

**SADDLE LAKE CREE NATION
Consolidated Financial Statements
Year Ended March 31, 2019**

SADDLE LAKE CREE NATION
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Year Ended March 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

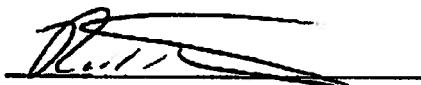
The consolidated financial statements of Saddle Lake Cree Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts 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 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 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 19, 2019



KINGSTON
ROSS
PASNAK LLP

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INDEPENDENT AUDITOR'S REPORT

July 29, 2019
Edmonton, Alberta

To the Members of Saddle Lake Cree Nation

Qualified Opinion

We have audited the consolidated financial statements of Saddle Lake Cree Nation (the Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of revenues and expenditures, changes in net financial assets and cash flow for the year then ended, consolidated schedule of total expenses by object, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2019, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

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, 2019 and March 31, 2018. Saddle Lake Cree Nation's share of these enterprises' net income is included in Saddle Lake Cree Nation's consolidated surplus of revenue over expenditures for the years then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Nation's investment and equity in these enterprises as at March 31, 2019 and March 31, 2018 and the Nation's share of these enterprises' net income for the years then ended. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Our audit opinion on the consolidated financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Nation's financial reporting process.

(continues)

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Professional Accountants

SADDLE LAKE CREE NATION
Consolidated Statement of Financial Position
March 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 11,635,380	\$ 17,121,551
Accounts receivable (Note 3)	4,251,043	2,722,027
Restricted short term investments (Note 4)	272,324	272,324
Investment in government business enterprises (Note 5)	1,483,147	1,221,926
Long term investments (Note 6)	6,826,127	6,825,652
Restricted capital trust funds (Note 8)	629,051	867,505
Restricted revenue trust funds (Note 8)	703,781	736,424
	25,800,853	29,767,409
LIABILITIES		
Accounts payable and accrued liabilities	2,567,936	2,640,779
Deferred revenue (Note 9)	7,279,408	12,103,204
Long term debt (Note 10)	1,822,497	1,186,282
Obligations under capital lease (Note 11)	112,979	196,446
	11,782,820	16,126,711
CONTINGENCIES (Note 14)		
NET FINANCIAL ASSETS	14,018,033	13,640,698
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	38,503,387	28,218,094
Deposits and prepaid expenses	915,388	733,345
	39,418,775	28,951,439
ACCUMULATED SURPLUS (Note 13)	\$ 53,436,809	\$ 42,592,139

ON BEHALF OF THE NATION

<u>John Smith</u>	Chief	<u>John Smith</u>	Councillor
<u>Elizabeth</u>	Councillor		Councillor
	Councillor		Councillor
	Councillor		Councillor
	Councillor		Councillor

SADDLE LAKE CREE NATION
Consolidated Statement of Revenues and Expenditures
For the Year Ended March 31, 2019

	Budget 2019 (unaudited)	2019	2018
REVENUE			
Indigenous Service Canada (ISC)	\$ 27,544,996	\$ 47,186,580	\$ 43,112,677
First Nations and Inuit Health Branch (FNIHB)	7,083,867	9,673,571	9,534,536
Other revenue	1,963,900	5,395,641	5,715,184
Province of Alberta	11,025	2,632,501	3,167,556
Aboriginal Human Resource Development (AHRD)	1,958,741	1,710,588	1,884,978
First Nations Development Fund (FNDF)	202,000	1,356,929	1,366,881
Child Tax Benefit	219,181	480,571	442,368
Capital trust funds (Note 8)	-	400,000	650,000
Revenue trust funds (Note 8)	285,000	355,000	354,500
Canada Mortgage and Housing Corporation (CMHC)	-	239,360	300,797
Contributions carried forward from prior year (Note 9)	12,103,203	12,049,174	11,170,502
Contributions carried forward to next year (Note 9)	-	(7,279,408)	(12,103,204)
	51,371,913	74,200,507	65,596,775
EXPENDITURES			
Child Welfare	5,181,792	13,523,351	13,272,840
Public Works	5,921,875	10,462,120	8,351,942
Education	11,430,341	9,627,616	8,579,328
Tribal Administration	3,513,943	8,149,456	7,329,583
Social Assistance	9,097,443	7,920,045	7,822,449
Health Services	7,932,287	7,094,641	6,076,199
Post Secondary Education	3,439,111	3,521,114	3,369,736
Human Resources Development	1,597,041	1,481,724	1,558,753
Social Services	1,661,995	1,489,649	1,639,035
Other Health	-	93,196	174,963
	49,775,828	63,362,912	58,174,828
SURPLUS FROM OPERATIONS	1,596,085	10,837,595	7,421,947
OTHER INCOME (EXPENSES)			
(Loss) income from Government Business Enterprises (Note 5)	-	190,256	108,719
Income from long term investments	-	85,919	(196,862)
Gain on disposal of assets	-	1,997	-
	-	278,172	(88,143)
SURPLUS OF REVENUES OVER EXPENDITURES	1,596,085	11,115,767	7,333,804
ACCUMULATED SURPLUS - BEGINNING OF YEAR	42,592,139	42,592,139	35,710,955
Net change in trust funds	-	(271,097)	(452,620)
ACCUMULATED SURPLUS - END OF YEAR	\$ 44,188,224	\$ 53,436,809	\$ 42,592,139

SADDLE LAKE CREE NATION**Consolidated Statement of Changes in Net Financial Assets****Year Ended March 31, 2019**

	Budget 2019 (Unaudited)	2019	2018
SURPLUS OF REVENUES OVER EXPENDITURES	\$ 1,596,085	\$ 11,115,767	\$ 7,333,804
Acquisition of tangible capital assets	-	(12,630,671)	(7,909,367)
Disposal of tangible capital assets	-	25,003	10,408
Amortization of tangible capital assets	-	2,320,375	1,780,785
Increase in deposits and prepaid expenses	-	(182,042)	52,620
Net change in trust funds	-	(271,097)	(452,620)
	-	(10,738,432)	(6,518,174)
INCREASE IN NET FINANCIAL ASSETS	1,596,085	377,335	815,630
Net financial assets - beginning of year	13,640,698	13,640,698	12,825,068
NET FINANCIAL ASSETS - END OF YEAR	\$ 15,236,783	\$ 14,018,033	\$ 13,640,698

SADDLE LAKE CREE NATION
Consolidated Statement of Cash Flow
Year Ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Surplus of revenues over expenditures	\$ 11,115,767	\$ 7,333,804
Items not affecting cash:		
Amortization of tangible capital assets	2,320,375	1,780,785
Advances and Income from government business enterprises	(261,221)	(144,532)
Advances and income from long term investments	(476)	414,653
Gain on disposal of tangible capital assets	(1,997)	(1,589)
	13,172,448	9,383,121
Changes in non-cash working capital:		
Accounts receivable	(1,529,015)	(220,468)
Accounts payable and accrued liabilities	(72,843)	547,031
Deferred revenue and deferred trust funds	(4,823,796)	932,702
Deposits and prepaid expenses	(182,043)	52,620
	(6,607,697)	1,311,885
Cash flow from operating activities	6,564,751	10,695,006
INVESTING ACTIVITY		
Maturity of short term investments	-	1,000,000
Cash flow from investing activity	-	1,000,000
FINANCING ACTIVITIES		
Proceeds from long term financing	967,182	363,219
Repayment of long term debt	(330,966)	(215,987)
Repayment of obligations under capital lease	(83,467)	(82,395)
Cash flow from financing activities	552,749	64,837
CAPITAL ACTIVITIES		
Acquisitions of tangible capital assets	(12,630,671)	(7,909,367)
Disposals of tangible capital assets	27,000	12,000
	(12,603,671)	(7,897,367)
(DECREASE) INCREASE IN CASH FLOW	(5,486,171)	3,862,476
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	17,121,551	13,259,075
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 11,635,380	\$ 17,121,551

SADDLE LAKE CREE NATION**Consolidated Schedule of Total Expenses by Object****(Schedule 1)****Year Ended March 31, 2019**

	Budget 2019 (Unaudited)	2019	2018
Wages and benefits	\$ 18,432,819	\$ 19,422,330	\$ 17,506,383
Child welfare operations	4,991,592	9,499,452	9,697,044
Direct social assistance	7,978,242	6,447,831	6,270,935
Contracted and program services	3,992,719	5,137,499	4,727,802
Travel, meetings, workshops	1,950,961	5,121,204	5,070,029
Materials, goods and utilities	3,540,216	3,778,639	2,616,611
Repairs and maintenance	3,559,873	3,673,975	3,129,791
Post secondary allowances and tuition	2,782,811	3,206,492	3,213,090
Office and general	1,715,806	3,026,478	2,491,189
Amortization	-	2,320,375	1,780,785
Donations, sponsorships and honorariums	220,252	928,285	881,714
Professional fees	598,215	677,593	683,516
Interest and bank charges	12,322	122,759	105,939
	\$ 49,775,828	\$ 63,362,912	\$ 58,174,828

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

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

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.

Basis of consolidation

The consolidated financial statements include the accounts of the Nation and its subsidiaries:

- 544526 Alberta Ltd; and
- The Saddle Lake Wah-Koh-To-Win Society

As a result, figures as at March 31, 2019 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.

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 is 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"), when allocated, 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, 2019

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
Paving and roads	20%	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, 2019

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 \$697,019 (2018 - \$678,307) 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. Estimated life of property and equipment, collectability of accrued receivables, if applicable, are the most significant items that involve the use of estimates. 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 Nation subsequently measures its financial instruments at amortized cost.

3. ACCOUNTS RECEIVABLE

	2019	2018
Accounts receivable include amounts due from the following:		
Other receivables	\$ 1,249,486	\$ 1,056,645
Province of Alberta	1,194,341	727,575
Indigenous Service Canada (ISC)	1,309,323	444,598
First Nations Development Fund	325,268	323,746
First Nations & Inuit Health Branch	150,033	150,033
Canada Revenue Agency	22,592	19,430
	\$ 4,251,043	\$ 2,722,027

The balance due from Indigenous Services Canada includes \$2,926 (fiscal 2018 Public Works Environmental Site Assessment - fixed contribution), \$138,139 (fiscal 2019 Community Based Initiatives - flexible contribution), \$41,076 (fiscal 2019 Environmental Site Assessment - flexible contribution), \$21,158 (fiscal 2019 Fire Response - flexible contribution), \$18,900 (fiscal 2019 Risk Management - flexible contribution), \$35,155 (fiscal 2019 Basic Needs - set contribution), \$380,610 (fiscal 2019 Maintenance - Group Homes - fixed contribution), \$622,605 (fiscal 2019 Operations - CFS - fixed contribution) and \$48,754 (fiscal 2019 Special Claim Submission - fixed contribution).

4. RESTRICTED SHORT TERM INVESTMENTS

Included in restricted short term investments are \$272,324 of Guaranteed Investment Certificates which bear interest at 2.00% and mature in September 2019. 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 under funded at year end as reflected in Note 14.

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

	2019	2018
Balance beginning of year	\$ 1,221,926	\$ 1,077,394
Share of income	190,256	108,719
Net advances to government business enterprises	70,965	35,813
	\$ 1,483,147	\$ 1,221,926

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, 2018
Saddle Lake Building Supplies Ltd.	100%	December 31, 2018
1786228 Alberta Ltd.	100%	March 31, 2019

Unaudited aggregate balance sheet information:

Assets		
Current assets	\$ 2,028,292	\$ 1,795,181
Capital assets	2,852,636	112,719
Other assets	26,447	-
	\$ 4,907,375	\$ 1,907,900
Liabilities		
Current liabilities	\$ 475,315	\$ 346,892
Other liabilities	3,958,321	1,355,301
Equity	473,739	205,707
	\$ 4,907,375	\$ 1,907,900

Unaudited aggregate income statement information:

Revenue	\$ 7,170,494	\$ 8,369,750
Expenses	(7,014,528)	(8,261,031)
Net income (loss)	\$ 155,966	\$ 108,719

6. LONG TERM INVESTMENTS

	2019	2018
Seven Lakes Oilfield Services LP	\$ 1,872,009	\$ 1,857,174
Pimee Well Servicing Ltd.	1,811,331	1,807,701
Pimee Well Servicing LP	1,856,067	1,739,859
SL Smoke Eaters LP	573,763	692,517
Keyano Pimee Exploration Company Ltd.	665,083	665,083
United Farmers of Alberta Equity	47,874	47,874
TD Canada Trust guaranteed investment certificate	-	15,444
	\$ 6,826,127	\$ 6,825,652

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

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 Service Canada (ISC). 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 Indigenous Service Canada. The uncommitted balance at the end of the year is shown in the accumulated surplus (Note 13) as equity in trust funds.

	2019	2018
Capital trust fund		
Beginning of year	\$ 867,505	\$ 1,371,540
Income from royalties	161,546	145,965
Transfer to Nation programs	<u>(400,000)</u>	<u>(650,000)</u>
	629,051	867,505
Revenue trust fund		
Beginning of year	736,424	685,010
Income from royalties and interest	322,357	405,914
Transfer to Nation programs	<u>(355,000)</u>	<u>(354,500)</u>
	703,781	736,424
Total trust funds	\$ 1,332,832	\$ 1,603,929

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

9. DEFERRED REVENUE

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2019.

	Opening balance	Contributions received	Revenue recognized	Ending balance
First Nations and Inuit Health Branch (FNIHB)	\$ 5,352,423	\$ 7,025,590	\$ (8,588,418)	\$ 3,789,595
Indigenous Services Canada (ISC)	3,458,075	24,043,317	(24,717,453)	2,783,939
Aboriginal Human Resource Development (AHRD)	177,262	694,143	(594,756)	276,649
First Nations Development Fund (FNDF)	250,000	250,000	(250,000)	250,000
Other	2,865,444	214,226	(2,900,445)	179,225
	\$ 12,103,204	\$ 32,227,276	\$ (37,051,072)	\$ 7,279,408

Included in the FNIHB deferred revenue is \$1,184,753 for Jordan's Principle, \$1,148,985 for Capital Investments to be used for the construction of the Saddle Lake Health Care Centre expansion, \$450,000 for Health Research and Engagement, \$344,441 for Alberta Head Start on Reserve, \$195,348 for Brighter Futures, \$158,657 for Service Delivery, \$122,155 for Building Healthy Communities, \$63,349 for Aboriginal Diabetes Initiative, \$49,260 for Community Health Representative, \$35,507 for Suicide Prevention, \$20,000 for Community Disaster Emergency, \$9,094 for Health Planning, and \$8,046 for Climate Change.

Included in the ISC deferred revenue is \$549,929 for Child Welfare – Prevention Least Disruptive Measures, \$71,341 for Child Welfare – Maintenance Post Adoption Subsidy, \$330,259 for Child Welfare – Operations CFS, \$276,277 for Child Welfare – Community Based Initiative, \$263,712 for Post Secondary Education, \$313,061 for Education – Jordan's Principle, \$62,703 for Social Assistance – Income Assistance, \$300,002 for Social Services – Income Assistance, \$442,542 for Housing Authority – Construction, \$10,753 for Health Services – Assisted Living, \$135,000 for Tribal Administration – Membership Governance Capacity Development, and \$28,360 for Tribal Administration – Administration and Support Estates.

Amounts included in AHRD, FNDF and Other deferred revenue is in accordance with their respective agreements.

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

10. LONG TERM DEBT

	2019	2018
TD financing bearing interest at 4.95% annum, repayable in monthly fixed payments of \$9,882 plus interest. The loan matures on April 25, 2019 and is secured by general security agreement.	\$ 494,114	\$ -
Indigenous Services Canada Native Claim loan to assist the Nation in meeting obligations associated with research, development and negotiation of its claim relating to 1925 Surrender claim. The loan bears no interest and is to be repaid on or before March 31, 2023 (Note 15).	168,374	-
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.	165,476	186,100
BMO financing bearing interest at 6.90% per annum, repayable in monthly blended payments of \$4,360. The loan matures on October 6, 2022 and is secured by equipment with a carrying value of \$159,469.	162,277	201,904
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.	160,566	186,095
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.	146,550	166,067
TD financing bearing interest at 4.95% annum, repayable in monthly fixed payments of \$2,573 plus interest. The loan matures on November 21, 2019 and is secured by general security agreement.	144,109	-
Indigenous Services Canada Native Claim loan to assist the Nation in meeting obligations associated with research, development and negotiation of its claim relating to 1925 Surrender claim. The loan bears no interest and is to be repaid on or before March 31, 2022 (Note 15).	142,500	142,500
BMO financing 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 \$91,929.	123,441	165,684

(continues)

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

10. LONG TERM DEBT (continued)

	2019	2018
TD financing bearing interest at 4.95% annum, repayable in monthly fixed payments of \$858 plus interest. The loan matures on December 19, 2019 and is secured by general security agreement.	48,895	-
BMO financing 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 \$28,761.	42,080	61,823
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 \$13,961.	13,075	22,989
GE Capital Finance loan bearing interest at 8.45% per annum, repayable in monthly blended payments of \$1,679. The loan matures on November 16, 2019 and is secured by automotive equipment with a carrying value of \$18,349.	11,040	53,120
	\$ 1,822,497	\$ 1,186,282

Principal repayment terms are approximately:

2020	\$ 355,351
2021	343,980
2022	449,143
2023	423,772
2024	119,727
Thereafter	<u>130,524</u>
	\$ 1,822,497

Interest paid on long-term debt amounted to \$65,338 (2018 - \$42,421) during the year.

As at March 31, 2019, 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 4.70% at year end). As at March 31, 2019 the loan was not drawn upon.

As at March 31, 2019, Saddle Lake Cree Nation has a revolving term credit facility with Toronto Dominion Bank with multiple drawdowns allowed bearing interest at 1.00% over the Toronto Dominion prime rate (3.95% effective rate at year end). As at March 31, 2019 the loan was drawn upon for \$687,118 (2018 - \$nil). The facility is renegotiated annually and is collateralized as follows:

- a) General Security Agreement providing first security interest in all personal property of the Nation;
- b) guarantees of advances in the aggregate amount of \$200,000 by the Nation;
- c) authorization of Indigenous Services Canada to forward funding to TD Canada Trust;

(continues)

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

10. LONG TERM DEBT (continued)

- d) unlimited guarantees of advances from subsidiary companies;
- e) Assignment of Fire Insurance issued by the Nation.

11. OBLIGATIONS UNDER CAPITAL LEASE

	2019	2018
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 \$192,638.	<u>\$ 112,979</u>	<u>\$ 196,446</u>

Future minimum capital lease payments are approximately:

2020	\$ 85,512
2021	<u>28,504</u>
 Total minimum lease payments	 114,016
Less: amount representing interest at various rates	<u>(1,037)</u>
	<u>\$ 112,979</u>

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

12. TANGIBLE CAPITAL ASSETS

COST	2018	Acquisitions	Disposals	2019
Land	\$ 647,730	\$ -	\$ -	\$ 647,730
Buildings	16,524,597	8,242,134	-	24,766,731
Engineering structures	15,716,525	1,429,438	-	17,145,963
Automotive	9,342,113	1,567,200	60,031	10,849,282
Paving and roads	-	1,362,015	-	1,362,015
Equipment	1,574,804	-	-	1,574,804
Computer equipment	732,930	29,884	-	762,814
	\$ 44,538,699	\$ 12,630,671	\$ 60,031	\$ 57,109,339

ACCUMULATED AMORTIZATION	2018	Amortization expense	Disposals	2019
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,431,142	523,695	-	2,954,837
Engineering structures	5,128,098	641,325	-	5,769,423
Automotive	7,085,352	883,521	35,028	7,933,845
Paving and roads	-	121,314	-	121,314
Equipment	1,025,757	115,586	-	1,141,343
Computer equipment	650,256	34,934	-	685,190
	\$ 16,320,605	\$ 2,320,375	\$ 35,028	\$ 18,605,952

NET BOOK VALUE	2018	2019
Land	\$ 647,730	\$ 647,730
Buildings	14,093,455	21,811,894
Engineering structures	10,588,427	11,376,540
Automotive	2,256,761	2,915,437
Paving and roads	-	1,240,701
Equipment	549,047	433,461
Computer equipment	82,674	77,624
	\$ 28,218,094	\$ 38,503,387

Included above are Automotives held under capital lease (Note 11) with a cost of \$520,436, accumulated amortization of \$327,798 and a net book value of \$192,638.

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

13. ACCUMULATED SURPLUS

	2019	2018
Unrestricted surplus	\$ 8,346,996	\$ 7,044,004
Equity in trust funds (Note 8)	1,332,832	1,603,929
Equity in tangible capital assets	34,817,226	24,916,308
Equity in investments	<u>8,939,755</u>	<u>9,027,898</u>
	\$ 53,436,809	\$ 42,592,139

14. CONTINGENCIES

As at March 31, 2019, Saddle Lake Cree Nation has unfunded CMHC replacement reserves in the amount of \$62,703 (2018 - \$121,229).

The Nation has provided a guarantee to SL Smoke Eaters LP in the amount of \$200,000 for a demand revolving credit facility. The general security agreement is a first charge on all present and after acquired personal property.

The Nation has provided a guarantee to Bison Auto Shop Ltd. in the amount of \$2,540,000 for a term loan. The general security agreement is a first charge on all present and after acquired personal property.

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 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.

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

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

15. NATIVE CLAIM LOAN

Indigenous Services Canada has agreed to provide Saddle Lake Cree Nation with an interim loan to assist the Nation in meeting obligations with respect to the research, development, and negotiation of its specific claim related to the 1925 Surrender Claim. Advances received in the year were \$168,374 (2018 - \$142,500) are not subject to interest on the amounts owing. The loan is payable on the earlier of March 31, 2022 or the date on which the claim is settled.

	2019	2018
Advances		
Advances received	\$ 168,374	\$ 142,500
Funding from prior year carry forward	34,126	-
	-	-
Funding available	202,500	142,500
 Expenditures		
First Nation Negotiations		
Community meetings	29,831	19,200
Researcher	7,768	5,000
 First Nation Travel		
Travel	23,186	14,924
 Legal		
Fees, disbursements and travel	119,576	55,000
 Other		
Administration	22,139	14,250
 Total expenditures	202,500	108,374
 Unspent advances, end of year	\$ -	\$ 34,126

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

16. 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, 2019. 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.

17. 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.

18. BUDGET INFORMATION

The budget information for the year ended March 31, 2019 is prepared by management, approved by Chief and Council and is unaudited.

19. CONSOLIDATED SEGMENT DISCLOSURES

	2019 Fiscal Year																									
	Public Works		Human Resources		Development		Education		Post Secondary		Social Assistance		Social Services		Child Welfare		Administration		Other Health		Health Care Centres		Other		Total	
Revenues																										
ISC Block Contribution funding	3,064,284	-	5,798,559	3,445,411	10,362,350	232,512	-	11,780,048	-	548,028	790,821	-	-	562,685	-	-	-	-	-	25,552,458	-	17,444,881	-	4,297,674		
ISC Fund Contribution funding	1,962,966	-	3,049,868	241,179	91,586	-	-	278,277	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
ISC Set Contribution funding	4,071,307	-	-	-	-	-	-	-	43,456	100,283	2,171,645	101,574	9,673,571	141,000	-	-	-	-	-	-	-	-	-	-	-	
First Nation and Inuit Health Branch (FNITHB)	1,339,723	428,758	256,302	-	-	-	-	2,225,388	346,573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Revenue	60,560	-	1,364,576	400,012	-	-	-	-	-	-	460,571	1,364,929	-	-	-	-	-	-	-	-	-	-	-	-		
Province of Alberta	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
ABRD/SDC Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
First Nation Development Fund (FNDF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Child Tax Benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capital Trust funds	400,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Revenue Trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Canada Mortgage and Housing Corporation (CMHC)	230,300	(276,649)	643,551	(81,369)	-	137,972	(54,502)	(78,547)	-	895,626	-	-	1,532,075	-	-	-	-	-	-	-	-	-	-	-		
(Lapsed) Unclaimed Banking	2,462,927	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Property Tax Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Fuel and Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Income allocation from Onechildlongpond Business Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Income from drain or loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Income from Investments in Government Business Enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Revenues	11,131,287	1,511,293	10,382,303	1,485,261	10,151,003	211,485	14,130,097	161,574	1,571,534	1,571,534	161,574	11,139,531	278,175	278,175	278,175	278,175	278,175	278,175	278,175	278,175	278,175	278,175	278,175	278,175	278,175	
Expenses																										
Wages and Benefits	2,263,772	306,101	6,335,820	201,605	734,180	728,687	2,361,006	3,395,216	-	-	-	2,916,257	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted and program services	2,220,632	16	602,169	137,793	12,300	77,593	21,656	600,525	1,412,231	-	-	226,139	-	-	-	-	-	-	-	-	-	-	-	-		
Professional fees	43,250	22,219	46,012	41,169	17,148	17,148	11,340	12,540	1,120,540	1,120,540	265,827	42,595	-	-	-	-	-	-	-	-	-	-	-	-		
Materials, goods and services	652,075	33,953	176,081	174,151	20,984	18,123	41,169	63,969	189,283	189,283	1,316,717	1,316,717	-	-	-	-	-	-	-	-	-	-	-	-		
Amortization of tangible capital assets	-	-	404,838	40,336	2,579,864	10,415	-	1,651,571	37,477	105,941	27,38	-	-	-	-	-	-	-	-	-	-	-	-	-		
Post secondary allowances and tuition	186,191	52,368	172,518	101,406	338,305	111,715	520,433	248,081	18,114	91,840	39,986	153,150	-	-	-	-	-	-	-	-	-	-	-	-		
Travel, Meetings, Workshops	390,423	43,041	300,677	12,229	120,019	68,026	27,754	221,122	287,832	287,832	3,300	88,260	-	-	-	-	-	-	-	-	-	-	-	-		
Donations, sponsorships and honorariums	36,785	42,369	42,369	19,600	25,643	2,125	1,189	1,419	1,419	1,419	1,756	37,506	1,175	1,175	-	-	-	-	-	-	-	-	-	-		
Interest and bank charges	40,133	5,018	194,482	-	-	-	-	-	-	-	16,348	17,256	-	-	-	-	-	-	-	-	-	-	-	-		
Automobile	5,529	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Child welfare maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Child social assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Expenses	10,425,120	1,481,123	9,227,810	3,531,114	7,220,645	1,489,946	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368	1,323,368			
Surplus (Deficit) before transfers	2,089,147	35,321	729,677	84,097	2,711,503	(1,264,184)	811,548	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064	420,064			
Transfers																										
Office rent	258,141	14,000	(8,824)	(9,678)	110,010	(19,010)	-	(1,318,945)	83,945	81,501	-	145,000	-	-	-	-	-	-	-	-	-	-	-	-		
Vehicle repair	175,000	-	-	-	-	-	-	-	(180,538)	(12,000)	(10,000)	(38,437)	173,197	-	-	-	-	-	-	-	-	-	-	-		
CCTB transfers	37,299	(12,000)	(12,000)	-	-	-	-	-	-	-	-	(150,000)	161,431	(17,431)	(10,000)	(25,300)	(3,601)	-	-	-	-	-	-	-		
WCB transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Accounting fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Administrative fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Honours	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer from Post Secondary	-	-	250	(5,000)	(3,857)	(400)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to Health	4,300	-	(4,300)	-	-	-	-	(4,177,05)	417,705	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer from Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer from Social Assistance and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to Education	7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer from Health	802,359	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to Social Services	-	-	(106,400)	-	-	(2,710)	-	-	-	270	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer from Human Resource Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to Administration	-	-	-	-	-	-	-	(70,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)				
Total Transfers	1,271,746	(18,224)	94,675	(64,007)	(2,711,503)	(2,711,503)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Surplus (Deficit) after transfers	3,947,295	(18,703)	822,392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

2018 Fiscal Year	Public Works	Human Resources	Development	Education	Post Secondary	Social Assistance	Social Services	Child Welfare	Administration	Tribe	Other Health	Health Care Centre	Other	Total
Revenue														
INAC Block Contribution funding	3,015,483	-	5,640,210	3,361,357	10,176,013	269,659	10,776,633	1,637,131	212,365	-	-	552,222	-	24,872,111
INAC Fixed Contribution funding	5,931,623	-	2,893,596	105,447	216,695	209,754	-	-	-	-	-	-	-	17,324,304
INAC Self Contribution funding	50,000	-	-	-	-	-	-	-	-	-	-	-	-	914,203
INAC Fixed Contribution funding	-	-	-	-	-	-	-	-	-	-	-	-	-	9,524,334
INAC Self Contribution funding	-	-	-	-	-	-	-	-	-	-	-	-	-	5,032,886
INAC Health Contribution funding	-	-	-	-	-	-	-	-	-	-	-	-	-	3,167,556
First Nation and Inuit Health Branch (FNIB)	3,250,484	-	74,242	210,941	-	-	33,600	38,056	103,604	1,190,621	110,000	-	-	1,864,679
Other Revenue	-	-	132,508	417,950	-	-	-	-	1,500	2,505,969	-	-	-	-
Province of Alberta	-	-	1,469,100	433,879	-	-	-	-	-	-	1,266,801	-	-	1,242,287
ABRD/HRCDC Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	650,000
First Nation Development Fund (FNDF)	-	-	-	-	-	-	-	-	-	-	-	-	-	354,500
Child Tax Benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	300,797
Capital Trust funds	850,000	-	-	-	-	-	-	-	-	-	-	-	-	(132,701)
Revenue Trust Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Canada Mortgage and Housing Corporation (CMHC)	300,797	-	-	-	-	-	-	-	-	-	-	-	-	-
Net contributions carried forward	2,685,710	-	191,252	(1,053,569)	(182,323)	513,136	128,500	69,365	(198,695)	-	-	(1,083,548)	-	501,169
(Launched) Unearned funding	-	-	-	-	-	-	-	-	-	-	-	-	-	161,118
Property Tax Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	104,719
Income allocation from Oneida-Eskwennagagen Business Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	104,719
Income from Government Business Enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	104,719
Income from Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	104,719
Total Revenue	12,110,056	1,947,182	6,555,054	3,215,759	11,037,303	435,754	11,189,563	6,255,351	92,658	7,285,595	12,654,153	16,394,824	16,394,824	125,153
Expenses														
Wages and benefits	1,085,101	420,512	5,861,352	213,516	719,002	760,855	2,222,352	2,654,339	-	-	2,753,484	-	-	17,504,381
Contracted and program services	2,084,687	402,784	540,621	25,064	43,640	448,380	2,284	860,764	-	-	329,136	-	-	4,721,002
Professional fees	34,450	19,371	26,560	6,875	43,640	787,95	109,199	383,332	-	-	40,046	-	-	833,518
Materials, goods and utilities	303,475	78,691	639,815	178,293	54,515	12,338	54,515	183,333	-	-	57,506	1,062,590	-	2,618,612
Amortization of long-life capital assets	1,217,485	184,652	38,575	30,359	15,176	2,137	33,078	117,191	-	-	3,912	1,37,990	-	1,780,348
Post secondary allowances and tuition	-	-	356,655	23,415	-	2,784,146	-	36,675	-	-	-	-	-	3,213,091
Repairs and maintenance	2,246,043	26,674	365,810	442,310	59,531	1,059	45,659	4,910	32,543	120,765	59,531	252,015	-	3,129,700
Travel, Meetings, Workshops	150,543	53,797	106,969	804,837	19,425	877,242	271,161	864,756	1,271,351	12,687	864,986	1,169,299	2,491,168	5,076,030
Office and general	388,444	12,527	35,345	1,845	19,425	1,700	800	59,504	29,496	62,160	53,623	47,627	12,556	881,174
Donations, sponsorships and monies raised	27,446	12,527	49,352	2,661	1,713	1,239	1,239	1,239	1,239	35,611	7,111	-	-	105,919
Interest and bank charges	13,267	1,986	-	-	-	-	-	-	-	9,697,044	-	-	-	9,697,044
Child welfare maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	6,270,815
Direct social assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	9,251,141	1,503,753	6,574,239	1,349,715	7,322,456	1,651,025	12,277,260	7,229,583	17,563	6,978,799	6,978,799	(82,677)	(82,677)	54,174,629
Surplus (Deficit) before transfers	4,859,455	280,476	70,755	65,893	3,219,024	(1,201,227)	42,080	(1,070,227)	-	-	560,386	(82,143)	-	7,323,804
Transfers														
Office rent	249,682	3,000	(9,678)	(9,678)	-	(30,375)	(15,644)	(102,549)	(76,783)	-	-	-	-	-
Vehicle repair	10,674	-	100,000	(103,674)	-	-	(1,18,945)	935,945	-	-	-	-	-	-
CCTB transfers	140,000	-	2,876	-	(9,000)	(125,644)	61,275	-	-	-	120,000	-	-	24,000
WCB transfers	5,067	(20,000)	(32,000)	(5,000)	-	(30,500)	(9,000)	55,700	(10,000)	-	161,250	-	-	(36,750)
Accounting fees	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,000)
Transfers to Human Resources Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Post Secondary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Public Works	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Secondary Schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers	1,645,133	114,000	(5,653)	(5,653)	(105,800)	(1,310,654)	(233,528)	(143,549)	1,283,951	(23,759)	(23,759)	(23,759)	(23,759)	7,533,804
Surplus (Deficit) after transfers	5,623,776	173,546	65,700	-	-	32,245	483,119	212,119	(12,277)	934,616	(82,143)	-	-	-

**Whitefish Lake Band No. 128
Consolidated Financial Statements
March 31, 2019**

Whitefish Lake Band No. 128

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

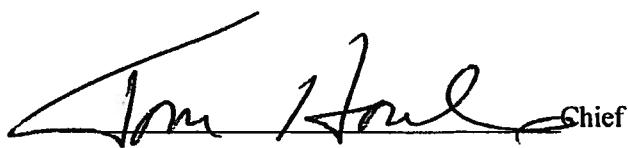
The accompanying consolidated financial statements of **Whitefish Lake First Nation No. 128** are the responsibility of management and have been approved by the Chief and Council.

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.

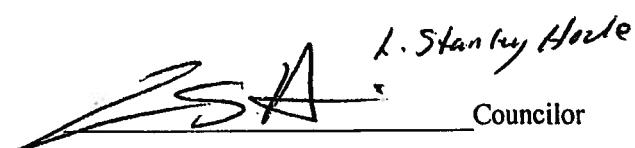
Whitefish Lake Band No. 128 is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

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.



Tom Houl, Chief

Councilor



L. Stanley Horde

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.
Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

INDEPENDENT AUDITORS' REPORT

To the Chief and Council

Opinion

We have audited the consolidated financial statements of Whitefish Lake First Nation No. 128 (the Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Whitefish Lake First Nation No. 128 as at March 31, 2019, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Nation's financial reporting process

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

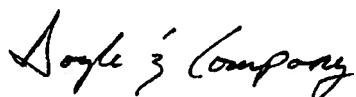
INDEPENDENT AUDITORS' REPORT - continued

- Obtain an understanding of internal control relevant to the audit 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 Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Mockford, CPA, CA.



11210 - 107 Avenue NW
Edmonton, Alberta
T5H 0Y1

July 23, 2019

Chartered Professional Accountants

Whitefish Lake Band No. 128
Consolidated Statement of Financial Position
As at March 31, 2019

	2019 \$	2018 \$
FINANCIAL ASSETS		
Cash	1,088,400	3,674,950
Restricted cash (Note 3)	1,249,372	1,438,583
Investments (Note 4)	40,200	40,200
Accounts receivable (Note 5)	1,602,432	1,032,551
	3,980,404	6,186,284
LIABILITIES		
Line of credit (Note 6)	450,000	200,000
Accounts payable (Note 7)	2,172,439	4,851,841
Deferred contributions (Note 8)	3,997,742	3,302,842
Obligations Under Capital Lease (Note 9)	676,040	671,111
Long-term liabilities (Note 10)	413,860	1,336,395
	7,710,081	10,362,189
NET FINANCIAL DEBT	(3,729,677)	(4,175,905)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	25,770,217	20,949,500
Prepaid expenses	-	133,590
	25,770,217	21,083,090
ACCUMULATED SURPLUS (Schedule 1 and Note 13)	22,040,540	16,907,185

Approved by the Band:



Chief



L. Stanley Howle

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, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
REVENUE			
Indigenous Services Canada	11,941,635	11,568,195	13,366,811
Trust Funds			
Revenue	-	400,000	-
First Nation Development Fund	-	745,830	751,346
Health Canada	2,060,550	2,221,346	1,875,143
Tribal Chiefs Employment and Training	787,024	1,834,250	933,177
Canada Housing and Mortgage Corporation	-	26,630	239,170
Other revenue	3,354,855	3,827,885	3,947,076
Revenue deferred from previous period	3,252,091	3,302,842	2,673,193
Revenue deferred to subsequent period	-	(3,997,742)	(3,302,842)
	21,396,155	19,929,236	20,483,074
EXPENDITURES			
Administration	1,381,376	1,986,145	2,051,966
Chief and Council	442,854	370,024	535,908
Consultation and IBA	204,470	384,306	270,853
Daycare Centre	387,267	347,482	325,876
Economic Development	-	48,300	759,182
Education - Administration	94,158	340,795	400,331
Education - Bussing	481,311	517,013	399,520
Education - Post-Secondary	1,131,359	964,222	902,006
Education - School	1,959,207	1,856,429	2,480,044
Education - Operations and Maintenance	340,873	388,452	428,865
Enhanced delivery	76,178	379,064	244,596
Health Services	1,859,371	2,001,395	2,038,661
Housing	731,726	838,034	1,238,195
Public Works	9,462,810	1,657,446	2,771,374
Recreation	-	842,146	489,932
Royal Bank Agency	51,276	109,061	132,318
Social Services	2,600,016	2,508,018	2,414,494
Social Services - Delivery	384,511	630,350	543,979
Summer Student Employment	149,800	55,766	119,886
Tribal Chiefs Employment and Training	372,399	406,286	346,195
Youth Skills Initiative	113,400	641,212	440,793
Jordan's Principle	-	56,152	-
	22,224,362	17,328,098	19,334,974
Excess of Revenue Over Expenditures			
Before Other Revenue (Expenditures)	(828,207)	2,601,138	1,148,100
Other Revenue (Expenditures)			
Indigenous Services Canada - capital funding	4,263,974	4,680,552	5,262,830
Amortization	-	(1,959,124)	(1,768,096)
EXCESS OF REVENUE OVER EXPENDITURES	3,435,767	5,322,566	4,642,834

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, 2019

	2019	2018
	\$	\$
EXCESS OF REVENUE OVER EXPENDITURES	5,533,355	4,870,334
Acquisition of tangible capital assets	(6,779,841)	(5,765,828)
Amortization of tangible capital assets	1,959,124	1,768,096
Trust funds used for operations	(400,000)	-
	(5,220,717)	(3,997,732)
Acquisition of prepaid assets	-	(133,590)
Use of prepaid assets	133,590	157,459
	133,590	23,869
DECREASE IN NET FINANCIAL DEBT	446,228	896,471
NET FINANCIAL DEBT, BEGINNING OF YEAR	(4,175,905)	(5,072,376)
NET FINANCIAL DEBT, END OF YEAR	(3,729,677)	(4,175,905)

Whitefish Lake Band No. 128
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and other income	19,359,355	21,123,364
Cash paid to suppliers and employees	(15,165,036)	(12,462,903)
	4,194,319	8,660,461
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term liabilities	(1,108,469)	(599,984)
Short-term liabilities obtained	250,000	-
Long-term liabilities obtained	190,863	161,224
	(667,606)	(438,760)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(6,779,841)	(5,765,828)
INCREASE (DECREASE) IN CASH	(3,253,128)	2,455,873
CASH, BEGINNING OF YEAR	3,474,950	1,019,077
CASH, END OF YEAR	221,822	3,474,950
Bank indebtedness consists of the following:		
Cash	1,088,400	3,674,950
Line of credit	(450,000)	(200,000)
	638,400	3,474,950

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, 2019

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Trust Funds	2019	2018
Balance, Beginning of Year	(3,473,392)	18,941,994	1,438,583	16,907,185	12,036,851
Excess of revenue over expenditures	5,322,566	-	210,789	5,533,355	4,870,334
Restricted funds used for operations	-	-	(400,000)	(400,000)	-
Current years funds used for tangible capital assets	(6,779,841)	6,779,841	-	-	-
Annual amortization expense	1,959,124	(1,959,124)	-	-	-
Long-term liabilities obtained	190,863	(190,863)	-	-	-
Long-term liabilities repaid	(1,108,469)	1,108,469	-	-	-
Change in accumulated surplus	(415,757)	5,738,323	(189,211)	5,133,355	4,870,334
Balance, End of Year	(3,889,149)	24,680,317	1,249,372	22,040,540	16,907,185

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, 2019

	Automotive and Equip. \$	Buildings & Housing \$	Furniture and Equip. \$	Engineered Structures \$	2019 \$	2018 \$
COST:						
Balance, Beginning of Year	9,778,519	29,085,509	143,025	16,640,095	55,647,148	49,881,320
Acquisition of tangible capital assets	494,696	1,676,659	-	4,608,486	6,779,841	5,765,828
Balance, End of Year	10,273,215	30,762,168	143,025	21,248,581	62,426,989	55,647,148
ACCUMULATED AMORTIZATION:						
Balance, Beginning of Year	8,111,571	23,018,799	123,625	3,443,653	34,697,648	32,929,552
Annual amortization	573,539	606,671	3,880	775,034	1,959,124	1,768,096
Balance, End of Year	8,685,110	23,625,470	127,505	4,218,687	36,656,772	34,697,648
NET BOOK VALUE	1,588,105	7,136,698	15,520	17,029,894	25,770,217	20,949,500

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, 2019

	ISC Revenue \$	Trust Funds \$	Other Revenue \$	2019		2018	
				Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	Surplus (Deficit) \$
Administration	1,229,774	302,988	1,582,217	3,114,979	1,986,145	1,128,834	1,538,877
Chief and Council	-	97,012	-	97,012	370,024	(273,012)	(535,908)
Consultation and IBA	-	-	472,878	384,306	88,572	711,647	
Daycare Centre	81,000	-	243,218	324,218	347,482	(23,264)	(1)
Economic Development	160,258	-	-	160,258	48,300	111,958	122,624
Education - Administration	223,914	-	116,881	340,795	340,795	-	(25,965)
Education - Bussing	560,357	-	600	560,957	517,013	43,944	255,890
Education - Post Secondary	1,041,495	-	2,886	1,044,381	964,222	80,159	139,489
Education - School	2,288,350	-	21,969	2,310,319	1,856,429	453,890	(236,169)
Education - Operations and Maintenance	373,604	-	10,925	384,529	388,452	(3,923)	47,339
Enhanced Delivery	-	-	428,301	428,301	379,064	49,237	-
Health Services	-	-	2,119,840	2,119,840	2,001,395	118,445	20,245
Housing	1,926,620	-	143,734	2,070,354	838,034	1,232,320	(347,344)
Public Works	5,067,041	-	1,014,467	6,081,508	1,657,446	4,424,062	4,739,054
Recreation	-	-	742,149	742,149	842,146	(99,997)	-
Royal Bank Agency	-	-	-	-	109,061	(109,061)	(132,318)
Social Services	2,665,272	-	(127,997)	2,537,275	2,508,018	29,257	99,023
Social Services - Delivery	575,296	-	39,313	614,609	630,350	(15,741)	-
Summer Student Employment	55,766	-	-	55,766	55,766	-	(60,000)
Tribal Chiefs Employment and Training	-	-	406,286	406,286	406,286	-	48,483
Youth Skills Initiative	-	-	687,222	687,222	641,212	46,010	25,964
Jordan's Principle	-	-	56,152	56,152	56,152	-	-
	16,248,747	400,000	7,961,041	24,609,788	17,328,098	7,281,690	6,410,930

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, 2019

	2019 \$	2018 \$
EXPENDITURES		
Advertising	1,779	2,113
Building maintenance and utilities	548,138	517,562
Equipment	7,870	12,949
Insurance	188,100	196,695
Interest, bank charges and loan payments	69,269	147,558
Materials and supplies	113,692	327,509
Repairs and maintenance	868,199	1,397,148
Professional fees	1,380,088	1,197,137
Program costs	3,869,089	5,606,077
Training	1,413,767	1,292,331
Travel	910,930	656,144
Vehicle	1,548,676	1,422,884
Wages and employee benefits	6,408,501	6,558,867
TOTAL EXPENDITURES	17,328,098	19,334,974

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2019

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, 2019

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 initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities, other than investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair value.

The Band risk exposures related to its financial instruments are outlined as follows:

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.

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Financial Instruments

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.

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, 2019 is \$220,000 (2018 - \$200,000) 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 Services Canada.

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2019

3. RESTRICTED CASH

	2019	2018
	\$	\$
Trust Funds		
Band Capital	570,023	506,794
Band Revenue	679,349	931,789
	1,249,372	1,438,583

4. INVESTMENTS

Investment includes shares of UFA.

5. ACCOUNTS RECEIVABLE

	2019	2018
	\$	\$
Indigenous Services Canada	235,191	200,936
Government of Alberta - Consultation	90,000	-
Canada Mortgage Housing Corporation	103,700	231,610
Health Canada	272,915	-
First Nation Development Fund	178,782	184,603
Goods and Services Tax	96,395	95,696
Tribal Chief Ventures	324,803	111,459
Goodfish Lake Community Development Trust	200,000	-
Other	100,646	208,247
	1,602,432	1,032,551

6. 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 \$250,000 (2018 - \$NIL) 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 \$200,000 (2018 - \$200,000) balance outstanding on this line of credit.

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2019

7. ACCOUNTS PAYABLE

	2019	2018
	\$	\$
Trade payables	1,576,313	4,448,528
Payable to related entities	50,700	-
Landfill closure costs	220,000	200,000
<u>Wages, salaries and source deductions</u>	<u>325,426</u>	<u>203,313</u>
	2,172,439	4,851,841

Payable to 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, 2019

8. DEFERRED CONTRIBUTIONS

	2019 \$	2018 \$
Consultation and IBA		
Impact Benefit Agreements (IBA)	1,346,341	1,111,051
Goodfish Business Corporation	800,000	-
Daycare Centre		
Tribal Chiefs	125,726	-
Education - Administration		
ISC - Fixed - Skill Link	30,041	24,674
Building Collaboration and Capacity in Education - BCCE	65,406	187,444
IFNE - Innovation in First Nation Education	378,752	-
Health Services		
Health Canada	132,645	-
Housing		
ISC - Fixed	-	28,422
Canada Mortgage and Housing Corporation - CMHC	29,029	87,036
Government of Alberta	60,000	-
Public Works		
ISC - Capital project - AUR44 - roads	137,492	949,070
ISC - Capital project - waterline	507,893	566,820
ISC - Capital project - waste measures	55,000	100,000
Recreation Facilities and Healthy Living		
First Nation Development Fund	111,543	81,970
Social Services		
ISC - Community Well Being	127,997	-
Social Services - Delivery		
Fixed - Social Services - Delivery	-	23,500
Youth Skills Initiative		
Alberta Government funding	23,302	142,855
Jordan's Principle		
Tribal Chief Ventures	66,574	-
	3,997,742	3,302,842

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2019

9. OBLIGATIONS UNDER CAPITAL LEASE

	Total	2019			2018 Total
		Deferred Finance	Current Portion	Long-Term Portion	
	\$	\$	\$	\$	\$
Royal Bank - Leasing (Grader)	145,689	5,212	78,498	61,979	227,322
Royal Bank - Leasing (Buses)	113,778	5,422	33,491	74,865	160,862
Daimler Truck Financial (Water Truck)	127,047	7,746	41,752	77,549	173,214
Daimler Truck Financial (Water Truck)	134,706	17,664	31,361	85,681	164,534
Daimler Truck Financial (Water Truck)	219,072	28,208	39,938	150,926	-
	740,292	64,252	225,040	451,000	725,932

The loan payable to the Royal Bank - Leasing (Grader) is due December, 2020 and is repayable in monthly installments of \$6,890, including interest charged at 4.03% and is secured by equipment with a net book value of \$109,360.

The loan payable to the Royal Bank - Leasing (Buses) is due August, 2021 and is repayable in monthly installments of \$3,923, including interest charged at 3.93% and is secured by equipment with a net book value of \$88,880.

The loan payable to the Daimler Truck Financial (Water Truck) is due December, 2021 and is repayable in monthly installments of \$3,856, including interest charged at 4.50% and is secured by equipment with a net book value of \$94,331.

The loan payable to the Daimler Truck Financial (Water Truck) is due September, 2022 and is repayable in monthly installments of \$3,048, including interest charged at 4.99% and is secured by equipment with a net book value of \$106,343.

The loan payable to the Daimler Truck Financial (Water Truck) is due September, 2023 and is repayable in monthly installments of \$4,057, including interest charged at 6.17% and is secured by equipment with a net book value of \$194,641.

Interest paid on obligations under capital lease was \$31,794 (2018 - \$29,051)

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

	\$
2020	269,160
2021	240,613
2022	139,215
2023	66,962
<u>2024 and thereafter</u>	<u>24,342</u>
	740,292

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2019

10. LONG-TERM LIABILITIES

	2019	2018
	\$	\$
The loan payable to the Royal Bank is repayable in monthly installments of \$20,418 including interest charged at 4.95% and is secured by a general security agreement. Dry Cleaning facility.	-	647,801
<u>The loan payable to the Royal Bank is repayable in monthly installments of \$25,249 including interest charged at 5.0% and is secured by a general security agreement. Debt consolidation loan.</u>	<u>413,860</u>	<u>688,594</u>
	413,860	1,336,395

Interest paid on long-term liabilities was \$28,524 (2018 - \$72,371)

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

	\$
2020	274,734
2021	139,126
	413,860

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2019	2018
	\$	\$
Tangible capital assets (Schedule 2)	62,426,989	55,647,148
Accumulated amortization (Schedule 2)	(36,656,772)	(34,697,648)
Obligations under capital lease (Note 9)	(676,040)	(671,111)
<u>Long-term liabilities (Note 10)</u>	<u>(413,860)</u>	<u>(1,336,395)</u>
	24,680,317	18,941,994

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2019

12. EQUITY IN TRUST FUND

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	506,794	931,789	1,438,583
Interest	63,229	147,560	210,789
	570,023	1,079,349	1,649,372
BCR NUMBER	DATES FUNDS RELEASED	PURPOSE OF EXPENDITURE	
016-2018-2019	2019/01/11	Operating Budget	-
Balance, end of year	570,023	679,349	1,249,372

13. ACCUMULATED SURPLUS

	2019 \$	2018 \$
Unrestricted surplus	(3,889,149)	(3,473,392)
Equity in tangible capital assets	24,680,317	18,941,994
Equity in trust funds	1,249,372	1,438,583
	22,040,540	16,907,185