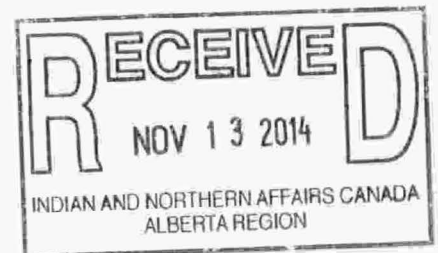


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SUNCHILD FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014



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ON November 13 2014 mm  
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working world

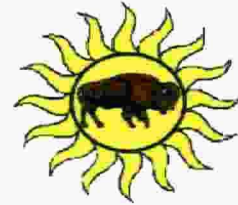


## **SUNCHILD FIRST NATION**

P.O. Box 747

Rocky Mountain House, Alberta T4T 1A5

Office (403) 989-3740 \* Fax (403) 989-2533



MARCH 31, 2014

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements of Sunchild First Nation are the responsibility of management and have been approved by the Chief and Council.


The financial statements have been prepared by management in accordance with the accounting principles described in Note 1 to the financial statements. 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.

The 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 the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally through its approval of the financial statements.

The Council reviews the First Nation's financial statements and recommends their approval. The First Nation meets with management, as well as the external auditors, 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 financial statements and the external auditor's report. The Council also considers the engagement of the external auditors.

The financial statements have been audited by Ernst & Young LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Ernst & Young LLP have full and free access to the Council.



Chief Jonathan Frencheater  
Sunchild First Nation

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Sunchild First Nation

We have audited the accompanying consolidated financial statements of Sunchild First Nation which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of operations, change in net financial assets and cash flows, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also concludes 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 obtained in our audit 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 consolidated financial position of the Sunchild First Nation as at March 31, 2014 and the consolidated results of its operations and cash flows in accordance with Canadian generally accepted accounting principles.

### Other Matters

The consolidated financial statements of Sunchild First Nation for the year ended March 31, 2013 were audited by another firm of Chartered Accountants who expressed a qualified opinion on those statements on October 4, 2013.

November 13, 2014  
Edmonton, Canada

*Ernst & Young LLP*

Chartered Accountants



A member firm of Ernst & Young Global Limited

**SUNCHILD FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Cash [note 3]	\$ 462,532	\$ -
Investments [note 4]	42,204	193,254
Accounts receivable [note 5]	1,169,159	1,209,018
Due from Sunchild E-Learning Community [note 6]	101,907	101,907
Trust funds held by federal government [note 9]	693,274	2,112,553
Prepaid expenses	<u>104,160</u>	<u>-</u>
<b>Total financial assets</b>	<u>2,573,236</u>	<u>3,616,732</u>
<b>Liabilities</b>		
Bank indebtedness	-	106,812
Accounts payable and accrued liabilities	396,838	573,088
Deferred revenues [note 7]	1,467,477	988,515
Long-term debt [note 8]	<u>210,236</u>	<u>325,157</u>
<b>Total liabilities</b>	<u>2,074,551</u>	<u>1,993,572</u>
<b>Net financial assets</b>	<u>498,685</u>	<u>1,623,160</u>
<b>Non-financial assets</b>		
Tangible capital assets [schedule 1]	<u>23,581,301</u>	<u>25,247,089</u>
<b>Accumulated surplus [schedule 2]</b>	<u>\$ 24,079,986</u>	<u>\$ 26,870,249</u>

See accompanying notes

Approved by the First Nation:

 Chief Jonathan Frencheater	 Councilor Clint McHugh
 Councilor Edgar Bigchild	 Councilor Edwin Frencheater
 Councilor Lisa Daychief	 Councilor Paul Bigchild



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**SUNCHILD FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	Budget <u>2014</u> [unaudited]	<u>2013</u>
<b>Revenues</b>			
Aboriginal Affairs and Northern Development Canada	\$ 7,361,225	\$ 1,545,762	\$ 8,044,640
Health Canada	1,152,276	1,149,398	1,056,516
Human Resource Development Services Canada	323,990	-	372,295
First Nations Development Fund	568,826	-	577,239
Trust Funds			
Capital	1,555,716	374,091	1,555,716
Revenue	150,000	-	388,406
Other revenue	3,384,057	-	3,701,299
Funding recovery (repayment)	(89,783)	-	(84,713)
Revenues deferred from prior year	988,515	988,515	618,415
Revenues deferred to next year	<u>(1,467,477)</u>	<u>-</u>	<u>(988,515)</u>
	<u>13,927,345</u>	<u>4,057,766</u>	<u>15,241,298</u>
<b>Expenses</b>			
Administration and governance	2,485,408	1,752,783	2,744,750
Health	1,095,366	1,168,174	1,250,645
Social programs	1,277,184	205,627	1,327,473
Infrastructure	1,274,193	1,281,130	1,186,585
Education	4,277,368	3,365,000	4,610,214
Sunchild Development Corp	1,232,356	-	1,018,341
Other	<u>1,492,173</u>	<u>-</u>	<u>1,153,419</u>
	<u>13,134,048</u>	<u>7,772,714</u>	<u>13,291,427</u>
<b>Surplus from operations before other items</b>	<u>793,297</u>	<u>(3,714,948)</u>	<u>1,949,871</u>
Amortization of tangible capital assets	1,525,973	-	1,641,960
Loss on impairment of tangible capital assets	617,936	-	-
Loss on disposal of tangible capital assets	<u>20,372</u>	<u>-</u>	<u>-</u>
	<u>2,164,281</u>	<u>-</u>	<u>1,641,960</u>
<b>(Deficit) surplus</b>	<u>\$ (1,370,984)</u>	<u>\$ (3,714,948)</u>	<u>\$ 307,911</u>

See accompanying notes



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**SUNCHILD FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>(Deficit) surplus of revenues over expenses</b>	<b>\$ (1,370,984)</b>	<b>\$ 307,911</b>
Acquisition of tangible capital assets	<b>(498,493)</b>	<b>(1,404,268)</b>
Amortization of tangible capital assets	<b>1,525,973</b>	<b>1,641,960</b>
Loss on impairment of tangible capital assets	<b>617,936</b>	<b>-</b>
Loss on disposal of tangible capital assets	<b>20,372</b>	<b>-</b>
Earnings on trust funds	<b>286,437</b>	<b>223,781</b>
Withdrawals of trust funds	<b>(1,705,716)</b>	<b>(1,944,122)</b>
Use of supplies inventory	<u><b>-</b></u>	<u><b>56,971</b></u>
<b>Decrease in net financial assets</b>	<b>(1,124,475)</b>	<b>(1,117,767)</b>
<b>Net financial assets, beginning of year</b>	<u><b>1,623,160</b></u>	<u><b>2,740,927</b></u>
<b>Net financial assets, end of year</b>	<u><b>\$ 498,685</b></u>	<u><b>\$ 1,623,160</b></u>

*See accompanying notes*



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**SUNCHILD FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>OPERATING ACTIVITIES</b>		
Surplus (deficit) of revenues over expenses for the year	\$ (1,370,984)	\$ 307,911
Add (deduct) items not affecting cash:		
Amortization of tangible capital assets	1,525,973	1,641,960
Loss on disposal and impairment of tangible capital assets	<u>638,308</u>	<u>-</u>
	<u>793,297</u>	<u>1,949,871</u>
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	39,859	(526,199)
Increase in prepaid expenses	(104,160)	-
(Decrease) increase in accounts payable and accrued liabilities	(176,250)	38,610
Increase in deferred revenues	<u>478,962</u>	<u>370,100</u>
	<u>238,411</u>	<u>(117,489)</u>
Cash provided by operating activities	<u>1,031,708</u>	<u>1,832,382</u>
<b>FINANCING ACTIVITIES</b>		
Decrease in short-term financing	(106,812)	(373,052)
Decrease in demand loan	-	(40,340)
Repayment of long-term debt	<u>(114,921)</u>	<u>(45,304)</u>
Cash used in financing activities	<u>(221,733)</u>	<u>(458,696)</u>
<b>CAPITAL ACTIVITIES</b>		
Additions to tangible capital assets	(498,493)	(1,404,268)
Use of supplies inventory	<u>-</u>	<u>56,971</u>
Cash used in capital activities	<u>(498,493)</u>	<u>(1,347,297)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in investments	<u>151,050</u>	<u>(26,389)</u>
<b>Increase in cash</b>	<b>462,532</b>	<b>-</b>
<b>Cash, beginning of year</b>	<u>-</u>	<u>-</u>
<b>Cash, end of year</b>	<b>\$ <u>462,532</u></b>	<b>\$ <u>-</u></b>

See accompanying notes



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**SUNCHILD FIRST NATION  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED MARCH 31, 2014**

	Automotive \$	Buildings and Housing \$	Furniture and Equipment \$	Infrastructure \$	2014 Total \$	2013 Total \$
<b>COST</b>						
<b>Balance, beginning of year</b>	2,894,228	39,890,267	1,069,337	1,522,230	<b>45,376,062</b>	43,971,794
Acquisition of tangible capital assets	203,892	239,981	54,620	-	<b>498,493</b>	1,404,268
Disposal and impairment of tangible capital assets	<u>(69,874)</u>	<u>(617,936)</u>	<u>-</u>	<u>-</u>	<b><u>(687,810)</u></b>	<u>-</u>
<b>Balance, end of year</b>	<u><b>3,028,243</b></u>	<u><b>39,512,318</b></u>	<u><b>1,123,957</b></u>	<u><b>1,522,232</b></u>	<u><b>45,186,745</b></u>	<u><b>45,376,062</b></u>
<b>ACCUMULATED AMORTIZATION</b>						
<b>Balance, beginning of year</b>	2,381,072	16,889,595	812,901	45,405	<b>20,128,973</b>	18,487,013
Annual amortization	184,513	1,220,370	62,017	59,073	<b>1,525,973</b>	1,641,960
Accumulated amortization on disposals	<u>(49,502)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>(49,502)</u></b>	<u>-</u>
<b>Balance, end of year</b>	<u><b>2,516,084</b></u>	<u><b>18,109,967</b></u>	<u><b>874,919</b></u>	<u><b>104,479</b></u>	<u><b>21,605,444</b></u>	<u><b>20,128,973</b></u>
<b>Net book value of tangible capital assets</b>	<u><b>\$ 512,159</b></u>	<u><b>\$ 21,402,351</b></u>	<u><b>\$ 249,038</b></u>	<u><b>\$ 1,417,753</b></u>	<u><b>\$ 23,581,301</b></u>	<u><b>\$ 25,247,089</b></u>
2013 Net book value of tangible capital assets	<u><b>\$ 513,156</b></u>	<u><b>\$ 23,000,672</b></u>	<u><b>\$ 256,436</b></u>	<u><b>\$ 1,476,825</b></u>	<u><b>\$ 25,247,089</b></u>	

See accompanying notes





**SUNCHILD FIRST NATION  
CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2014**

	Unrestricted surplus \$	Equity in tangible capital assets \$	Equity in trust funds \$	2014 Total \$	2013 Total \$
<b>Accumulated (deficit) surplus, beginning of year</b>	(164,236)	24,921,932	2,112,553	<b>26,870,249</b>	28,282,679
(Deficit) surplus of revenues over expenses	(1,370,984)	-	286,437	<b>(1,084,547)</b>	531,692
Restricted funds used for operations	-	-	(1,705,716)	<b>(1,705,716)</b>	(1,944,122)
Additions to tangible capital assets	(498,493)	498,493	-	-	-
Amortization of tangible capital assets	1,525,973	(1,525,973)	-	-	-
Loss on impairment of tangible capital assets	617,936	(617,936)	-	-	-
Disposal of tangible capital assets	20,372	(20,372)	-	-	-
Payment of long-term capital debt	<u>(114,921)</u>	<u>114,921</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated surplus, end of year</b>	<u><b>15,647</b></u>	<u><b>23,371,065</b></u>	<u><b>693,274</b></u>	<u><b>24,079,986</b></u>	<u><b>26,870,249</b></u>

*See accompanying notes*



**SUNCHILD FIRST NATION  
CONSOLIDATED SCHEDULE OF TOTAL EXPENSES BY OBJECT  
FOR THE YEAR ENDED MARCH 31, 2014**

	<b><u>2014</u></b>	Budget <b><u>2014</u></b> [unaudited]	<b><u>2013</u></b>
Advertising	\$ 10,497	\$ -	\$ 10,000
Bad debt expense	-	-	12,257
Equipment	-	-	171,758
Insurance	19,829	17,000	40,111
Interest and bank charges	20,356	347,600	76,295
Materials and supplies	476,812	389,556	530,313
Office	81,360	67,200	360,017
Professional fees	594,598	235,000	780,817
Program costs	4,195,244	1,824,725	3,320,327
Repairs and maintenance	583,724	190,880	538,032
Telephone and utilities	236,278	273,672	272,123
Training	-	38,200	-
Travel	1,121,282	610,792	921,262
Vehicle	100,249	100,060	46,651
Wages and employee benefits	<u>5,693,819</u>	<u>3,678,029</u>	<u>6,211,464</u>
	<b><u>\$ 13,134,048</u></b>	<b><u>\$ 7,772,714</u></b>	<b><u>\$ 13,291,427</u></b>

See accompanying notes



**SUNCHILD FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

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**1. Significant accounting policies**

**Basis of presentation**

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

**Consolidation**

These financial statements are consolidated and therefore include 100% of the assets, liabilities, revenue and expenses of the following entities:

Sunchild Store Ltd.  
Sunchild Education Authority

**Use of estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. Infrastructure costs that represent repairs to existing roads, water and sewage systems are not capitalized but rather treated as expenses of the period. Infrastructure costs considered to have lasting benefit are capitalized.

The cost, less the residual value of the tangible capital assets, is amortized over the expected useful life of the asset as follows:

Automotive equipment	30% diminishing balance
Community buildings	4% diminishing balance
Computer equipment	30% diminishing balance
Furniture and equipment	20% diminishing balance
Housing	10% diminishing balance
Infrastructure	4% diminishing balance

Amortization on tangible capital assets under construction commences once the assets are available for use. In the year of acquisition, half of the normal rate of available amortization is charged.

**Investments**

Fixed income investments are recorded at amortized cost. Purchase premiums and discounts are amortized on the present value basis over the terms of the issues. Investments in common and preferred shares are recorded at cost. Where there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.



**SUNCHILD FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

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**1. Significant accounting policies - continued**

**Revenue recognition**

Funding received under the terms of agreements is recognized as revenue in the relevant funding period when the funding agreements are approved. Restricted contributions are recognized as revenue when the revenue is approved and the related expenditures are incurred. Restricted contributions which are not yet expended for the intended purpose are included in the consolidated statement of financial position as deferred revenues.

Income earned from oil and gas royalties and lease revenue in the Trust Funds is recognized when a Band Council Resolution requesting to withdraw the amounts from the respective trust fund accounts is approved. Approved withdrawals which are not yet expended for the intended purpose are included in the statement of financial position as contributions carried forward. The uncommitted balance in the Trust Funds accounts is included in the statement of financial position as a component of accumulated surplus.

Donation revenues are recognized when the amounts are granted from the donor and collection is reasonably assured.

Other revenues are recognized when persuasive evidence of an arrangement exists, delivery of goods has occurred or services have been rendered, the selling price to the buyer is fixed or determinable, and collection of the selling price is reasonably assured. Revenue is measured at the fair value of the consideration received, excluding discounts and returns.

**Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, excess of revenues over expenses and the net change in the trust fund balances provides the change in net financial assets for the year.

**Financial instruments**

**Risk management**

Credit risk arises from the possibility that certain receivables may not be collectible. The majority of receivables are due from funding agencies which minimizes the exposure of non-collection.

Interest rate risk is managed by entering into fixed rate debt agreements in most instances. Sunchild First Nations' exposure to fluctuations in interest rates is minimized as the total variable rate debt is kept to a manageable level.

**Fair value**

Sunchild First Nations' financial instruments consist of cash, investments, accounts receivable, trust funds held by federal government, accounts payable and accrued liabilities and long-term debt.

The fair value of cash, investments, accounts receivable, trust funds held by federal government, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature. The fair value of long-term debt approximates carrying value as fixed and variable rate instruments approximate market rates.



**SUNCHILD FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

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**2. Recent accounting pronouncements issued but not yet adopted**

i) Financial Statement Presentation

PS1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2015.

ii) Financial Instruments

PS3450, Financial Instruments, applicable for fiscal years beginning on or after April 1, 2015, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

iii) Portfolio Investments

Section PS3041, Portfolio Investments has removed the distinction between temporary and portfolio investments. This section now includes pooled investments in its scope and was amended to conform to Financial Instruments, PS3450. Upon adoption of PS3450 and PS3041, Temporary Investments PS3030 will no longer apply.

*Sunchild First Nation continues to evaluate the impact of the adoption of the above new standards on its financial statements.*

**3. Cash**

Included in cash is \$97,866 (2013 - \$814) representing the remaining proceeds of advances from First Nations Development Fund, obtained for use for specific programming. This balance is restricted and is therefore not available for other current uses.

**4. Investments**

Investments consist of two guaranteed investment certificates (GICs). These GICs mature between December 2014 and February 2015 and earn interest at 0.8% annually.



**SUNCHILD FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**5. Accounts receivable**

	<u>2014</u>	<u>2013</u>
Government Agencies		
Aboriginal Affairs and Northern Development Canada	\$ 525,064	\$ 618,661
First Nation Development Fund	332,075	440,361
Band Fund	-	120,000
Consultation Capacity	-	13,567
Other receivables	<u>312,020</u>	<u>16,429</u>
	<u>\$ 1,169,159</u>	<u>\$ 1,209,018</u>

**6. Due from Sunchild E-learning Community**

These amounts are unsecured, non-interest bearing and have no specified terms of repayment.

**7. Deferred revenue**

	<u>2014</u>	<u>2013</u>
Trust Funds - Capital		
Arena	\$ -	\$ 67,968
Community Building	-	164,678
Public Works	173,594	-
Trust Funds - Revenue		
Cultural Events	-	45,000
Housing	-	50,000
Recreation	17,204	25,000
Administration	450,000	-
Fire Prevention	14,053	-
First Nation Development Fund	504,727	635,869
Sunchild Development Corp	<u>307,899</u>	<u>-</u>
Total revenues deferred to next year	<u>\$ 1,467,477</u>	<u>\$ 988,515</u>

**8. Long-term debt**

	<u>2014</u>	<u>2013</u>
CIBC mortgage bearing interest at 5.69% per annum, repayable in monthly installments of \$5,086 including interest, due June 2016, secured by a Ministerial loan guarantee	\$ 210,236	\$ 257,817
Alberta Indian Investment Corporation loan bearing interest at 11% per annum, repaid during the year	<u>-</u>	<u>67,340</u>
	<u>\$ 210,236</u>	<u>\$ 325,157</u>

Interest paid on long-term debt during the year amounted to \$18,982 (2013 - \$18,089).

Future estimated principal and interest payments on long-term debt over the next five years are as follows:

2015	\$ 61,038
2016	61,038
2017	<u>107,517</u>
	<u>\$ 229,593</u>



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**SUNCHILD FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**9. Trust funds**

Trust funds are considered internally restricted assets, and are controlled directly by Aboriginal Affairs and Northern Development Canada. The expenditure of trust funds is limited to purposes identified in the Indian Act. Information relating to the income earned in the trust fund accounts from oil and gas royalties, leases and rentals was obtained directly from Aboriginal Affairs and Northern Development Canada. The uncommitted balance at the end of the year is shown on the schedule of changes in accumulated surplus as equity in trust funds.

The balances consist of the following:

	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>
Balance, beginning of year	\$ 2,097,851	\$ 14,702	\$ 2,112,553
Earnings	<u>75,001</u>	<u>211,436</u>	<u>286,437</u>
	<u>2,172,852</u>	<u>226,138</u>	<u>2,398,990</u>
<b>BCR Number    Program</b>			
2013-2014-2132    Administration	809,016	-	809,016
2013-2014-2132    Roads O&M	374,091	-	374,091
2013-2014-2132    Water and Sanitation	19,025	-	19,025
2013-2014-2132    Community Buildings	8,659	-	8,659
2013-2014-2132    Housing O&M	11,801	-	11,801
2013-2014-2153    Staff Christmas Incentives	-	65,000	65,000
2013-2014-2153    Legal Fees	-	35,000	35,000
2013-2014-2159    Appliances for Members	-	30,000	30,000
2013-2014-2159    Legal Fees	-	20,000	20,000
<u>Change of Purpose BCR (amending 2013-2014-2132)</u>			
2013-2014-2204    Funeral	110,299	-	110,299
2013-2014-2204    Elders' Utilities	79,788	-	79,788
2013-2014-2204    Economic Development	80,965	-	80,965
2013-2014-2204    Child Welfare	1,831	-	1,831
2013-2014-2204    Family Violence	199	-	199
2013-2014-2204    HRD - Child Care Initiative	<u>60,042</u>	<u>-</u>	<u>60,042</u>
	<u>1,555,716</u>	<u>150,000</u>	<u>1,705,716</u>
<b>Balance, end of year</b>	<b>\$ <u>617,136</u></b>	<b>\$ <u>76,138</u></b>	<b>\$ <u>693,274</u></b>

**10. Segmented information**

Sunchild First Nation provides a wide range of services to its members. Services are delivered through a number of different programs and departments. Identified segments are defined by Sunchild First Nation for which separate financial information is available and is evaluated regularly by Chief and Council and management in allocating resources and assessing results.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in the segments are consistent with the accounting policies followed in the preparation of these consolidated financial statements as disclosed in Note 1.

The segmented information is provided in the supplementary schedule 1 of these financial statements.



**SUNCHILD FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

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**11. Comparative figures**

Certain 2013 comparative figures have been reclassified to conform with the financial statement presentation adopted by the company for the year ended March 31, 2014.





**SUNCHILD FIRST NATION  
CONSOLIDATED SEGMENT DISCLOSURES  
FOR THE YEAR ENDED MARCH 31, 2014**

	Administration / Governance	Health	Social Programs	Infrastructure	Education	Other	Sunchild Development Corp	2014 Total
<b>Revenues</b>								
AANDC	\$ 973,690	\$ -	\$ 1,250,468	\$ 939,163	\$ 4,066,528	\$ 131,376	\$ -	\$ 7,361,225
FNIHB	-	1,152,276	-	-	-	-	-	1,152,276
HRDC	-	-	-	-	-	323,990	-	323,990
FNDF	-	-	-	-	-	568,826	-	568,826
Trust fund transfers	1,292,040	-	-	413,676	-	-	-	1,705,716
Other revenue	885,351	-	53,152	172,979	423,592	160,787	1,688,196	3,384,057
Funding repayments	-	(10,026)	(79,757)	-	-	-	-	(89,783)
Net deferred revenues	(450,000)	-	-	109,052	-	169,885	(307,899)	(478,962)
Revenue transfers	<u>(185,183)</u>	<u>-</u>	<u>2,030</u>	<u>(240,000)</u>	<u>-</u>	<u>571,094</u>	<u>(147,941)</u>	<u>-</u>
	<u>2,515,898</u>	<u>1,142,250</u>	<u>1,225,893</u>	<u>1,394,870</u>	<u>4,490,120</u>	<u>1,925,958</u>	<u>1,232,356</u>	<u>13,927,345</u>
<b>Expenses</b>								
Advertising	497	-	-	-	10,000	-	-	10,497
Insurance	(1,103)	-	-	7,080	5,990	6,362	1,500	19,829
Interest and bank charges	15,369	1,033	-	-	3,954	-	-	20,356
Materials and supplies	9,259	8,840	1,071	17,031	393,969	46,642	-	476,812
Office	28,974	9,863	-	36,281	-	5,160	1,082	81,360
Professional fees	419,015	1,000	-	-	146,652	-	27,931	594,598
Program costs	62,560	157,845	1,082,136	147,999	527,394	1,139,424	1,077,886	4,195,244
Repairs and maintenance	49,586	18,628	-	367,537	45,473	38,448	64,052	583,724
Telephone and utilities	44,240	1,674	8,035	116,634	47,948	13,605	4,142	236,278
Travel	472,338	104,158	19,722	19,974	452,261	15,180	37,649	1,121,282
Vehicle	-	41,775	-	55,689	-	2,785	-	100,249
Wages and employee benefits	<u>1,384,673</u>	<u>750,550</u>	<u>166,220</u>	<u>505,968</u>	<u>2,643,727</u>	<u>224,567</u>	<u>18,114</u>	<u>5,693,819</u>
	<u>2,485,408</u>	<u>1,095,366</u>	<u>1,277,184</u>	<u>1,274,193</u>	<u>4,277,368</u>	<u>1,492,173</u>	<u>1,232,356</u>	<u>13,134,048</u>
	<u>\$ 30,490</u>	<u>\$ 46,884</u>	<u>\$ (51,291)</u>	<u>\$ 120,677</u>	<u>\$ 212,752</u>	<u>\$ 433,785</u>	<u>\$ -</u>	<u>\$ 793,297</u>



**SUNCHILD FIRST NATION  
CONSOLIDATED SEGMENT DISCLOSURES  
FOR THE YEAR ENDED MARCH 31, 2014**

	Administration / Governance	Health	Social Programs	Infrastructure	Education	Other	Sunchild Development Corp	2013 Total
<b>Revenues</b>								
AANDC	\$ 901,406	\$ -	\$ 1,234,495	\$ 1,742,046	\$ 4,048,257	\$ 118,436	\$ -	\$ 8,044,640
FNIHB	-	1,056,516	-	-	-	-	-	1,056,516
HRDC	-	-	-	-	-	372,295	-	372,295
FNDF	-	-	-	-	-	577,239	-	577,239
Trust fund transfers	1,072,220	-	-	638,296	-	233,606	-	1,944,122
Other revenue	1,472,201	198,779	168,507	300,066	-	523,702	1,038,044	3,701,299
Funding repayments	-	-	(84,713)	-	-	-	-	(84,713)
Net deferred revenues	-	-	-	(214,678)	-	(155,422)	-	(370,100)
	<u>3,445,827</u>	<u>1,255,295</u>	<u>1,318,289</u>	<u>2,465,730</u>	<u>4,048,257</u>	<u>1,669,856</u>	<u>1,038,044</u>	<u>15,241,298</u>
<b>Expenses</b>								
Advertising	-	-	-	-	10,000	-	-	10,000
Bad debt expense	647	-	-	-	-	-	11,610	12,257
Equipment	171,758	-	-	-	-	-	-	171,758
Insurance	13,487	-	-	6,971	13,599	4,554	1,500	40,111
Interest and bank charges	57,749	1,010	-	253	9,847	83	7,353	76,295
Materials and supplies	6,857	19,299	2,413	2,675	498,438	465	166	530,313
Office	220,410	129,704	1,742	5,533	-	1,663	965	360,017
Professional fees	458,755	22,827	-	2,480	294,434	-	2,321	780,817
Program costs	31,107	193,862	1,014,325	99,209	262,653	859,917	859,254	3,320,327
Repairs and maintenance	21,387	10,113	-	346,877	118,851	4,147	36,657	538,032
Telephone and utilities	105,183	10,653	12,340	91,915	35,723	2,830	13,479	272,123
Travel	280,968	120,307	19,141	14,163	468,964	8,344	9,375	921,262
Vehicle	-	30,403	-	16,048	-	200	-	46,651
Wages and employee benefits	<u>1,376,442</u>	<u>712,467</u>	<u>277,512</u>	<u>600,461</u>	<u>2,897,705</u>	<u>271,216</u>	<u>75,661</u>	<u>6,211,464</u>
	<u>2,744,750</u>	<u>1,250,645</u>	<u>1,327,473</u>	<u>1,186,585</u>	<u>4,610,214</u>	<u>1,153,419</u>	<u>1,018,341</u>	<u>13,291,427</u>
	<u>\$ 701,077</u>	<u>\$ 4,650</u>	<u>\$ (9,184)</u>	<u>\$ 1,279,145</u>	<u>\$ (561,957)</u>	<u>\$ 516,437</u>	<u>\$ 19,703</u>	<u>\$ 1,949,871</u>



