

Whitefish Lake First Nation #459
Consolidated Financial Statements
March 31, 2017

Whitefish Lake First Nation #459

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WHITEFISH LAKE FIRST NATION # 459
FINANCE DEPARTMENT
GENERAL DELIVERY
ATIKAMEG, ALBERTA *TOG OCO*
TELEPHONE: (780)767- 4000 *FAX: (780)767-2614*

Whitefish Lake First Nation #459

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the **Whitefish Lake First Nation #459** are the responsibility of management and have been approved by the Chief and Administrator on Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. 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. 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 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 the Council.

_____ Original signed by _____ Chief

_____ Original signed by _____ Councilor

_____ Original signed by _____ Councilor

_____ Original signed by _____ Councilor

_____ Original signed by _____ Councilor

Allan J. Grykuliak, CPA, CA*

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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 **Whitefish First Nation #459**, which comprise the statement of financial position as at March 31, 2017 and the statements of financial activities, change in net financial assets, cash flows and expenditures by object 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.

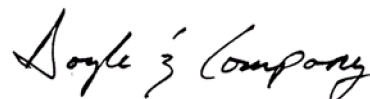
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Whitefish First Nation #459 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.

July 25, 2017

Edmonton, Alberta



Chartered Professional Accountants

Whitefish Lake First Nation #459
Consolidated Statement of Financial Position
As at March 31, 2017

| | 2017 | 2016 |
|---|--------------------|--------------------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash | - | 27,737 |
| Restricted cash (Note 3) | 796,812 | 882,723 |
| Accounts receivable (Note 4) | 5,211,514 | 936,072 |
| | 6,008,326 | 1,846,532 |
| LIABILITIES | | |
| Bank indebtedness (Note 7) | 176,416 | - |
| Term loan (Note 8) | 500,000 | - |
| Accounts payable and accrued liabilities (Note 9) | 1,580,453 | 2,622,846 |
| Deferred contributions (Note 10) | 4,057,586 | 354,108 |
| Investment in First Nation controlled entities (Note 5) | 674,365 | 465,737 |
| Long-term liabilities (Note 11) | 1,071,737 | 1,250,360 |
| | 8,060,557 | 4,693,051 |
| NET FINANCIAL DEBT | (2,052,231) | (2,846,519) |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 2) | 23,261,331 | 20,000,667 |
| Land claim trust funds (Note 6) | 9,779,146 | 9,563,008 |
| | 33,040,477 | 29,563,675 |
| ACCUMULATED SURPLUS (Schedule 1 and Note 17) | 30,988,246 | 26,717,156 |

Approved by the First Nation:

_____ Original signed by _____ Chief _____ Original signed by _____ Councilor
 _____ Original signed by _____ Councilor _____ Original signed by _____ Councilor
 _____ Councilor

The accompanying notes form part of these financial statements.

Whitefish Lake First Nation #459
Consolidated Statement of Financial Activities
For the year ended March 31, 2017

| | 2017 Budget \$ | 2017 Actual \$ | 2016 Actual \$ |
|--|-------------------------------|-------------------------------|-------------------------------|
| REVENUE | | | |
| Kee Tee Kee Now Tribal Council | 9,602,065 | 16,216,598 | 11,064,838 |
| Trust Funds | | | |
| Capital | 600,000 | 449,235 | 399,249 |
| Revenue | - | - | 90,000 |
| Health Canada | 1,801,317 | 2,025,585 | 1,904,997 |
| Aboriginal Skills and Employment Training | 482,868 | 845,096 | 482,868 |
| First Nation Development Fund | 700,000 | 728,665 | 767,328 |
| Investment revenue | - | 358,152 | 323,479 |
| Other revenue | 207,000 | 2,160,467 | 1,373,577 |
| Revenue deferred from previous period | - | 354,108 | 757,808 |
| Revenue deferred to subsequent period | - | (4,057,586) | (354,108) |
| | 13,393,250 | 19,080,320 | 16,810,036 |
| EXPENDITURES | | | |
| Administration | 1,327,712 | 4,123,995 | 2,722,640 |
| Aboriginal skills and employment training strategy | 482,868 | 753,756 | 482,863 |
| Consultation | 207,000 | 169,768 | 189,530 |
| Economic development | 136,620 | 135,455 | 98,330 |
| Education | 4,387,013 | 3,464,483 | 3,231,449 |
| First nation development fund | 700,000 | 984,126 | 897,862 |
| Governance | 475,000 | 783,369 | 870,297 |
| Health services | 1,806,317 | 2,204,796 | 2,094,410 |
| Housing | 496,492 | 529,832 | 153,730 |
| Public works | 1,177,171 | 1,462,260 | 1,864,770 |
| Social development | 2,202,057 | 2,237,987 | 2,006,655 |
| | 13,398,250 | 16,849,827 | 14,612,536 |
| Excess Revenue Over Expenditures Before Other Revenue | (5,000) | 2,230,493 | 2,197,500 |
| Other Revenue | | | |
| Capital funding | | | |
| Kee Tee Kee Now Tribal Council | - | 3,136,308 | - |
| EXCESS OF REVENUE OVER EXPENDITURES | (5,000) | 5,366,801 | 2,197,500 |

The accompanying notes form part of these financial statements.

Whitefish Lake First Nation #459
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2017

| | 2017 \$ | 2016 \$ |
|--|--------------------|-------------|
| EXCESS OF REVENUES OVER EXPENSES | 5,078,476 | 2,533,302 |
| Acquisition of tangible capital assets | (4,228,112) | (1,221,595) |
| Proceeds on disposal of tangible capital assets | - | 30,000 |
| Amortization of tangible capital assets | 967,448 | 941,037 |
| Loss on disposal of capital assets | - | 10,602 |
| Long-term debt paid from Settlement Capital fund | (390,908) | (489,250) |
| Trust funds used in year | (632,616) | - |
| | (4,284,188) | (729,206) |
| DECREASE IN NET DEBT | 794,288 | 1,804,096 |
| NET FINANCIAL DEBT, BEGINNING OF YEAR | (2,846,519) | (4,650,615) |
| NET FINANCIAL DEBT, END OF YEAR | (2,052,231) | (2,846,519) |

The accompanying notes form part of these financial statements.

Whitefish Lake First Nation #459

Consolidated Statement of Cash Flows

For the year ended March 31, 2017

| | 2017 \$ | 2016 \$ |
|--|------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from funding agencies and other income | 20,751,458 | 15,613,285 |
| Cash paid to suppliers and employees | (17,257,504) | (13,645,096) |
| | 3,493,954 | 1,968,189 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in term loan | 500,000 | - |
| Decrease in long-term obligations | (178,623) | (178,623) |
| | 321,377 | (178,623) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Increase in investments First Nation controlled entities | 208,628 | (441,604) |
| Proceeds on disposition of capital assets | - | 30,000 |
| Purchase of capital assets | (4,228,112) | (1,221,595) |
| | (4,019,484) | (1,633,199) |
| INCREASE (DECREASE) IN CASH DURING THE YEAR | (204,153) | 156,367 |
| CASH (BANK INDEBTEDNESS), beginning of year | 27,737 | (128,630) |
| CASH (BANK INDEBTEDNESS), end of year | (176,416) | 27,737 |

The accompanying notes form part of these financial statements.

Whitefish Lake First Nation #459

Consolidated Statement of Changes in Accumulated Surplus - Schedule 1

For the year ended March 31, 2017

| | Unrestricted | Tangible | Settlement | Enterprise | Trust | 2017 | 2016 |
|--|--------------------|-------------------|------------------|------------------|----------------|-------------------|-------------------|
| | \$ | Capital Assets | Capital | Fund | Fund | \$ | \$ |
| | | \$ | \$ | \$ | \$ | | |
| BALANCE, Beginning of Year | (3,263,504) | 20,000,667 | 9,563,008 | (465,737) | 882,723 | 26,717,157 | 24,876,578 |
| Excess of revenue over expenditures | 5,366,801 | - | 574,290 | (1,225,939) | 363,324 | 5,078,476 | 2,533,302 |
| Restricted funds designated for future use | - | - | - | - | - | - | 119,996 |
| Restricted funds used for operations | - | - | - | - | (449,235) | (449,235) | (489,249) |
| Current years funds used for subsidiaries advances | (1,017,311) | - | - | 1,017,311 | - | - | - |
| Current years funds used for tangible capital assets | (4,228,112) | 4,228,112 | - | - | - | - | - |
| Annual amortization expense | 967,448 | (967,448) | - | - | - | - | - |
| Long-term liabilities repaid | - | - | (358,152) | - | - | (358,152) | (323,470) |
| Change in accumulated surplus | 1,088,826 | 3,260,664 | 216,138 | (208,628) | (85,911) | 4,271,089 | 1,840,579 |
| BALANCE, End of Year | (2,174,678) | 23,261,331 | 9,779,146 | (674,365) | 796,812 | 30,988,246 | 26,717,157 |

The accompanying notes form part of these financial statements.

Whitefish Lake First Nation #459
Consolidated Statement of Tangible Capital Assets - Schedule 2
For the year ended March 31, 2017

| | Computer Equipment \$ | Automotive Equipment \$ | Buildings & Infrastructure \$ | Furniture & Equipment \$ | 2017 \$ | 2016 \$ |
|--|-----------------------------|-------------------------------|-------------------------------------|--------------------------------|-------------------|-------------------|
| COST: | | | | | | |
| Balance, Beginning of Year | 151,321 | 1,068,777 | 32,565,297 | 327,075 | 34,112,470 | 33,015,135 |
| Acquisition of tangible capital assets | - | 77,125 | 4,150,987 | - | 4,228,112 | 1,221,595 |
| Disposal of tangible capital assets | - | - | (1,000,000) | - | (1,000,000) | (124,260) |
| Balance, End of Year | 151,321 | 1,145,902 | 35,716,284 | 327,075 | 37,340,582 | 34,112,470 |
| ACCUMULATED AMORTIZATION: | | | | | | |
| Balance, Beginning of Year | 115,263 | 733,090 | 12,968,073 | 295,377 | 14,111,803 | 13,254,424 |
| Annual amortization | 10,817 | 106,865 | 843,426 | 6,340 | 967,448 | 941,037 |
| Accumulated amortization on disposals | - | - | (1,000,000) | - | (1,000,000) | (83,658) |
| Balance, End of Year | 126,080 | 839,955 | 12,811,499 | 301,717 | 14,079,251 | 14,111,803 |
| NET BOOK VALUE | 25,241 | 305,947 | 22,904,785 | 25,358 | 23,261,331 | 20,000,667 |

The accompanying notes form part of these financial statements.

Whitefish Lake First Nation #459

Consolidated Statement of Financial Activities by Program - Schedule 3

For the year ended March 31, 2017

| | KTC | Other | 2017 | | 2016 | |
|---|------------|-------------|------------|--------------|-------------|-------------|
| | Revenue | Revenue | Total | Total | Surplus | Surplus |
| | \$ | \$ | Revenue | Expenditures | (Deficit) | (Deficit) |
| | | | \$ | \$ | \$ | \$ |
| Administration | 1,208,334 | 449,235 | 1,657,569 | 4,123,995 | (2,466,426) | (2,138,897) |
| Aboriginal Skills & Employment Training | - | 763,367 | 763,367 | 753,756 | 9,611 | 579 |
| Consultation | - | 169,122 | 169,122 | 169,768 | (646) | (71,329) |
| Economic development | - | 1,519,483 | 1,519,483 | 135,455 | 1,384,028 | 1,310,943 |
| Education | 5,695,208 | 82,524 | 5,777,732 | 3,464,483 | 2,313,249 | 1,977,994 |
| First nation development fund | - | 965,604 | 965,604 | 984,126 | (18,522) | 184,243 |
| Governance | 856,591 | - | 856,591 | 783,369 | 73,222 | (30,023) |
| Health services | - | 2,072,426 | 2,072,426 | 2,204,796 | (132,370) | 2,305 |
| Housing | 775,691 | 718,572 | 1,494,263 | 529,832 | 964,431 | 731,884 |
| Public works | 8,289,506 | (3,877,068) | 4,412,438 | 1,462,260 | 2,950,178 | (89,339) |
| Social development | 2,527,576 | 457 | 2,528,033 | 2,237,987 | 290,046 | 319,140 |
| | 19,352,906 | 2,863,722 | 22,216,628 | 16,849,827 | 5,366,801 | 2,197,500 |

The accompanying notes form part of these financial statements.

Whitefish Lake First Nation #459
Consolidated Statement of Expenditures by Object - Schedule 4
For the year ended March 31, 2017

| | 2017 | 2016 |
|-----------------------------|-------------------|-------------------|
| | \$ | \$ |
| EXPENDITURES | | |
| Administration | 286,479 | 190,780 |
| Amortization | 967,447 | 941,037 |
| Honorarium | 86,572 | 126,881 |
| Insurance | 168,659 | 185,658 |
| Interest and bank charges | 271,325 | 295,729 |
| Meeting costs | 14,326 | 4,309 |
| Office | 115,095 | 148,760 |
| Professional fees | 1,119,573 | 599,910 |
| Program expenses | 5,353,065 | 4,734,288 |
| Repairs and maintenance | 376,393 | 230,293 |
| Supplies | 209,030 | 286,265 |
| Telephone and utilities | 851,817 | 788,337 |
| Travel | 1,030,090 | 913,128 |
| Training | 130,363 | 48,001 |
| Wages and employee benefits | 5,869,593 | 5,119,160 |
| Total Expenditures | 16,849,827 | 14,612,536 |

The accompanying notes form part of these financial statements.

Whitefish Lake First Nation #459
Notes to the Consolidated Financial Statements
March 31, 2017

NATURE OF OPERATIONS

Whitefish Lake First Nation #459 provides local government, education and social development services to its members and was established under the Indian Act (Canada)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements include the assets, liabilities, and results of operations of Whitefish Lake First Nation #459 (the "First Nation") and all related entities and organizations subject to control by Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of First Nations members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting and Audit Boards ("PSAB"), which encompasses the following principles:

(a) Fund Accounting

Whitefish Lake First Nation #459 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. Whitefish Lake First Nation #459 maintains the following funds:

- The Operating Fund which reports the general activities of the Band Administration.
- The Settlement Capital Fund which reports the earnings and expenditures of the Band investments.
- The Tangible Capital Assets Fund which reports the capital assets of the Band, together with their related financing.

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

(b) Cash and Cash Equivalents

Cash and cash equivalents consists of bank accounts and temporary investments with maturities of one year or less.

(c) Investments

Investments are recorded at fair market value.

Whitefish Lake First Nation #459
Notes to the Consolidated Financial Statements
March 31, 2017

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(d) Revenue Recognition

Government transfers and grant revenue are recognized as the First Nation becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the recourses are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

(e) 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.

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 as follows:

| | |
|--------------------------|-----|
| Band housing | 4% |
| Community infrastructure | 4% |
| Automotive equipment | 30% |
| Computer equipment | 30% |
| Furniture and equipment | 20% |

(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 funds.

Whitefish Lake First Nation #459
Notes to the Consolidated Financial Statements
March 31, 2017

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(g) Landfill Closure and Post-Closure Liability

The Alberta Environmental Protection and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is being provided for over the estimated remaining life of the landfill site based on usage.

The liability at March 31, 2017 represents the value of closure and post-closure costs. Closure will involve covering the site with topsoil and vegetation, and installing groundwater monitoring wells. Post-closure care activities are expected to occur for 25 years and will involve surface and ground water monitoring, and landfill cover maintenance. Whitefish Lake First Nation #459 has started to designate assets for settling closure and post-closure care liabilities.

(h) Financial Instruments

The Nation's financial instruments consist of bank indebtedness, accounts receivable, accounts payable and long-term liabilities. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

Credit Risk

The Nation is exposed to credit risk to the extent of non-collection of accounts receivable and loans to Band members. Management is of the opinion that the risk of non-collection of accounts receivable is low since the majority of accounts receivable are from the Government of Canada.

Market Risk

The Nation is exposed to risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency Risk

The Nation is exposed to risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

Interest Rate Risk

The Nation is exposed to risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Nation has an investment policy to address the various potential risks.

(i) 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 expenses during the reporting period. Actual results could differ from those estimates

Whitefish Lake First Nation #459
Notes to the Consolidated Financial Statements
March 31, 2017

2. ECONOMIC DEPENDENCE

The Whitefish Lake First Nation #459 receives a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

3. RESTRICTED CASH

| | 2017 | 2016 |
|--------------|----------------|-------------|
| | \$ | \$ |
| Trust Funds | | |
| Band Capital | 678,254 | 858,925 |
| Band Revenue | 118,558 | 23,798 |
| | 796,812 | 882,723 |

4. ACCOUNTS RECEIVABLE

| | 2017 | 2016 |
|---------------------------------------|------------------|-------------|
| | \$ | \$ |
| Kee Tee Kee Now Tribal Council | 4,566,949 | 574,344 |
| Health Canada | 729 | - |
| First Nation Development Fund | 169,648 | 194,383 |
| Government of Alberta | 89,219 | - |
| Human Resources Development | 289,818 | 71,000 |
| Members | 454,890 | 262,922 |
| Other | (29,539) | 7,910 |
| Less: Allowance for Doubtful Accounts | (330,200) | (174,487) |
| | 5,211,514 | 936,072 |

5. INVESTMENTS IN FIRST NATION CONTROLLED ENTITIES

| | 2017 | 2016 |
|---|--------------------|-------------|
| | \$ | \$ |
| Atikameg Construction and Oilfield Maintenance Corporation | | |
| Shares | 100 | 100 |
| Advances | 1,480,086 | 463,707 |
| Accumulated deficit in earnings | (2,033,237) | (807,298) |
| | (553,051) | (343,491) |

Whitefish Lake First Nation #459
Notes to the Consolidated Financial Statements
March 31, 2017

5. INVESTMENTS IN FIRST NATION CONTROLLED ENTITIES - continued

Whitefish Lake Band Development Corporation

| | | |
|---|-----------|-----------|
| Shares | 100 | 100 |
| Advances | 387,282 | 386,350 |
| Accumulated deficit in earnings | (508,696) | (508,696) |
| | (121,314) | (122,246) |
| Total investment in controlled entities | (674,365) | (465,737) |

Unaudited financial information for each of the entities for their respective years ended are as follows:

| | Assets | Liabilities | Revenues | Net Earnings (Loss) |
|--|-----------|-------------|-----------|------------------------|
| | \$ | \$ | \$ | \$ |
| Atikameg Construction and Oilfield Maintenance Corporation (100%) | 1,578,109 | 3,611,246 | 2,173,237 | (1,224,601) |
| Whitefish Lake Band Development Corporation (100%) | 429,605 | 1,091,901 | - | - |

6. LAND CLAIMS TRUST FUND

These trust funds are for the future use and benefit of the membership. Revenue can be used for current needs except for 20% which must be reinvested.

| | 2017 | 2016 |
|---|-----------|-----------|
| | \$ | \$ |
| CIBC - Private Wealth Management | | |
| Cash | 18,337 | 110,538 |
| Fixed income | 5,652,932 | 5,675,390 |
| Equities | 4,107,877 | 3,777,080 |
| | 9,779,146 | 9,563,008 |

The above amounts have been recorded at fair value. The amounts of unrealized gains included in these fair values are \$1,207,970 (2016 - \$991,832). The difference between the opening and closing unrealized amounts are a gain (loss) of \$216,138 (2016 - (\$182,023)) and have been recorded to income.

7. BANK INDEBTEDNESS

Bank indebtedness represents cheque's written in excess of the bank balance.

8. TERM LOAN

Royal Bank of Canada term loan is due on September 30, 2017, and bears interest at prime plus 2.8%.

Whitefish Lake First Nation #459
Notes to the Consolidated Financial Statements
March 31, 2017

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2017 \$ | 2016 \$ |
|---|------------------|------------------|
| Trade payables | 1,009,658 | 1,197,362 |
| Vacation payable | 188,014 | 147,099 |
| Canada Revenue Agency - source deductions | 382,781 | 1,278,385 |
| | 1,580,453 | 2,622,846 |

10. DEFERRED CONTRIBUTIONS

| | 2017 \$ | 2016 \$ |
|--|------------------|----------------|
| Kee Tas Kee Now Tribal Council | 3,975,857 | 70,328 |
| Kee Tas Kee Now Tribal Council - ASETS | 81,729 | - |
| First Nation Development Fund | - | 236,939 |
| Health Canada | - | 46,841 |
| | 4,057,586 | 354,108 |

11. LONG-TERM LIABILITIES

| | 2017 \$ | 2016 \$ |
|--|------------|------------|
| CIBC loan repayable in annual payments of 80% of CIBC trust fund investment income, including interest at prime plus 2.5%, secured by an assignment of INAC trust funds revenue, due January 2018. | 1,071,737 | 1,250,360 |

Interest paid on long-term liabilities amounted to \$66,520 (2016 - \$76,302) during the year.

Future minimum principal repayments required to meet existing obligations are as follows:

| | \$ |
|------------|------------------|
| 2018 | 178,623 |
| 2019 | 178,623 |
| 2020 | 178,623 |
| 2021 | 178,623 |
| Thereafter | 357,245 |
| | 1,071,737 |

Whitefish Lake First Nation #459
Notes to the Consolidated Financial Statements
March 31, 2017

12. CONTINGENT LIABILITIES

An action has been commenced against Whitefish Lake First Nation in the amount of \$556,710 with respect to alleged loans, equipment and services provided to Whitefish Lake First Nation.

The outcome and potential liability from these actions, if any, is not determinable.

13. EQUITY IN TANGIBLE CAPITAL ASSETS

| | 2017 \$ | 2016 \$ |
|---------------------------------------|-------------------|-------------------|
| Tangible capital assets (Schedule 2) | 37,340,582 | 34,112,470 |
| Accumulated amortization (Schedule 2) | (14,079,251) | (14,111,803) |
| | 23,261,331 | 20,000,667 |

14. EQUITY IN SETTLEMENT CAPITAL FUND

| | 2017 \$ | 2016 \$ |
|----------------------------|------------------|------------------|
| Balance, beginning of year | 9,563,008 | 9,766,482 |
| Interest and dividends | 286,927 | 316,101 |
| Capital gains | 161,310 | 13,271 |
| Management fees | (64,160) | (65,556) |
| Unrealized gains (losses) | 190,213 | (143,820) |
| Transfer to Operating Fund | (358,152) | (323,470) |
| Balance, end of year | 9,779,146 | 9,563,008 |

15. EQUITY IN ENTERPRISE FUND

| | 2017 \$ | 2016 \$ |
|--|------------------|------------------|
| Balance, beginning of year | (465,737) | (907,341) |
| Advances to controlled entities | 1,017,311 | 454,145 |
| Surplus (deficit) from controlled entities | (1,225,939) | (12,541) |
| Balance, end of year | (674,365) | (465,737) |

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16. EQUITY IN TRUST FUND

| | Capital | Revenue | Total |
|----------------------------|---|----------------|------------------|
| | \$ | \$ | \$ |
| Balance, beginning of year | 858,925 | 23,798 | 882,723 |
| Earnings | 268,564 | 94,760 | 363,324 |
| | 1,127,489 | 118,558 | 1,246,047 |
| BCR NUMBER | PURPOSE OF PROGRAM EXPENDITURE | | |
| 459-01-21-16 | Admin | 2016/17 Admin | |
| | 449,235 | - | 449,235 |
| Balance, end of year | 678,254 | 118,558 | 796,812 |

17. ACCUMULATED SURPLUS

| | 2017 | 2016 |
|-----------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Unrestricted surplus | (2,174,678) | (3,263,505) |
| Equity in tangible capital assets | 23,261,331 | 20,000,667 |
| Equity in settlement capital fund | 9,779,146 | 9,563,008 |
| Equity in enterprise fund | (674,365) | (465,737) |
| Equity in trust funds | 796,812 | 882,723 |
| | 30,988,246 | 26,717,156 |