

SAIK'UZ FIRST NATION
FINANCIAL STATEMENTS
MARCH 31, 2013

SAIK'UZ FIRST NATION
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MARCH 31, 2013

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INDEPENDENT AUDITOR'S REPORT

TO THE SAIK'UZ FIRST NATION

Report on the Financial Statements

We have audited the accompanying statement of financial position of the Saik'uz First Nation as at March 31, 2013 and the statements of financial activities, cash flows and changes in net financial liabilities and a summary of significant accounting policies.

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 controls as management determines are necessary to enable the preparation of financial statements that are free of 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. These standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

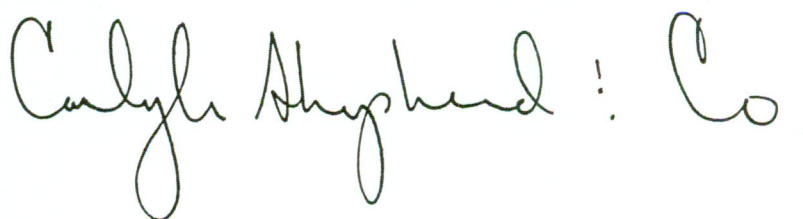
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Rupert, BC
June 24, 2013



SAIK'UZ FIRST NATION
STATEMENT OF FINANCIAL POSITION
MARCH 31

	2013 \$	2012 \$
FINANCIAL ASSETS		
Accounts receivable (note 2)	384,708	240,702
Note receivable (note 13)	825,000	-
Ottawa Trust funds (note 3)	<u>703,089</u>	<u>852,234</u>
	<u>1,912,797</u>	<u>1,092,936</u>
LIABILITIES		
Bank indebtedness (note 5)	243,791	297,878
Accounts payable and accruals	1,285,703	1,089,688
Bank and other loans (note 6)	<u>3,058,313</u>	<u>3,508,614</u>
	<u>4,587,807</u>	<u>4,896,180</u>
NET FINANCIAL LIABILITIES	<u>-2,675,010</u>	<u>-3,803,244</u>
NON-FINANCIAL ASSETS		
Property and equipment (notes 1 and 4)	19,733,887	19,989,936
Prepaid expenses (note 7)	560,605	595,510
Investments (notes 1 and 8)	<u>872,591</u>	<u>1,716,950</u>
	<u>21,167,083</u>	<u>22,302,396</u>
	<u>18,492,073</u>	<u>18,499,152</u>
NATION POSITION		
Operating surplus (deficit) (note 15)	-813,495	-1,086,984
Equity in property and equipment (note 9)	18,602,479	18,733,902
Ottawa Trust funds (note 3)	<u>703,089</u>	<u>852,234</u>
	<u>18,492,073</u>	<u>18,499,152</u>

APPROVED ON BEHALF OF COUNCIL

_____ Councillor

_____ Councillor

SAIK'UZ FIRST NATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED MARCH 31

	2013	2012
	\$	\$
REVENUE		
CSFS	204,922	180,292
Forestry	-	369,249
Government of Canada	206,455	79,100
AANDC	2,774,682	2,679,569
Other	1,919,627	1,305,275
Ottawa Trust funds	20,856	26,907
PGNAETA	284,492	366,134
Province of BC	25,084	19,046
	<u>5,436,118</u>	<u>5,025,572</u>
EXPENDITURE		
Administration	932,816	866,242
Amortization	1,112,907	1,141,315
Capital Development	14,196	35,892
Community Health	320,890	251,257
Economic Development	124,127	290,677
Education	465,792	428,452
Housing	162,450	235,931
Infrastructure	291,569	350,507
Other	296,401	249,505
Social Services	1,559,232	1,559,881
Training	162,817	257,107
	<u>5,443,197</u>	<u>5,666,766</u>
REVENUE OVER EXPENDITURE	-7,079	-641,194
OPENING POSITION	<u>18,499,152</u>	<u>19,140,346</u>
CLOSING POSITION	<u>18,492,073</u>	<u>18,499,152</u>

SAIK'UZ FIRST NATION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2013	2012
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	-7,079	-641,194
Amortization	1,112,907	1,141,315
Accounts receivable	-144,006	-9,781
Accounts payable and accruals	196,015	24,677
Note receivable	-825,000	-
Ottawa Trust funds	149,145	-6,907
Prepaid expenses	34,905	-69,679
	<u>516,887</u>	<u>438,431</u>
FINANCING ACTIVITIES		
Investments	844,359	-219,763
Bank and other loans	-450,301	-286,356
	<u>394,058</u>	<u>-506,119</u>
INVESTING ACTIVITIES		
Property and equipment additions	-856,858	-
CHANGE IN CASH	54,087	-67,688
OPENING CASH BALANCE	<u>-297,878</u>	<u>-230,190</u>
CLOSING CASH BALANCE	<u>-243,791</u>	<u>-297,878</u>

SAIK'UZ FIRST NATION

STATEMENT OF CHANGES IN NET FINANCIAL LIABILITIES

YEAR ENDED MARCH 31

	2013	2012
	\$	\$
Revenue over expenditure	-7,079	-641,194
Amortization	1,112,907	1,141,315
Property and equipment additions	-856,858	-
Prepaid expenses	34,905	-69,679
Investments	<u>844,359</u>	<u>-219,763</u>
Change in net financial assets	1,128,234	210,679
Opening net financial assets	<u>-3,803,244</u>	<u>-4,013,923</u>
Closing net financial assets	<u>-2,675,010</u>	<u>-3,803,244</u>

SAIK'UZ FIRST NATION

NOTES

MARCH 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

These financial statements have been prepared using the fund accounting method and guidelines issued by Indian and Northern Affairs Canada which include compliance with the CICA Public Sector Accounting Handbook standards.

The Nation maintains the following funds which are combined into the financial statements:

- Operating fund reports the general activities of the Nation.
- Capital fund reports the property and equipment of the Nation, together with related financing.
- Ottawa Trust fund reports the trust funds owned by the Nation and held by the federal government.

b) Reporting Entity and Principles of Financial Reporting

The Nation's reporting entity includes the Nation's government and all related entities which are accountable to, and either owned or controlled, by the Nation.

The summary of financial statements consolidates the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Nation Government Administration
- Nation Trust Fund (comprising the Ottawa Trust Fund)
- Nation Treaty Process Fund

Incorporated business entities, which are accountable to and owned or controlled by the Nation are included in the summary financial statements using the modified equity method. These include:

- Saik'uz Development Corporation
- Tin Toh Forest Products Ltd.
- Bednesti Lake Resort (2002) Limited

SAIK'UZ FIRST NATION

NOTES

MARCH 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in entities for which the Nation does not have significant influence are accounted for using the cost method. These include:

- Jaboon Holdings Ltd.
- SCC Contracting Ltd.
- Desti Holdings Ltd.

The investment in Vanderhoof & Districts Co-op Association is recorded at the equity value of the investment.

c) Property and Equipment

Property and equipment are capitalized when the purchase has benefits lasting beyond one year or result in the extension of the life of an asset.

Asset	Basis	Rate
Buildings and infrastructure	Declining balance	5%
Equipment	Declining balance	25%

d) Recognition of Revenue and Expenditures

Revenue is recorded in the period in which the transactions or events that give rise to the revenue occur. Funding from external parties restricted by agreement or legislation is reported as deferred revenue until used for the purposes specified. Other revenue is recognized when earned.

Expenditures are accounted for in the period when the goods and services are acquired and the liability is incurred.

e) Use Of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amounts of accounts receivable, inventory and property, plant and equipment. Actual results could differ from these estimates.

SAIK'UZ FIRST NATION

NOTES

MARCH 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial Instruments

It is management's opinion that the Nation's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks.

2. ACCOUNTS RECEIVABLE

	2013	2012
AANDC	\$ -	\$ 50,268
PGNAETA	43,585	72,712
Carrier Sekani Family Services Society	44,325	27,266
Member loans and staff advances	23,090	24,557
Other	296,798	90,456
	<u>407,798</u>	<u>265,259</u>
Allowance for doubtful accounts	<u>23,090</u>	<u>24,557</u>
	<u>\$ 384,708</u>	<u>\$ 240,702</u>

3. OTTAWA TRUST FUNDS

Aboriginal Affairs and Northern Development Canada (AANDC) holds funds in trust for the Nation. These funds are designated as revenue or capital funds as is required by the Indian Act. The Nation is permitted to expend its revenue fund for any purpose that will promote the general progress and welfare of the Nation and its members. The expenditure of capital funds must be for projects of a capital nature and require the consent of the Minister of AANDC.

	Capital	Revenue	Total 2013	Total 2012
Opening balance	\$ 664,479	\$ 187,755	\$ 852,234	\$ 845,327
Interest and per capital revenue	-	20,855	20,855	26,907
Withdrawals	-	<u>-170,000</u>	<u>-170,000</u>	<u>-20,000</u>
Closing balance	<u>\$ 664,479</u>	<u>\$ 38,610</u>	<u>\$ 703,089</u>	<u>\$ 852,234</u>

CARLYLE SHEPHERD & CO.

CHARTERED ACCOUNTANTS

