

## **Saddle Lake / Whitefish Lake #128**

### **Audited Financial Statements**

*"Under agreements through which AANDC provides grants and contributions funding for this community, "Saddle Lake Band" and "Whitefish Lake #128" separately prepare and provide financial statements to AANDC. Both sets of financial statements are accordingly published here."*



30-0005-13.14 PRA

(0462)

SADDLE LAKE CREE NATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

**RECEIVED**

**AUG 27 2014**

**ABORIGINAL AFFAIRS & NORTHERN  
DEVELOPMENT CANADA  
ALBERTA REGION**

SADDLE LAKE CREE NATION  
INDEX TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

HAND DELIVERED TO: Anil Patel  
ON Aug 27/14 AP  
Date initials

**JOHN M. BEALE, CMA**  
**CERTIFIED MANAGEMENT ACCOUNTANT**

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**AUDITORS' REPORT**

**To the Chief and Council:**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Saddle Lake Cree nation, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of operations and accumulated surplus, change in net financial assets and 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 in necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain 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 on 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 preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on 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.

**Basis for Qualified Opinion**

The financial information for some of the government business enterprises and long term investments were unaudited, unavailable or not complete. Since the earnings (losses) of these entities enters into the determination of the results from operations and valuations of investments shown in the financial statements of the Cree Nation, we were unable to determine whether adjustments might be necessary to investments in the nations business entities, earnings (loss) from investments in Cree Nation business entities, statements of revenue and expenses and surplus (deficit), and change in equity.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Saddle Lake Cree Nation as at March 31, 2014, the results of its operations, change in its net financial assets and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Two Hills, Alberta  
August 26, 2014

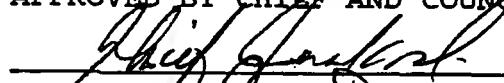
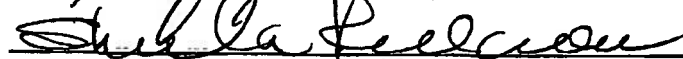
  
John M. Beale, CMA  
Certified Management Accountant

SADDLE LAKE CREE NATIONCONSOLIDATED STATEMENT OF FINANCIAL POSITIONMARCH 31, 2014ASSETS

|   | <u>2014</u>          | <u>2013</u>          |
|---|----------------------|----------------------|
| <b>Financial Assets</b>                                   |                      |                      |
| Cash and cash equivalents                                 | \$ 6,666,563         | \$ 9,465,575         |
| Accounts receivable (Note 3)                              | 3,968,373            | 3,884,478            |
| Short term investments (Note 4)                           | 265,373              | 261,855              |
| Investment in<br>government business enterprises (Note 5) | 243,482              | 244,273              |
| Long term Investments (Note 6)                            | 7,256,964            | 7,460,013            |
| Capital trust funds (Note 7)                              | 2,164,779            | 3,080,645            |
| Revenue trust funds (Note 7)                              | <u>718,943</u>       | <u>706,812</u>       |
| <b>Total financial assets</b>                             | <u>21,284,477</u>    | <u>25,103,651</u>    |
| <b>Liabilities</b>  |                      |                      |
| Accounts payable (Note 8)                                 | 2,221,229            | 2,152,389            |
| Deferred trust funds (Note 7)                             | 2,883,722            | 3,787,457            |
| Deferred revenue (Note 9)                                 | 3,847,584            | 4,198,479            |
| Long term debt (Note 10)                                  | <u>3,576,378</u>     | <u>4,583,382</u>     |
| <b>Total liabilities</b>                                  | <u>12,528,913</u>    | <u>14,721,707</u>    |
| <b>Net financial assets</b>                               | <u>8,755,564</u>     | <u>10,381,944</u>    |
| <b>Non-financial assets</b>                               |                      |                      |
| Tangible capital assets (Note 12)                         | 21,899,978           | 20,059,332           |
| Deposits and prepaid expenses                             | <u>757,865</u>       | <u>727,195</u>       |
| <b>Total non-financial assets</b>                         | <u>22,657,843</u>    | <u>20,786,527</u>    |
| <b>Accumulated surplus</b>                                | \$ <u>31,413,407</u> | \$ <u>31,168,471</u> |

(See accompanying notes)

APPROVED BY CHIEF AND COUNCIL:

**SADDLE LAKE CRÉE NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

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|  | <u>Budget</u><br><u>2014</u> | <u>Actual</u><br><u>2014</u> | <u>Actual</u><br><u>2013</u> |
|--|------------------------------|------------------------------|------------------------------|
| <b>Revenues</b>                                    |                              |                              |                              |
| AANDC  | \$ 27,707,130                | \$ 36,852,433                | \$ 34,703,224                |
| Health Canada (FNIHB)                              | 3,456,652                    | 5,032,951                    | 4,405,407                    |
| AHRD / HRDC  | 1,338,436                    | 1,519,639                    | 1,517,600                    |
| First Nation Development Fund                      | -                            | 1,442,807                    | 1,445,797                    |
| C.M.H.C.   | -                            | 80,081                       | 140,214                      |
| Other Revenue                                      | 2,147,932                    | 4,384,830                    | 4,329,359                    |
| Capital trust funds                                | 683,441                      | 1,443,933                    | 1,748,487                    |
| Revenue trust funds                                | 368,100                      | 368,100                      | 2,667,000                    |
| Province of Alberta                                | 611,742                      | 3,576,593                    | 3,174,646                    |
| Lapsed funding                                     | -                            | (226,592)                    | -                            |
| Contributions carried forward from prior year      | 391,849                      | 4,198,479                    | 2,127,286                    |
| Contributions carried forward to next year         | -                            | (3,847,584)                  | (4,198,479)                  |
|  | <u>36,705,282</u>            | <u>54,825,670</u>            | <u>52,060,541</u>            |
| <b>Expenses</b>                                    |                              |                              |                              |
| Public Works                                       | 2,064,085                    | 4,557,039                    | 4,684,014                    |
| Housing  | 728,891                      | 2,181,341                    | 2,536,850                    |
| Health Services                                    | 4,091,448                    | 4,768,693                    | 4,679,019                    |
| Human Resource Development                         | 1,026,981                    | 1,915,052                    | 1,546,167                    |
| Educational Services                               | 10,527,344                   | 10,610,518                   | 10,340,427                   |
| Social Services                                    | 11,263,854                   | 9,645,294                    | 9,503,267                    |
| Child Welfare                                      | 3,471,107                    | 14,321,391                   | 12,698,029                   |
| Community Services                                 | 3,723,051                    | 5,547,299                    | 5,470,119                    |
| Planning and Development                           | 438,124                      | 1,142,927                    | 994,909                      |
|  | <u>37,334,885</u>            | <u>54,689,554</u>            | <u>52,452,801</u>            |
| <b>Surplus from operations</b>                     | (629,603)                    | 136,116                      | (392,260)                    |
| <b>Other income (expense)</b>                      |                              |                              |                              |
| Income from Investments                            | -                            | (204,097)                    | 141,015                      |
| Net increase (reduction) in income allocation from |                              |                              |                              |
| Onihcikiskowin Business Trust                      | -                            | 312,917                      | (908,054)                    |
| <b>Surplus (Deficit)</b>                           | (629,603)                    | 244,936                      | (1,159,299)                  |
| <b>Accumulated surplus, beginning of year</b>      |                              | <u>31,168,471</u>            | <u>32,327,770</u>            |
| <b>Accumulated surplus, end of year</b>            |                              | \$ <u>31,413,407</u>         | \$ <u>31,168,471</u>         |



**SADDLE LAKE CREE NATION**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

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|  | <u>Actual</u><br><u>2014</u> | <u>Actual</u><br><u>2013</u> |
|--|------------------------------|------------------------------|
| <b>Surplus of revenue over expenses</b>              | \$ 244,936                   | \$(1,159,299)                |
| Acquisition of tangible capital assets               | (3,564,104)                  | (409,152)                    |
| Write off and disposal of assets                     | 19,256                       | -                            |
| Amortization of tangible capital assets              | <u>1,704,202</u>             | <u>1,631,837</u>             |
|  | (1,595,710)                  | 63,386                       |
| Change in deposits and prepaid expense               | <u>(30,670)</u>              | <u>(16,528)</u>              |
|  | (1,626,380)                  | 46,858                       |
| <b>Net financial assets<br/>at beginning of year</b> | <u>10,381,944</u>            | <u>10,335,086</u>            |
| <b>Net financial assets<br/>at end of year</b>       | \$ <u>8,755,564</u>          | \$ <u>10,381,944</u>         |

SADDLE LAKE CREE NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2014

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|   | Actual<br><u>2014</u>      | Actual<br><u>2013</u>      |
|---|----------------------------|----------------------------|
| <b>Operating activities</b>                             |                            |                            |
| Surplus of revenues over expenses                       | \$ 244,936                 | \$(1,159,299)              |
| Add items not affecting cash and cash equivalents       |                            |                            |
| Amortization of tangible capital assets                 | 1,704,202                  | 1,631,837                  |
| Gain on sale of assets                                  | <u>2,971</u>               | <u>-</u>                   |
|   | 1,952,109                  | 472,538                    |
| Changes in non cash working capital                     |                            |                            |
| (Increase) decrease in accounts receivable              | (83,895)                   | 457,796                    |
| (Increase) decrease in prepaid expenses                 | (30,670)                   | (16,528)                   |
| Increase (decrease) in accounts payable                 | 68,840                     | (112,802)                  |
| Increase (decrease) in deferred revenue                 | <u>(350,895)</u>           | <u>2,071,193</u>           |
| Cash provided by (used in) operating activities         | <u>1,555,489</u>           | <u>2,872,197</u>           |
| <b>Financing activities</b>                             |                            |                            |
| Long term debt obtained                                 | 165,459                    | 227,698                    |
| Reduction of Long Term Debt                             | <u>(1,172,463)</u>         | <u>(1,171,080)</u>         |
| Cash provided by financing activities                   | <u>(1,007,004)</u>         | <u>(943,382)</u>           |
| <b>Capital activities</b>                               |                            |                            |
| Additions to tangible capital assets                    | (3,564,104)                | (409,152)                  |
| Sale of tangible capital assets                         | <u>16,285</u>              | <u>-</u>                   |
|   | <u>(3,547,819)</u>         | <u>(409,152)</u>           |
| <b>Investing activities</b>                             |                            |                            |
| Decrease (increase) in short term investments           | (3,518)                    | (3,455)                    |
| Decrease (increase) in                                  |                            |                            |
| Government business enterprises                         | 791                        | (55,689)                   |
| Decrease (increase) in long term investments            | <u>203,049</u>             | <u>(101,430)</u>           |
| Cash provided by (used by) investing activities         | <u>200,322</u>             | <u>(160,574)</u>           |
| <b>Increase (decrease) in cash and cash equivalents</b> | <b>(2,799,012)</b>         | <b>1,359,089</b>           |
| <b>Cash and cash equivalents, beginning on year</b>     | <b><u>9,465,575</u></b>    | <b><u>8,106,486</u></b>    |
| <b>Cash and cash equivalents, end of year</b>           | <b>\$ <u>6,666,563</u></b> | <b>\$ <u>9,465,575</u></b> |

SADDLE LAKE CREE NATION  
SCHEDULE OF TOTAL EXPENSES BY OBJECT  
FOR THE YEAR ENDED MARCH 31, 2014

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|   | <u>Budget</u><br><u>2014</u> | <u>Actual</u><br><u>2014</u> | <u>Actual</u><br><u>2013</u> |
|---|------------------------------|------------------------------|------------------------------|
| Amortization of tangible capital assets | \$ 154,796                   | \$ 1,704,202                 | \$ 1,631,834                 |
| Contracted and program services         | 6,243,665                    | 8,710,626                    | 8,762,744                    |
| Donations, Sponsorship, Honorariums     | 368,600                      | 1,121,860                    | 1,200,397                    |
| Interest and bank charges               | 39,980                       | 271,385                      | 312,675                      |
| Office and general                      | 479,822                      | 781,774                      | 751,264                      |
| Professional fees                       | 411,054                      | 678,165                      | 629,443                      |
| Materials, goods and utilities          | 3,020,324                    | 3,150,466                    | 3,406,011                    |
| Repair and maintenance                  | 410,922                      | 993,430                      | 1,225,161                    |
| Social assistance and child Welfare     | 9,276,032                    | 17,111,006                   | 15,959,578                   |
| Travel, Meetings and workshops          | 2,524,846                    | 4,419,893                    | 3,481,352                    |
| Wages and benefits                      | <u>14,404,844</u>            | <u>15,746,747</u>            | <u>15,092,342</u>            |
|   | \$ <u>37,334,885</u>         | \$ <u>54,689,554</u>         | \$ <u>52,452,801</u>         |

SADDLE LAKE CREE NATIONNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSMARCH 31, 20141. Nature of Operations

Saddle Lake Cree Nation is committed to developing an effective government structure to enhance the community services, culture, education, wellness and economic prosperity while retaining the Treaty Rights of the Saddle Lake Cree Nation members.

2. Significant Accounting Policies

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for governments as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Saddle Lake First Nation are as follows:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Saddle Lake Cree Nation reporting entity, and all related entities that are accountable to the Saddle Lake Cree Nation and are either owned or controlled by the Saddle Lake Cree Nation.

Saddle Lake Cree Nation business enterprises that are owned or controlled by the Cree Nation but are not dependent on the Cree Nation for their continuing operations, are included in the financial statements using the modified equity method.

The modified equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Cree Nation. Thus, the Cree Nation's investment in these entities is recorded at acquisition cost and is increased for proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Government Business Enterprises accounted for by the modified equity method are:

Bison Auto Stop Ltd.

Saddle Lake Building Supply Ltd.

Basis of presentation and revenue recognition

Sources of financing and expenditures are recorded on the accrual basis of accounting. Government funding is recognized as revenue when it becomes available and measurable under the terms of the funding agreement. Expenditures are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

All inter-entity balances have been eliminated on consolidation, however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

SADDLE LAKE CREE NATIONNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 2014Non-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 asset for the year.

Cash and cash equivalents

Cash and cash equivalents consist of cash, current account balances with financial institutions, and short term investments that are readily convertible into to known amounts of cash and that subject to an insignificant risk of change in value. These short term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short term cash commitments rather than for investing.

Tangible capital assets

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

|                                |       |
|--------------------------------|-------|
| Buildings                      | 4%    |
| Automotive                     | 30%   |
| Computer Hardware and software | 50%   |
| Office Equipment               | 20%   |
| Engineering Structures         | 4%-6% |
| Service equipment              | 20%   |

One half the amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available productive use.

Use of Estimates

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

Financial instruments

Saddle Lake Cree Nations's financial instruments consist of cash resources, investments, accounts receivable, trust funds, accounts payable, and long term debt. It is managements opinion that Saddle Lake Cree Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 2014Segments

During 2014, the Saddle Lake Cree Nation had reportable segments in the form of departments as listed on the consolidated statement of revenue and expenses. These segments are differentiated by service lines and accountability and control relationships. Additional information on segment revenue and expenses can be found in Note 16.

3. Accounts Receivable

Accounts receivable consist of:

|                               | <u>2014</u>         | <u>2013</u>         |
|-------------------------------|---------------------|---------------------|
| Other                         | \$ 1,841,110        | \$ 1,393,166        |
| Province of Alberta           | 1,053,687           | 1,253,945           |
| AANDC                         | 395,069             | 263,024             |
| First Nation Development Fund | 366,002             | 356,317             |
| Canada Revenue Agency         | 131,510             | 10,359              |
| Individuals                   | 114,794             | 509,734             |
| Six Independent               | 66,201              | 78,933              |
| First Nation Indian Health    | -                   | 19,000              |
|                               | <u>\$ 3,968,373</u> | <u>\$ 3,884,478</u> |

4. Short term investments

Short term investments are valued at cost plus accrued income which approximates their fair value. The investments consist of Guaranteed Income Certificates which bear interest at 1.30% and matured in September, 2014. These investments are held as security for CMHC replacement reserves and there use is restricted.

5. Investment in Government Business Enterprises

Bison Auto Stop Ltd. represents a convenience store and gas station company 100% owned by the Saddle Lake Cree Nation.

Saddle Lake Building Supply Ltd. represents a building supply store that is 100% owned by the Saddle Lake Cree Nation.

Bison Auto Stop Ltd.

|                      |                |                |
|----------------------|----------------|----------------|
| Investment in Shares | 1              | 1              |
| Advances to (from)   | 487,476        | 406,683        |
| Accumulated net loss | (216,328)      | (211,192)      |
|                      | <u>271,149</u> | <u>195,492</u> |

(continued)

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 20145. Investment in Government Business Enterprises (continued)

Saddle Lake Building Supply Ltd.

Investment in Shares

Accumulated net (loss) earnings

|  |            |            |
|--|------------|------------|
|  | 100        | 100        |
|  | (27,767)   | 48,681     |
|  | (27,667)   | 48,781     |
|  | \$ 243,482 | \$ 244,273 |

The July 31, 2013 unaudited Financial information for Bison Auto Stop Ltd. is as follows:

|                                    | July 31<br>2013 | July 31<br>2012 |
|------------------------------------|-----------------|-----------------|
| Assets                             | 349,480         | 389,405         |
| Liabilities                        | 565,807         | 586,485         |
| Revenue for the period             | 5,068,158       | 4,161,661       |
| Net earnings (loss) for the period | (19,247)        | 14,111          |

The December 31, 2013 unaudited financial information for Saddle Lake Building Supply Ltd. is as follows:

|                                    | December 31<br>2013 | December 31<br>2012 |
|------------------------------------|---------------------|---------------------|
| Assets                             | 578,823             | 501,837             |
| Liabilities                        | 606,490             | 453,507             |
| Revenue for the period             | 1,312,233           | 517,145             |
| Net earnings (loss) for the period | (25,997)            | 48,681              |

6. Long Term Investments

Seven Lakes Oilfield Services LP represents an oilfield service entity, 8.33% partnership share is held by the Saddle Lake Cree Nation.

Pimee Well Servicing Ltd. is the general partner in Pimee Well Servicing LP and is 16% owned by the Saddle Lake Cree Nation.

Pimee Well Servicing LP represents an oilfield service company 16% partnership share is held by Saddle Lake Cree Nation.

Peyasew Oilfield Services Limited Partnership represents an oilfield service entity, 99.9999% partnership share is held by the Saddle Lake Cree Nation.

SL Smoke Eaters Limited Partnership represents an fire protection entity, 99.9999% partnership share is held by the Saddle Lake Cree Nation.

Keyano Pimee Exploration Company Ltd. represents an oilfield corporation 50% owned by the Saddle Lake Cree Nation.

(continued)

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 20146. Long Term Investments (continued)

|                                       |                     |                     |
|---------------------------------------|---------------------|---------------------|
| Seven Lakes Oilfield Services LP      | \$ 1,022,275        | \$ 623,544          |
| Pimee Well Servicing Ltd.             | 1,887,675           | 2,620,162           |
| Pimee Well Servicing LP               | 965,124             | 663,231             |
| Peyasew Oilfield Services LP          | 545,052             | -                   |
| SL Smoke Eaters LP                    | 735,329             | -                   |
| Keyano Pimee Exploration Company Ltd. | 2,036,057           | 3,487,881           |
| United farmers of Alberta Equity      | <u>65,452</u>       | <u>65,195</u>       |
|                                       | <u>\$ 7,256,964</u> | <u>\$ 7,460,013</u> |

7. Trust funds

Trust funds are considered restricted assets as they are controlled directly by the Department of Indian and Northern Affairs. The expenditure of trust funds is limited to purposes identified in the Indian Act. Information relating to the income earned in the trust fund accounts from oil and gas royalties, leases, and rentals was obtained from the Department of Indian and Northern Affairs. The uncommitted balance at the end of the year is shown on the consolidated statement of financial position as deferred trust funds.

CAPITAL ACCOUNT

|   | <u>2014</u>         | <u>2013</u>         |
|---|---------------------|---------------------|
| BALANCE, beginning of year                  | \$3,080,645         | \$ 4,183,858        |
| Receipts during the year                    | 528,067             | 645,274             |
| Payments to the Cree Nation during the year | <u>(1,443,933)</u>  | <u>(1,748,487)</u>  |
| BALANCE, end of year                        | <u>\$ 2,164,779</u> | <u>\$ 3,080,645</u> |

REVENUE ACCOUNT

|                                      |                   |                    |
|--------------------------------------|-------------------|--------------------|
| BALANCE, beginning of year           | \$ 706,812        | \$ 204,460         |
| Receipts during the year             | 380,231           | 3,169,352          |
| Payments to the Band during the year | <u>(368,100)</u>  | <u>(2,667,000)</u> |
| BALANCE, end of year                 | <u>\$ 718,943</u> | <u>\$ 706,812</u>  |

BALANCE, end of year is comprised of:

|                 |                     |                     |
|-----------------|---------------------|---------------------|
| Capital account | \$ 2,164,779        | \$ 3,080,645        |
| Revenue account | <u>718,943</u>      | <u>706,812</u>      |
|                 | <u>\$ 2,883,722</u> | <u>\$ 3,787,457</u> |



SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 20148. Accounts Payable

|  | <u>2014</u>         | <u>2013</u>         |
|--|---------------------|---------------------|
| Accounts payable and accrued liabilities | \$ 2,165,323        | \$ 2,113,889        |
| Salaried and benefits payable            | <u>55,906</u>       | <u>38,500</u>       |
|  | <u>\$ 2,221,229</u> | <u>\$ 2,152,389</u> |

9. Deferred revenue

Deferred revenue represents monies received for projects to be completed in the future for the following:

|                                  | <u>AANDC</u>        | <u>Non-AANDC</u>    | <u>Total</u>        |
|----------------------------------|---------------------|---------------------|---------------------|
| Fire Department                  | \$ -                | \$ 73,876           | \$ 73,876           |
| Water Supply                     | -                   | 216,841             | 216,841             |
| Rural Water & Sanitation         | 136,356             | 207,541             | 343,897             |
| Roads                            | -                   | 157,883             | 157,883             |
| Band Buildings                   | -                   | 55,668              | 55,668              |
| Housing                          | -                   | 151,582             | 151,582             |
| RTM Housing                      | -                   | 88,676              | 88,676              |
| Human Resource Development       | -                   | 430,562             | 430,562             |
| Post Secondary                   | 147,202             | -                   | 147,202             |
| Social Assistance                | 707,534             | -                   | 707,534             |
| Social Services                  | 160,914             | -                   | 160,914             |
| Child Welfare                    | 20,000              | -                   | 20,000              |
| Recreation                       | -                   | 10,867              | 10,867              |
| Treaty Protection                | -                   | 6,941               | 6,941               |
| Youth Centre                     | -                   | 21,823              | 21,823              |
| Indian Residential School Office | -                   | 55,583              | 55,583              |
| Lottery Administration           | -                   | 315,014             | 315,014             |
| Community Development            | -                   | 846,968             | 846,968             |
| Oil and Gas                      | -                   | <u>35,753</u>       | <u>35,753</u>       |
|                                  | <u>\$ 1,172,006</u> | <u>\$ 2,675,578</u> | <u>\$ 3,847,584</u> |

10 Long term debt

Long term debt payable consist of the following:

CMHC mortgage bearing interest at 2.69% per annum, repayable at \$2,456 per month including interest, renewable August 2015, secured by a ministerial guarantee, for the purpose of housing. Due April 1, 2025.

(7 housing units) \$ 282,364      \$ 303,963

CMHC mortgage bearing interest at 2.63% per annum, repayable at \$1,905 per month including interest, renewable June 2016, secured by a ministerial guarantee, for the purpose of housing. Due May 1, 2026.

(6 housing units) 238,163      254,553

(continued)

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 201410 Long term debt (continued)

CMHC mortgage bearing interest at 1.64% per annum, repayable at \$1,942 per month including interest, renewable December 2016, secured by a ministerial guarantee, for the purpose of housing. Due October 1, 2026.

|                   |         |         |
|-------------------|---------|---------|
| (6 housing units) | 264,821 | 283,624 |
|-------------------|---------|---------|

TD Canada Trust bank loan bearing interest at 5.289% per annum, repayable at \$239,220 per quarter due May 2016.

|           |           |
|-----------|-----------|
| 2,120,365 | 2,937,231 |
|-----------|-----------|

TD Canada Trust bank loan bearing interest at 5.289% per annum, repayable at \$42,806 per quarter due April 2016, for the purpose of purchasing six ready to move houses, a Volvo backhoe loader, and a Volvo grader

|         |         |
|---------|---------|
| 364,406 | 511,364 |
|---------|---------|

Ford Credit contract bearing interest at 5.79% per annum, repayable in regular monthly payments of \$944, due October 2015, secured by automotive equipment with a carrying value of \$19,199

|        |        |
|--------|--------|
| 17,103 | 27,126 |
|--------|--------|

GMAC finance contract bearing interest at 8.49% per annum, repayable in regular payments of \$614 per month, due May 2014, secured by automotive equipment with a carrying value of \$8,724

|       |       |
|-------|-------|
| 1,818 | 8,162 |
|-------|-------|

GE Capital Finance contract bearing interest at 8.5% per annum, repayable in regular payments of \$1,774 from September to June each year, due September, 2015, secured by automotive equipment with a carrying value of \$23,420

|        |        |
|--------|--------|
| 23,290 | 38,274 |
|--------|--------|

GE Capital Finance contract bearing interest at 8.70% per annum, repayable in regular payments of \$1,731 from September to June each year, due June, 2017, secured by automotive equipment with a carrying value of \$46,348

|        |        |
|--------|--------|
| 49,408 | 61,788 |
|--------|--------|

GE Capital Finance contract bearing interest at 8.70% per annum, repayable in regular payments of \$2,045 from September to June each year, due September, 2017, secured by automotive equipment with a carrying value of \$51,527

|        |        |
|--------|--------|
| 59,848 | 74,340 |
|--------|--------|

GE Capital Finance contract bearing interest at 7.50% per annum, repayable in regular payments of \$1,643 from September to June each year, due October, 2018, secured by automotive equipment with a carrying value of \$75,766

|        |   |
|--------|---|
| 73,169 | - |
|--------|---|

GE Capital Finance contract bearing interest at 7.50% per annum, repayable in regular payments of \$1,748 from September to June each year, due December, 2018, secured by automotive equipment with a carrying value of \$81,022

|        |   |
|--------|---|
| 81,623 | - |
|--------|---|

(continued)

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 201410 Long term debt (continued)

CIT Financial Ltd. loan bearing interest at 9.95% per annum, repayable in regular payments of \$3,679 from September to June each year and \$500 in July and August each year, due September 2013, secured by automotive equipment with a carrying value of \$11,757

- 15,323

GE Capital Finance contract bearing interest at 9.95% per annum, repayable in regular payments of \$1,885 from September to June each year, due October 2013, secured by automotive equipment with a carrying value of \$11,757

- 9,135

GE Capital Finance contract bearing interest at 11.95% per annum, repayable in regular payments of \$1,977 from September to June each year, due November 2013, secured by automotive equipment with a carrying value of \$11,826

- 11,352

GE Capital Finance contract bearing interest at 12.95% per annum, repayable in regular payments of \$2,040 from September to June each year, due December 2013, secured by automotive equipment with a carrying value of \$11,826

- 13,612

CIT Financial Ltd. loan bearing interest at 11.15% per annum, repayable in regular payments of \$1,913 from September to June each year and \$250 in July and August each year, due December 2013, secured by automotive equipment with a carrying value of \$24,307

- 13,265

Ford Credit contract bearing interest at 9% per annum, repayable in regular monthly payments of \$966, due July 2013, secured by automotive equipment with a carrying value of \$13,685

- 3,788

Ford Credit contract bearing interest at 3.99% per annum, repayable in regular monthly payments of \$3,087, due September 2013, secured by automotive equipment with a carrying value of \$31,259

- 15,282

Ricoh Leasing contract without interest, repayable in regular monthly payments of \$100, due March 2014, secured by photocopy equipment with a carrying value of \$6,907

- 1,200

\$ 3,576,378    \$ 4,583,382

(continued)

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 201410 Long term debt (continued)

TD Canada Trust bank loans and operating line of credit are secured by:

- a. general security agreement granting TD Canada Trust a first charge and security interest in all the Cree nations present and after acquired personal property of every nature and kind;
- b. first charge over specific building and automotive equipment;
- c. Band Council Resolution authorizing each loan, the security and the terms of credit therein;
- d. general security agreement issued by Peyasew Oilfield Services Incorporated and Peyasew Oilfield Services LP;
- e. unlimited guarantee from 544526 Alberta Ltd., Peyasew Oilfield Services Incorporated and Peyasew Oilfield Services LP;
- f. fire insurance loss payee issued by the Cree Nation and Peyasew Oilfield Services incorporated;
- g. assignment of term deposits and credit balances in the amount of \$14,036

Interest paid on long term debt amounted to \$205,326 (2013 - \$257,527) during the year.

Future payments on principle:

|                     |              |
|---------------------|--------------|
| 2015                | \$ 1,152,956 |
| 2016                | 1,197,195    |
| 2017                | 546,767      |
| 2018                | 111,203      |
| 2019                | 87,617       |
| 2020 and subsequent | 480,639      |

11 Accumulated Surplus

|                         | <u>2014</u>          | <u>2013</u>          |
|-------------------------|----------------------|----------------------|
| Operating Program       | \$ 3,468,996         | \$ 5,051,004         |
| Investments             | 7,500,446            | 7,704,286            |
| Tangible capital assets | <u>20,443,965</u>    | <u>18,413,181</u>    |
|                         | <u>\$ 31,413,407</u> | <u>\$ 31,168,471</u> |

**SADDLE LAKE CREE NATION**  
**NOTE 12 - TANGIBLE CAPITAL ASSETS**  
**For the Year Ended March 31, 2014**

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|  | Land           | Buildings        | Engineering Structures | Machinery Equipment | Vehicles         | Computers      | Under Construction | 2014              | 2013              |
|--|----------------|------------------|------------------------|---------------------|------------------|----------------|--------------------|-------------------|-------------------|
| <b>COST:</b>   |                |                  |                        |                     |                  |                |                    |                   |                   |
| BALANCE, Beginning of Year                                       | 747,730        | 6,218,115        | 13,956,525             | 651,048             | 5,683,884        | 499,466        | -                  | 27,756,768        | 27,347,616        |
| Acquisition of tangible capital assets                           | -              | 726,123          | 1,760,000              | 339,007             | 522,675          | 96,299         | 120,000            | 3,564,104         | 409,152           |
| Write Off  | -              | -                | -                      | -                   | -                | -              | -                  | -                 | -                 |
| Disposal of tangible capital assets                              | -              | -                | -                      | -                   | (86,885)         | -              | -                  | (86,885)          | -                 |
| <b>BALANCE, End of Year</b>                                      | <b>747,730</b> | <b>6,944,238</b> | <b>15,716,525</b>      | <b>990,055</b>      | <b>6,119,674</b> | <b>595,765</b> | <b>120,000</b>     | <b>31,233,987</b> | <b>27,756,768</b> |
| <b>ACCUMULATED AMORTIZATION:</b>                                 |                |                  |                        |                     |                  |                |                    |                   |                   |
| BALANCE, Beginning of Year                                       | -              | 1,336,627        | 1,525,097              | 289,086             | 4,163,331        | 383,295        | -                  | 7,697,436         | 6,065,599         |
| Annual Amortization  | -              | 205,416          | 781,086                | 106,293             | 528,499          | 82,908         | -                  | 1,704,202         | 1,631,837         |
| Write Off  | -              | -                | -                      | -                   | -                | -              | -                  | -                 | -                 |
| Accumulated Amortization on disposals                            | -              | -                | -                      | -                   | (67,629)         | -              | -                  | (67,629)          | -                 |
| <b>BALANCE, End of Year</b>                                      | <b>-</b>       | <b>1,542,043</b> | <b>2,306,183</b>       | <b>395,379</b>      | <b>4,624,201</b> | <b>466,203</b> | <b>-</b>           | <b>9,334,009</b>  | <b>7,697,436</b>  |
| <b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>                 | <b>747,730</b> | <b>5,402,195</b> | <b>13,410,342</b>      | <b>594,676</b>      | <b>1,495,473</b> | <b>129,562</b> | <b>120,000</b>     | <b>21,899,978</b> | <b>20,059,332</b> |
| <b>2013 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS (restated)</b> | <b>747,730</b> | <b>4,881,488</b> | <b>12,431,428</b>      | <b>361,962</b>      | <b>1,520,553</b> | <b>116,171</b> | <b>-</b>           | <b>20,059,332</b> | <b>21,282</b>     |

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 201413 Economic Dependence

The Saddle Lake Cree Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development.

14 CMHC Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation the Saddle Lake Cree nation is required to provide a replacement reserve to ensure repair and maintenance for housing units funded through Canada Mortgage and Housing. \$265,373 has been set aside to fund the required reserve of \$405,754. The reserve is under funded by \$140,381 (2013 - \$116,094).

15 Contingent Liabilities

The Saddle Lake Cree Nation has outstanding RRAP loans in the aggregate of \$256,000 for housing renovation. These loans are forgivable at a straight line rate over five years if the units for which the funds were advanced continue to be occupied by a Band member. Failure to meet the terms of the loan may result in the outstanding total balance of the loan becoming payable.

At March 31, 2014 Aboriginal Affairs and Northern Development Canada have guaranteed loans of \$785,347 for the band under the authorization of the Band. Should defaults occur the funds will be paid for by the Band Funds Capital account administered by Aboriginal Affairs and Northern Development Canada. The amount remaining payable for the Band's portion is shown on Note 11.

At March 31, 2014 Aboriginal Affairs and Northern Development Canada guaranteed loans of \$29,637 for a band member under the authorization of the Band. Should defaults occur the funds will be paid for by the Band Funds Capital account administered by Aboriginal Affairs and Northern Development Canada.

**SADDLE LAKE CREE NATION**  
**Note 16 - SEGMENTED INFORMATION**  
**FOR THE YEAR ENDED MARCH 31, 2014**

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| Program                           | AANDC<br>Revenue | Carryforward<br>Trust<br>Funds to next year | Other     | Total<br>Revenue | Total<br>Expenses | Transfers   | Current Year<br>Surplus<br>(Deficit) | Current Year<br>Budget | Prior Year<br>Surplus<br>(Deficit) |
|-----------------------------------|------------------|---|-----------|------------------|-------------------|-------------|--------------------------------------|------------------------|------------------------------------|
| <b>PUBLIC WORKS PROGRAMS</b>      |                  |   |           |                  |                   |             |                                      |                        |                                    |
| Administration                    | 91,861           | 12,402                                      | 42,687    | 146,950          | 152,181           | (1,380)     | (6,611)                              | (51,861)               | (26,436)                           |
| Fire                              | 58,880           | 58,298                                      | -         | 104,838          | 90,876            | (2,521)     | 11,441                               | -                      | 38,875                             |
| Water Supply                      | 1,126,470        | 430,082                                     | 48,748    | 1,631,503        | 2,279,941         | (150,785)   | (799,223)                            | -                      | (799,382)                          |
| Rural Water and Sanitation        | 2,143,188        | 73,541                                      | 30,603    | 2,175,433        | 535,558           | (6,888)     | 1,632,987                            | -                      | -                                  |
| Roads Maintenance                 | 662,408          | 133,388                                     | 31,301    | 669,212          | 925,957           | 256,787     | 42                                   | (88,426)               | 160,832                            |
| Band Buildings                    | 247,552          | 103,874                                     | 6,707     | 302,465          | 572,726           | 269,355     | (908)                                | 10,152                 | (11,620)                           |
|                                   | 4,330,339        | 811,583                                     | 141,551   | 5,030,201        | 4,557,039         | 364,568     | 837,730                              | (130,135)              | (637,731)                          |
| <b>HOUSING PROGRAMS</b>           |                  |   |           |                  |                   |             |                                      |                        |                                    |
| Housing                           | 899,956          | -   | 317,053   | 1,786,547        | 1,757,448         | (843)       | 8,256                                | -                      | (428,898)                          |
| RTM Housing                       | -                | -   | 49,575    | 331,779          | 331,779           | -           | -                                    | -                      | 58,697                             |
| Rental Housing                    | -                | -   | 103,219   | 103,219          | 92,114            | 40,156      | 51,261                               | -                      | 30,317                             |
|                                   | 899,956          | -   | 469,847   | 2,201,545        | 2,181,341         | 39,313      | 59,517                               | -                      | (339,885)                          |
| <b>HEALTH SERVICES</b>            |                  |   |           |                  |                   |             |                                      |                        |                                    |
| Health Centre                     | 526,758          | -   | 4,997,150 | 5,543,852        | 4,684,242         | (359,253)   | 490,357                              | (32,760)               | 12,327                             |
| Other Health                      | -                | -   | 79,846    | 79,846           | 74,451            | -           | 5,395                                | -                      | 94,504                             |
|                                   | 526,758          | -   | 5,076,996 | 5,623,898        | 4,768,693         | (359,253)   | 495,752                              | (32,760)               | 106,831                            |
| <b>HUMAN RESOURCE DEVELOPMENT</b> |                  |   |           |                  |                   |             |                                      |                        |                                    |
| Human Resource Development        | 145,812          | -   | 126,793   | 1,888,474        | 1,915,052         | (174,908)   | 71,121                               | -                      | (4,040)                            |
|                                   | 145,812          | -   | 126,793   | 1,888,474        | 1,915,052         | (174,908)   | 71,121                               | -                      | (4,040)                            |
| <b>EDUCATIONAL SERVICES</b>       |                  |   |           |                  |                   |             |                                      |                        |                                    |
| Education                         | 6,980,468        | -   | 500,708   | 7,481,176        | 7,590,831         | 17,723      | (91,932)                             | (181,090)              | 232,958                            |
| Post Secondary                    | 3,145,041        | -   | 3,056     | 3,083,758        | 3,019,887         | (84,050)    | (19,979)                             | -                      | (16,568)                           |
|                                   | 10,125,509       | -   | 503,764   | 10,584,934       | 10,610,518        | (66,327)    | (111,911)                            | (181,090)              | 216,390                            |
| <b>SOCIAL SERVICES</b>            |                  |   |           |                  |                   |             |                                      |                        |                                    |
| Social Assistance                 | 9,875,834        | -   | -         | 9,802,167        | 8,345,094         | (1,383,468) | 73,605                               | -                      | (554)                              |
| Social Services                   | 223,697          | -   | 61,835    | 242,815          | 1,300,200         | 1,056,606   | (779)                                | (98,363)               | 7,507                              |
|                                   | 10,099,631       | -   | 61,835    | 10,044,982       | 9,645,294         | (326,862)   | 72,826                               | (98,363)               | 6,953                              |

| Program                          | AANDC Revenue | Band Funds | Carryforward from prior/ Funds to next year | Other     | Total Revenue | Total Expenses | Transfers   | Current Year Surplus (Deficit) | Current Year Budget | Prior Year Surplus (Deficit) |
|----------------------------------|---------------|------------|---|-----------|---------------|----------------|-------------|--------------------------------|---------------------|------------------------------|
| Child Welfare                    | 8,752,739     | -          | (20,000)                                    | 3,889,114 | 12,621,853    | 13,684,673     | (856,571)   | (1,919,391)                    | -                   | (350,457)                    |
| Group Home                       | -             | -          | -   | -         | -             | 636,718        | 741,275     | 104,557                        | -                   | (114,831)                    |
|                                  | 8,752,739     | -          | (20,000)                                    | 3,889,114 | 12,621,853    | 14,321,391     | (1,614,834) | -                              | -                   | (485,288)                    |
| <b>CHILD WELFARE</b>             |               |            |   |           |               |                |             |                                |                     |                              |
| Administration                   | 597,581       | 116,100    | 81,740                                      | 102,848   | 898,269       | 914,563        | 7,034       | (9,260)                        | 804                 | 2,157                        |
| Chief & Council                  | 226,379       | 489,850    | -   | 46,735    | 762,964       | 958,448        | 160,079     | (35,405)                       | (759)               | 58,649                       |
| Finance                          | 395,805       | -          | 55,467                                      | 226,124   | 677,396       | 886,839        | 237,843     | 28,400                         | (30,241)            | 162                          |
| Special Services                 | -             | 76,000     | -   | 45,663    | 121,663       | 293,190        | 170,700     | (827)                          | -                   | (3,468)                      |
| Pow Wow                          | -             | -          | -   | 21,500    | 21,500        | 82,217         | 60,000      | (717)                          | -                   | (6,965)                      |
| K-9 Unit                         | -             | 25,000     | -   | -         | 25,000        | 25,011         | -           | (11)                           | -                   | -                            |
| Recreation                       | -             | -          | (10,867)                                    | -         | (10,867)      | 54,746         | 65,613      | -                              | (11,441)            | (8,146)                      |
| Cultural Centre                  | 15,090        | 43,500     | -   | 5,500     | 64,090        | 65,482         | 9,038       | 7,646                          | (16,197)            | (33,756)                     |
| Senior Citizens                  | -             | -          | -   | -         | -             | -              | -           | -                              | -                   | -                            |
| Gas Cost Discoveries             | -             | 80,000     | -   | 10,000    | 90,000        | 173,657        | (3,000)     | (86,657)                       | -                   | (186)                        |
| Community Improvement I          | -             | -          | 79,166                                      | (79,166)  | -             | -              | -           | -                              | -                   | -                            |
| Tribal Justice                   | -             | -          | -   | 43,251    | 43,251        | 140,357        | 70,000      | (27,108)                       | (3,463)             | (14,504)                     |
| Treaty Protection                | -             | -          | (6,941)                                     | -         | (6,941)       | 11,442         | 18,383      | -                              | -                   | -                            |
| Summer Students                  | 74,116        | -          | 15,196                                      | 22,304    | 111,616       | 210,910        | 110,079     | 10,785                         | (98,876)            | (1,822)                      |
| Youth Centre O & M               | -             | 90,000     | (21,823)                                    | 22,488    | 90,665        | 184,694        | -           | (94,029)                       | (5,308)             | (100,285)                    |
| Indian Residential School Office | -             | -          | 34,845                                      | (34,169)  | 676           | 232,922        | 232,231     | (15)                           | (10,048)            | -                            |
| Lottery Administration           | -             | -          | (65,014)                                    | 1,442,807 | 1,377,793     | 394,869        | (19,100)    | 963,824                        | (2,495)             | 949,349                      |
| Indian Registry and Membership   | 72,471        | -          | 3,456                                       | (3,456)   | 72,471        | 68,276         | (4,200)     | (5)                            | -                   | 5,707                        |
| Traditional Land Use and Consult | -             | -          | -   | 721,075   | 721,075       | 783,976        | (9,038)     | (71,939)                       | -                   | (82,980)                     |
| Community Development            | -             | -          | (346,636)                                   | 935,002   | 588,366       | 65,700         | (522,688)   | -                              | -                   | (12,993)                     |
|                                  | 1,361,442     | 920,450    | (181,411)                                   | 3,528,506 | 5,848,987     | 5,547,289      | 582,986     | 684,684                        | (178,024)           | 771,139                      |



| Program                           | AANDC Revenue | Band Funds | Carryforward from prior/ to next year | Other      | Total Revenue | Total Expenses | Transfers | Current Year Surplus (Deficit) | Current Year Budget | Prior Year Surplus (Deficit) |
|-----------------------------------|---------------|------------|---------------------------------------|------------|---------------|----------------|-----------|--------------------------------|---------------------|------------------------------|
| <b>PLANNING &amp; DEVELOPMENT</b> |               |            |                                       |            |               |                |           |                                |                     |                              |
| Economic Development              | 590,247       | -          | -                                     | 130,512    | 720,759       | 780,942        | (8,284)   | (68,467)                       | (6,039)             | (60,755)                     |
| Oil & Gas                         | -             | 80,000     | 7,920                                 | -          | 87,920        | 87,920         | -         | -                              | (3,192)             | -                            |
| Woodlot Project                   | -             | -          | -                                     | 28,525     | 28,525        | 88,053         | 20,930    | (38,598)                       | -                   | (2,986)                      |
| Native Artisan                    | -             | -          | -                                     | 26,387     | 26,387        | 140,816        | 77,081    | (37,368)                       | -                   | (10,809)                     |
| Land Operations                   | -             | -          | -                                     | 64,800     | 64,800        | 45,196         | (33,940)  | (14,336)                       | -                   | 29,304                       |
|                                   | 590,247       | 80,000     | 7,920                                 | 250,224    | 928,391       | 1,142,927      | 55,767    | (158,769)                      | (8,231)             | (45,247)                     |
| Closed Funds                      | -             | -          | -                                     | -          | -             | -              | -         | -                              | -                   | (1,582)                      |
| Total                             | 36,852,433    | 1,812,033  | 350,893                               | 15,810,311 | 54,825,670    | 54,689,554     | -         | 136,116                        | (628,603)           | (392,260)                    |

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 2014**17 Financial Instruments**

Saddle Lake Cree Nations's financial instruments consist of cash resources, investments, accounts receivable, trust funds, accounts payable, and long term debt. It is managements opinion that Saddle Lake Cree Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

It is management's opinion that the Saddle Lake Cree Nation is not exposed to significant risks from its financial instruments. The Saddle Lake Cree nation is exposed to credit risk with respect to other income. Credit risk arises from the possibility that the entity may experience financial difficulty and be unable to fulfil its obligations. The majority of the annual funding is received from Aboriginal Affairs and Northern Development Canada which minimizes credit risk. The Saddle Lake Cree Nation minimizes interest rate risk by borrowing at fixed rates.

**18 Budget Information**

Budget figures have been included in this year's detailed revenue and expenditure statements for most programs. In some cases budget figures would not have been meaningful or informative and they have therefore not been included.

**19 Comparative figures**

Some of the comparative figures have been reclassified to compare with the current financial statement presentation.

**20 APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and Management.

## **Saddle Lake / Whitefish Lake #128**

### **Audited Financial Statements**

*"Under agreements through which AANDC provides grants and contributions funding for this community, "Saddle Lake Band" and "Whitefish Lake #128" separately prepare and provide financial statements to AANDC. Both sets of financial statements are accordingly published here."*



**Whitefish Lake Band No. 128**  
**Consolidated Financial Statements**  
**March 31, 2014**

# **Whitefish Lake Band No. 128**

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## Whitefish Lake Band No. 128

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of **Whitefish Lake Band No. 128** are the responsibility of management and have been approved by the Chief and Administrator on behalf of Council.

The 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.


Whitefish Lake Band No. 128 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 that Whitefish Lake Band No. 128's assets are appropriately accounted for and adequately safeguarded.

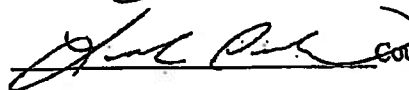
Whitefish Lake Band No. 128 is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The 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.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor

# DOYLE & COMPANY

CHARTERED ACCOUNTANTS

Allan J. Grykuliak, C.A.\*  
Scott T. Mockford, C.A.\*

\* Operates as a Professional Corporation

11210 - 107 Avenue N.W. 2nd Flr  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

## 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 Lake Band No. 128**, which comprise the statement of financial position as at March 31, 2014 and the statements of financial activities, change in net financial assets, cash flows, tangible capital assets, financial activities by program 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.

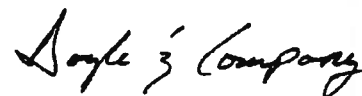
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Whitefish Lake Band No. 128 as at March 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

July 29, 2014

Edmonton, Alberta




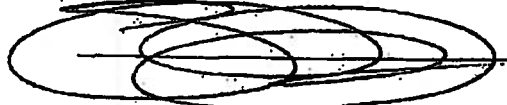
Chartered Accountants

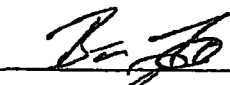
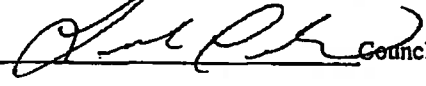


**Whitefish Lake Band No. 128**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2014**

|   | 2014<br>\$         | 2013<br>\$         |
|---|--------------------|--------------------|
| <b>FINANCIAL ASSETS</b>                             |                    |                    |
| Investments (Note 3)                                | 190,308            | 183,725            |
| Accounts receivable (Note 4)                        | 2,157,107          | 1,932,469          |
| Related party loans receivable (Note 5)             | 655,878            | 1,578,353          |
| Trust funds held by federal government (Note 13)    | 1,041,231          | 829,461            |
|   | <b>4,044,524</b>   | <b>4,524,008</b>   |
| <b>LIABILITIES</b>                                  |                    |                    |
| Bank indebtedness (Note 6)                          | 1,330,096          | 821,121            |
| Line of credit (Note 7)                             | 1,444,700          | 1,500,000          |
| Accounts payable (Note 8)                           | 3,296,136          | 3,251,674          |
| Deferred revenue (Note 9)                           | 436,593            | 1,033,030          |
| Long-term liabilities (Note 10)                     | 1,389,705          | 1,589,242          |
|   | <b>7,897,230</b>   | <b>8,195,067</b>   |
| <b>NET FINANCIAL DEBT</b>                           | <b>(3,852,706)</b> | <b>(3,671,059)</b> |
| <b>NON-FINANCIAL ASSETS</b>                         |                    |                    |
| Tangible capital assets (Schedule 2)                | 19,088,797         | 19,340,893         |
| Prepaid expenses                                    | 148,462            | 138,466            |
|   | <b>19,237,259</b>  | <b>19,479,359</b>  |
| <b>ACCUMULATED SURPLUS (Schedule 1 and Note 14)</b> | <b>15,384,553</b>  | <b>15,808,300</b>  |

Approved by the Band:

 Chief  
 Councillor

 Councillor  
 Councillor

The accompanying notes form part of these financial statements.

**Whitefish Lake Band No. 128**  
**Consolidated Statement of Financial Activities**  
**For the year ended March 31, 2014**

|  | Page<br># | 2014<br>Budget<br>\$ | 2014<br>Actual<br>\$ | 2013<br>Actual<br>\$ |
|--|-----------|----------------------|----------------------|----------------------|
| <b>REVENUE</b>                                     |           |                      |                      |                      |
| Aboriginal Affairs and Northern Development Canada |           | 9,247,097            | 9,247,097            | 11,921,567           |
| Band Funds   |           |                      |                      |                      |
| Capital  |           | -                    | -                    | 580,000              |
| Revenue  |           | -                    | 499,000              | 216,568              |
| First Nation Development Fund                      |           | -                    | 1,062,498            | 1,007,653            |
| Health Canada                                      |           | 1,568,897            | 1,568,896            | 1,462,145            |
| Human Resources Development                        |           | 1,040,485            | 995,525              | 802,786              |
| Canada Housing and Mortgage Corporation            |           | 137,007              | 127,007              | -                    |
| Other revenue                                      |           | 245,512              | 2,662,512            | 3,495,515            |
| Revenue deferred from previous period              |           | -                    | 1,033,030            | 1,355,638            |
| Revenue deferred to subsequent period              |           | -                    | (436,593)            | (1,033,030)          |
|  |           | <b>12,238,998</b>    | <b>16,758,972</b>    | <b>19,808,842</b>    |
| <b>EXPENDITURES</b>                                |           |                      |                      |                      |
| Capital Projects                                   | 19 - 20   | -                    | -                    | 395,000              |
| Administration                                     | 23        | 1,288,844            | 1,948,054            | 1,926,228            |
| Adult Care Program                                 | 24        | 154,882              | 36,222               | 146,868              |
| Band Police  | 25        | -                    | 77,287               | 100,662              |
| Bussing  | 26        | 559,263              | 536,832              | 690,883              |
| Chief and Council                                  | 27        | 521,907              | 465,678              | 511,517              |
| Daycare Centre                                     | 28        | 459,422              | 430,996              | 212,006              |
| Economic Development                               | 29        | 160,258              | 160,373              | 159,425              |
| Education - Administration                         | 30        | 125,645              | 102,580              | 97,449               |
| Education - Post-Secondary                         | 31        | 824,818              | 797,232              | 744,278              |
| Education - School                                 | 32        | 1,610,657            | 1,807,484            | 1,545,755            |
| Education - Operations and Maintenance             | 33        | 298,282              | 303,328              | 323,566              |
| Employee Benefits                                  | 34        | 193,764              | 196,278              | 186,601              |
| Health Services                                    | 35        | 1,568,897            | 1,570,907            | 1,467,091            |
| Housing  | 36        | -                    | 523,847              | 19,309               |
| Housing - Canada Mortgage and Housing Corporation  | 37        | -                    | 499                  | -                    |
| National Child Tax Benefit                         | 38        | 391,099              | 164,599              | 201,099              |
| Public Works                                       | 39        | 2,071,112            | 2,190,316            | 2,334,159            |
| Public Works - Own Source Funding                  | 40        | -                    | 39,277               | -                    |
| Recreation   | 41        | 407,676              | 626,861              | 996,076              |
| Remediation  | 42        | -                    | 286,253              | 2,440,815            |
| Royal Bank Agency                                  | 43        | 93,334               | 146,624              | 182,192              |
| Seniors  | 44        | -                    | 23,781               | 6,955                |
| Social Services                                    | 45        | 1,624,247            | 1,818,451            | 1,728,466            |
| Social Services - Delivery                         | 46        | 341,710              | 312,423              | 293,964              |
| Special Projects                                   | 47        | 42,600               | 23,569               | 54,713               |
| Summer Student Employment                          | 48        | -                    | 103,297              | 86,392               |
| Tribal Chiefs Employment and Training              | 49        | 369,678              | 288,936              | 478,933              |
| Youth Skills Initiative                            | 50        | 219,091              | 550,278              | 192,242              |
| Youth Work Experience                              | 51        | -                    | 110,190              | 59,620               |
|  |           | <b>13,327,186</b>    | <b>15,642,452</b>    | <b>17,582,264</b>    |
| <b>EXCESS OF REVENUE OVER EXPENDITURE</b>          |           |                      |                      |                      |
| Before Other Revenue (Expenditures)                |           | (1,088,188)          | 1,116,520            | 2,226,578            |
| <b>OTHER REVENUE (EXPENDITURES)</b>                |           |                      |                      |                      |
| Amortization                                       |           | -                    | (1,752,037)          | (1,801,833)          |
| <b>EXCESS OF REVENUE OVER EXPENDITURE</b>          |           | <b>-</b>             | <b>(635,517)</b>     | <b>424,745</b>       |

The accompanying notes form part of these financial statements.

## Whitefish Lake Band No. 128

### Consolidated Statement of Change in Net Financial Assets

For the year ended March 31, 2014

|  | 2014<br>\$         | 2013<br>\$         |
|--|--------------------|--------------------|
| <b>EXCESS OF REVENUES OVER EXPENSES</b>      | <b>(207,179)</b>   | <b>1,170,537</b>   |
| Acquisition of tangible capital assets       | (1,499,942)        | (2,899,061)        |
| Amortization of tangible capital assets      | 1,752,038          | 1,801,833          |
| Trust funds used for operations              | (216,568)          | (580,000)          |
|  | 35,528             | (1,677,228)        |
| Acquisition of prepaid assets                | (148,462)          | (138,466)          |
| Use of prepaid assets                        | 138,466            | 161,044            |
|  | (9,996)            | 22,578             |
| <b>INCREASE IN NET DEBT</b>                  | <b>(181,647)</b>   | <b>(484,113)</b>   |
| <b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b> | <b>(3,671,059)</b> | <b>(3,186,946)</b> |
| <b>NET FINANCIAL DEBT, END OF YEAR</b>       | <b>(3,852,706)</b> | <b>(3,671,059)</b> |

The accompanying notes form part of these financial statements.

**Whitefish Lake Band No. 128**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2014**

|  | 2014<br>\$         | 2013<br>\$         |
|--|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |                    |                    |
| Cash received from funding agencies and other income | 16,534,334         | 19,418,253         |
| Cash paid to suppliers and employees                 | (15,481,484)       | (17,545,777)       |
|  | <b>1,052,850</b>   | <b>1,872,476</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>          |                    |                    |
| Decrease in long-term liabilities                    | (199,537)          | (316,048)          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |                    |                    |
| Purchase of capital assets                           | (1,499,942)        | (2,899,061)        |
| Increase in investments                              | (6,583)            | (4,997)            |
|  | <b>(1,506,525)</b> | <b>(2,904,058)</b> |
| <b>INCREASE IN BANK INDEBTEDNESS</b>                 | <b>(453,675)</b>   | <b>(1,347,630)</b> |
| <b>BANK INDEBTEDNESS, BEGINNING OF YEAR</b>          | <b>(2,321,121)</b> | <b>(973,491)</b>   |
| <b>BANK INDEBTEDNESS, END OF YEAR</b>                | <b>(2,774,796)</b> | <b>(2,321,121)</b> |
| <b>Bank indebtedness consists of the following:</b>  |                    |                    |
| Bank indebtedness                                    | (1,330,096)        | (821,121)          |
| Line of credit                                       | (1,444,700)        | (1,500,000)        |
|  | <b>(2,774,796)</b> | <b>(2,321,121)</b> |

The accompanying notes form part of these financial statements.

# Whitefish Lake Band No. 128

## Schedule of Changes in Accumulated Surplus - Schedule 1

For the year ended March 31, 2014

|  | Unrestricted Surplus | Equity in Capital Assets | Equity in Enterprise Fund | Equity in Trust Funds | 2014 \$           | 2013 \$           |
|--|----------------------|--------------------------|---------------------------|-----------------------|-------------------|-------------------|
| <b>Balance, Beginning of Year</b>                    | (4,351,165)          | 17,751,651               | 1,578,353                 | 829,461               | 15,808,300        | 15,217,763        |
| Excess of revenue over expenses                      | (635,517)            | -                        | -                         | -                     | -                 | -                 |
| Restricted funds used for operations                 | -                    | -                        | -                         | 428,338               | (207,179)         | 1,170,537         |
| Current years funds used for subsidiaries advances   | 922,476              | -                        | -                         | (216,568)             | (216,568)         | (580,000)         |
| Current years funds used for tangible capital assets | (1,499,941)          | 1,499,941                | (922,476)                 | -                     | -                 | -                 |
| Annual amortization expense                          | 1,752,037            | (1,752,037)              | -                         | -                     | -                 | -                 |
| Long-term liabilities repaid                         | (199,537)            | 199,537                  | -                         | -                     | -                 | -                 |
| <b>Change in accumulated surplus</b>                 | <b>339,518</b>       | <b>(52,559)</b>          | <b>(922,476)</b>          | <b>211,770</b>        | <b>(423,747)</b>  | <b>590,537</b>    |
| <b>Balance, End of Year</b>                          | <b>(4,011,647)</b>   | <b>17,699,092</b>        | <b>655,877</b>            | <b>1,041,231</b>      | <b>15,384,553</b> | <b>15,808,300</b> |

The accompanying notes form part of these financial statements.

# Whitefish Lake Band No. 128

## Consolidated Statement of Tangible Capital Assets - Schedule 2

For the year ended March 31, 2014

|  | Automotive<br>and Equip. | Buildings &<br>Housing | Furniture<br>and Equip. | Engineered<br>Structures | 2014<br>\$ | 2013<br>\$ |
|--|--------------------------|------------------------|-------------------------|--------------------------|------------|------------|
| <b>COST:</b>                           |                          |                        |                         |                          |            |            |
| Balance, Beginning of Year             | 7,297,967                | 27,865,298             | 143,025                 | 0,429,749                | 45,736,039 | 42,836,978 |
| Acquisition of tangible capital assets | 97,391                   | 50,035                 | -                       | 1,352,516                | 1,499,942  | 2,899,061  |
| Balance, End of Year                   | 7,395,358                | 27,915,333             | 143,025                 | 11,782,265               | 47,235,981 | 45,736,039 |
| <b>ACCUMULATED AMORTIZATION:</b>       |                          |                        |                         |                          |            |            |
| Balance, Beginning of Year             | 6,089,862                | 19,337,007             | 83,821                  | 884,456                  | 26,395,146 | 24,593,314 |
| Annual amortization                    | 376,290                  | 852,829                | 11,841                  | 511,078                  | 1,752,038  | 1,801,832  |
| Balance, End of Year                   | 6,466,152                | 20,189,836             | 95,662                  | 1,395,534                | 28,147,184 | 26,395,146 |
| <b>NET BOOK VALUE</b>                  | 929,206                  | 7,725,497              | 47,363                  | 0,386,731                | 19,088,797 | 19,340,893 |

The accompanying notes form part of these financial statements.

# Whitefish Lake Band No. 128

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

For the year ended March 31, 2014

|  | Page #  | AANDC Revenue \$ | Band Funds \$ | Other Revenue \$ | 2014             |                       | 2013 Surplus (Deficit) \$ |
|--|---------|------------------|---------------|------------------|------------------|-----------------------|---------------------------|
|  |         |                  |               |                  | Total Revenue \$ | Total Expenditures \$ |                           |
| Capital Projects                       | 19 - 20 | -                | -             | -                | -                | -                     | 969,470                   |
| Administration                         | 23      | 584,954          | -             | 2,545,714        | 3,130,668        | 1,948,054             | 294,485                   |
| Adult Care Program                     | 24      | 30,420           | -             | -                | 30,420           | 36,222                | (101,940)                 |
| Band Police                            | 25      | -                | -             | 39,768           | 39,768           | 77,287                | -                         |
| Bussing                                | 26      | 418,506          | -             | 300              | 418,806          | 536,832               | (186,641)                 |
| Chief and Council                      | 27      | -                | -             | 112,000          | 112,000          | 465,678               | (47,314)                  |
| Daycare Centre                         | 28      | 81,000           | -             | 298,625          | 379,625          | 430,996               | (9,910)                   |
| Economic Development                   | 29      | 160,258          | -             | -                | 160,258          | 160,373               | 833                       |
| Education - Administration             | 30      | 26,823           | -             | 43,791           | 70,614           | 102,580               | (66,809)                  |
| Education - Post Secondary             | 31      | 921,677          | -             | (124,445)        | 797,232          | 797,232               | 177,699                   |
| Education - School                     | 32      | 1,444,111        | -             | 363,373          | 1,807,484        | 1,807,484             | -                         |
| Education - Operations and Maintenance | 33      | 511,204          | -             | (207,876)        | 303,328          | 303,328               | 7,539                     |
| Employee Benefits                      | 34      | 196,261          | -             | -                | 196,261          | 196,278               | (14,215)                  |
| Health Services                        | 35      | -                | -             | 1,668,326        | 1,668,326        | 1,570,907             | (88,622)                  |
| Housing                                | 36      | 483,000          | -             | 10,500           | 493,500          | 523,847               | 88,644                    |
| Housing - CMHC                         | 37      | -                | -             | 499              | 499              | 499                   | -                         |
| National Child Tax Benefit             | 38      | 391,099          | -             | (290,663)        | 100,436          | 164,599               | -                         |
| Public Works                           | 39      | 1,512,190        | 499,000       | 1,260,909        | 3,272,099        | 2,190,316             | 1,101,141                 |
| Public Works - Own Source              | 40      | -                | -             | 192,525          | 192,525          | 39,277                | -                         |
| Recreation                             | 41      | -                | -             | 379,547          | 379,547          | 626,861               | (29,571)                  |
| Remediation                            | 42      | 219,750          | -             | -                | 219,750          | 286,253               | (3,543)                   |
| Royal Bank Agency                      | 43      | -                | -             | -                | -                | 146,624               | (60,000)                  |
| Seniors                                | 44      | -                | -             | 711              | 711              | 23,781                | (6,955)                   |
| Social Services                        | 45      | 1,707,375        | -             | (111,183)        | 1,596,192        | 1,818,451             | 113,419                   |
| Social Services - Delivery             | 46      | 341,711          | -             | 6,727            | 348,438          | 312,423               | 51,970                    |
| Special Projects                       | 47      | -                | -             | -                | -                | 23,569                | -                         |
| Summer Student Employment              | 48      | 28,823           | -             | 60,000           | 88,823           | 103,297               | 4                         |
| Tribal Chiefs Employment and Training  | 49      | -                | -             | 309,678          | 309,678          | 288,936               | (1,487)                   |
| Youth Skills Initiative                | 50      | 131,230          | -             | 419,049          | 550,279          | 550,278               | 46,071                    |
| Youth Work Experience                  | 51      | 56,705           | -             | 35,000           | 91,705           | 110,190               | (7,690)                   |
|  |         | 9,247,097        | 499,000       | 7,012,875        | 16,758,972       | 15,642,452            | 2,226,578                 |

The accompanying notes form part of these financial statements.

## Whitefish Lake Band No. 128

### Consolidated Statement of Expenditures by Object - Schedule 4

For the year ended March 31, 2014

|  | 2014              | 2013              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>EXPENDITURES</b>                      |                   |                   |
| Advertising                              | 9,930             | 5,873             |
| Bad debt expense                         | 31,389            | 35,840            |
| Building maintenance and utilities       | 387,315           | 513,769           |
| Equipment                                | 507,992           | 361,091           |
| Insurance                                | 211,655           | 245,076           |
| Interest, bank charges and loan payments | 210,759           | 120,292           |
| Materials and supplies                   | 431,851           | 393,926           |
| Repairs and maintenance                  | 701,293           | 767,240           |
| Professional fees                        | 1,011,124         | 3,033,626         |
| Program costs                            | 3,616,447         | 3,559,079         |
| Training                                 | 1,010,628         | 892,768           |
| Travel                                   | 638,696           | 642,110           |
| Vehicle                                  | 758,219           | 903,439           |
| Wages and employee benefits              | 6,115,154         | 6,108,135         |
| <b>TOTAL EXPENDITURES</b>                | <b>15,642,452</b> | <b>17,582,264</b> |

The accompanying notes form part of these financial statements.



# Whitefish Lake Band No. 128

## Notes to the Consolidated Financial Statements

March 31, 2014

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

#### (a) Fund Accounting

The Whitefish Lake Band 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 Whitefish Lake Band maintains the following funds:

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

#### (b) Investments

Investments are recorded at fair market value.

#### (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.

##### 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:

|                                       |     |
|---------------------------------------|-----|
| Buildings                             | 10% |
| Furniture and equipment               | 20% |
| Automotive and construction equipment | 30% |

# **Whitefish Lake Band No. 128**

## **Notes to the Consolidated Financial Statements**

**March 31, 2014**

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### **1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued**

#### **(d) 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.

#### **(e) 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. The amounts on deposit with the Government of Canada are audited by the Auditor General of Canada.

#### **(f) Financial Instruments**

The Band's financial instruments consist of cash, accounts receivable, investments, accounts payable, accrued liabilities and long term debt. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

The Band 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.

The Band is exposed to interest rate risk to the extent that certain liabilities bear interest at variable rates.

#### **(g) 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 Band No. 128

## Notes to the Consolidated Financial Statements

March 31, 2014

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

#### (h) 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, 2014 is \$120,000 (2013 - \$100,000) and represents the present 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 Band has started to designate assets for settling closure and post-closure care liabilities.

### 2. ECONOMIC DEPENDENCE

The Whitefish Lake Band receives a major portion of its revenues pursuant to a funding arrangement with Indian and Northern Affairs Canada.

### 3. INVESTMENTS

Investments include an account with RBC Dominion Securities, containing fixed income, preferred shares and managed assets.

### 4. ACCOUNTS RECEIVABLE

|  | 2014<br>\$ | 2013<br>\$ |
|--|------------|------------|
| Aboriginal Affairs and Northern Development Canada | 949,999    | 745,145    |
| Band Funds - Capital                               | -          | 37,676     |
| Band Funds - Revenue                               | 499,000    | 216,568    |
| First Nation Development Fund                      | 470,155    | 386,799    |
| Goods and Services Tax                             | 110,148    | 83,601     |
| Royal Bank Agency loans                            | 6,305      | -          |
| Other  | 121,500    | 462,680    |
|  | 2,157,107  | 1,932,469  |

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2014**

**5. RELATED PARTY LOANS RECEIVABLE (PAYABLE)**

|  | 2014<br>\$     | 2013<br>\$       |
|--|----------------|------------------|
| Goodfish Lake Pasture Land Development Association | (134,411)      | (134,411)        |
| Goodfish Wildlife Ranches Ltd.                     | 719,521        | 719,521          |
| Goodfish Cattle Ranches Ltd.                       | 69,283         | 69,283           |
| Goodfish Management Limited Partnership            | (859,577)      | (112,102)        |
| Goodfish Lake Gas Utility Corporation              | 751,514        | 751,514          |
| Goodfish Lake Development Corporation Ltd.         | 109,548        | 284,548          |
|  | <b>655,878</b> | <b>1,578,353</b> |

Advances to (from) related entities are non-interest bearing and have no fixed terms of repayment.

**6. BANK INDEBTEDNESS**

Bank indebtedness represents a bank overdraft agreement with the Royal Bank of Canada. The agreement does not have a specified overdraft limit but does charged interest at Prime plus 5%.

**7. LINE OF CREDIT**

The Band has a revolving line of credit with the Royal Bank authorized to a maximum of \$1,300,000 due on demand, bears interest at Prime plus 1% and is secured by a general security agreement. There is a \$1,244,700 (2013 - \$1,300,000) balance outstanding on this line of credit.

The Band has a second revolving line of credit with the Royal Bank authorized to a maximum of \$250,000, due on demand, bears interest at Prime and is secured by a general security agreement. There is a \$200,000 (2013 - \$200,000), balance outstanding on this line of credit.

**8. ACCOUNTS PAYABLE**

|                                       | 2014<br>\$       | 2013<br>\$       |
|---------------------------------------|------------------|------------------|
| Trade payables                        | 3,158,921        | 3,136,411        |
| Landfill closure costs                | 120,000          | 100,000          |
| Wages, salaries and source deductions | 17,215           | 15,263           |
|                                       | <b>3,296,136</b> | <b>3,251,674</b> |

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2014**

**9. DEFERRED REVENUE**

|  | 2014<br>\$     | 2013<br>\$       |
|--|----------------|------------------|
| Aboriginal Affairs and Northern Development Canada<br>Capital project - UF54 | -              | 668,452          |
| Band Funds - Capital<br>Grave Restoration                                    | -              | 24,578           |
| Canada Mortgage and Housing Corporation                                      | 126,508        | -                |
| Grant revenue  |                |                  |
| Heavy Equipment Training   | 160,085        | -                |
| Hall Upgrade   | 150,000        | 150,000          |
| Consultation and Traditional Land Use  | -              | 190,000          |
|  | <b>436,593</b> | <b>1,033,030</b> |

**10. LONG-TERM LIABILITIES**

|  | 2014<br>\$       | 2013<br>\$       |
|--|------------------|------------------|
| The loan payable to the Royal Bank is repayable in monthly instalments of \$20,418 including interest charged at 4.95% and is secured by a general security agreement. | <b>1,389,705</b> | <b>1,589,242</b> |

Interest paid on long-term liabilities was \$49,505 (2013 - \$55,547)

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

|            | \$               |
|------------|------------------|
| 2015       | 202,061          |
| 2016       | 208,831          |
| 2017       | 215,827          |
| 2018       | 223,058          |
| Thereafter | 539,928          |
|            | <b>1,389,705</b> |

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2014**

**11. EQUITY IN TANGIBLE CAPITAL ASSETS**

|                                       | 2014<br>\$        | 2013<br>\$        |
|---------------------------------------|-------------------|-------------------|
| Tangible capital assets (Schedule 2)  | 47,235,981        | 45,736,039        |
| Accumulated amortization (Schedule 2) | (28,147,184)      | (26,395,146)      |
| Long-term liabilities (Note 10)       | (1,389,705)       | (1,589,242)       |
|                                       | <b>17,699,092</b> | <b>17,751,651</b> |

**12. EQUITY IN ENTERPRISE FUND**

|                                     | 2014<br>\$     | 2013<br>\$       |
|-------------------------------------|----------------|------------------|
| Balance, beginning of year (Note 5) | 1,578,353      | 1,405,907        |
| Advances to (from) related entities | (922,476)      | 172,446          |
| Balance, end of year                | <b>655,877</b> | <b>1,578,353</b> |

**13. EQUITY IN TRUST FUND**

|                            | Capital<br>\$           | Revenue<br>\$             | Total<br>\$      |
|----------------------------|-------------------------|---------------------------|------------------|
| Balance, beginning of year | 39,518                  | 789,943                   | 829,461          |
| Royalties                  | 169,018                 | 106,896                   | 275,914          |
| Rent                       | -                       | 112,034                   | 112,034          |
| Other                      | -                       | 40,390                    | 40,390           |
|                            | <b>208,536</b>          | <b>1,049,263</b>          | <b>1,257,799</b> |
| BCR<br>NUMBER              | DATES FUNDS<br>RELEASED | PURPOSE OF<br>EXPENDITURE |                  |
| 2006/2007 - 032            |                         | Dry Cleaning Plant        | -                |
|                            |                         |                           | 216,568          |
|                            |                         |                           | 216,568          |
| Balance, end of year       | <b>208,536</b>          | <b>832,695</b>            | <b>1,041,231</b> |

# **Whitefish Lake Band No. 128**

## **Notes to the Consolidated Financial Statements**

**March 31, 2014**

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### **14. ACCUMULATED SURPLUS**

|                                   | <b>2014</b>        | <b>2013</b>        |
|-----------------------------------|--------------------|--------------------|
|                                   | <b>\$</b>          | <b>\$</b>          |
| Unrestricted surplus              | <b>(4,011,647)</b> | <b>(4,351,165)</b> |
| Equity in tangible capital assets | <b>17,699,092</b>  | <b>17,751,651</b>  |
| Equity in enterprise fund         | <b>655,877</b>     | <b>1,578,353</b>   |
| Equity in trust funds             | <b>1,041,231</b>   | <b>829,461</b>     |
|                                   | <b>15,384,553</b>  | <b>15,808,300</b>  |

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### **15. CONTINGENT LIABILITIES**

- 1) A company has filed a statement of claim relating to a motor vehicle accident involving a Band employee, in the amount of \$92,073.

The outcome and potential liability to the Band from this action, if any, is not determinable.

- 2) An individual has filed a statement of claim relating to injuries sustained in an accident on the reserve, in the amount of \$200,000

The outcome and potential liability to the Band from this action, if any, is not determinable.

