

**Lac La Ronge Indian Band
Consolidated Financial Statements**
March 31, 2016

Lac La Ronge Indian Band

Contents

For the year ended March 31, 2016

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Changes in Net Financial Assets.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements.....	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	26
Schedule 2 - Consolidated Schedule of Expenses by Object.....	27
Schedule 3 - Consolidated Schedule of Revenue and Expenses - Band Governance.....	28
Schedule 4 - Consolidated Schedule of Revenue and Expenses - Education.....	29
Schedule 5 - Consolidated Schedule of Revenue and Expenses - Infrastructure and Facilities.....	30
Schedule 6 - Consolidated Schedule of Revenue and Expenses - Health.....	31
Schedule 7 - Consolidated Schedule of Revenue and Expenses - Social Assistance.....	32
Schedule 8 - Consolidated Schedule of Revenue and Expenses - Retail Operations.....	33
Schedule 9 - Consolidated Schedule of Revenue - Investments.....	34

Management's Responsibility

To the Members of Lac La Ronge Indian Band:

The accompanying consolidated financial statements of Lac La Ronge Indian Band are the responsibility of management and have been approved by the Chief and 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 Lac La Ronge Indian Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed 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 the Council and management to discuss their audit findings.

September 27, 2016

(signature on file)

Gladys Christiansen, Executive Director

Independent Auditors' Report

To the Members of Lac La Ronge Indian Band:

We have audited the accompanying consolidated financial statements of Lac La Ronge Indian Band, 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 financial assets, cash flows, and supporting schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 consolidated 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 Lac La Ronge Indian Band as at March 31, 2016 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Albert, Saskatchewan

September 27, 2016

MNP LLP

Chartered Professional Accountants

Lac La Ronge Indian Band
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015	Restate
			(Note 24)
Financial assets			
Current			
Cash resources (Note 3)	8,911,076	8,988,645	
Temporary investments	48,651	48,265	
Accounts receivable (Note 4)	5,784,131	6,892,773	
Inventory for resale (Note 5)	2,176,488	2,200,873	
Restricted cash (Note 6)	2,201,669	1,185,070	
Home ownership program loans receivable (Note 7)	435,134	452,345	
	19,557,149	19,767,971	
Investments in Nation business partnerships and corporate business entities (Note 8)	81,422,939	82,345,549	
Restricted cash (Note 6)	5,726,624	5,634,500	
Ottawa Trust funds (Note 9)	524,838	262,271	
	107,231,550	108,010,291	
Liabilities			
Current			
Accounts payable and accruals	4,261,852	5,688,139	
Deferred revenue (Note 11)	5,231,775	2,930,285	
Current portion of long-term debt (Note 12)	2,350,658	2,105,466	
	11,844,285	10,723,890	
Long-term debt (Note 12)	19,671,633	19,708,408	
	31,515,918	30,432,298	
Net financial assets	75,715,632	77,577,993	
Contingencies (Note 13)			
Non-financial assets			
Tangible capital assets (Note 14) (Schedule 1)	103,950,497	107,265,489	
Prepaid expenses	199,145	196,983	
	104,149,642	107,462,472	
Accumulated surplus (Note 15)	179,865,274	185,040,465	
Approved on behalf of the Council			
<u>(signature on file)</u>	Chief	<u>(signature on file)</u>	Councilor

The accompanying notes are an integral part of these financial statements

Lac La Ronge Indian Band
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

	<i>Schedules</i>	<i>2016 Budget (Note 20)</i>	<i>2016</i>	<i>2015 Restated (Note 24)</i>
Revenue				
Federal government funding (Note 17)				
Indigenous and Northern Affairs Canada	46,843,473	50,241,708	48,280,383	
Health Canada	10,923,876	11,597,946	12,214,656	
Canada Mortgage and Housing Corporation	484,903	1,966,469	1,994,213	
Additional government funding	-	-	72,319	
First Nations Trust (SIGA gaming allocation)	58,252,252	63,806,123	62,561,571	
Prince Albert Grand Council	1,954,149	4,577,988	3,879,204	
Rental income	5,795,303	4,110,013	3,553,566	
Miscellaneous	1,582,636	3,333,605	3,091,238	
Grants and donations	2,213,246	2,919,965	2,405,316	
Northern Lights School Division	1,025,980	2,527,133	2,494,442	
Fundraising revenue	1,040,000	1,120,918	950,761	
Lease income	230,000	801,107	755,910	
Saskatchewan Indian Institute of Technologies	-	597,173	457,645	
Province of Saskatchewan	448,500	552,222	446,945	
Retail sales, net (Note 23)	233,160	337,178	518,131	
Other retail revenue	-	5,620,203	5,946,693	
Fuel and tobacco rebates (external sources)	-	212,104	283,161	
Earnings from investment in Nation business partnerships (Note 8)	355,000	169,673	234,555	
Earnings (loss) from investment in Nation business entities (Note 8)	2,073,064	1,578,245	10,515,498	
	-	(855)	2,728	
	75,203,290	92,262,795	98,097,364	
Program expenses				
Band Governance	3	16,086,007	20,176,811	18,917,156
Education	4	21,432,086	23,362,801	22,769,912
Infrastructure & Facilities	5	12,584,968	21,669,825	21,059,492
Health	6	13,063,270	14,351,025	14,680,348
Social Assistance	7	12,070,000	12,007,469	12,033,796
Retail Operations	8	-	5,925,073	5,302,142
	75,236,331	97,493,004	94,762,846	
Surplus (deficit) before other items		(33,041)	(5,230,209)	3,334,518
Other items				
Gain (loss) on disposal of capital assets		-	55,018	(76,723)
Surplus (deficit)		(33,041)	(5,175,191)	3,257,795
Accumulated surplus, beginning of year (Note 24)		185,040,465	185,040,465	181,782,670
Accumulated surplus, end of year (Note 15)		185,007,424	179,865,274	185,040,465

The accompanying notes are an integral part of these financial statements

Lac La Ronge Indian Band
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 20)</i>	2016	2015 <i>Restated</i> <i>(Note 24)</i>
Annual surplus (deficit)	(33,041)	(5,175,191)	3,257,795
Purchases of tangible capital assets	(156,097)	(7,441,086)	(7,537,584)
Amortization of tangible capital assets	-	10,711,958	10,683,604
(Gain) loss on sale of tangible capital assets	-	(55,018)	76,723
Proceeds of disposal of tangible capital assets	-	99,136	78,664
Acquisition of prepaid expenses	-	(2,160)	-
Use of prepaid expenses	-	-	82,790
 Increase (decrease) in net financial assets	 (189,138)	 (1,862,361)	 6,641,992
Net financial assets, beginning of year	77,577,993	77,577,993	70,936,001
 Net financial assets, end of year	 77,388,855	75,715,632	77,577,993

Lac La Ronge Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

2016 **2015**
Restated
(Note 24)

Cash provided by (used for) the following activities

Operating activities

Surplus (deficit)	(5,175,191)	3,257,795
Non-cash items		
Amortization	10,711,958	10,683,604
Loss on disposal of capital assets	(55,018)	76,723
Earnings from investment in Nation business partnerships	(1,578,245)	(10,515,498)
Earnings from investment in Nation business entities	855	(2,728)
	3,904,359	3,499,896
Changes in working capital accounts		
Accounts receivable	1,108,644	(3,351,442)
Prepaid expenses	(2,162)	82,790
Restricted cash (current)	(1,016,599)	(297,071)
Restricted cash (non-current)	(92,124)	(245,418)
Inventory held for resale	24,385	(338,267)
Home ownership program loans receivable	17,211	29,429
Accounts payable and accruals	(1,426,287)	1,301,930
Deferred revenue	2,301,490	(552,883)
	4,818,917	128,964

Financing activities

Advances of long-term debt	2,403,972	4,010,947
Repayment of long-term debt	(2,195,555)	(2,126,070)
	208,417	1,884,877

Capital activities

Purchases of tangible capital assets	(7,441,086)	(7,537,584)
Proceeds of disposal of tangible capital assets	99,136	78,664
	(7,341,950)	(7,458,920)

Investing activities

Purchase of temporary investments	(386)	(385)
Withdrawal from investments in Nation business partnerships	2,500,000	2,500,000
Change in Ottawa Trust funds	(262,567)	56,077
	2,237,047	2,555,692

Decrease in cash resources

Cash resources, beginning of year	8,988,645	11,878,032
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Cash resources, end of year	8,911,076	8,988,645
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Supplementary cash flow information

Interest paid	385,835	411,701
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Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. Operations

The Lac La Ronge Indian Band (the "Nation") is located in the province of Saskatchewan, and provides various services to its members. Lac La Ronge Indian Band includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the 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 Nation reporting entity, except for Nation business entities.

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

La Ronge Reserve, including:

- Administration (La Ronge, Sucker River, Hall Lake)	- Public Works (Housing and CMHC)
- Education	- Lac La Ronge Indian Band Health Services Inc.
- Keethanow Gas Bar	- Keethanow Lumber and Furniture
- Keethanow Supermarket	- Sucker River Gas Bar
- Hall Lake Gas Bar	- Keethanow Bingo North Inc.
- Keethanow Holdings	- Keethanow Corner Grocery
- Elder Catherine Charles Long Term Care Home	

Little Red River Reserve, including:

- Administration	- Public Works (Housing)
- Little Red River Gas Bar	- Little Red Sand and Gravel Ltd.
- Red Water Distributors	

Grandmother's Bay Reserve, including:

- Administration	- Public Works (Housing)
- Education	

Stanley Mission Reserve, including

- Administration	- Public Works (Housing)
- Education	- Stanley Mission Health Services Inc.
- Amachewesipimawin Gas Bar	- Stanley Mission Economic Development Corporation

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

The Nation has proportionately consolidated the assets, liabilities, revenues and expenses of the following government partnerships:

- Four Nations Police Management Board (25%)

(Created to manage an agreement with the Government of Canada and Province of Saskatchewan on Police Management Board operations for four Nations).

- Lac La Ronge Regional Waste Management Corporation (40%)

(Created to operate waste management services in the geographical location of La Ronge, partners are Town of La Ronge and the Northern Village of Air Ronge).

- Lac La Ronge Regional Water Corporation (54%)

(Created to operate water distribution services in the geographical location of La Ronge, partners are Town of La Ronge and the Northern Village of Air Ronge).

- Woodland Cree Enterprises Incorporated (33.33%)

(Created to provide financial assistance to members of the Lac La Ronge Indian Band, Peter Ballantyne Cree Nation and Montreal Lake Cree Nation, pursuing post secondary education and training).

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.

Lac La Ronge Indian Band business entities, owned or controlled by the Nation's Council but not dependent on the 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 Nation. Thus, the 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 are disclosed in Note 8.

Other economic interests

The Nation does not either share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the Lac La Ronge Indian Band.

The Nation is a member of the Prince Albert Grand Council (PADC Management Co. Ltd. or "PAGC"). The PAGC is an organization of twelve Nations. The PAGC is mandated to enhance the services provided to the member Nations.

The Nation is a member of the Lac La Ronge Indian Band Child & Family Services Agency Inc. (the "Agency"). The Agency is an organization providing child and family protection and prevention services on reserve to the Lac La Ronge Indian Band and off reserve on behalf of the Province of Saskatchewan.

The Nation is a member of the Woodlands and Waterways Regional Development Corporation ("Woodlands and Waterways"). The Woodlands and Waterways operates a tourism centre in the area of La Ronge, and represents the Town of La Ronge, Northern Village of Air Ronge, and the Nation.

The Nation is affiliated with the Little Red River Education Authority Inc. ("LRR Education"). LRR Education operates an on-reserve elementary and secondary school on the Little Red River Reserve. Members of the Nation and Montreal Lake Cree Nation from the Little Red Reserves govern the LRR Education through an independent Board. The LRR Education authority is funded by Indigenous and Northern Affairs Canada through a separate funding agreement.

The Nation is a member of the Northern Inter-Tribal Health Authority ("NITHA"). NITHA provides third level health services to partner organizations. NITHA is mandated to improve quality health and well-being, with community members empowered to be responsible for their health.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

Revenue recognition

Non-government funding

Non-government funding 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 balance sheet in the year of receipt.

Government transfers

The 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 Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

Investment and interest income are recognized when earned. Rent and other revenue is recognized when the related services are provided.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

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:

	Method	Rate
Buildings	straight-line	20-25 years
Housing	straight-line	20-25 years
Equipment	straight-line	3-10 years
Infrastructure	straight-line	15-50 years

Cash resources

Cash resources includes balances with banks and short-term investments with maturities of three months or less where the intent is to not reinvest the short-term investment. Cash subject to external restrictions that prevent its use except for a specific purpose is included in restricted cash.

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Temporary investments

Temporary investments are valued at the lower of cost and market value, which for the Nation's temporary investments, market value approximates the cost due to the short-term nature of the investments.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

Long-lived assets

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in surplus for the year.

Funds held in Ottawa Trust Fund

Ottawa Trust Funds consist of funds held in trust on behalf of 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 Nation capital assets; and,
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received. These monies are reported on by the Government of Canada.

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 expenditures during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

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

Provisions are made for slow moving and obsolete inventory.

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 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 costs 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.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies (Continued from previous page)

Segments

The Nation conducts its business through seven reportable segments: band governance, education, infrastructure & facilities, retail operations, social assistance, health, and investments. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenditures 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.

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

Recent accounting pronouncements

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.

Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 *Related Party Disclosures*.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationships 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.

Inter-entity Transactions

The Public Sector Accounting Board (PSAB) issued in March 2015 CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, containing a new standard, PS 3420 *Inter-entity Transactions*.

The new Section establishes standard 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 recognised 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 amounts 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.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies (Continued from previous page)

Assets, Contingent Assets, and 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 the 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.

3. Cash resources

	2016	2015
		<i>Restated (Note 24)</i>
Grandmother's Bay general operations	(168,030)	(191,071)
La Ronge general operations	(1,260,334)	(1,834,637)
Little Red general operations	(68,267)	94,768
Stanley Mission general operations	1,783,364	3,346,518
La Ronge and Stanley Mission health operations	5,349,997	4,574,475
Retail operations	3,222,461	2,997,562
Government partnerships	51,885	1,030
	8,911,076	8,988,645

In the above table, general operations includes band governance, education, and infrastructure and facilities operations.

During the year the Stanley Mission Reserve designated \$2,000,000 (2015 – \$3,184,047) of cash to be used specifically for future capital projects, operation of recreation and youth facilities, and economic development investment.

During the year the La Ronge Reserve department of Health designated \$3,240,874 (2015 – \$3,502,390) of cash to be used specifically for future capital projects.

	2016	2015
Stanley Mission - recreation and youth centre construction and operation	-	1,184,047
Stanley Mission - economic development investment	2,000,000	2,000,000
La Ronge - health future capital projects	3,240,874	3,502,390
	5,240,874	6,686,437

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

4. Accounts receivable

	2016	2015
Indigenous and Northern Affairs Canada	2,347,764	115,000
Health Canada	135,225	752,298
CMHC subsidy assistance receivable	143,443	132,715
Rent receivable	3,282,393	3,303,753
Other accounts receivable	2,316,299	4,346,961
Retail operations trade receivables	735,235	1,395,057
	8,960,359	10,045,784
Allowance for doubtful accounts	(3,176,228)	(3,153,011)
	5,784,131	6,892,773

Amounts reported as receivable from Indigenous and Northern Affairs Canada for the current year were transferred to current restricted cash shortly after year-end upon receipt, and funded deferred capital projects.

5. Inventory for resale

	2016	2015
Amachewespmawin Gas Bar	163,555	194,671
Hall Lake Gas Bar	145,089	88,547
Keethanow Bingo North Inc.	13,231	12,802
Keethanow Corner Grocery	63,456	67,547
Keethanow Gas Bar	120,034	110,750
Keethanow Lumber and Furniture	1,288,880	1,311,472
Keethanow Supermarket	313,999	356,059
Sucker River Gas Bar	68,244	59,025
	2,176,488	2,200,873

6. Restricted cash

	2016	2015
Current restricted cash		
La Ronge Reserve - INAC major capital projects	1,149,989	386,774
Stanley Mission Reserve - INAC major capital projects	251,525	549,547
Grandmother's Bay Reserve - INAC major capital projects	13,791	13,791
Little Red River Reserve - INAC major capital projects	322,983	38,574
La Ronge Reserve - Bingo fundraising	388,853	196,384
Fire Evacuation	74,528	-
	2,201,669	1,185,070
Non-current restricted cash		
2% Subsidy (Pre 1997) CMHC Program Replacement Reserve	366,639	1,270,894
Fixed Subsidy (Post 1997) CMHC Program Replacement Reserve	2,186,451	1,972,870
CMHC Program Operating Reserve	3,173,534	2,390,736
	5,726,624	5,634,500
	7,928,293	6,819,570

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. Home ownership program loans receivable

The Nation conducts a private home purchase program in partnership with the Bank of Montreal ("BMO") and Indigenous and Northern Affairs Canada ("INAC") to allow Nation members to access capital to purchase a home located on reserve land. Participants either borrow capital from BMO or directly from the Nation through the program. The loans through the program have been issued at a rate of 6.00%.

Since all loans are in default due to late payment, the full amount has been reported as current. The loans have no security.

8. Investments in First Nation business partnerships and corporate business entities

The First Nation has investments in the following entities:

	<i>Investment balance, beginning of year</i>	<i>Withdrawals</i>	<i>Share of earnings (loss)</i>	<i>Investment balance, end of year</i>	2016
Wholly-owned Businesses:					
KDC Management Corp. - 100%	6,140	-	(855)	5,285	
Portfolio investment, at cost:					
La Ronge Wild Rice Corporation - 23.2%	99,287	-	-	99,287	
First Nation business partnerships					
Kitsaki Development Limited Partnership - 99.9%	42,037,839	(2,500,000)	284,439	39,822,278	
Kitsaki Management Limited Partnership - 99.9%	40,202,283	-	1,292,806	41,495,089	
	82,345,549	(2,500,000)	1,576,390	81,421,939	

	<i>Investment balance, beginning of year</i>	<i>Withdrawals</i>	<i>Share of earnings (loss)</i>	<i>Investment balance, end of year</i>	2015
Wholly-owned Businesses:					
KDC Management Corp. - 100%	3,412	-	2,728	6,140	
Portfolio investment, at cost:					
La Ronge Wild Rice Corporation - 23.2%	99,287	-	-	99,287	
First Nation business partnerships					
Kitsaki Development Limited Partnership - 99.9%	36,747,776	(2,500,000)	7,790,063	42,037,839	
Kitsaki Management Limited Partnership - 99.9%	37,476,848	-	2,725,435	40,202,283	
	74,327,323	(2,500,000)	10,518,226	82,345,549	

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in Nation business partnerships and corporate business entities *(Continued from previous page)*

Summary financial information for the Kitsaki Group owned by the Nation, which is accounted for using the modified equity method, is as follows:

<i>Kitsaki Group</i> <i>As at March 31,</i> <i>2016</i>	
Assets	
Liquid assets	76,194,146
Inventory	970,385
Investments and other assets	12,215,293
Property, plant and equipment	9,315,502
Total assets	98,695,326
Liabilities	
Accounts payable and accruals	6,652,616
Deferred revenue	537,921
Total liabilities	7,190,537
Non-controlling interest	10,141,144
	81,363,645
Total revenue	68,081,233
Total expenses	64,925,488
	3,155,745
Other comprehensive loss	(57,663)
	3,098,082

9. Ottawa Trust funds

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

	2016	2015
Capital Trust		
Balance, beginning of year	45,968	45,968
Gravel royalties	164,848	-
Balance, end of year	210,816	45,968
Revenue Trust		
Balance, beginning of year	216,303	272,380
Interest	9,395	7,278
Land leases	432,324	457,645
Less: Transfers to Nation	658,022	737,303
	344,000	521,000
Balance, end of year	314,022	216,303
	524,838	262,271

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

9. Ottawa Trust funds (Continued from previous page)

BCR 2015/16-18 - Transfer to Nation of \$50,000 - funds used for long-term debt repayments.

BCR 2015/16-42 - Transfer to Nation of \$119,000 - expenditures included in Band Support in Schedule 3.

BCR 2015/16-53 - Transfer to Nation of \$50,000 - expenditures included in capital purchases Schedule 1.

BCR 2015/16-52 - Transfer to Nation of \$75,000 - expenditures included in capital purchases Schedule 1.

BCR 2015/16-54 -Transfer to Nation of \$50,000 - expenditures included in capital purchases Schedule 1.

10. Available credit

The Nation has an operating loan amounting to \$nil (2015 - \$nil) included in cash resources, authorized to a maximum of \$2,000,000 for the total of the La Ronge Reserve, Stanley Mission Reserve, Little Red River Reserve, Hall Lake Reserve, and Grandmother's Bay Reserve. This operating loan is due on demand and interest is payable monthly at prime. This loan is secured by all assets of the Lac La Ronge Indian Band.

The Nation's proprietorships have operating loans with authorized maximum's of \$215,000. These operating loans are due on demand and interest is payable monthly at prime. The Nation's proprietorships also have \$165,000 of letters of credit issued to various suppliers. Fees are 0.8%, minimum of \$1,000, plus out of pocket costs.

The Nation uses corporate credit cards to facilitate operations which combined have a maximum credit of \$95,000.

All above bank indebtedness are secured by additional Band Council Resolutions requesting credit and assigning government funding to be deposited to the Canadian Imperial Bank of Commerce.

11. Deferred revenue

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

	<i>Balance, beginning of year (Restated, Note 24)</i>	<i>Net changes</i>	<i>Balance, end of year</i>
GMB - INAC major capital projects	13,791	-	13,791
LRR - INAC major capital projects	38,574	381,824	420,398
LA - INAC major capital projects	170,381	3,223,974	3,394,355
STM - INAC major capital projects	549,547	(298,227)	251,320
NLCDC grants	398,558	(66,307)	332,251
FNT (SIGA gaming allocation)	1,019,441	(1,019,441)	-
Ammo and twine settlement	155,578	(58,289)	97,289
Elders home	257,180	(1,100)	256,080
Other	327,235	139,056	466,291
	2,930,285	2,301,490	5,231,775

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

12. Long-term debt

	2016	2015
Canadian Mortgage and Housing Corporation ("CMHC") mortgage, 1.17%, repayable in monthly instalments of \$19,230 blended principal and interest. Loan is guaranteed by the Government of Canada. Matures in 2031 and renews in 2022.	3,120,466	3,302,423
CMHC mortgage, 2.02%, repayable in monthly instalments of \$16,101 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2018.	2,120,023	2,279,016
CMHC mortgage, 2.11%, repayable in monthly instalments of \$14,098 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2019.	1,880,015	2,008,135
CMHC mortgage, 1.85%, repayable in monthly instalments of \$12,815 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2019.	1,826,701	1,950,251
CMHC mortgage, 1.04%, repayable in monthly instalments of \$9,903 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2031 and renews in 2021.	1,607,545	-
CMHC mortgage, 1.80%, repayable in monthly instalments of \$13,448 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2026 and renews in 2017.	1,543,379	1,675,714
Canadian Imperial Bank of Commerce ("CIBC") demand loan, interest at prime, repayable in monthly instalments to be determined upon completion of project, blended principal and interest. Loan is authorized to \$2,156,884. Matures ten years after completion of project.	1,430,000	1,430,000
CMHC mortgage, 1.71%, repayable in monthly instalments of \$9,704 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2027 and renews in 2017.	1,215,288	1,310,101
CMHC mortgage, 1.64%, repayable in monthly installments of \$5,630 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2032 and renews in 2017.	945,707	999,608
CIBC demand loan, repayable in 15 annual payments of \$242,667, plus accrued interest at prime. Matures in 2030.	880,985	-
CMHC mortgage, .80%, repayable in monthly instalments to be determined upon completion of project, blended principal and interest. Loan is authorized to \$1,650,000. Matures 15 years after completion of the project.	733,208	1,139,666
CMHC mortgage, 1.08%, repayable in monthly instalments of \$6,634 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2026 and renews in 2016.	712,526	781,548
CMHC mortgage, 2.35%, repayable in monthly instalments of \$4,630 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2018.	594,703	635,794

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

12. Long-term debt *(Continued from previous page)*

	2016	2015
CMHC mortgage, 1.53%, repayable in monthly instalments of \$3,766 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2018.	485,861	523,315
CMHC mortgage, 1.64%, repayable in monthly instalments of \$1,877 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2032 and renews in 2017.	315,207	333,306
CIBC demand loan, repayable in monthly instalments of \$4,150, plus accrued interest at 2.7%. Matures in 2020.	245,834	-
CIBC demand loan, repayable in principal only instalments of \$8,333, plus interest at prime rate. A general security agreement has pledged as collateral. Matures on July 1, 2018.	233,333	333,333
CIBC mortgage, 6.14%, repayable in monthly instalments of \$5,302 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2019.	208,527	258,220
CIBC demand loan, interest at prime, repayable in monthly instalments of \$3,000, plus monthly interest. Matures in 2023.	203,350	249,000
CIBC demand loan, payable in annual instalments of \$40,000 with interest paid monthly at bank prime rate, secured by general security agreement, due April 2020.	200,000	240,000
CIBC mortgage, 4.74%, repayable in monthly instalments of \$11,050 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018 and renews in 2017.	195,055	315,417
CIBC mortgage, 3.89%, repayable in monthly instalments of \$7,654 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018 and renewed in 2017.	176,528	259,820
CMHC mortgage, 1.67%, repayable in monthly instalments of \$1,221 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2028 and renews in 2018.	148,168	160,236
CIBC term loan, interest at prime, repayable in monthly instalments of \$2,585, plus monthly interest. Matures in 2021.	141,000	177,000
CIBC mortgage, 3.89%, repayable in monthly instalments of \$8,540 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018 and renews in 2017.	124,873	220,531
CIBC demand loan, interest at prime, repayable in annual principal instalments of \$25,000 plus interest. Matures in 2021.	110,000	135,000
CIBC demand loan, interest at prime, repayable in monthly instalments of \$2,791, plus monthly interest. Matures in 2020.	108,608	139,639
CIBC demand loan, interest at prime, repayable in monthly instalments of \$8,333, plus monthly interest. Matures in 2020.	97,500	127,500
CIBC mortgage, 6.14%, repayable in monthly instalments of \$1,787 blended principal and interest. Matures in 2020.	86,530	102,420

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

12. Long-term debt *(Continued from previous page)*

	2016	2015
CIBC term loan, interest at prime, repayable in monthly instalments of \$4,150, plus monthly interest. Matures in 2017.	71,050	87,000
CIBC demand loan, interest at prime, repayable in monthly principal instalments of \$2,792 plus interest. Matures in 2018.	44,666	78,166
CIBC mortgage, 3.05%, repayable in monthly instalments of \$10,657 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2017.	42,360	166,904
Ford Credit loan, payable in monthly instalments of \$981 with interest paid monthly at 5.59%, secured with assets purchased by the loan, due January 2020.	39,720	48,980
Term loan due on demand, payable in monthly instalments of \$809 with interest paid monthly at 4.193%, secured with assets purchased by the loan, due September 2019.	31,546	-
CIBC demand loan, payable in annual instalments of \$50,000 including interest at prime, secured by general security agreement, due April 2016.	26,434	74,220
CIBC demand revolving capital loan, repayable in 60 monthly instalments of \$992 plus accrued interest at prime, due 2018.	22,808	34,708
Ford Credit loan, 5.49%, repayable in monthly instalments of \$884 blended principal and interest. Secured by related capital asset. Matures in 2018.	15,230	24,718
CIBC mortgage, 4.74%, repayable in monthly instalments of \$1,334 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018.	13,880	28,357
Ford Credit loan, payable in monthly instalments of \$840 including interest at 5.59%, secured by assets purchased with the loan, maturing in 2017.	8,173	17,504
Ford Credit loan, payable in monthly instalments of \$632 with interest paid monthly at 7.19%, secured with assets purchased by the loan, due April 2017.	7,881	14,631
Ford Credit loan, payable in monthly instalments of \$784 with interest paid monthly at 6.09%, secured by assets purchased with the loan. Matures in April 2017.	7,623	16,280
CIBC demand revolving capital loan repaid during the year.	-	50,417
CIBC demand revolving capital loan repaid during the year.	-	34,585
CIBC demand loan, interest at prime repaid during the year.	-	13,500
CIBC mortgage, interest at prime repaid during the year.	-	12,675
Ford Credit loan repaid during the year	-	6,064
Ford Credit loan repaid during the year.	-	5,602
Ford Credit loan repaid during the year	-	5,602

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

12. Long-term debt *(Continued from previous page)*

	2016	2015
Finance contract to GMAC repaid during the year.	-	5,348
Finance contract to GMAC repaid during the year.	-	1,620
	22,022,291	21,813,874
Less: current portion	2,350,658	2,105,466
	19,671,633	19,708,408

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing, are estimated as follows:

2017	2,350,658
2018	2,113,299
2019	1,858,512
2020	1,696,196
2021	1,365,484

All above CIBC loans (except for mortgages which are secured by Government of Canada guarantees) are secured by a Band Council Resolution directing all present and future INAC funding to CIBC for deposit to the Nation's accounts at CIBC and a general security agreement over all property.

Prime rate as at March 31, 2016 was 2.70% (2015 - 2.85%).

Long-term debt is subject to certain covenants with respect to financial reporting. As at March 31, 2016, the Nation is not in compliance with all such covenants. However, it is not expected the covenant violation will affect the Nation's financing.

13. Contingencies

The Nation is involved in several lawsuits related to various matters. In the opinion of management, these lawsuits are without substantial merit. It is not possible at this time to make an estimate of the amount, if any, of liabilities that may result. Any future settlements or costs associated with these potential claims will be expensed in the period they become known.

As part of the Home Ownership Program, the Nation has agreed to be contingently liable to the Bank of Montreal for outstanding housing loans of members to a maximum of \$5.5 million. Any future settlements or costs associated with these potential claims will be expensed in the period they become known.

As part of the Home Ownership Program, the Nation has agreed to be contingently liable to the Royal Bank of Canada for outstanding housing loans of members to a maximum of \$2 million. Any future settlements or costs associated with these potential claims will be expensed in the period they become known.

The Nation has provided indemnities in favour of individuals acting as directors of the investment corporations held by the Nation.

Kitsaki Development Limited Partnership has paid expenses related to treaty land entitlement on behalf of the Nation. These amounts may be recovered by the Nation upon successful resolution of this matter. The total subject to recovery as at March 31, 2016 is \$2,237,569 (2015 - \$2,237,569).

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

14. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Infrastructure includes various projects which were not complete at March 31, 2016, with carrying values totaling \$4,715,772 (2015 - \$5,681,500). No amortization of these assets has been recorded because they are currently under construction.

Houses includes a CMHC project identified as phase 24 (2015 - phase 23) which was not complete at March 31, 2016, with carrying value totaling \$1,514,082 (2015 - \$1,352,875). No amortization of these assets has been recorded because they are currently under construction.

The Nation's CMHC Housing Program has 105 houses with a net book value of \$528,089 which are no longer part of an operating agreement with CMHC. As a result, there is neither rent charged nor any subsidy received for these properties. The properties are available for use by members of the Lac La Ronge Indian Band, and in some cases are available for ownership if certain conditions are met. During the year, ownership of 5 houses (2015 - 3 house) was transferred to Lac La Ronge Indian Band members through the home ownership program, in recognition of long-term compliance with the CMHC rental program. An additional one house which is not part of the CMHC rental program was also transferred to Lac La Ronge Indian Band members through the home ownership program.

Tangible capital assets include certain infrastructure assets, specifically older roads and water and sewer assets disclosed at a nominal amount.

The Nation holds works of art from community members contributed to the Nation and historical treasures of a cultural value, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

15. Accumulated surplus

The Nation designates and tracks separately the following funds and reserves in accordance with internal management policies. These funds are designated to assist with fund management and to comply with legislation.

	2016	2015
		<i>Restated (Note 24)</i>
Equity in Ottawa Trust funds		
Balance, beginning of year	262,271	318,348
Income earned	606,567	464,923
Withdrawals	(344,000)	(521,000)
	524,838	262,271
Equity in externally restricted reserves (CMHC and Health Canada)		
Balance, beginning of year	5,483,792	5,431,830
Contributions	584,463	720,302
Withdrawals	(966,360)	(668,340)
	5,101,895	5,483,792
Equity in tangible capital assets		
Balance, beginning of year	85,238,402	88,968,429
Amortization	(10,711,959)	(10,683,604)
Purchases	7,441,086	7,537,584
Disposals	(44,119)	(155,383)
Loan advances	(2,403,972)	(4,010,949)
Loan advances receivable (net)	213,213	1,456,255
Loan repayments	2,195,555	2,126,070
	81,928,206	85,238,402
Equity in business investments		
Balance, beginning of year	82,345,549	74,327,324
Income earned	1,576,390	10,518,225
Withdrawals	(2,500,000)	(2,500,000)
	81,421,939	82,345,549
Equity in unrestricted and internally restricted accumulated surplus (Note 16)		
Balance, beginning of year	11,710,451	12,736,739
Transfer from (to) equity in Ottawa Trust funds	(262,567)	56,077
Transfer from (to) equity in externally restricted reserves	381,897	(51,962)
Transfer from (to) equity in tangible capital assets	3,310,196	3,730,027
Transfer from (to) equity in business investments	923,610	(8,018,225)
Current year surplus (deficit)	(5,175,189)	3,257,795
	10,888,398	11,710,451
	179,865,276	185,040,465

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

15. Accumulated surplus (Continued from previous page)

The Ottawa Trust funds are revenues received in trust by INAC from land rents which haven't been designated for specific expenditures and are held on account by the Government of Canada in Ottawa.

The externally restricted reserves are replacement and operating reserves required to be funded for future capital replacements and program operations, as per agreements with CMHC and Health Canada.

The invested in capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services.

The business investments amount represents equity in investments not readily available for operational cash flows as the investments are not likely to be liquidated within the next year.

The internally restricted reserves represents amounts designated by the Nation for specified future uses and are funded by designated cash as per note 3.

The unrestricted operating surplus represents amounts available to offset future operational revenue requirements (if deficit, future revenue required for past operational activities).

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

16. Unrestricted and internally restricted accumulated surplus

	2016	2015
		<i>Restated</i>
General operations		
(includes band governance, education, and infrastructure and facilities)		
Grandmother's Bay	(201,996)	(300,695)
La Ronge	1,041,484	160,982
Little Red	139,846	84,835
Stanley Mission	131,688	306,126
	<hr/>	<hr/>
	1,111,022	251,248
Health operations		
La Ronge	677,752	795,788
Stanley Mission	296,105	379,641
	<hr/>	<hr/>
	973,857	1,175,429
Retail operations		
La Ronge	372,228	875,491
Stanley Mission	2,756,961	2,455,646
Little Red	(208,361)	(344,337)
	<hr/>	<hr/>
	2,920,828	2,986,800
Government partnerships		
La Ronge	720,867	610,587
Little Red	(50)	(50)
	<hr/>	<hr/>
	720,817	610,537
Internally restricted		
Stanley Mission - Recreation and youth centre	-	1,184,047
Stanley Mission - Economic development	2,000,000	2,000,000
La Ronge - Health capital replacement	3,240,874	3,502,390
	<hr/>	<hr/>
	5,240,874	6,686,437

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

17. Federal government funding

	2016	2015
Indigenous and Northern Affairs Canada		
INAC per confirmation	53,544,400	48,244,633
Add: major capital deferred from prior year	298,227	586,407
Less: major capital deferred to future years	(3,600,919)	(550,657)
	50,241,708	48,280,383
Health Canada (FNIHB)		
Health Canada per confirmation	11,597,946	12,158,094
Less: minor capital deferred to future years	-	56,562
	11,597,946	12,214,656
Canada Mortgage and Housing Corporation		
S95 loan subsidy	1,703,120	1,615,204
RRAP contributions	263,349	379,009
	1,966,469	1,994,213
Justice Canada		
Project Venture funding	-	72,319
	63,806,123	62,561,571

18. Economic dependence

Lac La Ronge Indian Band receives a significant portion of its revenues from Indigenous and Northern Affairs Canada ("INAC") as a result of Treaties entered into with the government of Canada. These Treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

19. Related party transactions

During the year, the Nation conducted sales and purchases with related entities that are proprietorships and corporations under the control of Lac La Ronge Indian Band. All sales and purchases were undertaken at normal market prices for similar goods and services and have been reported as revenue or expenses in the financial statements at the exchange amounts and have not been eliminated between segments as per Schedules 3 to 9.

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

20. Budget information

The disclosed budget information was approved by the Chief and Council as follows:

Grandmother's Bay Reserve - September 2015

La Ronge Reserve - March 2015

Little Red Reserve - March 2015

Stanley Mission Reserve - May 2015

The disclosed budget information is required to be presented on the same basis as the actual results, therefore \$479,718 of budgeted loan repayments and \$156,097 of budget capital purchases have been removed from the budgeted expenses as presented on the Statement of Operations.

The Nation has not budgeted for its CMHC housing program, other small programs including home ownership and daycare, its proprietorships, and its government partnerships. The Nation budgeted for its investment income from business partnerships on the basis of cash withdrawals from the investment instead of the income earned using the modified equity method.

21. Commitments

The Nation has committed to the installation of natural gas to the La Ronge Reserve. The expected total costs for the project is \$4,162,621. INAC has agreed to provide 43.5% of the funding, or \$1,931,300. The remaining funding will be financed from a loan from Canadian Imperial Bank of Commerce ("CIBC"). As of March 31, 2016, \$1,430,000 (2015 - \$1,430,000) has been drawn on the loan from CIBC, which is authorized to \$2,156,884. As of March 31, 2016, \$3,330,662 has been committed for the installation and \$1,931,300 has been received from INAC. The project is expected to be completed in the fiscal year ending March 31, 2017.

The Nation has committed to the completion of a water treatment plant upgrade. The expected total costs for the project is \$4,493,299. Indigenous and Northern Affairs Canada ("INAC") has agreed to fully fund the project. As of March 31, 2016 nothing has been spent on the project.

During the year-ended March 31, 2016, the Lac La Ronge Indian Band signed a Project Operating Agreement, Direct Lending Commitment and Loan Agreement with CMHC, known as Phase 24. Phase 24 is for the purpose of building 13 new housing units. The expected maximum construction costs and loan proceeds are \$1,560,000. Costs incurred by March 31, 2016 in the Housing Department of the La Ronge Reserve were \$1,514,083 and there were \$733,208 of loan proceeds advanced as at March 31, 2016.

22. Compliance with authorities

The Nation is required to make its financial statements publicly available and submit its consolidated financial statements to Aboriginal Affairs and Northern Development Canada by July 29, 2016. As the audit report is dated after July 29, 2016, the Nation is in breach of this requirement. The possible effect of this breach has not yet been determined.

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

Lac La Ronge Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

23. Retail sales

	2016	2015
Gross sales		
Amachewespmawin Gas Bar	3,877,713	4,003,336
Hall Lake Gas Bar	1,627,599	1,596,417
Little Red Sand and Gravel Ltd.	180,228	3,110
Keethanow Bingo North Inc.	2,666,299	2,954,731
Keethanow Corner Grocery	842,680	833,054
Keethanow Gas Bar	4,863,898	4,990,132
Keethanow Lumber and Furniture	3,006,646	2,789,467
Keethanow Supermarket	3,627,610	3,909,957
Sucker River Gas Bar	788,947	801,365
	21,481,620	21,881,569
Cost of sales		
Amachewespmawin Gas Bar	(2,944,189)	(2,789,918)
Hall Lake Gas Bar	(1,127,050)	(1,170,200)
Keethanow Bingo North Inc.	(1,640,589)	(1,773,911)
Keethanow Corner Grocery	(673,794)	(595,712)
Keethanow Gas Bar	(3,772,752)	(3,824,123)
Keethanow Lumber and Furniture	(2,392,863)	(2,118,047)
Keethanow Supermarket	(2,725,947)	(3,099,815)
Sucker River Gas Bar	(584,233)	(563,150)
	(15,861,417)	(15,934,876)
	5,620,203	5,946,693

24. Prior period adjustment

During the year management determined that an entity previously reported as a government partnership in the consolidated financial statements did not meet the definition of a government partnership. Therefore the assets, liabilities, revenues and expenses that were proportionately consolidated for the year-ended March 31, 2015 have been removed. As a result the following adjustment was made to the year-ended March 31, 2015 balances:

<u>Statement of Financial Position</u>	Previously Reported	Change	As Restated
Cash	9,830,550	(841,905)	8,988,645
Accounts payable and accruals	5,843,065	(154,926)	5,688,139
Deferred revenue	3,009,737	(79,452)	2,930,285
Tangible capital assets	107,355,833	(90,344)	107,265,489
Prepaid expenses	199,131	(2,148)	196,983
Accumulated surplus	186,108,474	(1,068,009)	185,040,465
<u>Statement of Operations and Accumulated Surplus</u>			
Revenues	99,391,205	(1,293,841)	98,097,364
Expenses	95,975,104	(1,212,258)	94,762,846
Surplus	3,339,378	(81,583)	3,257,795
Accumulated surplus, beginning of year	182,769,096	(986,426)	181,782,670

Lac La Ronge Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Buildings</i>	<i>Housing</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Purchased land</i>	<i>2016</i>	<i>2015</i>
							<i>Restated (Note 24)</i>
Cost							
Balance, beginning of year	92,180,762	88,144,026	17,990,685	86,784,765	61,368	285,161,606	278,626,833
Acquisition of tangible capital assets	1,554,870	3,145,357	1,837,648	903,211	-	7,441,086	7,537,584
Disposal of tangible capital assets	-	(534,415)	(142,521)	-	-	(676,936)	(1,002,811)
Balance, end of year	93,735,632	90,754,968	19,685,812	87,687,976	61,368	291,925,756	285,161,606
Accumulated amortization							
Balance, beginning of year	63,612,126	50,030,856	13,301,819	50,951,316	-	177,896,117	168,059,941
Annual amortization	3,213,150	2,899,563	1,342,594	3,256,652	-	10,711,959	10,683,604
Accumulated amortization on disposals	-	(501,127)	(131,690)	-	-	(632,817)	(847,428)
Balance, end of year	66,825,276	52,429,292	14,512,723	54,207,968	-	187,975,259	177,896,117
Net book value of tangible capital assets	26,910,356	38,325,676	5,173,089	33,480,008	61,368	103,950,497	107,265,489
2015 Net book value of tangible capital assets	28,568,636	38,113,170	4,688,866	35,833,449	61,368	107,265,489	

Lac La Ronge Indian Band
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 20)</i>	2016	2015 <i>Restated</i> <i>(Note 24)</i>
Consolidated expenses by object			
Salaries and benefits	36,115,688	39,636,824	37,578,019
Social assistance	11,490,802	11,411,676	11,392,933
Amortization	-	10,711,958	10,683,604
Repairs and maintenance	2,543,381	4,120,928	4,866,461
Tuition	3,330,000	3,504,763	3,538,717
Band support	1,908,277	2,992,072	2,780,925
Supplies	2,205,997	2,936,486	3,207,421
Student expenses	1,994,300	2,860,416	2,640,560
Program expense	2,235,902	2,600,170	2,057,624
Utilities	2,558,800	2,464,269	2,884,270
Travel, meetings and honoraria	2,385,491	2,427,184	2,769,015
Contracted services	885,500	1,688,282	1,216,202
Professional development	1,188,985	1,415,992	887,597
Renovation materials	1,549,500	1,249,619	1,054,791
Transportation	1,391,897	1,190,763	1,301,343
Miscellaneous	553,007	1,146,847	828,452
Bad debts (recovery)	20,000	908,461	298,694
Professional fees	671,443	706,284	717,238
Office supplies and expenses	550,295	695,320	840,048
Community donations	51,000	620,451	698,701
Insurance	421,600	617,084	568,609
Telephone	445,836	462,107	449,742
Interest on long-term debt	136,000	382,601	411,701
Community events	214,000	319,203	367,068
Rent	294,258	228,626	315,105
Bank charges and interest	(35,200)	206,311	154,026
Administration	129,572	80,265	123,590
Consulting	-	10,703	231,937
Inter-department sales / allocation	-	(102,661)	(101,547)
	75,236,331	97,493,004	94,762,846

Lac La Ronge Indian Band
Band Governance
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	7,869,738	9,306,176	8,871,596
Department of Justice	-	-	72,319
First Nations Trust (SIGA gaming allocation)	1,954,149	4,577,988	3,864,204
Prince Albert Grand Council	2,859,293	1,323,656	691,444
Miscellaneous	983,106	1,339,206	1,071,889
Grants and donations	186,980	952,396	873,010
Fundraising revenue	230,000	801,107	755,910
Lease income	-	597,173	457,645
Rental income	319,500	526,961	203,332
Province of Saskatchewan	111,160	215,178	372,372
Fuel and tobacco rebates (external sources)	355,000	169,673	234,555
	14,868,926	19,809,514	17,468,276
Expenses			
Salaries and benefits	6,336,425	7,509,061	7,033,232
Band support	3,198,277	4,446,486	3,981,380
Program expense	1,543,256	1,965,500	1,428,969
Travel, meetings and honoraria	1,400,991	1,497,322	1,477,732
Miscellaneous	213,564	688,963	644,160
Professional development	722,250	625,076	505,853
Repairs and maintenance	313,200	519,159	557,971
Supplies	333,836	511,651	482,101
Amortization	-	337,388	396,236
Community events	214,000	319,203	367,068
Office supplies and expenses	355,045	314,586	304,328
Professional fees	268,298	295,247	350,190
Social assistance	240,362	246,758	234,482
Telephone	177,931	163,483	164,221
Renovation materials	141,000	145,072	250,155
Insurance	162,000	129,888	96,838
Rent	153,500	123,402	116,312
Community donations	50,000	94,999	182,748
Bank charges and interest	(59,000)	81,319	65,336
Administration	112,072	49,745	114,800
Transportation	-	38,462	45,514
Contracted services	50,000	24,153	27,046
Bad debts (recovery)	1,000	23,962	17,421
Interest on long-term debt	131,000	10,710	15,764
Utilities	16,000	10,400	57,299
Student expenses	11,000	4,816	-
	16,086,007	20,176,811	18,917,156
Deficit before other items	(1,217,081)	(367,297)	(1,448,880)
Other expense			
Loss on disposal of capital assets	-	1,859	(12,035)
Transfers between programs	2,073,064	2,203,016	2,357,103
Surplus	(1,217,081)	1,837,578	896,188

Lac La Ronge Indian Band
Education
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	16,749,512	16,818,609	16,682,434
Prince Albert Grand Council	2,858,497	2,701,999	2,784,264
Northern Lights School Division	690,000	1,120,918	950,761
Grants and donations	89,300	811,865	798,344
Saskatchewan Indian Institute of Technologies	448,500	552,222	446,945
Miscellaneous	353,130	417,735	419,493
Province of Saskatchewan	122,000	122,000	145,759
Rental income	96,552	22,104	21,550
First Nations Trust (SIGA gaming allocation)	350,000	-	15,000
	21,757,491	22,567,452	22,264,550
Expenses			
Salaries and benefits	13,905,903	13,832,236	13,122,917
Tuition	3,330,000	3,504,763	3,538,717
Student expenses	1,983,300	2,855,600	2,640,560
Amortization	-	1,375,911	1,378,201
Supplies	686,847	819,161	976,521
Program expense	494,770	295,858	303,751
Transportation	488,933	267,885	255,831
Travel, meetings and honoraria	258,250	235,305	269,703
Repairs and maintenance	140,700	221,560	243,372
Miscellaneous	182,483	116,654	(29,788)
Professional development	97,500	101,560	104,791
Rent	77,000	86,825	83,778
Telephone	78,100	85,382	94,965
Bad debts (recovery)	-	40,746	65,162
Insurance	42,100	33,661	21,301
Utilities	35,600	29,867	25,865
Bank charges and interest	18,800	24,746	7,270
Office supplies and expenses	33,300	19,761	32,058
Consulting	-	10,703	41,484
Professional fees	69,000	10,417	10,261
Contracted services	1,000	9,919	724
Administration	7,500	1,016	6,468
Community donations	1,000	964	1,000
Band support	(500,000)	(617,699)	(425,000)
	21,432,086	23,362,801	22,769,912
Surplus (deficit)	325,405	(795,349)	(505,362)

Lac La Ronge Indian Band
Infrastructure & Facilities
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	9,952,223	11,789,924	10,586,227
Canada Mortgage and Housing Corporation	484,903	1,966,469	1,994,212
Rental income	278,000	1,754,140	1,820,863
Miscellaneous	274,100	716,295	598,500
Grants and donations	749,700	762,872	675,470
	11,738,926	16,989,700	15,675,272
Expenses			
Amortization	-	7,733,482	7,537,793
Salaries and benefits	5,682,312	5,199,526	4,904,189
Repairs and maintenance	2,028,981	3,094,555	2,851,260
Contracted services	806,000	1,576,552	1,105,534
Utilities	1,597,800	1,400,693	1,713,868
Renovation materials	1,408,500	1,104,548	804,636
Supplies	595,500	736,191	868,258
Transportation	553,000	540,492	673,469
Interest on long-term debt	5,000	367,921	389,194
Insurance	120,000	245,796	247,661
Travel, meetings and honoraria	218,500	202,421	251,698
Office supplies and expenses	137,500	135,218	157,633
Professional fees	14,000	87,740	41,312
Miscellaneous	74,000	61,188	98,821
Telephone	55,125	48,633	47,216
Bad debts (recovery)	20,000	34,255	161,030
Program expense	21,500	22,169	46,042
Professional development	31,000	22,098	44,638
Administration	-	14,006	3,964
Bank charges and interest	5,000	8,193	12,298
Rent	1,250	1,171	983
Inter-department sales / allocation	-	(102,667)	(101,550)
Band support	(790,000)	(864,356)	(800,455)
	12,584,968	21,669,825	21,059,492
Deficit before other items	(846,042)	(4,680,125)	(5,384,220)
Other expense			
Loss on disposal of capital assets	-	49,312	(29,008)
Transfers between programs	-	296,984	142,897
Deficit	(846,042)	(4,333,829)	(5,270,331)

Lac La Ronge Indian Band
Health
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016	2015 Restated (Note 24)
Revenue			
Indigenous and Northern Affairs Canada	250,000	325,000	325,000
Health Canada	10,923,876	11,597,946	12,214,656
Rental income	888,584	1,030,401	1,045,493
Miscellaneous	602,910	445,652	280,362
Prince Albert Grand Council	77,513	84,358	77,858
Grants and donations	-	-	147,618
	12,742,883	13,483,357	14,090,987
Expenses			
Salaries and benefits	10,191,048	10,006,058	9,575,776
Amortization	-	1,015,068	1,097,250
Supplies	589,814	734,393	685,797
Professional development	338,235	654,577	220,804
Travel, meetings and honoraria	507,750	357,293	615,671
Transportation	325,964	343,925	326,529
Program expense	176,376	316,644	278,861
Miscellaneous	22,400	162,268	23,878
Utilities	150,400	131,702	157,659
Telephone	134,680	122,573	115,266
Professional fees	320,145	112,358	80,143
Insurance	97,500	106,973	105,368
Repairs and maintenance	60,500	97,447	1,043,231
Rent	62,508	65,728	47,624
Contracted services	51,500	41,608	47,730
Office supplies and expenses	24,450	35,500	71,388
Bad debts (recovery)	-	31,412	-
Administration	10,000	15,498	(1,642)
Consulting	-	-	189,015
	13,063,270	14,351,025	14,680,348
Deficit before other items	(320,387)	(867,668)	(589,361)
Other expense			
Loss on disposal of capital assets	-	3,998	(31,648)
Deficit	(320,387)	(863,670)	(621,009)

Lac La Ronge Indian Band
Social Assistance
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	12,022,000	12,001,999	11,815,125
Miscellaneous	-	200	12,358
	12,022,000	12,002,199	11,827,483
Expenses			
Social assistance	11,250,440	11,164,917	11,158,452
Utilities	759,000	770,053	799,542
Miscellaneous	60,560	72,499	75,802
	12,070,000	12,007,469	12,033,796
Deficit	(48,000)	(5,270)	(206,313)

Lac La Ronge Indian Band
Retail Operations
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 20)</i>	2016	2015
Revenue			
Retail sales, net (Note 23)	-	5,620,203	5,946,693
Other retail revenue	-	212,104	283,161
Miscellaneous	-	877	22,715
	-	5,833,184	6,252,569
Expenses			
Salaries and benefits	-	3,089,943	2,941,907
Bad debts (recovery)	-	778,086	55,081
Community donations	-	524,489	514,953
Amortization	-	250,110	274,124
Professional fees	-	200,522	235,332
Office supplies and expenses	-	190,255	274,641
Repairs and maintenance	-	188,207	170,626
Supplies	-	135,089	194,743
Travel, meetings and honoraria	-	134,843	154,212
Utilities	-	121,554	130,036
Insurance	-	100,766	97,442
Bank charges and interest	-	92,054	69,123
Miscellaneous	-	45,275	15,579
Telephone	-	42,036	28,074
Contracted services	-	36,050	35,168
Band support	-	27,642	25,000
Professional development	-	12,681	11,511
Interest on long-term debt	-	3,971	6,744
Consulting	-	-	1,438
Rent	-	(48,500)	66,408
	-	5,925,073	5,302,142
Surplus (deficit) before other items	-	(91,889)	950,427
Other expense			
Loss on disposal of capital assets	-	(150)	(4,031)
Surplus (deficit)	-	(92,039)	946,396

Lac La Ronge Indian Band
Investments
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 20)</i>	2016	2015
Revenue			
Earnings from investment in Nation business partnerships	-	1,578,245	10,515,498
Earnings (loss) from investment in Nation business entities	-	(855)	2,728
Surplus before transfers	-	1,577,390	10,518,226
Transfers between programs			
Transfer investment drawings	-	(2,500,000)	(2,500,000)
Surplus (deficit)	-	(922,610)	8,018,226