

**Sunchild First Nation  
Consolidated Financial Statements  
March 31, 2017**

# 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.

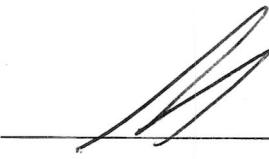
Sunchild First Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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.

  
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Chief

  
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Councilor

  
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Councilor

  
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Councilor

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Councilor

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Councilor

**DOYLE & COMPANY**  
CHARTERED PROFESSIONAL  
ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

To the Chief and Council

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of the **Suncild First Nation**, which comprise the consolidated statement of financial position as at March 31, 2017 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 Suncild First Nation as at March 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

August 2, 2017

Edmonton, Alberta

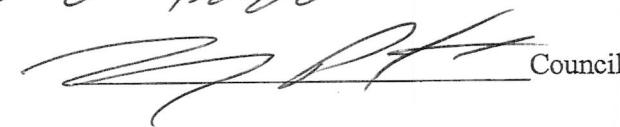
*Doyle & Company*

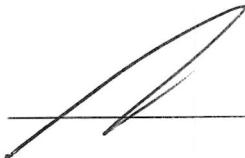
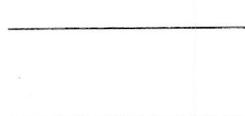
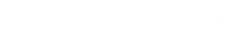
Chartered Professional Accountants

**Sunchild First Nation**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2017**

	2017	2016 (Restated)
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	1,945,218	-
Investments (Note 4)	378,536	63,536
Accounts receivable (Note 5)	827,217	861,032
Due from Sunchild E-Learning community (Note 6)	-	101,907
Investment in subsidiaries	451,736	471,161
Trust funds held by federal government (Note 12)	1,096,813	969,232
Due from related parties	76,416	-
	<b>4,775,936</b>	2,466,868
<b>LIABILITIES</b>		
Bank indebtedness	-	37,142
Demand loan (Note 7)	-	117,390
Accounts payable	521,165	849,944
Deferred revenue (Note 8)	2,887,290	78,133
Long-term liabilities (Note 9)	45,007	106,118
Due to related parties	-	492,107
	<b>3,453,462</b>	1,680,834
<b>NET FINANCIAL ASSETS</b>		
	<b>1,322,474</b>	786,034
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	24,378,331	20,905,107
Prepaid expenditures	14,712	8,385
	<b>24,393,043</b>	20,913,492
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 14)</b>		
	<b>25,715,517</b>	21,699,526

Approved by:

  
 Chief  
  
 Councilor

  
 Councilor  
  
 Councilor  
  
 Councilor

**Sunchild First Nation**  
**Consolidated Statement of Financial Activities**  
**For the year ended March 31, 2017**

	2017 Budget \$	2017 Actual \$	2016 Actual \$
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)			
Grant Contribution	547,889	547,889	546,000
Fixed Contribution	4,508,819	12,607,656	5,241,923
Set Contribution	2,750,340	4,240,256	2,276,930
Health Canada	1,133,414	1,352,573	1,330,015
Aboriginal Skills and Employment Training Strategy	171,378	373,211	347,048
Trust Funds			
Capital	625,300	600,000	1,200,000
Revenue	-	210,000	245,000
First Nation Development Fund	576,250	576,250	646,415
Other revenue	1,514,087	4,436,090	3,526,419
Revenue deferred from previous period	-	78,133	754,607
Revenue deferred to subsequent period	-	(2,887,290)	(78,133)
	<b>11,827,477</b>	<b>22,134,768</b>	<b>16,036,224</b>
<b>EXPENDITURES</b>			
Aboriginal Job Entry Program	-	262,553	74,184
Aboriginal Skills and Employment Training Strategy (ASETS)	171,378	185,131	194,059
Administration	1,080,273	1,467,889	1,973,707
Chief & Council	590,000	1,077,148	629,501
Child Welfare	170,058	170,059	151,347
Daycare	181,670	249,300	252,723
Economic Development	67,563	603,176	68,017
First Nation Development Fund	576,250	654,219	602,914
Flood disaster recovery	709,814	709,814	-
Housing	322,949	1,209,513	418,972
Major Renovations 2015/2016	-	-	533,088
Medical Services	1,208,414	1,243,622	1,342,358
Public Works	287,262	1,423,168	1,939,416
Recreation	-	-	95,957
School - Aboriginal Headstart	83,024	92,732	96,584
School - Bussing	287,541	287,541	369,800
School - Contributions	1,134,443	1,963,289	1,107,235
School - O&M	692,835	747,502	748,085
School - Operations	2,338,945	2,292,175	2,179,861
Social Services	1,268,861	1,671,515	1,419,945
Summer Student Program	-	30,293	178,872
Traditional Land Use	656,197	884,312	1,090,794
	<b>11,827,477</b>	<b>17,224,951</b>	<b>15,467,419</b>
<b>Excess of Revenue over Expenditures Before Other Revenue (Expenses)</b>	<b>-</b>	<b>4,909,817</b>	<b>568,805</b>
Amortization	-	(1,590,560)	(1,401,752)
<b>Excess (Shortfall) of Revenue over Expenditures before Tangible Capital Assets</b>	<b>-</b>	<b>3,319,257</b>	<b>(832,947)</b>
Tangible capital assets purchased	-	5,063,783	127,151
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>(1,744,526)</b>	<b>(960,098)</b>

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, 2017**

	2017	2016
	\$	\$
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>3,319,257</b>	<b>(832,947)</b>
Opening equity adjustment	344,396	-
Acquisition of tangible capital assets	(5,063,783)	(127,151)
Amortization of tangible capital assets	1,590,559	1,401,753
Long term liabilities repaid	38,295	-
Earnings in controlled entities	186,462	-
Earnings on trust funds	938,481	816,668
Withdrawals of trust funds	(810,900)	(1,534,108)
Use (acquisition) of prepaid assets	(6,327)	19,999
	<b>(2,782,817)</b>	<b>577,161</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>536,440</b>	<b>(255,786)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>786,034</b>	<b>1,041,820</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>1,322,474</b>	<b>786,034</b>

**Sunchild First Nation**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and customers	24,727,853	15,677,326
Cash paid to suppliers	(17,216,989)	(15,964,151)
	<b>7,510,864</b>	<b>(286,825)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in demand loan	(117,390)	(27,600)
Decrease in long-term liabilities	(61,111)	(53,428)
Increase (Decrease) in capital lease obligations	(492,107)	492,107
	<b>(670,608)</b>	<b>411,079</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital asset additions	(5,063,783)	(127,151)
Decrease (increase) in investments	205,887	652
	<b>(4,857,896)</b>	<b>(126,499)</b>
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	<b>1,982,360</b>	<b>(2,245)</b>
<b>CASH (BANK INDEBTEDNESS) - Beginning of year</b>	<b>(37,142)</b>	<b>(34,897)</b>
<b>CASH (BANK INDEBTEDNESS) - End of year</b>	<b>1,945,218</b>	<b>(37,142)</b>

Sunchild First Nation

**Consolidated Statement of Changes in Accumulated Surplus - Schedule 1**

For the year ended March 31, 2017

	Unrestricted Surplus	Equity in Enterprise	Equity in Capital Assets	Equity in Trust Funds	2017	2016
<b>Balance, Beginning of Year, as previously stated</b>	<b>(422,464)</b>	<b>471,160</b>	<b>21,025,994</b>	<b>969,232</b>	<b>22,043,922</b>	<b>23,574,310</b>
Prior period adjustment (Note 16)	-	-	(344,396)	-	(344,396)	-
<b>Balance, Beginning of Year</b>	<b>(422,464)</b>	<b>471,160</b>	<b>20,681,598</b>	<b>969,232</b>	<b>21,699,526</b>	<b>23,574,309</b>
Excess of revenue over expenses	3,319,257	186,462	-	938,481	4,444,200	(16,279)
Adjusted prior years equity	344,396	-	-	-	344,396	-
Restricted funds used for operations	-	-	-	(810,900)	(810,900)	(1,534,108)
Current years funds advanced to subsidiaries	205,887	(205,887)	5,063,783	-	-	-
Current years funds used for tangible capital assets	(5,063,783)	-	(1,590,559)	-	-	-
Annual amortization expense	1,590,559	-	-	-	-	-
Long-term liabilities obtained	-	-	-	-	-	-
Long-term liabilities repaid	(140,205)	-	178,500	-	38,295	-
Change in accumulated surplus	256,111	(19,425)	3,651,724	127,581	4,015,991	(1,530,387)
<b>Balance, End of Year</b>	<b>(166,353)</b>	<b>451,735</b>	<b>24,333,322</b>	<b>1,096,813</b>	<b>25,715,517</b>	<b>22,043,922</b>

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, 2017

	Automotive	Buildings & Housing	Furniture and Equipment	Infrastructure	2017	2016
	\$	\$	\$	\$	\$	\$
<b>COST:</b>						
Balance, Beginning of Year	3,566,884	39,006,496	970,280	1,522,232	45,065,892	44,938,741
Acquisition of tangible capital assets	294,617	1,760,853	-	3,008,313	5,063,783	127,151
<u>Balance, End of Year</u>	<u>3,861,501</u>	<u>40,767,349</u>	<u>970,280</u>	<u>4,530,545</u>	<u>50,129,675</u>	<u>45,065,892</u>
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, Beginning of Year	2,963,815	20,132,393	848,947	215,630	24,160,785	22,759,032
Annual amortization	225,113	1,160,801	33,504	171,141	1,590,559	1,401,753
<u>Balance, End of Year</u>	<u>3,188,928</u>	<u>21,293,194</u>	<u>882,451</u>	<u>386,771</u>	<u>25,751,344</u>	<u>24,160,785</u>
<b>NET BOOK VALUE</b>	<b>672,573</b>	<b>19,474,155</b>	<b>87,829</b>	<b>4,143,774</b>	<b>24,378,331</b>	<b>20,905,107</b>

The accompanying notes form part of these financial statements.

# Suncor First Nation

## Consolidated Statement of Financial Activities by Program - Schedule 3

For the year ended March 31, 2017

	INAC Revenue	Other Revenue	Total Revenue	Total Expenditures	Surplus (Deficit)	Other Items	Surplus (Deficit) after Other Items	2016 Surplus (Deficit)
	\$	\$	\$	\$	\$	\$	\$	\$
Aboriginal Job Entry Program	-	230,033	230,033	262,553	(32,520)	-	(32,520)	-
Aboriginal Skills and Employment Training Strategy (ASETS)	-	176,814	176,814	185,131	(8,317)	-	(8,317)	-
Administration	492,935	1,919,715	2,412,650	1,467,889	944,761	(447,448)	497,313	-
Chief & Council	155,000	474,700	629,700	1,077,148	(447,448)	447,448	-	-
Child Welfare	-	170,059	170,059	170,059	-	-	-	5,232
Daycare	-	196,551	196,551	249,300	(52,749)	-	(52,749)	-
Economic Development	404,184	198,107	602,291	603,176	(885)	-	(885)	-
First Nation Development Fund	-	586,984	586,984	654,219	(67,235)	-	(67,235)	226,065
Housing	2,378,149	258,329	2,636,478	1,209,513	1,426,965	(1,427,200)	(235)	-
Major Renovations 2015/2016	-	-	-	-	-	-	-	(75,823)
Medical Services	-	1,333,101	1,333,101	1,243,622	89,479	-	89,479	(6,442)
Public Works	6,291,953	(1,819,593)	4,472,360	1,423,168	3,049,192	(3,226,668)	(177,476)	-
School - Operation	2,389,619	(97,444)	2,292,175	2,292,175	-	-	-	-
School - Contribution	1,743,081	220,129	1,963,210	1,963,289	(79)	-	-	-
School - Bussing	386,441	-	386,441	287,541	98,900	(98,900)	(79)	(11,555)
School - O & M	692,835	54,548	747,383	747,502	(119)	-	(119)	-
School - Aboriginal Headstart	-	92,500	92,500	92,732	(232)	-	(232)	(7,260)
Social Services	1,676,788	406	1,677,194	1,671,515	5,679	-	5,679	33,565
Summer Student Program	-	-	-	30,293	(30,293)	-	(30,293)	4,432
Traditional Land Use	75,000	744,033	819,033	884,312	(65,279)	-	(65,279)	259,648
Flood Disaster Recovery	709,814	-	709,814	709,814	-	-	-	-
	17,395,799	4,738,972	22,134,771	17,224,951	4,909,820	(5,200,216)	(290,396)	427,862

The accompanying notes form part of these financial statements.

**Sunchild First Nation**  
**Consolidated Statement of Expenditures by Object - Schedule 4**  
**For the year ended March 31, 2017**

	2017 \$	2016 \$
<b>EXPENDITURES</b>		
Building maintenance	421,144	339,215
Bad debt	162,213	-
Contractors	1,772,612	2,223,188
Cultural expenses	1,619,939	1,270,907
Equipment	129,081	193,392
Insurance	164,710	69,843
Interest and bank charges	30,582	7,811
Materials and supplies	2,314,492	1,600,316
Meeting expenses	137,831	133,179
Office	76,559	70,041
Professional fees	865,156	626,182
Recreational activities	264,509	333,424
Repairs and maintenance	1,144,913	161,586
Special events	44,836	195,221
Telephone and utilities	399,120	370,268
Training	133,323	170,056
Travel	956,666	761,788
Vehicle	312,002	419,217
Wages and employee benefits	6,275,263	6,521,785
	<b>17,224,951</b>	<b>15,467,419</b>

**Sunchild First Nation**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2017**

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**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 Professional 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 and all related entities which are accountable to the First Nation and are either owned, controlled or have significant influence by the First Nation and which are not dependent on the First Nation for their continuing operations are included in the summary financial statements using the modified equity method. These include:

- 1863291 Alberta Ltd.
- Sunchild Oil 7 Gas Ltd.
- Sunchild Store (2005) Ltd.

**(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, 2017**

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**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 method 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) Cash and Cash Equivalents**

Cash and cash equivalents consists of cash deposited in a Canadian financial institution, and is not subject to significant risk of change in value.

**(e) Inventory**

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

**(f) Investments**

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

**(g) 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 Indigenous and Northern Affairs Canada (INAC) and were approved by a band council resolution (BCR). The amounts on deposit with the Government of Canada are audited by the Auditor General of Canada.

**Sunchild First Nation**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2017**

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**1. SIGNIFICANT ACCOUNTING POLICIES - continued**

**(h) 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.

**2. 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.

**3. 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.

**Sunchild First Nation**  
**Notes to the Consolidated Financial Statements**  
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**4. INVESTMENTS**

Investments consist of three guaranteed investment certificates. These GIC's mature between May, 2017 and, November, 2018 and earn interest annually at rates of 0.5% to 0.95%.

**5. ACCOUNTS RECEIVABLE**

	<b>2017</b> \$	<b>2016</b> \$
Government Agencies		
Indigenous and Northern Affairs Canada	211,512	477,638
First Nation Development fund	227,320	217,104
GST	-	1,346
Trade receivables	<u>388,385</u>	<u>164,944</u>
	<b>827,217</b>	<b>861,032</b>

**6. DUE FROM SUNCHILD E-LEARNING COMMUNITY**

These amounts are unsecured, non-interest bearing and have no specified terms of repayment. Management has determined the amount outstanding is not collectible and has been written-off.

**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 outstanding balance at year-end was \$0.

(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 \$15,590.

**Sunchild First Nation**  
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**8. DEFERRED REVENUE**

	2017	2016
	\$	\$
Band Funds - Capital		
Economic Development	75,000	-
Firehall	1,523,488	-
Housing	210,000	-
Community	656,200	-
Band Funds - Revenue		
Health - AYCES	75,206	16,817
Health - Research project	41,594	-
Aboriginal Job Entry Program	-	17,816
Other deferred revenue	15,799	-
School	233,313	-
<u>First Nation Development Fund</u>	<u>56,690</u>	<u>43,500</u>
	2,887,290	78,133

**9. LONG-TERM LIABILITIES**

	2017	2016
	\$	\$
CIBC mortgage bearing interest at 2.44% per annum, repayable in installments of \$5,086 including interest, due December 2017, secured by a Government of Canada guarantee	45,007	106,118
<u>Less: Current portion, long-term liabilities</u>	<u>45,007</u>	<u>56,425</u>
	-	49,693

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

	\$
2018	45,007

Interest paid on long-term liabilities amounted to \$5,836 (2016 - \$7,604) during the year.

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**10. INVESTMENTS IN AND ADVANCES TO (FROM) WHOLLY OWNED SUBSIDIARIES AND INVESTMENTS**

	2017	2016
	\$	\$
<b>(a) 1863291 Alberta Ltd. - 100% ownership</b>		
Shares	-	1
Advances from (to) the Nation	-	(145,001)
Accumulated surplus (deficit) in earnings	-	145,000
	-	-
<b>(b) Sunchild Oil &amp; Gas Ltd. - 100% ownership</b>		
Shares	1	1
Advances from (to) the Nation	(240,112)	(24,006)
Accumulated surplus in earnings	360,743	150,771
	120,632	126,766
<b>(c) Sunchild Store (2005) Ltd. - 100% ownership</b>		
Shares	1	1
Advances from (to) the Nation	412,026	401,807
Accumulated surplus (deficit) in earnings	(80,921)	(57,415)
	331,106	344,393
<b>Total investments</b>	<b>451,738</b>	<b>471,159</b>

March 31, 2017 unaudited financial statements for 1863291 Alberta Ltd. is as follows:

	2017	2016
	\$	\$
Assets	-	145,001
Liabilities	-	-
Net earnings (loss) for the year	-	145,525

March 31, 2017 unaudited financial statements for Sunchild Oil & Gas Ltd. is as follows:

	2017	2016
	\$	\$
Assets	360,743	151,366
Liabilities	-	594
Revenues	216,296	165,493
Net earnings for the year	209,971	140,780

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**10. INVESTMENTS IN AND ADVANCES TO (FROM) WHOLLY OWNED SUBSIDIARIES AND INVESTMENTS - CONTINUED**

March 31, 2017 unaudited financial statements for Sunchild Store (2005) Ltd. is as follows:

	2017	2016
	\$	\$
Assets	331,106	348,831
Liabilities	412,026	401,807
Revenues	-	-
Net earnings (loss) for the year	(23,509)	(19,497)

**11. EQUITY IN ENTERPRISE FUND**

	2017	2016
	\$	\$
Balance, beginning of year	471,160	-
Advances (repayments) to controlled entities	(205,887)	232,804
Surplus (loss) from controlled entities	186,462	238,356
<b>Balance, end of year</b>	<b>451,735</b>	<b>471,160</b>

**12. EQUITY IN TRUST FUND**

	Capital	Revenue	Total
	\$	\$	\$
Balance, beginning of year	868,171	101,061	969,232
Earnings	641,207	297,274	938,481
	<b>1,509,378</b>	<b>398,335</b>	<b>1,907,713</b>

BCR NUMBER	PROGRAM	Capital	Revenue	Total
		\$	\$	\$
2239 - 2016	Administration	275,300	-	275,300
2239 - 2016	Chief and Council	324,700	-	324,700
2340 - 2016	Administration	-	66,800	66,800
2340 - 2016	Health/ Christmas	-	11,000	11,000
2340 - 2016	Elders/ Christmas	-	21,000	21,000
2340 - 2016	Students	-	11,100	11,100
2294 - 2016	Audit fees	-	71,100	71,100
2294 - 2016	Meeting Expenses	-	29,900	29,900
		<b>600,000</b>	<b>210,900</b>	<b>810,900</b>
Balance, end of year		<b>909,378</b>	<b>187,435</b>	<b>1,096,813</b>

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**13. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2017	2016 (Restated)
	\$	\$
Tangible Capital assets (Schedule 2)	50,129,675	45,065,891
Accumulated amortization (Schedule 2)	(25,751,344)	(24,160,785)
Long-term liabilities (Note 9)	(45,007)	(106,118)
Demand loan (Note 7)	-	(117,390)
	<b>24,333,324</b>	<b>20,681,598</b>

**14. ACCUMULATED SURPLUS**

	2017	2016 (Restated)
	\$	\$
Unrestricted surplus	(166,355)	(422,464)
Equity in enterprise funds	451,735	471,160
Equity in tangible capital assets	24,333,324	20,681,601
Equity in trust funds	1,096,813	969,232
	<b>25,715,517</b>	<b>21,699,529</b>

**15. ECONOMIC DEPENDENCE**

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

**16. PRIOR PERIOD ADJUSTMENT**

A prior year adjustment was requid due to a change in accounting policy. Sunchild Store (2005) Ltd. was consolidated using the consolidation method. Under the consolidation method, the assets, liabilities, revenue and expenses of the those organizations have been consolidated and all inter-company balances have been eliminated on consolidation.

Sunchild Store (2005) Ltd. is now being included in the summary financial statements using the modified equity method.

The result of this change in accountning policy, was a decrease in capital assets and equity in capital assets by \$344,396.

**17. BUDGET FIGURES**

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

**18. COMPARATIVE FIGURES**

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