

**Pasqua First Nation
TLE Revenue Account
Financial Statements
*December 31, 2011***

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TLE Revenue Account
Financial Statements
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For the Year Ended December 31, 2011

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AUDITOR'S REPORT

To the members of **Pasqua First Nation**

We have audited the accompanying financial statements of **Pasqua First Nation TLE Revenue Account**, which comprise the balance sheet as at December 31, 2011, and the statements of operations and equity, 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 generally accepted accounting principles, 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 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 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, these financial statements present fairly, in all material respects, the financial position of the **Pasqua First Nation TLE Revenue Account** as at December 31, 2011, and the results of its operations and its

Basis of Opinion and Restriction in 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.

Regina, Saskatchewan
May 15, 2012



Chalupiak & Associates

Pasqua First Nation
TLE Revenue Account
Balance Sheet
December 31, 2011

	2011	2010
Assets		
Current assets		
Bank - operating	\$ (83,582)	\$ 16,860
Due from band operating fund - note 6	145,335	145,335
Due from TLE Trust - note 4	209,657	155,771
	\$ 271,410	\$ 317,966

Liabilities and Equity

Current liabilities

Accounts payable and accrued liabilities	\$ 2,500	\$ 6,498
Total current liabilities	2,500	6,498

Equity

Surplus (deficit)	268,910	311,468
	\$ 271,410	\$ 317,966

Approved:

Pasqua First Nation
TLE Revenue Account
Statement of Operations and Equity
For the Year Ended December 31, 2011

	2011	2010
Revenue		
TLE Trust - Annual Income	\$ 293,440	\$ 249,883
Interest revenue	190	75
Deferred revenue - band development - previous year - note 2(c)	-	95,100
Total revenue	293,630	345,058
Expenses		
Administration and salary expenses	304,690	68,606
Audit fees	2,500	2,500
Consulting	20,000	-
Band development - 1999 Freightliner	-	48,100
Band development - belly dump trailer	-	47,000
Bank charges	596	164
Legal fees	8,402	13,699
General band meeting (December 2010)	-	10,000
Total expenses	336,188	190,069
Excess of revenue over (under) expenses	(42,558)	154,989
Equity, beginning of the year	311,468	156,479
Equity, end of the year	\$ 268,910	\$ 311,468

**Pasqua First Nation
TLE Revenue Account
Statement of Cash Flows**

For the Year Ended December 31, 2011

	2011	2010
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Cash provided by (used in) operating activities		
Excess of revenue over (under) expenses	\$ (42,558)	\$ 154,989
Changes in non-cash working capital items		
Due from band operating fund	-	(52,000)
Due from TLE Trust	(53,886)	(69,627)
Accounts payable	(3,998)	2,498
Deferred revenue	-	(95,100)
Total changes in non-cash working capital items	(100,442)	(59,240)
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Increase (decrease) in cash	(100,442)	(59,240)
Cash position (deficit) - beginning of period	16,860	76,100
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Cash position (deficit) - end of period	\$ (83,582)	\$ 16,860
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Cash position consists of:		
Cash in bank account	\$ (83,582)	\$ 16,860
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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.

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

- a) 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.
- b) Revenue is recognized on an accrual basis, as reported in the Pasqua First Nation Treaty Land Entitlement Trust financial statements.
- c) 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.
- d) 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. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the periods in which they become known.

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, 2011 financial statements of the TLE Trust recorded a payable of \$209,657 to the TLE Revenue Account.

5. Band Development Expenses

<u>Approved band development expenses</u>	<u>\$ 300,000</u>
Expenses - 2008	
Housing	\$ 150,000
Expenses - 2009	
Water truck	54,900
Expenses - 2010	
Freightliner truck	48,100
Belly dump	47,000
Deferred revenue	0
<u>Total</u>	<u>\$ 300,000</u>

6. Due from Band Operating Fund

Transfers to the band operating fund have been made with the intention of repaying these funds to the TLE Revenue Account.

	2011	2010
<u>Due from Band Operating Fund</u>	<u>\$ 145,335</u>	<u>\$ 145,335</u>