

**WITCHEKAN LAKE FIRST NATION**

**Consolidated Financial Statements**

**For the Year Ended March 31, 2018**

**WITCHEKAN LAKE FIRST NATION**  
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**For the Year Ended March 31, 2018**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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

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

Chief and Council review Witchehan Lake First Nation consolidated financial statements and recommend their approval. Chief and Council meet periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by Cogent Chartered Professional Accountants LLP in accordance with Canadian auditing standards on behalf of the members. Cogent Chartered Professional Accountants LLP has full and free access to the Chief and Council, accountant and program directors. The report of the auditing firm is on the following page.

Chief



Councilor



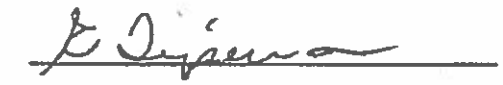
Councilor



Councilor



Councilor



Date: March 21, 2019

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ACCOUNTANTS LLP



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## INDEPENDENT AUDITOR'S REPORT

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To the Chief and Council,  
Witchehan Lake First Nation:

We have audited the accompanying consolidated financial statements of Witchehan Lake First Nation, which are comprised of the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, change in net financial assets (net debt), cash flows and accumulated surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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, these consolidated financial statements present fairly, in all material respects, the financial position of Witchehan Lake First Nation as at March 31, 2018, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The consolidated financial statements for the year ended March 31, 2017 were audited by another accounting firm. These numbers are presented for comparative purposes only.

Battleford, Saskatchewan  
March 21, 2019

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**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2018**

		2018	2017
<b>Financial Assets</b>			
Cash and cash equivalents	(Note 2)	\$ 3,419,729	\$ 1,846,510
Accounts receivable	(Note 3)	426,174	229,277
Trust funds held by federal government	(Note 4)	401,295	401,600
Due from government and other government organizations	(Note 6)	180,463	96,678
Loans receivable	(Note 7)	3,584	3,584
Investments in government business enterprises	(Note 9)	(80,448)	(80,448)
		<u>4,350,797</u>	<u>2,497,201</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	(Note 10)	1,042,240	965,476
Deferred revenue	(Note 12)	1,503,368	1,006,532
Long-term debt	(Note 13)	3,096,726	1,792,874
		<u>5,642,334</u>	<u>3,764,882</u>
<b>Net financial assets (net debt)</b>		<u>(1,291,537)</u>	<u>(1,267,681)</u>
<b>Non-financial assets</b>			
Tangible capital assets	(Note 16)	<u>19,418,014</u>	<u>18,084,471</u>
<b>Accumulated surplus (deficit)</b>		<u>\$ 18,126,477</u>	<u>\$ 16,816,790</u>

Approved on behalf of Witchekan Lake First Nation:



Chief



Councilor

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ACCOUNTANTS

The accompanying notes are an integral part of these financial statements. 1

**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Operations**  
**For the Year Ended March 31, 2018**

		<i>Budget</i>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>				
Federal government transfers for operating	(Note 19)	\$ -	\$ 5,348,698	\$ 5,722,565
Federal government transfers for capital	(Note 19)	-	1,687,689	135,196
Provincial government transfers for operating	(Note 19)	-	-	3,000
Rent		-	145,278	149,220
Other		-	1,594,608	1,330,948
		-	<b>8,776,273</b>	<b>7,340,929</b>
<b>Expenditures</b>				
Education		-	1,721,801	2,449,059
Health		-	478,877	305,103
Housing		-	425,543	224,980
Community services		-	344,090	388,948
Social services		-	1,217,408	1,046,500
Band government		-	1,204,479	1,109,033
Public works		-	129,616	40,330
Other		-	989,215	352,920
Interest		-	29,548	34,789
Amortization		-	926,009	1,189,950
		-	<b>7,466,586</b>	<b>7,141,612</b>
<b>Annual surplus (deficit)</b>		-	<b>1,309,687</b>	<b>199,317</b>
<b>Accumulated surplus (deficit) at beginning of year</b>		-	<b>16,816,790</b>	<b>16,617,473</b>
<b>Accumulated surplus (deficit) at end of year</b>		\$ -	<b>\$ 18,126,477</b>	<b>\$ 16,816,790</b>

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The accompanying notes are an integral part of these financial statements. 2

**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
**For the Year Ended March 31, 2018**

	<i>Budget</i>	<b>2018</b>	<b>2017</b>
Annual surplus (deficit)	\$ -	\$ 1,309,687	\$ 199,317
Tangible capital assets:			
Acquisition of tangible capital assets	-	(1,744,327)	(1,460,755)
Amortization of tangible capital assets	-	410,784	1,189,950
	-	(1,333,543)	(270,805)
Change in net financial assets (net debt)	-	(23,856)	(71,488)
Net financial assets (net debt) at beginning of year	-	(1,267,681)	(1,196,193)
Net financial assets (net debt) at end of year	\$ -	\$ (1,291,537)	\$ (1,267,681)

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The accompanying notes are an integral part of these financial statements. 3

**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended March 31, 2018**

	2018	2017
<b>Operating transactions</b>		
Annual surplus (deficit)	1,309,687	199,317
Items not affecting cash:		
Amortization of tangible capital assets	410,784	1,189,950
Change in non-cash charges to operations		
Accounts receivable	(196,897)	(8,792)
Due from Government	(83,785)	60,813
Accounts payable and accrued liabilities	76,764	931,665
Deferred revenue	496,836	912,184
Cash provided by (applied to) operating transactions	<u>2,013,389</u>	<u>3,285,137</u>
<b>Capital transactions</b>		
Purchase of tangible capital assets	<u>(1,744,327)</u>	<u>(1,460,755)</u>
Cash provided by (applied to) capital transactions	<u>(1,744,327)</u>	<u>(1,460,755)</u>
<b>Investing transactions</b>		
Decrease (increase) in Band Trust Funds	<u>305</u>	<u>64,263</u>
Cash provided by (applied to) investing transactions	<u>305</u>	<u>64,263</u>
<b>Financing transactions</b>		
Debt issues	1,425,921	-
Debt retirement	<u>(122,071)</u>	<u>(120,316)</u>
Cash provided by (applied to) financing transactions	<u>1,303,850</u>	<u>(120,316)</u>
Increase (decrease) in cash and cash equivalents	1,573,217	1,768,329
Cash and cash equivalents at beginning of year	<u>1,846,512</u>	<u>78,183</u>
Cash and cash equivalents at end of year	<u>\$ 3,419,729</u>	<u>\$ 1,846,512</u>

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The accompanying notes are an integral part of these financial statements. 4



**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Accumulated Surplus**  
**For the Year Ended March 31, 2018**

	2017	Changes	2018
<b>Unappropriated surplus (deficit)</b>	<b>\$ (41,575)</b>	<b>\$ 1,279,994</b>	<b>\$ 1,238,419</b>
<b>Appropriated reserves</b>			
CMHC replacement reserve	447,449	-	447,449
CMHC operating reserve	199,767	-	199,767
<b>Total appropriated reserves</b>	<b>647,216</b>	<b>-</b>	<b>647,216</b>
<b>Investment in band entities (Note 9)</b>			
A.C. Forestry	(61,242)	-	(61,242)
A.C. Realty Ltd.	202,571	-	202,571
Agency Chiefs Tribal Council	(275,939)	-	(275,939)
Treaty Land Entitlement	54,162	-	54,162
<b>Total investment in band entities</b>	<b>(80,448)</b>	<b>-</b>	<b>(80,448)</b>
<b>Net investment in tangible capital assets</b>			
Tangible capital assets	18,084,471	1,333,543	19,418,014
Less: related debt	(1,792,874)	(1,303,850)	(3,096,724)
<b>Total net investment in tangible capital assets</b>	<b>16,291,597</b>	<b>29,693</b>	<b>16,321,290</b>
<b>Total accumulated surplus (deficit)</b>	<b>\$ 16,816,790</b>	<b>\$ 1,309,687</b>	<b>\$ 18,126,477</b>

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The accompanying notes are an integral part of these financial statements. 5

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

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**1. Summary of Significant Accounting Policies**

**a) Basis of accounting**

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

**b) Reporting Entity**

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

**c) Principles of consolidation**

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

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

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

- A.C. Forestry
- A.C. Realty Ltd.
- Agency Chiefs Tribal Council
- Treaty Land Entitlement

**d) Cash and cash equivalents**

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

**e) Inventories for resale**

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

**f) Loans receivable**

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

**g) Portfolio investments**

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

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

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**h) Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

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

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

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

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

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

Certain assets which have historical or cultural value, including works of art, historical documents, and historical and cultural artifacts are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

**i) Inventories held for use**

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

**j) Employee benefit obligations**

No employee future benefits are applicable.

**k) Revenue recognition**

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

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

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

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

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**l) Foreign currency translation**

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

**m) Measurement uncertainty**

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

**2. Cash and Cash Equivalents**

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

	2018	2017
<b>Externally restricted</b>		
CMHC replacement and surplus reserve funds	\$ 482,546	\$ 437,117
<b>Internally restricted</b>		
Capital Planning	1,794,185	1,798,375
Economic and Social Development	554,320	(74,558)
	<b>2,348,505</b>	<b>1,723,817</b>
<b>Unrestricted</b>		
Operating	542,263	(330,283)
Social Housing	46,415	15,859
	<b>588,678</b>	<b>(314,424)</b>
<b>Total cash and cash equivalents</b>	<b>\$ 3,419,729</b>	<b>\$ 1,846,510</b>

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**3. Accounts Receivable**

	2018	2017
Due from others:		
A.C. Forestry Ltd.	4,521	99,554
Advances to membership, staff and council	297,440	13,275
Agency Chiefs Tribal Council	68,596	79,282
Northern Lights Community Development Corp.	63,451	45,000
	<u>434,008</u>	<u>237,111</u>
	434,008	237,111
Less: Allowance for doubtful accounts	<u>(7,834)</u>	<u>(7,834)</u>
Total Accounts Receivable	<u>\$ 426,174</u>	<u>\$ 229,277</u>

**4. Trust Funds Held by Federal Government**

	March 31, 2017	Additions 2018	Withdrawals 2018	March 31, 2018
Revenue	\$ 401,295	\$ -	\$ -	\$ 401,295
Capital	305	-	(305)	-
End balances	<u>\$ 401,600</u>	<u>\$ -</u>	<u>\$ (305)</u>	<u>\$ 401,295</u>

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

**5. Inventories for Resale**

The First Nation has no inventories for resale.

**6. Due from Government and Other Government Organizations**

	2018	2017
Federal government		
Health Canada	14,314	14,314
Canada Mortgage and Housing Corporation	(17,503)	82,364
Other government organizations	<u>183,652</u>	<u>-</u>
	<u>\$ 180,463</u>	<u>\$ 96,678</u>

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

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**7. Loans Receivable**

	2018	2017
Agency Chiefs Tribal Council	\$ 3,584	\$ 3,584

**8. Portfolio Investments**

The First Nation has no portfolio investments.

**9. Investments in Government Business Enterprises**

Witchekan Lake First Nation has ownership interests in A.C Forestry Ltd. and A.C Realty Ltd. as outlined in paragraph (c) of Note 1. The First Nation is related to Agency Chiefs Tribal Council as a result of being one of three member First Nations receiving advisory services and programs from the Agency Chiefs Tribal Council.

At March 31, 2018, A.C Forestry Ltd. had total available debt of \$1,685,000, in the form of a demand loan. Each of the First Nation shareholders have provided guarantees and postponements of claim to the lender in support of the financing. The demand loan bears interest at prime plus 3.55% and is repayable in bi-weekly principal and interest instalments of \$16,536.

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

	2018	2017
A.C. Forestry	\$ (61,242)	\$ (61,242)
A.C. Realty Ltd.	202,571	202,571
Agency Chiefs Tribal Council	(275,939)	(275,939)
Treaty Land Entitlement	54,162	54,162
	\$ (80,448)	\$ (80,448)

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**10. Accounts Payable and Accrued Liabilities**

	2018	2017
Trade payables	\$ 877,274	\$ 844,679
Accrued salaries and benefits payable	48,619	105,149
Other accrued liabilities	116,347	15,648
	<b>\$ 1,042,240</b>	<b>\$ 965,476</b>

**11. Due to Government and Other Government Organizations**

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

**12. Deferred Revenue**

	Balance March 31, 2017	Funding Received 2018	Revenue Recognized 2018	Balance March 31, 2018
<b><u>Federal Government</u></b>				
Lagoon Feasibility	\$ 987,417	\$ -	\$ -	\$ 987,417
TLE Negotiations	19,115	-	-	19,115
<b><u>Other</u></b>				
Other	-	496,836	-	496,836
	-	496,836	-	496,836
	<b>\$ 1,006,532</b>	<b>\$ 496,836</b>	<b>\$ -</b>	<b>\$ 1,503,368</b>

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

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**13. Long-Term Debt and Obligations under Capital Leases**

	2018	2017
<u>Long-term debt financing tangible capital assets</u>		
CMHC mortgage #001 bearing interest at 0.94%, repayable in monthly blended installments of \$1,102. Mortgage is secured by ministerial guarantee on Section 95, 4-unit housing project, CMHC, Band BCR, and AANDC.	89,556	101,881
CMHC mortgage #002 bearing interest at 1.64%, repayable in monthly blended installments of \$2,458. Mortgage is secured by ministerial guarantee on Section 95, 9-unit housing project, CMHC, Band BCR, and AANDC.	244,381	269,157
CMHC mortgage #003 bearing interest at 1.67%, repayable in monthly blended installments of \$268. Mortgage is secured by ministerial guarantee on Section 95, 1-unit housing project, CMHC, Band BCR, and AANDC.	29,805	32,499
CMHC mortgage #004 bearing interest at 1.82%, repayable in monthly blended installments of \$793. Mortgage is secured by ministerial guarantee on Section 95, 3-unit housing project, CMHC, Band BCR, and AANDC.	97,378	105,053
CMHC mortgage #005 bearing interest at 1.11%, repayable in monthly blended installments of \$682. Mortgage is secured by ministerial guarantee on Section 95, 2-unit housing project, CMHC, Band BCR, and AANDC.	60,772	67,399
CMHC mortgage #006 bearing interest at 1.65%, repayable in monthly blended installments of \$1,617. Mortgage is secured by ministerial guarantee on Section 95, 4-unit housing project, CMHC, Band BCR, and AANDC.	166,514	181,529
CMHC mortgage #007 bearing interest at 1.82%, repayable in monthly blended installments of \$1,303. Mortgage is secured by ministerial guarantee on Section 95, 4-unit housing project, CMHC, Band BCR, and AANDC.	221,171	231,406
CMHC mortgage #008 bearing interest at 1.11%, repayable in monthly blended installments of \$1,425. Mortgage is secured by ministerial guarantee on Section 95, 4-unit housing project, CMHC, Band BCR, and AANDC.	272,254	284,182



**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

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

CMHC mortgage #009 bearing interest at 1.68%, repayable in monthly blended installments of \$3,073. Mortgage is secured by ministerial guarantee on Section 95, 5-unit housing project, CMHC, Band BCR, and AANDC.

488,974                      519,768

CMHC mortgage #010 bearing interest at 2.41%, repayable in monthly blended installments of \$6,672. Mortgage is secured by ministerial guarantee on Section 95, 5-unit housing project, CMHC, Band BCR, and AANDC.

1,425,921                      -

**Total long-term debt**

**\$    3,096,726    \$    1,792,874**

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

2019	128,000
2020	130,000
2021	132,000
2022	134,000
2023	138,000
Thereafter	2,436,728

2018	2017
------	------

Interest expense for the year on long-term debt

**\$        29,548    \$        34,789**

**Obligations under capital leases**

The First Nation has no obligations under capital leases.

**14. Risk Management**

The First Nation has no formalized risk management policy.

**15. Employee Benefit Obligations**

The First Nation does not have any employee benefit obligations.

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**16. Tangible Capital Assets**

	Cost			Accumulated Amortization			Net Book Value				
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other Adjustments	Closing Balance	Total 2018	Total 2017
Tangible Capital Assets											
Land	\$ 4,980,969	\$ -	\$ -	\$ -	\$ 4,980,969	\$ (2,573,734)	\$ -	\$ -	\$ (2,752,210)	\$ 4,980,969	\$ 4,980,969
Buildings	7,139,045	-	-	-	7,139,045	(372,398)	(178,476)	-	(2,752,210)	4,386,835	4,565,311
Housing	1,092,370	-	-	1,181,297	2,273,667	(917,715)	(30,178)	-	(402,576)	1,871,091	719,972
CMHC Housing	3,110,963	1,405,250	-	(114,730)	4,401,483	(3,505,585)	(146,862)	-	(1,064,577)	3,336,906	2,193,248
Infrastructure	8,915,089	-	-	(815,798)	8,099,291	(416,560)	-	-	(3,505,585)	4,583,706	5,409,504
Equipment	542,555	-	-	-	542,555	(202,756)	(26,996)	-	(443,556)	98,999	125,996
Vehicles	202,758	88,309	-	-	291,065	(389,636)	(20,691)	-	(223,447)	67,618	-
Store and Bison Ranch	479,107	-	-	-	478,107	(8,378,384)	(7,581)	-	(397,217)	81,890	89,471
	26,462,854	1,493,559	-	250,769	28,207,182	(8,378,384)	(410,784)	-	(8,789,168)	19,418,014	18,084,471
Total	\$ 26,462,854	\$ 1,493,559	\$ -	\$ 250,769	\$ 28,207,182	\$ (8,378,384)	\$ (410,784)	\$ -	\$ (8,789,168)	\$ 19,418,014	\$ 18,084,471

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**17. Contractual Obligations**

The First Nation does not have any contractual obligations.

**18. Contingent Liabilities**

Witchekan Lake First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Witchekan Lake First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Witchekan Lake First Nation's financial statements.

**19. Government Transfers**

	2018			2017		
	Operating	Capital	Total	Operating	Capital	Total
<b>Federal government transfers:</b>						
Aboriginal Affairs and Northern Development Canada	\$ 3,446,299	\$ 182,126	\$ 3,628,425	\$ 3,735,238	\$ 1,507,211	\$ 5,242,449
Health Canada	249,547	-	249,547	288,111	18,888	306,999
Canada Mortgage and Housing Corporation	135,943	41,991	177,934	165,416	113,817	279,233
<b>Total</b>	<b>3,831,789</b>	<b>224,117</b>	<b>4,055,906</b>	<b>4,188,765</b>	<b>1,639,916</b>	<b>5,828,681</b>
<b>Provincial government transfers</b>	<b>265,755</b>	<b>-</b>	<b>265,755</b>	<b>265,248</b>	<b>-</b>	<b>265,248</b>
	<b>\$ 4,097,544</b>	<b>\$ 224,117</b>	<b>\$ 4,321,661</b>	<b>\$ 4,454,013</b>	<b>\$ 1,639,916</b>	<b>\$ 6,093,929</b>

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**20. Segment Disclosure**

Witchekan Lake First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported on a segmented basis by function of related revenues and expenses. For each segment separately reported, the segment revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

	Education			Health			Economic Development			Housing		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017
<b>Revenues:</b>												
Federal government operating transfers	\$ -	\$ 1,812,447	\$ 3,086,628	\$ -	\$ 459,893	\$ 265,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal government capital transfers	-	108,251	80,307	-	23,905	16,327	-	-	-	-	353,901	109,786
Other revenue	-	-	-	-	-	-	-	-	-	-	41,405	16,417
<b>Total Revenues</b>	-	1,920,698	3,166,935	-	483,798	281,687	-	-	-	-	395,306	126,203
<b>Expenditures:</b>												
Salaries and benefits	-	1,114,269	951,696	-	195,144	161,071	-	-	-	-	26,178	29,026
Debt Servicing	-	5,173	7,716	-	-	-	-	-	-	-	-	-
Other Expenses	-	607,532	1,487,363	-	283,733	144,032	-	-	-	-	399,365	195,954
<b>Total Expenditures</b>	-	1,726,974	2,456,775	-	478,877	305,103	-	-	-	-	425,543	224,980
<b>Annual Surplus (Deficit)</b>	\$ -	\$ 193,724	\$ 710,160	\$ -	\$ 4,921	\$ (23,416)	\$ -	\$ -	\$ -	\$ -	\$ (30,237)	\$ (98,777)

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**20. Segment Disclosure (continued)**

	Social Services			Band Government			Community Services			Capital	
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2017
<b>Revenues:</b>											
Federal government operating transfers	\$ -	\$ 1,274,224	\$ 1,052,289	\$ -	\$ 948,007	\$ 675,323	\$ -	\$ 373,834	\$ 330,085	\$ -	\$ -
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	25,649	22,176	-	719,352	914,766	-	2,441	28,200	-	25,410
<b>Total Revenues</b>	-	1,299,873	1,074,465	-	1,667,359	1,590,089	-	376,275	358,285	-	1,333,788
<b>Expenditures:</b>											
Salaries and benefits	-	73,880	65,982	-	588,079	486,930	-	128,878	146,486	-	-
Other Expenses	-	1,143,528	980,518	-	618,400	622,103	-	217,212	242,462	-	40,330
<b>Total Expenditures</b>	-	1,217,408	1,046,500	-	1,204,479	1,109,033	-	344,090	388,948	-	40,330
<b>Annual Surplus (Deficit)</b>	\$ -	\$ 82,465	\$ 27,965	\$ -	\$ 462,880	\$ 481,056	\$ -	\$ 32,185	\$ (30,663)	\$ -	\$ (14,920)

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

**20. Segment Disclosure (continued)**

	Other		Total Before Adjustments			Consolidation Adjustments			Consolidated Totals		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	Budget 2018	2018	2017
<b>Revenues:</b>											
Federal government operating transfers	\$ -	\$ 480,293	\$ 312,870	\$ -	\$ 5,348,698	\$ 5,722,565	\$ -	\$ -	\$ -	\$ 5,348,698	\$ 5,722,565
Federal government capital transfers	-	-	-	-	1,687,689	135,196	-	-	-	1,687,689	135,196
Provincial government operating transfers	-	-	3,000	-	-	3,000	-	-	-	-	3,000
Other revenues	-	818,883	401,975	-	1,739,886	1,480,168	-	-	-	1,739,886	1,480,168
<b>Total Revenues</b>	-	1,299,176	717,845	-	8,776,273	7,340,929	-	-	-	8,776,273	7,340,929
<b>Expenditures:</b>											
Salaries and benefits	-	311,338	238,940	-	2,435,766	2,080,131	-	-	-	2,435,766	2,080,131
Debt Servicing	-	24,375	27,073	-	29,548	34,789	-	-	-	29,548	34,789
Amortization	-	926,009	1,189,950	-	926,009	1,189,950	-	-	-	926,009	1,189,950
Other Expenses	-	677,877	113,980	-	4,075,263	3,836,742	-	-	-	4,075,263	3,836,742
<b>Total Expenditures</b>	-	1,939,599	1,569,943	-	7,466,586	7,141,612	-	-	-	7,466,586	7,141,612
<b>Annual Surplus (Deficit)</b>	\$ -	\$ (640,423)	\$ (852,098)	\$ -	\$ 1,309,687	\$ 199,317	\$ -	\$ -	\$ -	\$ 1,309,687	\$ 199,317

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2018**

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**21. Expenditures by Object**

The following is a summary of expenditures by object:

	2018	2017
Salaries and wages	\$ 2,435,766	\$ 2,080,131
Staff development	413,413	489,495
Supplies and services	359,985	410,442
Interest	29,548	34,789
Professional services	52,984	37,255
Rental expenditures	-	144,720
Fees and contract services	129,430	184,323
Other	10,976,259	10,939,426
Amortization	926,009	1,189,950
	<u>\$ 15,323,394</u>	<u>\$ 15,510,531</u>

**22. Trusts Under Administration**

The First Nation does not administer any trusts.

**23. Subsequent Events**

The First Nation does not have any subsequent events.

**24. Budgeted Figures**

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

**25. Comparative Figures**

The prior year consolidated financial statements were audited by another accounting firm. The comparative figures are presented here for information purposes only.