

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

### **Audited Financial Statements**

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

(866) 30-0005-15016 PRA



**KINGSTON  
ROSS  
PASNAK LLP**

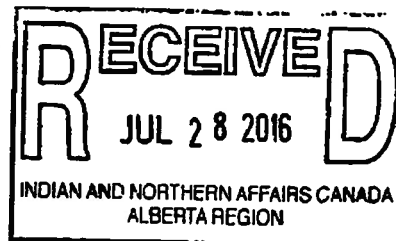
Suite 1500, 9888 Jasper Avenue  
Edmonton, Alberta T5J 5C6  
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

Rob Picton, CPA, CA  
D. 780.420.4763  
E. rpiction@krpgroup.com

PRIVATE AND CONFIDENTIAL

July 28, 2016

Anil Patel  
Field Service Officer  
First Nation Relations, Treaty 6  
Indian and Northern Affairs Canada (INAC)  
630 Canada Place  
9700 Jasper Avenue  
Edmonton AB T5J 4G2



Dear Mr. Patel:

Re: Saddle Lake Cree Nation

Enclosed are the following for the year ended March 31, 2016:

1. Documents to be published on the internet (as per Section 6.1.1):
  - a) Annual Audited Consolidated Financial Statements
  - b) Schedule of Remuneration and Expenses (Chiefs and Council) - Annex B
2. Documents not to be published on the internet (as per Section 6.1.1):
  - a) Program/Service/Activity Revenues and Expenses Schedules - Annex A
  - b) Schedule of Remuneration and Expenses (Unelected Senior Officials) - Annex C
  - c) Capital Project and O&M Schedules of Revenues and Expenditures
  - d) Statement of Receipt and Expenditure of Indian Moneys
  - e) INAC Funding Reconciliation

Yours truly,

**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants

Rob Picton, CPA, CA  
Partner

RDP420500 - YE(16)

Enclosures

HAND DELIVERED TO: Anil Patel  
ON July 28, 2016  
date initials

# **SADDLE LAKE CREE NATION**

**Consolidated Financial Statements**

**YEAR ENDED MARCH 31, 2016**

**SADDLE LAKE CREE NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

---

	<b>Page</b>
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	<b>3</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>4 - 5</b>
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	6
Consolidated Statement of Revenues and Expenditures	7 - 8
Consolidated Statement of Changes in Net Financial Assets	9
Consolidated Statement of Cash Flow	10
Consolidated Schedule of Total Expenses by Object ( <i>Schedule 1</i> )	11
Notes to Financial Statements	12 - 24
<b>ANNEX A - UNAUDITED SCHEDULES</b>	
Public Works and Housing Schedule of Revenue and Expenses ( <i>Schedule 2</i> )	25 - 26
Human Resources Development Schedule of Revenue and Expenses ( <i>Schedule 3</i> )	27
Education Schedule of Revenue and Expenses ( <i>Schedule 4</i> )	28 - 29
Post Secondary Schedule of Revenue and Expenses ( <i>Schedule 5</i> )	30
Social Assistance Schedule of Revenue and Expenses ( <i>Schedule 6</i> )	31
Social Services Schedule of Revenue and Expenses ( <i>Schedule 7</i> )	32
Child Welfare Schedule of Revenue and Expenses ( <i>Schedule 8</i> )	33
Tribal Administration Schedule of Revenue and Expenses ( <i>Schedule 9</i> )	34 - 35
Health Services Schedule of Revenue and Expenses ( <i>Schedule 10</i> )	36 - 37
Other Health Schedule of Revenue and Expenses ( <i>Schedule 11</i> )	38
Health Supplemental Schedules	39 - 61

**Saddle Lake Cree Nation  
Management's Responsibility for Financial Reporting  
March 31, 2016**

The accompanying consolidated financial statements of Saddle Lake Cree Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with the Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of CPA Canada and as such include amounts that are the best estimates and judgments of management.

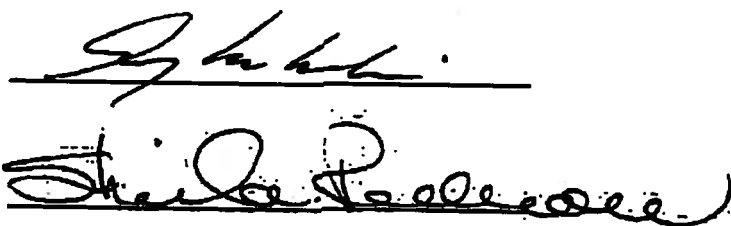
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfying themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Kingston Ross Pasnak LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Saddle Lake Cree Nation and meet when required.

On behalf of Saddle Lake Cree Nation:

Two handwritten signatures are present, each written over a horizontal line. The first signature is in the upper left, and the second, longer signature is below it.

July 25, 2016



Suite 1500, 9888 Jasper Avenue  
Edmonton, Alberta T5J 5C6  
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

## **INDEPENDENT AUDITOR'S REPORT**

July 25, 2016  
Edmonton, Alberta

To the Members of Saddle Lake Cree Nation

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, 2016 and the consolidated statements of revenues and expenditures, changes in net financial assets and cash flow 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 the consolidated 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 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 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 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 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 qualified audit opinion.

### ***Basis for Qualified Opinion***

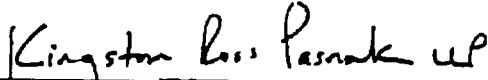
Investments in government business enterprises and long term investments, which are accounted for by the modified equity method, are carried on the consolidated statement of financial position as at March 31, 2016. Saddle Lake Cree Nation's share of these enterprises' net income is included in Saddle Lake Cree Nation's consolidated surplus of revenue over expenses for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Saddle Lake Cree Nation's investment and equity in these enterprises as at March 31, 2016 and Saddle Lake Cree Nation's share of these enterprises' net income for the year. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

(continues)

Independent Auditor's Report to the Members of Saddle Lake Cree Nation *(continued)*

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saddle Lake Cree Nation as at March 31, 2016 and the consolidated results of its operations and cash flow for the year then ended in accordance with Canadian public sector accounting standards.






---

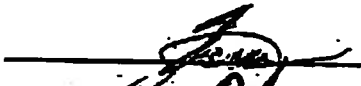

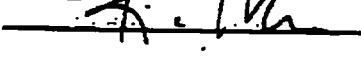
**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants

**SADDLE LAKE CREE NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2016**

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 6,660,128	\$ 6,994,340
Accounts receivable (Note 3)	2,483,869	2,623,426
Restricted short term investments (Note 4)	270,163	268,815
Investment in government business enterprises (Note 5)	443,009	397,778
Long term investments (Note 6)	8,021,478	6,764,409
Restricted capital trust funds (Note 8)	2,262,153	2,153,700
Restricted revenue trust funds (Note 8)	822,121	802,498
	<b>20,952,921</b>	<b>20,004,966</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,962,558	2,478,951
Deferred trust funds (Note 8)	-	842,683
Deferred revenue (Note 9)	3,223,911	2,522,372
Long term debt (Note 10)	1,294,626	2,433,271
Obligations under capital lease (Note 11)	360,179	-
	<b>6,841,173</b>	<b>8,077,277</b>
<b>CONTINGENCIES (Note 14)</b>		
<b>NET FINANCIAL ASSETS</b>	<b>14,111,748</b>	<b>11,927,689</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	20,656,258	21,460,496
Deposits and prepaid expenses	697,573	667,010
	<b>21,353,831</b>	<b>22,127,506</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 35,465,579</b>	<b>\$ 34,055,195</b>

ON BEHALF OF THE NATION

 Chief  
 Councilor  
 Councilor

 Councilor  
 Councilor  
 Councilor



**SADDLE LAKE CREE NATION****Consolidated Statement of Revenues and Expenditures****For the Year Ended March 31, 2016**

	Budget 2016 (Unaudited)	2016	2015
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	\$ 35,079,783	\$ 35,984,513	\$ 36,090,040
First Nations and Inuit Health Branch (FNIHB)	4,350,776	4,871,659	4,676,344
Other revenue	2,626,344	3,584,744	3,564,708
Province of Alberta	2,525,500	2,164,987	2,638,628
Aboriginal Human Resource Development (AHRD)	1,831,093	1,523,378	1,519,639
First Nation Development Fund (FNDF)	1,501,165	1,464,184	1,502,033
Child Tax Benefit	-	661,318	571,375
Capital trust funds	-	1,464,088	482,000
Revenue trust funds	160,000	604,644	387,600
Canada Mortgage and Housing Corporation (CMHC)	-	75,430	76,581
Contributions carried forward from prior year	-	2,522,372	3,000,617
Contributions carried forward to next year	-	(3,223,911)	(2,522,372)
Recovered (lapsed) funding	-	15,077	(50,510)
	48,074,661	51,712,483	51,936,683
<b>EXPENSES</b>			
Child Welfare	11,108,071	12,059,792	13,789,469
Education	7,588,772	7,766,350	7,423,520
Social Assistance	10,045,321	7,643,877	8,103,044
Public Works	4,985,116	6,775,391	5,894,734
Tribal Administration	2,125,550	6,050,213	5,836,219
Health Services	4,936,954	5,029,731	5,208,148
Post Secondary Education	3,279,215	3,273,309	2,893,135
Human Resources Development	1,740,453	1,822,807	1,888,579
Social Services	1,434,720	1,517,894	1,276,162
Other Health	-	47,444	155,168
	47,244,172	51,986,808	52,468,178
<b>(DEFICIT) SURPLUS FROM OPERATIONS</b>	<b>830,489</b>	<b>(274,325)</b>	<b>(531,495)</b>
<b>OTHER INCOME (EXPENSES)</b>			
Income (loss) from long term investments	-	1,521,402	(147,146)
Income from government business enterprises (Note 5)	-	45,231	141,807
Income distribution from Onihcikiskowapowin Business Trust	-	-	360,451
	-	1,566,633	355,112
<b>SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES</b>	<b>830,489</b>	<b>1,292,308</b>	<b>(176,383)</b>

(continues)

**SADDLE LAKE CREE NATION****Consolidated Statement of Revenues and Expenditures (continued)****For the Year Ended March 31, 2016**

	Budget 2016 (Unaudited)	2016	2015
ACCUMULATED SURPLUS, BEGINNING OF YEAR	34,055,195	34,055,195	34,159,100
Net change in trust funds	-	118,076	72,478
ACCUMULATED SURPLUS, END OF YEAR	\$ 34,885,684	\$ 35,465,579	\$ 34,055,195

**SADDLE LAKE CREE NATION****Consolidated Statement of Changes in Net Financial Assets****Year Ended March 31, 2016**

	2016	2015
<b>(Deficit) surplus of revenues over expenses</b>	<b>\$ 1,292,308</b>	<b>\$ (176,383)</b>
Acquisition of tangible capital assets	(1,005,257)	(1,453,433)
Disposal of tangible capital assets	57,247	100,000
Amortization of tangible capital assets	1,752,248	1,792,915
Disposal of deposits and prepaids	(30,563)	90,855
Net change in trust funds	118,076	72,478
<b>Change in net financial assets</b>	<b>2,184,059</b>	<b>426,432</b>
<b>Net financial assets, beginning of year</b>	<b>11,927,689</b>	<b>11,501,257</b>
<b>Net financial assets, end of year</b>	<b>\$ 14,111,748</b>	<b>\$ 11,927,689</b>

**SADDLE LAKE CREE NATION**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Surplus (deficit) of revenue over expenses	\$ 1,292,308	\$ (176,383)
Items not affecting cash:		
Amortization of tangible capital assets	1,752,248	1,792,915
Loss on disposal of tangible capital assets	2,097	-
Share of income from government business enterprises	(45,231)	(154,296)
Share of income from investments	(1,257,069)	492,755
	<u>1,744,353</u>	<u>1,954,991</u>
Changes in non-cash working capital:		
Accounts receivable	139,556	365,023
Accounts payable and accrued liabilities	(516,393)	268,887
Deferred revenue and deferred trust funds	58,856	148,203
Deposits and prepaid expenses	(30,562)	90,855
	<u>(348,543)</u>	<u>872,968</u>
Cash flow from operating activities	<u>1,395,810</u>	<u>2,827,959</u>
<b>INVESTING ACTIVITY</b>		
Purchase of short term investments	(1,348)	(3,641)
Cash flow (used by) from investing activities	<u>(1,348)</u>	<u>(3,641)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	146,534	81,919
Repayment of long term debt	(1,285,279)	(1,225,026)
Repayment of obligations under capital lease	(160,258)	-
Cash flow used by financing activities	<u>(1,299,003)</u>	<u>(1,143,107)</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisitions of tangible capital assets	(484,821)	(1,453,433)
Disposal of tangible capital assets	55,150	100,000
Cash flow used by capital activities	<u>(429,671)</u>	<u>(1,353,433)</u>
<b>(DECREASE) INCREASE IN CASH</b>	<u>(334,212)</u>	<u>327,778</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>6,994,340</u>	<u>6,666,562</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 6,660,128</u>	<u>\$ 6,994,340</u>

**SADDLE LAKE CREE NATION****Consolidated Schedule of Total Expenses by Object****(Schedule 1)****Year Ended March 31, 2016**

	Budget (unaudited) 2016	2016	2015
Wages and benefits	\$ 15,448,174	\$ 16,228,625	\$ 15,322,120
Child welfare maintenance	6,740,651	8,698,807	10,317,417
Direct social assistance	9,165,795	6,537,765	7,153,545
Contracted and program services	4,135,600	4,856,605	4,444,091
Travel, meetings, workshops	1,780,381	3,136,489	3,142,527
Post secondary allowances and tuition	2,775,570	2,859,305	2,645,302
Materials, goods and utilities	2,276,711	2,588,783	2,723,717
Repairs and maintenance	2,776,202	2,512,651	2,155,000
Amortization of tangible capital assets	-	1,752,249	1,792,915
Office and general	1,448,675	1,654,043	1,540,544
Donations, sponsorships and honorariums	330,153	580,328	698,219
Professional fees	357,210	437,636	354,528
Interest and bank charges	9,050	143,522	178,253
	\$ 47,244,172	\$ 51,986,808	\$ 52,468,178

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

---

**1. NATURE OF THE ORGANIZATION**

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

These consolidated financial statements reflect the financial assets, non-financial assets, liabilities, revenues and expenses of Saddle Lake Cree Nation No. 125 and No. 125A.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of consolidation

The consolidated financial statements include the accounts of the Nation and its subsidiary 544526 Alberta Ltd. As a result, figures as at March 31, 2016 and for the year then ended include the financial position of the subsidiary and the results of its operations for the year then ended. The results of operations of the subsidiary are included in the consolidated financial statements from the date of incorporation.

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established for local governments recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies observed in the preparation of the consolidated financial statements are summarized below.

Revenue recognition

Funding received under the terms of agreements is recognized as revenue in the relevant funding period when the funding agreements are approved. Restricted contributions are recognized as revenue when the revenue is approved and the related expenditures are incurred. Restricted contributions which are not yet expended for the intended purpose are included in the consolidated statement of financial position as deferred revenue.

Income earned from oil and gas royalties in the restricted Capital and Revenue trust funds is recognized when a Band Council Resolution requesting to withdraw the amounts from the respective trust fund account is approved. Approved withdrawals which are not yet expended for the intended purpose are included in the statement of financial position as deferred trust funds. The uncommitted balance in the trust funds accounts are included in the consolidated statement of financial position as accumulated surplus.

Other revenues are recognized when persuasive evidence of an arrangement exists, delivery of goods has occurred or services have been rendered, the selling price is fixed or determinable, and collection is reasonably assured. Revenue is measured at the fair value of the consideration received.

Income from Onihcikiskowapowin Business Trust ("the Trust") is recognized on the accrual basis pursuant to the Trust's Trust Deed, under which 10% to 20% of the defined annual income of the Trust is distributed to the Nation as of December 31 of each year.

*(continues)*

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may 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 change in net financial assets for the year.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit less cheques issued and outstanding and net of draws on the operating line of credit. On occasion, the operating line of credit is drawn upon to meet short-term cash needs.

Short term investments

Short term investments, which consist primarily of commercial paper with original maturities at date of purchase beyond three months and less than twelve months, are carried at amortized cost.

Long term investments

Long term investments are accounted for using the modified equity method. Accordingly the investments are recorded at acquisition cost and are increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and dividends received. The accounting policies of the long term investments have not been adjusted to conform with those of Saddle Lake Cree Nation and inter-entity balances are not eliminated. Inter-entity gains and losses are eliminated on assets remaining within the long term investments entities at the reporting date.

Investment in government business enterprises

The investments in government business enterprises are accounted for using the modified equity method whereby the investment is initially recorded at cost and adjusted thereafter to include the post acquisition earnings of the enterprises. The accounting policies of the government business enterprises have not been adjusted to conform with those of Saddle Lake Cree Nation and inter-entity balances are not eliminated. Inter-entity gains and losses are eliminated on assets remaining within the government reporting entities at the reporting date.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Land	N/A	non-amortizable
Buildings	4%	diminishing balance method
Automotive	30%	diminishing balance method
Computer equipment	50%	diminishing balance method
Equipment	20%	diminishing balance method
Engineering structures	4-6%	diminishing balance method

Tangible capital assets under construction are amortized once the assets are available for use. In the year of acquisition, half of the normal rate of available amortization is charged.

(continues)

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Pension expenditures

Saddle Lake Cree Nation sponsors a defined contribution pension plan for certain employees. Under the plan the Nation matches the employee's contribution of 5% of earnings. During the year the Nation contributed \$529,795 (2015 - \$441,725) to the pension plan. The employer's portion of the payment is recorded as employee benefits in the period when the benefit is earned.

Use of estimates

The preparation of the consolidated 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, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

**3. ACCOUNTS RECEIVABLE**

	2016	2015
Accounts receivable include amounts due from the following:		
Province of Alberta	\$ 698,304	\$ 700,702
Saddle Lake Building Supplies Ltd.	566,347	565,147
Other receivables	400,863	441,319
First Nation Development Fund	370,914	369,652
Indigenous and Northern Affairs Canada	333,222	187,219
Canada Revenue Agency	114,219	115,270
Onihcikiskowapowin Business Trust	-	244,117
	<b>\$ 2,483,869</b>	<b>\$ 2,623,426</b>

Included in the accounts receivable balance due from Saddle Lake Building Supplies Ltd. is \$300,000 which is held in a term deposit that is required security in Saddle Lake Building Supplies Ltd.'s agreement with Castle Building Centres Group Ltd.

The balance due from Indigenous and Northern Affairs Canada includes \$258,110 (fiscal 2016 program delivery) and \$80,035 (fiscal 2015 Basic Needs - Learners program delivery), less \$4,923 of lapsed funding relating to fiscal 2016 (Basic Needs - Learners program delivery).



**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

**4. RESTRICTED SHORT TERM INVESTMENTS**

Included in restricted short term investments are Guaranteed Investment Certificates which bear interest at 0.80% and mature on September 21, 2016. These investments are held as security for the Canada Mortgage and Housing Corporation replacement reserves and the use of such investments is therefore restricted. The replacement reserve is underfunded at year end as reflected in Note 14.

**5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES**

	2016	2015
Balance beginning of year	\$ 397,778	\$ 243,482
Share of income (loss)	45,231	141,807
Net advances from government business enterprises	-	12,489
	<b>\$ 443,009</b>	<b>\$ 397,778</b>

The following is a summary of the percentage of government business enterprises owned and the related year ends of the entities. The financial information presented below is combined based on the government business enterprises respective year ends.

	% ownership	Year end
Bison Auto Shop Ltd.	100%	July 31, 2015
Saddle Lake Building Supplies Ltd.	100%	December 31, 2015

**Unaudited Aggregate balance sheet information:**

<b>Assets</b>		
Current assets	\$ 1,188,520	\$ 1,000,900
Capital assets	129,725	115,093
	<b>\$ 1,318,245</b>	<b>\$ 1,115,993</b>
<b>Liabilities</b>		
Current liabilities	\$ 282,399	\$ 147,669
Other liabilities	1,092,802	1,070,511
Equity	(56,956)	(102,187)
	<b>\$ 1,318,245</b>	<b>\$ 1,115,993</b>

**Unaudited Aggregate income statement information:**

Revenue	\$ 5,949,279	\$ 6,340,261
Expenses	(5,904,048)	(6,198,454)
Net income	<b>\$ 45,231</b>	<b>\$ 141,807</b>

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

**6. LONG TERM INVESTMENTS**

	2016	2015
Pimee Well Servicing Ltd.	\$ 1,700,128	\$ 1,876,659
Seven Lakes Oilfield Services LP	1,610,981	1,350,975
Pimee Well Servicing LP	1,601,427	1,153,272
Keyano Pimee Exploration Company Ltd.	1,415,140	1,415,140
SL Smoke Eaters LP	1,114,790	790,860
Peyasew Oilfield Services LP	513,335	111,826
United Farmers of Alberta Equity	50,233	50,233
TD Canada Trust guaranteed investment certificate	15,444	15,444
	<b>\$ 8,021,478</b>	<b>\$ 6,764,409</b>

**7. RELATED PARTY TRANSACTIONS**

During the year, transactions with Saddle Lake Cree Nation's owned entities and long term investments were incurred. These transactions are in the normal course of operations and have been recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties.

**8. RESTRICTED CAPITAL AND REVENUE TRUST FUNDS**

Trust funds are considered restricted assets and are controlled directly by Indigenous and Northern Affairs Canada. 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 directly from Aboriginal Affairs and Northern Development Canada. The uncommitted balance at the end of the year is shown in the accumulated surplus (Note 13) as equity in trust funds.

	2016	2015
<b>Capital trust fund</b>		
Beginning of year	\$ 2,153,700	\$ 2,164,779
Income from royalties	1,071,020	962,443
Transfer to Nation programs for current fiscal year	(972,567)	(482,000)
Transfer to Nation programs for subsequent fiscal year	-	(491,522)
	<b>2,252,153</b>	<b>2,153,700</b>
<b>Revenue trust fund</b>		
Beginning of year	802,498	718,943
Income from royalties and interest	473,105	622,316
Transfer to Nation programs for current fiscal year	(453,482)	(387,600)
Transfer to Nation programs for subsequent fiscal year	-	(151,161)
	<b>822,121</b>	<b>802,498</b>
<b>Total trust funds</b>	<b>\$ 3,074,274</b>	<b>\$ 2,956,198</b>

**SADDLE LAKE CREE NATION****Consolidated Notes to Financial Statements****Year Ended March 31, 2016****9. DEFERRED REVENUE**

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2016.

	2016	2015
Indigenous and Northern Affairs Canada	\$ 2,166,603	\$ 1,931,416
Other	608,665	272,491
Revenue trust funds	398,643	268,465
Capital trust funds	50,000	50,000
	<b>\$ 3,223,911</b>	<b>\$ 2,522,372</b>

Included in the INAC deferred revenue is \$316,603 for Social Assistance – Income Assistance, and \$1,850,000 for Administration, which has been allocated for expenditure in the year ended March 31, 2017 to numerous INAC block funded programs and projects (Minor renovations - \$500,000; Administration \$400,000; Youth recreation \$300,000; Band hall \$250,000; Housing \$132,000; Severance plans \$108,000; Land claim legal fees \$80,000; GPS Emergency plan \$40,000; Ice plant machine \$30,000; Church \$10,000) as per Chief and Council resolution on April 5, 2016.

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

**10. LONG TERM DEBT**

	<b>2016</b>	<b>2015</b>
TD Canada Trust bank loan bearing interest at 2.930% per annum, repayable in quarterly blended payments of \$239,221. The loan matures on April 30, 2016 and is secured as disclosed below.	<b>\$ 245,287</b>	<b>\$ 1,206,663</b>
Project #001 mortgage repayable to Canada Housing and Mortgage Corporation bearing interest at 0.94% per annum, repayable in monthly blended payments of \$2,264. The mortgage renews on September 1, 2020 and matures on April 1, 2025 and is secured by a ministerial guarantee.	<b>236,446</b>	<b>260,179</b>
Project #003 mortgage repayable to Canada Housing and Mortgage Corporation bearing interest at 1.64% per annum, repayable in monthly blended payments of \$1,942. The mortgage renews on December 1, 2016 and matures on October 1, 2026 and is secured by a ministerial guarantee.	<b>226,290</b>	<b>245,709</b>
Project #002 mortgage repayable to Canada Housing and Mortgage Corporation bearing interest at 2.63% per annum, repayable in monthly blended payments of \$1,905. The mortgage renews on June 1, 2016 and matures on May 1, 2026 and is secured by a ministerial guarantee.	<b>204,081</b>	<b>221,338</b>
GE Capital Finance loans bearing interest at various rates ranging from 7.525% to 8.866% per annum, repayable in monthly blended payments ranging from \$1,643 to \$2,045. The loans mature between June 10, 2017 and November 16, 2019 and are secured by automotive equipment with a carrying value of \$178,282.	<b>201,888</b>	<b>286,855</b>
BMO bank loan bearing interest at 7.25% per annum, repayable in monthly blended payments of \$1,965. The loan matures on February 8, 2021 and is secured by equipment with a carrying value of \$83,852.	<b>97,280</b>	<b>-</b>
TD Canada Trust bank loan bearing interest at 2.930% per annum, repayable in quarterly blended payments of \$42,806. The loan matures on May 11, 2016 and is secured as disclosed below.	<b>41,831</b>	<b>206,043</b>
Ford Credit loan bearing interest at 4.89% per annum, repayable in monthly blended payments of \$901. The loan matures on June 24, 2020 and is secured by automobile equipment with a carrying value of \$40,702.	<b>41,422</b>	<b>-</b>
Ford Credit loan has been repaid during the year.	<b>-</b>	<b>6,484</b>
	<b>\$ 1,294,525</b>	<b>\$ 2,433,271</b>

(continues)

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

**10. LONG TERM DEBT (continued)**

Principal repayment terms are approximately:

2017	\$ 457,789
2018	155,190
2019	134,371
2020	108,951
2021	90,310
Thereafter	347,914
	<u>\$ 1,294,525</u>

Interest paid on long-term debt amounted to \$85,073 (2015- \$127,443) during the year.

TD Canada Trust bank loans are secured by:

- a) general security agreement representing a first charge on all present and after acquired personal property;
- b) Band Council Resolution authorizing each loan, the security and the terms of credit therein;
- c) assignment of term deposits and credits in the amount of \$13,000;
- d) postponement of agreement;
- e) unlimited guarantee of advances by 544526 Alberta Ltd., Peyasew Oilfield Services Incorporated, Peyasew Oilfield Services LP, Saddle Lake Building Supplies Ltd., and SL Smoke Eaters LP;
- f) assignment of fire insurance.

As at March 31, 2016, Saddle Lake Cree Nation has a line of credit of \$200,000 available from TD Canada Trust bearing interest at prime plus 0.75% (effective rate of 2.70% at year end). As at March 31, 2016 the loan was not drawn upon.

**11. OBLIGATIONS UNDER CAPITAL LEASE**

	2016	2015
John Deere non-interest bearing lease repayable in monthly payments of \$7,126. The lease matures on June 1, 2020 and is secured by equipment which has a carrying value of \$456,302.	\$ 360,179	\$ -

Future minimum capital lease payments are approximately:

2017	\$ 81,338
2018	82,395
2019	83,467
2020	84,552
2021	28,427
	<u>\$ 360,179</u>
Total minimum lease payments	

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

**12. TANGIBLE CAPITAL ASSETS**

<b>COST</b>	<b>2015</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>2016</b>
Land	\$ 647,730	\$ -	\$ -	\$ 647,730
Buildings	7,202,720	-	-	7,202,720
Engineering structures	15,716,525	-	-	15,716,525
Equipment	1,496,049	-	-	1,496,049
Automotive	6,924,580	959,186	115,707	7,768,059
Computer equipment	599,816	46,071	-	645,887
	<b>\$ 32,587,420</b>	<b>\$ 1,005,257</b>	<b>\$ 115,707</b>	<b>\$ 33,476,970</b>

<b>ACCUMULATED AMORTIZATION</b>	<b>2015</b>	<b>Amortization expense</b>	<b>Disposals</b>	<b>2016</b>
Land	\$ -	\$ -	\$ -	\$ -
Buildings	1,756,390	205,746	-	1,962,136
Engineering structures	3,076,308	725,297	-	3,801,605
Equipment	564,914	152,767	-	717,681
Automotive	5,197,315	623,011	58,460	5,761,866
Computer equipment	531,997	45,427	-	577,424
	<b>\$ 11,126,924</b>	<b>\$ 1,752,248</b>	<b>\$ 58,460</b>	<b>\$ 12,820,712</b>

<b>NET BOOK VALUE</b>	<b>2015</b>	<b>2016</b>
Land	\$ 647,730	\$ 647,730
Buildings	5,446,330	5,240,584
Engineering structures	12,640,217	11,914,920
Equipment	931,135	778,368
Automotive	1,727,265	2,006,193
Computer equipment	67,819	68,463
	<b>\$ 21,460,496</b>	<b>\$ 20,656,258</b>

**13. ACCUMULATED SURPLUS**

	<b>2016</b>	<b>2015</b>
Unrestricted surplus	\$ 7,105,374	\$ 4,606,736
Equity in trust funds (Note 8)	3,074,273	2,956,198
Equity in tangible capital assets	17,216,086	18,417,076
Equity in investments	8,069,846	8,075,185
	<b>\$ 35,465,579</b>	<b>\$ 34,055,195</b>

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

---

**14. CONTINGENCIES**

As at March 31, 2016, Saddle Lake Cree Nation has unfunded CMHC replacement reserves in the amount of \$159,674 (2015 - \$133,868).

The Nation has provided a guarantee to SL Smoke Eaters LP in the amount of \$100,000 for a demand revolving credit facility. The general security agreement is a first charge on all present and after acquired personal property.

The Nation is named as a defendant in ongoing legal proceedings with a member of the Nation, the Canadian Human Rights Commission and the Attorney General of Canada. The outcome and estimate of loss, if any, are not determinable as at the report date.

The Nation has been added as a defendant in a claim made against Her Majesty the Queen by another Alberta First Nation. The outcome and estimate of loss, if any, are not determinable at the report date.

The Nation has been named as a respondent in a Notice of Application for judicial review relating to the Nation's election code. No damages are being sought by the applicants; however, the applicants are seeking solicitor-client costs. The outcome and estimate of loss, if any, are not determinable at the report date.

**15. FINANCIAL INSTRUMENTS**

The Nation is exposed to various risks through its financial instruments. The following analysis provides information about the Nation's risk exposure and concentration as of March 31, 2016. Unless otherwise noted, the Nation's risk exposure has not changed from the prior year.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Nation is exposed to credit risk from other revenue. The significant annual funding received from the Government of Canada minimizes credit risk.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the market interest rates. The Nation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

**16. SEGMENT INFORMATION**

Saddle Lake Cree Nation provides a wide range of services to its members. Services are delivered through a number of different programs and departments. Identified segments are defined by Saddle Lake Cree Nation for which separate financial information is available and is evaluated regularly by Chief and Council and management in allocating resources and assessing results.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in the segments are consistent with the accounting policies followed in the preparation of these consolidated financial statements as disclosed in Note 2.

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**Year Ended March 31, 2016**

---

**17. BUDGET INFORMATION**

The budget information for the year ended March 31, 2016 is prepared by management, approved by Chief and Council and is unaudited.

**18. SUBSEQUENT EVENTS**

Subsequent to year end, as disclosed in Note 14, the Nation has been named as a respondent in a Notice of Application for judicial review relating to the Nation's election code.

**19. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.



## 20. CONSOLIDATED SEGMENT DISCLOSURES

**Section 100 / 1000**

## 23 CONSOLIDATED SEGMENT DISCLOSURES (continued)

**Section 1 also covers**

(864) 30-0005-15.16 PRA

**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

July 29, 2016

**INDIGENOUS AND NORTHERN AFFAIRS CANADA**  
630 Canada Place, 9700 Jasper Avenue  
EDMONTON, Alberta T5J 4G2

**Attention: Mr. Sam Deeb, Field Services Officer**

Dear Mr. Deep:

**Re: Whitefish Lake Band No. 128**

Please find enclosed, for publication, under the First Nation Financial Transparency Act (FNFTA)

- 1. A copy, for your use, of the audited Financial Statements for the year ended March 31, 2016.
2. A copy, for your use, of the Schedule of Salaries, Honoraria, Travel and other Remuneration for Elected or Appointed Officials for the year ended March 31, 2016.

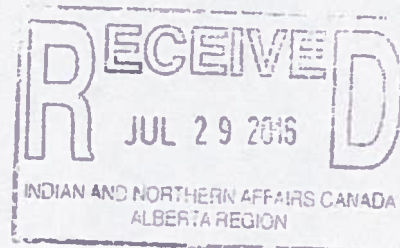
Should you have any questions regarding the foregoing, please do not hesitate to contact this office.

Yours truly,

**DOYLE & COMPANY**



S.T. Mockford, C.A.  
STM/br  
Enclosures



**Whitefish Lake Band No. 128**  
**Consolidated Financial Statements**  
**March 31, 2016**

# **Whitefish Lake Band No. 128**

## **CONTENTS**

	<b><u>Page</u></b>
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	<b>1</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>2</b>
Consolidated Statement of Financial Position	3
Consolidated Statement of Financial Activities	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Consolidated Statement of Changes in Accumulated Surplus - Schedule 1	7
Consolidated Statement of Tangible Capital Assets - Schedule 2	8
Consolidated Statement of Financial Activities by Program - Schedule 3	9
Consolidated Statement of Expenditures by Object - Schedule 4	10
Notes to the Consolidated Financial Statements	11 - 18

## 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

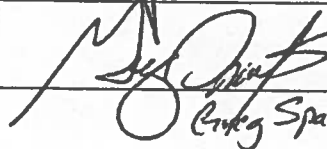


Councilor

Kevin Delf

 JAMES JACKSON

Councilor



Councilor

Ernie Sparklingos

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, 2016 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.

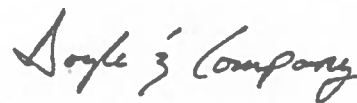
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

July 28, 2016

Edmonton, Alberta


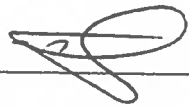



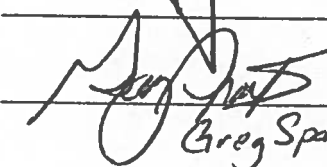
Chartered Accountants

**Whitefish Lake Band No. 128**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2016**

	2016 \$	2015 \$
<b>FINANCIAL ASSETS</b>		
Restricted cash (Note 3)	1,385,123	1,173,358
Investments (Note 4)	185,443	185,443
Accounts receivable (Note 5)	1,706,251	1,617,423
Related party loans receivable (Note 6)	-	156,629
	<b>3,276,817</b>	<b>3,132,853</b>
<b>LIABILITIES</b>		
Bank indebtedness (Note 7)	990,436	784,431
Line of credit (Note 8)	1,235,000	1,300,000
Accounts payable (Note 9)	3,049,274	3,580,318
Deferred revenue (Note 10)	1,248,686	682,613
Long-term liabilities (Note 11)	2,575,854	1,209,272
	<b>9,099,250</b>	<b>7,556,634</b>
<b>NET FINANCIAL DEBT</b>	<b>(5,822,433)</b>	<b>(4,423,781)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	16,902,240	17,738,175
Prepaid expenses	150,481	154,176
	<b>17,052,721</b>	<b>17,892,351</b>
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 15)</b>	<b>11,230,288</b>	<b>13,468,570</b>

Approved by the Band:

 Chief  
 Councilor  
 Kevin Hoff

 JAMES JACKSON Councilor  
 Councilor  
 Greg Sparkhengeg

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, 2016**

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada Trust Funds Revenue	6,193,742	10,501,457	9,604,216
First Nation Development Fund	189,094	803,850	393,797
Health Canada	1,289,932	1,703,549	554,612
Human Resources Development Canada Housing and Mortgage Corporation	436,546	871,587	1,554,872
Other revenue	-	10,000	865,251
Transfers	1,324,617	3,025,869	-
Revenue deferred from previous period	(48,047)	-	3,317,611
Revenue deferred to subsequent period	-	682,613	-
	-	(1,248,686)	436,593
	9,385,884	16,350,239	(682,613)
<b>EXPENDITURES</b>			
Administration	1,108,618	2,007,563	1,440,138
Adult Care Program	17,099	45,564	47,470
Band Police	58,681	47,324	72,257
Bussing	475,263	418,506	485,834
Chief and Council	482,899	440,126	530,406
Daycare Centre	389,580	454,221	368,265
Economic Development	165,258	169,488	297,192
Education - Administration	125,645	93,131	97,894
Education - Post-Secondary	719,818	735,916	876,906
Education - School	1,876,351	1,825,810	1,880,488
Education - Operations and Maintenance	298,285	682,569	820,648
Employee Benefits	193,764	196,820	234,734
Enhanced delivery	79,466	408,536	159,958
Health Services	1,265,281	1,455,477	1,616,944
Housing	-	531,454	456,498
Housing - Canada Mortgage and Housing Corporation	-	130,655	5,853
Loan - Royal Bank	-	101,093	64,583
National Child Tax Benefit	391,099	301,817	260,616
Public Works	2,276,667	2,392,550	2,974,470
Recreation	310,807	339,724	524,331
Remediation	-	268,000	94,218
Royal Bank Agency	-	142,497	122,548
Social Services	1,960,551	2,089,916	1,875,549
Social Services - Delivery	256,215	288,993	332,430
Special Projects	219,096	49,119	49,251
Summer Student Employment	-	119,666	87,564
Tribal Chiefs Employment and Training	259,818	322,812	299,852
Youth Skills Initiative	-	263,500	285,191
Youth Work Experience	-	72,536	110,623
	12,930,261	16,395,383	16,472,711
<b>Excess of Revenue Over Expenditures Before Other Revenue (Expenditures)</b>	<b>(3,544,377)</b>	<b>(45,144)</b>	<b>(428,372)</b>
<b>Other Revenue (Expenditures)</b>			
Amortization	-	(1,563,047)	(1,619,738)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>(1,608,186)</b>	<b>(2,048,110)</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, 2016**

	2016 \$	2015 \$
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>(1,002,624)</b>	<b>(1,416,983)</b>
Acquisition of tangible capital assets	(727,112)	(269,116)
Amortization of tangible capital assets	1,563,047	1,619,738
Trust funds used for operations	(393,797)	(499,000)
Enterprise equity transfer to operating	(841,861)	-
	<b>(399,723)</b>	<b>851,622</b>
Acquisition of prepaid assets	(150,481)	(154,176)
Use of prepaid assets	154,176	148,462
	<b>3,695</b>	<b>(5,714)</b>
<b>INCREASE IN NET DEBT</b>	<b>(1,398,652)</b>	<b>(571,075)</b>
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<b>(4,423,781)</b>	<b>(3,852,706)</b>
<b>NET FINANCIAL DEBT, END OF YEAR</b>	<b>(5,822,433)</b>	<b>(4,423,781)</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, 2016

	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and other income	16,261,411	16,584,023
Cash paid to suppliers and employees	(17,041,886)	(15,629,407)
	(780,475)	954,616
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term liabilities	(308,418)	(180,433)
Long-term liabilities obtained	1,675,000	-
	1,366,582	(180,433)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(727,112)	(269,116)
Decrease in investments	-	4,865
	(727,112)	(264,251)
<b>DECREASE IN BANK INDEBTEDNESS</b>	(141,005)	509,932
<b>BANK INDEBTEDNESS, BEGINNING OF YEAR</b>	(2,084,431)	(2,594,363)
<b>BANK INDEBTEDNESS, END OF YEAR</b>	(2,225,436)	(2,084,431)
<b>Bank indebtedness consists of the following:</b>		
Bank indebtedness	(990,436)	(784,431)
Line of credit	(1,235,000)	(1,300,000)
	(2,225,436)	(2,084,431)

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, 2016

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds	2016	2015
	\$	\$	\$	\$	\$	\$
<b>Balance, Beginning of Year</b>	(4,390,319)	16,528,903	156,628	1,173,358	13,468,570	15,384,553
Excess of revenue over expenditures	(1,608,186)	-	-	605,562	(1,002,624)	(1,416,983)
Restricted funds used for operations	-	-	-	(393,797)	(393,797)	(499,000)
Current years funds used for equity in enterprise	(685,233)	-	-	-	(841,861)	-
Current years funds used for tangible capital assets	(727,112)	727,112	(156,628)	-	-	-
Annual amortization expense	1,563,047	(1,563,047)	-	-	-	-
Long-term liabilities obtained	1,573,928	(1,573,928)	-	-	-	-
Long-term liabilities repaid	(207,346)	207,346	-	-	-	-
<b>Change in accumulated surplus</b>	(90,902)	(2,202,517)	(156,628)	211,765	(2,238,282)	(1,915,983)
<b>Balance, End of Year</b>	(4,481,221)	14,326,386	-	1,385,123	11,230,288	13,468,570

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, 2016

	Automotive and Equip. \$	Buildings & Housing \$	Furniture and Equip. \$	Engineered Structures \$	2016 \$	2015 \$
<b>COST:</b>						
Balance, Beginning of Year	7,664,474	27,915,333	143,025	11,782,265	47,505,097	47,235,981
Acquisition of tangible capital assets	727,112	-	-	-	727,112	269,116
Balance, End of Year	8,391,586	27,915,333	143,025	11,782,265	48,232,209	47,505,097
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, Beginning of Year	6,784,531	20,962,386	105,135	1,914,870	29,766,922	28,147,184
Annual amortization	364,057	698,042	7,578	493,370	1,563,047	1,619,738
Balance, End of Year	7,148,588	21,660,428	112,713	2,408,240	31,329,969	29,766,922
<b>NET BOOK VALUE</b>	<b>1,242,998</b>	<b>6,254,905</b>	<b>30,312</b>	<b>9,374,025</b>	<b>16,902,240</b>	<b>17,738,175</b>

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, 2016

	INAC Revenue \$	Trust Funds \$	Other Revenue \$	Total Revenue \$	Total Expenditures \$	2015 Surplus (Deficit) \$
Administration	643,429	-	1,845,202	2,488,631	2,007,563	637,865
Adult Care Program	45,564	-	-	45,564	45,564	(1,906)
Band Police	-	-	-	-	47,324	(35,550)
Chief and Council	-	-	320,798	320,798	440,126	(330,406)
Daycare Centre	81,000	-	343,279	424,279	454,221	(58,550)
Economic Development	288,816	-	-	288,816	169,488	113,066
Education - Administration	62,000	-	-	62,000	93,131	(67,254)
Education - Bussing	418,506	-	-	418,506	418,506	204,701
Education - Post Secondary	921,677	-	640	922,317	735,916	44,771
Education - School	1,555,052	-	86,673	1,641,725	1,825,810	(136,044)
Education - Operations and Maintenance	730,478	-	-	730,478	682,569	(23,908)
Employee Benefits	196,820	-	-	196,820	196,820	(38,473)
Enhanced Delivery	-	-	408,536	408,536	408,536	-
Health Services	-	-	1,534,765	1,534,765	1,455,477	79,288
Housing	467,130	-	(85,000)	382,130	531,454	(20,014)
Housing - CMHC	-	-	130,655	130,655	130,655	(51,398)
Loan - Royal Bank	-	-	-	-	101,093	-
National Child Tax Benefit	421,099	-	-	421,099	301,817	329,214
Public Works	1,958,955	-	318,427	2,277,382	2,392,550	130,483
Recreation	-	-	274,885	274,885	339,724	(754,892)
Remediation	268,000	-	-	268,000	268,000	-
Royal Bank Agency	-	-	-	-	142,497	(15,914)
Social Services	1,995,647	-	609	1,996,256	2,089,916	(107,368)
Social Services - Delivery	358,761	-	-	358,761	288,993	(316,478)
Special Projects	-	-	-	-	49,119	13,781
Summer Student Employment	29,832	-	-	29,832	119,666	(49,119)
Tribal Chiefs Employment and Training	-	-	405,813	405,813	322,812	(89,834)
Youth Skills Initiative	-	-	263,500	263,500	263,500	83,001
Youth Work Experience	58,691	-	-	58,691	72,536	160,811
						(45,886)
						(422)
	10,501,457	-	5,848,782	16,350,239	16,395,383	(45,144)
						(428,372)

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, 2016

	2016	2015
	\$	\$
<b>EXPENDITURES</b>		
Advertising	3,931	210
Bad debt expense	95,539	-
Building maintenance and utilities	339,530	400,266
Equipment	219,315	369,370
Insurance	254,406	229,321
Interest, bank charges and loan payments	187,935	214,702
Materials and supplies	511,301	443,142
Repairs and maintenance	145,045	678,287
Professional fees	1,046,302	1,316,058
Program costs	5,124,544	4,215,476
Training	1,116,961	1,083,070
Travel	563,788	622,812
Vehicle	726,607	763,655
Wages and employee benefits	6,060,179	6,136,342
<b>TOTAL EXPENDITURES</b>	<b>16,395,383</b>	<b>16,472,711</b>

The accompanying notes form part of these financial statements.

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

**NATURE OF OPERATIONS**

Whitefish Lake Band No. 128 provides local government, education and social development services to its members and was established under the Indian Act (Canada)

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

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

**(a) Fund Accounting**

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

**(b) Investments**

Investments are recorded at fair market value.

**(c) Revenue Recognition**

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

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



**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

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

**(d) 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%

**(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.

**(f) Financial Instruments**

The Band's financial instruments consist of investments, accounts receivable, bank indebtedness, line of credit, accounts payable and long-term liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

**Credit Risk**

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.

**Market Risk**

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

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

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

**(f) Financial Instruments**

**Currency Risk**

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

**Interest Rate Risk**

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

**(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.

**(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, 2016 is \$160,000 (2015 - \$140,000) 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.

# Whitefish Lake Band No. 128

## Notes to the Consolidated Financial Statements

March 31, 2016

### 3. RESTRICTED CASH

	2016 \$	2015 \$
Trust Funds		
Band Capital	1,004,436	585,238
Band Revenue	380,687	588,120
	<u>1,385,123</u>	<u>1,173,358</u>

### 4. INVESTMENTS

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

### 5. ACCOUNTS RECEIVABLE

	2016 \$	2015 \$
Indigenous and Northern Affairs Canada	811,151	635,704
Band Funds - Capital	-	393,798
Health Canada	9,253	-
First Nation Development Fund	203,635	403,086
Goods and Services Tax	13,492	132,625
Tribal Chief Ventures	244,783	-
Other	423,937	52,210
	<u>1,706,251</u>	<u>1,617,423</u>

### 6. RELATED PARTY LOANS RECEIVABLE (PAYABLE)

	2016 \$	2015 \$
Goodfish Lake Pasture Land Development Association	-	(134,411)
Goodfish Wildlife Ranches Ltd.	-	719,521
Goodfish Management Limited Partnership	-	(1,289,543)
Goodfish Lake Gas Utility Corporation	-	751,514
Goodfish Lake Development Corporation Ltd.	-	109,548
	<u>-</u>	<u>156,629</u>

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

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

**7. 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 is charged interest at Prime plus 5%.

**8. 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 \$1,035,000 (2015 - \$1,100,000) 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 (2015 - \$200,000), balance outstanding on this line of credit.

**9. ACCOUNTS PAYABLE**

	2016 \$	2015 \$
Trade payables	1,850,547	2,145,721
Due to related entities	853,397	1,289,543
Landfill closure costs	160,000	140,000
Wages, salaries and source deductions	185,330	5,054
	<b>3,049,274</b>	<b>3,580,318</b>

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

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**

March 31, 2016

**10. DEFERRED REVENUE**

	2016 \$	2015 \$
Indigenous and Northern Affairs Canada Capital project - AAO08	85,000	-
Health Canada	177,836	-
First Nation Development Fund	593,961	-
ASETS		
Tribal Chiefs Employment and Training	21,100	-
Canada Mortgage and Housing Corporation	-	120,655
Grant revenue		
Enhanced Delivery	79,175	253,958
Youth Skills Initiative	141,614	158,000
Hall Upgrade	150,000	150,000
	<b>1,248,686</b>	<b>682,613</b>

**11. LONG-TERM LIABILITIES**

	2016 \$	2015 \$
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.	1,020,042	1,209,272
The loan payable to the Royal Bank is repayable in monthly instalments of \$25,249 including interest charged at 5.0% and is secured by a general security agreement.	1,198,928	-
The loan payable to the Royal Bank is repayable in monthly instalments of \$6,890 including interest charged at 4.03% and is secured by equipment with a net book value of \$318,750.	356,884	-
	<b>2,575,854</b>	<b>1,209,272</b>

Interest paid on long-term liabilities was \$101,093 (2015 - \$64,582 )

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

**11. LONG-TERM LIABILITIES - continued**

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

	\$
2017	
2018	517,261
2019	542,919
2020	569,854
Thereafter	598,131
	347,689
	2,575,854

**12. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2016 \$	2015 \$
Tangible capital assets (Schedule 2)	48,232,209	47,505,097
Accumulated amortization (Schedule 2)	(31,329,969)	(29,766,922)
Long-term liabilities (Note 11)	(2,575,854)	(1,209,272)
	14,326,386	16,528,903

**13. EQUITY IN ENTERPRISE FUND**

	2016 \$	2015 \$
Balance, beginning of year	156,628	655,877
Advances to (from) related entities	-	(499,249)
Transfer to unrestricted surplus	(156,628)	-
Balance, end of year	-	156,628

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

**14. EQUITY IN TRUST FUND**

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	585,237	588,121	1,173,358
Royalties	419,199	138,994	558,193
Rent	-	22,881	22,881
Other	-	24,488	24,488
	1,004,436	774,484	1,778,920
<b>BCR NUMBER</b>	<b>DATES FUNDS RELEASED</b>	<b>PURPOSE OF EXPENDITURE</b>	
15-00001-0001	2015/12/15	RBC loan	-
			393,797
Balance, end of year	1,004,436	380,687	1,385,123

**15. ACCUMULATED SURPLUS**

	2016 \$	2015 \$
Unrestricted surplus	(4,481,221)	(4,390,319)
Equity in tangible capital assets	14,326,386	16,528,903
Equity in enterprise fund	-	156,628
Equity in trust funds	1,385,123	1,173,358
	11,230,288	13,468,570