resale	(Note 5)	88,000	99,000
Portfolio investments	(Note 8)	524,994	449,279
Investments in government business enterprises	(Note 9)	10,151,631	9,655,275
Heritage trust funds	(Note 22)	1,868,449	1,854,738
TLE trust funds	(Note 22)	9,074,626	9,239,490
		23,462,776	22,063,636
Liabilities			
Bank indebtedness	(Note 2)		742,549
Trust funds held by federal government	(Note 4)	59,838	118,780
Accounts payable and accrued liabilities	(Note 10)	1,442,671	957,918
Deferred revenue	(Note 12)	1,554,971	818,171
Long-term debt	(Note 13)	9,034,915	9,781,643
Heritage trust funds	(Note 22)	1,868,449	1,854,738
TLE trust funds	(Note 22)	9,074,626	9,239,490
Minority interest in Limited Partnership		1,302,996	1,163,390
		24,338,466	24,676,679
Net financial assets (net debt)		(875,690)	(2,613,043)
Non-financial assets			
Tangible capital assets	(Note 16)	34,502,684	35,475,405
Accumulated surplus (deficit)		\$ 33,626,994	\$ 32,862,362

Approved on behalf of Sturgeon Lake First Nation:

Paul Parent, Acting Chief

Jonas Sanderson, Councillor

The accompanying notes are an integral part of these financial statements.

C.S. Skrupski CPA Professional Corporation

STURGEON LAKE FIRST NATION
Consolidated Statement of Operations
For the Year Ended March 31, 2015

		<i>Budget</i>	2015	2014
Revenues				
Federal government transfers for operating	(Note 19)	\$ 3,367,871	\$ 13,488,088	\$ 12,427,688
Federal government transfers for capital	(Note 19)	-	569,940	1,149,899
Provincial government transfers for operating	(Note 19)	990,000	1,307,909	1,330,810
Rent		-	636,893	629,759
Income from investment in government business enterprises		-	7,454,624	7,164,186
Other		<u>1,218,874</u>	<u>3,531,894</u>	<u>2,622,449</u>
		5,576,745	26,989,348	25,324,791
Expenses				
Education		-	5,727,936	5,720,121
Health		2,749,394	2,617,228	2,558,325
Housing		-	542,990	845,493
Community services		771,956	980,799	1,209,362
Social services		-	3,059,980	2,928,255
Band government		867,171	1,393,922	1,453,552
Capital		-	628,850	647,010
Other		1,137,706	9,238,579	7,421,876
Interest		423,330	339,418	390,798
Amortization		94,500	1,695,014	1,483,227
		6,044,057	26,224,716	24,658,019
Annual surplus (deficit)		(467,312)	764,632	666,772
Accumulated surplus (deficit) at beginning of year		-	32,862,362	32,195,590
Accumulated surplus (deficit) at end of year		\$ (467,312)	\$ 33,626,994	\$ 32,862,362

The accompanying notes are an integral part of these financial statements.

C.S. Skrupski CPA Professional Corporation

STURGEON LAKE FIRST NATION
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the Year Ended March 31, 2015

	<i>Budget</i>	2015	2014
Annual surplus (deficit)	\$ -	\$ 764,632	\$ 666,772
Tangible capital assets:			
Acquisition of tangible capital assets	-	(722,293)	(2,989,394)
Amortization of tangible capital assets	-	1,695,014	1,483,227
	-	972,721	(1,506,167)
Change in net financial assets (net debt)		1,737,353	(839,395)
Net financial assets (net debt) at beginning of year		(2,613,043)	(2,613,043)
Net financial assets (net debt) at end of year	\$ (2,613,043)	\$ (875,690)	\$ (2,613,043)

STURGEON LAKE FIRST NATION
Consolidated Statement of Cash Flows
For the Year Ended March 31, 2015

	2015	2014
Operating transactions		
Annual surplus (deficit)	764,632	666,772
Items not affecting cash:		
Amortization of tangible capital assets	1,695,014	1,483,227
Change in non-cash charges to operations		
Accounts receivable	211,990	(300,557)
Inventories for resale	11,000	(15,111)
Accounts payable and accrued liabilities	484,753	383,244
Deferred revenue	736,801	576,560
Cash provided by (applied to) operating transactions	<u>3,904,190</u>	<u>2,794,135</u>
Capital transactions		
Purchase of tangible capital assets	(722,293)	(2,989,394)
Cash provided by (applied to) capital transactions	<u>(722,293)</u>	<u>(2,989,394)</u>
Investing transactions		
Investments in portfolio investments	(75,715)	810,802
Minority interest in Limited Partnership	139,604	-
Investments in government business enterprises	(496,356)	(737,473)
Cash provided by (applied to) investing transactions	<u>(432,467)</u>	<u>73,329</u>
Financing transactions		
Debt issues	97,560	-
Debt retirement	(844,288)	(689,798)
Cash provided by (applied to) financing transactions	<u>(746,728)</u>	<u>(689,798)</u>
Increase (decrease) in cash and cash equivalents	2,002,702	(811,728)
Cash and cash equivalents at beginning of year	(742,549)	69,179
Cash and cash equivalents at end of year	\$ 1,260,153	\$ (742,549)

STURGEON LAKE FIRST NATION
Consolidated Statement of Accumulated Surplus
For the Year Ended March 31, 2015

	2014	Changes	2015
Unappropriated surplus (deficit)	\$ (3,635,749)	\$ (31,143)	\$ (3,666,892)
Appropriated reserves			
CMHC replacement reserve	1,000,471	518,782	1,519,253
CMHC operating reserve	110,328	-	110,328
Moveable capital asset replacement reserve	38,275	6,630	44,905
Total appropriated reserves	1,149,074	525,412	1,674,486
Investment in band entities			
Sturgeon Lake First Nation Economic Development	32,291	104,729	137,020
Sturgeon Lake First Nation Limited Partnership	7,179,571	(266,054)	6,913,517
Sturgeon Lake First Nation TLE Land Holding Corporation	656,268	586,683	1,242,951
Sturgeon Lake Store and Gas Bar	1,787,145	70,998	1,858,143
Total investment in band entities	9,655,275	496,356	10,151,631
Net investment in tangible capital assets			
Tangible capital assets	35,475,405	(972,721)	34,502,684
Less: related debt	(9,781,643)	746,728	(9,034,915)
Total net investment in tangible capital assets	25,693,762	(225,993)	25,467,769
Total accumulated surplus (deficit)	\$ 32,862,362	\$ 764,632	\$ 33,626,994

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

1. Summary of Significant Accounting Policies

a) Basis of accounting

These 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 Sturgeon Lake First Nation reporting entity includes the Sturgeon Lake First Nation government and all related entities that are controlled by the First Nation.

c) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the 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.

Under the modified equity method of accounting, only Sturgeon Lake First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Sturgeon Lake First Nation.

Organizations consolidated in Sturgeon Lake First Nation's financial statements include:

- Sturgeon Lake First Nation Economic Development Advisory Board
- Sturgeon Lake First Nation Limited Partnership
- Sturgeon Lake First Nation TLE Land Holdings Corporation
- Sturgeon Lake First Nation TLE Revenue Trust
- Sturgeon Lake First Nation TLE Trust Fund
- Sturgeon Lake Store and Gas Bar

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts, and term deposits having a maturity of three months or less at 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 management. 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.

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

1. Summary of Significant Accounting Policies (continued)

h) 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 the acquisition or construction of the asset.

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 Sturgeon Lake First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	2.5%
Housing	2.5%
Infrastructure	10.0%
Equipment	10.0%
Vehicles	20.0%

Tangible capital assets are written down when conditions indicate that they no longer contribute to Sturgeon Lake 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, and 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.

i) Inventories held for use

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

j) Employee benefit obligations

No employee future benefits are applicable.

k) 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.

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

1. Summary of Significant Accounting Policies (continued)

I) Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Gains and losses resulting from foreign currency transactions are included in the consolidated statement of operations.

m) Measurement uncertainty

In preparing the consolidated financial statements for Sturgeon Lake First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

2. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Sturgeon Lake First Nation must set aside funds annually for the repair, maintenance, and replacement of worn-out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the CMHC Replacement and Reserve Fund. Cash and cash equivalents is comprised of the following:

	2015	2014
Externally restricted		
Funds for future capital expenditures, Solid Waste	\$ -	\$ 59
Internally restricted		
Capital Planning	1,300,434	481,257
Education	(30,828)	(355,791)
Economic Development	126,807	45,691
Health	332,501	118,124
Moveable capital asset replacement reserve	44,905	38,275
	1,773,819	327,556
Unrestricted		
Operating	(425,369)	(581,593)
Social Development	(88,297)	(488,571)
	(513,666)	(1,070,164)
Total cash and cash equivalents	\$ 1,260,153	\$ (742,549)

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

3. Accounts Receivable

	2015	2014
Due from others:		
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 51,998
Health and Welfare Canada	2,878	36
Canada Mortgage and Housing Corporation	6,253	69,616
Prince Albert Grand Council	293,194	247,550
Other	155,609	293,712
	457,934	662,912
Less: Allowance for doubtful accounts		
	457,934	662,912
	(22,849)	(15,838)
Total Accounts Receivable	\$ 435,085	\$ 647,074

4. Trust Funds Held by Federal Government

	March 31, 2014	Additions 2015	Withdrawals 2015	March 31, 2015
Revenue	\$ 40,324	\$ 287,668	\$ (283,610)	\$ 44,382
Capital	78,456	15,000	(78,000)	15,456
End balances	\$ 118,780	\$ 302,668	\$ (361,610)	\$ 59,838

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

5. Inventories for Resale

	2015	2014
Bison inventory	\$ 88,000	\$ 99,000

6. Due from Government and Other Government Organizations

The First Nation has no funds due from government or other government organizations.

7. Loans Receivable

The First Nation has no loans receivable.

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

8. Portfolio Investments

	2015	2014
CMHC Replacement Reserve Term Deposits	\$ 523,994	\$ 448,279
First Nations Bank share	1,000	1,000
	\$ 524,994	449,279

9. Investments in Government Business Enterprises

Sturgeon Lake First Nation owns 100% of Sturgeon Lake First Nation Economic Development Advisory Board, Sturgeon Lake First Nation Limited Partnership, Sturgeon Lake First Nation TLE Land Holdings Corporation, Sturgeon Lake First Nation TLE Revenue Trust, Sturgeon Lake First Nation TLE Trust Fund, and Sturgeon Lake Store and Gas Bar.

Sturgeon Lake First Nation's investments in government business enterprises consist of the following:

	2015	2014
Sturgeon Lake First Nation Economic Development Advisory Board	\$ 137,020	\$ 32,291
Sturgeon Lake First Nation Limited Partnership	6,913,517	7,179,571
Sturgeon Lake First Nation TLE Land Holdings Corporation	1,242,951	656,268
Sturgeon Lake First Nation TLE Revenue Trust	-	-
Sturgeon Lake First Nation TLE Trust Fund	-	-
Sturgeon Lake Store and Gas Bar	1,858,143	1,787,145
	\$ 10,151,631	\$ 9,655,275

The following table presents condensed financial information for these commercial enterprises (*continues*):

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

9. Investments in Government Business Enterprises (continued)

	Sturgeon Lake First Nation Ec. Dev.	Sturgeon Lake First Nation Limited Partnership	Sturgeon Lake First Nation TLE Land Holdings	Sturgeon Lake First Nation TLE Revenue Trust	Sturgeon Lake First Nation TLE Trust Fund
Cash	\$ 126,807	\$ 450,828	\$ 22,890	\$ 372,989	\$ -
Accounts Receivable	31,158	87,537	-	68,554	-
Tangible Capital Assets	32,291	2,105,581	1,263,500	-	-
Other Assets	-	4,602,506	-	-	8,633,440
Total Assets	\$ 190,256	\$ 7,246,452	\$ 1,286,390	\$ 441,543	\$ 8,633,440
Accounts Payable	\$ 53,236	\$ 37,273	\$ 43,439	\$ 357	\$ -
Long-term Debt	-	285,433	-	-	-
Other Liabilities	-	10,229	-	441,186	8,633,440
Total Liabilities	53,236	332,935	43,439	441,543	8,633,440
Equity	137,020	6,913,517	1,242,951	-	-
Total Liabilities and Equity	\$ 190,256	\$ 7,246,452	\$ 1,286,390	\$ 441,543	\$ 8,633,440
Revenue	\$ 200,234	\$ 1,249,643	\$ 62,264	\$ -	\$ -
Expenses	123,647	841,541	97,581	-	-
Net Income (loss)	\$ 76,587	\$ 408,102	\$ (35,317)	\$ -	\$ -

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

9. Investments in Government Business Enterprises (continued)

	Sturgeon Lake Store and Gas Bar	2015 Total	2014 Total
Cash	\$ 717,299	\$ 1,690,813	\$ 1,694,332
Accounts Receivable	138,802	326,051	241,534
Inventory	289,603	289,603	331,596
Tangible Capital Assets	498,033	3,899,405	3,241,068
Other Assets	450,886	13,686,832	13,307,858
Total Assets	\$ 2,094,623	\$ 19,892,704	\$ 18,816,388
Accounts Payable	\$ 216,478	\$ 350,783	\$ 179,643
Long-term Debt	-	285,433	251,165
Other Liabilities	20,002	9,104,857	8,033,003
Total Liabilities	236,480	9,741,073	8,463,811
Equity	1,858,143	10,151,631	10,352,577
Total Liabilities and Equity	\$ 2,094,623	\$ 19,892,704	\$ 18,816,388
Revenue	\$ 5,942,483	\$ 7,454,624	\$ 6,779,132
Expenses	5,655,562	6,718,331	6,041,659
Net Income (loss)	\$ 286,921	\$ 736,293	\$ 737,473

10. Accounts Payable and Accrued Liabilities

	2015	2014
Trade payables	\$ 1,404,639	\$ 528,778
Accrued salaries and benefits payable	(15,255)	131,902
Other accrued liabilities	53,287	297,238
 	\$ 1,442,671	\$ 957,918

11. Due to Government and Other Government Organizations

The First Nation has no funds due to government and other government organizations.

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

12. Deferred Revenue

	Balance March 31, 2014	Funding Received 2015	Revenue Recognized 2015	Balance March 31, 2015
<u>Federal Government</u>				
Capital, Watermains	\$ 17,403	\$ -	\$ (17,403)	\$ -
Capital, Solid Waste Station	58	- -	(58)	- -
Capital, Water Treatment Plant	185,795	1,192,032	- -	1,377,827
Capital, East Side upgrades	486,000	19,685	(486,000)	19,685
	689,256	1,211,717	(503,461)	1,397,512
<u>Provincial Government</u>				
Education/Health	- -	28,544	- -	28,544
<u>Other</u>				
Administration / Economic Development	128,915	- -	- -	128,915
	\$ 818,171	\$ 1,240,261	\$ (503,461)	\$ 1,554,971

Deferred revenue represents the amount of funds received by the First Nation which must be spent on certain projects. As these projects had not been completed as of the year end, the revenue has been deferred until such time as the projects are carried out.

13. Long-Term Debt and Obligations under Capital Leases

	2015	2014
<u>Long-term debt financing tangible capital assets</u>		
CMHC mortgage repayable at \$1,636 per month including interest at 1.64%. Mortgage is guaranteed by the Government of Canada.	\$ 211,135	\$ 227,178
CIBC mortgage repayable at \$3,621 per month including interest at 7.50%. Mortgage is guaranteed by the Government of Canada.	- -	32,061
CIBC loan repayable at \$18,647 per quarter including interest at 3.85%, due March 31, 2023. The loan is secured by general security agreement covering all First Nation property.	360,460	382,960
CIBC loan repayable at \$7,092 per month including interest at 4.10%. The loan is secured by related capital property.	297,856	435,049
CIBC mortgage repayable at \$2,710 per month including interest at 6.75%. The loan is guaranteed by the Government of Canada.	31,715	59,695
CIBC mortgage repayable at \$2,515 per month including interest at 5.50%. The mortgage is guaranteed by the Government of Canada.	295,811	314,178
CMHC mortgage repayable at \$2,843 per month including interest at 2.78%. Security is provided by related capital assets.	529,981	549,152

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

13. Long-Term Debt and Obligations under Capital Leases (continued)

CMHC mortgage repayable at \$2,322 per month including interest at 2.84%. Security is provided by related capital assets.	244,280	264,931
CIBC loan repayable in annual payments of \$85,676 plus interest at 4.10%, due March 31, 2017. The loan is secured by general security agreement covering all First Nation property.	171,352	257,028
CMHC mortgage repayable at \$9,142 per month including interest at 2.65%. Security is provided by related capital assets.	1,436,803	1,507,614
CMHC loan repayable at \$5,667 per month including interest at 1.62%. Security is provided by related capital assets.	1,053,183	1,103,738
CMHC mortgage repayable at \$2,880 per month including interest at 1.12%. Security is provided by related capital assets.	319,126	347,638
CMHC mortgage repayable at \$2,088 per month including interest at 4.97%. Security is provided by related capital assets.	101,633	132,193
CMHC mortgage repayable at \$1,638 per month including interest at 2.11%. Security is provided by related capital assets.	234,561	249,123
CMHC mortgage repayable at \$4,430 per month including interest at 2.40%. Security is provided by related capital assets.	863,390	895,512
CMHC mortgage repayable at \$2,753 per month including interest at 2.40%. Security is provided by related capital assets.	536,607	556,571
CMHC mortgage repayable at \$6,817 per month including interest at 2.63%. Security is provided by related capital assets.	1,331,518	1,377,829
CMHC mortgage repayable at \$2,031 per month including interest at 1.64%. Security is provided by related capital assets.	445,905	462,843
CMHC mortgage repayable at \$511 per month including interest at 1.69%. Security is provided by related capital assets.	114,735	118,895
CIBC loan repayable at \$13,250 per quarter including interest at 4.10%, due January, 2017. The loan is secured by general security agreement.	106,000	159,000
CIBC loan repayable in annual payments of \$14,835 including interest at prime plus 1.25%, due May, 2014. The loan is secured by general security agreement.	-	14,830
CIBC loan repayable in monthly payments of \$1,750 including interest at prime plus 1.25%, due July, 2014. Loan is secured by general security agreement.	-	82,460
CIBC loan repayable in monthly payments of \$1,586 including interest at 4.10%, due October, 2018. Loan is secured by general security agreement.	63,431	-
Toyota Financial Services loan repayable in monthly payments of \$684 including interest at 1.90%, due July, 2019. Security is provided by related capital assets.	34,129	-
Limited Partnership loan through First Nation Business Development Program, repayable in one payment of \$250,000, interest free, on December 5, 2020. The loan is secured by John E. McDonald building.	250,000	250,000
First Nation Metis Fund Inc. loan repayable in one payment of \$1,040 plus interest at 12% per annum, due December 5, 2020. The loan is secured by John E. McDonald building.	1,304	1,165
Total long-term debt	\$ 9,034,915	\$ 9,781,643

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

13. Long-Term Debt and Obligations under Capital Leases (continued)

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2016	718,329
2017	724,443
2018	732,891
2019	739,644
2020	748,839
Thereafter	5,370,769

	2015	2014
Interest expense for the year on long-term debt	\$ 339,418	\$ 390,798

Obligations under capital leases

The First Nation has no obligations under capital leases.

14. Risk Management

The First Nation has no defined risk management policy.

15. Employee Benefit Obligations

The First Nation does not have any employee benefit obligations.

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

16. Tangible Capital Assets

	Cost					Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other Adjustments	Closing Balance	Total 2015	Total 2014
Tangible Capital Assets											
Land	\$ 2,426,900	\$ -	\$ -	\$ -	\$ 2,426,900	\$ -	\$ -	\$ -	\$ 2,426,900	\$ 2,426,900	
Buildings	25,194,603	-	-	-	25,194,603	(6,827,566)	(604,097)	-	(7,431,663)	17,762,940	18,367,037
Housing	18,950,912	-	-	-	18,950,912	(8,305,442)	(473,773)	-	(8,779,215)	10,171,697	10,645,470
Infrastructure	2,476,855	665,561	-	-	3,142,416	-	(231,715)	-	(231,715)	2,910,701	2,476,855
Equipment	2,858,223	-	(16,922)	-	2,841,301	(2,023,188)	(175,776)	-	(2,198,964)	642,337	835,035
Vehicles	1,676,842	92,967	(19,313)	-	1,750,496	(952,734)	(209,653)	-	(1,162,387)	588,109	724,108
Total	\$ 53,584,335	\$ 758,528	\$ (36,235)	\$ -	\$ 54,306,628	\$ (18,108,930)	\$ (1,695,014)	\$ -	\$ (19,803,944)	\$ 34,502,684	\$ 35,475,405

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

17. Contractual Obligations

The First Nation does not have any contractual obligations.

18. Contingent Liabilities

The First Nation does not have any contingent liabilities.

19. Government Transfers

	2015			2014		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Aboriginal Affairs and Northern Development Canada						
Health Canada	\$ 11,301,475	\$ 2,098,274	\$ 11,301,475	\$ 10,452,516	\$ 569,000	\$ 11,021,516
Canada Mortgage and Housing Corporation	88,339	569,940	658,279	29,826	580,899	610,725
Total	13,488,088	569,940	14,058,028	12,427,688	1,149,899	13,577,587
Provincial government transfers						
	1,307,909	-	1,307,909	1,330,810	-	1,330,810
	\$ 14,795,997	\$ 569,940	\$ 15,365,937	\$ 13,758,498	\$ 1,149,899	\$ 14,908,397

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

20. Segment Disclosure

Sturgeon Lake First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by [Describe basis for segmentation, ex by department, function, control relationship, etc]. [Give description of segments and services provided]. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

	Education		Health		Economic Development		Housing					
	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014
Revenues:												
Federal government operating transfers	\$ -	\$ 4,597,690	\$ 4,450,975	\$ 2,146,539	\$ 2,190,972	\$ 2,056,744	\$ -	\$ -	\$ -	\$ 537,697	\$ 540,266	
Provincial government operating transfers				170,000	195,650	120,000						
Other revenue		1,600,831	1,098,615	366,893	348,050	361,541					4,258	39,451
Total Revenue		6,198,521	5,549,590	2,683,432	2,734,672	2,538,285					541,955	579,717
Expenses:												
Salaries and benefits		3,326,260	3,509,573	1,405,699	1,345,022	1,295,150					96,027	242,866
Debt Servicing		34,315	58,696								535	
Amortization		554,390	554,390	94,500	97,318	111,367						
Other Expenses		2,401,676	2,210,548	1,343,695	1,272,206	1,263,175					446,963	602,627
Total Expenses		6,316,641	6,333,207	2,843,894	2,714,546	2,669,692					543,525	845,493
Annual Surplus (Deficit)	\$ -	\$ (118,120)	\$ (783,617)	\$ (160,462)	\$ 20,126	\$ (131,407)	\$ -	\$ -	\$ -	\$ (1,570)	\$ (265,776)	

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

20. Segment Disclosure (continued)

	Social Services			Band Government			Community Services			Capital		
	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014
Revenues:												
Federal government operating transfers	\$ -	\$ 2,712,400	\$ 2,928,255	\$ 610,963	\$ 985,637	\$ 936,317	\$ 610,369	\$ 2,079,323	\$ 799,424	\$ -	\$ -	\$ -
Federal government capital transfers	-	-	-	280,538	527,643	425,675	99,000	(775,651)	2,376	-	569,940	1,149,899
Other revenue	-	-	-							-	1,059,407	105,342
Total Revenue	-	2,712,400	2,928,255	891,501	1,513,280	1,361,992	709,369	1,303,672	801,800	-	1,629,347	1,255,241
Expenses:												
Salaries and benefits	-	-	-	514,251	766,260	766,896	253,020	369,580	410,918	-	35,915	33,049
Debt Servicing	-	-	-	24,330	15,865	21,942	66,000	72,825	64,699	-	182,783	194,805
Amortization	-	-	-	129,734	131,620	-	451,904	224,182	-	-	461,668	461,668
Other Expenses	-	3,059,980	2,928,255	352,920	627,662	686,656	518,936	611,219	798,444	-	592,935	613,961
Total Expenses	-	3,059,980	2,928,255	891,501	1,539,521	1,607,114	837,956	1,505,528	1,498,243	-	1,273,301	1,303,483
Annual Surplus (Deficit)	\$ -	\$ (347,580)	\$ -	\$ (26,241)	\$ (245,122)	\$ (128,587)	\$ (201,856)	\$ (696,443)	\$ -	\$ 356,046	\$ (48,242)	

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

20. Segment Disclosure (continued)

	Other			Total Before Adjustments			Consolidation Adjustments			Consolidated Totals		
	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014
Revenues:												
Federal government operating transfers	\$ -	\$ 384,369	\$ 715,707	\$ 3,367,871	\$ 13,488,088	\$ 12,427,688	\$ -	\$ -	\$ -	\$ 3,367,871	\$ 13,488,088	\$ 12,427,688
Federal government capital transfers	-	-	-	-	569,940	1,149,899	-	-	-	-	569,940	1,149,899
Provincial government operating transfers	820,000	1,112,259	1,210,810	990,000	1,307,909	1,330,810	-	-	-	990,000	1,307,909	1,330,810
Income from investments in government business enterprise	-	7,454,624	7,164,186	-	7,454,624	7,164,186	-	-	-	-	7,454,624	7,164,186
Other revenue	472,443	1,404,249	1,219,208	1,218,874	4,168,787	3,252,208	-	-	-	1,218,874	4,168,787	3,252,208
Total Revenue	1,292,443	10,355,501	10,309,911	5,576,745	26,989,348	25,324,791	-	-	-	5,576,745	26,989,348	25,324,791
Expenses:												
Salaries and benefits	-	182,465	214,511	2,172,970	6,121,529	6,472,963	-	-	-	2,172,970	6,121,529	6,472,963
Debt Servicing	333,000	33,095	50,656	423,330	339,418	390,798	-	-	-	423,330	339,418	390,798
Amortization	-	-	-	94,500	1,695,014	1,483,227	-	-	-	94,500	1,695,014	1,483,227
Other Expenses	1,137,706	9,056,114	7,207,365	3,353,257	18,068,755	16,311,031	-	-	-	3,353,257	18,068,755	16,311,031
Total Expenses	1,470,706	9,271,674	7,472,532	6,044,057	26,224,716	24,658,019	-	-	-	6,044,057	26,224,716	24,658,019
Annual Surplus (Deficit)	\$ (178,263)	\$ 1,083,827	\$ 2,837,379	\$ (467,312)	\$ 764,632	\$ 666,772	\$ -	\$ -	\$ -	\$ (467,312)	\$ 764,632	\$ 666,772

STURGEON LAKE FIRST NATION
Notes to Consolidated Financial Statements
For the Year Ended March 31, 2015

21. Expenses by Object

The following is a summary of expenses by object:

	2015	2014
Salaries and wages	\$ 6,121,529	\$ 6,472,963
Staff development	246,702	393,836
Supplies and services	1,094,841	1,121,177
Interest	339,418	390,798
Professional services	57,313	60,957
Rental expenditures	5,329	24,231
Fees and contract services	709,971	747,435
Other	15,954,599	13,963,395
Amortization	1,695,014	1,483,227
	\$ 26,224,716	\$ 24,658,019

22. Trusts Under Administration

Sturgeon Lake First Nation acts as a trustee for a number of third parties, holding assets and administering them on their behalf. These assets held in trust are not included on the statement of financial position as assets of Sturgeon Lake First Nation. Amounts held in trust at the year-end are the following:

	2015	2014
Heritage Trust Fund	\$ 1,868,449	\$ 1,854,738
Treaty Land Entitlement Trust Fund	9,074,626	9,239,490
	\$ 10,943,075	\$ 11,094,228

23. Subsequent Events

The First Nation does not have any subsequent events.

24. Budgeted Figures

The budget figures are provided for information purposes only and were not covered by the scope of the external audit. Budget figures were not available for all programs.

STURGEON LAKE FIRST NATION
SCHEDULE OF REVENUE, EXPENDITURES AND UNEXPENDED EQUITY BY PROGRAM
Year Ended March 31, 2015

	CURRENT YEAR OPERATIONS										Page 1 of 2		
	Aboriginal Affairs and Northern Development Canada	Other Revenues	Transfers	Total Revenue	Expenditures	Annual Excess (Shortfall)	Transfers (To) / From Deferred	SURPLUS (DEFICIT)			Prior	Cumulative	
								2015	2014	Adjustments			
Administration													
Band Support	\$ 642,066	\$ 329,272	\$ -	\$ 971,338	\$ 951,868	\$ 19,470	\$ -	\$ 19,470	\$ (47,915)	\$ -	\$ 4,384,321	\$ 4,355,876	
Community Buildings	78,870	119,498	-	198,368	199,927	(1,559)	-	(1,559)	(85,419)	-	(74,507)	(161,485)	
Early Childhood													
Intervention Program					17,357	(17,357)	-	(17,357)	(11,431)	-	(18,399)	(47,187)	
Indian Registry	21,761	-	-	21,761	56,629	(34,868)	-	(34,868)	(36,089)	-	(40,242)	(111,199)	
Land Management	99,142	-	-	99,142	99,142	-	-	-	(5,839)	-	(8,168)	(14,007)	
RCMP	-	43,873	-	43,873	34,446	9,427	-	9,427	(2,541)	-	38,249	45,135	
Social Development	143,798	35,000	-	178,798	180,152	(1,354)	-	(1,354)	(55,888)	-	(170,619)	(227,861)	
NL Wellness and Training	-	-	-	-	-	-	-	-	-	-	11,185	11,185	
CMHC													
Phase 1 - 3	-	204,404	-	204,404	308,485	(104,081)	-	(104,081)	(109,297)	-	1,367,668	1,154,290	
Phase 4 - 12	-	775,454	-	775,454	795,790	(20,336)	-	(20,336)	(17,583)	-	2,109,388	2,071,469	
Phase 13 - 15	-	183,175	-	183,175	169,026	14,149	-	14,149	(4,362)	-	160,245	170,032	
Education													
Community Based	214,548	98,175	(53,314)	312,723	312,723	-	-	-	(72,609)	-	24,007	(48,602)	
FN Student Success Program	-	184,191	-	184,191	184,191	-	-	-	-	-	-	-	
Headstart	-	94,000	-	94,000	77,618	16,382	-	16,382	(17,501)	-	29,167	28,048	
Instructional	2,941,411	13,809	(496,729)	2,955,220	2,955,220	-	-	-	204,139	-	443,817	647,956	
New Paths	-	91,254	-	91,254	91,254	-	-	-	(311)	-	-	(311)	
Operations and Maintenance	316,084	50,000	362,381	728,465	834,423	(105,958)	(28,544)	(134,502)	(600,204)	-	13,362,777	12,628,071	
RMO	-	528,677	-	528,677	528,677	-	-	-	-	-	-	-	
Bussing	251,644	-	173,275	424,919	424,919	-	-	-	(196,424)	-	19,627	(176,797)	
Minor Capital	-	-	-	-	-	-	-	-	-	-	(7,777)	(7,777)	
Community School	-	-	-	-	-	-	-	-	-	-	(77)	(77)	
Women's Foundation	-	4,352	14,387	18,739	18,739	-	-	-	(8,935)	-	23,318	14,383	
Housing													
Capital Housing	298,056	4,258	-	302,314	302,314	-	-	-	20,132	-	(390,724)	(370,592)	
Capital Renovations	151,302	-	-	151,302	151,457	(155)	-	(155)	18,810	-	35,343	53,998	
RRAP	-	88,339	-	88,339	89,754	(1,415)	-	(1,415)	(304,718)	-	(43,010)	(349,143)	
Subdivision	-	-	-	-	-	-	-	-	-	-	(33,450)	(33,450)	
Infrastructure													
Other Protection	10,487	-	-	10,487	10,487	-	-	-	-	-	-	-	
Fire Protection	33,351	-	-	33,351	33,351	-	-	-	(21,282)	-	(43,481)	(64,763)	
Electrical Systems	10,720	-	-	10,720	10,720	-	-	-	-	-	3,494	3,494	
Roads	193,660	267,762	-	461,422	576,290	(114,868)	-	(114,868)	(336,118)	-	644,846	193,860	
Sanitation	247,173	57,282	-	304,455	447,043	(142,588)	59	(142,529)	(196,167)	-	554,016	215,320	
Water Treatment Plant	1,350,000	23,875	-	1,373,875	-	1,373,875	(1,192,032)	181,843	102,893	-	-	284,736	
Water	233,932	50,000	-	283,932	427,637	(143,705)	17,403	(126,302)	(245,769)	-	2,159,765	1,787,694	
	\$ 7,238,005	\$ 3,246,650	-	\$ 11,034,698	\$ 10,289,639	\$ 745,059	\$ (1,203,114)	\$ (458,055)	\$ (2,030,428)	-	\$ 24,540,779	\$ 22,052,296	

STURGEON LAKE FIRST NATION
SCHEDULE OF REVENUE, EXPENDITURES AND UNEXPENDED EQUITY BY PROGRAM
Year Ended March 31, 2015

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	Aboriginal Affairs and Northern Development Canada	CURRENT YEAR OPERATIONS						SURPLUS (DEFICIT)				Prior	Cumulative
		Other Revenues	Transfers	Total Revenue	Total Expenditures	Annual Excess (Shortfall)	Transfers (To) / From Deferred	2015	2014	Adjustments			
Other													
Bison	\$ -	\$ 44,284	\$ -	\$ 44,284	\$ 47,472	\$ (3,188)	\$ (3,188)	\$ (15,476)	\$ (15,476)	\$ (39,395)	\$ (58,059)		
Economic Development	-	-	-	-	-	-	-	-	-	300,568	300,568		
Fire Suppression	-	107,900	-	107,900	122,869	(14,969)	-	(14,969)	(15,046)	-	(77,358)	(107,373)	
Treaty Land Entitlement	-	-	-	-	-	-	-	-	2,426,900	-	(2,426,900)	-	
Tourism	-	-	-	-	-	-	-	-	-	-	(156,491)	(156,491)	
FN Inuit Youth Employment	-	-	-	-	-	-	-	-	-	-	(298)	(298)	
FAS / FASD Mentorship	-	-	-	-	-	-	-	-	-	-	(14,436)	(14,436)	
Crime Prevention / Intervention	-	-	-	-	-	-	-	-	-	-	627	627	
CMHC Housing	-	-	-	-	-	-	-	-	-	-	(60,664)	(60,664)	
Post Secondary	874,003	14,874	(77,657)	888,877	888,877	-	-	-	(91,772)	-	(4,925)	(96,697)	
Local Labour	-	130,171	77,657	207,828	222,394	(14,566)	-	(14,566)	(1,712)	-	(263,069)	(279,347)	
Revenue	-	2,156,496	-	2,156,496	1,521,671	634,825	-	634,825	(121,824)	-	3,548,718	4,061,719	
National Child Benefit	384,369	-	-	384,369	479,917	(95,548)	-	(95,548)	-	-	(103,671)	(199,219)	
Social Assistance	2,712,400	-	-	2,712,400	3,059,980	(347,580)	-	(347,580)	-	-	(626,785)	(974,365)	
Band Enterprises	-	7,454,624	-	7,454,624	6,877,351	577,273	-	577,273	564,537	-	4,032,159	5,173,969	
Capital Funding	-	-	-	-	-	-	466,314	466,314	83,000	-	(83,000)	466,314	
Band Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	-	
	3,970,772	9,908,349	-	13,956,778	13,220,531	736,247	466,314	1,202,561	2,828,607	-	4,025,080	8,056,248	
Health													
Building Healthy Communities	-	220,067	-	220,067	198,860	21,207	-	21,207	(4,101)	-	146,398	163,504	
Home Care	-	390,852	-	390,852	390,852	-	-	-	-	-	(2,455)	(2,455)	
Health Transfer	-	1,310,602	-	1,310,602	1,291,470	19,132	-	19,132	(102,841)	-	3,363,616	3,279,907	
Compassionate Travel	-	-	-	-	-	-	-	-	-	-	(181,462)	(181,462)	
Prenatal	-	36,000	-	36,000	37,192	(1,192)	-	(1,192)	-	-	36,914	35,722	
Aboriginal Diabetes Initiative	-	63,325	-	63,325	65,467	(2,142)	-	(2,142)	-	-	(29,478)	(31,620)	
Medical Transportation	-	317,435	-	317,435	334,314	(16,879)	-	(16,879)	(40,242)	-	11,325	(45,796)	
Family Violence (AANDC)	-	-	-	-	-	-	-	-	-	-	9,624	9,624	
Home Care (AANDC)	92,698	2,651	-	95,349	95,349	-	-	-	-	-	63,619	63,619	
Daycare	-	177,427	-	177,427	177,427	-	-	-	15,777	-	214,467	230,244	
Water Lab	-	29,000	-	29,000	29,000	-	-	-	-	-	(1,966)	(1,966)	
Maternal Child Health	-	94,615	-	94,615	94,615	-	-	-	-	-	(871)	(871)	
	92,698	2,641,974	-	2,734,672	2,714,546	20,126	-	20,126	(131,407)	-	3,629,731	3,518,450	
GRAND TOTALS	\$ 11,301,475	\$ 15,796,973	-	\$ 27,726,148	\$ 26,224,716	\$ 1,501,432	\$ (736,800)	\$ 764,632	\$ 666,772	-	\$ 32,195,590	\$ 33,626,994	