

## **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."*

**SADDLE LAKE CREE NATION  
Consolidated Financial Statements  
Year Ended March 31, 2017**

**SADDLE LAKE CREE  NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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The consolidated financial statements of Saddle Lake Cree Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saddle Lake Cree Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Chief and Council are responsible for ensuring that management fulfills 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 satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited on behalf of the members by Kingston Ross Pasnak LLP, in accordance with Canadian public sector accounting standards.



Saddle Lake, AB  
July 21, 2017



KINGSTON  
ROSS  
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## **INDEPENDENT AUDITOR'S REPORT**

**July 25, 2017**  
**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, 2017 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 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, 2017. 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, 2017 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, 2017 and the consolidated results of its operations and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

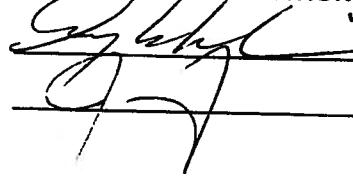
*Kingston Ross Pasnak LLP*

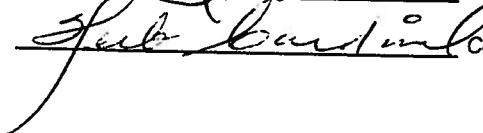
Kingston Ross Pasnak LLP  
Chartered Professional Accountants

**SADDLE LAKE CREE NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 13,259,075	\$ 6,660,128
Accounts receivable (Note 3)	2,501,560	1,917,522
Restricted short term investments (Note 4)	1,272,324	270,163
Investment in government business enterprises (Note 5)	1,077,394	1,009,356
Long term investments (Note 6)	7,240,305	8,021,478
Restricted capital trust funds (Note 8)	1,371,540	2,252,153
Restricted revenue trust funds (Note 8)	685,010	822,121
	<b>27,407,208</b>	<b>20,952,921</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,093,748	1,962,558
Deferred revenue (Note 9)	11,170,502	3,223,911
Long term debt (Note 10)	1,039,049	1,294,525
Obligations under capital lease (Note 11)	278,841	360,179
	<b>14,582,140</b>	<b>6,841,173</b>
<b>CONTINGENCIES (Note 14)</b>		
<b>NET FINANCIAL ASSETS</b>	<b>12,825,068</b>	<b>14,111,748</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	22,099,923	20,656,258
Deposits and prepaid expenses	785,965	697,573
	<b>22,885,888</b>	<b>21,353,831</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 35,710,956</b>	<b>\$ 35,465,579</b>

**ON BEHALF OF THE NATION**

  
 \_\_\_\_\_  
 Chief  
 \_\_\_\_\_  
 Councilor

  
 \_\_\_\_\_  
 Councillor  
  
 \_\_\_\_\_  
 Councillor

**SADDLE LAKE CREE NATION**

**Consolidated Statement of Revenues and Expenditures**

**For the Year Ended March 31, 2017**

	Budget 2017 (unaudited)	Total 2017	Total 2016
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	\$ 36,646,573	\$ 48,395,472	\$ 35,984,513
First Nations and Inuit Health Branch (FNIHB)	4,592,162	7,465,589	4,871,659
Other revenue	2,637,356	4,132,641	3,584,746
Province of Alberta	2,025,500	2,765,268	2,164,987
Aboriginal Human Resource Development (AHRD)	1,908,494	1,901,233	1,523,378
First Nations Development Fund (FNDF)	200,000	1,393,916	1,464,184
Child Tax Benefit	519,181	562,112	529,088
Capital trust funds	520,437	1,236,194	1,464,088
Revenue trust funds	637,000	637,000	604,644
Canada Mortgage and Housing Corporation (CMHC)		264,776	75,430
Contributions carried forward from prior year	-	3,223,911	2,522,372
Contributions carried forward to next year	-	(11,170,502)	(3,223,911)
<u>(Lapsed) recovered funding</u>	-	(14,483)	15,077
	<b>49,686,703</b>	<b>60,793,127</b>	<b>51,580,255</b>
<b>EXPENSES</b>			
Child Welfare	11,286,135	13,323,318	11,927,564
Public Works	5,331,816	10,736,627	6,775,391
Education	7,680,299	8,207,618	7,766,350
Social Assistance	8,716,926	7,428,694	7,643,877
Tribal Administration	4,522,158	6,449,827	6,050,213
Health Services	5,394,988	5,697,046	5,029,731
Post Secondary Education	3,322,835	3,614,585	3,273,309
Human Resources Development	2,038,884	1,752,296	1,822,807
Social Services	1,758,439	1,561,913	1,517,894
Other Health	-	149,522	47,444
	<b>50,052,480</b>	<b>58,921,446</b>	<b>51,854,580</b>
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>(365,777)</b>	<b>1,871,681</b>	<b>(274,325)</b>
<b>OTHER INCOME (EXPENSES)</b>			
(Loss) income from long term investments	-	(549,980)	1,521,402
(Loss) income from Government Business Enterprises (Note 5)	-	(58,601)	45,231
	<b>-</b>	<b>(608,581)</b>	<b>1,566,633</b>
<b>SURPLUS OF REVENUES OVER EXPENSES</b>	<b>(365,777)</b>	<b>1,263,100</b>	<b>1,292,308</b>
ACCUMULATED SURPLUS - BEGINNING OF YEAR	35,465,579	35,465,579	34,055,195
<u>Net change in trust funds</u>	-	(1,017,723)	118,076
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 35,099,802</b>	<b>\$ 35,710,956</b>	<b>\$ 35,465,579</b>

**SADDLE LAKE CREE NATION****Consolidated Statement of Changes in Net Financial Assets****Year Ended March 31, 2017**

	Budget 2017	2017	2016
<b>SURPLUS OF REVENUES OVER EXPENSES</b>	\$ (365,777)	\$ 1,263,100	\$ 1,292,308
Acquisition of tangible capital assets	-	(3,188,071)	(1,005,257)
Disposal of tangible capital assets	-	-	57,247
Amortization of tangible capital assets	-	1,744,406	1,752,248
Increase in deposits and prepaid expenses	-	(88,392)	(30,563)
<b>Net change in trust funds</b>	-	(1,017,723)	118,076
		(2,549,780)	891,751
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	(365,777)	(1,286,680)	2,184,059
<b>Net financial assets - beginning of year</b>	<b>14,111,748</b>	<b>14,111,748</b>	<b>11,927,689</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 13,745,971</b>	<b>\$ 12,825,068</b>	<b>\$ 14,111,748</b>

**SADDLE LAKE CREE NATION**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>OPERATING ACTIVITIES</b>		
Surplus of revenues over expenses	\$ 1,263,100	\$ 1,292,308
Items not affecting cash:		
Amortization of tangible capital assets	1,744,406	1,752,249
Loss on disposal of tangible capital assets	-	2,097
Advances and income from government business enterprises	(68,038)	(611,580)
Advances and income from long-term investments	781,173	(1,257,069)
	<b>3,720,641</b>	<b>1,178,005</b>
Changes in non-cash working capital:		
Accounts receivable	(584,037)	705,904
Accounts payable and accrued liabilities	131,190	(516,393)
Deferred revenue and deferred trust funds	7,946,591	58,856
Deposits and prepaid expenses	(88,393)	(30,562)
	<b>7,405,351</b>	<b>217,805</b>
<b>Cash flow from operating activities</b>	<b>11,125,992</b>	<b>1,395,810</b>
<b>INVESTING ACTIVITY</b>		
Purchase of short term investments	(1,002,161)	(1,348)
<b>Cash flow used by investing activity</b>	<b>(1,002,161)</b>	<b>(1,348)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	220,719	146,534
Repayment of long term debt	(476,194)	(1,285,279)
Repayment of obligations under capital lease	(81,338)	(160,258)
<b>Cash flow used by financing activities</b>	<b>(336,813)</b>	<b>(1,299,003)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisitions of tangible capital assets	(3,188,071)	(484,821)
Disposals of tangible capital assets	-	55,150
	<b>(3,188,071)</b>	<b>(429,671)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>6,598,947</b>	<b>(334,212)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>6,660,128</b>	<b>6,994,340</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 13,259,075</b>	<b>\$ 6,660,128</b>

**SADDLE LAKE CREE NATION****Consolidated Schedule of Total Expenses by Object****Year Ended March 31, 2017****(Schedule 1)**

	<b>Budget (unaudited)</b>		<b>2017</b>	<b>2016</b>
	<b>2017</b>	<b>2016</b>		
Wages and benefits	\$ 15,663,889	\$ 17,269,890	\$ 16,228,625	
Child welfare maintenance	11,120,435	9,459,279	8,566,580	
Contracted and program services	3,232,366	6,385,578	4,856,605	
Direct social assistance	7,812,426	6,284,727	6,537,765	
Travel, meetings, workshops	1,688,957	3,428,631	3,136,489	
Materials, goods and utilities	2,737,409	3,425,108	2,588,783	
Repairs and maintenance	2,941,836	3,386,386	2,512,648	
Post secondary allowances and tuition	2,709,570	3,242,743	2,859,307	
Office and general	1,464,136	2,791,156	1,654,043	
Amortization of tangible capital assets	-	1,744,406	1,752,249	
Donations, sponsorships and honorariums	192,018	915,122	580,328	
Professional fees	477,582	492,971	437,636	
Interest and bank charges	11,856	95,449	143,522	
	<b>\$ 50,052,480</b>	<b>\$ 58,921,446</b>	<b>\$ 51,854,580</b>	

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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**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, 2017 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.

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**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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**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 and the change in trust funds 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.

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**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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**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 \$603,405 (2016 - \$529,795) 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**

All financial instruments are initially measured at fair value, and, unless otherwise noted, the organization subsequently measures its financial instruments at amortized cost.

**3. ACCOUNTS RECEIVABLE**

	<b>2017</b>	<b>2016</b>
Accounts receivable include amounts due from the following:		
Province of Alberta	\$ 888,928	\$ 698,304
Other receivables	870,165	400,863
First Nations Development Fund	324,531	370,914
Indigenous and Northern Affairs Canada	206,912	333,222
First Nations & Inuit Health Branch	113,983	-
Canada Revenue Agency	97,041	114,219
	<hr/> <b>\$ 2,501,560</b>	<hr/> <b>\$ 1,917,522</b>

The balance due from Indigenous and Northern Affairs Canada includes \$25,000 (fiscal 2017 Child Welfare Operations - fixed contribution), \$58,570 (fiscal 2017 Basic Needs Learners - set contribution), and \$123,342 (fiscal 2016 Fire Response set contribution).

**4. RESTRICTED SHORT TERM INVESTMENTS**

Included in restricted short term investments are \$272,324 of Guaranteed Investment Certificates which bear interest at 0.80% and mature on September 21, 2017. 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.

In addition, there is \$1,000,000 of Guaranteed Investment Certificates which bear interest at 1.10% and mature on April 1, 2017. This investment is for flexible funding received from First Nations and Inuit Health Branch to be used for the Health Care Centre expansion.

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

**5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES**

	<b>2017</b>	<b>2016</b>
Balance beginning of year	\$ 1,009,356	\$ 397,778
Share of income (loss)	(58,601)	45,231
Net advances to government business enterprises	126,639	566,347
	<b>\$ 1,077,394</b>	<b>\$ 1,009,356</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, 2016
Saddle Lake Building Supplies Ltd.	100%	December 31, 2016
1786228 Alberta Ltd.	100%	March 31, 2017

**Unaudited aggregate balance sheet information:**

<b>Assets</b>		
Current assets	\$ 1,631,410	\$ 1,188,520
Capital assets	145,975	129,725
	<b>\$ 1,777,385</b>	<b>\$ 1,318,245</b>
<b>Liabilities</b>		
Current liabilities	\$ 476,004	\$ 282,399
Other liabilities	1,290,300	1,092,802
Equity	11,081	(56,956)
	<b>\$ 1,777,385</b>	<b>\$ 1,318,245</b>

**Unaudited aggregate income statement information:**

<b>Revenue</b>	\$ 8,527,064	\$ 5,949,279
<b>Expenses</b>	(8,585,665)	(5,904,048)
<b>Net income</b>	<b>\$ (58,601)</b>	<b>\$ 45,231</b>

**6. LONG TERM INVESTMENTS**

	<b>2017</b>	<b>2016</b>
Seven Lakes Oilfield Services LP	\$ 1,823,470	\$ 1,610,981
Pimee Well Servicing Ltd.	1,721,462	1,700,128
Pimee Well Servicing LP	1,644,504	1,601,427
SL Smoke Eaters LP	1,030,989	1,114,790
Keyano Pimee Exploration Company Ltd.	741,875	1,415,140
Peyasew Oilfield Services LP	214,687	513,335
United Farmers of Alberta Equity	47,874	50,233
TD Canada Trust guaranteed investment certificate	15,444	15,444
	<b>\$ 7,240,305</b>	<b>\$ 8,021,478</b>

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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**7. RELATED PARTY TRANSACTIONS**

During the year, Saddle Lake Cree Nation entered into transactions with its owned entities and long term investments. 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.

	<b>2017</b>	<b>2016</b>
<b>Capital trust fund</b>		
Beginning of year	\$ 2,252,153	\$ 2,153,700
Income from royalties	355,581	1,071,020
Transfer to Nation programs	(1,236,194)	(972,567)
	<b>1,371,540</b>	<b>2,252,153</b>
<b>Revenue trust fund</b>		
Beginning of year	822,121	802,498
Income from royalties and interest	499,889	473,105
Transfer to Nation programs	(637,000)	(453,482)
	<b>685,010</b>	<b>822,121</b>
<b>Total trust funds</b>	<b>\$ 2,056,550</b>	<b>\$ 3,074,274</b>

**SADDLE LAKE CREE NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2017****9. DEFERRED REVENUE**

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2017.

	Opening balance	Contributions received	Revenue recognized	Ending balance
Indigenous and Northern Affairs Canada	\$ 2,166,603	\$ 23,723,929	\$ (17,658,129)	\$ 8,232,403
First Nations and Inuit Health Branch	274,548	2,408,466	(394,239)	2,288,775
Six Independent Alberta First Nations (SIAFN)	-	1,589,778	(1,241,454)	348,324
First Nations Development Fund (FNDF)	287,117	320,700	(357,817)	250,000
Other	47,000	80,000	(76,000)	51,000
Revenue trust funds	398,643	-	(398,643)	-
Capital trust funds	50,000	-	(50,000)	-
	<b>\$ 3,223,911</b>	<b>\$ 28,122,873</b>	<b>\$ (20,176,282)</b>	<b>\$ 11,170,502</b>

Included in the INAC deferred revenue is \$120,556 for Child Welfare - Kinship Care Maintenance, \$446,639 for Child Welfare - Prevention Least Disruptive Measures, \$713,511 for Social Assistance - Income Assistance, \$372,000 for Social Services - Income Assistance, \$529,003 for Housing - Construction of Multi-units, \$150,000 for Public Works - Capital Planning Projects, \$704,530 for Public Works - Culture & Recreation, \$483,000 for Public Works - Energy Systems, \$2,728,754 for Public Works - Fire Protection, \$995,892 for Public Works - Renovations & Additions, \$75,000 for Administration - Planning & Skills Development, \$180,000 for Administration - Band Support, \$3,566 for Administration - Registries & Membership, and \$729,950 for Administration - INAC Backpay funding.

Included in the First Nations and Inuit Health Branch deferred revenue is \$2,288,775 for Health Care Centre - Capital Investments to be used for the construction of the Saddle Lake Health Care Centre expansion.

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

**10. LONG TERM DEBT**

	<b>2017</b>	<b>2016</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.	\$ 211,386	\$ 236,446
Project #003 mortgage repayable to Canada Housing and Mortgage Corporation bearing interest at 1.31% per annum, repayable in monthly blended payments of \$1,911. The mortgage renews on December 1, 2021 and matures on October 1, 2026 and is secured by a ministerial guarantee.	206,456	226,290
BMO bank loan bearing interest at 6.90% per annum, repayable in monthly blended payments of \$4,360. The loan matures on October 24, 2021 and is secured by equipment with a carrying value of \$187,611.	205,085	-
Project #002 mortgage repayable to Canada Housing and Mortgage Corporation bearing interest at 1.14% per annum, repayable in monthly blended payments of \$1,775. The mortgage renews on June 1, 2021 and matures on May 1, 2026 and is secured by a ministerial guarantee.	185,363	204,081
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 \$132,830.	118,137	201,888
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 \$58,697.	80,192	97,280
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 \$28,491.	32,430	41,422
TD Canada Trust bank loan repaid in the year.	-	245,287
TD Canada Trust bank loan repaid in the year.	-	41,831
	<b>\$ 1,039,049</b>	<b>\$ 1,294,525</b>

*(continues)*

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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

Principal repayment terms are approximately:

2018	\$ 194,590
2019	176,579
2020	154,164
2021	138,743
2022	98,206
Thereafter	<u>276,767</u>
	<u><u>\$ 1,039,049</u></u>

Interest paid on long-term debt amounted to \$38,091 (2016 - \$85,073) during the year.

As at March 31, 2017, 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, 2017 the loan was not drawn upon.

**11. OBLIGATIONS UNDER CAPITAL LEASE**

	2017	2016
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 \$370,789.	<u><u>\$ 278,841</u></u>	<u><u>\$ 360,179</u></u>

Future minimum capital lease payments are approximately:

2018	\$ 85,512
2019	85,512
2020	85,512
2021	<u>28,505</u>
 Total minimum lease payments	 285,041
 Less: amount representing interest at various rates	 <u>(6,200)</u>
	 <u><u>\$ 278,841</u></u>

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

**12. TANGIBLE CAPITAL ASSETS**

<b>COST</b>	<b>2016</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>2017</b>
Land	\$ 647,730	\$ -	\$ -	\$ 647,730
Buildings	7,202,720	2,466,564	-	9,669,284
Engineering structures	15,716,525	-	-	15,716,525
Equipment	1,496,049	78,755	-	1,574,804
Automotive	7,768,059	598,757	-	8,366,816
Computer equipment	645,887	43,995	-	689,882
	<b>\$ 33,476,970</b>	<b>\$ 3,188,071</b>	<b>\$ -</b>	<b>\$ 36,665,041</b>

<b>ACCUMULATED AMORTIZATION</b>	<b>2016</b>	<b>Amortization expense</b>	<b>Disposals</b>	<b>2017</b>
Land	\$ -	\$ -	\$ -	\$ -
Buildings	1,962,136	224,093	-	2,186,229
Engineering structures	3,801,605	683,104	-	4,484,709
Equipment	717,681	163,443	-	881,124
Automotive	5,761,866	634,995	-	6,396,861
Computer equipment	577,424	38,771	-	616,195
	<b>\$ 12,820,712</b>	<b>\$ 1,744,406</b>	<b>\$ -</b>	<b>\$ 14,565,118</b>

<b>NET BOOK VALUE</b>	<b>2016</b>	<b>2017</b>
Land	\$ 647,730	\$ 647,730
Buildings	5,240,584	7,483,055
Engineering structures	11,914,920	11,231,816
Equipment	778,368	693,680
Automotive	2,006,193	1,969,955
Computer equipment	68,463	73,687
	<b>\$ 20,656,258</b>	<b>\$ 22,099,923</b>

Included above are Automotives held under capital lease (Note 11) with a cost of \$520,436, accumulated amortization of \$149,647 and a net book value of \$370,789.

**13. ACCUMULATED SURPLUS**

	<b>2017</b>	<b>2016</b>
Unrestricted surplus	\$ 5,310,052	\$ 7,105,374
Equity in trust funds (Note 8)	2,056,549	3,074,273
Equity in tangible capital assets	18,707,876	17,216,086
Equity in investments	9,636,479	8,069,846
	<b>\$ 35,710,956</b>	<b>\$ 35,465,579</b>

# **SADDLE LAKE CREE NATION**

## **Notes to Consolidated Financial Statements**

**Year Ended March 31, 2017**

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### **14. CONTINGENCIES**

As at March 31, 2017, Saddle Lake Cree Nation has unfunded CMHC replacement reserves in the amount of \$76,513 (2016 - \$98,246).

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 is named as a defendant in ongoing legal proceedings with two members of the Nation and the Canadian Human Rights Commission. The outcome and estimate of loss, if any, are not determinable as 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, 2017. 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.

### **17. BUDGET INFORMATION**

The budget information for the year ended March 31, 2017 is prepared by management, approved by Chief and Council and is unaudited.

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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**18. SUBSEQUENT EVENT**

Subsequent to year-end, Peyasew Management Ltd., a government business enterprise, was dissolved.

**19. COMPARATIVE FIGURES**

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

2017 Fiscal Year	Public Works	Human Resource Development	Education	Post Secondary	Social Assistance	Social Services	Child Welfare	Tribal Administration	Other Health	Health Care Centre	Other	Total
<b>Revenue</b>												
INAC Block Contribution funding	2,924,835	-	5,438,482	3,331,258	10,038,882	268,208	44,003	2,859,882	-	582,884	-	26,484,715
INAC Fixed Contribution funding	3,576,059	-	-	-	-	-	11,343,759	75,000	-	-	-	14,290,828
INAC Set Contribution funding	-	381,842	2,408,657	-	120,177	-	-	-	187,053	-	-	3,081,331
INAC Flexible Contribution funding	4,842,588	-	-	-	-	-	-	-	-	-	-	4,842,588
Fed First Nations Health Branch (FNHB)	-	-	-	-	-	-	-	-	-	-	-	7,486,089
Other Revenue	1,478,570	288,208	203,387	130	-	41,984	75,419	1,363,628	83,787	8,168	-	3,671,171
Province of Alberta	-	-	130,200	-	-	-	78,500	2,410,588	148,000	-	-	2,765,588
AHDFW/RDC Revenue	-	-	-	-	-	-	-	-	-	-	-	1,801,233
Fed Nation Development fund (FNDF)	-	1,371,775	529,454	-	-	-	-	-	-	-	-	1,833,916
Child Tax Benefit	-	-	-	-	-	-	-	-	-	-	-	682,112
Capital Works funds	-	-	-	-	-	-	-	-	-	-	-	1,288,184
Revenue Trust funds	742,395	-	-	-	-	-	-	-	-	-	-	637,000
Canada Mortgage and Housing Corporation (CMHC)	-	-	-	-	-	-	-	-	-	-	-	284,778
Net contributions carried forward	264,776	-	-	-	-	-	-	-	-	-	-	(7,046,691)
(Lapsed) revenueless funding	(5,541,176)	(191,252)	(157,073)	-	(369,308)	(372,000)	(367,186)	1,293,243	-	(2,014,227)	(14,403)	(14,482)
Property Tax Revenue	-	-	-	-	-	-	-	-	-	-	-	581,351
Income received from Onihstotewapin Business Trust	-	-	-	-	-	-	-	-	-	-	-	681,361
Income from Government Business Enterprises	-	-	-	-	-	-	-	-	-	-	-	(58,601)
Income from Investments	-	-	-	-	-	-	-	-	-	-	-	(549,890)
<b>Total Revenue</b>	<b>8,388,134</b>	<b>1,978,778</b>	<b>8,422,887</b>	<b>3,331,289</b>	<b>8,789,261</b>	<b>14,762</b>	<b>13,888,686</b>	<b>9,021,812</b>	<b>83,787</b>	<b>8,023,031</b>	<b>(58,601)</b>	<b>(549,890)</b>
<b>Expenses</b>												
Wages and benefits	2,178,319	989,308	3,830,088	218,485	715,197	618,936	2,732,081	2,840,715	-	2,889,802	-	17,288,880
Contracted and program services	2,184,758	278,388	2,360,778	63,074	-	359,886	607,042	-	-	-	-	5,885,578
Professional fees	20,025	13,950	18,405	6,175	14,800	5,875	8,644,43	307,577	-	-	-	482,971
Materials, goods and utilities	1,354,744	10,570	480,073	204,852	16,071	68,007	59,990	183,695	-	33,783	-	1,026,854
Amortization of tangible capital assets	1,224,599	21,757	188,387	44,812	17,274	1,595	30,104	121,442	-	10,050	-	3,428,109
Post secondary allowances and tutor	-	28,100	15,026	2,684,738	-	50,877	-	-	-	-	-	1,744,406
Repairs and maintenance	2,588,475	19,047	391,801	-	25,885	3,082	48,588	38,248	-	13,031	-	3,342,743
Travel, Meetings, Workshops	154,728	71,020	153,629	113,085	263,420	204,330	628,370	988,747	-	256,810	-	3,388,386
Office and general	984,576	87,388	813,986	18,851	77,285	49,878	263,301	440,616	60,708	213,326	-	3,429,631
Donations, sponsorships and honorariums	80,335	1,100	33,319	25,612	12,750	400	38,954	883,098	31,948	16,680	-	2,791,168
Interest and bank charges	19,288	56	34,498	2,621	1,175	1,257	358	-	-	-	-	81,622
Child welfare assistance	-	-	-	-	-	-	-	-	-	-	-	94,449
Direct social assistance	-	-	-	-	-	-	-	-	-	-	-	9,488,378
Other	-	-	-	-	-	6,284,727	-	-	-	-	-	6,284,727
<b>Total Expenses</b>	<b>16,738,637</b>	<b>1,782,396</b>	<b>8,267,618</b>	<b>3,614,698</b>	<b>7,428,684</b>	<b>1,681,813</b>	<b>13,322,318</b>	<b>6,469,827</b>	<b>148,622</b>	<b>8,697,046</b>	<b>-</b>	<b>68,821,461</b>
<b>Surplus (Deficit) before transfers</b>	<b>(3,448,603)</b>	<b>226,482</b>	<b>215,289</b>	<b>(283,196)</b>	<b>2,331,686</b>	<b>(1,647,211)</b>	<b>846,349</b>	<b>2,671,885</b>	<b>(85,725)</b>	<b>226,888</b>	<b>(808,601)</b>	<b>1,263,100</b>
<b>Transfers</b>												
Office and	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle repair	219,628	(15,844)	(9,876)	(9,876)	(36,375)	-	(70,307)	(77,750)	-	-	-	-
C C T B transfers	225,854	-	(225,854)	-	-	-	-	-	-	-	-	-
WOF transfers	130,000	10,000	100,000	-	-	(1,415,000)	1,025,085	-	127,200	-	-	25,000
Accounting fee	32,114	34,886	4,297	-	-	(224,581)	111,532	-	15,500	-	-	-
Transfer to Human Resources Development	(22,400)	(12,000)	(30,000)	(8,700)	(8,700)	(8,700)	(24,000)	149,500	-	(35,000)	(11,000)	-
Transfer from Post Secondary	-	-	-	(5,000)	(3,000)	-	65,000	(10,000)	-	(325,520)	-	-
Transfer to Public Works	-	-	-	41,538	(41,538)	-	-	-	-	-	-	-
Transfer to Social Services	1,949,497	-	-	-	-	(258,638)	-	-	-	(1,082,681)	-	-
Indian Residential Schools transfer to Tribal Administration	-	-	-	-	-	(380,000)	380,000	-	-	-	-	-
<b>Total Transfers</b>	<b>2,681,003</b>	<b>343,674</b>	<b>(134,796)</b>	<b>(64,914)</b>	<b>(2,331,887)</b>	<b>1,682,887</b>	<b>(164,397)</b>	<b>(1,810,801)</b>	<b>-</b>	<b>(70,000)</b>	<b>-</b>	<b>1,263,100</b>
<b>Surplus (Deficit) after transfers</b>	<b>112,600</b>	<b>88,688</b>	<b>80,474</b>	<b>(248,116)</b>	<b>0</b>	<b>6,686</b>	<b>41,041</b>	<b>760,784</b>	<b>(85,725)</b>	<b>306,988</b>	<b>(808,601)</b>	<b>-</b>

	2018 Fiscal Year	Public Works	Human Resource Development	Education	Post Secondary	Social Assistance	Social Services	Child Welfare	Tribal Administration	Other Health	Health Care Centre	Other	Total
<b>Revenue</b>													
INAC Block Contribution funding	2,827,988	-	5,335,387	3,287,284	9,881,191	240,235	130,986	1,088,811	-	531,828	-	23,891,638	
INAC Fuel Contribution funding	126,051	-	280,000	-	56,400	-	9,106,322	1,206	-	-	-	8,865,278	
INAC Health Contribution funding	630,368	150,795	1,308,622	-	190,805	-	-	-	151,754	-	-	2,432,546	
Fleet Netton and Inuit Health Branch (FNHB)	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	672,490	682,586	178,880	3,040	-	24,225	247,035	1,488,182	74,168	4,871,036	-	4,871,036	
Province of Alberta	-	-	-	-	-	-	-	-	-	80,634	-	3,440,285	
ANRDH/RDC Revenue	-	-	-	-	-	-	-	-	-	-	-	2,164,957	
Fuel Consumption Adjustment Fund (FCAF)	-	1,211,924	311,454	-	-	-	-	-	-	-	-	1,223,111	
Child Tax Benefit	-	-	-	-	-	-	-	-	-	-	-	1,484,184	
Capital Trust funds	-	-	-	-	-	-	-	-	-	-	-	628,038	
Revenue Trust funds	954,000	-	-	-	-	-	-	-	-	-	-	1,484,000	
Canada Mortgage and Housing Corporation (CMHC)	-	-	-	-	-	-	-	-	-	-	-	604,544	
Net contributions control reward	75,430	-	-	-	-	-	-	-	-	-	-	75,430	
Espresso Incorporated funding	100,000	-	-	-	383,302	1,028,086	182,783	-	-	-	-	(701,032)	
Property Tax Revenue	-	-	-	-	-	(4,923)	-	20,000	-	-	-	-	
Income statement from Onchikatawewin Business Trust	-	-	-	-	-	-	-	-	-	-	-	16,777	
Income from Government Business Enterprises	-	-	-	-	-	-	-	-	-	-	-	14,621	
Income from Investments	-	-	-	-	-	-	-	-	-	-	-	45,231	
<b>Total Revenue</b>	<b>6,288,338</b>	<b>2,095,308</b>	<b>7,428,633</b>	<b>3,684,238</b>	<b>11,131,871</b>	<b>613,743</b>	<b>12,121,428</b>	<b>3,890,182</b>	<b>74,168</b>	<b>8,203,671</b>	<b>1,988,833</b>	<b>63,146,388</b>	
<b>Expenses</b>													
Wages and benefits	1,788,123	878,448	4,491,928	192,583	868,521	800,868	2,384,200	2,004,282	-	2,308,681	-	16,223,828	
Contracted and program services	1,252,654	421,268	1,623,208	160,726	-	378,981	1,029	686,126	-	328,138	-	4,856,608	
Professional fees	45,517	23,000	23,605	11,895	20,800	6,702	120,821	157,573	-	48,370	-	437,536	
Materials, goods and utilities	579,449	6,186	430,546	158,807	9,882	53,378	58,700	188,204	2,424	1,082,311	-	2,688,783	
Amortization of tangible capital assets	1,254,887	778	1,254	38,800	15,204	2,453	28,318	125,500	14,357	106,776	-	1,762,243	
Post secondary allowances and tutor	-	313,851	14,325	2,487,313	-	63,738	-	-	-	-	-	2,069,206	
Repairs and maintenance	1,492,882	37,353	588,550	-	28,048	602	49,449	92,824	-	20,838	301,385	-	
Travel, Meetings, Workshops	121,805	188,571	101,978	129,022	308,801	182,034	478,204	975,672	-	862,542	-	2,612,648	
Other expenses	210,236	144,508	288,247	50,398	43,421	23,658	221,572	413,888	6,670	271,055	-	2,134,483	
Donations, sponsorships and honorariums	38,050	400	32,812	41,324	9,308	3,028	30,430	402,821	3,350	18,900	-	1,800,443	
Interest and bank charges	22,088	-	33,102	1,853	1,546	1,280	264	83,406	5	-	-	880,528	
Child welfare maintenance	-	-	-	-	-	-	-	-	-	-	-	143,823	
Direct social assistance	-	-	-	-	-	-	-	-	-	-	-	8,694,891	
Other	-	-	-	-	-	6,537,785	-	-	-	-	-	-	
<b>Total Expenses</b>	<b>6,776,351</b>	<b>1,822,887</b>	<b>7,768,368</b>	<b>3,273,308</b>	<b>7,843,877</b>	<b>1,817,894</b>	<b>11,827,088</b>	<b>6,088,213</b>	<b>47,444</b>	<b>8,028,731</b>	<b>-</b>	<b>61,804,678</b>	
<b>Surplus (Deficit) before transfers</b>	<b>(1,288,038)</b>	<b>232,488</b>	<b>(340,817)</b>	<b>396,827</b>	<b>3,487,784</b>	<b>(1,094,181)</b>	<b>201,863</b>	<b>(2,088,083)</b>	<b>20,725</b>	<b>178,840</b>	<b>1,988,833</b>	<b>1,292,308</b>	
<b>Transfers</b>													
Offices and	218,271	(13,675)	(6,975)	(6,975)	(21,879)	-	(60,435)	(104,833)	-	-	-	-	-
Vehicle repair	191,680	-	(191,680)	-	-	-	-	-	-	-	-	-	-
C.C.T.B. transfers	162,613	10,000	110,000	-	(1,282,813)	860,000	-	86,000	-	-	-	-	-
WOP transfers	11,944	30,402	22,077	-	(210,773)	105,851	-	43,000	-	20,000	-	-	-
Accounting fee	(23,784)	(50,000)	(50,000)	(6,700)	(6,700)	(6,700)	(23,000)	149,884	-	(35,000)	-	-	-
Health	-	-	-	(5,000)	(3,000)	-	-	(25,000)	(25,000)	-	(10,000)	-	-
Transfer from Human Resources Development	-	-	(155,550)	29,302	-	-	-	-	-	126,178	-	-	-
Transfer from Post Secondary	-	-	-	48,803	(48,803)	-	-	-	-	-	-	-	-
Transfer to Administration	-	-	-	-	(250,000)	(1,979,673)	(41,184)	-	2,229,873	-	-	-	-
Transfer from Social Services	-	-	-	-	-	-	-	-	-	260,700	-	-	-
Indian Residential Schools Transfer to Tribal Administration	-	-	-	-	-	-	-	-	-	(260,700)	-	-	-
<b>Total Transfers</b>	<b>976,884</b>	<b>(161,173)</b>	<b>(27,773)</b>	<b>(319,278)</b>	<b>(3,412,494)</b>	<b>1,696,767</b>	<b>(83,838)</b>	<b>2,788,781</b>	<b>-</b>	<b>(266,700)</b>	<b>-</b>	<b>1,988,833</b>	<b>1,292,308</b>
<b>Surplus (Deficit) after transfers</b>	<b>(809,402)</b>	<b>81,226</b>	<b>(368,680)</b>	<b>71,643</b>	<b>15,340</b>	<b>(3,398)</b>	<b>108,028</b>	<b>898,738</b>	<b>26,725</b>	<b>(106,760)</b>	<b>-</b>	<b>1,988,833</b>	<b>1,292,308</b>

**Whitefish Lake Band No. 128  
Consolidated Financial Statements**

**March 31, 2017**

# **Whitefish Lake Band No. 128**

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# Whitefish Lake FIRST NATION #128

GOODFISH LAKE Box 271, Alberta, Canada T0A 1R0

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Whitefish Lake Band No. 128 are the responsibility of management and have been approved by the Chief and 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 consolidated 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 consolidated financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to the Council.

  
\_\_\_\_\_  
Chief

\_\_\_\_\_  
Councilor

  
\_\_\_\_\_  
Councilor

\_\_\_\_\_  
Councilor

**DOYLE & COMPANY**  
CHARTERED PROFESSIONAL  
ACCOUNTANTS

Allan J. Grykuliak, CPA, CA\*

Scott T. Mockford, CPA, CA\*

Allen Lee, CPA, CMA\*

Jason Bondarevich, CPA, CA\*

\* 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, 2017 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

July 27, 2017

Edmonton, Alberta

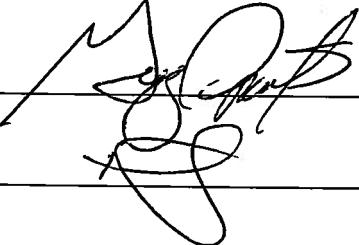
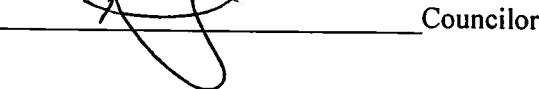
*Doyle & Company*

Chartered Professional Accountants

**Whitefish Lake Band No. 128**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2017**

	2017	2016
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	1,219,077	-
Restricted cash (Note 3)	1,211,083	1,385,123
Investments (Note 4)	40,200	185,443
Accounts receivable (Note 5)	1,281,021	1,706,251
	<b>3,751,381</b>	<b>3,276,817</b>
<b>LIABILITIES</b>		
Bank indebtedness (Note 6)	-	990,436
Line of credit (Note 7)	200,000	1,235,000
Accounts payable (Note 8)	3,504,298	3,185,383
Deferred contributions (Note 9)	2,673,193	1,112,577
Obligations Under Capital Lease (Note 10)	675,074	356,884
Long-term liabilities (Note 11)	1,771,192	2,218,970
	<b>8,823,757</b>	<b>9,099,250</b>
<b>NET FINANCIAL DEBT</b>	<b>(5,072,376)</b>	<b>(5,822,433)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	16,951,768	16,902,240
Prepaid expenses	157,459	150,481
	<b>17,109,227</b>	<b>17,052,721</b>
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 14)</b>	<b>12,036,851</b>	<b>11,230,288</b>

Approved by the Band:

 \_\_\_\_\_ Chief  
 \_\_\_\_\_ Councilor  
 \_\_\_\_\_ Councilor  
 \_\_\_\_\_ Councilor

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, 2017**

	2017 Budget \$	2017 Actual \$	2016 Actual \$
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	5,763,997	11,908,931	10,501,457
Trust Funds			
Capital	-	693,948	-
Revenue	-	387,942	-
First Nation Development Fund	-	765,321	803,850
Health Canada	-	1,820,512	1,703,549
Tribal Chiefs Employment and Training	479,546	1,179,750	871,587
Canada Housing and Mortgage Corporation	-	-	10,000
Other revenue	181,533	3,099,088	3,025,870
Revenue deferred from previous period	-	1,112,577	546,504
Revenue deferred to subsequent period	-	(2,673,193)	(1,112,577)
	6,425,076	18,294,876	16,350,240
<b>EXPENDITURES</b>			
Administration	1,075,344	2,018,070	2,251,708
Adult Care Program	36,192	-	-
Bussing	371,658	442,816	418,506
Chief and Council	442,855	318,161	440,126
Daycare Centre	520,432	321,365	454,221
Economic Development	-	160,258	169,488
Education - Administration	124,125	103,251	93,131
Education - Post-Secondary	945,645	874,595	735,916
Education - School	1,997,512	1,822,301	1,825,810
Education - Operations and Maintenance	293,277	476,527	801,843
Employee Benefits	193,788	-	-
Enhanced delivery	254,138	315,263	408,536
Health Services	1,820,512	1,802,784	1,455,477
Housing	-	534,525	412,180
Housing - Canada Mortgage and Housing Corporation	-	-	130,655
Loan - Royal Bank	-	-	101,093
National Child Tax Benefit	391,099	398,466	301,817
Public Works	1,811,130	2,910,120	2,392,550
Recreation	373,398	689,121	339,724
Remediation	-	28,077	268,000
Royal Bank Agency	60,466	92,118	142,497
Social Services	2,065,847	2,212,368	2,089,916
Social Services - Delivery	325,208	374,869	334,557
Special Projects	45,450	-	49,119
Summer Student Employment	-	119,330	119,666
Tribal Chiefs Employment and Training	340,872	518,314	322,812
Youth Skills Initiative	269,821	289,900	263,500
Youth Work Experience	-	184,060	72,536
	13,758,769	17,006,659	16,395,384
<b>Excess of Revenue Over Expenditures Before Other Revenue (Expenditures)</b>	(7,333,693)	1,288,217	(45,144)
<b>Other Revenue (Expenditures)</b>			
Indigenous and Northern Affairs Canada - capital funding	-	1,291,969	-
Amortization	-	(1,599,583)	(1,563,047)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	-	980,603	(1,608,186)

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, 2017**

	2017 \$	2016 \$
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>1,888,453</b>	<b>(1,002,624)</b>
Acquisition of tangible capital assets	(1,649,111)	(727,112)
Amortization of tangible capital assets	1,599,583	1,563,047
Trust funds used for operations	(1,081,890)	-
Enterprise equity transfer to operating	-	(1,235,658)
	<b>(1,131,418)</b>	<b>(399,723)</b>
Acquisition of prepaid assets	(157,459)	(150,481)
Use of prepaid assets	150,481	154,176
	<b>(6,978)</b>	<b>3,695</b>
<b>DECREASE (INCREASE) IN NET FINANCIAL DEBT</b>	<b>750,057</b>	<b>(1,398,652)</b>
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<b>(5,822,433)</b>	<b>(4,423,781)</b>
<b>NET FINANCIAL DEBT, END OF YEAR</b>	<b>(5,072,376)</b>	<b>(5,822,433)</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, 2017**

	<b>2017</b> \$	<b>2016</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and other income	18,720,106	16,261,411
Cash paid to suppliers and employees	(13,836,699)	(17,041,886)
	<b>4,883,407</b>	<b>(780,475)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term liabilities	(554,910)	(308,418)
Long-term liabilities obtained	419,884	1,675,000
	<b>(135,026)</b>	<b>1,366,582</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(1,649,111)	(727,112)
Decrease in investments	145,243	-
	<b>(1,503,868)</b>	<b>(727,112)</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>3,244,513</b>	<b>(141,005)</b>
<b>BANK INDEBTEDNESS, BEGINNING OF YEAR</b>	<b>(2,225,436)</b>	<b>(2,084,431)</b>
<b>CASH (BANK INDEBTEDNESS), END OF YEAR</b>	<b>1,019,077</b>	<b>(2,225,436)</b>
 <b>Bank indebtedness consists of the following:</b>		
Cash	1,219,077	-
Bank indebtedness	-	(990,436)
Line of credit	(200,000)	(1,235,000)
	<b>1,019,077</b>	<b>(2,225,436)</b>

The accompanying notes form part of these financial statements.

# Whitefish Lake Band No. 128

## Schedule of Changes in Accumulated Surplus - Schedule 1

For the year ended March 31, 2017

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Trust Funds	2017	2016
<b>Balance, Beginning of Year</b>	<b>(4,481,221)</b>	<b>14,326,386</b>	<b>1,385,123</b>	<b>11,230,288</b>	<b>13,468,570</b>
Excess of revenue over expenditures	980,603	-	907,850	1,888,453	(1,002,624)
Restricted funds used for operations	-	-	(1,081,890)	(1,081,890)	(1,235,658)
Current years funds used for tangible capital assets	(1,649,111)	1,649,111	-	-	-
Annual amortization expense	1,599,583	(1,599,583)	-	-	-
Long-term liabilities obtained	419,885	(419,885)	-	-	-
Long-term liabilities repaid	(549,473)	549,473	-	-	-
<b>Change in accumulated surplus</b>	<b>801,487</b>	<b>179,116</b>	<b>(174,040)</b>	<b>806,563</b>	<b>(2,238,282)</b>
<b>Balance, End of Year</b>	<b>(3,679,734)</b>	<b>14,505,502</b>	<b>1,211,083</b>	<b>12,036,851</b>	<b>11,230,288</b>

The accompanying notes form part of these financial statements.

# Whitefish Lake Band No. 128

## Consolidated Statement of Tangible Capital Assets - Schedule 2

For the year ended March 31, 2017

	Automotive and Equip. \$	Buildings & Housing \$	Furniture and Equip. \$	Engineered Structures \$	2017 \$	2016 \$
<b>COST:</b>						
Balance, Beginning of Year	8,336,637	27,970,282	143,025	11,782,265	48,232,209	47,505,097
Acquisition of tangible capital assets	557,142	1,091,969	-	-	1,649,111	727,112
Balance, End of Year	8,893,779	29,062,251	143,025	11,782,265	49,881,320	48,232,209
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, Beginning of Year	7,148,588	21,660,428	112,713	2,408,240	31,329,969	29,766,922
Annual amortization	439,236	685,584	6,062	468,701	1,599,583	1,563,047
Balance, End of Year	7,587,824	22,346,012	118,775	2,876,941	32,929,552	31,329,969
<b>NET BOOK VALUE</b>	<b>1,305,955</b>	<b>6,716,239</b>	<b>24,250</b>	<b>8,905,324</b>	<b>16,951,768</b>	<b>16,902,240</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, 2017

	INAC Revenue \$	Trust Funds \$	Other Revenue \$	Total Revenue \$	2017 Total Expenditures \$	2017 Surplus (Deficit) \$	2016 Surplus (Deficit) \$
Administration	992,185	1,081,890	1,147,329	3,221,404	2,018,070	1,203,334	433,744
Chief and Council	-	-	172,204	172,204	318,161	(145,957)	(119,328)
Daycare Centre	81,000	-	220,365	301,365	321,365	(20,000)	(29,942)
Economic Development	160,258	-	-	160,258	160,258	-	119,328
Education - Administration	199,056	-	(144,838)	54,218	103,251	(49,033)	(31,131)
Education - Bussing	437,339	-	40	437,379	442,816	(5,437)	-
Education - Post Secondary	921,677	-	947	922,624	874,595	48,029	186,401
Education - School	2,121,346	-	33,875	2,155,221	1,822,301	332,920	(184,085)
Education - Operations and Maintenance	676,204	-	-	676,204	476,527	199,677	(71,365)
Enhanced Delivery	-	-	315,263	315,263	315,263	-	-
Health Services	-	-	1,818,327	1,818,327	1,802,784	15,543	79,288
Housing	1,784,520	-	(162,580)	1,621,940	534,525	1,087,415	(30,050)
Loan - Royal Bank	-	-	-	-	-	-	(101,093)
National Child Tax Benefit	422,982	-	-	422,982	398,466	24,516	119,282
Public Works	2,225,619	-	665,798	2,891,417	2,910,120	(18,703)	(115,168)
Recreation	350,000	-	339,121	689,121	689,121	-	(64,839)
Remediation	28,077	-	-	28,077	28,077	-	-
Royal Bank Agency	-	-	-	-	92,118	(92,118)	(142,497)
Social Services	2,202,046	-	-	680	2,202,726	2,212,368	(9,642)
Social Services - Delivery	384,511	-	-	384,511	374,869	9,642	(93,660)
Special Projects	-	-	-	-	-	-	69,768
Summer Student Employment	30,020	-	-	-	30,020	119,330	(49,119)
Tribal Chiefs Employment and Training	-	-	607,624	607,624	518,314	(89,310)	(89,834)
Youth Skills Initiative	-	-	289,900	289,900	289,900	89,310	83,001
Youth Work Experience	184,060	-	-	-	184,060	-	-
	13,200,900	1,081,890	5,304,055	19,586,845	17,006,659	2,580,186	(45,144)

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, 2017**

	2017 \$	2016 \$
<b>EXPENDITURES</b>		
Advertising	1,332	3,931
Bad debt expense	-	95,539
Building maintenance and utilities	337,511	339,530
Equipment	306,651	219,315
Insurance	188,656	254,406
Interest, bank charges and loan payments	217,456	187,935
Materials and supplies	664,121	511,301
Repairs and maintenance	650,502	145,045
Professional fees	714,399	1,165,576
Program costs	4,841,269	5,005,270
Training	1,407,757	1,116,961
Travel	617,364	563,788
Vehicle	970,110	726,607
Wages and employee benefits	6,089,531	6,060,180
<b>TOTAL EXPENDITURES</b>	<b>17,006,659</b>	<b>16,395,384</b>

The accompanying notes form part of these financial statements.

# Whitefish Lake Band No. 128

## Notes to the Consolidated Financial Statements

March 31, 2017

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

#### **(a) Fund Accounting**

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) Cash and Cash Equivalents**

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

#### **(c) Investments**

Investments are recorded at fair market value.

#### **(d) 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, 2017

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

#### (e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

#### **Tangible Capital Assets**

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

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

#### (f) Trust Funds

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

First Nation trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds.

#### (g) 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, 2017**

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

**(g) 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.

**(h) 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.

**(i) Landfill Closure and Post-Closure Liability**

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

The liability at March 31, 2017 is \$180,000 (2016 - \$160,000) 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 Indigenous and Northern Affairs Canada.

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**3. RESTRICTED CASH**

	<b>2017</b>	<b>2016</b>
	\$	\$
Trust Funds		
Band Capital	449,663	1,004,436
Band Revenue	761,420	380,687
	<hr/>	<hr/>
	<b>1,211,083</b>	<b>1,385,123</b>

**4. INVESTMENTS**

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

**5. ACCOUNTS RECEIVABLE**

	<b>2017</b>	<b>2016</b>
	\$	\$
Indigenous and Northern Affairs Canada	101,130	811,151
Health Canada	177,825	9,253
First Nation Development Fund	426,200	203,635
Goods and Services Tax	35,359	13,492
Tribal Chief Ventures	86,179	244,783
Other	454,328	423,937
	<hr/>	<hr/>
	<b>1,281,021</b>	<b>1,706,251</b>

**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 is 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 2.8% and is secured by a general security agreement. There is a \$NIL (2016 - \$1,035,000) 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 plus 2.8% and is secured by a general security agreement. There is a \$200,000 (2016 - \$200,000), balance outstanding on this line of credit.

**Whitefish Lake Band No. 128**  
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**8. ACCOUNTS PAYABLE**

	2017	2016
	\$	\$
Trade payables	2,169,290	1,986,656
Payable to related entities	853,397	853,397
Landfill closure costs	180,000	160,000
<u>Wages, salaries and source deductions</u>	<u>301,611</u>	<u>185,330</u>
	<b>3,504,298</b>	<b>3,185,383</b>

Payable to related entities are non-interest bearing and have no fixed terms of repayment.

**9. DEFERRED CONTRIBUTIONS**

	2017	2016
	\$	\$
Indigenous and Northern Affairs Canada		
Capital project - AAO08	-	85,000
Capital project - AUQ91	175,000	-
Capital project - AUR44	250,000	-
Fixed - Skill Link	144,838	-
Fixed - Planning, Design and Construction	28,149	-
Fixed - Capacity Development	8,823	-
Fixed - Construction multi-units	55,231	-
Health Canada	182,436	177,836
First Nation Development Fund	279,538	457,852
ASETS		
Tribal Chiefs Employment and Training	-	21,100
Impact Benefit Agreements (IBA)	1,056,308	150,000
Grant revenue		
Enhanced Delivery	36,305	79,175
Youth Skills Initiative	277,172	141,614
Education - Admin	<u>179,393</u>	<u>-</u>
	<b>2,673,193</b>	<b>1,112,577</b>

**Whitefish Lake Band No. 128**  
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**10. OBLIGATIONS UNDER CAPITAL LEASE**

	2017			2016	
	Total	Deferred Finance	Current Portion	Long-Term Portion	Total
	\$	\$	\$	\$	\$
Royal Bank - Leasing (Grader)	310,051	22,739	72,429	214,883	356,884
Royal Bank - Leasing (Water Truck)	219,360	22,185	38,174	159,001	-
Royal Bank - Leasing (Buses)	207,945	17,358	40,308	150,279	-
	<b>737,356</b>	<b>62,282</b>	<b>150,911</b>	<b>524,163</b>	<b>356,884</b>

The loan payable to the Royal Bank - Leasing (Grader) is due December, 2020 and 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 \$255,000.

The loan payable to the Royal Bank - Leasing (Water Truck) is due December, 2021 and is repayable in monthly instalments of \$3,856, including interest charged at 4.50% and is secured by equipment with a net book value of \$226,485.

The loan payable to the Royal Bank - Leasing (Buses) is due August, 2021 and is repayable in monthly instalments of \$3,923, including interest charged at 3.93% and is secured by equipment with a net book value of \$213,399.

Interest paid on obligations under capital lease was \$20,015 (2016 - \$2,453)

Future lease payments on obligations under capital lease are estimated as follows:

	\$
2018	176,033
2019	176,033
2020	176,033
2021	155,365
<u>2022 and thereafter</u>	<u>53,892</u>
	<b>737,356</b>

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**11. LONG-TERM LIABILITIES**

	2017	2016
	\$	\$
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. Dry Cleaning facility.	821,099	1,020,042
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. Debt consolidation loan.	950,093	1,198,928
	<hr/> <u>1,771,192</u>	<hr/> <u>2,218,970</u>

Interest paid on long-term liabilities was \$120,239 (2016 - \$101,093)

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

	\$
2018	470,490
2019	494,452
2020	519,633
2021	286,617
	<hr/> <u>1,771,192</u>

**12. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2017	2016
	\$	\$
Tangible capital assets (Schedule 2)	49,881,320	48,232,209
Accumulated amortization (Schedule 2)	(32,929,552)	(31,329,969)
Obligations under capital lease (Note 10)	(675,074)	(356,884)
<u>Long-term liabilities (Note 11)</u>	<u>(1,771,192)</u>	<u>(2,218,970)</u>
	<hr/> <u>14,505,502</u>	<hr/> <u>14,326,386</u>

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
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**13. EQUITY IN TRUST FUND**

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	1,004,436	380,687	1,385,123
Interest	-	26,708	26,708
Joint venture split	139,175	155,161	294,336
Rent	-	586,806	586,806
	<b>1,143,611</b>	<b>1,149,362</b>	<b>2,292,973</b>
<b>BCR NUMBER</b>	<b>DATES FUNDS RELEASED</b>	<b>PURPOSE OF EXPENDITURE</b>	
26-2016-2017	2017/01/06	Loan Repayment	387,942
27-2016-2017	2017/01/18	Vehicle Service	693,948
			<b>693,948</b>
			<b>387,942</b>
			<b>1,081,890</b>
Balance, end of year		449,663	761,420
		<b>449,663</b>	<b>1,211,083</b>

**14. ACCUMULATED SURPLUS**

	2017 \$	2016 \$
Unrestricted surplus	(3,679,734)	(4,481,221)
Equity in tangible capital assets	14,505,502	14,326,386
Equity in trust funds	1,211,083	1,385,123
	<b>12,036,851</b>	<b>11,230,288</b>