

White River First Nation
Financial Statements
For the year ended March 31, 2014

White River First Nation
Financial Statements
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For the year ended March 31, 2014

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the White River First Nation are the responsibility of management and have been approved by the Chief and Council of the First Nation.

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


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

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council review the First Nation's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the First Nation Council.


Chief


Councilor



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BDO Canada LLP
202 - 9016 Quartz Road
Whitehorse Yukon Y1A 2Z5 Canada

Independent Auditor's Report

To the Chief and Council of
White River First Nation

We have audited the accompanying financial statements of White River First Nation, which comprise the statement of financial position as at March 31, 2014 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements based on our audit. We conducted the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, the financial statements present fairly, in all material respects, the financial position of White River First Nation as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

White River First Nation has also prepared another set of financial statements for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards. However, these financial statements include supplementary schedules which present detailed program revenues and expenditures prepared to assist management of White River First Nation to meet the reporting requirements of various funding agencies and on which we have issued Auditor's Comments on Supplementary Schedules dated August 7, 2014. Our audit report on the other set of financial statements was issued to Chief and Council of White River First Nation and was dated August 7, 2014.

Chartered Accountants

BDO Canada LLP

Whitehorse, Yukon
August 7, 2014

White River First Nation Statement of Financial Position

As at March 31	2014	2013
Financial Assets		
Cash and cash equivalents	\$ 754,933	\$ 1,397,905
Accounts receivable (Note 1)	129,482	154,479
Contributions receivable		
Aboriginal Affairs and Northern Development Canada	259,441	141,170
Other	-	145,460
Elders' funds (Note 2)	34,043	34,082
Portfolio investments and advances (Note 3)	194,301	194,781
	<u>1,372,200</u>	<u>2,067,877</u>
Financial Liabilities		
Accounts payable and accrued liabilities	240,510	355,253
Net financial assets	<u>1,131,690</u>	<u>1,712,624</u>
Non-financial assets		
Tangible capital assets (Note 4)	4,992,673	5,154,584
Accumulated Surplus	<u>\$ 6,124,363</u>	<u>\$ 6,867,208</u>

Approved on behalf of Chief and Council:

Chief Angela Demit Chief

Patrick Johnny Councilor

White River First Nation Statement of Operations

For the year ended March 31	Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada \$	811,816 \$	1,270,446 \$	1,595,034
Yukon Territorial Government	-	52,447	62,751
Investment	-	11,620	12,400
Administration fees	122,737	61,144	77,498
Council of Yukon First Nations	86,426	9,476	1,732
Health Canada	69,908	385,816	387,271
Human Resources Development Canada	-	20,000	81,280
Heritage Canada	-	66,864	-
Miscellaneous revenues	-	120,952	241,857
	1,090,887	1,998,765	2,459,823
Expenses			
Governance	468,221	800,142	1,076,864
Education	133,472	243,433	128,356
Health and Social	69,908	457,530	501,588
Economic Development	-	295,702	493,210
Lands and Resources	114,431	154,852	130,139
Capital maintenance	135,374	313,729	401,349
	921,406	2,265,388	2,731,506
Deficit, before the following	169,481	(266,623)	(271,683)
Amortization expense	-	(259,693)	(252,863)
Repayment of surplus	-	(216,529)	(41,963)
	169,481	(742,845)	(566,509)
Annual surplus (deficit)	169,481	(742,845)	(566,509)
Accumulated surplus, beginning of year	6,867,208	6,867,208	7,433,717
Accumulated surplus, end of year	\$ 7,036,689	\$ 6,124,363	\$ 6,867,208

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

White River First Nation Statement of Changes in Net Financial Assets

For the year ended March 31	Budget	2014	2013
Annual surplus (deficit)	\$ 169,481	\$ (742,845)	\$ (566,509)
Acquisition of tangible capital assets	(169,481)	(97,782)	(130,118)
Amortization of tangible capital assets	-	259,693	252,863
Loss on sale of tangible capital assets	-	-	17,500
Proceeds on sale of tangible capital assets	-	-	7,500
Use of deposits	-	-	9,467
Decrease in net financial assets for the year	-	(580,934)	(409,297)
Net financial assets, beginning of year	1,712,624	1,712,624	2,121,921
Net financial assets, end of year	\$ 1,712,624	\$ 1,131,690	\$ 1,712,624

White River First Nation Statement of Cash Flows

For the years ended March 31	2014	2013
Cash flows from operating transactions		
Surplus for the year	\$ (742,845)	\$ (566,509)
Items not utilizing cash:		
Loss on sale of capital assets	-	17,500
Amortization of capital assets	259,693	252,863
Cash provided by changes in non-cash working capital items:		
Accounts receivable	24,997	11,813
Contributions receivable	27,189	142,572
Deposits	-	9,467
Accounts payable and accrued liabilities	(114,743)	135,465
Deferred revenue	-	(284,854)
	<u>(545,709)</u>	<u>(281,683)</u>
Cash flows from capital transactions		
Acquisition of tangible capital assets	(97,782)	(130,118)
Proceeds on disposal of capital assets		7,500
	<u>(97,782)</u>	<u>(122,618)</u>
Cash flows from investing transactions		
Increase in advances	480	(4,800)
Net change in cash and cash equivalents for the year	(643,011)	(409,101)
Cash and cash equivalents, beginning of year	1,431,987	1,841,088
Cash and cash equivalents, end of year	\$ 788,976	\$ 1,431,987
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 754,933	\$ 1,397,905
Restricted funds	34,043	34,082
	<u>\$ 788,976</u>	<u>\$ 1,431,987</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

White River First Nation Summary of Significant Accounting Policies

March 31, 2014

**Basis of
Presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for Canadian First Nations as described in the Year-end Reporting Handbook of Aboriginal Affairs and Northern Development Canada and defined in the CICA Public Sector Accounting Board Handbook, which encompasses the following principles:

Fund Accounting

A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operation which presents the results of operations for the fund.

**Cash and cash
equivalents**

Cash and cash equivalents are comprised of cash on hand and short-term highly liquid investments that are readily convertible to known amounts of cash. These investments have maturity periods which are less than 90 days and are subject to an insignificant risk of changes in value.

**Tangible Capital
Assets**

Tangible capital assets acquired as part of the operating or capital funds are recorded at cost less accumulated amortization and are recorded in the program schedules. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings and building components	10 - 50 years
Water and wastewater systems	20 - 25 years
Machinery and equipment	3 - 15 years
Vehicles	7 years

White River First Nation Summary of Significant Accounting Policies

March 31, 2014

Portfolio Investments	Portfolio investments are recorded at cost. Portfolio investments are written down when there has been a decline other than temporary in value. Earnings from portfolio investments are recorded on the accrual basis.
Revenue Recognition	<p>Revenue is recognized as it becomes receivable under the terms of the applicable funding agreements and when collection is reasonably assured. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position. Surplus funds determined by the funder to be repayable will be recorded as a charge against accumulated surplus in the year that the amount becomes payable or can be reasonably determined.</p> <p>Miscellaneous revenue is recognized when services are complete and collection is reasonably assured.</p> <p>Investment revenue is recognized as earned.</p>
Administration	Administration and rent is charged to various programs by the Band Operations and Administration Programs.
Budget Amounts	The budgeted figures included in these financial statements were approved by the General Assembly for the First Nation on September 29, 2012.
Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 management's best estimates as additional information becomes available in the future.

White River First Nation Notes to Financial Statements

March 31, 2014

1. Accounts Receivable

Included in accounts receivable are advances to White River Development Corporation of \$93,663 (2013 - \$92,557). During the year advances of \$1,106 were made.

2. Elders' Funds

Elders' funds consist of cash designated to provide funding for the elders. These funds are not available to finance current operations.

3. Portfolio Investments and Advances

	<u>2014</u>	<u>2013</u>
RAB Energy Group Inc., common shares at cost (1.6%)	\$ 25,970	\$ 25,970
RAB Energy Group Inc., advances without interest or specific repayment terms	30,703	31,183
Yukon Indian Development Corporation Ltd., common shares at cost (5.9%)	66,000	66,000
Yukon Indian Development Corporation Ltd., advances without interest or specific repayment terms	<u>71,628</u>	<u>71,628</u>
	<u>\$ 194,301</u>	<u>\$ 194,781</u>

White River First Nation Notes to Financial Statements

March 31, 2014

4. Tangible Capital Assets

			2014		2013
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Buildings and building components	\$ 4,086,655	\$ 1,822,707	\$ 2,263,948	\$	2,282,467
Water and wastewater systems	3,278,803	690,325	2,588,478		2,726,872
Machinery and equipment	184,714	97,865	86,849		74,633
Vehicles	309,796	256,398	53,398		70,612
	\$ 7,859,968	\$ 2,867,295	\$ 4,992,673	\$	5,154,584

5. Land Claims

The First Nation has reached a "Negotiator's Agreement" with respect to Land Claims. As the details have not been finalized, nor ratified, no recognition has been given in these financial statements with respect to this matter.

6. Economic Dependence

The White River First Nation receives a major portion of its revenue pursuant to funding arrangements with the governments of Canada and Yukon.

7. Related Party Transactions

During the year, a member of Council was employed by a company that contracted with the First Nation in the amount of \$4,011. The company is owned by that member's spouse. The transaction occurred in the normal course of operations and is measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for services.

8. Contingent Liability

The First Nation is involved in a dispute with two individuals over the lease of property. The First Nation has determined that this claim has no merit and therefore no amount has been provided for in these financial statements with respect to this claim. Should any loss result, that loss will be recorded in the year of resolution.

White River First Nation Notes to Financial Statements

March 31, 2014

9. Segmented Information

The First Nation provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Governance:

This department handles the financial and administration of the First Nation including support to Council and all departments. The department provides internal support and central services to ensure the efficient and effective operations of White River First Nation.

Education:

The education department is responsible for delivery of programs to assist people in achieving their greatest education and training potential. This department includes education support for elementary and post secondary students as well as support for the First People's language and culture.

Health and Social Development:

This department directs the activities of the health programs by planning, monitoring and evaluating the areas of addictions, community health and youth programs. The mission of social development is to support the enhancement and development of individual self-reliance and empowerment in order to establish a healthier community.

Economic Development:

The economic development department researches and performs work in areas that will provide opportunities for the First Nation and its members for furthering employment and investment.

Lands and Resources:

The mission of the department is to maximize control and jurisdiction over the lands and resources within the Traditional Territory for future generations.

Capital Maintenance:

The capital department is responsible for the construction, operations and maintenance of all owned and operated facilities and assets. Included are community planning and feasibility studies. This department is also responsible for repair and maintenance of the First Nation's infrastructure/equipment.

Elders' Pension Fund:

This fund is to provide assistance for Elders in supporting and enabling them to be participants in the growth and well being of our First Nation and its members.

9. Segmented Information (continued)

White River First Nation
Schedule of Financial Activities and Surplus

March 31, 2014	Governance	Education	Health and Social Development	Economic Development	Lands and Resources	Capital Maintenance	Elders' Pension Fund	Other	Total
Revenue									
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 586,293	\$ 79,477	\$ 119,624	\$ 76,360	\$ 134,420	\$ 274,272	\$ -	\$ -	\$ 1,270,446
Health Canada	-	-	385,816	-	-	-	-	-	385,816
Human Resources Development Canada	-	20,000	-	-	-	-	-	-	20,000
Heritage Canada	-	66,864	-	-	-	-	-	-	66,864
Yukon Territorial Government	20,800	-	-	31,647	-	-	-	-	52,447
Council of Yukon First Nations	-	2,489	-	-	816	6,171	-	-	9,476
Mining resource companies	-	-	-	115,119	-	-	-	-	115,119
Management Fees - RAB Energy Group	9,600	-	-	-	-	-	-	-	9,600
Interest	2,020	-	-	-	-	-	-	-	2,020
Administration fees	59,569	-	-	-	-	-	-	-	59,569
Rent	1,575	-	-	-	-	-	-	-	1,575
Other	5,632	-	-	-	201	-	-	-	5,833
	685,489	168,830	505,440	223,126	135,437	280,443	-	-	1,998,765
Expenses									
Administration	-	1,213	20,925	7,680	17,165	-	-	-	46,983
Bank and service charges	8,910	-	-	-	-	-	-	-	8,910
Basic needs	-	-	111,802	-	-	-	-	-	111,802
Capacity building	-	2,688	-	-	-	-	-	-	2,688
Contracts	54,043	-	-	-	-	164,145	-	-	218,188
CPP expenses	15,607	-	-	-	-	-	-	-	15,607
Cultural activities	-	-	9,329	-	-	-	-	-	9,329
Elders' wood and fuel	-	-	5,000	-	-	-	-	-	5,000
Equipment rental	3,273	-	-	-	-	-	-	-	3,273
Fire protection	1,018	-	-	-	-	-	-	-	1,018
Food vouchers	-	-	2,795	-	-	-	-	-	2,795
General assembly	13,317	-	-	-	-	-	-	-	13,317
Graduation	-	300	-	-	-	-	-	-	300
Honorarium	35,909	20,345	4,697	-	-	-	-	-	60,951
Insurance	19,311	-	-	-	-	-	-	-	19,311
Materials and supplies	98,802	24,585	48,947	4,122	2,473	107,101	-	-	286,030
Office	605	-	-	-	-	-	-	-	605
Professional development	-	30,445	730	-	-	-	-	-	31,175
Professional fees	72,351	-	150	247,315	51,870	20,348	-	-	392,034
Rent	-	-	5,400	-	5,400	-	-	-	10,800
Sanitation	4,565	-	-	-	-	-	-	-	4,565
School supplies	-	1,080	-	-	-	-	-	-	1,080
Special needs	-	-	4,467	-	-	-	-	-	4,467
Student living allowance	-	45,116	-	-	-	-	-	-	45,116
Tuition	-	20,795	-	-	-	-	-	-	20,795
Technical support	-	-	-	-	3,500	-	-	-	3,500
Telephone	41,339	-	-	-	3,000	-	-	-	44,339
Training	-	-	-	-	-	7,440	-	-	7,440
Travel	50,929	19,720	47,189	11,585	13,455	3,890	-	-	146,768
Utilities and fuel	81,886	-	-	-	-	-	-	-	81,886
Vehicle	-	-	11,499	-	-	-	-	-	11,499
Wages and benefits	296,037	74,422	137,445	25,000	54,821	10,805	-	-	598,530
Workshops and meetings	2,240	-	47,155	-	3,168	-	-	-	52,563
Youth programs	-	2,724	-	-	-	-	-	-	2,724
	800,142	243,433	457,530	295,702	154,852	313,729	-	-	2,265,388
Annual surplus (deficit) before the following	(114,653)	(74,603)	47,910	(72,576)	(19,415)	(33,286)	-	-	(266,623)
Amortization	-	-	-	-	-	-	-	(259,693)	(259,693)
Repayment of surplus	(40,344)	(13,360)	(120,208)	-	-	(42,617)	-	-	(216,529)
Annual surplus (deficit)	\$ (65,512)	\$ (87,963)	\$ (72,298)	\$ (162,061)	\$ (19,415)	\$ (75,903)	\$ -	\$ (259,693)	\$ (742,845)

9. Segmented Information (continued)

White River First Nation
Schedule of Financial Activities and Surplus

March 31, 2013	Governance	Education	Health and Social Development	Economic Development	Lands and Resources	Capital Maintenance	Elders' Pension Fund	Other	Total
Revenue									
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 912,240	\$ 68,472	\$ 118,554	\$ 37,237	\$ 117,767	\$ 340,764	\$ -	\$ -	\$ 1,595,034
Health Canada	-	-	387,271	-	-	-	-	-	387,271
Human Resources Development Canada	-	81,280	-	-	-	-	-	-	81,280
Yukon Territorial Government	32,241	-	-	30,510	-	-	-	-	62,751
Council of Yukon First Nations	-	1,732	-	-	-	-	-	-	1,732
Transcanada Pipeline	-	-	-	21,110	-	-	-	-	21,110
Management Fees - RAB Energy Group	10,080	-	-	-	-	-	-	-	10,080
Interest	2,320	-	-	-	-	-	-	-	2,320
Administration fees	77,498	-	-	-	-	-	-	-	77,498
Other	90,050	-	1,500	129,197	-	-	-	-	220,747
	1,124,429	151,484	507,325	218,054	117,767	340,764	-	-	2,459,823
Expenses									
Administration	41,000	748	19,371	-	11,777	-	-	-	72,896
Bad debts	22,884	-	-	-	-	-	-	-	22,884
Bank charges	2,435	-	-	-	-	-	-	-	2,435
Basic needs	-	-	75,751	-	-	-	-	-	75,751
Capacity building	-	3,483	-	-	-	-	-	-	3,483
Contracts	789	-	-	-	-	128,129	-	-	128,918
Counseling	-	-	3,596	-	-	-	-	-	3,596
CPP expenses	14,419	-	-	-	-	-	-	-	14,419
Cultural activities	-	-	2,357	-	-	-	-	-	2,357
Disability program	-	1,519	-	-	-	-	-	-	1,519
Elders' wood and fuel	-	-	4,642	-	-	-	-	-	4,642
Equipment rental	7,789	-	-	14,028	-	-	-	-	21,817
Fire protection	1,429	-	-	-	-	-	-	-	1,429
Food vouchers	-	-	5,806	-	-	-	-	-	5,806
General assembly	14,313	-	-	-	-	-	-	-	14,313
Graduation	-	570	-	-	-	-	-	-	570
Honorarium	30,135	-	2,461	-	558	-	-	-	33,154
Insurance	25,599	-	-	-	-	-	-	-	25,599
Materials and supplies	64,979	2,009	43,655	6,898	15,796	146,208	-	-	279,545
Office	2,000	-	-	-	-	-	-	-	2,000
P & I Development	4,567	-	-	-	-	-	-	-	4,567
Professional development	-	-	1,271	-	-	622	-	-	1,893
Professional fees	391,489	-	5,800	422,777	39,878	31,056	-	-	891,000
Rent	-	-	4,000	-	-	-	-	-	4,000
Sanitation	32,293	-	-	-	-	-	-	-	32,293
School supplies	-	870	-	-	-	-	-	-	870
Special needs	-	-	3,023	-	-	-	-	-	3,023
Student living allowance	-	38,534	-	-	-	-	-	-	38,534
Student supplies	-	26,182	-	-	-	-	-	-	26,182
Telephone	41,392	-	1,200	-	-	-	-	-	42,592
Training	9,901	-	-	-	-	-	-	-	9,901
Travel	56,925	6,771	85,073	20,051	15,415	6,925	-	-	191,160
Utilities and fuel	57,912	-	-	-	-	-	-	-	57,912
Wages and benefits	244,076	31,466	146,298	29,456	46,316	88,409	-	-	586,021
Workshops and meetings	10,538	-	97,284	-	399	-	-	-	108,221
Youth programs	-	16,204	-	-	-	-	-	-	16,204
	1,076,864	128,356	501,588	493,210	130,139	401,349	-	-	2,731,506
Annual surplus (deficit) before the following									
Amortization	47,565	23,128	5,737	(275,156)	(12,372)	(60,585)	-	-	(271,683)
Repayment to funding agencies	-	-	-	-	-	-	-	(252,863)	(252,863)
	(11,115)	-	(15,757)	-	-	(15,091)	-	-	(41,963)
Closing surplus (deficit)	\$ 36,450	\$ 23,128	\$ (10,020)	\$ (275,156)	\$ (12,372)	\$ (75,676)	\$ -	\$ (252,863)	\$ (566,509)