

## Independent Auditors' Report

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To the Members of Kinistin Saulteaux Nation:

We were engaged to audit the accompanying financial statements of Kinistin Saulteaux Nation, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and accumulated surplus, changes in net debt and cash flows, the 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 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

We were unable to satisfy ourselves whether adjustments were required in respect of the opening balance reported for accounts payable. Because the opening balances enter into the determination of the results of operations and changes in cash flows, we were unable to determine whether adjustments to expenses, current surplus, prior deficit and cash from operations might be necessary.

Additionally, it is a requirement under Canadian public sector accounting standards that budgets are presented in the annual financial statements. Management failed to complete an operating budget for the current year and therefore the 2014 financial statements do not report this required information.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects of the financial position of Kinistin Saulteaux Nation as at March 31, 2014 and the results of its operations and its cash flows for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan

July 25, 2014

**MNP LLP**  
Chartered Accountants

**MNP**



**Kinistin Saulteaux Nation  
Consolidated Financial Statements**  
*March 31, 2014*

**Kinistin Saulteaux Nation**  
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*For the year ended March 31, 2014*

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## **Management's Responsibility**

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**To the Members of Kinistin Saulteaux Nation:**

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 Kinistin Saulteaux Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfills 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 the appointment of the Nation's external auditors.

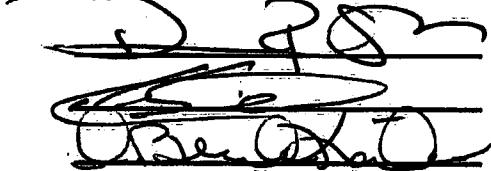
MNP LLP, an independent firm of Chartered Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to the members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and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

signed Dave Scott      Management

**Kinistin Saulteaux Nation**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>Financial assets</b>		
<b>Current</b>		
Cash resources	30,481	194,329
Accounts receivable (Note 3)	571,283	611,336
Livestock inventory	172,475	97,000
Restricted cash (Note 6)	149,995	20,070
	924,234	922,735
<b>Portfolio investments (Note 4)</b>	60,481	87,411
<b>Funds held in trust (Note 5)</b>	3,148	3,338
<b>Restricted cash (Note 6)</b>	321,603	319,213
<b>Total financial assets</b>	<b>1,309,466</b>	<b>1,332,697</b>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 7)	236,424	426,403
Accounts payable and accruals	622,456	670,265
Deferred revenues (Note 8)	160,080	75,421
AANDC funding repayable	18,517	31,650
Agricultural implements claim loan (Note 9)	192,030	86,971
Current portion of long-term debt (Note 10)	349,545	385,015
	1,579,052	1,675,725
<b>Long-term debt (Note 10)</b>	<b>2,849,914</b>	<b>3,157,190</b>
<b>Total financial liabilities</b>	<b>4,428,966</b>	<b>4,832,915</b>
<b>Net debt</b>	<b>(3,119,500)</b>	<b>(3,500,218)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 12)	8,715,192	8,282,257
Prepaid expenses	19,031	40,478
<b>Total non-financial assets</b>	<b>8,734,223</b>	<b>8,322,735</b>
<b>Accumulated surplus (Note 13)</b>	<b>5,614,723</b>	<b>4,822,517</b>

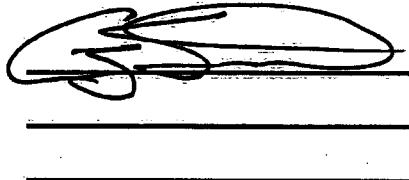
**Approved on behalf of the Council**



Chief

Councillor

Councillor



Councillor

Councillor

Councillor

**Kinistin Saulteaux Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2014*

	<i>Schedules</i>	<i>2014</i>	<i>2013</i>
<b>Revenues</b>			
Aboriginal Affairs and Northern Development Canada (Note 16)		3,366,316	4,027,540
AANDC funding adjustment		(24,220)	(31,650)
Health Canada (Note 17)		942,774	135,434
Canada Mortgage and Housing Corporation		193,140	192,851
Canada Mortgage and Housing Corporation - RRAP		4,800	29,874
Saskatoon Tribal Council - Health		971,306	893,033
Saskatoon Tribal Council		435,477	353,698
First Nations Trust		374,215	366,585
Dakota Dunes Community Development Corporation		167,335	116,292
Rent		154,697	154,599
Miscellaneous		102,571	70,158
STC Casino Holdings Corporation		95,079	65,861
Pasture rental		52,500	52,662
Livestock inventory adjustment		45,047	-
Livestock sales		29,612	15,923
GST and Sales Tax rebates		8,661	34,491
Federation of Saskatchewan Indian Nations		-	50,000
		<b>6,919,310</b>	<b>6,527,351</b>
<b>Program expenses</b>			
Band Government	3	1,012,435	1,119,069
Capital	4	450,132	577,035
Community Infrastructure	5	361,565	345,612
Economic Development	6	97,384	197,654
Education	7	1,710,797	1,662,686
Health	8	1,242,823	1,173,078
Lands	9	259,343	618,157
Other Programs	10	116,101	208,246
Social Development	11	876,524	954,500
<b>Total expenses</b>		<b>6,127,104</b>	<b>6,856,037</b>
<b>Surplus (deficit)</b>		<b>792,206</b>	<b>(328,686)</b>
<b>Accumulated surplus, beginning of year</b>		<b>4,822,517</b>	<b>5,151,203</b>
<b>Accumulated surplus, end of year</b>		<b>5,614,723</b>	<b>4,822,517</b>

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

**Kinistin Saulteaux Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Annual surplus (deficit)</b>		
Purchases of tangible capital assets	792,206	(328,686)
Amortization of tangible capital assets	(899,911)	(775,288)
Acquisition of prepaid expenses	466,976	450,498
Use of prepaid expenses	-	(20,758)
	<b>21,447</b>	-
<b>Decrease (increase) in net debt</b>	<b>380,718</b>	<b>(674,234)</b>
<b>Net debt, beginning of year</b>	<b>(3,500,218)</b>	<b>(2,825,984)</b>
<b>Net debt, end of year</b>	<b>(3,119,500)</b>	<b>(3,500,218)</b>

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

**Kinistin Saulteaux Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus (deficit)	792,206	(328,686)
Non-cash items		
Amortization	466,976	450,498
	<b>1,259,182</b>	<b>121,812</b>
<b>Changes in working capital accounts</b>		
Accounts receivable	40,053	113,713
Inventory	(75,475)	-
Prepaid expenses	21,447	(20,758)
Accounts payable and accruals	(47,805)	37,459
Deferred revenues	84,655	(11,309)
AANDC funding repayable	(13,133)	5,979
	<b>1,268,924</b>	<b>246,896</b>
<b>Financing activities</b>		
Advances of long-term debt		1,068,602
Repayment of long-term debt	(342,746)	(504,018)
Agricultural implements claim loan	105,059	86,971
	<b>(237,687)</b>	<b>651,555</b>
<b>Capital activities</b>		
Purchases of tangible capital assets	(899,911)	(775,288)
<b>Investing activities</b>		
Decrease (increase) in portfolio investments	26,930	(4,561)
Change in restricted cash	(132,315)	(143,256)
Change in funds held in trust	190	(76)
	<b>(105,195)</b>	<b>(147,893)</b>
<b>Increase (decrease) in cash resources (deficiency)</b>	<b>26,131</b>	<b>(24,730)</b>
<b>Cash deficiency, beginning of year</b>	<b>(232,074)</b>	<b>(207,344)</b>
<b>Cash deficiency, end of year</b>	<b>(205,943)</b>	<b>(232,074)</b>
<b>Cash deficiency is composed of:</b>		
Cash resources	30,481	194,329
Bank indebtedness	(236,424)	(426,403)
	<b>(205,943)</b>	<b>(232,074)</b>
<b>Supplementary cash flow information</b>		
Interest paid	148,262	117,228

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**1. Operations**

The Kinistin Saulteaux Nation (the "Nation") is located in the province of Saskatchewan, and provides various services to its members. Kinistin Saulteaux Nation financial reporting entity includes the Nation's operations 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 including the following significant accounting policies:

***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity. The Nation has also consolidated the assets, liabilities, revenues and expenses of its wholly owned subsidiary Kinistin Bison Inc.

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.

***Basis of presentation***

Sources of financing and expenditures 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 includes 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***

Inventories are recorded 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. Inventories available for immediate delivery are recorded at the net price (market price less selling costs) as the product has a reliable and realizable market price with predictable disposal costs.

***Portfolio investments***

Portfolio investments consist of long-term investments in entities that are not owned, controlled or influenced by the Nation reporting entity and are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

***Funds held in trust***

Funds held in trust on behalf of Nation members by the Government of Canada consist of:

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

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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

***Tangible capital assets***

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

***Amortization***

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	declining balance	5 %
Housing	declining balance	5 %
Automotive	declining balance	30 %
Equipment	declining balance	20 %
Infrastructure	declining balance	5 %
Roads	straight-line	40 years
Water/sewer infrastructure	straight-line	50 years

Assets under construction are not amortized until they enter service.

***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 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. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in deficit for the year.

Prices for similar terms are used to measure fair value of long-lived assets.

***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.

***Net debt***

The Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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

***Revenue recognition***

**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 income***

Rental income is recognized over the rental term. Other revenues are earned from other services provided by the Nation and are recognized when the service has been provided.

***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.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Current portion of debt is based on rates and terms in effect at year-end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

***Segments***

The Nation conducts its business through nine (9) reportable segments (Note 14). These operating segments are established by senior management 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the *Significant accounting policies*.

***Other Economic Interests***

The Kinistin Saulteaux Nation is a member of the Saskatoon Tribal Council and Saskatoon Tribal Council Health and Family Services Inc. Their mandate is to enhance the services provided to the seven member Nations. The Nation does not share in the significant risks and benefits of the operations of these entities. As a result, the financial statements of Saskatoon Tribal Council and Saskatoon Tribal Council Health and Family Service Inc. have not been consolidated with the financial statements of Kinistin Saulteaux Nation.

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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

**Recent accounting pronouncements**

**Financial instruments**

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. In the year that the Nation applies PS 3450, it also applies PS 1201, PS 2601 and PS3041. The Nation does not expect the adoption of these new standards to have a material impact on its financial statements.

**3. Accounts receivable**

	<b>2014</b>	<b>2013</b>
Saskatoon Tribal Council Health and Family Services Inc.	395,054	441,798
Other	144,584	68,052
Saskatoon Tribal Council	132,569	166,271
Aboriginal Affairs and Northern Development Canada	62,636	31,656
Members	42,204	29,384
CMHC subsidy receivable	25,932	16,852
Allowance for doubtful accounts	802,979	754,013
	<u>(231,696)</u>	<u>(142,677)</u>
	<b>571,283</b>	<b>611,336</b>

**4. Portfolio investments**

	<b>2014</b>	<b>2013</b>
SDC Development Corporation	59,471	59,471
First Nations Bank	1,000	1,000
STC Casino Holdings Corporation	10	10
Co-operative equity	-	26,930
	<b>60,481</b>	<b>87,411</b>

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

## 5. Funds held in trust

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

	<b>2014</b>	<b>2013</b>
<b>Revenue Trust</b>		
Balance, beginning of year	282	206
Interest	190	76
Land management training reimbursement	(380)	-
<b>Balance, end of year</b>	<b>92</b>	<b>282</b>
<b>Capital Trust</b>		
Balance, beginning and end of year	3,056	3,056
	3,148	3,338

## 6. Restricted cash

As of March 31, 2014, the Nation has the following restricted cash balances. The subdivision account represents cash managed by a project manager for the purpose payment of costs associated with construction of the sewer project. The cash relating to the CMHC replacement reserve is detailed in Note 11.

	2014	2013
Current - AANDC Subdivision bank account	149,995	20,070
Long term - CMHC replacement reserve term deposit	241,390	239,000
<b>Long term - CMHC replacement reserve bank account</b>	<b>80,213</b>	<b>80,213</b>
	<b>471,598</b>	<b>339,283</b>

## 7. Bank indebtedness

Bank indebtedness includes an operating loan authorized to a maximum of \$100,000 and charges interest at prime plus 2.50% (5.50% at March 31, 2014). As at March 31, 2014 \$19,266 (2013 - \$232,381) was drawn with the remaining balance represented by outstanding cheques.

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**8. Deferred revenues**

Deferred revenues represent the amount of funds received by the Nation that relate to the future fiscal periods or that must be spent on certain projects that are incomplete at year-end.

As of March 31, 2014, deferred revenues consist of amounts received for the following:

	<b>2014</b>	<b>2013</b>
Unexpended projects	Dakota Dunes Community Development Corporation	84,019
2015 funding received in 2014	Saskatoon Tribal Council Health and Family Services Inc.	33,353
Subdivision	Aboriginal Affairs and Northern Development Canada	30,602
Water Treatment Optimization	Aboriginal Affairs and Northern Development Canada	23,487
Roofing project - Wellness Centre	Health Canada	19,391
Sewage Pumping Station	Aboriginal Affairs and Northern Development Canada	9,332
Wastewater project	Aboriginal Affairs and Northern Development Canada	10,803
	Aboriginal Affairs and Northern Development Canada	12,514
	Aboriginal Affairs and Northern Development Canada	- 12,000
	<b>160,080</b>	<b>75,421</b>

**9. Agricultural implements claim loan**

Loan provided by the Government of Canada in the amount of \$192,030 as at March 31, 2014 (2013 - \$86,971) to pay costs relating to an agricultural claim that the Nation has filed. The Nation is seeking compensation for failure of the Crown to provide agricultural benefits to their Nation. The loan is non-interest bearing and is to be repaid by the earlier of March 31, 2017 or the date on which the claim is settled.

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**10. Long-term debt**

	<b>2014</b>	<b>2013</b>
Scotiabank mortgage, bearing interest at 7.39%, renewal date which is under review. Payments due are blended monthly principal and interest payments of \$1,083. Secured by a ministerial guarantee.	44,052	58,887
CMHC mortgage, bearing interest at 1.92%, renewal date of April 2019, and repayable in blended monthly principal and interest payments of \$395. Secured by a ministerial guarantee.	42,414	46,321
CMHC mortgage, bearing interest at 2.65%, renewal date of April 2016, and repayable in blended monthly principal and interest payments \$1,191. Secured by a ministerial guarantee.	145,241	155,565
CMHC mortgage, bearing interest at 1.67%, renewal date of April 2017, and repayable in blended monthly principal and interest payments of \$1,073. Secured by a ministerial guarantee.	149,533	159,825
CMHC mortgage, bearing interest at 1.92%, renewal date of April 2019, and repayable in blended monthly principal and interest payments of \$1,039. Secured by a ministerial guarantee.	161,673	171,035
CMHC mortgage, bearing interest at 2.76%, renewal date of June 2015, and repayable in blended monthly principal and interest payments of \$2,653. Secured by a ministerial guarantee.	307,890	330,937
CMHC mortgage, bearing interest of 2.65%, renewal date of April 2016, and repayable in blended monthly principal and interest payments of \$3,633. Secured by a ministerial guarantee.	596,880	624,353
CMHC mortgage, bearing interest at 1.65%, renewal date of June 2017, and repayable in blended monthly principal and interest payments of \$1,991. Secured by a ministerial guarantee.	376,427	393,970
CMHC mortgage, bearing interest at 2.87%, renewal date of December 2014, and repayable in blended monthly principal and interest payments of \$3,940. Secured by a ministerial guarantee.	596,381	626,184
First Nations Bank loan, bearing interest at 5.98%, due July 2017, and repayable in blended quarterly principal and interest payments of \$52,974. Secured by funding from Aboriginal Affairs and Northern Development Canada and First Nations Trust, and a General Security Agreement representing a first charge on assets.	664,785	831,988
Honda Canada Finance, bearing interest at 1.99%, due February 2018, and repayable in blended monthly principal and interest payments of \$997. Secured with 2013 Honda Pilot having a net book value of \$33,847.	45,034	55,981
Honda Canada Finance, bearing interest at 2.99%, due February 2018, and repayable in blended monthly principal and interest payments of \$855. Secured with a 2013 Honda Ridgeline having a net book value of \$28,331.	37,891	46,877
Honda Canada Finance, bearing interest at 2.99%, due June 2017, and repayable in blended monthly principal payments of \$842. Secured by a 2012 Honda Ridgeline having a net book value of \$27,889.	31,258	40,282
	<b>3,199,459</b>	<b>3,542,205</b>

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**10. Long-term Debt (Continued from previous page)**

<u>Less: current portion</u>	<u>349,545</u>	<u>385,015</u>
	<u>2,849,914</u>	<u>3,157,190</u>

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed with similar terms, are estimated as follows:

2015	349,545
2016	365,989
2017	382,449
2018	283,462
2019	148,358

**11. CMHC reserves**

Under agreements with Canada Mortgage and Housing Corporation (CMHC), the Nation established the following:

- A replacement reserve, established by an annual cash allocation of \$47,655, to ensure replacement of buildings financed by CMHC. At March 31, 2014 this reserve is under-funded by \$59,013 (under-funded \$68,847 at March 31, 2013).
- Any surplus generated in the Post - 1997 Housing Program is to be funded with cash and maintained in a separate reserve. These reserve funds may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance. As at March 31, 2014 this reserve is under-funded by \$172,216 (\$184,817 at March 31, 2013).

In accordance with terms of the agreements, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

**12. Tangible capital assets**

The tangible capital assets reconciliation is included in Schedule 1.

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**13. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2014</b>	<b>2013</b>
Equity in Ottawa Trust Funds	3,148	3,338
Equity in investments	60,481	87,411
Equity in CMHC reserves	552,832	572,877
Equity in Tangible Capital Assets	6,180,518	5,527,740
Operating deficit	(1,182,256)	(1,368,849)
	<b>5,614,723</b>	<b>4,822,517</b>

**14. Segments**

The Nation has 9 reportable segments. These segments are differentiated by the major activities or services they provide. The Nation's segments are as follows:

**Education** - operations of the Nation's education programs.

**Band Government** - administration and governance activities of the Nation.

**Community Infrastructure** - activities for the maintenance and operations of the Nation's and infrastructure.

**Capital** - funding received, amortization and other expenses of capital projects undertaken.

**Health** - health funding and the operations of various health related initiatives.

**Social Development** - delivery of social assistance programs

**Economic Development** - operations of promoting and providing the economic development for the Nation and in developing new economic ventures to grow the Nation.

**Lands** - provides for development and administration of the Nation's land

**Other Programs** - reports on other activities and programs of the band that do not fit into the above categories

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.

**15. Economic dependence**

Kinistin Saulteaux Nation receives substantially all of its revenue from the Government of Canada as a result of Treaties entered into with the Crown in Right of Canada. These Treaties are administered by Aboriginal Affairs and Northern Development Canada (AANDC) 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.

Due to certain deficiencies in its cumulative deficit position, the Nation is also party to a Remedial Management Plan agreement with AANDC. Under the terms of the agreement, funding from the Remedial Management Plan can be suspended if the Nation does not comply with the terms of the agreement.

**Kinistin Saulteaux Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**16. Reconciliation of funding from Aboriginal Affairs and Northern Development Canada (AANDC)**

Amount per funding confirmation	3,340,293
Add: 2014 reconciliation for Basic Needs	43,208
Less: Wastewater funding not earned	(15,200)
Less: Recovery of Band Employee Benefits	(1,985)
	<hr/>
	3,366,316

**17. Health Canada**

Per funding agreement SK1400067	811,157
Per funding agreement SK1400003	185,802
Per funding agreement SK1300024 - 2014 funding	40,000
Per funding agreement SK1300024 - 2013 funding	3,575
Less: funding per agreement SK1400067 not recognized in 2014	(86,957)
Less: deferred revenue - roofing project	(10,803)
	<hr/>
	942,774

**18. Comparative figures**

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

**Kinistin Saulteaux Nation**  
**Schedule 1 - Schedule of Consolidated Tangible Capital Assets**  
*For the year ended March 31, 2014*

	<b>Buildings</b>	<b>Housing</b>	<b>Automotive</b>	<b>Equipment</b>	<b>Infrastructure</b>	<b>Roads</b>	<b>Subtotal</b>
<b>Cost</b>							
Balance, beginning of year	<b>6,458,333</b>	<b>4,110,690</b>	<b>1,067,762</b>	<b>359,574</b>	<b>1,151,531</b>	<b>366,199</b>	<b>13,514,089</b>
Acquisition of tangible capital assets			136,460		694,486		830,946
Construction-in-progress	-	-	-	-	-	-	-
<b>Balance, end of year</b>	<b>6,458,333</b>	<b>4,110,690</b>	<b>1,204,222</b>	<b>359,574</b>	<b>1,846,017</b>	<b>366,199</b>	<b>14,345,035</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	<b>3,670,346</b>	<b>1,324,626</b>	<b>933,567</b>	<b>213,994</b>	<b>563,180</b>	<b>232,475</b>	<b>6,938,188</b>
Annual amortization	141,806	139,303	97,327	4,716	29,418	9,155	421,725
<b>Balance, end of year</b>	<b>3,812,152</b>	<b>1,463,929</b>	<b>1,030,894</b>	<b>218,710</b>	<b>592,598</b>	<b>241,630</b>	<b>7,359,913</b>
<b>Net book value of tangible capital assets</b>	<b>2,646,181</b>	<b>2,646,761</b>	<b>173,328</b>	<b>140,864</b>	<b>1,253,419</b>	<b>124,569</b>	<b>6,985,122</b>
<b>2013 Net book value of tangible capital assets</b>	<b>2,787,987</b>	<b>2,786,064</b>	<b>134,195</b>	<b>145,580</b>	<b>588,351</b>	<b>133,724</b>	<b>6,575,901</b>

**Kinistin Saulteaux Nation**  
**Schedule 1 - Schedule of Consolidated Tangible Capital Assets**  
*For the year ended March 31, 2014*

	<b>Subtotal</b>	<b>Water/Sewer Infrastructure</b>	<b>Assets Under Construction</b>	<b>2014</b>	<b>2013</b>
<b>Cost</b>					
Balance, beginning of year	13,514,089	1,568,076	715,153	15,797,318	15,022,030
Acquisition of tangible capital assets	830,946	-	(694,486)	136,460	153,373
Construction-in-progress	-	-	763,451	763,451	621,915
<b>Balance, end of year</b>	<b>14,345,035</b>	<b>1,568,076</b>	<b>784,118</b>	<b>16,697,229</b>	<b>15,797,318</b>
<b>Accumulated amortization</b>					
Balance, beginning of year	6,938,188	576,873	-	7,515,061	7,064,563
Annual amortization	421,725	45,251	-	466,976	450,498
<b>Balance, end of year</b>	<b>7,359,913</b>	<b>622,124</b>	<b>-</b>	<b>7,982,037</b>	<b>7,515,061</b>
<b>Net book value of tangible capital assets</b>	<b>6,985,122</b>	<b>945,952</b>	<b>784,118</b>	<b>8,715,192</b>	<b>8,282,257</b>
<b>2013 Net book value of tangible capital assets</b>	<b>6,575,901</b>	<b>991,203</b>	<b>715,153</b>	<b>8,282,257</b>	

**Kinistin Saulteaux Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
Salaries	2,108,128	2,053,825
Assistance	740,267	780,318
Amortization	466,976	450,498
Program	267,689	281,881
Student	253,188	240,123
Contracted services	224,690	220,818
Chief and Council	214,001	180,000
Travel	204,097	454,513
Professional fees	195,394	227,247
Repairs and maintenance	158,750	222,336
Insurance	154,861	141,775
Utilities	119,487	103,943
Interest on long-term debt	111,858	103,959
Bad debts	93,075	51,833
Sports and activities	86,026	119,580
Supplies	83,250	68,352
Tuition	74,938	151,491
Miscellaneous	73,435	35,520
Compassionate	55,169	45,481
Office supplies	53,164	50,428
Telephone	51,196	54,590
Cultural activities	41,936	38,346
Professional development	36,415	106,256
Bank charges and interest	36,404	27,855
Fuel	34,974	37,062
Meetings	32,097	42,607
Renovations	27,001	98,376
Automotive	22,089	8,531
Claims compensation	22,077	128,818
Workshops	12,797	9,689
Bison costs	12,774	47,829
Training	12,472	23,684
Replacement reserve	11,952	-
Election	10,360	4,000
Committee	6,702	91,112
Postage	6,166	4,656
Rent	5,184	16,361
Medical supplies and prescriptions	4,614	1,903
Equipment lease	958	10,352
Committee training	384	1,874
Advertising	109	1,337
Administration - inter program	-	6,429
Special projects	-	1,051
Community donations	-	7,053
Investment loss - Kinistin Convenience Store	-	102,345
	<b>6,127,104</b>	<b>6,856,037</b>

**Kinistin Saulteaux Nation**  
**Band Government**  
**Schedule 3 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	507,677	513,561
AANDC funding adjustment	-	(24,800)
GST and Sales Tax rebates	8,661	34,491
Saskatoon Tribal Council	3,469	20,403
Federation of Saskatchewan Indian Nations	-	50,000
Miscellaneous	68,394	19,228
First Nations Trust	374,215	366,585
STC Casino Holdings Corporation	95,079	-
	<b>1,057,495</b>	<b>979,468</b>
<b>Expenses</b>		
Administration - inter program	(287,932)	(210,578)
Amortization	25,745	18,017
Sports and activities	15,480	-
Automotive	720	1,405
Bad debts	93,075	51,833
Bank charges and interest	35,524	27,855
Compassionate	52,269	40,383
Chief and Council	214,001	90,000
Claims compensation	22,077	128,818
Community donations	-	4,149
Cultural activities	2,305	1,837
Contracted services	117,853	83,993
Election	10,360	4,000
Interest on long-term debt	46,966	37,122
Insurance	36,214	39,894
Miscellaneous	35,224	9,742
Office supplies	31,719	23,088
Postage	6,166	4,567
Professional development	6,581	33,317
Professional fees	128,541	115,264
Program	-	4,457
Repairs and maintenance	134	7,389
Salaries	288,802	350,427
Supplies	6,723	4,517
Telephone	19,761	18,441
Travel	79,957	188,925
Utilities	13,664	2,603
Equipment lease	958	10,352
Meetings	9,547	27,250
	<b>1,012,435</b>	<b>1,119,069</b>
<b>Operating surplus (deficit) before transfers</b>	<b>45,060</b>	<b>(139,601)</b>
<b>Transfers</b>	<b>-</b>	<b>(17,913)</b>
<b>Operating surplus (deficit)</b>	<b>45,060</b>	<b>(157,514)</b>

**Kinistin Saulteaux Nation**  
**Capital**  
**Schedule 4 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenues</b>		
Health Canada	753,397	-
Canada Mortgage and Housing Corporation	193,140	192,851
Aboriginal Affairs and Northern Development Canada	133,055	754,970
Canada Mortgage and Housing Corporation - RRAP	4,800	29,874
Rent	154,697	154,599
Miscellaneous	3,325	7,200
	<b>1,242,414</b>	<b>1,139,494</b>
<b>Expenses</b>		
Amortization	139,303	146,635
Committee	-	7,595
Interest on long-term debt	64,893	66,837
Insurance	114,456	96,789
Miscellaneous	3,860	296
Professional development	-	4,105
Professional fees	700	5,800
Renovations	27,001	98,376
Rent	3,269	3,468
Repairs and maintenance	38,091	65,529
Replacement reserve	11,952	-
Salaries	30,104	58,236
Supplies	4,684	-
Telephone	2,531	3,316
Training	-	249
Travel	8,131	6,828
Utilities	1,157	12,996
	<b>450,132</b>	<b>577,035</b>
<b>Surplus before transfers</b>	<b>792,282</b>	<b>562,459</b>
<b>Transfers</b>	<b>-</b>	<b>12,801</b>
<b>Surplus</b>	<b>792,282</b>	<b>575,260</b>

**Kinistin Saulteaux Nation**  
**Community Infrastructure**  
**Schedule 5 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenues</b>		
Aboriginal Affairs and Northern Development Canada	160,922	181,446
Miscellaneous	3,302	-
	<b>164,224</b>	<b>181,446</b>
 <b>Expenses</b>		
Administration - inter program	12,636	9,468
Amortization	112,665	102,473
Committee	113	-
Contracted services	-	21,872
Fuel	15,376	155
Miscellaneous	-	1,209
Professional development	1,155	6,219
Repairs and maintenance	67,243	38,353
Salaries	72,684	100,732
Supplies	17,781	17,550
Telephone	1,141	2,912
Travel	1,035	3,490
Utilities	59,736	41,179
	<b>361,565</b>	<b>345,612</b>
 <b>Deficit before transfers</b>	<b>(197,341)</b>	<b>(164,166)</b>
<b>Transfers</b>	<b>-</b>	<b>11,250</b>
 <b>Deficit</b>	<b>(197,341)</b>	<b>(152,916)</b>

**Kinistin Saulteaux Nation**  
**Economic Development**  
**Schedule 6 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenues</b>		
Pasture rental	52,500	52,662
Livestock inventory adjustment	45,047	-
Saskatoon Tribal Council	42,536	42,100
Livestock sales	29,612	15,923
Miscellaneous	100	-
	<b>169,795</b>	<b>110,685</b>
<b>Expenses</b>		
Administration - inter program	4,210	6,000
Amortization	14,757	9,713
Assistance	-	3,000
Automotive	1,242	1,400
Bison costs	12,774	47,829
Contracted services	-	1,420
Fuel	612	5,171
Meetings	113	606
Miscellaneous	540	1,385
Office supplies	-	5,254
Professional development	64	584
Professional fees	-	(600)
Repairs and maintenance	1,332	1,516
Salaries	58,125	68,998
Special projects	-	1,051
Supplies	-	1,883
Telephone	2,653	6,261
Training	-	2,872
Travel	962	33,311
	<b>97,384</b>	<b>197,654</b>
<b>Surplus (deficit) before transfers</b>	<b>72,411</b>	<b>(86,969)</b>
<b>Transfers</b>	<b>-</b>	<b>(3,750)</b>
<b>Surplus (deficit)</b>	<b>72,411</b>	<b>(90,719)</b>

**Kinistin Saulteaux Nation**  
**Education**  
**Schedule 7 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenues</b>		
Aboriginal Affairs and Northern Development Canada	1,338,188	1,364,452
Saskatoon Tribal Council	333,431	202,965
Miscellaneous	5,211	9,581
	<b>1,676,830</b>	<b>1,576,998</b>
<b>Expenses</b>		
Salaries	899,206	822,374
Student	253,188	240,123
Administration - inter program	133,541	87,205
Amortization	112,133	121,942
Tuition	74,938	151,491
Repairs and maintenance	44,359	38,209
Program	41,463	15,004
Utilities	35,351	32,773
Travel	29,055	17,348
Supplies	32,499	17,786
Miscellaneous	11,663	639
Training	10,383	8,973
Fuel	9,346	20,315
Professional development	8,708	16,095
Telephone	7,627	8,149
Office supplies	(1,074)	5,542
Contracted services	4,485	18,174
Insurance	2,270	2,299
Rent	958	6,418
Cultural activities	400	-
Committee	226	91
Assistance	72	1,413
Chief and Council	-	30,000
Sports and activities	-	323
	<b>1,710,797</b>	<b>1,662,686</b>
<b>Surplus (deficit)</b>	<b>(33,967)</b>	<b>(85,688)</b>

**Kinistin Saulteaux Nation**  
**Health**  
**Schedule 8 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Health Canada	189,377	135,434
Aboriginal Affairs and Northern Development Canada	8,300	13,060
AANDC funding adjustment	(4,784)	-
Saskatoon Tribal Council - Health	971,306	893,033
Saskatoon Tribal Council	24,457	50,480
Miscellaneous	10,202	7,247
	<b>1,198,858</b>	<b>1,099,254</b>
<b>Expenses</b>		
Salaries	625,404	504,007
Program	156,793	141,036
Administration - inter program	108,302	79,181
Contracted services	76,458	83,754
Travel	49,155	44,949
Amortization	38,279	37,545
Office supplies	22,519	12,955
Supplies	21,064	20,985
Miscellaneous	21,008	22,253
Meetings	17,410	6,775
Sports and activities	14,788	24,912
Automotive	14,781	4,024
Workshops	11,568	5,908
Telephone	10,740	12,323
Fuel	9,640	11,421
Utilities	9,579	13,238
Repairs and maintenance	7,590	31,778
Committee	6,204	2,442
Professional development	5,667	46,211
Cultural activities	4,918	10,839
Medical supplies and prescriptions	4,614	1,903
Training	2,089	11,590
Insurance	1,921	2,813
Rent	958	6,475
Bank charges and interest	881	-
Committee training	384	1,135
Advertising	109	1,337
Postage	-	89
Assistance	-	100
Chief and Council	-	30,000
Community donations	-	1,100
	<b>1,242,823</b>	<b>1,173,078</b>
<b>Surplus (deficit) before transfers</b>	<b>(43,965)</b>	<b>(73,824)</b>
<b>Transfers</b>	<b>-</b>	<b>7,053</b>
<b>Surplus (deficit)</b>	<b>(43,965)</b>	<b>(66,771)</b>

**Kinistin Saulteaux Nation**  
**Lands**  
**Schedule 9 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	279,536	279,536
AANDC funding adjustment	(19,436)	-
Miscellaneous	2,438	10,254
STC Casino Holdings Corporation	-	65,861
	<b>262,538</b>	<b>355,651</b>
<b>Expenses</b>		
Administration - inter program	28,250	30,000
Amortization	24,094	14,173
Assistance	617	2,448
Automotive	4,414	1,582
Chief and Council	-	30,000
Committee	-	80,007
Community donations	-	1,804
Contracted services	25,894	11,605
Investment loss - Kinistin Convenience Store	-	102,345
Meetings	4,322	7,215
Office supplies	-	3,534
Professional development	14,240	
Professional fees	66,153	106,783
Repairs and maintenance	-	1,158
Salaries	50,109	59,833
Supplies	-	5,445
Telephone	6,742	2,877
Travel	34,508	157,348
	<b>259,343</b>	<b>618,157</b>
<b>Surplus (deficit) before transfers</b>	<b>3,195</b>	<b>(262,506)</b>
<b>Transfers</b>	<b>-</b>	<b>(7,500)</b>
<b>Surplus (deficit)</b>	<b>3,195</b>	<b>(270,006)</b>

**Kinistin Saulteaux Nation**  
**Other Programs**  
**Schedule 10 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenues</b>		
Dakota Dunes Community Development Corporation	167,335	116,292
Saskatoon Tribal Council	31,584	37,750
Miscellaneous	9,600	16,647
	<b>208,519</b>	<b>170,689</b>
<b>Expenses</b>		
Sports and activities	55,758	94,344
Salaries	28,456	42,655
Cultural activities	20,187	2,898
Assistance	3,042	9,907
Compassionate	2,900	5,098
Travel	1,295	2,315
Workshops	1,229	3,781
Miscellaneous	1,130	-
Administration - inter program	993	2,901
Meetings	705	761
Automotive	246	120
Committee	160	977
Office supplies	-	55
Program	-	1,913
Supplies	-	187
Telephone	-	312
Repairs and maintenance	-	38,404
Utilities	-	1,154
Committee training	-	739
Professional development	-	(275)
	<b>116,101</b>	<b>208,246</b>
<b>Surplus (deficit) before transfers</b>	<b>92,418</b>	<b>(37,557)</b>
<b>Transfers</b>	<b>-</b>	<b>5,112</b>
<b>Surplus (deficit)</b>	<b>92,418</b>	<b>(32,445)</b>

**Kinistin Saulteaux Nation**  
**Social Development**  
**Schedule 11 - Schedule of Segment Revenues and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	938,638	920,515
AANDC funding adjustment	(6,850)	
	<b>938,638</b>	<b>913,665</b>
<b>Expenses</b>		
Administration - inter program	-	2,250
Automotive	687	-
Cultural activities	14,124	22,772
Program	69,433	119,471
Salaries	55,246	46,557
Assistance	736,535	763,450
Supplies	499	-
	<b>876,524</b>	<b>954,500</b>
<b>Operating surplus (deficit) before transfers</b>	<b>62,114</b>	<b>(40,835)</b>
<b>Transfers</b>	<b>(7,053)</b>	
<b>Operating surplus (deficit)</b>	<b>62,114</b>	<b>(47,888)</b>