

**White Bear First Nations
Consolidated Financial Statements**

March 31, 2019

White Bear First Nations Contents

For the year ended March 31, 2019

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Management's Responsibility

To the Members of White Bear First Nations:

The accompanying financial statements of White Bear First Nations are the responsibility of management and have been approved by 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 financial statements.

The White Bear First Nations Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfills 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, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to the members; their report follows. The external auditors have full and free access to, and may meet periodically and separately with, both the Council and management to discuss their audit findings.

July 25, 2019

"Original Signed By Yvonne Lonechild"

Director of Finance

Independent Auditor's Report

To the Members of White Bear First Nations:

Opinion

We have audited the consolidated financial statements of White Bear First Nations (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nations financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

July 25, 2019

MNP LLP
Chartered Professional Accountants

MNP

White Bear First Nations
Consolidated Statement of Financial Position
As at March 31, 2019

| | 2019 | 2018 |
|--|-------------------|-------------|
| Financial assets | | |
| Current | | |
| Cash and cash equivalents <i>(Note 10)</i> | 3,423,719 | 2,105,744 |
| Project management cash <i>(Note 4)</i> | 1,172,694 | 4,926,754 |
| Marketable securities <i>(Note 3), (Note 4)</i> | 15,000 | 1,027,584 |
| Accounts receivable <i>(Note 5)</i> | 344,371 | 399,032 |
| | 4,955,784 | 8,459,114 |
| Long-term investment <i>(Note 6)</i> | 10 | 10 |
| Advances to White Bear Lake Golf Course Inc. <i>(Note 7)</i> | 282,809 | 282,809 |
| Scholarship fund | 19,133 | 18,379 |
| Investment in Nation partnerships and business entities <i>(Note 8)</i> | 2,708,848 | 2,497,899 |
| Funds held in trust <i>(Note 9)</i> | 9,155,060 | 9,338,865 |
| Replacement reserve fund bank - CMHC <i>(Note 4), (Note 11)</i> | 384,602 | 279,519 |
| Operating reserve fund bank - CMHC <i>(Note 4), (Note 11)</i> | 706,175 | 705,302 |
| Total financial assets | 18,212,421 | 21,581,897 |

White Bear First Nations
Consolidated Statement of Financial Position
As at March 31, 2019

| | 2019 | 2018 |
|--|-------------------|-------------|
| Liabilities | | |
| Current | | |
| Accounts payable and accruals | 567,852 | 1,438,370 |
| Deferred revenue (Note 12) | 2,297,211 | 6,010,958 |
| Current portion of long-term debt (Note 13) | 357,252 | 100,283 |
| | 3,222,315 | 7,549,611 |
| Term loans due on demand (Note 13) | - | 1,569,291 |
| | 3,222,315 | 9,118,902 |
| Long-term debt (Note 13) | 2,774,256 | 553,939 |
| Advances from related Nation entities (Note 14) | 695,567 | 750,567 |
| Total liabilities | 6,692,138 | 10,423,408 |
| Net financial assets | 11,520,283 | 11,158,489 |
| Contingencies (Note 15) | | |
| Guarantees (Note 8) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 16) (Schedule 1) | 17,375,573 | 13,217,625 |
| Prepaid expenses | 15,771 | 42,844 |
| Total non-financial assets | 17,391,344 | 13,260,469 |
| Accumulated surplus (Note 17) | 28,911,627 | 24,418,958 |

Approved on behalf of the Chief and Council

"Original Signed By Nathan Pasap"

Chief

"Original Signed By Brett Standingready"

Councilor

White Bear First Nations
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

| | <i>Schedules</i> | 2019 <i>Budget</i> <i>(Note 21)</i> | 2019 | 2018 |
|---|------------------|--|-------------------|-------------|
| Revenue | | | | |
| Indigenous Services Canada (Note 19) | | 5,478,892 | 10,946,044 | 9,771,818 |
| First Nation Inuit Health Branch (Note 20) | | 1,014,248 | 1,257,772 | 1,373,297 |
| SITAG | | 109,643 | 448,560 | 300,532 |
| Canada Mortgage and Housing Corporation | | 16,512 | 188,062 | 210,540 |
| Federation of Sovereign Indigenous Nations | | 87,500 | 177,322 | 89,500 |
| First Nations Trust | | 885,212 | 729,695 | 828,175 |
| Other | | 534,475 | 499,466 | 412,232 |
| Taxation | | 505,000 | 478,653 | 356,371 |
| Donations | | - | 453,000 | 253,000 |
| Royalties | | - | 386,972 | 384,984 |
| Earnings (loss) from investment in Nation business entities | | (71,238) | 360,949 | 30,619 |
| Lease income | | - | 277,652 | 276,537 |
| Rental income | | 58,656 | 211,113 | 248,885 |
| User fees | | 31,200 | 17,706 | 21,981 |
| Interest income | | - | 10,655 | 20,642 |
| Insurance | | - | - | 288,091 |
| Bear Claw Community Development Incorporated | | - | - | 86,011 |
| Contributions | | 329,278 | - | 108,742 |
| | | 8,979,378 | 16,443,621 | 15,061,957 |
| Program expenses | | | | |
| Reserves & Trusts | 3 | 19,915 | 16,395 | 16,714 |
| Education | 4 | 2,788,251 | 3,055,670 | 3,066,142 |
| Social Development | 5 | 1,156,851 | 1,221,295 | 1,234,675 |
| Community Infrastructure | 6 | 678,266 | 1,277,008 | 1,324,536 |
| Band Government | 7 | 1,371,243 | 1,700,521 | 1,632,183 |
| Capital | 8 | 1,014,502 | 1,025,587 | 1,459,336 |
| Economic Development | 9 | 254,628 | 480,549 | 1,066,905 |
| Health | 10 | 1,141,396 | 1,178,227 | 1,200,768 |
| Other Band Programs | 11 | 681,830 | 2,031,141 | 2,244,750 |
| | | 9,106,882 | 11,986,393 | 13,246,009 |
| Other income | | | | |
| Gain on disposal of tangible capital assets | | - | 35,441 | - |
| Annual surplus (deficit) | | (127,504) | 4,492,669 | 1,815,948 |
| Accumulated surplus, beginning of year | | 24,418,958 | 24,418,958 | 22,603,010 |
| Accumulated surplus, end of year | | 24,291,454 | 28,911,627 | 24,418,958 |

White Bear First Nations
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2019

| | 2019 <i>Budget</i> <i>(Note 21)</i> | 2019 | 2018 |
|--|--|-------------------|--------------------|
| Annual surplus (deficit) | (127,504) | 4,492,669 | 1,815,948 |
| Purchases of tangible capital assets | - | (5,141,851) | (4,433,635) |
| Amortization of tangible capital assets | - | 922,549 | 887,729 |
| Gain on disposal of tangible capital assets | - | (35,441) | - |
| Proceeds of disposal of tangible capital assets | - | 96,796 | - |
| | - | (4,157,947) | (3,545,906) |
| Acquisition of prepaid expenses | - | (15,772) | (42,844) |
| Use of prepaid expenses | - | 42,844 | 5,462 |
| | - | 27,072 | (37,382) |
| Increase (decrease) in net financial assets | (127,504) | 361,794 | (1,767,340) |
| Net financial assets, beginning of year | 11,158,489 | 11,158,489 | 12,925,829 |
| Net financial assets, end of year | 11,030,985 | 11,520,283 | 11,158,489 |

The accompanying notes are an integral part of these financial statements

White Bear First Nations
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

| | 2019 | 2018 |
|---|--------------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Annual surplus | 4,492,669 | 1,815,948 |
| Non-cash items | | |
| Amortization | 922,549 | 887,729 |
| Bad debts | 111,431 | 500,209 |
| Increase in investment in Nation business entities | (360,949) | (30,619) |
| Gain on disposal of tangible capital assets | (35,441) | - |
| | 5,130,259 | 3,173,267 |
| Changes in working capital accounts | | |
| Accounts receivable | (56,770) | 174,587 |
| Prepaid expenses | 27,072 | (37,382) |
| Accounts payable and accruals | (870,519) | 842,302 |
| Deferred revenue | (3,713,747) | 987,147 |
| | 516,295 | 5,139,921 |
| Financing activities | | |
| Advances of term loan due on demand | - | 860,151 |
| Advances of long-term debt | 1,119,660 | 92,977 |
| Repayment of long-term debt | (211,664) | (188,262) |
| | 907,996 | 764,866 |
| Capital activities | | |
| Purchases of tangible capital assets | (5,141,851) | (4,433,635) |
| Proceeds of disposal of tangible capital assets | 96,796 | - |
| | (5,045,055) | (4,433,635) |
| Investing activities | | |
| Purchase of marketable securities | - | (1,012,584) |
| Proceeds on disposal of marketable securities | - | 3,300,000 |
| Withdrawals from Nation partnerships and business entities | 150,000 | - |
| Net (advances) repayment of advances to related Nation entities | (55,000) | 54,160 |
| Decrease (increase) in project management cash | 4,766,644 | (4,677,502) |
| Increase in replacement reserve cash | (105,083) | (419) |
| Increase in operating reserve cash | (873) | (300,966) |
| Decrease in funds held in trust | 183,805 | 363,880 |
| Increase in scholarship trust fund | (754) | (751) |
| | 4,938,739 | (2,274,182) |
| Increase (decrease) in cash resources | 1,317,975 | (803,030) |
| Cash resources, beginning of year | 2,105,744 | 2,908,774 |
| Cash resources, end of year | 3,423,719 | 2,105,744 |

The accompanying notes are an integral part of these financial statements

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

1. Operations

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

2. Adopted accounting policies

Effective April 1, 2018, the Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 3430 *Restructuring Transactions*

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Section.

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

3. Significant accounting policies

These 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 Nation reporting entity, except for Nation business entities.

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

- White Bear First Nations
- White Bear First Nation C.M.H.C. Housing
- White Bear Oil and Gas Enterprise
- White Bear Oil and Gas Ltd.
- Wabimusqua Oil and Gas Ltd.
- Wabimusqua Oil and Gas Limited Partnership

All inter-entity balances have been eliminated on consolidation. Wabimusqua Oil and Gas Ltd. and Wabimusqua Oil and Gas Limited Partnership have a year end of December 31, 2018 which are not coterminous with the Nation's year end. There were no significant events which would have affected the statement of financial position and statement of operations in the intervening period to the Nation's year end date. White Bear Oil and Gas Enterprise, White Bear Oil and Gas Ltd., Wabimusqua Oil and Gas Ltd., and Wabimusqua Oil and Gas Limited Partnership do not meet the definition of a government business enterprise and as such, have been consolidated.

White Bear First Nations business entities, controlled by the Nation's Council but not dependent on the 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 extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the 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:

- White Bear Lake Resort Inc.
- White Bear Lake Golf Course Inc.
- White Bear Holdings Ltd.
- White Bear Industrial Works Limited Partnership
- White Bear Industrial Works Ltd.

Separate audits and Notice to Readers are performed on the above entities' financial statements. These entities are related by common ownership.

Other economic interests

White Bear 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.

White Bear First Nations is a member of the Southeast Treaty Four Tribal Council. The Tribal Council is an organization of two Nations. The Tribal Council is to enhance the services provided to the member Nations.

White Bear First Nations is a member of the Bear Claw Community Development Incorporated. The Bear Claw Community Development Incorporated facilitates the distribution of a portion of net proceeds derived from the Dakota Dunes, Painted Hand, and Northern Lights Casinos for charitable purposes to First Nations charities and non-First Nation charities located within the community of White Bear First Nations and surrounding area.

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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, Southeast Treaty Four Tribal Council, and Bear Claw Community Development Incorporated have not been consolidated with the financial statements of White Bear First Nations.

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenditures 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 includes 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.

Marketable securities

Marketable securities are valued at the lower of cost and market value. Market value of marketable securities at March 31, 2019 include \$15,000 (2018 - \$15,000) subject to interest of 1.75%, maturing in December 2019, and \$1,200,000 (2018 - \$1,012,584), included in cash and cash equivalents, subject to interest of 1.15%, maturing in April 2019.

Loans receivable

Loans (advances) are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis. Loan and administration fees are amortized over the term of the loan.

Funds held in Ottawa Trust Fund

Funds are held in trust on behalf of 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 Nation capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Tangible capital assets

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

Amortization

Amortization for other tangible capital assets is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at 1/2 of the annual amount.

| | Rate |
|-------------------|---------------|
| Buildings | 25 - 40 years |
| Housing | 10 - 35 years |
| Equipment | 10 years |
| Land improvements | 25 years |
| Vehicles | 3 years |
| Roads | 25 years |
| Utility systems | 25 - 30 years |

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

Intangible assets

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

Long-lived assets

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 value 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 assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in surplus for the year.

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 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 Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

Revenue recognition

Government Transfers

The 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 Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Tax revenue

The Nation recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by council, and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the Nation evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Non-government funding

Revenue is recognized as it becomes available under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Other revenue

Rental revenue is recognized over the rental term. Investment income is recognized as it is earned. Revenue from gross overriding royalties on interest in natural gas and petroleum properties is recognized when measurable, earned and collection is reasonably assured. Other revenue are earned from other services provided by the First Nation and are recognized when the service has been provided.

Measurement uncertainty

The preparation of 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 financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable and amounts due to White Bear Lake Golf Course Inc., are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

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

Segments

The Nation conducts its business through 9 reportable segments as identified in the attached schedules. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, 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.

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

Liability for contaminated sites

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2019.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. No liability for contaminated sites exists as at March 31, 2019.

4. Restricted cash

Restricted cash consists of cash managed by capital project managers who are responsible for payment of expenses relating to capital projects funded by ISC. At March 31, 2019 this amounted to \$1,172,694 (2018 - \$4,926,754). There was no restricted investments managed by these capital project managers as at March 31, 2019 (2018 - \$1,012,584).

Restricted cash also consists of amounts relating to the CMHC replacement reserve of \$384,602 (2018 - \$279,519) and the CMHC operating reserve of \$706,175 (2018 - \$705,302).

5. Accounts receivable

| | 2019 | 2018 |
|----------------------------------|---------------------------------|--------------------------|
| Indigenous Services Canada | - | 1,760 |
| First Nation Inuit Health Branch | 50,314 | 15,142 |
| CMHC | 6,561 | 167,020 |
| Members | 602,033 | 592,361 |
| Rent | 411,459 | 317,247 |
| Other | 371,266 | 309,217 |
| Allowance for doubtful accounts | 1,441,633 (1,097,262) | 1,402,747 (1,003,715) |
| | 344,371 | 399,032 |

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

6. Long-term investment

Effective December 17, 2015, a Partnership owned by the First Nation and consolidated within these financial statements purchased 10 Class A Common Voting Shares and 10,000 Class D Common Non-Voting Shares in the capital of a private oil and gas exploration company, for the purchase price of \$0.01 per Class A Common Voting Share and \$0.0009 per Class D Common Non-Voting Share. The shares represent 10% of the issued and outstanding shares of the company.

The Partnership also provided a shareholder loan to the company in the amount of \$499,990 in 2016. An additional \$30,000 was provided in 2017 for a total of \$529,990. The loan is non-interest bearing with no set terms of repayment. The loan is secured by a promissory note, a guarantee and general security agreement from a related company in respect to some equipment. The full amount of the loan receivable has been allowed for in the prior year.

7. Advances to White Bear Lake Golf Course Inc.

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.

| | 2019 | 2018 |
|--|----------------|----------------|
| Advances to White Bear Lake Golf Course Inc. | 402,496 | 402,496 |
| Less: allowance for doubtful accounts | (119,687) | (119,687) |
| | 282,809 | 282,809 |

8. Investment in Nation partnerships and business entities

The Nation has investments in the following entities:

| | 2019 | 2018 |
|---|------------------|------------------|
| Wholly-owned Business - Modified Equity | | |
| White Bear Lake Golf Course Inc. | 1,493,707 | 1,669,228 |
| White Bear Lake Resort Inc. | 642,701 | 887,508 |
| White Bear Holdings Ltd. | 213,620 | (58,837) |
| White Bear Industrial Works Limited Partnership | 358,820 | - |
| Net assets | 2,708,848 | 2,497,899 |

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

8. Investment in Nation partnerships and business entities (Continued from previous page)

Summary financial information for each Nation partnership and business entity, accounted for using the modified equity method, for their respective year-end is as follows:

| | <i>White Bear Lake Golf Course Inc. As at October 31, 2018</i> | <i>White Bear Lake Resort Inc. As at September 30, 2018</i> | <i>White Bear Holdings Ltd. As at November 30, 2018</i> | <i>White Bear Industrial Works Limited Partnership As at December 31, 2018</i> |
|--|--|---|---|--|
| Assets | | | | |
| Cash and cash equivalents | 141,320 | 305,080 | 52,751 | - |
| Other current | 17,300 | 94,341 | 8,866 | 50,204 |
| Advances to related parties | - | - | 167,398 | - |
| Long-term | - | - | 3,514 | - |
| Property and equipment | 1,643,979 | 655,067 | 1,058,217 | - |
| Total assets | 1,802,599 | 1,054,488 | 1,290,746 | 50,204 |
| Liabilities | | | | |
| Current | 15,307 | 108,954 | 8,612 | 2,762 |
| Advances from related parties | 293,585 | 38,579 | 117,835 | - |
| Deferred revenue | - | 264,254 | - | - |
| Current portion of term loan due on demand | - | - | 448,643 | - |
| Term loan due on demand | - | - | 502,036 | - |
| Total liabilities | 308,892 | 411,787 | 1,077,126 | 2,762 |
| Net assets | 1,493,707 | 642,701 | 213,620 | 47,442 |
| Total revenue | 599,836 | 1,167,552 | 454,795 | 63,336 |
| Total expenses | 775,357 | 1,412,359 | 182,338 | 15,894 |
| Net income | (175,521) | (244,807) | 272,457 | 47,442 |

The above assets, liabilities, net assets (liabilities), revenue, expenses and earnings (loss) are as reported for each company's financial statements. The investment balance has been adjusted for any inter-organizational gains and losses and for the First Nations portion of ownership interest. White Bear Lake Golf Course Inc. was adjusted for inter-organization allowance for doubtful accounts in the amount of \$119,687. White Bear Lake Resort Inc. was adjusted for a \$40,000 contribution to the Nation. White Bear Holdings Ltd. was adjusted for a \$117,115 contribution to the Nation.

The Nation's business entities have a different year end than March 31, 2019. The First Nations uses the business entities year end financial statements to account for its investment in these investees. There was one significant event in the intervening period of White Bear Industrial Works Limited Partnership:

- \$311,378 received in revenue was included in the investment in Nation partnerships and business entities.

Principal repayments on long-term debt of the Nation's business enterprises in each of the next two years are estimated as follows:

| | <i>2020</i> | <i>2021</i> | <i>2022</i> | <i>2023</i> | <i>2024</i> | <i>Thereafter</i> | <i>Total</i> |
|--|-------------|-------------|-------------|-------------|-------------|-------------------|--------------|
| Long-term debt owed to parties external to the Nation | | | | | | | |
| White Bear Holdings Ltd. | 454,957 | 348,238 | - | - | - | - | 803,195 |

The White Bear First Nations has guaranteed a loan of White Bear Holdings Ltd. in the amount of \$803,195. The loan is in good standing at March 31, 2019 and as such no liability has been recorded in the First Nations records. Terms for the loan include monthly instalments of \$40,000 including interest at 4.2% per annum. The loan matures August 1, 2020.

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

9. Funds held in trust

Capital and revenue trust moneys are transferred to the Nation on the authorization of the Nation's Council, with the consent of the Minister of Indigenous Services Canada.

| | 2019 | 2018 |
|--|------------------|-------------|
| Capital Trust | | |
| Balance, beginning of year | 428,022 | 772,161 |
| Oil royalties | 315,760 | 313,759 |
| | 743,782 | 1,085,920 |
| Less: Expenditures and Transfers to Nation | 420,509 | 657,898 |
| | 323,273 | 428,022 |
| Revenue Trust | | |
| Balance, beginning of year | 205,984 | 225,725 |
| Interest | 10,652 | 20,642 |
| Land leases | 273,552 | 272,437 |
| | 490,188 | 518,804 |
| Less: Transfers to Nation | 363,260 | 312,820 |
| | 126,928 | 205,984 |
| Suspense | | |
| Balance, beginning and end of year | 8,704,859 | 8,704,859 |
| Total | 9,155,060 | 9,338,865 |

In September 2009, \$5,333,334 of the Nation's funds held in its capital trust account at Ottawa were transferred into a suspense account by Indigenous Services Canada, pending settlement/judgement of a dispute over entitlement to an oil producing strip of land along the Nation's northern boundary. The funds put into suspense were thought to represent earnings derived from the disputed reserve lands. The Nation challenged this decision and was unsuccessful at the Federal Court, Trial Division with its judicial review application. The Nation appealed to the Federal Court of Appeal and was successful in overturning the Minister's decision to unilaterally suspend the Nation's trust moneys; however, the Court of Appeal gave the Minister of Indigenous Services the opportunity to apply to the Federal Court seeking direction regarding what to do with the disputed funds via an interpleader proceeding. The Minister commenced an interpleader proceeding in late 2012 resulting in the Federal Court ordering the suspended moneys and all future revenue derived from the disputed northern boundary lands to be held in suspense until further order of the Court. The outcome of this dispute and the litigation involved is not determinable at this time. The suspended funds are still the legal property of the Nation; however, they are being held in 'suspense' until the underlying entitlement issue is finally resolved. As such, the Nation does not have access to these funds. The liability, if any, will be recorded in the period in which the dispute has been resolved. In 2014, an additional \$3,371,525 was transferred to suspense relating income earned on the northern boundary lands under dispute. There were no funds transferred to suspense in the current year from the capital or the revenue account. Interest earned on the funds held and any royalty and lease fees on the disputed land in the suspense accounts has not been made available and therefore any possible interest, royalties or lease fees earned has not been recorded. It will be adjusted for in the period in which the interest, royalties and lease fees becomes known.

During the current year, \$783,769 (2018 - \$970,718) was transferred to White Bear First Nations from the capital & revenue accounts through requests for funds held in trust. The transfer of funds is recorded in the following segments/programs:

| | |
|--|-----------|
| Other Band Programs - Band Trust Funds | \$783,769 |
|--|-----------|

There are no outstanding transfers from Funds held in Trust as of March 31, 2019.

As of March 31, 2019, the First Nations has unexpended transfers from the Funds held in Trust in the amount of \$477,467 (2018 - \$318,334).

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

10. Bank indebtedness

At March 31, 2019, the First Nation had lines of credit totaling \$315,000 (2018 – \$315,000), of which \$63,098 (2018 - \$58,398) was outstanding at year end. Interest is payable monthly on the outstanding balance at prime plus 2%. The following has been collateralized in connection with this line of credit:

- General security agreement; and
- Assignment of all ISC funding.

11. 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 Phase X, \$100 per unit per month for Phase XIV, \$90 per unit per month for Phase XV, and \$100 per unit per month for Phase XVI and Phase XVII.

Subsidy Surplus reserve

For phase X (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, 2019, the replacement reserve fund is under funded by \$233,473 (2018 - under funded by \$296,073), the operating reserve fund is over funded by \$159,059 (2018 - under funded by \$166,658), and the subsidy surplus reserve fund is appropriately funded (2018 - appropriately funded).

12. Deferred revenue

| | | 2019 | 2018 |
|--|-------|------------------|-------------|
| Social Assistance | ISC | 44,903 | - |
| Taxation | | 129,247 | 90,913 |
| Emergency Preparedness | ISC | 44,160 | - |
| First Nations Trust | | 549,638 | 446,524 |
| School Evaluation | ISC | 155,771 | 60,771 |
| Headstart Building | FNIHB | - | 124,813 |
| Aboriginal Diabetes Initiative | FNIHB | 15,537 | - |
| Urban Office | | 65,000 | - |
| CMHC Housing Operations - Retrofit | | - | 94,929 |
| Capital Projects - Water Treatment Plant | ISC | 1,084,970 | 5,193,008 |
| Canada Prenatal Nutrition | FNIHB | 11,619 | - |
| Health Planning Management | FNIHB | 135,442 | - |
| HIV/AIDS | FNIHB | 7,473 | - |
| Drop In | FNIHB | 45,533 | - |
| Health Research & Engagement | FNIHB | 7,918 | - |
| | | 2,297,211 | 6,010,958 |

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

12. Deferred revenue (Continued from previous page)

The following table represents changes in the deferred revenue balances:

| | Balance, beginning of year | Funds received | Recognized as revenue | Balance, end of year |
|---|-----------------------------------|-----------------------|------------------------------|-----------------------------|
| Taxation | 90,913 | 552,164 | 513,830 | 129,247 |
| Social Assistance - Employment & Training | - | 136,942 | 92,039 | 44,903 |
| Urban Office | - | 80,000 | 15,000 | 65,000 |
| Emergency Preparedness | - | 44,160 | - | 44,160 |
| Drop In | - | 168,308 | 122,775 | 45,533 |
| First Nations Trust | 446,524 | 832,808 | 729,694 | 549,638 |
| School Evaluation | 60,771 | 95,000 | - | 155,771 |
| Headstart Building | 124,813 | - | 124,813 | - |
| Aboriginal Diabetes Initiative | - | 110,292 | 94,755 | 15,537 |
| Capital Projects - Water Treatment Plant | 5,193,008 | 300,000 | 4,408,038 | 1,084,970 |
| Health Planning Management | - | 150,940 | 15,498 | 135,442 |
| Canada Prenatal Nutrition | - | 40,104 | 28,485 | 11,619 |
| HIV/AIDS | - | 11,578 | 4,105 | 7,473 |
| Health Research & Engagement | - | 8,152 | 234 | 7,918 |
| CMHC Housing Operations | 94,929 | - | 94,929 | - |
| | 6,010,958 | 2,530,448 | 6,244,195 | 2,297,211 |

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

13. Long-term debt

The following CMHC 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:

| <u>CMHC Phase</u> | <u>Monthly Payment</u> | <u>Interest rate</u> | <u>Maturity Date</u> | 2019 | 2018 |
|---|---------------------------|----------------------|----------------------|------------------|-------------|
| | <u>Including Interest</u> | | | | |
| X | 2,284 | 5.84% | July 1, 2019 | 9,246 | 35,283 |
| XIV | 2,296 | 1.83% | Oct. 1, 2019 | 13,675 | 40,663 |
| XV | 1,081 | 1.11% | Apr. 1, 2025 | 76,280 | 88,335 |
| XVI | 1,933 | 1.65% | May 1, 2027 | 177,501 | 197,203 |
| XVII | 1,478 | 1.39% | June 1, 2030 | 140,134 | 199,761 |
| XVIII | - | - | - | 215,000 | - |
| XIV | - | - | - | 124,571 | - |
| | | | | 756,407 | 561,245 |
| Bank of Montreal Loan, interest at 5.20%, monthly principal and interest payments of \$22,418, secured by gaming and taxation revenue, matures August 2025. | | | | 1,502,035 | - |
| Bank of Montreal Loan, interest at 5.20%, monthly principal and interest payments of \$6,512, secured by gaming and taxation revenue, matures July 2025. | | | | 429,775 | - |
| Bank of Montreal Loan, interest at 5.20%, monthly principal and interest payments of \$2,773, secured by gaming and taxation revenue, matures July 2028. | | | | 248,640 | - |
| Bank of Montreal Loan, interest at 5.20%, monthly principal and interest payments of \$1,573, secured by gaming and taxation revenue, matures July 2025. | | | | 101,674 | - |
| Native Claims Loan, interest-free until maturity, due on the earlier of March 31, 2022 or the date on which the claim is settled, no monthly repayment, secured by a Promissory Note made by the First Nation payable to the Receiver General for Canada. | | | | 92,977 | 92,977 |
| | | | | 3,131,508 | 654,222 |
| Less: current portion | | | | 357,252 | 100,283 |
| | | | | 2,774,256 | 553,939 |

The First Nation entered into a loan agreement with Bank of Montreal for purposes of construction and financing of ten new housing units, purchase of furnaces and water heaters, and refurbishing and reactivating housing unit #70. The loan agreement states that the loan was due on demand with the option for a fixed rate term loan upon final draw of the loan proceeds. Last year a balance of \$1,569,291 was recorded as a term loan due on demand. During the year, the final drawing was made. Of the available \$2,600,000, \$2,282,125 has been drawn as at March 31, 2019. The Nation also received advances for Phase 18 & 19 of \$215,000 and \$124,571 respectively, during the year. Construction of the units have yet to begin, as well as no repayment period or terms have been determined as of year end.

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

| | |
|------|---------|
| 2020 | 357,252 |
| 2021 | 350,888 |
| 2022 | 460,852 |
| 2023 | 385,739 |
| 2024 | 404,525 |

Interest paid on long-term debt was \$102,228 (2018 - \$60,655).

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

14. Advances from related Nation entities

Advances from 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.

| | 2019 | 2018 |
|---|----------------|-------------|
| Advances from White Bear Holdings Ltd. | 520,946 | 575,946 |
| Advances from White Bear Lake Resort Inc. | 174,621 | 174,621 |
| | 695,567 | 750,567 |

15. Contingencies

The First Nation is involved in two legal claims relating to labour disputes. The likelihood of loss and estimated liability for these claims is not determinable at March 31, 2019. If any liability results from these claims, it will be accounted for as an expenditure at that time.

Continued receipt of funding from federal government agencies is dependent upon the programs being managed and operated within the terms and conditions of the funding agreements that have been made with federal government agencies. The First Nations are currently in line with these agreements.

16. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Assets under construction includes a new water treatment plant with a carrying value of \$8,646,946 (water treatment plant in 2018 - \$4,357,959) and construction of 5 new housing units with a carrying value of \$965,281 (10 units in 2018 - \$1,237,848).

\$90,929 of interest has been capitalized in the current year (2018 - \$54,667) relating to loan proceeds received to construct the 10 new housing units.

Tangible capital assets include roads, water lines and sewer lines disclosed at a nominal amount; all of which having reached the end of their amortization period.

The Nation holds works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

17. Accumulated surplus

White Bear First Nations does not have a moveable asset reserve.

Accumulated surplus consists of the following:

| | 2019 | 2018 |
|--|-------------------|-------------|
| Equity in Ottawa Trust Funds | 9,155,060 | 9,338,864 |
| Equity in CMHC operating reserve | 547,116 | 538,644 |
| Equity in CMHC replacement reserve | 618,075 | 486,359 |
| Equity in tangible capital assets | 15,109,730 | 11,419,262 |
| Equity in controlled business entities | 2,708,848 | 2,497,899 |
| Unrestricted surplus | 772,798 | 137,930 |
| | 28,911,627 | 24,418,958 |

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

18. Economic dependence

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

19. Reconciliation of funding from Indigenous Services Canada

| | 2019 | 2018 |
|---|--------------------|-------------|
| Funding per ISC confirmation | 7,054,930 | 11,062,702 |
| Deferred revenue - prior year | 5,253,779 | 3,962,895 |
| Deferred revenue - current year | (1,329,804) | (5,253,779) |
| | 10,978,905 | 9,771,818 |
| Less: recoveries | | |
| Planning Risk Management | (15,000) | - |
| HR Management | (7,000) | - |
| CORP | (1,759) | - |
| Assisted living | (9,102) | - |
| | (32,861) | - |
| Funding total per financial statements | 10,946,044 | 9,771,818 |

20. Reconciliation of funding from First Nation Inuit Health Branch

| | 2019 | 2018 |
|---|------------------|-------------|
| Funding per FNIHB confirmation | 1,250,969 | 1,132,629 |
| Deferred revenue - prior year | 312,210 | 552,878 |
| Deferred revenue - current year | (223,522) | (312,210) |
| | 1,339,657 | 1,373,297 |
| Less: recoveries | | |
| Health Clinic | (970) | - |
| Prenatal | (5,370) | - |
| Health O&M | (17,690) | - |
| HIV/AIDS | (260) | - |
| Medical transportation | (5,252) | - |
| Brighter futures | (52,343) | - |
| | (81,885) | - |
| Funding total per financial statements | 1,257,772 | 1,373,297 |

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

21. Budget information

The disclosed budget information was approved on March 8, 2018 and March 9, 2018 by the Chief and Council of White Bear First Nations.

22. Segments

The First Nation has 9 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segment are as follows:

Reserves and Trusts - 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.

Economic Development - includes activities for the development of the First Nation's land and resources.

Health - includes the operations of health care programs.

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

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 3.

23. Comparative figures

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

White Bear First Nations
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

| | <i>Buildings</i> | <i>Equipment</i> | <i>Roads</i> | <i>Utility systems</i> | <i>Vehicles</i> | <i>Land improvements</i> | <i>Subtotal</i> |
|--|------------------|------------------|--------------|------------------------|-----------------|--------------------------|------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 12,982,858 | 1,158,291 | 1 | 4,592,144 | 1,302,921 | 603,046 | 20,639,261 |
| Acquisition of tangible capital assets | - | 117,460 | - | - | 38,000 | 20,291 | 175,751 |
| Disposal of tangible capital assets | - | - | - | - | (72,064) | - | (72,064) |
| Transfer of tangible capital assets | - | - | - | - | - | - | - |
| Balance, end of year | 12,982,858 | 1,275,751 | 1 | 4,592,144 | 1,268,857 | 623,337 | 20,742,948 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | 8,151,706 | 973,084 | 1 | 3,290,574 | 1,142,210 | 339,269 | 13,896,844 |
| Annual amortization | 408,952 | 55,459 | - | 178,471 | 56,754 | 24,527 | 724,163 |
| Accumulated amortization on disposals | - | - | - | - | (72,064) | - | (72,064) |
| Balance, end of year | 8,560,658 | 1,028,543 | 1 | 3,469,045 | 1,126,900 | 363,796 | 14,548,943 |
| Net book value of tangible capital assets | 4,422,200 | 247,208 | - | 1,123,099 | 141,957 | 259,541 | 6,194,005 |
| 2018 Net book value of tangible capital assets | 4,831,152 | 185,207 | - | 1,598,158 | 160,711 | 263,777 | 7,039,005 |

White Bear First Nations
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

| | <i>Subtotal</i> | <i>Housing</i> | <i>Assets under construction</i> | <i>2019</i> | <i>2018</i> |
|--|------------------|------------------|----------------------------------|-------------------|-------------------|
| Cost | | | | | |
| Balance, beginning of year | 20,639,261 | 15,016,750 | 5,611,707 | 41,267,718 | 37,055,714 |
| Acquisition of tangible capital assets | 175,751 | - | 4,966,100 | 5,141,851 | 4,433,635 |
| Disposal of tangible capital assets | (72,064) | (203,025) | - | (275,089) | (221,631) |
| Transfer of tangible capital assets | - | 965,281 | (965,281) | - | - |
| Balance, end of year | 20,742,948 | 15,779,006 | 9,612,526 | 46,134,480 | 41,267,718 |
| Accumulated amortization | | | | | |
| Balance, beginning of year | 13,896,844 | 14,153,249 | - | 28,050,093 | 27,383,995 |
| Annual amortization | 724,163 | 198,386 | - | 922,549 | 887,729 |
| Accumulated amortization on disposals | (72,064) | (141,671) | - | (213,735) | (221,631) |
| Balance, end of year | 14,548,943 | 14,209,964 | - | 28,758,907 | 28,050,093 |
| Net book value of tangible capital assets | 6,194,005 | 1,569,042 | 9,612,526 | 17,375,573 | 13,217,625 |
| 2018 Net book value of tangible capital assets | 7,039,005 | 863,501 | 5,315,119 | 13,217,625 | |

White Bear First Nations
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2019

| | 2019 <i>Budget</i> <i>(Note 21)</i> | 2019 | 2018 |
|--|--|-------------------|-------------------|
| Consolidated expenses by object | | | |
| Salaries and benefits | 4,441,141 | 4,609,071 | 4,189,803 |
| Assistance | 1,114,994 | 1,211,737 | 1,250,503 |
| Repairs and maintenance | 827,639 | 929,117 | 1,736,733 |
| Amortization | - | 922,549 | 887,729 |
| Meetings and travel | 451,920 | 523,007 | 524,398 |
| Contracted services | 266,590 | 517,427 | 556,577 |
| Student costs | 430,714 | 469,982 | 481,273 |
| Professional fees | 174,507 | 413,705 | 461,466 |
| Program costs | 220,568 | 474,341 | 608,257 |
| Materials and supplies | 296,604 | 325,445 | 253,378 |
| Tuition | 284,100 | 243,129 | 237,928 |
| Insurance | 9,004 | 196,871 | 220,018 |
| Professional development, workshops and training | 176,403 | 179,360 | 226,581 |
| Utilities | 110,490 | 141,438 | 162,648 |
| Bad debts | - | 111,431 | 500,209 |
| Telephone | 118,376 | 97,406 | 82,983 |
| Honouraria | 12,700 | 93,332 | 62,513 |
| Recreation activities | - | 93,264 | 182,854 |
| Minor equipment | 38,455 | 73,759 | 51,458 |
| Miscellaneous | 55,639 | 72,893 | 86,439 |
| Wakes and funerals | - | 63,877 | 131,892 |
| Contributions | - | 96,432 | 46,500 |
| Community events | 20,500 | 45,450 | 75,116 |
| Rent | 10,200 | 21,672 | 6,843 |
| Bank charges and interest | 23,207 | 19,921 | 31,427 |
| SAMA assessment fee | - | 13,000 | 10,000 |
| Interest on long-term debt | - | 11,299 | 5,988 |
| Advertising and promotion | 9,700 | 10,844 | 20,440 |
| Legal settlement | - | 8,950 | 31,050 |
| Administration fee | 15,731 | - | - |
| Donations (recovery) | (2,300) | (4,316) | 123,005 |
| | 9,106,882 | 11,986,393 | 13,246,009 |

White Bear First Nations
Reserves & Trusts
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 <i>Budget</i> <i>(Note 21)</i> | 2019 | 2018 |
|----------------------------|--|---------------|---------------|
| Revenue | | | |
| Indigenous Services Canada | 19,272 | 20,112 | 19,739 |
| Expenses | | | |
| Salaries and benefits | 14,781 | 14,565 | 15,632 |
| Meetings and travel | 2,000 | 1,830 | 1,082 |
| Materials and supplies | 1,200 | - | - |
| Contracted services | 600 | - | - |
| Administration fee | 1,334 | - | - |
| | 19,915 | 16,395 | 16,714 |
| Surplus (deficit) | (643) | 3,717 | 3,025 |

**White Bear First Nations
Education**
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 Budget (Note 21) | 2019 | 2018 |
|--|--------------------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 2,529,591 | 2,720,893 | 2,661,021 |
| SITAG | 7,200 | 164,232 | 168,234 |
| Other | 54,598 | 94,608 | 95,788 |
| Rental income | 3,156 | 12,845 | 18,074 |
| Bear Claw Community Development Incorporated | - | - | 16,050 |
| | 2,594,545 | 2,992,578 | 2,959,167 |
| Expenses | | | |
| Salaries and benefits | 1,516,994 | 1,569,916 | 1,458,331 |
| Student costs | 430,514 | 452,101 | 475,573 |
| Program costs | 101,064 | 246,579 | 352,109 |
| Tuition | 284,100 | 243,129 | 237,928 |
| Materials and supplies | 115,375 | 116,911 | 108,456 |
| Contracted services | 102,124 | 107,330 | 95,419 |
| Meetings and travel | 95,850 | 89,119 | 56,854 |
| Minor equipment | 26,550 | 39,595 | 32,828 |
| Honouraria | 12,700 | 39,248 | 24,170 |
| Repairs and maintenance | 46,100 | 39,218 | 48,734 |
| Amortization | - | 36,413 | 28,820 |
| Professional development, workshops and training | 20,000 | 23,159 | 10,141 |
| Professional fees | 3,200 | 21,043 | 3,261 |
| Legal settlement | - | 8,950 | 31,050 |
| Telephone | 17,000 | 8,307 | 8,677 |
| Utilities | 6,000 | 6,699 | 9,810 |
| Advertising and promotion | 2,500 | 2,731 | 935 |
| Bank charges and interest | 4,680 | 1,879 | 2,833 |
| Community events | - | 1,131 | 2,797 |
| Miscellaneous | - | 1,109 | 4,277 |
| Insurance | - | 973 | 2,500 |
| Donations and grants | 3,000 | 873 | 19,704 |
| Administration fee | 500 | - | - |
| Bad debts (recovery) | - | (743) | 50,935 |
| | 2,788,251 | 3,055,670 | 3,066,142 |
| Deficit | (193,706) | (63,092) | (106,975) |

White Bear First Nations
Social Development
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 <i>Budget</i> <i>(Note 21)</i> | 2019 | 2018 |
|--|--|------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | 876,268 | 1,122,097 | 1,289,022 |
| Other | 147,576 | 70,953 | 60,563 |
| | 1,023,844 | 1,193,050 | 1,349,585 |
| Expenses | | | |
| Assistance | 974,994 | 1,056,066 | 1,081,219 |
| Salaries and benefits | 86,800 | 80,156 | 80,651 |
| Program costs | - | 21,622 | 31,744 |
| Meetings and travel | 51,400 | 17,966 | 15,403 |
| Materials and supplies | 13,600 | 17,662 | 7,427 |
| Professional development, workshops and training | - | 14,941 | 8,002 |
| Miscellaneous | 20,278 | 7,410 | 283 |
| Administration fee | 7,259 | 3,902 | 1,952 |
| Telephone | 1,200 | 1,200 | 1,200 |
| Bank charges and interest | 1,320 | 470 | 833 |
| Repairs and maintenance | - | - | 6,061 |
| Bad debts (recovery) | - | (100) | (100) |
| | 1,156,851 | 1,221,295 | 1,234,675 |
| (Deficit) surplus | (133,007) | (28,245) | 114,910 |

White Bear First Nations
Community Infrastructure
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 <i>Budget</i> <i>(Note 21)</i> | 2019 | 2018 |
|--|--|------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | 808,025 | 852,593 | 773,852 |
| User fees | - | 6,979 | 8,971 |
| Other | 7,118 | 163 | 873 |
| | 815,143 | 859,735 | 783,696 |
| Expenses | | | |
| Amortization | - | 440,674 | 456,096 |
| Salaries and benefits | 232,810 | 280,916 | 280,517 |
| Repairs and maintenance | 230,127 | 255,945 | 284,893 |
| Contracted services | 54,600 | 174,932 | 102,364 |
| Utilities | 68,600 | 47,369 | 83,632 |
| Administration fee | 30,960 | 30,163 | 29,128 |
| Materials and supplies | 24,600 | 28,180 | 23,267 |
| Telephone | 17,523 | 7,976 | 6,805 |
| Community events | - | 3,156 | 3,156 |
| Advertising and promotion | - | 2,986 | 2,781 |
| Professional development, workshops and training | 6,000 | 2,743 | 971 |
| Meetings and travel | 5,500 | 1,476 | 3,210 |
| Bank charges and interest | 690 | 492 | 540 |
| Minor equipment | - | - | 42 |
| Bad debts | - | - | 634 |
| Miscellaneous | 3,156 | - | - |
| Donations and grants | 3,700 | - | - |
| Contributions | - | - | 46,500 |
| | 678,266 | 1,277,008 | 1,324,536 |
| (Deficit) surplus before transfers | 136,877 | (417,273) | (540,840) |
| Transfers between programs | - | 84,199 | 32,989 |
| (Deficit) surplus | 136,877 | (333,074) | (507,851) |

**White Bear First Nations
Band Government**
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 Budget (Note 21) | 2019 | 2018 |
|--|--------------------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 646,108 | 1,064,345 | 829,048 |
| Other | 32,000 | 9,149 | 23,069 |
| Contributions | - | - | 62,329 |
| Bear Claw Community Development Incorporated | - | - | 14,000 |
| | 678,108 | 1,073,494 | 928,446 |
| Expenses | | | |
| Salaries and benefits | 872,291 | 1,032,863 | 909,568 |
| Professional fees | 110,000 | 277,102 | 223,391 |
| Meetings and travel | 199,000 | 180,487 | 220,988 |
| Telephone | 48,140 | 52,608 | 43,014 |
| Honouraria | - | 49,484 | 36,143 |
| Materials and supplies | 75,066 | 46,886 | 48,609 |
| Utilities | 26,650 | 31,419 | 33,995 |
| Professional development, workshops and training | 64,000 | 30,059 | 8,760 |
| Donations and grants | - | 26,690 | 42,799 |
| Contracted services | 21,908 | 21,547 | 22,155 |
| Student costs | 200 | 17,881 | 5,700 |
| Miscellaneous | 25,000 | 13,137 | 2,132 |
| Amortization | - | 11,777 | 11,777 |
| Repairs and maintenance | 1,200 | 7,742 | 20,185 |
| Rent | 6,000 | 6,672 | 6,843 |
| Bank charges and interest | 13,500 | 5,010 | 11,627 |
| Minor equipment | 2,500 | 3,273 | 10,674 |
| Community events | 3,600 | 2,925 | 18,976 |
| Bad debts | - | 2,607 | 1,796 |
| Advertising and promotion | 2,400 | 1,564 | 5,976 |
| Administration fee (recovery) | (100,212) | (121,212) | (52,925) |
| | 1,371,243 | 1,700,521 | 1,632,183 |
| Deficit before transfers | (693,135) | (627,027) | (703,737) |
| Transfers between programs | 233,212 | 531,295 | 792,369 |
| Surplus (deficit) | (459,923) | (95,732) | 88,632 |

White Bear First Nations
Capital
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 Budget (Note 21) | 2019 | 2018 |
|--|--------------------------------------|------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | 345,000 | 4,815,416 | 3,841,494 |
| First Nation Inuit Health Branch | - | 124,813 | 209,482 |
| Canada Mortgage and Housing Corporation | 16,512 | 78,110 | 37,620 |
| Other | 10,000 | 90,952 | 52,478 |
| Rental income | 55,500 | 67,975 | 22,670 |
| Contributions | 324,278 | - | 39,299 |
| Insurance | - | - | 288,091 |
| | 751,290 | 5,177,266 | 4,491,134 |
| Expenses | | | |
| Repairs and maintenance | 494,600 | 521,701 | 1,035,648 |
| Contributions | - | 96,432 | - |
| Salaries and benefits | 402,278 | 95,356 | 117,143 |
| Contracted services | 26,000 | 94,887 | 201,999 |
| Insurance | 4,024 | 84,633 | - |
| Amortization | - | 48,264 | - |
| Meetings and travel | 36,000 | 40,700 | 34,705 |
| Miscellaneous | - | 15,545 | 44,466 |
| Bad debts | - | 13,357 | 922 |
| Professional development, workshops and training | 12,000 | 8,550 | - |
| Telephone | 9,600 | 1,787 | 1,354 |
| Materials and supplies | - | 1,769 | 1,200 |
| Bank charges and interest | - | 1,450 | 1,588 |
| Administration fee | - | 1,156 | 1,156 |
| Program costs | 30,000 | - | 14,325 |
| Minor equipment | - | - | 4,830 |
| | 1,014,502 | 1,025,587 | 1,459,336 |
| Surplus (deficit) before transfers | (263,212) | 4,151,679 | 3,031,798 |
| Transfers between programs | 207,500 | 281,729 | 195,844 |
| Surplus (deficit) | (55,712) | 4,433,408 | 3,227,642 |

White Bear First Nations
Economic Development
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 Budget (Note 21) | 2019 | 2018 |
|--|--------------------------------------|----------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 254,628 | 350,587 | 357,642 |
| Other | - | 88,670 | 21,286 |
| Royalties | - | 71,212 | 71,224 |
| Contributions | - | 7,500 | - |
| | 254,628 | 517,969 | 450,152 |
| Expenses | | | |
| Salaries and benefits | 114,586 | 205,849 | 206,578 |
| Materials and supplies | 2,400 | 65,579 | 12,821 |
| Contracted services | 3,800 | 41,401 | 36,750 |
| Meetings and travel | 7,200 | 33,031 | 34,836 |
| Amortization | - | 25,320 | 28,482 |
| Administration fee | 18,000 | 24,664 | 18,739 |
| Repairs and maintenance | 15,942 | 22,521 | 71,708 |
| Professional development, workshops and training | 39,040 | 17,294 | 29,618 |
| Program costs | 1,200 | 11,498 | 28,569 |
| Minor equipment | 7,200 | 10,833 | - |
| Miscellaneous | - | 6,421 | 27,055 |
| Professional fees | 36,500 | 6,390 | 29,213 |
| Telephone | 3,600 | 3,992 | 4,420 |
| Advertising and promotion | 4,800 | 3,215 | 3,762 |
| Bank charges and interest | 360 | 1,823 | 2,453 |
| Honouraria | - | 1,400 | - |
| Bad debts (recovery) | - | (682) | 531,901 |
| | 254,628 | 480,549 | 1,066,905 |
| Surplus (deficit) before transfers | - | 37,420 | (616,753) |
| Transfers between programs | - | - | 7,728 |
| Surplus (deficit) | - | 37,420 | (609,025) |

White Bear First Nations
Health
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 Budget (Note 21) | 2019 | 2018 |
|--|--|------------------|-------------|
| Revenue | | | |
| First Nation Inuit Health Branch | 1,014,248 | 1,132,958 | 1,163,816 |
| Other | 20,761 | 5,019 | 19,308 |
| | 1,035,009 | 1,137,977 | 1,183,124 |
| Expenses | | | |
| Salaries and benefits | 790,158 | 685,255 | 653,504 |
| Meetings and travel | 46,570 | 92,551 | 102,134 |
| Professional development, workshops and training | 34,363 | 62,537 | 148,214 |
| Administration fee | 49,267 | 61,327 | 1,950 |
| Contracted services | 27,058 | 53,288 | 28,256 |
| Repairs and maintenance | 28,320 | 45,570 | 30,787 |
| Program costs | 82,104 | 43,305 | 100,524 |
| Community events | 16,900 | 38,239 | 50,187 |
| Materials and supplies | 25,262 | 19,988 | 34,084 |
| Miscellaneous | 5,107 | 19,670 | 5,988 |
| Professional fees | 7,372 | 16,554 | 18,719 |
| Telephone | 16,753 | 13,097 | 10,357 |
| Amortization | - | 11,314 | 7,514 |
| Minor equipment | 2,205 | 4,586 | 579 |
| Bank charges and interest | 2,237 | 4,131 | 5,435 |
| Utilities | 3,240 | 4,125 | 2,536 |
| Bad debts | - | 2,690 | - |
| Insurance | 4,480 | - | - |
| | 1,141,396 | 1,178,227 | 1,200,768 |
| Deficit before transfers | (106,387) | (40,250) | (17,644) |
| Transfers between programs | - | 15,000 | - |
| Deficit | (106,387) | (25,250) | (17,644) |

White Bear First Nations
Other Band Programs
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 Budget (Note 21) | 2019 | 2018 |
|---|--------------------------------------|------------------|------------------|
| Revenue | | | |
| SITAG | 102,443 | 284,328 | 132,298 |
| Canada Mortgage and Housing Corporation | - | 109,952 | 172,920 |
| First Nations Trust | 885,212 | 729,695 | 828,175 |
| Taxation | 505,000 | 478,653 | 356,371 |
| Donations | - | 453,000 | 253,000 |
| Earnings from investment in Nation partnerships and business entities | (71,238) | 360,949 | 30,619 |
| Royalties | - | 315,760 | 313,760 |
| Lease income | - | 277,652 | 276,537 |
| Federation of Sovereign Indigenous Nations | 87,500 | 177,322 | 89,500 |
| Other | 262,423 | 139,951 | 138,868 |
| Rental income | - | 130,293 | 208,141 |
| User fees | 31,200 | 10,727 | 13,010 |
| Interest income | - | 10,655 | 20,642 |
| Bear Claw Community Development Incorporated | - | - | 55,961 |
| Contributions (expense) | 5,000 | (7,500) | 7,115 |
| | 1,807,540 | 3,471,437 | 2,896,917 |
| Expenses | | | |
| Salaries and benefits | 410,443 | 644,193 | 467,881 |
| Amortization | - | 348,787 | 355,039 |
| Assistance | 140,000 | 155,671 | 169,284 |
| Insurance | 500 | 111,265 | 217,518 |
| Bad debts (recovery) | - | 94,301 | (85,879) |
| Recreation activities | - | 93,264 | 182,854 |
| Professional fees | 17,435 | 92,615 | 186,882 |
| Meetings and travel | 8,400 | 65,846 | 55,185 |
| Wakes and funerals | - | 63,877 | 131,892 |
| Utilities | 6,000 | 51,826 | 32,675 |
| Program costs | 6,200 | 151,336 | 80,986 |
| Repairs and maintenance | 11,350 | 36,421 | 238,717 |
| Materials and supplies | 39,100 | 28,471 | 17,514 |
| Professional development, workshops and training | 1,000 | 20,076 | 20,874 |
| Minor equipment | - | 15,472 | 2,505 |
| Rent | 4,200 | 15,000 | - |
| SAMA assessment fee | - | 13,000 | 10,000 |
| Contracted services | 30,500 | 24,043 | 69,634 |
| Interest on long-term debt | - | 11,299 | 5,988 |
| Miscellaneous | 2,100 | 9,600 | 2,239 |
| Telephone | 4,560 | 8,438 | 7,157 |
| Bank charges and interest | 420 | 4,667 | 6,119 |
| Honouraria | - | 3,200 | 2,200 |
| Advertising and promotion | - | 348 | 6,986 |
| Administration fee | 8,622 | - | - |
| Donations and grants (recovery) | (9,000) | (31,875) | 60,500 |
| | 681,830 | 2,031,141 | 2,244,750 |
| Surplus before other income | 1,125,710 | 1,440,296 | 652,167 |

Continued on next page

White Bear First Nations
Other Band Programs
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2019

| | 2019 Budget (Note 21) | 2019 | 2018 |
|--|--|------------------|-------------|
| Surplus before other income <i>(Continued from previous page)</i> | 1,125,710 | 1,440,296 | 652,167 |
| Other income | | | |
| Gain on disposal of capital assets | - | 35,441 | - |
| Surplus before transfers | 1,125,710 | 1,475,737 | 652,167 |
| Transfers between programs | (440,712) | (912,224) | (1,028,929) |
| Surplus (deficit) | 684,998 | 563,513 | (376,762) |