

**Pasqua First Nation - TLE Revenue Account**  
**Financial Statements**  
*December 31, 2017*

# Pasqua First Nation - TLE Revenue Account

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*For the year ended December 31, 2017*

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**INDEPENDENT AUDITORS' REPORT**

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To the Members of Pasqua First Nation - TLE Revenue Account

We have audited the accompanying financial statements of Pasqua First Nation - TLE Revenue Account, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and changes in net 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 Disclosed Basis of Accounting, 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 auditors consider internal control relevant to the organization'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 organization'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 Pasqua First Nation - TLE Revenue Account as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with the reporting requirements of the Pasqua First Nation Treaty Land Entitlement Trust.

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**INDEPENDENT AUDITORS' REPORT, continued**

*Basis of Accounting and Restriction on Use*

Without modifying our opinion, we draw attention to Note #2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to comply with the financial reporting provisions of the Trust Agreement. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trustee of the Pasqua First Nation Treaty Land Entitlement Trust and the members of Pasqua First Nation - TLE Revenue Account.

Regina, Saskatchewan  
September 17, 2018



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Chalupiak & Associates

**Pasqua First Nation - TLE Revenue Account**  
**Statement of Financial Position**  
*December 31, 2017*

	2017	2016
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 130,461	\$ 198,766
Accounts receivable	324	324
Due from related parties - notes 4 and 5	273,336	81,719
	<b>\$ 404,121</b>	<b>\$ 280,809</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 8,324	\$ 22,126
<b>Equity</b>	<b>395,797</b>	<b>258,683</b>
	<b>\$ 404,121</b>	<b>\$ 280,809</b>

Approved:

**Pasqua First Nation - TLE Revenue Account**  
**Statement of Operations**  
**and Changes in Net Assets**  
*For the year ended December 31, 2017*

	2017	2016
<b>Revenues</b>		
TLE Revenue account, Schedule 1	\$ 134,582	\$ 10,546
Administration, Schedule 2	2,532	17,552
	<u>137,114</u>	<u>28,098</u>
<b>Excess of revenue over (under) expenses</b>	137,114	28,098
<b>Equity, beginning of year</b>	<u>258,683</u>	<u>230,585</u>
<b>Equity, end of year</b>	<u>\$ 395,797</u>	<u>\$ 258,683</u>

## Pasqua First Nation - TLE Revenue Account

### Statement of Cash Flows

*For the year ended December 31, 2017*

	2017	2016
<b>Cash flows from (used in) operating activities</b>		
Excess of revenue over (under) expenses	\$ 137,114	\$ 28,098
<b>Change in non-cash working capital items</b>		
Accounts receivable	-	11,205
Accounts payable and accrued liabilities	(13,802)	(5,805)
	123,312	33,498
<b>Cash flows from (used in) financing activity</b>		
Advances from (to) related party	(191,617)	94,164
<b>(Decrease) increase in cash</b>	(68,305)	127,662
<b>Cash, beginning of year</b>	198,766	71,104
<b>Cash, end of year</b>	\$ 130,461	\$ 198,766

# Pasqua First Nation - TLE Revenue Account

## Notes to Financial Statements

For the year ended December 31, 2017

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### 1. General

The Pasqua First Nation Treaty Land Entitlement Trust was established to manage funds received pursuant to a Settlement Agreement dated May 18, 2008. Royal Trust Corporation of Canada is the appointed Trustee of the Pasqua First Nation Treaty Land Entitlement Trust.

The agreement stipulates that the First Nation is to establish a "TLE Revenue Account." The TLE Revenue Account does not form part of the Trust, but is instead the personal property of the First Nation. The purpose of the TLE Revenue Account is to receive and disburse monies transferred from the TLE Trust Capital Account in accordance with the trust agreement, and to receive and disburse one hundred percent of the "Annual Income" of the TLE Trust.

These financial statements also include the net income as reported in the financial statements of Pasqua TLE Holdings Inc. TLE Holdings Inc. holds title to the land that is purchased by the Pasqua TLE Trust until it is converted to reserve status.

The agreement requires that a separate audit of the TLE Revenue Account be completed and provides further details on the administration of the TLE Revenue Account.

These financial statements include only the financial transactions of the TLE Revenue Account.

### 2. Significant accounting policies

These financial statements have been prepared in accordance with significant accounting policies set out below to comply with the reporting requirements prescribed by the Pasqua First Nation Treaty Land Entitlement Trust Agreement.

#### (a) Revenue recognition

Revenue is recognized on an accrual basis, as reported in the Pasqua First Nation Treaty Land Entitlement Trust financial statements.

#### (b) Deferred revenue

Transfers to the TLE Revenue Account are authorized by band council resolution for specific purposes. Any funds not expended in the current reporting period are reported as deferred revenue.

#### (c) Measurement uncertainty

The preparation of financial statements in conformity with Disclosed Basis of Accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

## Pasqua First Nation - TLE Revenue Account

### Notes to Financial Statements

For the year ended December 31, 2017

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#### 3. Financial instruments

The TLE Revenue Account as part of its operations carries a number of financial instruments. It is management's opinion that the TLE Revenue Account is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximates their fair value due to the short-term nature of these items.

#### 4. Receivable from the Capital and Revenue Trust Accounts

One hundred percent of the "Annual Income" of the TLE Trust less authorized expenses is due to the TLE Revenue Account as per the Trust Agreement. The December 31, 2016 financial statements of the TLE Trust recorded a payable of \$62,677 (2015 - \$84,254) to the TLE Revenue Account.

#### 5. Due to/from related parties

	2017	2016
Due from (to) Pasqua First Nation	\$ (32,756)	\$ 97,112
Due from Pasqua First Nation TLE Trust	48,098	62,677
Due from (to) TLE Holdings Inc.	169,026	(14,451)
Due from (to) Pasqua Group of Companies	88,968	-
	<u>\$ 273,336</u>	<u>\$ 145,338</u>

Schedule 1

**Pasqua First Nation - TLE Revenue Account**  
**Schedule of TLE Revenue account**  
*For the year ended December 31, 2017*

	2017	2016
<b>Revenue</b>		
Pasqua TLE Trust annual income	\$ 48,097	\$ 62,677
Pasqua TLE Holdings Inc. annual income	178,483	130,641
Interest	238	67
	<u>226,818</u>	<u>193,385</u>
<b>Expenditures</b>		
Band development	1,500	43,788
Bank charges	382	383
Consultants and contractors	689	16,100
Equipment purchases	-	19,150
Professional fees	1,530	-
Sports and recreation	13,135	3,418
	<u>17,236</u>	<u>82,839</u>
<b>Excess (deficiency) of revenues over expenditures before transfers</b>	209,582	110,546
<b>Transfer to Administration - Schedule #2</b>	(75,000)	(100,000)
<b>Deficiency of revenues over expenditures</b>	<u>\$ 134,582</u>	<u>\$ 10,546</u>

Schedule 2

**Pasqua First Nation - TLE Revenue Account**  
**Schedule of Administration**  
*For the year ended December 31, 2017*

	2017	2016
<b>Revenue</b>		
Transfer from TLE Revenue account - Schedule #1	\$ 75,000	\$ 100,000
<b>Expenditures</b>		
Bank charges	3,669	366
Consultants and contractors	33,239	1,800
Miscellaneous	3,755	938
Professional fees	12,780	13,708
Supplies	2,097	9,355
Telephone	-	350
Travel and per diem	16,929	38,263
Wages and benefits	(1)	17,668
	72,468	82,448
<b>Excess of revenues over expenditures</b>	<b>\$ 2,532</b>	<b>\$ 17,552</b>