

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

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FOR THE YEAR ENDED MARCH 31, 2014

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SADDLE LAKE CREE NATION
MARCH 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Saddle Lake Cree Nation and all the information in the annual report are the responsibility of management and have been approved by the Chief and Tribal Administrator on behalf of Council.

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

The Saddle Lake Cree Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council carries out its responsibility for the financial statements through the Office of Chief and Council, which is comprised of a quorum of council. The Chief and Council meets with the auditors to satisfy itself on the adequacy of internal controls and to review the financial statements and auditor's report.

The financial statements have been audited by John M. Beale, CMA in accordance with Canadian auditing standards on behalf of the members. John M. Beale, CMA has full and free access to the Chief and Council.

John M. Beale Chief

Saddle Lake Cree Tribal Administrator

HAND DELIVERED TO: Anil Patel
name
on Aug 27/14 date A.P. initials

JOHN M. BEALE, CMA

CERTIFIED MANAGEMENT ACCOUNTANT

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TWO HILLS, ALBERTA
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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'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 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

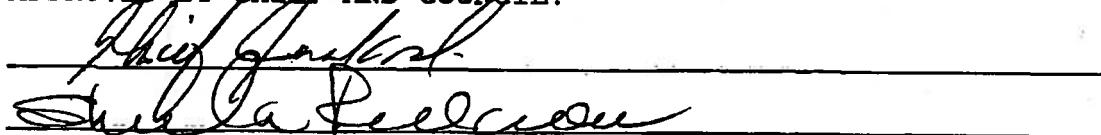
John M. Beale, CMA
Certified Management Accountant

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

	<u>2014</u>	<u>2013</u>
Financial Assets		
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 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>
Total financial assets	<u>21,284,477</u>	<u>25,103,651</u>
Liabilities		
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>
Total liabilities	<u>12,528,913</u>	<u>14,721,707</u>
Net financial assets	<u>8,755,564</u>	<u>10,381,944</u>
Non-financial assets		
Tangible capital assets (Note 12)	21,899,978	20,059,332
Deposits and prepaid expenses	<u>757,865</u>	<u>727,195</u>
Total non-financial assets	<u>22,657,843</u>	<u>20,786,527</u>
Accumulated surplus	<u>\$ 31,413,407\$</u>	<u>31,168,471</u>

(See accompanying notes)

APPROVED BY CHIEF AND COUNCIL:



The image shows two handwritten signatures. The first signature, on the left, appears to be "Chief". The second signature, on the right, appears to be "Council". Both signatures are written in black ink on a white background, with the word "Chief" above "Council".

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

Page 4

	Budget <u>2014</u>	Actual <u>2014</u>	Actual <u>2013</u>
Revenues			
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>
Expenses			
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>
Surplus from operations	(629,603)	136,116	(392,260)
Other income (expense)			
Income from Investments	-	(204,097)	141,015
Net increase (reduction) in income allocation from Onihcikiskowin Business Trust	-	312,917	(908,054)
Surplus (Deficit)	(629,603)	244,936	(1,159,299)
Accumulated surplus, beginning of year		<u>31,168,471</u>	<u>32,327,770</u>
Accumulated surplus, end of year		<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> <u>2014</u>	<u>Actual</u> <u>2013</u>
Surplus of revenue over expenses	\$ 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
Net financial assets at beginning of year	<u>10,381,944</u>	<u>10,335,086</u>
Net financial assets at end of year	\$ <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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	<u>Actual</u> <u>2014</u>	<u>Actual</u> <u>2013</u>
Operating activities		
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>1,952,109</u>	<u>472,538</u>
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>
Financing activities		
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>
Capital activities		
Additions to tangible capital assets	(3,564,104)	(409,152)
Sale of tangible capital assets	<u>16,285</u>	-
	<u>(3,547,819)</u>	<u>(409,152)</u>
Investing activities		
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>
 Increase (decrease) in cash and cash equivalents	 (2,799,012)	 1,359,089
 Cash and cash equivalents, beginning on year	 <u>9,465,575</u>	 <u>8,106,486</u>
 Cash and cash equivalents, end of year	 <u>\$ 6,666,563\$</u>	 <u>9,465,575</u>

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

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	<u>Budget</u> <u>2014</u>	<u>Actual</u> <u>2014</u>	<u>Actual</u> <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>
	\$ 37,334,885\$	<u>54,689,554\$</u>	<u>52,452,801</u>

SADDLE LAKE CREE NATIONNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSMARCH 31, 2014**1. 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 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 Nation's financial instruments consist of cash resources, investments, accounts receivable, trust funds, accounts payable, and long term debt. It is management's 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
	<hr/>	<hr/>
	<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)
	<hr/>	<hr/>
	<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	100	100
Accumulated net (loss) earnings	<u>(27,767)</u>	<u>48,681</u>
	<u>(27,667)</u>	<u>48,781</u>
	\$ 243,482	\$ 244,273

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

	July 31 2013	July 31 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 2013	December 31 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 Oilfied 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 ACCOUNT20142013

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 NATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2014

8. 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>-</u>	<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

	<u>2014</u>	<u>2013</u>
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>
	\$ 31,413,407	\$ 31,168,471

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

Page 17

	Land	Buildings	Engineering Structures	Machinery Equipment	Vehicles	Computers	Construction	Under Construction	2014	2013
COST:										
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)	-
BALANCE, End of Year	747,730	6,944,238	15,716,525	990,055	6,119,674	595,765	120,000		31,233,987	27,756,768
ACCUMULATED AMORTIZATION:										
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)	-
BALANCE, End of Year	-	1,542,043	2,306,183	395,379	4,624,201	466,203			9,334,009	7,697,436
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	747,730	5,402,195	13,410,342	594,676	1,495,473	129,562	120,000		21,899,978	20,059,332
2013 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS (restated)	747,730	4,981,488	12,431,428	361,962	1,520,553	116,171			20,059,332	21,282

SADDLE LAKE CREE NATIONNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 2014**13 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 though 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

Page 19

Program	AANDC Revenue	Carryforward		Other	Revenue	Total Expenses	Transfers	Current Year Surplus (Deficit)	Current Year Budget	Prior Year Surplus (Deficit)
		Trust from prior year	Funds to next year							
PUBLIC WORKS PROGRAMS										
Administration	91,861	12,402	-	42,687	146,950	152,181	(1,380)	(6,611)	(51,861)	(26,436)
Fire	59,890	58,298	(16,570)	4,050	104,638	90,876	(2,521)	11,441	-	38,875
Water Supply	1,126,470	430,092	48,748	26,203	1,631,503	2,279,941	(150,765)	(799,223)	-	(799,382)
Rural Water and Sanitation	2,143,188	73,541	(71,999)	30,603	2,175,433	535,558	(6,888)	1,632,987	-	-
Roads Maintenance	662,408	133,386	(157,883)	31,301	669,212	925,957	256,787	42	(88,426)	160,832
Band Buildings	247,582	103,874	(55,668)	6,707	302,465	572,726	289,355	(906)	10,152	(11,820)
	4,330,338	811,583	(253,272)	141,551	5,030,201	4,557,038	364,568	837,730	(130,135)	(337,731)
HOUSING PROGRAMS										
Housing	899,958	-	549,538	317,053	1,766,547	1,757,448	(843)	8,256	-	(428,689)
RTM Housing	-	-	282,204	49,575	331,779	331,779	-	-	-	58,697
Rental Housing	-	-	-	103,219	103,219	92,114	40,156	51,281	-	30,317
	899,958	-	831,742	469,847	2,201,545	2,181,341	38,313	59,517	-	(338,685)
HEALTH SERVICES										
Health Centre	526,758	-	19,944	4,997,150	5,543,852	4,694,242	(359,253)	490,357	(32,760)	12,327
Other Health	-	-	-	79,846	79,846	74,451	-	5,395	-	94,504
	526,758	-	19,944	5,076,998	5,623,898	4,768,993	(359,253)	495,752	(32,760)	-
HUMAN RESOURCE DEVELOPMENT										
Human Resource Development	145,812	-	126,793	1,888,474	2,161,079	1,915,052	(174,906)	71,121	-	(4,040)
	145,812	-	126,793	1,888,474	2,161,079	1,915,052	(174,906)	71,121	-	(4,040)
EDUCATIONAL SERVICES										
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	-	(64,339)	3,056	3,083,758	3,019,987	(84,050)	(19,979)	-	(16,566)
	10,125,509	-	(64,339)	503,764	10,584,934	10,810,518	(68,327)	(111,911)	(181,090)	218,380
SOCIAL SERVICES										
Social Assistance	9,875,834	-	(73,767)	-	9,802,167	8,345,094	(1,383,498)	73,605	-	(554)
Social Services	223,697	-	(42,717)	61,835	242,815	1,300,200	1,056,806	(779)	(98,363)	7,507
	10,089,631	-	(116,484)	61,835	10,044,982	9,645,294	(326,862)	72,826	(88,363)	6,953

SADDLE LAKE CREE NATION

NOTES 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.

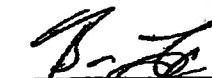
Whitefish Lake Band No. 128 is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

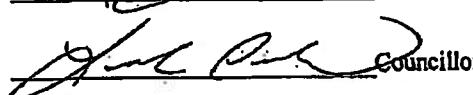
The financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to the Council.



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

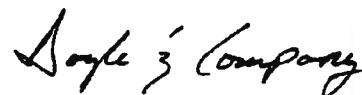
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

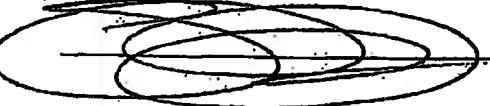
Edmonton, Alberta

Chartered Accountants

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

	2014 \$	2013 \$
FINANCIAL ASSETS		
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
	4,044,524	4,524,008
LIABILITIES		
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
	7,897,230	8,195,067
NET FINANCIAL DEBT	(3,852,706)	(3,671,059)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	19,088,797	19,340,893
Prepaid expenses	148,462	138,466
	19,237,259	19,479,359
ACCUMULATED SURPLUS (Schedule 1 and Note 14)	15,384,553	15,808,300

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 #	2014 Budget \$	2014 Actual \$	2013 Actual \$
REVENUE				
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		1,568,897	1,568,896	1,007,653
Health Canada		1,040,485	995,525	802,786
Human Resources Development		137,007	127,007	-
Canada Housing and Mortgage Corporation		245,512	2,662,512	3,495,515
Other revenue		-	1,033,030	1,355,638
Revenue deferred from previous period		-	(436,593)	(1,033,030)
Revenue deferred to subsequent period		12,238,998	16,758,972	19,808,842
EXPENDITURES				
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
		13,327,186	15,642,452	17,582,264
EXCESS OF REVENUE OVER EXPENDITURE				
Before Other Revenue (Expenditures)		(1,088,188)	1,116,520	2,226,578
OTHER REVENUE (EXPENDITURES)				
Amortization		-	(1,752,037)	(1,801,833)
EXCESS OF REVENUE OVER EXPENDITURE		-	(635,517)	424,745

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 \$	2013 \$
EXCESS OF REVENUES OVER EXPENSES	(207,179)	1,170,537
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
INCREASE IN NET DEBT	(181,647)	(484,113)
NET FINANCIAL DEBT, BEGINNING OF YEAR	(3,671,059)	(3,186,946)
NET FINANCIAL DEBT, END OF YEAR	(3,852,706)	(3,671,059)

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

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

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 and Equip.	Buildings & Housing	Furniture and Equip.	Engineered Structures	2014 \$	2013 \$
COST:						
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
ACCUMULATED AMORTIZATION:						
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
NET BOOK VALUE	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		Surplus (Deficit) \$	2013 Surplus (Deficit) \$
				Total Revenue \$	Expenditures \$		
Capital Projects	19- 20	-	-	2,545,714	3,130,668	1,948,054	1,182,614
Administration	23	584,954	-	30,420	36,222	(5,802)	294,485
Adult Care Program	24	30,420	-	39,768	77,287	(37,519)	(10,940)
Band Police	25	-	-	300	536,832	(118,026)	(186,641)
Bussing	26	418,506	-	112,000	465,678	(353,678)	(47,314)
Chief and Council	27	-	-	298,625	430,996	(51,371)	(9,910)
Daycare Centre	28	81,000	-	-	160,258	160,373	-
Economic Development	29	160,258	-	43,791	70,614	102,580	(115) 833
Education - Administration	30	26,823	-	(124,445)	797,232	(31,966)	(66,809)
Education - Post Secondary	31	921,677	-	363,373	1,807,484	-	177,699
Education - School	32	1,444,111	-	(207,876)	303,328	-	-
Education - Operations and Maintenance	33	511,204	-	-	196,261	196,278	(17) (14,215)
Employee Benefits	34	196,261	-	-	1,668,326	1,570,907	97,419 (88,622)
Health Services	35	-	-	10,500	493,500	523,847	(30,347) 88,644
Housing	36	483,000	-	-	499	499	-
Housing - CMHC	37	-	-	(290,663)	100,436	164,599	(64,163)
National Child Tax Benefit	38	391,099	-	1,260,909	3,272,099	2,190,316	1,081,783
Public Works	39	1,512,190	499,000	-	192,525	39,277	153,248
Public Works - Own Source	40	-	-	379,547	379,547	626,861	(247,314) (29,571)
Recreation	41	-	-	-	219,750	286,253	(66,503) (3,543)
Remediation	42	219,750	-	-	-	146,624	(146,624) (60,000)
Royal Bank Agency	43	-	-	-	-	23,781	(23,070) (6,955)
Seniors	44	-	-	-	-	1,818,451	(222,259) 113,419
Social Services	45	1,707,375	-	(111,183)	1,596,92	312,423	36,015 51,970
Social Services - Delivery	46	341,711	6,727	-	348,438	-	(23,569) (14,474) 4
Special Projects	47	-	-	-	-	103,297	(1,487) 46,071
Summer Student Employment	48	28,823	-	60,000	88,823	550,278	(7,690) (7,690)
Tribal Chiefs Employment and Training	49	-	-	309,678	309,678	288,936	20,742
Youth Skills Initiative	50	131,230	-	419,049	419,049	110,190	(18,485) 1
Youth Work Experience	51	56,705	-	35,000	91,705	-	-
	9,247,097	499,000		7,012,875	16,758,972	15,642,452	1,116,520 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 \$
EXPENDITURES		
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
TOTAL EXPENDITURES	15,642,452	17,582,264

The accompanying notes form part of these financial statements.

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

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

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

(b) 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	2013
	\$	\$
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	2013
	\$	\$
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
<u>Goodfish Lake Development Corporation Ltd.</u>	<u>109,548</u>	<u>284,548</u>
	655,878	1,578,353

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

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

9. DEFERRED REVENUE

	2014 \$	2013 \$
Aboriginal Affairs and Northern Development Canada Capital project - UF54	-	668,452
Band Funds - Capital 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
	436,593	1,033,030

10. LONG-TERM LIABILITIES

	2014 \$	2013 \$
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.	1,389,705	1,589,242

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
	1,389,705

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

11. EQUITY IN TANGIBLE CAPITAL ASSETS

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

12. EQUITY IN ENTERPRISE FUND

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

13. EQUITY IN TRUST FUND

	Capital	Revenue	Total
	\$	\$	\$
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
	208,536	1,049,263	1,257,799

BCR NUMBER	DATES FUNDS RELEASED	PURPOSE OF EXPENDITURE	
2006/2007 - 032		Dry Cleaning Plant	-
<u>Balance, end of year</u>			208,536

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

14. ACCUMULATED SURPLUS

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

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.

