WITCHEKAN LAKE FIRST NATION

Consolidated Financial Statements

For the Year Ended March 31, 2019

WITCHEKAN LAKE FIRST NATION

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For the Year Ended March 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Witchekan 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.

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

Witchekan 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 Witchekan 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 6, 2020

Cogent
CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Chief and Council,
Witchekan Lake First Nation:

Opinion

We have audited the consolidated financial statements of Witchekan Lake First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying 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 and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We were unable to obtain any evidence regarding the recorded values of the First Nation's Investments in Government Business Enterprises as at March 31, 2019. As such, we were unable to determine if there would be an effect on current year Consolidated Statement of Operations and its Accumulated Surplus for the year ended.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 relating 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 Nation's 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.

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.

Cogent CPA LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
Date: March 6, 2020

Cogent
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

WITCHEKAN LAKE FIRST NATION
Consolidated Statement of Financial Position
As at March 31, 2019

		2019	2018
Financial Assets			
Cash and cash equivalents	(Note 2)	$ 3,459,830	$ 3,732,703
Accounts receivable	(Note 3)	549,983	386,207
Trust funds held by federal government	(Note 4)	549,709	556,060
Due from government and other government organizations	(Note 6)	316,411	180,463
Loans receivable	(Note 7)	3,584	3,584
Portfolio investments	(Note 8)	74,256	-
Investments in government business enterprises	(Note 9)	(80,448)	(80,448)
		4,873,325	4,778,569
Liabilities			
Accounts payable and accrued liabilities	(Note 10)	94,838	261,268
Deferred revenue	(Note 12)	3,279,607	3,065,653
Long-term debt	(Note 13)	3,000,776	1,670,810
		6,375,221	4,997,731
Net financial assets (net debt)		(1,501,896)	(219,162)
Non-financial assets			
Tangible capital assets	(Note 16)	20,638,107	18,150,623
Accumulated surplus (deficit)		$ 19,136,211	$ 17,931,461

Approved on behalf of Witchekan Lake First Nation:

____________________, Chief   ____________________, Councilor

WITCHEKAN LAKE FIRST NATION
Consolidated Statement of Operations
For the Year Ended March 31, 2019

		Budget	**2019**	2018
Revenues				
Federal government transfers for operating	(Note 19)	*$* -	**$ 5,807,279**	$ 4,439,834
Federal government transfers for capital	(Note 19)	-	**1,317,646**	1,551,338
Rent		-	**177,840**	145,278
Other		-	**2,164,793**	993,153
		-	**9,467,558**	7,129,603
Expenditures				
Education		-	**1,721,801**	1,364,091
Health		-	**587,404**	478,877
Economic development		-	**16,695**	-
Housing		-	**432,977**	371,951
Community services		-	**348,312**	324,481
Social services		-	**1,222,838**	1,045,679
Band government		-	**1,163,052**	1,188,202
Public works		-	**129,616**	45,209
Other		-	**1,611,124**	1,087,804
Interest		-	**74,669**	31,922
Amortization		-	**954,320**	926,009
		-	**8,262,808**	6,864,225
Annual surplus (deficit)		-	**1,204,750**	265,378
Accumulated surplus (deficit) at beginning of year		-	**17,931,461**	17,666,083
Accumulated surplus (deficit) at end of year		*$* -	**$ 19,136,211**	$ 17,931,461

WITCHEKAN LAKE FIRST NATION
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the Year Ended March 31, 2019

	Budget	**2019**	2018
Annual surplus (deficit)	*$* -	**$ 1,204,750**	$ 265,378
Tangible capital assets:			
Acquisition of tangible capital assets	-	**(3,441,804)**	(20,256)
Amortization of tangible capital assets	-	**954,320**	926,009
Write-downs on tangible capital assets	-	**-**	(368,363)
	-	**(2,487,484)**	537,390
Change in net financial assets (net debt)	-	**(1,282,734)**	802,768
Net financial assets (net debt) at beginning of year	-	**(219,162)**	(1,021,930)
Net financial assets (net debt) at end of year	*$* -	**$ (1,501,896)**	$ (219,162)

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

WITCHEKAN LAKE FIRST NATION
Consolidated Statement of Cash Flows
For the Year Ended March 31, 2019

	2019	2018
Operating transactions		
Annual surplus (deficit)	**1,204,750**	265,378
Items not affecting cash:		
Amortization of tangible capital assets	**954,320**	926,009
Change in non-cash charges to operations		
Accounts receivable	**(134,177)**	(134,626)
Due from Government	**(118,506)**	(83,785)
Accounts payable and accrued liabilities	**(166,430)**	(704,206)
Deferred revenue	**253,067**	2,059,120
Cash provided by (applied to) operating transactions	**1,993,024**	2,327,890
Capital transactions		
Write-downs of capital assets	**-**	(368,363)
Purchase of tangible capital assets	**(3,441,804)**	(20,256)
Cash provided by (applied to) capital transactions	**(3,441,804)**	(388,619)
Investing transactions		
Decrease (increase) in Band Trust Funds	**6,352**	(154,460)
Cash provided by (applied to) investing transactions	**6,352**	(154,460)
Financing transactions		
Debt issues	**1,303,198**	223,452
Debt retirement	**(133,643)**	(122,071)
Cash provided by (applied to) financing transactions	**1,169,555**	101,381
Increase (decrease) in cash and cash equivalents	**(272,873)**	1,886,192
Cash and cash equivalents at beginning of year	**3,732,703**	1,846,511
Cash and cash equivalents at end of year	**$ 3,459,830**	$ 3,732,703

WITCHEKAN LAKE FIRST NATION
Consolidated Statement of Accumulated Surplus
For the Year Ended March 31, 2019

	2018	Changes	**2019**
Unappropriated surplus (deficit)	$ 838,983	$ (1,546,264)	**$ (707,281)**
Appropriated reserves			
CMHC replacement reserve	534,243	53,215	**587,458**
CMHC operating reserve	158,869	114,361	**273,230**
Total appropriated reserves	693,112	167,576	**860,688**
Investment in band entities (Note 9)			
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**
Total investment in band entities	(80,448)	-	**(80,448)**
Net investment in tangible capital assets			
Tangible capital assets	18,150,623	2,487,484	**20,638,107**
Less: related debt	(1,670,809)	95,954	**(1,574,855)**
Total net investment in tangible capital assets	16,479,814	2,583,438	**19,063,252**
Total accumulated surplus (deficit)	$ 17,931,461	$ 1,204,750	**$ 19,136,211**

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.

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.

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:

	2019	2018
Externally restricted		
CMHC replacement and surplus reserve funds	**$ 593,408**	$ 538,584
Internally restricted		
Capital Planning	**1,769,255**	2,043,623
Economic and Social Development	**84,879**	554,320
	1,854,134	2,597,943
Unrestricted		
Operating	**912,797**	542,263
Social Housing	**99,491**	53,913
	1,012,288	596,176
Total cash and cash equivalents	**$ 3,459,830**	$ 3,732,703

3. Accounts Receivable

	2019	2018
Due from others:		
A.C. Forestry Ltd.	**-**	4,521
Advances to membership, staff and council	**21,960**	235,168
CMHC (Subsidy)	**$ 51,903**	$ 22,305
Agency Chiefs Tribal Council	**256,876**	68,596
Northern Lights Community Development Corp.	**219,244**	63,451
	549,983	394,041
	549,983	394,041
Less: Allowance for doubtful accounts	**-**	(7,834)
Total Accounts Receivable	**$ 549,983**	$ 386,207

4. Trust Funds Held by Federal Government

	March 31, 2018	Additions 2019	Withdrawals 2019	**March 31, 2019**
Revenue	$ 555,755	$ 317,524	$ (323,875)	**$ 549,404**
Capital	305	-	-	**305**
End balances	$ 556,060	$ 317,524	$ (323,875)	**$ 549,709**

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

	2019	2018
Federal government		
Government of Canada	**$ 17,441**	$ -
Health Canada	**-**	14,314
Canada Mortgage and Housing Corporation	**90,422**	(17,503)
Other government organizations	**208,548**	183,652
	$ 316,411	$ 180,463

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

7. Loans Receivable

	2019	2018
Agency Chiefs Tribal Council	**$ 3,584**	$ 3,584

8. Portfolio Investments

	2019	2018
Guaranteed Investment Certificates (GICs)	**74,256**	-
	$ 74,256	$ -

GICs are held by the Witchekan Lake First Nation CMHC Section 95 Rental Housing Program and contribute to its CMHC replacement and surplus reserve funds

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 leader in support of the financing. The demand loan bears interest at prime plus 3.55% and is repayable in bi-weekly principal and interest installments of $16,536.

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

	2019	2018
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)

10. Accounts Payable and Accrued Liabilities

	2019	2018
Trade payables	$ **75,266**	$ 78,028
Accrued salaries and benefits payable	-	48,619
Other accrued liabilities	**19,572**	134,621
	$ **94,838**	$ 261,268

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, 2018	Funding Received 2019	Revenue Recognized 2019	**Balance March 31, 2019**
Federal Government				
Lagoon Feasibility	$ 1,794,185	$ 946,000	$ (1,220,016)	$ **1,520,169**
Subdivision	249,316	-	(352)	**248,964**
6 Plex	123	-	-	**123**
Headstart	506,078	1,487,800	(483,527)	**1,510,351**
TLE Negotiations	19,115	-	(19,115)	**-**
Other				
Other	496,836	-	(496,836)	**-**
	496,836	-	(496,836)	**-**
	$ 3,065,653	$ 2,433,800	$ (2,219,846)	$ **3,279,607**

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

13. Long-Term Debt and Obligations under Capital Leases

	2019	2018
Long-term debt financing tangible capital assets		
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.	**77,119**	89,556
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.	**216,435**	244,384
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.	**27,145**	29,805
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.	**89,567**	97,378
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.	**52,538**	60,772
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.	**147,994**	166,514
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.	**208,122**	221,171
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.	**256,648**	272,254

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.	**461,598**	488,976
CMHC mortgage #010 bearing interest at 2.41%, repayable in monthly blended installments of $6,672. Mortgage is secured by ministerial guarantee on Section 95, 5-unit housing project, CMHC, Band BCR, and AANDC.	**1,463,610**	-
Total long-term debt	**$ 3,000,776**	$ 1,670,810

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

2020	128,000
2021	130,000
2022	132,000
2023	134,000
2024	136,000
Thereafter	2,340,776

	2019	2018
Interest expense for the year on long-term debt	**$ 74,669**	$ 31,922

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.

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 2019**	Total 2018
Tangible Capital Assets											
Land	$ 4,980,969	$ -	$ -	$ -	$ 4,980,969	$ -	$ -	$ -	$ -	**$ 4,980,969**	$ 4,980,969
Buildings	7,139,045	1,999,101	-	-	9,138,146	(2,752,210)	(178,738)	-	(2,930,948)	**6,207,198**	4,386,835
Housing	2,910,384	-	-	-	2,910,384	(549,740)	(30,178)	-	(579,918)	**2,330,466**	2,360,644
CMHC Housing	2,996,233	-	-	-	2,996,233	(1,128,697)	(164,258)	-	(1,292,955)	**1,703,278**	1,867,537
Infrastructure	7,359,296	1,244,546	-	-	8,603,842	(3,140,509)	(515,226)	-	(3,655,735)	**4,948,107**	4,218,787
Equipment	542,555	103,713	-	-	646,268	(416,202)	(27,934)	-	(444,136)	**202,132**	126,353
Vehicles	291,065	94,445	-	-	385,510	(203,787)	(30,135)	-	(233,922)	**151,588**	87,278
Store and Bison Ranch	479,107	-	-	-	479,107	(356,887)	(7,851)	-	(364,738)	**114,369**	122,220
	26,698,654	3,441,805	-	-	30,140,459	(8,548,032)	(954,320)	-	(9,502,352)	**20,638,107**	18,150,623
	-	-	-	-	-	-	-	-	-	-	-
Total	$ 26,698,654	$ 3,441,805	$ -	$ -	$ 30,140,459	$ (8,548,032)	$ (954,320)	$ -	$ (9,502,352)	**$ 20,638,107**	$ 18,150,623

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

	2019			2018		
	Operating	Capital	**Total**	Operating	Capital	Total
Federal government transfers:						
Aboriginal Affairs and Northern Development Canada	$ 4,745,639	$ 1,299,901	**$ 6,045,540**	$ 3,446,299	$ 182,126	$ 3,628,425
Health Canada	606,441	-	**606,441**	249,547	-	249,547
Canada Mortgage and Housing Corporation	223,723	-	**223,723**	135,943	41,991	177,934
Total	5,575,803	1,299,901	**6,875,704**	3,831,789	224,117	4,055,906
Provincial government transfers	-	-	-	265,755	-	265,755
	$ 5,575,803	$ 1,299,901	**$ 6,875,704**	$ 4,097,544	$ 224,117	$ 4,321,661

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 2019	2019	2018	*Budget 2019*	2019	2018	*Budget 2019*	2019	2018	*Budget 2019*	2019	2018
Revenues:												
Federal government operating transfers	$ -	$ 1,955,411	$ 1,345,771	$ -	$ 606,441	$ 459,893	$ -	$ -	$ -	$ -	$ -	$ -
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	353,901	217,550
Other revenue	-	146,544	280,164	-	98,837	23,905	-	-	-	-	41,405	45,999
Total Revenues	-	2,101,955	1,625,935	-	705,278	483,798	-	-	-	-	395,306	263,549
Expenditures:												
Salaries and benefits	-	1,114,269	761,287	-	303,551	195,144	-	-	-	-	33,612	26,178
Debt Servicing	-	4,249	5,173	-	-	-	-	-	-	-	-	-
Other Expenses	-	607,532	602,804	-	283,853	283,733	-	16,695	-	-	399,365	345,773
Total Expenditures	-	1,726,050	1,369,264	-	587,404	478,877	-	16,695	-	-	432,977	371,951
Annual Surplus (Deficit)	$ -	$ 375,905	$ 256,671	$ -	$ 117,874	$ 4,921	$ -	$ (16,695)	$ -	$ -	$ (37,671)	$ (108,402)

20. Segment Disclosure *(continued)*

	Social Services			Band Government			Community Services			Capital		
	Budget 2019	2019	2018	*Budget 2019*	2019	2018	*Budget 2019*	2019	2018	*Budget 2019*	2019	2018
Revenues:												
Federal government operating transfers	$ -	$ 1,175,220	$ 1,129,824	$ -	$ 948,007	$ 659,346	$ -	$ 357,514	$ 354,230	$ -	$ -	$ -
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	963,745	1,333,788
Other revenue	-	16,229	25,649	-	719,352	931,475	-	16,225	2,441	-	295,006	(1,274,000)
Total Revenues	-	1,191,449	1,155,473	-	1,667,359	1,590,821	-	373,739	356,671	-	1,258,751	59,788
Expenditures:												
Salaries and benefits	-	79,310	73,880	-	546,652	588,079	-	144,988	126,878	-	-	-
Other Expenses	-	1,143,528	971,799	-	616,400	600,123	-	203,324	197,603	-	129,616	45,209
Total Expenditures	-	1,222,838	1,045,679	-	1,163,052	1,188,202	-	348,312	324,481	-	129,616	45,209
Annual Surplus (Deficit)	$ -	$ (31,389)	$ 109,794	$ -	$ 504,307	$ 402,619	$ -	$ 25,427	$ 32,190	$ -	$ 1,129,135	$ 14,579

20. Segment Disclosure *(continued)*

	Other			Total Before Adjustments			Consolidation Adjustments			Consolidated Totals		
	Budget 2019	2019	2018	*Budget 2019*	2019	2018	*Budget 2019*	2019	2018	*Budget 2019*	**2019**	2018
Revenues:												
Federal government operating transfers	$ -	$ 764,686	$ 490,770	$ -	$ 5,807,279	$ 4,439,834	$ -	$ -	$ -	$ -	**$ 5,807,279**	$ 4,439,834
Federal government capital transfers	-	-	-	-	1,317,646	1,551,338	-	-	-	-	**1,317,646**	1,551,338
Other revenue	-	1,412,155	1,102,798	-	2,342,633	1,138,431	-	-	-	-	**2,342,633**	1,138,431
Total Revenues	-	2,176,841	1,593,568	-	9,467,558	7,129,603	-	-	-	-	**9,467,558**	7,129,603
Expenditures:												
Salaries and benefits	-	357,916	311,338	-	2,580,298	2,082,784	-	-	-	-	**2,580,298**	2,082,784
Debt Servicing	-	70,420	26,749	-	74,669	31,922	-	-	-	-	**74,669**	31,922
Amortization	-	954,320	926,009	-	954,320	926,009	-	-	-	-	**954,320**	926,009
Other Expenses	-	716,250	1,018,652	-	4,653,521	3,823,510	-	-	-	-	**4,653,521**	3,823,510
Total Expenditures	-	2,098,906	2,282,748	-	8,262,808	6,864,225	-	-	-	-	**8,262,808**	6,864,225
Annual Surplus (Deficit)	$ -	$ 77,935	$ (689,180)	$ -	$ 1,204,750	$ 265,378	$ -	$ -	$ -	$ -	**$ 1,204,750**	$ 265,378

21. Expenditures by Object

The following is a summary of expenditures by object:

	2019	2018
Salaries and wages	$ **2,580,298**	$ 2,082,784
Staff development	**456,945**	413,413
Supplies and services	**347,896**	359,985
Interest	**74,669**	31,922
Professional services	**57,896**	52,984
Fees and contract services	**130,456**	129,430
Other	**3,660,328**	2,311,258
Amortization	**954,320**	1,482,449
	$ **8,262,808**	$ 6,864,225

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.

26. Summary of Financial Statement Adjustments

-		2018 Annual surplus		2018 Accumulated surplus
As previously reported	**$**	**1,309,687.00**	**$**	**17,766,017.00**
Decrease in accounts payable	$	-	$	787,869.00
Decrease in expenses	$	576,737.00	$	-
Decrease in revenues	$	(1,087,838.00)	$	-
Increase in accounts receivable	$	-	$	18,480.00
Increase in cash	$	-	$	249,315.00
Increase in deferred revenues	$	-	$	(2,029,394.00)
Increase in tangible capital assets	$	-	$	1,139,174.00
Restated	**$**	**798,586.00**	**$**	**17,931,461.00**