

**Sakimay First Nations**  
**Consolidated Financial Statements**  
*March 31, 2014*

# Sakimay First Nations

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For the year ended March 31, 2014

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## Management's Responsibility

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To the Members of Sakimay First Nations:

The accompanying consolidated financial statements of Sakimay First Nations are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Sakimay First Nations Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 31, 2014

"Original Signed By"

Chief Acoose

"Original Signed By"

Councillor Timothy Ponace

## Independent Auditors' Report

To the Members of Sakimay First Nations:

We have audited the accompanying consolidated financial statements of Sakimay First Nations, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sakimay First Nations as at March 31, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan

July 31, 2014



Chartered Accountants

**Sakimay First Nations**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2014*

|   | <b>2014</b>       | <b>2013</b> |
|---|-------------------|-------------|
| <b>Financial assets</b>   |                   |             |
| <b>Current</b>  |                   |             |
| Cash resources (Note 3)   | 4,213,031         | 2,103,434   |
| Accounts receivable (Note 4)  | 1,437,325         | 5,595,459   |
| Inventory for resale  | -                 | 114,528     |
| Loans receivable (Note 5)   | 148,293           | 138,375     |
|   | <b>5,798,649</b>  | 7,951,796   |
| <b>Advances to related Nation entities (Note 6)</b>                     | <b>2,963,705</b>  | 3,000,429   |
| <b>Investment in Nation business entities and partnerships (Note 7)</b> | <b>1,465,361</b>  | 488,894     |
| <b>Funds held in trust (Note 8)</b>                                     | <b>587,301</b>    | 647,381     |
| <b>Total financial assets</b>   | <b>10,815,016</b> | 12,088,500  |
| <b>Liabilities</b>  |                   |             |
| <b>Current</b>  |                   |             |
| Accounts payable and accruals (Note 9)                                  | 3,421,827         | 6,086,472   |
| Deferred revenue (Note 11)  | 3,395,992         | 1,703,514   |
| Current portion of per capita payments (Note 20)                        | 161,000           | -           |
| Current portion of long-term debt (Note 12)                             | 148,398           | 123,955     |
|   | <b>7,127,217</b>  | 7,913,941   |
| <b>Long-term debt (Note 12)</b>   | <b>1,881,067</b>  | 1,280,017   |
| <b>Long-term portion of per capita payments (Note 20)</b>               | <b>414,000</b>    | -           |
|   | <b>2,295,067</b>  | 1,280,017   |
| <b>Total financial liabilities</b>                                      | <b>9,422,284</b>  | 9,193,958   |
| <b>Net financial assets</b>   | <b>1,392,732</b>  | 2,894,542   |
| <b>Contingencies (Note 13)</b>  |                   |             |
| <b>Non-financial assets</b>   |                   |             |
| Tangible capital assets (Note 14)                                       | 9,635,152         | 7,278,059   |
| Prepaid expenses  | 136,408           | 966,087     |
| <b>Total non-financial assets</b>                                       | <b>9,771,560</b>  | 8,244,146   |
| <b>Accumulated surplus (Note 15)</b>                                    | <b>11,164,292</b> | 11,138,688  |

Approved on behalf of the Council

“Original Signed By”  
 Chief Acoose

“Original Signed By”  
 Councillor Timothy Ponace

The accompanying notes are an integral part of these financial statements

**Sakimay First Nations**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2014*

|  |    | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>       | <b>2013</b>       |
|--|----|--------------------------------------|-------------------|-------------------|
| <b>Revenue</b>   |    |                                      |                   |                   |
| Aboriginal Affairs and Northern Development Canada (Note 16) |    | 4,282,516                            | 26,968,087        | 4,668,270         |
| Health Canada (Note 17)                                      |    | 479,224                              | 506,415           | 434,772           |
| Canada Mortgage and Housing Corporation                      |    | 178,250                              | 178,882           | 114,922           |
| Saskatchewan Indian Institute of Technology                  |    | 89,000                               | 73,806            | 70,036            |
| Saulteaux Junction - sales                                   |    | -                                    | -                 | 6,670,050         |
| Contributions  |    | -                                    | 1,593,259         | 71,183            |
| Lease income - Band Trust Funds                              |    | 561,628                              | 491,604           | 660,768           |
| First Nations Trust  |    | 460,000                              | 479,352           | 556,686           |
| Rental income  |    | 182,502                              | 198,589           | 129,732           |
| Yorkton Tribal Council                                       |    | 167,889                              | 231,224           | 175,906           |
| Painted Hand Community Development Corporation               |    | 17,600                               | 151,257           | 143,175           |
| Other revenue  |    | 347,044                              | 357,671           | 160,098           |
| Interest income  |    | 28,000                               | 58,174            | 47,986            |
| Provincial Disaster Assistance Program                       |    | -                                    | 28,428            | 70,000            |
| Donations  |    | 15,000                               | 2,155             | 14,720            |
| Gain on disposal of tangible capital assets                  |    | -                                    | 178,439           | 350               |
| Earnings (loss) from investment in Nation partnerships       |    | -                                    | (399,904)         | 215,198           |
|  |    | <b>6,808,653</b>                     | <b>31,097,438</b> | <b>14,203,852</b> |
| <b>Program expenses</b>                                      |    |                                      |                   |                   |
| Lands and Memberships  | 2  | 369,723                              | 21,608,578        | 706,749           |
| Education  | 3  | 2,329,431                            | 2,091,632         | 2,046,991         |
| Community Infrastructure                                     | 4  | 357,967                              | 629,393           | 577,277           |
| Social Development   | 5  | 654,773                              | 700,296           | 661,471           |
| Band Government  | 6  | 983,522                              | 1,088,303         | 1,178,693         |
| Capital  | 7  | 378,145                              | 582,087           | 513,301           |
| Health   | 8  | 741,654                              | 794,011           | 610,982           |
| First Nation Commercial Activities                           | 9  | 334,091                              | 2,062,000         | 6,479,543         |
| Other Band Programs  | 10 | 1,361,425                            | 1,515,534         | 2,106,761         |
| <b>Total expenditures</b>                                    |    | <b>7,510,731</b>                     | <b>31,071,834</b> | <b>14,881,768</b> |
| <b>Surplus (deficit)</b>                                     |    | <b>(702,078)</b>                     | <b>25,604</b>     | <b>(677,916)</b>  |
| <b>Accumulated surplus, beginning of year</b>                |    | <b>11,138,688</b>                    | <b>11,138,688</b> | <b>11,816,604</b> |
| <b>Accumulated surplus, end of year (Note 15)</b>            |    | <b>10,436,610</b>                    | <b>11,164,292</b> | <b>11,138,688</b> |

The accompanying notes are an integral part of these financial statements

**Sakimay First Nations**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2014*

|  | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>        | <b>2013</b>      |
|--|--------------------------------------|--------------------|------------------|
| <b>Annual surplus (deficit)</b>                              | <b>(702,078)</b>                     | <b>25,604</b>      | <b>(677,916)</b> |
| Purchases of tangible capital assets                         | -                                    | <b>(3,241,888)</b> | (276,771)        |
| Amortization of tangible capital assets                      | -                                    | <b>605,195</b>     | 593,024          |
| Proceeds of disposal of tangible capital assets              | -                                    | <b>178,439</b>     | -                |
| Gain on sale of tangible capital assets                      | -                                    | <b>(178,439)</b>   | -                |
| Transfer of tangible capital assets to business partnerships | -                                    | <b>279,600</b>     | -                |
|  | -                                    | <b>(2,357,093)</b> | 316,253          |
| Acquisition of prepaid expenses                              | -                                    | -                  | (888,391)        |
| Use of prepaid expenses                                      | -                                    | <b>829,679</b>     | -                |
|  | -                                    | <b>829,679</b>     | (888,391)        |
| <b>Decrease in net assets</b>                                | <b>(702,078)</b>                     | <b>(1,501,810)</b> | (1,250,054)      |
| <b>Net financial assets, beginning of year</b>               | <b>2,894,542</b>                     | <b>2,894,542</b>   | 4,144,596        |
| <b>Net financial assets, end of year</b>                     | <b>2,192,464</b>                     | <b>1,392,732</b>   | 2,894,542        |

The accompanying notes are an integral part of these financial statements

**Sakimay First Nations**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2014*

|   | 2014        | 2013        |
|---|-------------|-------------|
| <b>Cash provided by (used for) the following activities</b>         |             |             |
| <b>Operating activities</b>   |             |             |
| Surplus (deficit)   | 25,604      | (677,916)   |
| Non-cash items  |             |             |
| Amortization  | 605,195     | 593,024     |
| Bad debts   | 96,778      | 70,389      |
| Gain on sale of tangible capital assets                             | (178,439)   | -           |
|   | 549,138     | (14,503)    |
| Changes in working capital accounts                                 |             |             |
| Accounts receivable   | 4,061,356   | (1,291,371) |
| Loans receivable  | (9,918)     | 53,610      |
| Inventory for resale  | 114,528     | (15,710)    |
| Prepaid expenses  | 829,679     | (888,391)   |
| Accounts payable and accruals                                       | (2,664,641) | 468,334     |
| Deferred revenue  | 1,692,478   | 974,165     |
|   | 4,572,620   | (713,866)   |
| <b>Financing activities</b>   |             |             |
| Advances of long-term debt  | 750,000     | -           |
| Repayment of long-term debt   | (124,507)   | (143,082)   |
| Increase in per capita payments                                     | 575,000     | -           |
|   | 1,200,493   | (143,082)   |
| <b>Capital activities</b>   |             |             |
| Purchases of tangible capital assets                                | (3,241,888) | (276,771)   |
| Proceeds of disposal of tangible capital assets                     | 178,439     | -           |
|   | (3,063,449) | (276,771)   |
| <b>Investing activities</b>   |             |             |
| Repayment of advances to related parties                            | 36,724      | 15,931      |
| Increase in funds held in trust                                     | 60,080      | (196,418)   |
| Increase in investment in Nation business entities and partnerships | (696,871)   | (215,198)   |
|   | (600,067)   | (395,685)   |
| <b>Increase (decrease) in cash resources</b>                        | 2,109,597   | (1,529,404) |
| <b>Cash resources, beginning of year</b>                            | 2,103,434   | 3,632,838   |
| <b>Cash resources, end of year</b>                                  | 4,213,031   | 2,103,434   |

The accompanying notes are an integral part of these financial statements



**1. Operations**

The Sakimay First Nations (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. Sakimay First Nations includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Sakimay First Nations are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Sakimay First Nations
- Sakimay First Nations CMHC Housing Projects
- Sakimay Developments Inc.
- Sakimay Land Authority
- Sakimay Revenue Account
- Four Horse Developments Limited Partnership
- Four Horse Developments Ltd.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Sakimay First Nations business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Sakimay Retail Entities Limited Partnership
- Sakimay Retail Entities Inc.
- PHC Holdings Limited Partnership

Separate audits are performed on the above entities' financial statements.

The financial statement of Sakimay Legacy Trust is not included in the consolidated financial statement as the entity is administered and controlled by Trustees of the Trust.

Investments in First Nation partnerships are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the First Nation partnership have been combined on a line-by-line basis with similar items of the First Nation.

**2. Significant accounting policies** *(Continued from previous page)*

***Other economic interests***

Sakimay First Nations is a member of Yorkton Tribal Council Child and Family Services Incorporated. The Yorkton Tribal Council Child and Family Services Incorporated is an organization of thirteen member First Nations, whose purpose is to provide child and family services to the thirteen member Nations.

Sakimay First Nations is a member of the Yorkton Tribal Council. The Tribal Council is an organization of Six Nations. The Tribal Council's goal is to enhance the services provided to the member Nations.

The First Nation does not have a share in the profit or loss of the above entities. As a result, the financial statements of Yorkton Tribal Council Child and Family Services Incorporated and Yorkton Tribal Council have not been consolidated with the financial statements of Sakimay First Nations.

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Cash resources***

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash is disclosed in Note 3.

***Funds held in Ottawa Trust Fund***

Funds are held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from trust fund moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

***Amortization***

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

|                        | <b><i>Method</i></b> | <b><i>Rate</i></b> |
|------------------------|----------------------|--------------------|
| Buildings              | straight-line        | 25 years           |
| Housing                | straight-line        | 15 years           |
| Machinery              | straight-line        | 10 years           |
| Office equipment       | straight-line        | 5 years            |
| Roads                  | straight-line        | 40 years           |
| Water system & fencing | straight-line        | 25 years           |
| Other                  | straight-line        | 5 years            |

**2. Significant accounting policies** *(Continued from previous page)*

***Intangible assets***

The First Nation owns land, mineral resources and water resources inherited from the Crown. These items are not recognized in the First Nation's financial statements in accordance with PS 1200 *Financial Statement Presentation*.

***Long-lived assets and discontinued operations***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the carrying amount. Impairment is measured as the amount by which the carrying amount exceeds its fair value. Any impairment is included in surplus for the year.

Prices for similar items are used to measure fair value of long-lived assets.

***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

***Net financial assets***

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

***Provision for site rehabilitation***

The First Nation is reviewing environmental objectives and liabilities for its activities and potential site reclamation and restoration obligations. The First Nation has yet to determine the amounts of such obligations.

***Revenue recognition***

***Government Transfers***

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

***Other Revenue***

Rental revenue is recognized over the rental term. Investment income is recognized as it is earned. Other revenues are earned from services provided by the First Nation and are recognized when the service has been provided.

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

**2. Significant accounting policies** *(Continued from previous page)*

***Measurement uncertainty***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in periods in which they become known.

***Segments***

The First Nation conducts its business through nine of reportable segments identified in the attached schedules. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance and as part of its funding requirements.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information and are apportioned based on a percentage of budgeted revenue, where permitted by funding agencies.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

***Recent accounting pronouncements***

***Liability for contaminated sites***

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The First Nation has not yet determined the effect of the new section in its consolidated financial statements.

***Financial instruments***

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation does not expect the adoption of these new standards to have a material impact on its financial statements.

**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**3. Cash resources**

|   | <b>2014</b>      | <b>2013</b> |
|---|------------------|-------------|
| Sakimay First Nation - General account      | <b>840,680</b>   | 129,153     |
| Sakimay First Nation CMHC                   | <b>254,526</b>   | 306,300     |
| Sakimay Land Authority                      | <b>1,941,767</b> | 823,958     |
| Sakimay First Nation - Capital Projects     | <b>561,450</b>   | 98,400      |
| Sakimay First Nation - Phase 19             | <b>2,622</b>     | 109,059     |
| Sakimay Developments Inc                    | <b>502,933</b>   | -           |
| Sakimay Revenue Account                     | <b>27,047</b>    | 4,157       |
| Four Horse Developments Limited Partnership | <b>82,006</b>    | -           |
| Saulteaux Junction                          | <b>-</b>         | 632,407     |
|   | <b>4,213,031</b> | 2,103,434   |

Restricted cash consists of amounts relating to CMHC replacement reserve of \$202,623 (2013 - \$202,144) and the CMHC operating reserve of \$109,067 (2013 - \$126,619) and the subsidy surplus reserve of \$nil (2013 - \$9).

Restricted cash also consists of cash managed by capital project managers who are responsible for payment of expenses relating to capital projects funded by AANDC. At March 31, 2014 this amounted to \$557,611 (2013 - \$94,613).

**4. Accounts receivable**

|                                       | <b>2014</b>      | <b>2013</b> |
|---------------------------------------|------------------|-------------|
| AANDC                                 | <b>265,047</b>   | 4,808,934   |
| CMHC                                  | <b>140,763</b>   | 15,566      |
| Health Canada                         | <b>37,967</b>    | 39,131      |
| Sask Finance                          | <b>-</b>         | 223,706     |
| Saskatchewan Watershed Authority      | <b>12,500</b>    | 12,500      |
| Enbridge                              | <b>90,055</b>    | 131,756     |
| Treaty Land Entitlement               | <b>127,160</b>   | 127,160     |
| Other                                 | <b>817,466</b>   | 236,706     |
|                                       | <b>1,490,958</b> | 5,595,459   |
| Less: Allowance for doubtful accounts | <b>(53,633)</b>  | -           |
|                                       | <b>1,437,325</b> | 5,595,459   |

**5. Loans receivable**

|                                       | <b>2014</b>      | <b>2013</b>      |
|---------------------------------------|------------------|------------------|
| Loans receivable                      | <b>587,151</b>   | <b>576,679</b>   |
| Less: Allowance for doubtful accounts | <b>(438,858)</b> | <b>(438,304)</b> |
|                                       | <b>148,293</b>   | <b>138,375</b>   |

**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**6. Advances to related nation entities**

Advances to related Nation entities are unsecured, non-interest bearing and without fixed terms of repayment. All transactions with related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

|   | <b>2014</b>      | <b>2013</b> |
|---|------------------|-------------|
| Advance to Four Horse Developments Limited Partnership    | (246)            | 3,004       |
| Advances to Sakimay Developments Inc.                     | -                | 231,342     |
| Advances to Sakimay Reserve Acquisition                   | <b>2,792,063</b> | 2,766,083   |
| Advances to Sakimay Legacy Trust                          | <b>177,224</b>   | -           |
| Advances from Sakimay Retail Entities Limited Partnership | <b>(5,336)</b>   | -           |
|   | <b>2,963,705</b> | 3,000,429   |

**7. Investment in First Nation business entities and partnerships**

The First Nation has investments in the following entities:

|  | <b>2014</b> | <b>2013</b> |
|--|-------------|-------------|
| <b>Wholly-owned Business - Modified Equity</b>             |             |             |
| Four Horse Developments Ltd.                               | -           | 103         |
| Sakimay Developments Inc.                                  | -           | 1,000       |
| Sakimay Retail Entities Inc.                               | (1,008)     | -           |
|  | (1,008)     | 1,103       |
| <b>First Nation Business Partnership - Modified Equity</b> |             |             |
| PHC Holdings Limited Partnership - 14%                     | 311,065     | 255,094     |
| Sakimay Retail Entities Limited Partnership                | 1,155,304   | -           |
| Four Horse Developments Limited Partnership                | -           | 232,697     |
|  | 1,466,369   | 487,791     |
| <b>Net asset</b>   | 1,465,361   | 488,894     |

Sakimay Retail Entities Limited Partnership, Sakimay Retail Entities Inc. and PHC Holdings Limited Partnership have December 31, 2013 year ends. Condensed financial information for each entity for their respective years is as follows:

|   | <b>Assets</b> | <b>Liabilities</b> | <b>Net Assets</b> | <b>Revenue</b> | <b>Expenses</b> | <b>Earnings<br/>(Loss)</b> |
|---|---------------|--------------------|-------------------|----------------|-----------------|----------------------------|
| PHC Holding Limited Partnership - 14.28%            | 1,606,566     | 1,295,501          | 311,065           | 223,382        | 167,412         | 55,970                     |
| Sakimay Retail Entities Limited Partnership - 99.9% | 1,543,200     | 387,896            | 1,155,304         | 4,884,271      | 5,339,137       | (454,866)                  |
| Sakimay Retail Entities Inc.                        | 1,008         | -                  | (1,008)           | -              | 1,008           | (1,008)                    |
|   | 3,150,774     | 1,683,397          | 1,465,361         | 5,107,653      | 5,507,557       | (399,904)                  |

The above assets, liabilities, net assets (liabilities), revenue, expenses and earnings (losses) are as reported for each company's/partnership financial statements. The investment balance has been adjusted for any inter-organizational gains and losses and for the First Nations portion of ownership interest.

Included in revenue for PHC Holdings Limited Partnership are contributions of \$63,115 to Sakimay First Nations. Included in revenue for Sakimay Retail Entities Limited Partnership are contributions of \$377,920 to Sakimay First Nations.

During the year, it was determined that Four Horse Developments Limited Partnership, Four Horse Developments Ltd. and Sakimay Developments Inc. are now dependent on the Nation for their continuing operations. For this reason, the assets, liabilities, revenues and expenses of these three entities have been consolidated in the current year.

**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**8. Funds held in trust**

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council.

|  | <b>2014</b>      | <b>2013</b> |
|--|------------------|-------------|
| <b>Capital Trust</b>                     |                  |             |
| Balance, beginning of year               | <b>200</b>       | 200         |
| Balance, end of year                     | <b>200</b>       | 200         |
| <b>Revenue Trust</b>                     |                  |             |
| Balance, beginning of year               | <b>647,181</b>   | 450,762     |
| Interest                                 | <b>9,944</b>     | 6,747       |
| Lease revenue                            | <b>491,604</b>   | 660,968     |
|  | <b>1,148,729</b> | 1,118,477   |
| Less: Section 69 Transfers to the Nation | <b>561,628</b>   | 471,296     |
| Balance, end of year                     | <b>587,101</b>   | 647,181     |
| Total                                    | <b>587,301</b>   | 647,381     |

During the current year, \$561,628 was transferred to Sakimay First Nations through requests for funds held in trust. The transfer of funds is recorded in the following segments:

|   |                  |
|---|------------------|
| Capital - Housing   | \$24,000         |
| Band Government - Band Government                               | \$33,213         |
| Band Government - Core  | \$159,450        |
| Community Infrastructure - Roads                                | \$10,000         |
| Community Infrastructure - Operations & Maintenance             | \$41,951         |
| Land and Memberships - Community Pasture                        | \$37,027         |
| Other Band Programs - Inter-Governmental                        | \$50,000         |
| Other Band Programs - Culture, Youth, Family Services & Justice | \$1,753          |
| Other Band Programs - Off Reserve Services                      | \$94,800         |
| Other Band Programs - Other Band Programs                       | <u>\$109,434</u> |
|   | \$561,628        |

As of March 31, 2014, the First Nation has unexpended transfers from Funds held in Trust in the amount of \$nil (2013 - \$nil).

**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**9. Accounts payable and accruals**

|                         | <b>2014</b>      | <b>2013</b> |
|-------------------------|------------------|-------------|
| Cottage and lease funds | <b>2,107,105</b> | 1,573,892   |
| Trade payables          | <b>680,959</b>   | 633,752     |
| TLE loan                | <b>427,577</b>   | 427,577     |
| Wages                   | <b>108,303</b>   | 103,150     |
| Other                   | <b>97,883</b>    | 136,221     |
| Flood claim loan        | -                | 3,211,880   |
|                         | <b>3,421,827</b> | 6,086,472   |

The flood claim loan represented funds advanced from Aboriginal Affairs and Northern Development Canada in prior years for the purpose of funding claim proceedings. The amount was withheld from the settlement received when the claim was concluded.

**10. CMHC Reserves**

Operating reserve

The First Nation's CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this program.

Replacement reserve

A replacement reserve fund has been established for replacement of capital equipment and for major repairs to the houses. Pursuant to CMHC agreements, operating provisions of \$40 per unit per month are provided for in the statement of operations for Phases I through 12, \$83 per unit per month for Phases 13, 17 and 18, \$94 per unit per month for Phase 14, \$100 per unit per month for Phase 15 and \$103 for Phase 16 .

Subsidy Surplus reserve

For phases 1 through 12 (pre 1997 - 2% program), if a project has a surplus, a maximum of \$500 per house may be charged to operations and reserved for future operating losses.

At March 31, 2014, the replacement reserve fund is over-funded by \$4,912, (2013 - over-funded by \$1,939), the operating reserve fund is over-funded by \$33,217, (2013 - over-funded by \$29,129) and the subsidy surplus reserve fund is over-funded by \$nil (2013 - over-funded by \$9).



**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**11. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

|                        | <i>Balance,<br/>beginning of<br/>year</i> | <i>Contributions<br/>received</i> | <i>Recognized as<br/>revenue</i> | <i>Balance, end<br/>of year</i> |
|------------------------|---|-----------------------------------|----------------------------------|---------------------------------|
| AANDC                  | 1,468,699                                 | 31,010,895                        | 30,020,720                       | 2,458,874                       |
| First Nations Trust    | 29,568                                    | 550,351                           | 484,155                          | 95,764                          |
| Painted Hand Casino    | 52,684                                    | 164,715                           | 120,987                          | 96,412                          |
| Enbridge               | 85,438                                    | 2,400                             | 15,000                           | 72,838                          |
| Yorkton Tribal Council | 36,834                                    | 213,010                           | 236,744                          | 13,100                          |
| Health Canada          | 10,878                                    | -                                 | 10,878                           | -                               |
| Other                  | 19,413                                    | 646,774                           | 7,183                            | 659,004                         |
|                        | <b>1,703,514</b>                          | <b>32,588,145</b>                 | <b>30,895,667</b>                | <b>3,395,992</b>                |

AANDC Deferred revenue relates to the following:

- Capital - Drainage Project \$1,181,686
- Education - Provincial Schools - Direct Services \$53,505
- Other Band Programming - TLE Ratification \$233,735
- Other Band Programming - CEOP Phase 3 \$3,077
- 2014/2015 AANDC funding received in advance \$986,871

**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**12. Long-term debt**

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

| Phase   | Monthly Payment Including Interest | Interest Rate | Maturity Date | 2014             | 2013      |
|---|------------------------------------|---------------|---------------|------------------|-----------|
| 1   | 560                                | 17.50%        | Jun 1, 2017   | <b>16,693</b>    | 20,253    |
| 10  | 1,579                              | 5.39%         | Aug 1, 2019   | <b>74,403</b>    | 88,957    |
| 11  | 379                                | 4.25%         | Apr 1, 2019   | <b>18,004</b>    | 21,713    |
| 12  | 226                                | 4.85%         | Aug 1, 2019   | <b>10,758</b>    | 12,894    |
| 13  | 520                                | 2.76%         | Feb 1, 2025   | <b>58,811</b>    | 63,370    |
| 14  | 1,012                              | 1.64%         | Nov 1, 2026   | <b>138,905</b>   | 148,696   |
| 15  | 1,422                              | 1.65%         | Jun 1, 2027   | <b>203,061</b>   | 216,666   |
| 16  | 721                                | 1.53%         | Oct 1, 2032   | <b>139,868</b>   | 146,329   |
| 17  | 2,520                              | 3.13%         | May 1, 2030   | <b>381,250</b>   | 399,332   |
| 18  | 1,008                              | 3.13%         | May 1, 2030   | <b>151,845</b>   | 159,098   |
| 19  | 3,784                              | 1.98%         | May 1, 2034   | <b>750,000</b>   | -         |
|   |                                    |               |               | <b>1,943,598</b> | 1,277,308 |
| Toronto Dominion Bank - 2010 Ford Escape, repayable at \$444 per month bearing interest at prime + 1.5%, due December 2013, secured by related asset with a net book value of \$16,932. |                                    |               |               | -                | 3,998     |
| Toronto Dominion Bank - 2010 Volvo Grader, repayable at \$3,067 per month bearing interest at prime + 1.5%, due July 2016, secured by related asset with a net book value of \$185,150. |                                    |               |               | <b>85,867</b>    | 122,666   |
|   |                                    |               |               | <b>2,029,465</b> | 1,403,972 |
| Less current portion of long term debt  |                                    |               |               | <b>(148,398)</b> | (123,955) |
|   |                                    |               |               | <b>1,881,067</b> | 1,280,017 |

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

|      |         |
|------|---------|
| 2015 | 148,398 |
| 2016 | 157,090 |
| 2017 | 136,556 |
| 2018 | 123,735 |
| 2019 | 112,299 |

**13. Contingencies**

There is a legal claim pending against Sakimay First Nations. The estimated liability for this claim is approximately \$635,000 however the likelihood of loss for this claim is not determinable at March 31, 2014. If any liability results from this claims, it will be accounted for as an expenditure at that time.

**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**14. Tangible capital assets**

|                        | <i>Cost</i>       | <i>Additions</i> | <i>Disposals</i> | <i>Accumulated<br/>amortization</i> | <i>2014<br/>Net book<br/>value</i> |
|------------------------|-------------------|------------------|------------------|-------------------------------------|------------------------------------|
| Buildings              | 5,654,105         | 244,275          | 398,763          | 3,006,480                           | 2,493,137                          |
| Housing                | 6,739,524         | 956,112          | 57,500           | 5,142,986                           | 2,495,150                          |
| Machinery              | 1,654,945         | -                | 68,823           | 1,024,087                           | 562,035                            |
| Roads                  | 829,468           | 2,004,439        | -                | 544,158                             | 2,289,749                          |
| Water system & fencing | 153,739           | -                | -                | 85,864                              | 67,875                             |
| Other                  | 502,633           | 29,050           | 212,760          | 286,429                             | 32,494                             |
| Land                   | 1,665,520         | -                | -                | -                                   | 1,665,520                          |
| Office equipment       | 237,577           | 11,387           | 7,270            | 212,502                             | 29,192                             |
|                        | <b>17,437,511</b> | <b>3,245,263</b> | <b>745,116</b>   | <b>10,302,506</b>                   | <b>9,635,152</b>                   |

  

|                        | <i>Cost</i>       | <i>Additions</i> | <i>Disposals</i> | <i>Accumulated<br/>amortization</i> | <i>2013<br/>Net book<br/>value</i> |
|------------------------|-------------------|------------------|------------------|-------------------------------------|------------------------------------|
| Buildings              | 5,654,105         | -                | -                | 2,966,737                           | 2,687,368                          |
| Housing                | 6,543,978         | 195,546          | -                | 5,011,936                           | 1,727,588                          |
| Machinery              | 1,589,146         | 65,799           | -                | 949,394                             | 705,551                            |
| Roads                  | 829,468           | -                | -                | 475,772                             | 353,696                            |
| Water system & fencing | 153,739           | -                | -                | 80,955                              | 72,784                             |
| Other                  | 489,887           | 12,749           | -                | 474,894                             | 27,742                             |
| Land                   | 1,665,520         | -                | -                | -                                   | 1,665,520                          |
| Office equipment       | 234,897           | 2,680            | -                | 199,767                             | 37,810                             |
|                        | <b>17,160,740</b> | <b>276,774</b>   | <b>-</b>         | <b>10,159,455</b>                   | <b>7,278,059</b>                   |

During the year end March 31, 2014 amortization expense of \$605,195 (2013 - \$593,024) was recorded of which \$183,297 (2013 - \$189,478) related to Buildings, \$19,329 (2013 - \$19,711) related to Office Equipment, \$127,571 (2013 - \$137,614) related to Machinery, \$4,909 (2013 - \$4,909) related to Water system and fencing, \$68,386 (2013 - \$18,275) related to Roads, \$188,549 (2013 - \$200,648) related to Housing and \$13,154 (2013 - \$22,388) related to Other.

Tangible capital assets include original land, roads, water lines and sewer lines disclosed at nominal amount.

**15. Accumulated surplus**

Accumulated surplus consists of the following:

|  | <i>2014</i>       | <i>2013</i>       |
|--|-------------------|-------------------|
| Equity in Ottawa Trust Funds           | 587,301           | 647,381           |
| Equity in CMHC operating reserve       | 75,850            | 97,490            |
| Equity in CMHC replacement reserve     | 197,711           | 200,205           |
| Equity in tangible capital assets      | 7,602,987         | 5,874,115         |
| Equity in controlled business entities | 1,465,361         | 488,791           |
| Unrestricted surplus                   | 1,235,082         | 3,830,706         |
|  | <b>11,164,292</b> | <b>11,138,688</b> |

Sakimay First Nations does not have a moveable asset reserve.

**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**16. Reconciliation of funding from Aboriginal Affairs and Northern Development Canada**

|  | <b>2014</b>        | <b>2013</b> |
|--|--------------------|-------------|
| AANDC funding per confirmation                     | <b>30,024,025</b>  | 5,328,618   |
| Funding receivable (designation vote)              | -                  | 45,567      |
| TLE Funds not confirmed                            | -                  | 284,525     |
| Settlement claim loan forgiveness                  | <b>(3,073,995)</b> | -           |
| AANDC funding from 2012 - community infrastructure | <b>19,600</b>      | -           |
| AANDC funding from 2012 - economic development     | <b>4,920</b>       | -           |
|  | <b>26,974,550</b>  | 5,658,710   |
| Recovery of funding - other health programming     | -                  | 2,084       |
| Recovery of funding - education administration     | <b>(3,160)</b>     | 3,259       |
|  | <b>(3,160)</b>     | 5,343       |
| Recognition of deferred revenue                    | <b>(3,303)</b>     | (995,783)   |
|  | <b>26,968,087</b>  | 4,668,270   |

**17. Reconciliation of funding from Health Canada**

|  | <b>2014</b>     | <b>2013</b> |
|--|-----------------|-------------|
| Funding per Health Canada confirmation           | <b>506,082</b>  | 483,272     |
| Less: recovery of funding                        |                 |             |
| Mental Health                                    | -               | (1,274)     |
| Health Planning and Management                   | <b>(1,020)</b>  | (8,182)     |
| Facility Operations and Maintenance              | <b>(239)</b>    | (10,580)    |
| Non-Insured Health Benefits                      | <b>(992)</b>    | (10,013)    |
| Community Health Representative                  | -               | (3,802)     |
| Community Health Promotion and Injury Prevention | <b>(1,732)</b>  | (2,972)     |
| Canada Prenatal Nutrition Program                | <b>(144)</b>    | -           |
| Fetal Alcohol Spectrum Disorder                  | <b>(1,345)</b>  | -           |
| Communicable Disease Control - Immunization      | <b>(179)</b>    | -           |
| Home and Community Care                          | <b>(4,894)</b>  | -           |
|  | <b>(10,545)</b> | (36,823)    |
| Recognition (accrual) of deferred revenue        | <b>10,878</b>   | (11,677)    |
|  | <b>506,415</b>  | 434,772     |

**Sakimay First Nations**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**18. Economic dependence**

Sakimay First Nations receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**19. Budget information**

The disclosed budget information has been approved by the Chief and Council of Sakimay First Nations on April 5, 2013.

**Reconciliation to approved budget**

|  |                  |
|--|------------------|
| Deficit per budget                     | \$(108,601)      |
| Less: Transfer from Band Trust Funds   | (173,477)        |
| Less: Transfer from First Nation Trust | <u>(420,000)</u> |
| Deficit per Statement of Operations    | \$(702,078)      |

**20. Flood claim settlement**

In 2013, Sakimay First Nations and the Government of Canada came to an agreement on the historic Sakimay Flood Claim originally submitted in 1986. The settlement agreement provides compensation to Sakimay First Nations in the form of a one-time cash payment of \$21,191,732 to be received following execution of the agreement. The settlement agreement was ratified by a Band membership vote prior to March 31, 2013 and the funds were deposited into the Sakimay Legacy Trust account on May 16, 2013. During the year, \$53,000 (2013 - \$895,000) was paid out for a per capita distribution pursuant to the trust agreement. Per capita payments are paid out to members once they reach the age of majority. At March 31, 2014 there is \$161,000 (2013 - \$nil) of current per capita payments payable and \$414,000 (2013 - \$nil) of long term per capita payments payable.

**21. Segments**

The First Nation had 9 of reportable segments. These segments are differentiated by the major activities or services they provide.

The First Nation's segments are as follows:

**Land and Memberships** - includes administration of membership.

**Education** - includes the operations of education programs.

**Social Development** - activities include delivering social programs

**Community Infrastructure** - includes activities for the maintenance of the community and its infrastructure.

**Band Government** - includes administration and governance activities.

**Capital** - reports on capital projects.

**Health** - includes operation of health programs.

**Other Band programs** - other band programs which do not meet the criteria for the other segments.

**First Nation Commercial Activities** - includes activities for its consolidated business entities.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

**22. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**23. Issuance of financial statements after July 29, 2014**

The First Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2014. As the audit report is dated after this date, the First Nation is in violation of this requirement. The possible effect of this violation has not yet been determined.

**Sakimay First Nations**  
**Schedule 1 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2014*

|   | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>       | <b>2013</b>       |
|---|--------------------------------------|-------------------|-------------------|
| <b>Consolidated expenses by object</b>      |                                      |                   |                   |
| Contribution to Sakimay Legacy Trust        | -                                    | 21,191,732        | -                 |
| Salaries and benefits                       | 1,963,741                            | 1,933,428         | 2,052,108         |
| Community donations and Per Capita Payments | 66,675                               | 1,609,606         | 59,638            |
| Tuition                                     | 1,332,000                            | 1,015,456         | 1,159,848         |
| Repairs and maintenance                     | 594,871                              | 639,862           | 607,960           |
| Amortization                                | -                                    | 605,195           | 593,024           |
| Council remuneration                        | 477,904                              | 490,167           | 454,128           |
| Social assistance                           | 428,600                              | 378,204           | 447,482           |
| Student expenses                            | 347,821                              | 334,838           | 323,466           |
| Utilities                                   | 233,661                              | 319,058           | 276,567           |
| Insurance                                   | 213,754                              | 257,851           | 165,016           |
| Professional fees                           | 210,565                              | 267,404           | 305,243           |
| Travel and training                         | 235,528                              | 279,866           | 260,262           |
| Contracted services                         | 134,540                              | 319,132           | 342,830           |
| Supplies                                    | 228,420                              | 257,039           | 238,557           |
| Community events                            | 197,677                              | 239,371           | 252,012           |
| Rent  | 178,660                              | 190,510           | 152,901           |
| Christmas bonuses                           | 150,175                              | 139,043           | 137,960           |
| Community Development Projects              | 17,600                               | 108,086           | 70,221            |
| Bad debts                                   | -                                    | 96,778            | 70,389            |
| Program expense                             | 89,285                               | 90,809            | 82,759            |
| Property tax                                | 65,307                               | 80,322            | 2,164             |
| Telephone                                   | 73,972                               | 63,516            | 72,102            |
| Interest on long-term debt                  | 136,241                              | 54,086            | 61,309            |
| Band member assistance                      | 32,000                               | 38,560            | 25,472            |
| Funeral                                     | 52,895                               | 34,455            | 95,016            |
| Bank charges and interest                   | 1,000                                | 14,562            | 60,723            |
| Advertising                                 | 7,000                                | 11,053            | 26,090            |
| Miscellaneous                               | 33,439                               | 10,779            | 111,717           |
| Funding forfeited from Painted Hand Casino  | -                                    | 422               | 5,152             |
| Postage                                     | 4,600                                | 544               | 7,949             |
| Minor equipment                             | 2,800                                | 100               | 11,980            |
| Cost of sales                               | -                                    | -                 | 5,781,375         |
| Contributions                               | -                                    | -                 | 534,133           |
| Consulting                                  | -                                    | -                 | 34,215            |
|   | <b>7,510,731</b>                     | <b>31,071,834</b> | <b>14,881,768</b> |

**Sakimay First Nations**  
**Lands and Memberships**  
**Schedule 2 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|  | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>       | <b>2013</b>      |
|--|--------------------------------------|-------------------|------------------|
| <b>Revenue</b>                                     |                                      |                   |                  |
| Aboriginal Affairs and Northern Development Canada | 334,181                              | 21,663,798        | 410,610          |
| Lease income - Band Trust Funds                    | 561,628                              | 491,604           | 660,768          |
| Painted Hand Community Development Corporation     | -                                    | 30,000            | -                |
| Provincial Disaster Assistance Program             | -                                    | 28,428            | 70,000           |
| Interest income                                    | -                                    | 9,944             | 6,747            |
| Other revenue (expense)                            | 12,015                               | (689)             | 28,544           |
|  | <b>907,824</b>                       | <b>22,223,085</b> | <b>1,176,669</b> |
| <b>Expenses</b>                                    |                                      |                   |                  |
| Contribution to Sakimay Legacy Trust               | -                                    | 21,191,732        | -                |
| Salaries and benefits                              | 147,089                              | 158,214           | 136,404          |
| Repairs and maintenance                            | 58,500                               | 55,167            | 127,052          |
| Professional fees                                  | 75,000                               | 51,447            | 130,482          |
| Bad debts  | -                                    | 45,973            | -                |
| Administration                                     | 39,243                               | 39,243            | -                |
| Community development projects                     | 10,000                               | 23,074            | -                |
| Travel and training                                | 18,000                               | 20,304            | 28,241           |
| Amortization                                       | -                                    | 10,903            | 10,505           |
| Supplies   | 7,131                                | 4,531             | 3,879            |
| Miscellaneous                                      | -                                    | 2,454             | 110,894          |
| Insurance  | 2,260                                | 1,409             | 1,147            |
| Telephone  | 1,500                                | 1,344             | 1,159            |
| Property tax                                       | 2,700                                | 1,200             | 2,164            |
| Contracted services                                | 2,000                                | 838               | 3,577            |
| Utilities  | 300                                  | 745               | 340              |
| Bank charges and interest                          | -                                    | -                 | 5                |
| Postage  | -                                    | -                 | 2,039            |
| Program expense                                    | -                                    | -                 | 359              |
| Community events                                   | -                                    | -                 | 15,605           |
| Community donations and per capita payments        | -                                    | -                 | 1,723            |
| Contributions                                      | -                                    | -                 | 127,810          |
| Rent   | 6,000                                | -                 | 3,364            |
|  | <b>369,723</b>                       | <b>21,608,578</b> | <b>706,749</b>   |
| <b>Surplus before transfers</b>                    | <b>538,101</b>                       | <b>614,507</b>    | <b>469,920</b>   |
| <b>Transfers between programs</b>                  | <b>(538,101)</b>                     | <b>(732,080)</b>  | <b>(669,657)</b> |
| <b>Deficit</b>                                     | <b>-</b>                             | <b>(117,573)</b>  | <b>(199,737)</b> |



**Sakimay First Nations**  
**Education**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|  | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>      | <b>2013</b>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                                     |                                      |                  |                  |
| Aboriginal Affairs and Northern Development Canada | 1,995,861                            | 1,879,424        | 1,941,213        |
| Saskatchewan Indian Institute of Technology        | 89,000                               | 73,806           | 70,036           |
| Other revenue                                      | -                                    | 33,375           | 1,440            |
| Painted Hand Community Development Corporation     | -                                    | 12,459           | 6,266            |
| Donations  | -                                    | -                | 500              |
|  | <b>2,084,861</b>                     | <b>1,999,064</b> | <b>2,019,455</b> |
| <b>Expenses</b>                                    |                                      |                  |                  |
| Tuition  | 1,332,000                            | 1,015,456        | 1,159,848        |
| Salaries and benefits                              | 341,358                              | 355,539          | 328,272          |
| Student expenses                                   | 338,121                              | 331,740          | 315,682          |
| Administration                                     | 111,684                              | 111,684          | -                |
| Repairs and maintenance                            | 60,000                               | 56,447           | 70,523           |
| Amortization                                       | -                                    | 43,409           | 42,122           |
| Supplies   | 43,039                               | 40,622           | 43,655           |
| Rent   | 45,000                               | 36,940           | 33,500           |
| Community donations and Per Capita Payments        | 15,800                               | 35,381           | 9,813            |
| Travel and training                                | 22,500                               | 16,085           | 21,981           |
| Contracted services                                | 3,500                                | 11,637           | -                |
| Community Development Projects                     | -                                    | 10,470           | 11,001           |
| Insurance  | 8,679                                | 8,258            | 4,633            |
| Miscellaneous                                      | 4,250                                | 8,015            | 823              |
| Bad debts  | -                                    | 6,756            | -                |
| Telephone  | 2,400                                | 2,567            | 2,573            |
| Utilities  | 750                                  | 450              | 600              |
| Community events                                   | 350                                  | 175              | 725              |
| Bank charges and interest                          | -                                    | 1                | -                |
| Program expense                                    | -                                    | -                | 200              |
| Advertising  | -                                    | -                | 440              |
| Funding forfeited from Painted Hand Casino         | -                                    | -                | 600              |
|  | <b>2,329,431</b>                     | <b>2,091,632</b> | <b>2,046,991</b> |
| <b>Deficit before transfers</b>                    | <b>(244,570)</b>                     | <b>(92,568)</b>  | <b>(27,536)</b>  |
| <b>Transfers between programs</b>                  | <b>244,569</b>                       | <b>(53,431)</b>  | <b>(32,926)</b>  |
| <b>Deficit</b>                                     | <b>(1)</b>                           | <b>(145,999)</b> | <b>(60,462)</b>  |

**Sakimay First Nations**  
**Community Infrastructure**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|  | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>      | <b>2013</b>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                                     |                                      |                  |                  |
| Aboriginal Affairs and Northern Development Canada | 275,416                              | 295,016          | 360,880          |
| Painted Hand Community Development Corporation     | 7,600                                | 15,427           | 1,950            |
| Other revenue                                      | -                                    | 3,634            | 4,707            |
| Rental income                                      | 3,000                                | 350              | 400              |
| Yorkton Tribal Council                             | -                                    | -                | 6,166            |
|  | <b>286,016</b>                       | <b>314,427</b>   | <b>374,103</b>   |
| <b>Expenses</b>                                    |                                      |                  |                  |
| Amortization                                       | -                                    | 213,418          | 186,602          |
| Repairs and maintenance                            | 78,432                               | 125,494          | 132,300          |
| Contracted services                                | 49,783                               | 85,114           | 38,909           |
| Insurance  | 76,551                               | 65,208           | 81,052           |
| Salaries and benefits                              | 87,767                               | 59,548           | 107,262          |
| Program expense                                    | 22,200                               | 24,925           | 19,077           |
| Administration                                     | 24,234                               | 24,234           | -                |
| Community Development Projects                     | 7,600                                | 15,427           | 1,950            |
| Professional fees                                  | 6,300                                | 6,133            | 8,974            |
| Supplies   | 2,600                                | 4,627            | 4,706            |
| Travel and training                                | 2,500                                | 4,583            | 2,506            |
| Utilities  | -                                    | 682              | (6,061)          |
|  | <b>357,967</b>                       | <b>629,393</b>   | <b>577,277</b>   |
| <b>Deficit before transfers</b>                    | <b>(71,951)</b>                      | <b>(314,966)</b> | <b>(203,174)</b> |
| <b>Transfers between programs</b>                  | <b>71,951</b>                        | <b>118,812</b>   | <b>25,195</b>    |
| <b>Deficit</b>                                     | <b>-</b>                             | <b>(196,154)</b> | <b>(177,979)</b> |

**Sakimay First Nations**  
**Social Development**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|  | <i>2014<br/>Budget<br/>(Note 19)</i> | <i>2014</i>     | <i>2013</i>     |
|--|--------------------------------------|-----------------|-----------------|
| <b>Revenue</b>                                     |                                      |                 |                 |
| Aboriginal Affairs and Northern Development Canada | 631,106                              | 631,106         | 612,361         |
| Other revenue                                      | 73,411                               | -               | -               |
|  | <b>704,517</b>                       | <b>631,106</b>  | <b>612,361</b>  |
| <b>Expenses</b>                                    |                                      |                 |                 |
| Social assistance                                  | 409,550                              | 361,068         | 417,110         |
| Utilities  | 108,000                              | 170,061         | 161,347         |
| Rent   | 45,000                               | 60,329          | 48,382          |
| Salaries and benefits                              | 40,279                               | 57,264          | 21,071          |
| Administration                                     | 36,977                               | 36,977          | 9,722           |
| Contracted services                                | 11,567                               | 11,165          | -               |
| Travel and training                                | 3,000                                | 2,631           | 3,414           |
| Telephone  | 400                                  | 491             | 425             |
| Miscellaneous                                      | -                                    | 310             | -               |
|  | <b>654,773</b>                       | <b>700,296</b>  | <b>661,471</b>  |
| <b>Deficit before transfers</b>                    | <b>49,744</b>                        | <b>(69,190)</b> | <b>(49,110)</b> |
| <b>Transfers between programs</b>                  | <b>(49,745)</b>                      | <b>50,014</b>   | <b>45,668</b>   |
| <b>Deficit</b>                                     | <b>(1)</b>                           | <b>(19,176)</b> | <b>(3,442)</b>  |

**Sakimay First Nations**  
**Band Government**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|  | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>      | <b>2013</b>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                                     |                                      |                  |                  |
| Aboriginal Affairs and Northern Development Canada | 580,350                              | 581,424          | 550,439          |
| Interest income                                    | 28,000                               | 41,163           | 29,022           |
| Painted Hand Community Development Corporation     | -                                    | 2,010            | 9,644            |
| Other revenue                                      | 5,882                                | 180              | 2,336            |
|  | <b>614,232</b>                       | <b>624,777</b>   | <b>591,441</b>   |
| <b>Expenses</b>                                    |                                      |                  |                  |
| Council remuneration                               | 477,904                              | 490,167          | 454,128          |
| Salaries and benefits                              | 324,531                              | 347,645          | 302,485          |
| Professional fees                                  | 96,450                               | 137,785          | 132,720          |
| Supplies   | 102,389                              | 119,714          | 95,476           |
| Utilities  | 90,000                               | 96,826           | 93,722           |
| Travel and training                                | 56,000                               | 78,509           | 30,161           |
| Telephone  | 52,552                               | 42,080           | 42,732           |
| Rent   | 32,000                               | 39,264           | 36,182           |
| Interest on long-term debt                         | 14,000                               | 18,423           | 17,844           |
| Repairs and maintenance                            | 8,000                                | 10,092           | 8,537            |
| Advertising  | 3,500                                | 9,504            | 416              |
| Community Development Projects                     | -                                    | 2,373            | 6,144            |
| Community donations and Per Capita Payments        | 1,800                                | 2,361            | 3,150            |
| Bank charges and interest                          | -                                    | 1,101            | -                |
| Postage  | 2,800                                | 52               | 4,650            |
| Miscellaneous                                      | 29,189                               | -                | -                |
| Funding forfeited from Painted Hand Casino         | -                                    | -                | 882              |
| Administration (recovery)                          | (307,593)                            | (307,593)        | (50,536)         |
|  | <b>983,522</b>                       | <b>1,088,303</b> | <b>1,178,693</b> |
| <b>Deficit before transfers</b>                    | <b>(369,290)</b>                     | <b>(463,526)</b> | <b>(587,252)</b> |
| <b>Transfers between programs</b>                  | <b>369,290</b>                       | <b>256,231</b>   | <b>645,128</b>   |
| <b>Surplus (deficit)</b>                           | <b>-</b>                             | <b>(207,295)</b> | <b>57,876</b>    |

**Sakimay First Nations**  
**Capital**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|  | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>     | <b>2013</b>      |
|--|--------------------------------------|-----------------|------------------|
| <b>Revenue</b>                                     |                                      |                 |                  |
| Aboriginal Affairs and Northern Development Canada | 221,215                              | 244,116         | 258,239          |
| Canada Mortgage and Housing Corporation            | 71,630                               | 75,130          | 8,632            |
| Gain on disposal of tangible capital assets        | -                                    | 178,040         | 350              |
| Other revenue                                      | 16,000                               | 63,262          | 64,216           |
| Interest income                                    | -                                    | 509             | 2,361            |
| Painted Hand Community Development Corporation     | -                                    | -               | 3,608            |
|  | <b>308,845</b>                       | <b>561,057</b>  | <b>337,406</b>   |
| <b>Expenses</b>                                    |                                      |                 |                  |
| Repairs and maintenance                            | 200,119                              | 253,106         | 131,859          |
| Amortization                                       | -                                    | 107,179         | 111,049          |
| Insurance  | 34,000                               | 81,891          | 33,876           |
| Salaries and benefits                              | 99,816                               | 70,384          | 72,697           |
| Contracted services                                | 5,000                                | 34,202          | 109,311          |
| Administration                                     | 21,377                               | 21,377          | -                |
| Utilities  | 1,000                                | 5,917           | 1,177            |
| Travel and training                                | 14,000                               | 4,816           | 9,199            |
| Telephone  | 1,500                                | 2,367           | 1,612            |
| Supplies   | -                                    | 698             | 206              |
| Community events                                   | 837                                  | 150             | -                |
| Consulting   | -                                    | -               | 34,215           |
| Professional fees                                  | 496                                  | -               | 496              |
| Community Development Projects                     | -                                    | -               | 7,604            |
|  | <b>378,145</b>                       | <b>582,087</b>  | <b>513,301</b>   |
| <b>Deficit before transfers</b>                    | <b>(69,300)</b>                      | <b>(21,030)</b> | <b>(175,895)</b> |
| <b>Transfers between programs</b>                  | <b>69,300</b>                        | <b>119,539</b>  | <b>349,816</b>   |
| <b>Surplus</b>                                     | <b>-</b>                             | <b>98,509</b>   | <b>173,921</b>   |

**Sakimay First Nations**  
**Health**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|  | <b>2014<br/>Budget<br/>(Note 19)</b> | <b>2014</b>      | <b>2013</b>     |
|--|--------------------------------------|------------------|-----------------|
| <b>Revenue</b>                                     |                                      |                  |                 |
| Aboriginal Affairs and Northern Development Canada | 147,471                              | 147,471          | 164,613         |
| Health Canada                                      | 479,224                              | 506,415          | 434,772         |
| Yorkton Tribal Council                             | 26,690                               | 26,510           | 26,680          |
| Other revenue                                      | 67,000                               | 867              | 425             |
| Painted Hand Community Development Corporation     | -                                    | -                | 1,349           |
|  | <b>720,385</b>                       | <b>681,263</b>   | <b>627,839</b>  |
| <b>Expenses</b>                                    |                                      |                  |                 |
| Salaries and benefits                              | 338,772                              | 348,493          | 210,921         |
| Community events                                   | 116,540                              | 130,990          | 136,965         |
| Travel and training                                | 36,808                               | 57,114           | 45,749          |
| Administration                                     | 53,832                               | 53,832           | 40,814          |
| Supplies   | 34,904                               | 50,790           | 28,956          |
| Repairs and maintenance                            | 51,100                               | 48,581           | 16,855          |
| Contracted services                                | 38,452                               | 37,326           | 44,282          |
| Program expense                                    | 26,010                               | 20,445           | 25,989          |
| Social assistance                                  | 19,050                               | 17,137           | 30,372          |
| Utilities  | 13,611                               | 14,915           | 14,288          |
| Telephone  | 10,200                               | 10,273           | 8,353           |
| Insurance  | 2,375                                | 4,115            | 3,530           |
| Community Development Projects                     | -                                    | -                | 996             |
| Funding forfeited from Painted Hand Casino         | -                                    | -                | 2,912           |
|  | <b>741,654</b>                       | <b>794,011</b>   | <b>610,982</b>  |
| <b>Surplus (deficit) before transfers</b>          | <b>(21,269)</b>                      | <b>(112,748)</b> | <b>16,857</b>   |
| <b>Transfers between programs</b>                  | <b>23,445</b>                        | <b>86,281</b>    | <b>(28,432)</b> |
| <b>Deficit</b>                                     | <b>2,176</b>                         | <b>(26,467)</b>  | <b>(11,575)</b> |

**Sakimay First Nations**  
**First Nation Commercial Activities**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|   | <i>2014<br/>Budget<br/>(Note 19)</i> | <i>2014</i>        | <i>2013</i>      |
|---|--------------------------------------|--------------------|------------------|
| <b>Revenue</b>                            |                                      |                    |                  |
| Sales - Saulteaux Junction                | -                                    | -                  | 6,670,050        |
| Rental income                             | 61,318                               | 69,097             | -                |
| Other revenue                             | 162,000                              | 68,723             | -                |
| Interest income                           | -                                    | -                  | 8,833            |
|   | <b>223,318</b>                       | <b>137,820</b>     | <b>6,678,883</b> |
| <b>Cost of sales</b>                      |                                      |                    |                  |
| Cost of sales - Saulteaux Junction        | -                                    | -                  | 5,781,375        |
| <b>Expenses</b>                           |                                      |                    |                  |
| Advertising                               | -                                    | -                  | 25,235           |
| Bad debts                                 | -                                    | -                  | 4,892            |
| Bank charges and interest                 | -                                    | 11,277             | 58,938           |
| Contracted services                       | 7,678                                | 68,276             | 15,636           |
| Contributions                             | -                                    | 1,610,172          | -                |
| Minor equipment                           | -                                    | -                  | 11,980           |
| Insurance                                 | 55,896                               | 49,553             | 7,238            |
| Postage                                   | -                                    | 344                | -                |
| Professional fees                         | 14,219                               | 29,255             | 10,029           |
| Property tax                              | 62,607                               | 79,122             | -                |
| Rent                                      | 7,560                                | 7,000              | 750              |
| Repairs and maintenance                   | 30,240                               | 41,209             | 65,728           |
| Salaries and benefits                     | 103,604                              | 101,710            | 437,466          |
| Supplies                                  | 5,400                                | 4,514              | 21,030           |
| Telephone                                 | 3,600                                | 3,305              | 14,515           |
| Travel and training                       | 23,287                               | 26,801             | 13,577           |
| Utilities                                 | 20,000                               | 29,462             | 11,154           |
|   | <b>334,091</b>                       | <b>2,062,000</b>   | <b>698,168</b>   |
| <b>Surplus (deficit) before transfers</b> | <b>(110,773)</b>                     | <b>(1,924,180)</b> | <b>199,340</b>   |
| <b>Transfers between programs</b>         | <b>-</b>                             | <b>-</b>           | <b>(621,411)</b> |
| <b>Deficit</b>                            | <b>(110,773)</b>                     | <b>(1,924,180)</b> | <b>(422,071)</b> |

**Sakimay First Nations**  
**Other Band Programs**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

|  | <i>2014<br/>Budget<br/>(Note 19)</i> | <i>2014</i>      | <i>2013</i>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>   |                                      |                  |                  |
| Aboriginal Affairs and Northern Development Canada     | 96,916                               | 1,525,731        | 369,914          |
| Canada Mortgage and Housing Corporation                | 106,620                              | 103,752          | 106,290          |
| Contributions  | -                                    | 1,593,259        | 71,183           |
| First Nations Trust                                    | 460,000                              | 479,352          | 556,686          |
| Yorkton Tribal Council                                 | 141,199                              | 204,714          | 143,060          |
| Other revenue  | 10,735                               | 188,319          | 58,431           |
| Rental income  | 118,184                              | 129,142          | 129,332          |
| Painted Hand Community Development Corporation         | 10,000                               | 91,362           | 120,358          |
| Interest income  | -                                    | 6,557            | 1,023            |
| Donations  | 15,000                               | 2,155            | 14,220           |
| Gain on disposal of tangible capital assets            | -                                    | 399              | -                |
| Earnings (loss) from investment in Nation partnerships | -                                    | (399,904)        | 215,198          |
|  | <b>958,654</b>                       | <b>3,924,838</b> | <b>1,785,695</b> |
| <b>Expenses</b>  |                                      |                  |                  |
| Community donations and Per Capita Payments            | 49,075                               | 1,571,864        | 44,951           |
| Salaries and benefits                                  | 480,524                              | 434,631          | 435,530          |
| Amortization   | -                                    | 230,286          | 242,746          |
| Christmas bonuses                                      | 150,175                              | 139,043          | 137,960          |
| Community events                                       | 79,950                               | 108,056          | 98,716           |
| Contracted services                                    | 16,560                               | 70,574           | 131,115          |
| Travel and training                                    | 59,433                               | 69,022           | 105,435          |
| Community Development Projects                         | -                                    | 56,743           | 42,526           |
| Repairs and maintenance                                | 108,480                              | 49,764           | 55,105           |
| Insurance  | 33,993                               | 47,418           | 33,540           |
| Rent   | 43,100                               | 46,977           | 30,723           |
| Program expense  | 41,075                               | 45,439           | 37,135           |
| Bad debts  | -                                    | 44,050           | 65,497           |
| Professional fees                                      | 18,100                               | 42,783           | 22,542           |
| Band member assistance                                 | 32,000                               | 38,560           | 25,472           |
| Interest on long-term debt                             | 122,241                              | 35,663           | 43,465           |
| Funeral  | 52,895                               | 34,455           | 95,016           |
| Supplies   | 32,958                               | 31,543           | 40,648           |
| Administration   | 20,246                               | 20,246           | -                |
| Student expenses                                       | 9,700                                | 3,099            | 7,784            |
| Bank charges and interest                              | 1,000                                | 2,183            | 1,781            |
| Advertising  | 3,500                                | 1,548            | -                |
| Telephone  | 1,820                                | 1,090            | 733              |
| Funding forfeited from Painted Hand Casino             | -                                    | 422              | 758              |
| Postage  | 1,800                                | 147              | 1,260            |
| Minor equipment  | 2,800                                | 100              | -                |
| Contributions  | -                                    | (1,610,172)      | 406,323          |
|  | <b>1,361,425</b>                     | <b>1,515,534</b> | <b>2,106,761</b> |
| <b>Surplus (deficit) before transfers</b>              | <b>(402,771)</b>                     | <b>2,409,304</b> | <b>(321,066)</b> |
| <b>Transfers between programs</b>                      | <b>402,770</b>                       | <b>154,633</b>   | <b>286,619</b>   |
| <b>Surplus (deficit)</b>                               | <b>(1)</b>                           | <b>2,563,937</b> | <b>(34,447)</b>  |