

Sunchild First Nation
Consolidated Financial Statements
March 31, 2015

Sunchild First Nation

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Sunchild First Nation

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


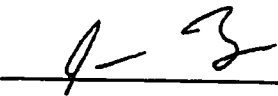


The accompanying consolidated financial statements of Sunchild First Nation are the responsibility of management and have been approved by the Chief and Council.

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

Sunchild First Nation's management is also responsible for implementing and maintaining systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

Sunchild First Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to management and Chief and Council.

 _____	Chief	 _____	Councilor
 _____	Councilor	 _____	Councilor
_____	Councilor	_____	Councilor

INDEPENDENT AUDITORS' REPORT

To the Chief and Council

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Sunchild First Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of financial activities, change in net financial assets, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

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 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 entity's preparations and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

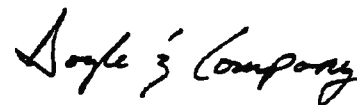
In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Sunchild First Nation as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 15 and 16 in the financial statements, which indicates that the current year accounts receivable was understated and the prior year accounts receivable and opening unrestricted surplus were overstated on August 13, 2015 when the statements were issued.

August 13, 2015, except as to Note 15 and 16, which is as of November 5, 2015

Edmonton, Alberta


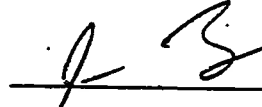
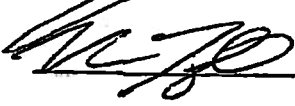



Chartered Accountants

Sunchild First Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014 (Restated)
	\$	\$
FINANCIAL ASSETS		
Cash	-	462,532
Investments (Note 2)	62,884	42,204
Accounts receivable (Note 3)	911,467	813,870
Due from Sunchild E-Learning community (Note 4)	101,907	101,907
Trust funds held by federal government (Note 5, 10)	1,686,672	693,274
	2,762,930	2,113,787
LIABILITIES		
Bank indebtedness (Note 6)	34,897	-
Demand loan (Note 7)	144,990	-
Accounts payable	609,253	396,838
Deferred revenue (Note 8)	772,424	1,467,477
Long-term liabilities (Note 9)	159,546	210,236
	1,721,110	2,074,551
NET FINANCIAL ASSETS	1,041,820	39,236
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	22,524,105	23,581,301
Prepaid expenditures	8,385	104,160
	22,532,490	23,685,461
ACCUMULATED SURPLUS (Schedule 1 and Note 12)	23,574,310	23,724,697

Approved by:

 _____ Chief	 _____ Councilor
 _____ Councilor	 _____ Councilor
_____ Councilor	_____ Councilor

The accompanying notes form part of these financial statements.

Sunchild First Nation
Consolidated Statement of Financial Activities
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual (Restated)
	\$	\$	\$
REVENUE			
Aboriginal Affairs and Northern Development Canada			
Grant Contribution	3,131,311	548,263	539,490
Fixed Contribution	-	4,714,564	4,492,210
Set Contribution	-	2,032,671	2,089,274
Recovery	-	(65,462)	-
Health Canada	1,070,643	1,309,443	1,152,276
Human Resource Development	-	354,460	323,990
Trust Funds			
Capital	1,752,475	2,149,023	1,555,716
Revenue	50,000	245,000	150,000
First Nation Development Fund	-	589,372	468,826
Other revenue	-	4,417,139	3,384,057
Funding recovery	-	(7,775)	(104,821)
Revenue deferred from previous period	-	1,467,477	988,515
Revenue deferred to subsequent period	-	(772,423)	(1,467,477)
	6,004,429	16,981,752	13,572,056
EXPENDITURES			
Aboriginal Headstart	89,553	92,518	87,728
Aboriginal Skills and Employment Training Strategy (ASETS)	-	474,043	390,779
Administration	1,339,877	2,996,964	2,356,865
Chief & Council	-	781,082	-
Child Welfare	-	103,199	43,680
Cultural Events	-	394,210	343,026
Economic Development	-	87,407	153,557
Family Violence	-	23,811	9,012
Fire Prevention	-	-	27,386
First Nation Development Fund	-	1,044,767	261,099
Housing	348,040	617,244	168,862
Medical Services	-	1,280,331	1,007,638
Public Works	935,278	1,399,041	816,631
Recreation	-	23,006	19,511
School - operations	-	2,302,767	2,457,668
School - contribution	2,104,825	1,064,127	871,666
School - bussing	369,800	267,422	373,681
School - O&M	-	710,806	574,353
Security	693,555	-	-
Social Services	-	1,245,467	1,224,492
Summer Student Program	118,671	107,750	97,420
Traditional Land Use	-	1,632,975	1,350,502
	5,999,599	16,648,937	13,134,048
EXCESS OF REVENUE OVER EXPENDITURE			
Before Other Revenue (Expenses)	4,830	332,815	438,008

The accompanying notes form part of these financial statements.

Sunchild First Nation
Consolidated Statement of Financial Activities - Continued
For the year ended March 31, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
OTHER REVENUE (EXPENSES)			
Amortization	-	1,476,601	1,525,973
Loss on impairment of tangible capital assets	-	-	617,936
Loss on disposal of tangible capital assets	-	-	20,372
	-	1,476,601	2,164,281
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE TANGIBLE CAPITAL ASSET PURCHASES	4,830	(1,143,786)	(1,726,273)
Tangible capital assets purchased	-	419,404	498,492
EXCESS OF REVENUE (SHORTFALL) OVER EXPENSES	4,830	(1,563,190)	(2,224,765)

The accompanying notes form part of these financial statements.

Sunchild First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2015

	2015	2014 (Restated)
	\$	\$
EXCESS OF REVENUES OVER EXPENSES	(1,143,786)	(1,726,273)
Acquisition of tangible capital assets	(419,404)	(498,493)
Amortization of tangible capital assets	1,476,601	1,525,973
Loss on impairment of tangible capital assets	-	617,936
Loss on disposal of tangible capital assets	-	20,372
Earnings on trust funds	3,387,421	286,437
Withdrawals of trust funds	(2,394,023)	(1,705,716)
Use of prepaid assets	95,775	(104,160)
	2,146,370	142,349
INCREASE (DECREASE) IN NET ASSETS	1,002,584	(1,583,924)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	39,236	1,623,160
NET FINANCIAL ASSETS, END OF YEAR	1,041,820	39,236

The accompanying notes form part of these financial statements.

Sunchild First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and customers	16,884,155	1,312,118
Cash paid to suppliers	(17,077,160)	(280,410)
	(193,005)	1,031,708
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in demand loan	144,990	(106,812)
Decrease in long-term liabilities	(50,690)	(114,921)
	94,300	(221,733)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital asset additions	(419,404)	(498,493)
Decrease (increase) in investments	20,680	151,050
	(398,724)	(347,443)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(497,429)	462,532
CASH (BANK INDEBTEDNESS) - Beginning of year	462,532	-
CASH (BANK INDEBTEDNESS) - End of year	(34,897)	462,532

The accompanying notes form part of these financial statements.

Sunchild First Nation
Consolidated Statement of Changes in Accumulated Surplus - Schedule 1
For the year ended March 31, 2015

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Trust Funds	2015 \$	2014 (Restated) \$
Balance, Beginning of Year, as previously stated	15,647	23,371,065	693,274	24,079,986	26,870,249
Prior period adjustments (Note 16)	(355,289)	-	-	(355,289)	(355,289)
Balance, Beginning of Year, as restated	(339,642)	23,371,065	693,274	23,724,697	26,514,960
Excess of revenue over expenses	(1,143,786)	-	3,387,421	2,243,635	(1,084,547)
Restricted funds used for operations	-	-	(2,394,023)	(2,394,023)	(1,705,716)
Current years funds used for tangible capital assets	(419,404)	419,404	-	-	-
Annual amortization expense	1,476,601	(1,476,601)	-	-	-
Long-term liabilities obtained	156,490	(156,490)	-	-	-
Long-term liabilities repaid	(62,191)	62,191	-	-	-
Change in accumulated surplus	7,710	(1,151,496)	993,398	(150,388)	(2,790,263)
Balance, End of Year	(331,932)	22,219,569	1,686,672	23,574,309	23,724,697

The accompanying notes form part of these financial statements.

Sunchild First Nation
Consolidated Statement of Tangible Capital Assets - Schedule 2
For the year ended March 31, 2015

	Automotive	Buildings & Housing	Furniture and Equip.	Infrastructure	2015 \$	2014 \$
COST:						
Balance, Beginning of Year	3,601,395	39,512,318	550,805	1,522,232	45,186,750	45,376,062
Acquisition of tangible capital assets	414,641	4,763	-	-	419,404	498,493
Disposal of tangible capital assets	-	-	-	-	-	(687,810)
Balance, End of Year	4,016,036	39,517,081	550,805	1,522,232	45,606,154	45,186,745
ACCUMULATED AMORTIZATION:						
Balance, Beginning of Year	2,516,084	17,942,576	1,042,309	104,479	21,605,448	20,128,973
Annual amortization	215,844	1,145,675	58,372	56,710	1,476,601	1,525,973
Accumulated amortization on disposals	-	-	-	-	-	(49,502)
Balance, End of Year	2,731,928	19,088,251	1,100,681	161,189	23,082,049	21,605,444
NET BOOK VALUE	1,284,108	20,428,830	(549,876)	1,361,043	22,524,105	23,581,301

The accompanying notes form part of these financial statements.

Sunchild First Nation
Consolidated Statement of Financial Activities by Program - Schedule 3
For the year ended March 31, 2015

	A.A.N.D.C. Revenue	Other	Total Revenue	2015 Total Expenditures	Surplus (Deficit)	Other Revenue (Expenses)	Surplus (Deficit) after Other Items	2014 Surplus (Deficit) (Restated)
	\$	\$	\$	\$	\$	\$	\$	\$
Aboriginal Headstart	-	87,029	87,029	92,518	(5,489)	-	(5,489)	(104)
Aboriginal Skills and Employment Training Strategy (ASETS)	-	354,460	354,460	474,043	(119,583)	119,583	-	-
Administration	720,478	3,323,883	4,044,361	2,996,964	1,047,397	(1,068,057)	(20,660)	(451,284)
Chief & Council	-	-	-	781,082	(781,082)	781,082	-	-
Child Welfare	-	103,199	103,199	103,199	-	-	-	-
Cultural Events	-	400,000	400,000	394,210	5,790	-	5,790	-
Economic Development	67,563	-	67,563	87,407	(19,844)	-	(19,844)	-
Family Violence	-	16,048	16,048	23,811	(7,763)	-	(7,763)	1,379
First Nation Development Fund	-	868,034	868,034	1,044,767	(176,733)	-	(176,733)	338,869
Housing	213,630	403,614	617,244	617,244	-	-	-	(17,025)
Medical Services	-	1,342,542	1,342,542	1,280,331	62,211	(96,564)	(34,353)	46,988
Public Works	1,085,679	313,362	1,399,041	1,399,041	-	-	-	137,702
Recreation	-	23,006	23,006	23,006	-	-	-	-
School - Operation	1,872,763	162,282	2,035,045	2,302,767	(267,722)	262,992	(4,730)	188,588
School - Contribution	896,501	164,297	1,060,798	1,064,127	(3,329)	-	(3,329)	(64,437)
School - Bussing	369,800	39,390	409,190	267,422	141,768	(265,615)	(123,847)	(3,881)
School - O & M	693,555	-	693,555	710,806	(17,251)	17,251	-	92,482
Social Services	1,193,640	13,350	1,206,990	1,245,467	(38,477)	-	(38,477)	(109,385)
Summer Student Program	39,945	67,805	107,750	107,750	-	-	-	-
Traditional Land Use	-	2,145,897	2,145,897	1,632,975	512,922	(193,729)	319,193	-
	7,153,554	9,828,198	16,981,752	16,648,937	332,815	(443,057)	(110,242)	159,892

The accompanying notes form part of these financial statements.

Sunchild First Nation
Consolidated Statement of Expenditures by Object
For the year ended March 31, 2015

	2015 \$	2014 \$
EXPENDITURES		
Advertising	30,925	10,497
Building maintenance	222,883	-
Equipment	104,015	-
Insurance	51,650	19,829
Interest and bank charges	25,233	20,356
Materials and supplies	338,408	476,812
Office	-	81,360
Professional fees	714,769	594,598
Program costs	6,638,119	4,195,244
Repairs and maintenance	145,464	583,724
Telephone and utilities	284,111	236,278
Training	247,988	-
Travel	1,197,082	1,121,282
Vehicle	360,306	100,249
Wages and employee benefits	6,287,984	5,693,819
	16,648,937	13,134,048

The accompanying notes form part of these financial statements.

Sunchild First Nation
Notes to the Consolidated Financial Statements
March 31, 2015

DESCRIPTION OF OPERATIONS

The Chief and Council of Sunchild First Nation (the "First Nation") primary function is to administer the affairs of Sunchild First Nation.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

(a) Fund Accounting

The Sunchild First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Sunchild First Nation maintains the following funds:

- The Operating Fund which reports the general activities of the First Nation Administration.
- The Equity in Capital Assets Fund which reports the capital assets of the First Nation, together with their related financing.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.

(b) Reporting Entity and Principles of Financial Reporting

The Sunchild First Nation's reporting entity includes the Sunchild First Nation's government and all related entities which are accountable to the First Nation and are either owned or controlled by the Sunchild First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which lend themselves to consolidation.

Accordingly, these statements are consolidated and therefore include 100% of the assets, liabilities, revenue and expenses of the following wholly owned entities:

Sunchild Store Ltd.
Sunchild Education Authority

(c) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They 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, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

Sunchild First Nation
Notes to the Consolidated Financial Statements
March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(c) Non-Financial Assets - continued

i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life at the annual rates as follows:

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

Annual amortization is charged in the year of acquisition and not in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. Assets under capital leases are amortized on the declining balance basis, over their estimated useful lives. All other leases are accounted for as operation leases and the related lease payments are charges to expenditures as incurred.

(d) Inventory

Inventory is valued at the lower of cost and net realizable value.

(e) Investments

Investments are recorded at the lower of cost or market value unless there is permanent impairment and then the investments are written down.

(f) Trust Funds

The Ottawa Trust Accounts 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

First Nation trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust fund accounts, or are receivable or accrued at year-end, which have been authorized by Aboriginal Affairs and Northern Development Canada (AANDC) approved band council resolution (BCR). The amounts on deposit with the Government of Canada are audited by the Auditor General of Canada.

(g) Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position.

Sunchild First Nation
Notes to the Consolidated Financial Statements
March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(h) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(i) Financial Instruments

The Nation's financial instruments consist of cash, investments, Trust Funds, accounts receivable, bank indebtedness, accounts payable, demand loan, deferred revenue and long-term liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Credit Risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Nation by failing to discharge an obligation. The Nation's credit risk is mainly related to accounts receivable. The Nation provides credit to its clients in the normal course of its operations and assesses on a continuous basis the accounts receivable and records any amounts that are not collectible in the allowance for doubtful accounts.

Market Risk

Market risk is the risk that the fair value or future cash flows of the Nation's financial instrument will fluctuate because of changes in market prices. Some of the Nation's financial instruments expose it to this risk which comprises currency risk, interest rate risk, and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Nation may purchase services and goods from outside of Canada and incurs expenditures in foreign currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Nation is exposed to interest rate risk on its bank account balances and any of its fixed and/or floating interest rate financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The Nation manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.

2. INVESTMENTS

Investments consist of three guaranteed investment certificates. These GIC's mature between December, 2013 and February, 2014 and earn interest annually at 0.8%

Sunchild First Nation
Notes to the Consolidated Financial Statements
March 31, 2015

3. ACCOUNTS RECEIVABLE

	2015 \$	2014 \$
Government Agencies		
Aboriginal Affairs and Northern Development Canada	359,549	284,813
Health and Welfare Canada	75,000	-
First Nation Development fund	145,045	232,075
GST (recovery)	5,481	-
Trade receivables	326,392	296,982
	911,467	813,870

4. DUE FROM SUNCHILD E-LEARNING COMMUNITY

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

5. TRUST FUNDS

The Government of Canada - Aboriginal Affairs and Northern Development Canada (AANDC) has custody of the Capital fund on behalf of the First Nation and has full responsibility for the investment of this fund. Income from Oil and Gas royalties, surface rights, and interest income from investment of the capital fund is collected and controlled by the Government of Canada - AANDC. Capital funds held by AANDC cannot be disbursed or committed by the First Nation without approval from the Government of Canada. Revenue funds held by AANDC can be disbursed by Band Council Resolution (BCR).

6. BANK INDEBTEDNESS

Bank indebtedness represents cheques issued in excess of bank balance.

7. DEMAND LOAN

The Nation has a revolving line of credit at the CIBC in the amount not to exceed \$203,400 in Canadian currency at any time. There are three (3) "Facilities:

(i) Facility A: Revolving Line of Credit - this revolving line of credit is to be used for day to day cash flow requirements. The credit limit is \$50,000 and the rate of interest is Prime plus 1.50% per annum, and the repayment terms is on demand. The outstanding balance at year-end was \$0.

(ii) Facility B: Term Facility - this facility was used to purchase 2 school buses. The credit limit is \$133,400 and the rate of interest is Prime plus 1.50% per annum and the repayment terms are on demand. Until demand the loan is repayable at 58 regular monthly payments of \$2,300 each, plus accrued interest payable monthly. The outstanding balance at year-end was \$126,500.

(iii) Facility C: Corporate Classic Visa Facility - this facility is to be used for the purchase and payment of goods and services. The credit limit is \$20,000 and the repayment terms is on demand and in accordance with their standard VISA documentation. The outstanding balance at year-end was \$139.

Sunchild First Nation
Notes to the Consolidated Financial Statements
March 31, 2015

8. DEFERRED REVENUE

	2015	2014
	\$	\$
Band Funds - Capital		
Public Works	-	173,594
Band Funds - Revenue		
Recreation	36,604	17,204
Child Welfare	26,690	173,594
Housing	72,489	-
Public Works	169,909	-
Traditional Land Use	240,667	-
Administration	-	450,000
Fire Prevention	-	14,053
First Nation Development Fund	226,065	504,727
Sunchild Development Corp	-	307,899
	<u>772,424</u>	<u>1,467,477</u>

9. LONG-TERM LIABILITIES

	2015	2014
	\$	\$
CIBC mortgage bearing interest at 5.69% per annum, repayable in installments of \$5,086 including interest, due June 2016, secured by a Government of Canada guarantee	159,546	210,236
	159,546	210,236
Less: Current portion, long-term liabilities	53,312	-
	<u>106,234</u>	<u>210,236</u>

Principal repayments of long-term liabilities over the next five years are as follows:

	\$
2016	
2017	53,312
2018	56,425
2019	49,809
2020 and thereafter	-
	<u>159,546</u>

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10. EQUITY IN TRUST FUND

	Capital \$	Revenue \$	Total \$	
Balance, beginning of year	617,136	76,138	693,274	
Earnings	3,161,805	225,616	3,387,421	
	3,778,941	301,754	4,080,695	
BCR NUMBER	PROGRAM			
2199 - 2014	Administration	1,309,243	-	1,309,243
2199 - 2014	Water/Comm Bldg	247,024	-	247,024
2199 - 2014	Roads and Bridges	57,165	-	57,165
2199 - 2014	Housing	170,791	-	170,791
2199 - 2014	PCD	364,800	-	364,800
2210 - 2014	Various programs	-	245,000	245,000
2012-2013-2116	Post Secondary			
2012-2013-2100	Summer Student			
	2,149,023	245,000	2,394,023	
Balance, end of year	1,629,918	56,754	1,686,672	

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2015 \$	2014 \$
Tangible Capital assets (Schedule 2)	45,606,154	45,186,745
Accumulated amortization (Schedule 2)	(23,082,049)	(21,605,444)
Long-term liabilities (Note 9)	(159,546)	(210,236)
Demand loan	(144,990)	-
	22,219,569	23,371,065

12. ACCUMULATED SURPLUS

	2015 \$	2014 (Restated) (Note 16) \$
Unrestricted surplus	(331,931)	(339,642)
Equity in tangible capital assets	22,219,569	23,371,065
Equity in trust funds	1,686,672	693,274
	23,574,310	23,724,697

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13. ECONOMIC DEPENDENCE

The Sunchild First Nation receives the majority of its funding from Aboriginal Affairs and Northern Development Canada (AANDC). The Nation is also dependent on Health Canada for funding to run its health program through a health funding consolidated contribution agreement.

14. CONTINGENT LIABILITIES

A claim has been filed against Sunchild First Nation by a couple of contractors for services provided in the amount of \$245,000.

Management has offered \$20,000 to settle the above claim and this amount has been recognized as a liability at year-end. The claim was not settled as of the date of the auditor's report.

15. RESTATEMENT OF FINANCIAL STATEMENTS

(i) There were \$280,715 of trade receivables not recorded at year-end.

The results of the additional \$280,715 adjustment is an increase in the trade accounts receivables and an increase in other revenue in the Traditional Land Use program.

16. PRIOR PERIOD ADJUSTMENT

(i) During the year, the First Nation determined that receivables related to FNDF projects last year would not be received. As a result, the 2014 receivables were overstated and revenue for the period was overstated by \$100,000.

(ii) During the year, the First Nation determined that receivables related to AANDC funding for some programs last year would not be received. As a result, the 2014 receivables were overstated and revenue for the period was overstated by \$240,251.

(iii) During the year, the First Nation determined that receivables related to Health Canada funding for some programs last year would not be received. As a result, the 2014 receivables were overstated and revenue for the period was overstated by \$15,038.

The net effect of the above adjustments results in a decrease to the 2015 opening accumulated surplus of \$355,289 and a decrease to 2014 accounts receivables.

17. COMPARATIVE FIGURES

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

The prior year figures were audited by another firm of Chartered Accountants who expressed an unqualified opinion.

18. BUDGET FIGURES

The budget figures are presented for information purposes only and have not been audited.