

**Thunderchild First Nation**  
**Consolidated Financial Statements**  
*March 31, 2016*

# Thunderchild First Nation

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For the year ended March 31, 2016

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## Managements' Responsibility

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To the Members of Thunderchild First Nation:

The accompanying consolidated financial statements of Thunderchild First Nation are the responsibility of management and have been approved by Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Thunderchild First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and report directly to the members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

August 10, 2016

(signature on file)

Director of Finance

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## Independent Auditors' Report

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To the Members of Thunderchild First Nation:

We have audited the accompanying consolidated financial statements of Thunderchild First Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flows and related schedules 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 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.

### *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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Thunderchild First Nation as at March 31, 2016 and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Albert, Saskatchewan

August 10, 2016

*MNP LLP*

Chartered Professional Accountants

**Thunderchild First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Financial assets</b>		
<b>Current</b>		
Cash resources (Note 3)	<b>2,073,138</b>	2,761,622
Accounts receivable (Note 4)	<b>2,505,637</b>	898,139
Inventory for resale	<b>94,740</b>	146,721
Temporary investments (Note 6)	<b>161,016</b>	88,083
Restricted cash - short-term (Note 7)	<b>276,427</b>	348,808
Portfolio investments (Note 8), (Note 9)	<b>1</b>	1
<b>Subtotal of current assets</b>	<b>5,110,959</b>	4,243,374
<b>Restricted cash - long-term (Note 10)</b>	<b>746,849</b>	798,029
<b>Funds held in trust (Note 11), (Note 28)</b>	<b>2,368,805</b>	1,856,224
<b>Equity investment in Co-op</b>	<b>73,184</b>	73,043
<b>Investments in First Nation partnerships and business entities (Note 12)</b>	<b>70,906</b>	-
<b>Total financial assets</b>	<b>8,370,703</b>	6,970,670

*The accompanying notes are an integral part of these financial statements*

**Thunderchild First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 13)	<b>136,267</b>	158,058
Accounts payable and accruals	<b>2,844,326</b>	2,881,715
Deferred revenue (Note 14)	<b>45,861</b>	103,306
Current portion of long-term debt (Note 16)	<b>846,310</b>	811,720
<b>Subtotal of current liabilities</b>	<b>3,872,764</b>	3,954,799
<b>Long-term debt (Note 16)</b>	<b>3,764,582</b>	4,638,775
<b>Deferred revenue (Note 15)</b>	<b>498,179</b>	551,339
<b>Total financial liabilities</b>	<b>8,135,525</b>	9,144,913
<b>Net financial assets (net debt)</b>	<b>235,178</b>	(2,174,243)
<b>Contingencies (Note 17)</b>		
<b>Guarantees (Note 18)</b>		
<b>Subsequent events (Note 28)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	<b>49,313,711</b>	50,096,557
Deposit	<b>150,000</b>	-
<b>Total non-financial assets</b>	<b>49,463,711</b>	50,096,557
<b>Accumulated surplus (Note 19)</b>	<b>49,698,889</b>	47,922,314
<b>Approved on behalf of the Chief and Council</b>		
<u>(signature on file)</u> Chief	<u>(signature on file)</u>	Councillor

# Thunderchild First Nation

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

	<i>Schedules</i>	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
<b>Revenue</b>				
Indigenous and Northern Affairs Canada (Note 23)		8,862,969	9,423,915	8,560,737
First Nations and Inuit Health Branch		-	1,625,641	1,759,437
Canada Mortgage and Housing Corporation		168,261	212,520	238,668
Additional government funding		58,277	-	20,700
Recovered funding (Note 24)		-	(187,349)	(74,665)
Contribution from Thunderchild 1908 Surrender Trust		-	1,997,367	1,528,101
Retail fuel and confectionary sales		-	1,744,251	1,653,852
First Nations Trust		900,000	973,973	983,486
Oil and gas		200,000	952,480	1,182,552
Contribution from Thunderchild TLE		1,412,000	594,099	2,720,722
Land Lease Revenue		-	563,468	498,416
Battlefords Agency Tribal Chiefs Community Development		70,000	300,038	449,761
Other		390,164	227,154	123,901
Northwest Nations Education Council		-	211,253	-
Saskatchewan Indian Institute of Technologies		-	180,314	111,102
Rental income		125,827	176,935	188,545
FNICCI		120,000	128,308	96,992
Federation of Saskatchewan Indian Nations		89,500	89,500	89,500
Interest income		-	50,712	62,477
User fees		-	26,743	26,416
		<b>12,396,998</b>	<b>19,291,322</b>	<b>20,220,700</b>
<b>Program expenses</b>				
Band Government	3	2,507,361	2,670,883	2,512,454
Community Infrastructure	5	1,697,160	2,351,789	2,323,989
Economic Development	6	250,800	2,222,646	2,018,108
Education	7	4,063,115	4,538,694	4,222,031
Health	8	-	1,760,938	1,881,639
Project Revenue	10	1,500,990	1,261,040	1,685,285
Reserves and Trusts	11	-	257,732	317,811
Social Development	12	2,445,489	2,506,484	2,531,563
		<b>12,464,915</b>	<b>17,570,206</b>	<b>17,492,880</b>
<b>Surplus before other items</b>		<b>(67,917)</b>	<b>1,721,116</b>	<b>2,727,820</b>
<b>Other revenue (expenses)</b>				
Gain on disposal of capital assets		-	109,695	63,273
Loss due to write down of portfolio investment		-	-	(29)
Loss due to write down of note receivable (Note 9)		-	-	(1,500,000)
Loss due to guaranteed loan default (Note 18)		-	(54,236)	(44,963)
		-	<b>55,459</b>	<b>(1,481,719)</b>
<b>Annual surplus</b>		<b>(67,917)</b>	<b>1,776,575</b>	<b>1,246,101</b>
<b>Accumulated surplus, beginning of year</b>		<b>47,922,314</b>	<b>47,922,314</b>	<b>46,676,213</b>
<b>Accumulated surplus, end of year (Note 19)</b>		<b>47,854,397</b>	<b>49,698,889</b>	<b>47,922,314</b>

The accompanying notes are an integral part of these financial statements

**Thunderchild First Nation**  
**Consolidated Statement of Change in Net Assets (Net Debt)**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Annual surplus</b>	<b>(67,917)</b>	<b>1,776,575</b>	1,246,101
Purchases of tangible capital assets	<b>(355,000)</b>	<b>(1,088,176)</b>	(2,642,072)
Amortization of tangible capital assets	-	<b>1,783,357</b>	1,717,813
Proceeds on disposal of tangible capital assets	-	-	42,000
Gain on disposal of tangible capital assets	-	<b>(109,695)</b>	(63,273)
Insurance proceeds of disposal of tangible capital assets	-	<b>197,360</b>	75,172
	<b>(355,000)</b>	<b>782,846</b>	(870,360)
Acquisition of prepaid expenses	-	<b>(150,000)</b>	-
Use of prepaid expenses	-	-	48,305
<b>Increase (decrease) in net financial assets (net debt)</b>	<b>(422,917)</b>	<b>2,409,421</b>	424,046
<b>Net debt, beginning of year</b>	<b>(2,174,243)</b>	<b>(2,174,243)</b>	(2,598,289)
<b>Net financial assets (net debt), end of year</b>	<b>(2,597,160)</b>	<b>235,178</b>	(2,174,243)

*The accompanying notes are an integral part of these financial statements*



**Thunderchild First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2016*

	2016	2015
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	1,776,575	1,246,101
Non-cash items		
Amortization	1,783,357	1,717,813
Loss on disposal of tangible capital asset	87,665	11,899
(Gain) loss on disposal of tangible capital assets - insurance	(197,360)	(75,172)
Writedown on note receivable	-	1,500,000
Write down on portfolio investment	-	29
	<b>3,450,237</b>	<b>4,400,670</b>
Accounts receivable	(1,607,498)	668,978
Prepaid expenses	(150,000)	48,305
Member advances	-	38,604
Inventory for resale	51,981	(126,320)
Accounts payable and accruals	(37,389)	(166,466)
Deferred revenue	(57,445)	(1,124,303)
Deferred revenue - long-term	(53,160)	(85,240)
	<b>1,596,726</b>	<b>3,654,228</b>
<b>Financing activities</b>		
Advances of long-term debt	-	2,800,000
Repayment of long-term debt	(839,603)	(2,387,468)
Decrease in bank indebtedness	(21,791)	(12,026)
Withdrawal of restricted cash - short term	72,381	278,447
Withdrawal of restricted cash and deposits - long term	51,180	76,640
Increase in funds held in trust	(512,581)	(235,452)
	<b>(1,250,414)</b>	<b>520,141</b>
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,088,176)	(2,642,072)
Insurance proceeds of disposal of tangible capital assets	197,360	75,172
Proceeds on disposal of tangible capital assets	-	42,000
	<b>(890,816)</b>	<b>(2,524,900)</b>
<b>Investing activities</b>		
Issuance of note receivable to KKLP	-	(1,500,000)
Purchase of portfolio investment	-	(30)
Withdrawal (purchase) of temporary investments (net)	(72,933)	91,811
Increase in equity investment in Co-op	(141)	(3,997)
Purchase of investments in First Nation partnerships and business entities	(70,906)	-
	<b>(143,980)</b>	<b>(1,412,216)</b>
<b>Increase (decrease) in cash resources</b>	<b>(688,484)</b>	<b>237,253</b>
<b>Cash resources, beginning of year</b>	<b>2,761,622</b>	<b>2,524,369</b>
<b>Cash resources, end of year</b>	<b>2,073,138</b>	<b>2,761,622</b>
<b>Supplementary cash flow information</b>		
Interest paid	141,387	195,170

The accompanying notes are an integral part of these financial statements

# Thunderchild First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2016*

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### 1. Operations

The Thunderchild First Nation (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. The Thunderchild First Nation financial reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

### 2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

#### ***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Thunderchild First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Thunderchild First Nation Indigenous and Northern Affairs Canada funding administered by Evan Schemenauer, CA Professional Corporation;
- Thunderchild CMHC Housing;
- Thunderchild Technologies Limited Partnership;
- Thunder Oil Ltd.;
- Thunderchild First Nation Gas & Convenience Store;
- Moonlight Bay Gas and Convenience Store (inactive);
- Thunder Employment Field Services (inactive);
- Thunderchild Investments Inc. (inactive);
- Thunderchild Outfitters Inc. (inactive);
- White Buffalo Ranch Limited Partnership (inactive); and,
- Thunderchild First Nation Enterprises Limited Partnership (inactive).

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

The Thunderchild 1908 Surrender Trust and Thunderchild Treaty Land Entitlement Trust are not included in the consolidated financial statements as these entities are administered and controlled by trustees.

Thunderchild First Nation Indigenous and Northern Affairs Canada Funding administered by Evan Schemenauer, CA Professional Corporation ("Third Party Manager") has been consolidated with the reporting entity. On March 31, 2014 the funding agreement with INAC expired and Chief and Council of Thunderchild First Nation chose not to sign the new funding agreement for the 2014-2015 and 2015-2016 years. As such, Thunderchild First Nation was subject to program intervention by INAC and has their INAC funded programs administered by the Third Party Manager. As per Note 28, the contract with Evan Schemenauer, CA Professional Corporation ended on March 31, 2016.

# Thunderchild First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2016*

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### 2. Significant accounting policies *(Continued from previous page)*

Thunderchild First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Thunder Development Limited Partnership; and,
- Thunder Development Inc.

#### ***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

#### ***Cash resources***

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### ***Inventory for resale***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less selling costs.

#### ***Portfolio investments***

Long-term investments in entities that are not controlled or jointly controlled by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

#### ***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

#### ***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

#### ***Tangible capital assets***

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**2. Significant accounting policies** *(Continued from previous page)*

***Amortization***

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	<b><i>Rate</i></b>
Buildings and leasehold improvements	25-40 years
CMHC housing	40 years
Band housing	40 years
Computer hardware and software	4 years
Vehicles and equipment	5-10 years
Water and sewer	40 years

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

***Net debt***

The First Nation's financial statements are presented so as to highlight net financial debt as the measurement of financial position. The net financial debt of the First Nation is determined by its financial assets less its liabilities.

***Revenue recognition***

Non-government Funding

Non-government funding revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received in either the Band Capital or Band Revenue account.

Other revenues

Lease revenue is recognized over the lease term. Other revenues are earned from other services provided by the First Nation and are recognized when the service has been provided.

Revenues from gross overriding royalties on interests in natural gas and petroleum properties is recognized when it is measurable, earned and collection is reasonably assured.

Revenues from retail sales are recognized upon completion of the sale transaction and is earned, measurable, and collection is reasonably assured.

**2. Significant accounting policies** *(Continued from previous page)*

***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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Member advances are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Note receivable is stated after evaluation as to its collectibility and an appropriate allowance for doubtful account is provided where considered necessary.

Provisions are made for slow moving and obsolete inventory.

Investment impairments are based on the net recoverable value of the investment.

Amortization is based on the estimated useful lives of tangible capital assets.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all cost directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

No provision for contaminated sites has been reported in these consolidated financial statements.

***Segments***

The First Nation conducts its business through ten reportable segments: Band Government, Capital, Community Infrastructure, Economic Development, Education, Health, Ottawa Trust Funds, Project Revenue, Reserves and Trusts, and Social Development. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements. Inter-segment transfers are recorded at their exchange amount.

**2. Significant accounting policies** *(Continued from previous page)*

***Recent accounting pronouncements***

**PS 2200 Related Party Disclosures (New)**

In March 2015, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines a related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This Section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

**PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights**

In June 2015, new PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights were included in the CPA Canada Public Sector Accounting Handbook (PSA HB).

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets establishes disclosure standards on contingent assets. Under previous standards contingent assets could not be disclosed.

PS 3380 Contractual Rights establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

These standards are effective for fiscal years beginning on or after April 1, 2017.

**PS 3420 Inter-entity Transactions (New)**

In March 2015, the Public Sector Accounting Board (PSAB) issued new PS 3420 Inter-entity Transactions.

The new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The main features of the new Section are:

- Under a policy of cost allocation, revenue and expenses are recognized on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- Inter-entity transactions are considered in conjunction with PS 2200 Related Party Disclosures.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments**

In September 2015, the effective date for governments was extended by three years. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3041. Early adoption is permitted.

**3. Cash resources**

	2016	2015
Cash resources administered by Evan Schemauer, CA Professional Corporation	299,722	448,939
Thunderchild First Nation	1,773,416	2,312,683
	<b>2,073,138</b>	<b>2,761,622</b>

**4. Accounts receivable**

	2016	2015
Thunderchild 1908 Surrender Trust	1,441,066	396,846
Indigenous and Northern Affairs Canada	697,299	385,937
Insurance proceeds	197,360	-
Other	102,969	78,148
First Nations and Inuit Health Branch	80,153	34,564
Battlefords Agency Tribal Chiefs	24,030	-
Canada Mortgage and Housing Corporation	17,462	31,751
Federation of Saskatchewan Indian Nations	15,750	8,750
Government of Saskatchewan/Canada	14,291	12,955
Goods and Services Tax	12,302	28,233
Saskatchewan Indian Institute of Technology	-	18,000
	<b>2,602,682</b>	995,184
Allowance for doubtful accounts	<b>(97,045)</b>	(97,045)
	<b>2,505,637</b>	898,139

**5. Member advances**

Advances to members are unsecured, non-interest bearing and due on demand.

	2016	2015
Member advances and loans	1,196,932	1,179,511
Allowance for doubtful accounts	<b>(1,196,932)</b>	(1,179,511)
	-	-

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**6. Temporary investments**

	2016	2015
RBC GIC for Chief and Council's pension plan, bearing interest at 0.65%, maturing September 30, 2016	127,103	---
Turtleford Credit Union GIC security for member loans made by Turtleford Credit Union to members of Thunderchild First Nation, bearing interest at 0.5%, maturing July 18, 2016	21,521	75,757
CIBC GIC bearing interest at 0.60% maturing April 13, 2017	9,605	9,557
CIBC GIC bearing interest at 0.50% maturing April 3, 2017	2,787	2,747
	<b>161,016</b>	<b>88,083</b>

**7. Restricted cash**

Restricted cash consists of CMHC operating funds and funds managed by capital project managers who are responsible for payment of expenses relating to capital project funding by INAC.

**8. Portfolio Investments**

				2016
	Opening	Capital contributions	Loss on writedown	Total investment
Kihew Kereru Limited Partnership (3,000 partnership units; 10.00%)	1	---	---	1
Manx Energy Inc. (15.00%)	---	---	---	---
	<b>1</b>	<b>---</b>	<b>---</b>	<b>1</b>

**9. Note receivable**

	Principal	Allowance	2016 Net recoverable value	2015 Net recoverable value
Kihew Kereru Limited Partnership - note receivable	1,500,000	(1,500,000)	-	-
Repayable when the investment generates \$25,000,000 in revenues				

In 2015, the First Nation granted a note receivable to the Kihew Kereru Limited Partnership (the Partnership) in the amount of \$1,500,000. The note receivable is repayable to the First Nation when the Limited Partnership generates revenues of \$25,000,000; there have been no terms for interest determined for the note receivable to the Limited Partnership.

The First Nation has also recorded an allowance for doubtful account totalling \$1,500,000 against the net recoverable value of its note receivable with the Partnership.

**10. Restricted cash and deposits**

Thunderchild First Nation is required under agreement with CMHC to set aside funds to finance future qualifying housing expenditures. These funds are externally restricted and invested in guaranteed investment certificates \$296,706 (2015 - \$296,706). Restricted cash also consists of funds for Per Capita payments as prescribed by the Thunderchild 1908 Surrender Trust Agreement for members who have turned 18 during the year in the amount of \$450,143 (2015 - \$501,323).



**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**11. Funds held in trust**

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council.

	2016	2015
<b>Capital Trust</b>		
Balance, beginning of year	1,481,112	948,470
Royalties	398,806	532,642
Balance, end of year	1,879,918	1,481,112
<b>Revenue Trust</b>		
Balance, beginning of year	375,112	672,302
Interest	50,307	42,668
Land leases	563,468	498,416
	988,887	1,213,386
Less: Transfers to Nation	500,000	838,274
Balance, end of year	488,887	375,112
	2,368,805	1,856,224

**12. Investments in First Nation partnerships and business entities**

The First Nation has investments in the following entities:

	<i>Investment, beginning of year</i>	<i>Contributions (withdrawals)</i>	<i>Share of earnings (loss)</i>	2016 <i>Investment, end of year</i>
<b>Nation business entity:</b>				
Thunder Development Ltd. - 100%	-	100	-	100
<b>First Nation Business Partnerships – Modified Equity:</b>				
Thunder Developments Limited Partnership - 99%	-	70,806	-	70,806
	-	70,906	-	70,906

The First Nation's investment in Thunder Developments Limited Partnership and its general partner, Thunder Developments Ltd. was established for the purposes of operating and overseeing the business and economic enterprises of the Thunderchild First Nation, including all ancillary facilities as are or may be associated therewith together with purposes incidental thereto and deriving income therefrom with a view of making a profit.

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**12. Investments in First Nation partnerships and business entities** *(Continued from previous page)*

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Thunder Developments LP As at March 31, 2016</i>
<b>Assets</b>	
Accounts receivable	9,999
Inventory	60,807
<b>Total assets</b>	<b>70,806</b>
<b>Partners' equity</b>	<b>70,806</b>

**13. Bank indebtedness**

At March 31, 2015 the First Nation has lines of credit available up to \$730,000 (2015 - \$730,000), of which \$136,173 (2015 - \$158,058) was drawn. Lines of credit are secured by band council resolutions assigning revenues. Bank indebtedness represents cash on deposit less outstanding cheques.

	<b>2016</b>	2015
RBC line of credit \$230,000 available at prime plus 1% interest	<b>136,267</b>	158,058
First Nations Bank of Canada \$500,000 available at prime plus 0.75% interest	-	-

**14. Deferred revenue - current**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
INAC - Boiler Project	-	1,071,912	1,026,051	45,861
INAC - Water Treatment Plant Upgrade	45,498	-	45,498	-
INAC - Turtle Lake WTP Expansion	57,808	-	57,808	-
	<b>103,306</b>	<b>1,071,912</b>	<b>1,129,357</b>	<b>45,861</b>

**15. Deferred revenue - long-term**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
1908 Surrender Trust - Per Capita Distribution	540,901	-	53,160	487,741
1908 Surrender Trust - Band Capital	10,438	-	-	10,438
	<b>551,339</b>	<b>-</b>	<b>53,160</b>	<b>498,179</b>

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**16. Long-term debt**

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

<i>CMHC Phase</i>	<i>Monthly Payment Including Interest</i>	<i>Interest Rate</i>	<i>Renewal Date</i>	<b>2016</b>	<b>2015</b>
I	1,306	3.55%	1-Jun-17	<b>19,149</b>	33,869
IV	2,637	1.05%	1-Apr-20	<b>269,293</b>	297,734
V	1,908	1.64%	1-Feb-17	<b>227,216</b>	246,226
VI	1,882	1.53%	1-Dec-17	<b>242,753</b>	261,467
VII	1,086	2.11%	1-Jan-19	<b>144,873</b>	154,746
VIII	1,490	1.08%	1-Aug-20	<b>160,102</b>	175,611
IX	4,217	0.94%	1-Sep-20	<b>685,807</b>	727,516
X	5,145	2.04%	1-Mar-19	<b>835,999</b>	878,326
				<b>2,585,192</b>	2,775,495
First Nations Bank of Canada; consolidation term loan, secured by general security agreement and assignment of First Nations Trust funds repayable at \$131,529 per quarter including interest at 4.10%, maturing October 1, 2018				<b>1,375,000</b>	1,875,000
First Nations Bank of Canada; loan for eight (8) RTM teacherage units, secured by general security agreement and assignment of First Nations Trust funds repayable at \$14,809 per month including interest at 4.20%, maturing March 1, 2020				<b>650,700</b>	800,000
				<b>4,610,892</b>	5,450,495
Less: current portion				<b>846,310</b>	811,720
				<b>3,764,582</b>	4,638,775

Principal repayments on long-term debt in each of the next five years, assuming loans are renewed at similar rates and terms, are estimated as follows:

2017	846,310
2018	864,854
2019	719,696
2020	362,279
2021	193,928

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**17. Contingencies**

A statement of claim was filed against the First Nation in 2008 alleging unpaid professional fees of \$252,417. There has been no activity regarding this matter in 2016. Management believe the claims are without merit and does not anticipate any liability from the actions. If any liability arises, it will be recorded in the period it is determined.

The First Nation has been named defendant in wrongful dismissal suits originating in 2006, 2008, and 2012 by three former employees. No damages have yet been specified by the claimants. There has been no activity from these suits in 2016.

These financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

**18. Guarantees**

The First Nation has guaranteed economic development loans to First Nation members. In the event of default by a member, the financial institution will draw funds from Thunderchild First Nation's temporary investment which has been set aside to cover member loan defaults (Note 6). Thunderchild First Nation's current exposure relating to loan guarantees as at March 31, 2016 is \$5,097 (2015 - \$59,628).

During the year \$54,236 in funds from Thunderchild First Nation's temporary investments were drawn upon relating to defaulted loan guarantees (2015 - \$44,963).

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**19. Accumulated surplus**

Accumulated surplus consists of the following:

	2016	2015
<u>Equity in Ottawa Trust Funds</u>		
Balance, beginning of year	1,856,224	1,620,772
Royalties, interest and land lease revenue	1,012,581	1,073,726
Withdrawals	(500,000)	(838,274)
	<b>2,368,805</b>	1,856,224
<u>Equity in CMHC reserves</u>		
Balance, beginning of year	622,581	593,898
Reserve allocation	63,825	32,608
Interest	3,383	5,288
Withdrawals	-	(9,213)
Adjustment	(2,788)	-
	<b>687,001</b>	622,581
<u>Equity in tangible capital assets</u>		
Balance, beginning of year	46,521,062	46,267,635
Acquisition of tangible capital assets	1,088,176	2,642,071
Advances of long-term debt	-	(800,000)
Repayment of long-term debt	339,603	183,068
Amortization	(1,783,357)	(1,717,813)
Gain (loss) on disposal of tangible capital assets	109,695	63,273
Proceeds on disposal of tangible capital assets	(197,360)	(117,172)
	<b>46,077,819</b>	46,521,062
<u>Equity in investments in First Nation partnerships and business entities</u>		
Contributions	70,906	-
<u>Movable capital asset reserve</u>		
Balance, beginning and end of year	14,404	14,404
<u>Unrestricted deficit</u>		
Balance, beginning of year	(1,091,957)	(1,820,496)
Transfer from equity in Ottawa Trust Funds	(512,581)	(235,452)
Transfer from (to) equity in CMHC reserves	(64,420)	(28,683)
Transfer from (to) equity in tangible capital assets	443,243	(253,427)
Transfer to equity in investments in First Nation partnerships and business entities	(70,906)	-
Annual surplus	1,776,574	1,246,101
	<b>479,953</b>	(1,091,957)
	<b>49,698,888</b>	47,922,314

The First Nation did not receive funding or incur expenses in relation to its movable capital asset reserve in the current year.

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**20. Equity in CMHC Reserves**

Operating Reserve

The First Nations' CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program. At March 31, 2016 \$nil (2015 - \$nil) has been set aside to fund this reserve. The operating reserve is fully funded at March 31, 2016 (2015 - fully funded).

Replacement Reserve

As required as part of the First Nation's CMHC Housing Program, a replacement reserve has been established for replacement of capital equipment and for major repairs to the houses. At March 31, 2016, \$687,001 (2015 - \$622,581) is required to be on deposit to fund this reserve. The unfunded portion at March 31, 2016 is \$204,876 (2015 - \$152,227).

**21. Economic dependence**

Thunderchild First Nation receives a portion of its revenues from the Government of Canada as a result of Treaties entered into with the Government of Canada. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**22. Related party transactions**

During the year, the First Nation received contributions from the following related entities. These amounts are recorded in accordance with the terms of the applicable Trust Agreements.

	<b>2016</b>	<b>2015</b>
Contribution from Thunderchild Treaty Land Entitlement Trust, related by similar membership	<b>594,099</b>	2,745,480
Contribution revenue from Thunderchild 1908 Surrender Trust, related by similar membership	<b>1,997,367</b>	1,528,101

**23. Indigenous and Northern Affairs Canada Reconciliation**

INAC Funding	9,331,914
Add:	
2014-15 Deferred Funding recognized in 2015-16 - Turtle Lake WTP Expansion	57,808
2014-15 Deferred Funding recognized in 2015-16 - Water Treatment Plant Upgrade	45,498
2015-16 Band Employee Benefits year end reconciliation	31,610
2015-16 Summer Student funding	2,946
Less:	
2014-15 Deferred Funding - Boiler Project	(45,861)
<b>Total funding per consolidated financial statements</b>	<b>9,423,915</b>

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**24. Recovered funding reconciliation**

2015-16 Assisted Living Institutional Care year end reconciliation	30,009
2015-16 Basic Needs year end reconciliation	8,633
2015-16 Special Needs year end reconciliation	3,576
2015-16 Social Development Service Delivery	3,089
2015-16 Return of funds - Pension Plan Non-status	2,391
2015-16 Return of funds - Band Support Funding	1,074
2013-14 Uncollected INAC funding	138,577
<hr/>	
Total recovered funding per consolidated financial statements	187,349

**25. Budget information**

The budget process followed by management only includes activities managed directly by the First Nation. Management does not prepare a budget for capital projects administered through third party project managers. As such no amounts have been included in the annual budget of the First Nation for the water treatment plant.

Management does not prepare budgets for contributions from Thunderchild TLE revenues or contributions from Thunderchild 1908 Surrender Trust.

Management does not budget for amortization expenses, Health Program operations, and the retail operations of the Thunderchild Gas Bar; as such, no amounts have been included in the annual budget of the First Nation.

The disclosed budget information for Thunderchild First Nation activities has been approved by the Chief and Council of Thunderchild First Nation on January 22, 2015. The disclosed budget information for the third party manager was approved by management and provided to INAC on April 1, 2015.

**26. Segments**

The First Nation has 10 reportable segments. these segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

**Band Government** - includes the administration and governance of the First Nation.

**Capital** - reports on capital projects.

**Community Infrastructure** - includes activities for the maintenance of the community and its infrastructure.

**Economic Development** - reports on the First Nation's economic development activities.

**Education** - includes the operations of the Education programs.

**Health** - includes activities pertaining to the health and well being of its members.

**Ottawa Trust Funds** - reports revenues allocated to the fund and transfers to other segments.

**Project Revenue** - other programs not funded by government agencies.

**Reserves and Trusts** - includes activities for the development of the First Nation's land, and revenue from its Trusts.

**Social Development** - activities include delivering social programs.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

**Thunderchild First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**27. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**28. Subsequent events**

On March 31, 2016 Thunderchild First Nation and INAC came to a negotiated agreement on terms and conditions for a new 2016-17 Contribution Funding Agreement (CFA). In signing the new CFA, Thunderchild First Nation is not under Third Party Management for the administration of INAC program and services.

On April 1, 2016 Evan Schemenauer, C.A. Professional Corporation is no longer the Third Party Manager of Thunderchild First Nation. Under the terms of the Third Party Manager agreement, any outstanding financial obligations of Thunderchild First Nation as administered by Evan Schemenauer, C.A. Professional Corporation are to be settled, with any remaining net assets transferred to Thunderchild First Nation.

On April 1, 2016, Thunderchild First Nation purchased an investment property for \$1,650,000. On April 1, 2016, the First Nation was advanced a bridge financing loan from First Nations Bank for \$1,650,000 bearing interest at prime plus 1.5% and maturing on October 31, 2016. Additionally the First Nation has submitted a BCR to withdraw \$1,650,000 from their Ottawa Trust funds, and once received will be used to repay the bridge loan with First Nations Bank. As of August 10, 2016, the First Nation received the withdrawal from the Trust funds of \$1,650,000 and have repaid the loan in full with the First Nations Bank.



**Thunderchild First Nation**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2016*

	<i>Buildings</i>	<i>CMHC Housing</i>	<i>Band Housing</i>	<i>Land and Land Improvements</i>	<i>Computer Hardware and Software</i>	<i>Vehicles and Equipment</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	18,042,838	8,033,632	11,229,321	15,403,791	648,245	5,149,250	58,507,077
Acquisition of tangible capital assets	697,957	-	-	-	-	359,122	1,057,079
Construction-in-progress	-	-	584,516	-	-	-	584,516
Disposal of tangible capital assets	-	(202,916)	-	-	-	-	(202,916)
Balance, end of year	18,740,795	7,830,716	11,813,837	15,403,791	648,245	5,508,372	59,945,756
<b>Accumulated amortization</b>							
Balance, beginning of year	5,717,835	1,581,209	5,092,586	-	554,094	3,633,807	16,579,531
Annual amortization	589,148	195,768	278,876	-	41,705	459,171	1,564,668
Accumulated amortization on disposals	-	(115,252)	-	-	-	-	(115,252)
Balance, end of year	6,306,983	1,661,725	5,371,462	-	595,799	4,092,978	18,028,947
<b>Net book value of tangible capital assets</b>	12,433,812	6,168,991	6,442,375	15,403,791	52,446	1,415,394	41,916,809
2015 Net book value of tangible capital assets	12,325,003	6,452,423	6,136,735	15,403,791	94,151	1,515,443	41,927,546

**Thunderchild First Nation**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2016*

	<i>Subtotal</i>	<i>Water and Sewer</i>	<i>Assets Under Construction</i>	<i>2016</i>	<i>2015</i>
<b>Cost</b>					
Balance, beginning of year	58,507,077	8,773,440	778,312	68,058,829	65,526,753
Acquisition of tangible capital assets	1,057,079	11,179	19,917	1,088,175	4,601,910
Construction-in-progress	584,516	19,917	(604,433)	-	(1,959,838)
Disposal of tangible capital assets	(202,916)	-	-	(202,916)	(109,996)
Balance, end of year	59,945,756	8,804,536	193,796	68,944,088	68,058,829
<b>Accumulated amortization</b>					
Balance, beginning of year	16,579,531	1,382,741	-	17,962,272	16,300,554
Annual amortization	1,564,668	218,689	-	1,783,357	1,717,814
Accumulated amortization on disposals	(115,252)	-	-	(115,252)	(56,096)
Balance, end of year	18,028,947	1,601,430	-	19,630,377	17,962,272
<b>Net book value of tangible capital assets</b>	41,916,809	7,203,106	193,796	49,313,711	50,096,557
2015 Net book value of tangible capital assets	41,927,546	7,390,699	778,312	50,096,557	

**Thunderchild First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2016*

	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
Salaries and benefits	4,424,856	4,678,807	4,507,749
Basic needs	2,063,271	1,981,768	2,022,522
Amortization	-	1,783,357	1,717,813
Cost of goods sold	-	1,707,574	1,424,754
Contracted services	1,669,059	1,073,642	1,278,922
Repairs and maintenance	593,433	774,545	707,242
Student expenses	670,769	683,525	701,871
Travel	592,668	666,777	698,485
Honouraria	46,100	610,499	596,465
Tuition	263,500	506,348	371,245
Utilities	365,320	425,539	336,006
Supplies	363,653	406,888	660,362
Professional fees	352,045	403,971	422,580
Insurance	237,450	396,770	427,391
Community events	113,000	361,172	377,110
Member assistance	135,000	222,140	409,640
Special needs	-	153,075	143,771
Interest on long-term debt	190,000	141,387	195,170
Automotive	116,591	130,090	99,868
Advertising, promotion, and prevention	-	111,046	172,489
Telephone	69,762	98,939	110,525
Training	104,521	62,104	42,641
Per capita distributions	-	52,620	84,180
Food and beverage	11,200	50,977	38,604
Bank charges and interest	30,200	41,703	33,040
Rent and leasing costs	-	14,669	25,948
Forfeited subsidy from CMHC	-	13,459	-
Bad debts	-	12,649	22,800
Administration	19,500	1,724	41,058
Miscellaneous	33,017	1,244	5,379
Meeting	-	1,198	3,131
Recovered accounts payable	-	-	(186,064)
Program expense	-	-	183
	<b>12,464,915</b>	<b>17,570,206</b>	<b>17,492,880</b>

**Thunderchild First Nation**  
**Band Government**  
**Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	718,787	1,291,450	780,095
Recovered funding	-	(142,042)	(53,507)
BATC CDC	70,000	300,038	120,231
Other	135,100	197,194	93,072
Interest income	-	-	13,155
	<b>923,887</b>	<b>1,646,640</b>	<b>953,046</b>
<b>Expenses</b>			
Salaries and benefits	1,236,441	722,604	781,628
Honouraria	6,000	528,545	490,004
Contracted services	353,320	424,261	406,592
Travel	317,249	317,269	343,086
Professional fees	269,520	220,515	172,930
Insurance	56,200	118,683	188,798
Tuition	-	101,232	-
Interest on long-term debt	-	91,784	130,226
Community events	98,000	87,613	73,503
Supplies	88,360	71,991	124,064
Amortization	-	39,269	73,897
Telephone	37,671	36,707	40,589
Bank charges and interest	29,600	27,895	28,268
Utilities	5,000	22,172	1,659
Forfeited subsidy from CMHC	-	13,459	-
Food and beverage	5,000	12,555	8,846
Repairs and maintenance	5,000	11,389	20,815
Student expenses	-	10,315	-
Rent and leasing costs	-	3,829	16,627
Training	-	3,216	3,082
Per capita distributions	-	1,150	-
Bad debts	-	797	-
Meeting	-	125	1,225
Recovered accounts payable	-	-	(171,780)
Program expense	-	-	183
Administration	-	(196,492)	(221,788)
	<b>2,507,361</b>	<b>2,670,883</b>	<b>2,512,454</b>
<b>Deficit before other items</b>	<b>(1,583,474)</b>	<b>(1,024,243)</b>	<b>(1,559,408)</b>

*Continued on next page*

**Thunderchild First Nation**  
**Band Government**

**Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Deficit before other items</b> <i>(Continued from previous page)</i>	<b>(1,583,474)</b>	<b>(1,024,243)</b>	(1,559,408)
<b>Other income (expense)</b>			
Gain (loss) on disposal of capital assets	-	<b>197,360</b>	(11,899)
Gain (loss) on disposl of invest	-	-	(1,500,000)
Valuation loss on investments	-	-	(29)
	-	<b>197,360</b>	(1,511,928)
<b>Deficit before transfers</b>	<b>(1,583,474)</b>	<b>(826,883)</b>	(3,071,336)
<b>Transfers between programs</b>	<b>1,506,809</b>	<b>1,309,401</b>	1,595,150
<b>Surplus (deficit)</b>	<b>(76,665)</b>	<b>482,518</b>	(1,476,186)

**Thunderchild First Nation**  
**Capital**

**Schedule 4 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	<b>624,303</b>	<b>412,445</b>	624,303
Other	-	<b>500</b>	-
Interest income	-	-	1,495
	<b>624,303</b>	<b>412,945</b>	625,798
<b>Surplus</b>	<b>624,303</b>	<b>412,945</b>	625,798

**Thunderchild First Nation**  
**Community Infrastructure**  
**Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	788,849	1,127,026	788,855
Recovered funding	-	(3,576)	-
User fees	-	26,743	26,416
	<b>788,849</b>	<b>1,150,193</b>	<b>815,271</b>
<b>Expenses</b>			
Amortization	-	1,088,857	1,006,079
Repairs and maintenance	298,753	344,055	401,493
Salaries and benefits	393,463	294,562	399,552
Contracted services	572,770	273,046	136,490
Insurance	143,684	163,468	129,146
Utilities	139,837	106,919	79,130
Automotive	69,791	34,420	21,777
Supplies	33,000	18,184	70,184
Administration	-	12,752	50,174
Travel	15,319	9,839	16,855
Telephone	9,813	5,152	6,590
Training	5,795	430	200
Professional fees	14,004	63	5,790
Food and beverage	-	42	300
Community events	-	-	297
Bank charges and interest	-	-	(68)
Miscellaneous	931	-	-
	<b>1,697,160</b>	<b>2,351,789</b>	<b>2,323,989</b>
<b>Deficit before transfers</b>	<b>(908,311)</b>	<b>(1,201,596)</b>	<b>(1,508,718)</b>
<b>Transfers between programs</b>	<b>(19,029)</b>	<b>(47,252)</b>	<b>55,796</b>
<b>Deficit</b>	<b>(927,340)</b>	<b>(1,248,848)</b>	<b>(1,452,922)</b>

**Thunderchild First Nation**  
**Economic Development**  
**Schedule 6 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	122,600	122,600	122,600
Retail fuel and confectionary sales	-	1,744,251	1,653,852
Oil and gas	200,000	553,674	649,910
Interest income	-	141	82
	<b>322,600</b>	<b>2,420,666</b>	2,426,444
<b>Expenses</b>			
Cost of goods sold	-	1,707,574	1,424,754
Salaries and benefits	89,864	215,141	241,920
Amortization	-	127,235	127,235
Travel	72,000	104,163	89,124
Supplies	-	14,341	37,554
Bad debts	-	11,851	22,800
Contracted services	50,000	11,188	42,031
Repairs and maintenance	-	8,878	5,073
Bank charges and interest	600	7,738	1,880
Professional fees	31,021	4,481	12,613
Telephone	2,314	3,340	7,992
Utilities	-	3,149	10,974
Training	5,001	1,872	1,006
Rent and leasing costs	-	1,295	-
Food and beverage	-	400	-
Miscellaneous	-	-	235
Recovered accounts payable	-	-	(14,283)
Honouraria	-	-	7,200
	<b>250,800</b>	<b>2,222,646</b>	2,018,108
<b>Surplus before transfers</b>	<b>71,800</b>	<b>198,020</b>	408,336
<b>Transfers between programs</b>	<b>-</b>	<b>(446,934)</b>	(538,588)
<b>Deficit</b>	<b>71,800</b>	<b>(248,914)</b>	(130,252)



**Thunderchild First Nation**  
**Education**

**Schedule 7 - Schedule of Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2016*

	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	3,461,928	3,756,723	3,519,571
Recovered funding	-	(30,009)	(2,860)
Northwest Nations Education Council	-	211,253	-
SIIT	-	155,314	86,102
FNICCI	120,000	128,308	96,992
FSIN	89,500	89,500	89,500
Rental income	-	44,927	62,648
Other	1,500	4,850	16,483
	<b>3,672,928</b>	<b>4,360,866</b>	<b>3,868,436</b>
<b>Expenses</b>			
Salaries and benefits	2,229,486	2,399,496	2,086,400
Student expenses	670,769	659,101	701,871
Tuition	263,500	405,116	371,245
Amortization	-	363,498	363,624
Repairs and maintenance	177,694	141,413	149,883
Supplies	157,193	137,950	159,748
Contracted services	185,584	119,671	55,879
Utilities	118,800	106,035	115,835
Travel	66,300	50,834	44,796
Community events	-	36,388	55,980
Automotive	45,300	35,213	48,277
Telephone	17,021	23,719	19,349
Insurance	11,982	23,278	14,182
Training	57,700	13,974	10,232
Food and beverage	6,200	8,473	7,548
Honouraria	20,500	8,200	2,550
Administration	15,000	5,263	14,632
Meeting	-	1,072	-
Miscellaneous	20,086	-	-
	<b>4,063,115</b>	<b>4,538,694</b>	<b>4,222,031</b>
<b>Deficit before transfers</b>	<b>(390,187)</b>	<b>(177,828)</b>	<b>(353,595)</b>
<b>Transfers between programs</b>	<b>19,029</b>	<b>90,108</b>	<b>14,551</b>
<b>Deficit</b>	<b>(371,158)</b>	<b>(87,720)</b>	<b>(339,044)</b>

**Thunderchild First Nation  
Health**

**Schedule 8 - Schedule of Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Revenue</b>			
First Nations and Inuit Health Branch	-	<b>1,625,641</b>	1,759,437
SIIT	-	<b>25,000</b>	25,000
	-	<b>1,650,641</b>	1,784,437
<b>Expenses</b>			
Salaries and benefits	-	<b>709,278</b>	661,701
Amortization	-	<b>164,498</b>	146,978
Contracted services	-	<b>159,044</b>	171,518
Travel	-	<b>143,140</b>	151,061
Administration	-	<b>142,470</b>	159,124
Repairs and maintenance	-	<b>100,919</b>	61,712
Advertising, promotion, and prevention	-	<b>83,753</b>	153,322
Supplies	-	<b>55,098</b>	169,808
Insurance	-	<b>32,167</b>	41,097
Food and beverage	-	<b>29,507</b>	21,910
Training	-	<b>28,952</b>	22,989
Automotive	-	<b>25,483</b>	10,842
Telephone	-	<b>25,186</b>	30,467
Community events	-	<b>21,217</b>	29,229
Utilities	-	<b>20,597</b>	26,084
Rent and leasing costs	-	<b>9,545</b>	9,320
Bank charges and interest	-	<b>5,523</b>	1,895
Professional fees	-	<b>3,820</b>	5,088
Honouraria	-	<b>450</b>	400
Miscellaneous	-	<b>291</b>	5,144
Meeting	-	-	1,907
Interest on long-term debt	-	-	43
	-	<b>1,760,938</b>	1,881,639
<b>Deficit</b>	-	<b>(110,297)</b>	(97,202)

**Thunderchild First Nation**  
**Ottawa Trust Funds**  
**Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Revenue</b>			
Land Lease Revenue	-	<b>563,468</b>	498,416
Oil and gas	-	<b>398,806</b>	532,642
Interest income	-	<b>50,306</b>	42,668
<b>Surplus before transfers</b>	-	<b>1,012,580</b>	1,073,726
<b>Transfers between programs</b>	-	<b>(500,000)</b>	(838,274)
<b>Surplus</b>	-	<b>512,580</b>	235,452

**Thunderchild First Nation**  
**Project Revenue**  
**Schedule 10 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	168,261	212,520	238,668
Indigenous and Northern Affairs Canada	131,102	185,630	181,712
Additional government funding	58,277	-	20,700
First Nations Trust	900,000	973,973	983,486
Rental income	125,827	132,008	125,898
Contribution from Thunderchild TLE	97,000	54,099	230,722
Other	253,564	24,610	14,347
Interest income	-	265	-
BATC CDC	-	-	329,530
	<b>1,734,031</b>	<b>1,583,105</b>	<b>2,125,063</b>
<b>Expenses</b>			
Member assistance	135,000	222,140	409,640
Community events	15,000	192,562	201,894
Utilities	101,683	166,666	102,325
Repairs and maintenance	107,486	151,091	58,211
Salaries and benefits	299,852	130,047	153,891
Contracted services	507,385	82,800	423,954
Insurance	25,584	55,159	54,168
Interest on long-term debt	190,000	49,603	64,902
Honouraria	19,600	40,854	66,748
Administration	4,500	37,612	38,796
Supplies	6,300	30,744	19,542
Advertising, promotion, and prevention	-	27,294	19,167
Travel	42,600	26,282	38,441
Professional fees	37,500	25,220	23,771
Student expenses	-	14,062	-
Automotive	1,500	3,949	3,879
Telephone	1,800	2,836	4,680
Training	5,200	1,166	1,276
Miscellaneous	-	953	-
	<b>1,500,990</b>	<b>1,261,040</b>	<b>1,685,285</b>
<b>Surplus (deficit) before other items</b>	<b>233,041</b>	<b>322,065</b>	<b>439,778</b>
<b>Other income</b>			
Gain on disposal of capital assets	-	(87,665)	75,172
<b>Surplus (deficit) before transfers</b>	<b>233,041</b>	<b>234,400</b>	<b>514,950</b>
<b>Transfers between programs</b>	<b>(290,800)</b>	<b>(405,323)</b>	<b>1,021,062</b>
<b>Surplus (deficit)</b>	<b>(57,759)</b>	<b>(170,923)</b>	<b>1,536,012</b>

**Thunderchild First Nation**  
**Reserves and Trusts**

**Schedule 11 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<i><b>2016 Budget</b></i>	<i><b>2016 Actual</b></i>	<i><b>2015 Actual</b></i>
<b>Revenue</b>			
Contribution from Thunderchild 1908 Surrender Trust	-	<b>1,997,367</b>	1,528,101
Contribution from Thunderchild TLE - CDI	<b>1,315,000</b>	<b>540,000</b>	2,490,000
Interest income	-	-	5,077
	<b>1,315,000</b>	<b>2,537,367</b>	4,023,178
<b>Expenses</b>			
Professional fees	-	<b>149,873</b>	202,388
Per capita distributions	-	<b>51,470</b>	84,180
Honouraria	-	<b>32,450</b>	29,564
Community events	-	<b>23,392</b>	-
Bank charges and interest	-	<b>547</b>	1,060
Travel	-	-	619
	-	<b>257,732</b>	317,811
<b>Surplus before other income (expenses) and transfers</b>	<b>1,315,000</b>	<b>2,279,635</b>	3,705,367
<b>Other income (expense)</b>			
Guaranteed loan default	-	<b>(54,236)</b>	(44,963)
<b>Surplus before transfers</b>	<b>1,315,000</b>	<b>2,225,399</b>	3,660,404
<b>Transfers between programs</b>	<b>(1,223,500)</b>	-	(1,309,698)
<b>Surplus</b>	<b>91,500</b>	<b>2,225,399</b>	2,350,706

**Thunderchild First Nation**  
**Social Development**  
**Schedule 12 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	2,258,540	2,528,040	2,543,600
Recovered funding	-	(11,722)	(18,298)
	<b>2,258,540</b>	<b>2,516,318</b>	<b>2,525,302</b>
<b>Expenses</b>			
Basic needs	2,063,271	1,981,768	2,022,522
Salaries and benefits	175,750	207,678	182,658
Special needs	-	153,075	143,771
Supplies	78,800	78,579	79,463
Automotive	-	31,025	15,093
Repairs and maintenance	4,500	16,800	10,054
Travel	79,200	15,250	14,503
Training	30,825	12,494	3,857
Insurance	-	4,014	-
Contracted services	-	3,633	42,458
Telephone	1,143	2,000	857
Administration	-	120	121
Student expenses	-	48	-
Community events	-	-	16,206
Miscellaneous	12,000	-	-
	<b>2,445,489</b>	<b>2,506,484</b>	<b>2,531,563</b>
<b>Surplus (deficit) before transfers</b>	<b>(186,949)</b>	<b>9,834</b>	<b>(6,261)</b>
<b>Transfers between programs</b>	<b>7,491</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit)</b>	<b>(179,458)</b>	<b>9,834</b>	<b>(6,261)</b>