

Kinistin Saulteaux Nation
Consolidated Financial Statements
March 31, 2016

Kinistin Sauteaux Nation

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For the year ended March 31, 2016

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Management's Responsibility

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 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 the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional 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 by: Lisa Irlbeck

Management

Independent Auditors' Report

To the Members of Kinistin Saulteaux Nation:

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

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

Included in the Nation's surplus for the year ended March 31, 2016 is a livestock inventory adjustment of \$82,406, representing the decrease in livestock inventory value as at March 31, 2016 from the value as at March 31, 2015. Due to deficiencies in the record keeping and monitoring practices over the livestock inventory we were unable to obtain sufficient appropriate audit evidence about the changes in the livestock inventory for the year. Consequently, we were unable to determine whether any adjustments might be necessary to the livestock inventory adjustment, livestock sales, and bad debts for the year ended March 31, 2016.

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, the financial position of Kinistin Saulteaux Nation as at March 31, 2016 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan

July 25, 2016

MNP LLP

Chartered Professional Accountants

Kinistin Saulteaux Nation

Consolidated Statement of Financial Position

As at March 31, 2016

	2016	2015
Financial assets		
Current		
Cash resources	389,976	18,438
Accounts receivable (Note 3)	487,517	461,731
Livestock inventory	181,601	264,007
Restricted cash (Note 4)	451,381	447,616
Funds held in trust (Note 5)	237,437	-
	1,747,912	1,191,792
Portfolio investments (Note 6)	61,481	61,481
Funds held in Ottawa Trust (Note 7)	3,088	12,613
Restricted cash (Note 4)	422,270	365,566
Total financial assets	2,234,751	1,631,452
Liabilities		
Current		
Bank indebtedness (Note 8)	2,956	207,973
Accounts payable and accruals	437,410	438,320
Deferred revenue (Note 9)	767,167	337,665
INAC funding repayable	12,593	20,599
Agricultural implements claim loan (Note 10)	429,228	311,629
Current portion of long-term debt (Note 11)	339,253	369,910
	1,988,607	1,686,096
Long-term debt (Note 11)	2,832,922	2,968,385
Total financial liabilities	4,821,529	4,654,481
Net debt	(2,586,778)	(3,023,029)
Subsequent event (Note 13)		
Non-financial assets		
Tangible capital assets (Note 14)	9,853,317	9,872,949
Prepaid expenses	7,400	6,300
Total non-financial assets	9,860,717	9,879,249
Accumulated surplus (Note 15)	7,273,939	6,856,220

Approved on behalf of Chief and Council

Signed by: Greg Scott

Chief

Signed by: Calvin Nippi

Councillor

Signed by: Brenda Kaiswatum

Councillor

Signed by: Joseph Smokeyday

Councillor

Signed by: Orvin Thomas

Councillor

Signed by: Wayne Thomas

Councillor

The accompanying notes are an integral part of these financial statements

Kinistin Saulteaux Nation
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 Actual</i>	<i>2015 Actual</i>
Indigenous and Northern Affairs Canada (Note 18)		3,080,055	3,591,004	3,795,147
Health Canada (Note 19)		155,802	226,313	251,429
Canada Mortgage and Housing Corporation		-	215,395	191,671
INAC funding adjustment		(7,000)	16,438	(56,109)
FNIHB forfeited funding		-	(3,050)	(5,395)
STC Health and Family Services Inc.		914,390	910,251	951,790
Saskatoon Tribal Council Inc.		632,361	631,948	612,925
First Nations Trust		344,000	355,199	359,547
Dakota Dunes Community Development Corporation		-	285,799	503,826
Rent		-	184,753	148,027
Crawford Class Action Services		-	114,000	-
STC Casino Holdings Corporation		75,000	84,075	71,955
Miscellaneous		37,340	61,722	121,047
Pasture rental		-	45,000	45,000
GST and Sales Tax rebates		15,000	12,306	39,048
Livestock sales		25,000	4,500	-
Livestock inventory adjustment		-	(82,406)	91,532
		5,271,948	6,653,247	7,121,440
Program expenses				
Band Government	3	921,969	907,609	698,244
Capital	4	133,055	509,645	421,015
Community Infrastructure	5	202,527	330,326	316,569
Economic Development	6	42,100	67,552	69,283
Education	7	1,649,924	1,775,181	1,723,335
Health	8	1,294,895	1,262,248	1,274,902
Lands	9	194,536	246,842	256,565
Other Programs	10	51,440	258,681	327,932
Social Development	11	777,305	865,669	792,098
Total expenditures		5,267,751	6,223,753	5,879,943
Surplus before other items		4,197	429,494	1,241,497
Other expense				
Loss on disposal of capital assets		-	(11,775)	-
Surplus		4,197	417,719	1,241,497
Accumulated surplus, beginning of year		6,856,220	6,856,220	5,614,723
Accumulated surplus, end of year (Note 15)		6,860,417	7,273,939	6,856,220

Kinistin Saulteaux Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 20)</i>	2016	2015
Annual surplus	4,197	417,719	1,241,497
Purchases of tangible capital assets	-	(470,219)	(1,627,991)
Amortization of tangible capital assets	-	463,076	470,234
Loss on disposal of tangible capital assets	-	11,775	-
Proceeds on disposal of tangible capital assets	-	15,000	-
Acquisition of prepaid expenses	-	(1,100)	-
Use of prepaid expenses	-	-	12,731
Decrease in net debt	4,197	436,251	96,471
Net debt, beginning of year	(3,023,029)	(3,023,029)	(3,119,500)
Net debt, end of year	(3,018,832)	(2,586,778)	(3,023,029)

Kinistin Saulteaux Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Surplus	417,719	1,241,497
Non-cash items		
Amortization	463,076	470,234
Loss on disposal of capital assets	11,775	-
	892,570	1,711,731
Changes in working capital accounts		
Accounts receivable	(25,786)	109,552
Inventory	82,406	(91,532)
Prepaid expenses	(1,100)	12,731
Funds held in trust	(237,437)	-
Accounts payable and accruals	(910)	(184,141)
Deferred revenue	429,502	177,590
INAC funding repayable	(8,006)	2,082
	1,131,239	1,738,013
Financing activities		
Advances of long-term debt	205,416	488,838
Repayment of long-term debt	(371,536)	(350,002)
Agricultural implements claim loan	117,599	119,599
	(48,521)	258,435
Capital activities		
Purchases of tangible capital assets	(470,219)	(1,627,991)
Proceeds on disposal of tangible capital assets	15,000	-
	(455,219)	(1,627,991)
Investing activities		
Increase in portfolio investments	-	(1,000)
Change in restricted cash	(60,469)	(341,585)
Change in funds held in Ottawa Trust	9,525	(9,464)
	(50,944)	(352,049)
Increase in cash	576,555	16,408
Cash deficiency, beginning of year	(189,535)	(205,943)
Cash resources (deficiency), end of year	387,020	(189,535)
Cash resources (deficiency) are composed of:		
Cash resources	389,976	18,438
Bank indebtedness	(2,956)	(207,973)
	387,020	(189,535)

1. Operations

The Kinistin Saulteaux Nation (the "Nation") is located in the Province of Saskatchewan, and provides various services to its members. The 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 consolidated 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.

Restricted cash

Restricted cash consists of funds held in the CMHC replacement reserve and the funds managed by a project manager. The project manager is responsible for the completion of the capital projects and the CMHC replacement reserve is used to pay eligible expenditures of the CMHC housing units.

Livestock inventory

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 Ottawa Trust Fund

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.

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

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.

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 consolidated 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 consolidated 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. Management has estimated the value of the livestock inventory based upon their assessment of the realizable amount less selling costs. 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 consolidated financial statements as disclosed in the *Significant accounting policies*.

Liability for contaminated sites

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 will not recognize any liability as it is not expected that economic benefits will be given up.

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.

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. A related standard, PS 1201, was issued to address changes to financial statement presentation related to financial instruments. In 2015 the effective date has been deferred to fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

Related Party Disclosures and Inter-Entity Transactions

In March 2015, PSAB issued PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions. These new Sections define related parties and establish disclosures required for related party transactions. Disclosure is required when related party transactions 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.

They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

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

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 recognized.

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

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

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

Kinistin Saulteaux Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

3. Accounts receivable

	2016	2015
Saskatoon Tribal Council Health and Family Services Inc.	396,612	286,450
Saskatoon Tribal Council Inc.	126,079	171,372
Members	50,268	52,465
Indigenous and Northern Affairs Canada	57,947	16,724
CMHC subsidy assistance receivable	17,921	15,747
Other	79,290	174,867
	728,117	717,625
Allowance for doubtful accounts	(240,600)	(255,894)
	487,517	461,731

4. Restricted cash

As of March 31, 2016, the Nation has the following restricted cash balances. The subdivision account represents cash managed by a project manager for the purpose of paying costs associated with the capital projects for the Nation. The cash relating to the CMHC replacement reserve is detailed in Note 11.

	2016	2015
Current		
INAC subdivision account	451,381	447,616
Long-term		
CMHC replacement reserve bank account	422,270	122,728
CMHC replacement reserve term deposit	-	242,838
	422,270	365,566
	873,651	813,182

5. Funds held in trust

The funds held in trust represent monies held by legal counsel for the purpose of managing payments to contractors who are involved in various projects of the Nation.

6. Portfolio investments

	2016	2015
SDC Development Corporation	59,471	59,471
First Nations Bank	1,000	1,000
STC Investments Limited Partnership	1,000	1,000
STC Casino Holdings Corporation	10	10
	61,481	61,481

Kinistin Saulteaux Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. Funds held in Ottawa 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.

	2016	2015
Revenue Trust		
Balance, beginning of year	9,557	92
Other	(9,482)	9,467
Interest	64	90
Land management training reimbursement	(107)	(92)
Balance, end of year	32	9,557
Capital Trust		
Balance, beginning and end of year	3,056	3,056
	3,088	12,613

8. Bank indebtedness

Bank indebtedness includes an operating loan authorized to a maximum of \$200,000 (2015 - \$50,000) and charges interest at prime plus 2.25% (prime plus 2.50% at March 31, 2015). As at March 31, 2016 \$371 (2015 - \$110,484) was drawn with the remaining balance represented by outstanding cheques.

9. Deferred revenue

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

As of March 31, 2016, deferred revenues consist of amounts received for the following:

	<i>Balance, beginning of year</i>	<i>Amounts received</i>	<i>Amount expended in current year</i>	<i>Balance, end of year</i>
INAC (NTHC) - Kinistin Mechanical System Replacement	307,638	-	240,207	67,431
Dakota Dunes CDC - Unexpended Projects	10,627	-	10,627	-
INAC (NTFV) - Water Treatment Plant Upgrade	19,400	800,000	153,017	666,383
STC Health - 2017 funding received in 2016	-	33,353	-	33,353
	337,665	833,353	403,851	767,167

Kinistin Saulteaux Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Agricultural implements claim loan

The Nation is seeking compensation for failure of the Crown to provide agricultural benefits to their Nation. The balance represents funds advanced by the Government of Canada to the Nation to finance its costs of pursuing the claim. The loan is non-interest bearing and is to be repaid as follows:

\$192,030 - earlier of March 31, 2017 or the date on which the claim is settled

\$119,599 - earlier of March 31, 2019 or the date on which the claim is settled

\$117,599 - earlier of March 31, 2020 or the date on which the claim is settled

11. Long-term debt

CMHC mortgage, bearing interest at 1.92%, matures February 2018, and repayable in blended monthly principal and interest payments of \$1,004. Secured by a ministerial guarantee.	22,656	34,150
CMHC mortgage, bearing interest at 1.92%, matures January 2024, and repayable in blended monthly principal and interest payments of \$395. Secured by a ministerial guarantee.	34,421	38,454
CMHC mortgage, bearing interest at 2.65%, matures January 2026, and repayable in blended monthly principal and interest payments \$1,191. Secured by a ministerial guarantee.	123,767	134,642
CMHC mortgage, bearing interest at 1.67%, matures February 2027, and repayable in blended monthly principal and interest payments of \$1,073. Secured by a ministerial guarantee.	128,434	139,068
CMHC mortgage, bearing interest at 1.92%, matures February 2029, and repayable in blended monthly principal and interest payments of \$1,039. Secured by a ministerial guarantee.	142,577	152,209
CMHC mortgage, bearing interest at 1.39%, matures May 2025, and repayable in blended monthly principal and interest payments of \$2,418. Secured by a ministerial guarantee.	258,642	284,203
CMHC mortgage, bearing interest of 2.65%, matures March 2031, and repayable in blended monthly principal and interest payments of \$3,633. Secured by a ministerial guarantee.	539,749	568,674
CMHC mortgage, bearing interest at 1.65%, matures June 2032, and repayable in blended monthly principal and interest payments of \$1,991. Secured by a ministerial guarantee.	340,476	358,593
CMHC mortgage, bearing interest at 1.83%, matures November 2029, and repayable in blended monthly principal and interest payments of \$3,662. Secured by a ministerial guarantee.	531,203	565,101
CMHC mortgage, bearing interest at 1.05%, matures April 2035, and repayable in blended monthly principal and interest payments of \$2,310. Secured by a ministerial guarantee.	479,304	488,838
Affinity Credit Union loan, bearing interest at 5.14%, due September 2018, and repayable in blended quarterly principal and interest payments of \$38,251. Secured by funding from Indigenous and Northern Affairs Canada, Health Canada and First Nations Trust, and a General Security Agreement representing a first charge on assets.	516,995	-

Kinistin Saulteaux Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

Honda Canada Finance, bearing interest at 1.99%, due February 2018, and repayable in blended monthly principal and interest payments of \$997. Secured with a 2013 Honda Pilot having a net book value of \$23,693.	22,475	33,867
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 \$19,832.	19,095	28,634
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 \$19,525.	12,381	21,961
First Nations Bank loan.	-	489,901
	3,172,175	3,338,295
Less: current portion	339,253	369,910
	2,832,922	2,968,385

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:

2017	339,253
2018	337,066
2019	316,048
2020	286,153
2021	180,429

12. CMHC reserves

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

- The replacement reserve requires an annual cash allocation of \$52,455 (2015 - \$47,655 to ensure replacement of housing unit components. At March 31, 2016 this reserve is under-funded by \$20,986 (under-funded \$57,280 at March 31, 2015).
- 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 offset any future deficits incurred in the Post 1997 Housing Program. As at March 31, 2016 this reserve is under-funded by \$148,021 (\$179,746 at March 31, 2015).

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.

13. Subsequent event

Subsequent to the March 31, 2016 year end, the Nation committed to building four CMHC housing units for a total cost of \$695,000. No costs were incurred at March 31, 2016. The project is expected to start July 2016.

Kinistin Saulteaux Nation
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.

The following are details about the Nation's capital projects:

Project	Amount expended to date	Budget for the project
Mechanical System and roof upgrade for Kinistin School	\$ 913,769	\$ 981,200
Water Treatment Plant	183,617	6,153,500

15. Accumulated surplus

Accumulated surplus consists of the following:

Equity in Ottawa Trust Funds	3,088	12,613
Equity in investments	61,481	61,481
Equity in CMHC reserves	591,277	602,592
Equity in Tangible Capital Assets	7,198,137	7,024,555
Operating deficit	(580,044)	(845,021)
	7,273,939	6,856,220

16. 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 Nation including Justice, Recreation and Dakota Dunes Community Development Corporation funded programs.

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.

Kinistin Saulteaux Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

17. 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 Indigenous and Northern Affairs Canada (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.

Due to certain deficiencies in its cumulative deficit position, the Nation is also party to a Management Action Plan with INAC. 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.

18. Reconciliation of funding from Indigenous and Northern Affairs Canada (INAC)

Amount per funding confirmation	3,597,781
Add: Water Treatment Plant upgrade funding earned	153,017
Add: Mechanical System funding earned	240,206
Less: 2016 Water Treatment Plant funding not earned	<u>(400,000)</u>
	<u>3,591,004</u>

19. Health Canada

Per funding agreement 1516-SK-000010	<u>226,313</u>
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20. Budget information

The disclosed budget information has been approved by the Chief and Council of the Kinistin Saulteaux Nation at a meeting held on April 10, 2015. The amount budgeted for interest on long-term debt includes the principal portion of loan payments.

The consolidated budget does not include certain programs, such as Community Development Corporation or capital projects. These programs and projects require separate applications for funding or financing, and budgets are prepared on a project-by-project basis to accompany the applications.

Kinistin Saulteaux Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Buildings</i>	<i>Housing</i>	<i>Automotive</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Roads</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	7,554,791	4,110,690	1,204,222	359,574	3,465,583	366,199	17,061,059
Acquisition of tangible capital assets	75,946	-	-	-	-	-	75,946
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	(45,000)	-	-	-	(45,000)
Transfer from assets under construction	-	560,000	-	-	-	-	560,000
Balance, end of year	7,630,737	4,670,690	1,159,222	359,574	3,465,583	366,199	17,652,005
Accumulated amortization							
Balance, beginning of year	3,974,037	1,596,267	1,119,492	222,483	1,289,207	250,785	8,452,271
Annual amortization	182,885	139,721	53,986	3,018	74,311	9,155	463,076
Accumulated amortization on disposals	-	-	(18,225)	-	-	-	(18,225)
Balance, end of year	4,156,922	1,735,988	1,155,253	225,501	1,363,518	259,940	8,897,122
Net book value of tangible capital assets	3,473,815	2,934,702	3,969	134,073	2,102,065	106,259	8,754,883
Net book value of tangible capital assets (2015)	3,580,754	2,514,423	84,730	137,091	2,176,376	115,414	8,608,788

Kinistin Saulteaux Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Assets Under Construction</i>	<i>March 31, 2016</i>	<i>March 31, 2015</i>
Cost				
Balance, beginning of year	17,061,059	1,264,161	18,325,220	16,697,229
Acquisition of tangible capital assets	75,946	-	75,946	363,712
Construction-in-progress	-	394,273	394,273	1,264,279
Disposal of tangible capital assets	(45,000)	-	(45,000)	-
Transfer from assets under construction	560,000	(560,000)	-	-
Balance, end of year	17,652,005	1,098,434	18,750,439	18,325,220
Accumulated amortization				
Balance, beginning of year	8,452,271	-	8,452,271	7,982,037
Annual amortization	463,076	-	463,076	470,234
Accumulated amortization on disposals	(18,225)	-	(18,225)	-
Balance, end of year	8,897,122	-	8,897,122	8,452,271
Net book value of tangible capital assets				
	8,754,883	1,098,434	9,853,317	9,872,949
Net book value of tangible capital assets (2015)	8,608,788	1,264,161	9,872,949	

Kinistin Saulteaux Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Administration	13,305	-	-
Amortization	-	463,076	470,234
Member assistance	49,690	54,936	36,848
Automotive	56,074	51,382	53,659
Bad debts	-	26,507	24,198
Bank charges and interest	33,950	14,628	37,844
Chief and council	211,000	226,799	212,885
Client supports - active measures	147,400	64,310	72,905
AANDC funding not recovered	5,000	-	-
Contracted services	184,048	127,356	275,051
Cultural activities	21,500	34,436	22,429
Honouraria	28,240	33,781	16,607
Insurance	78,562	143,850	133,405
Interest on long-term debt	223,000	88,753	87,655
Meetings	15,472	17,255	23,409
Miscellaneous	9,000	-	-
Office supplies	50,230	81,395	52,844
Post secondary student costs	337,709	381,803	292,855
Professional development	26,865	43,392	39,324
Professional fees	55,000	185,756	222,580
Program expense	292,324	439,272	293,051
Renovations	-	71,799	52,585
Rental	14,150	16,361	24,894
Repairs and maintenance	194,132	259,068	205,742
Salaries and benefits	2,066,136	2,125,305	2,004,330
Secondary student costs	13,694	15,532	35,382
Social assistance	702,824	764,197	709,292
Sports and activities	29,291	119,880	117,289
Supplies	74,449	71,844	48,745
Telephone	45,690	44,972	40,356
Travel	144,416	122,293	123,895
Utilities	144,600	133,815	149,650
	5,267,751	6,223,753	5,879,943

Kinistin Saulteaux Nation
Band Government
Schedule 3 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada	493,869	537,330	493,869
INAC funding adjustment	(7,000)	(9,928)	(1,018)
First Nations Trust	344,000	355,199	359,547
Crawford Class Action Services	-	114,000	-
STC Casino Holdings Corporation	75,000	84,075	71,955
Miscellaneous	12,100	22,363	61,355
GST and Sales Tax rebates	15,000	12,306	39,048
Saskatoon Tribal Council Inc.	-	-	34,020
	932,969	1,115,345	1,058,776
Expenses			
Administration	(202,450)	(298,547)	(236,565)
Amortization	-	15,941	22,578
Member assistance	45,000	49,906	31,279
Automotive	12,000	2,119	1,040
Bad debts	-	26,507	24,198
Bank charges and interest	32,750	14,578	35,708
Chief and council	211,000	226,799	212,885
Contracted services	141,300	54,690	112,475
Cultural activities	500	50	354
Insurance	15,000	26,044	40,969
Interest on long-term debt	212,000	37,221	35,498
Meetings	2,400	5,097	5,938
Office supplies	32,100	52,163	29,955
Professional development	5,500	25,000	3,659
Professional fees	50,000	133,951	95,528
Program expense	5,655	95,237	-
Repairs and maintenance	-	-	2,750
Salaries and benefits	222,624	309,169	166,099
Sports and activities	10,700	21,567	16,106
Supplies	9,538	7,317	3,019
Telephone	23,000	23,951	17,877
Travel	74,952	60,062	59,847
Utilities	18,400	18,787	17,047
	921,969	907,609	698,244
Other expense			
Loss on disposal of capital assets	-	(11,775)	-
Transfers between programs	(11,000)	(11,000)	-
Surplus	-	184,961	360,532

Kinistin Saulteaux Nation
Capital

Schedule 4 - Schedule of Segment Revenues and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada	133,055	526,278	869,122
Canada Mortgage and Housing Corporation	-	215,395	191,671
Health Canada	-	-	97,760
Rent	-	184,753	148,027
Miscellaneous	-	1,828	11,623
	133,055	928,254	1,318,203
Expenses			
Administration	13,305	13,305	-
Amortization	-	139,721	132,338
Automotive	-	6,145	5,444
Bank charges and interest	-	50	1,011
Interest on long-term debt	-	49,554	50,342
Meetings	-	2,017	243
Professional fees	-	15,180	28,928
Renovations	-	71,799	52,585
Rental	-	-	2,520
Repairs and maintenance	88,550	104,898	35,259
Salaries and benefits	-	23,528	41,677
Supplies	-	537	1,980
Utilities	-	4,133	2,241
Insurance	31,200	78,778	66,447
	133,055	509,645	421,015
Surplus before transfers	-	418,609	897,188
Transfers between programs	-	-	20,000
Surplus	-	418,609	917,188

Kinistin Saulteaux Nation
Community Infrastructure
Schedule 5 - Segment Schedule of Revenues and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada	156,724	143,191	156,724
INAC funding adjustment	-	-	(3,666)
Miscellaneous	4,000	12,906	18,317
	160,724	156,097	171,375
Expenses			
Administration	15,674	15,672	15,647
Amortization	-	117,606	116,107
Automotive	10,500	4,970	2,001
Contracted services	-	3,181	-
Insurance	11,520	16,896	6,113
Professional development	4,750	763	4,678
Repairs and maintenance	18,105	36,273	13,371
Salaries and benefits	70,778	70,472	71,017
Supplies	10,910	16,039	14,257
Telephone	1,350	1,364	1,455
Travel	740	556	1,075
Utilities	58,200	46,534	70,848
	202,527	330,326	316,569
Deficit before transfers	(41,803)	(174,229)	(145,194)
Transfers between programs	27,000	29,210	-
Deficit	(14,803)	(145,019)	(145,194)

Kinistin Saulteaux Nation
Economic Development
Schedule 6 - Segment Schedule of Revenues and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Pasture rental	-	45,000	45,000
Saskatoon Tribal Council Inc.	42,100	42,100	42,100
Livestock sales	25,000	4,500	-
Livestock inventory adjustment	-	(82,406)	91,532
	67,100	9,194	178,632
Expenses			
Administration	4,210	39,230	4,210
Amortization	-	5,633	18,155
Automotive	-	1,275	-
Contracted services	-	923	-
Insurance	-	-	1,758
Repairs and maintenance	-	11,708	6,060
Salaries and benefits	37,890	-	35,385
Travel	-	72	118
Utilities	-	-	3,597
Office supplies	-	8,711	-
	42,100	67,552	69,283
Surplus (deficit) before transfers	25,000	(58,358)	109,349
Transfers between programs	(6,000)	-	(20,000)
Surplus (deficit)	19,000	(58,358)	89,349

Kinistin Saulteaux Nation
Education
Schedule 7 - Segment Schedule of Revenues and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada	1,285,966	1,300,839	1,318,800
INAC funding adjustment	-	-	(12,599)
Saskatoon Tribal Council Inc.	331,708	387,988	348,956
Miscellaneous	3,650	659	3,046
	1,621,324	1,689,486	1,658,203
Expenses			
Administration	25,110	62,237	77,016
Amortization	-	96,835	103,896
Member assistance	-	-	1,619
Automotive	15,000	19,379	23,636
Contracted services	-	10,044	42,544
Honouraria	-	1,550	-
Insurance	2,542	2,572	2,028
Meetings	-	-	3,586
Office supplies	3,781	10,778	5,481
Post secondary student costs	337,709	381,803	292,855
Professional development	2,500	12,058	7,961
Program expense	69,141	32,447	56,161
Rental	7,650	10,103	7,603
Repairs and maintenance	58,174	21,223	18,379
Salaries and benefits	1,023,019	1,006,488	989,673
Secondary student costs	13,694	13,660	9,388
Supplies	17,204	20,694	11,888
Telephone	6,700	8,242	6,524
Travel	17,700	19,030	19,495
Utilities	50,000	46,038	43,602
	1,649,924	1,775,181	1,723,335
Deficit before transfers	(28,600)	(85,695)	(65,132)
Transfers between programs	28,600	-	28,600
Surplus (deficit)	-	(85,695)	(36,532)

Kinistin Saulteaux Nation
Health

Schedule 8 - Segment Schedule of Revenues and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Health Canada	155,802	226,313	153,669
Indigenous and Northern Affairs Canada	-	20,763	-
FNIHB forfeited funding	-	(3,050)	(5,395)
STC Health and Family Services Inc.	914,390	910,251	951,790
Saskatoon Tribal Council Inc.	220,803	164,109	150,099
Miscellaneous	3,900	3,494	10,626
	1,294,895	1,321,880	1,260,789
Expenses			
AANDC funding not recovered	5,000	-	-
Administration	117,765	106,300	99,992
Amortization	-	81,484	68,793
Member assistance	500	-	144
Automotive	6,574	13,114	17,660
Bank charges and interest	1,200	-	1,125
Client supports - active measures	147,400	64,310	72,905
Contracted services	42,748	43,861	120,032
Cultural activities	6,000	3,682	1,938
Honouraria	20,600	22,344	4,607
Insurance	18,300	19,561	16,090
Interest on long-term debt	11,000	1,452	1,007
Meetings	4,400	986	6,933
Miscellaneous	9,000	-	-
Office supplies	12,349	7,743	11,908
Professional development	9,250	2,604	8,183
Program expense	142,509	155,735	160,384
Rental	6,500	6,259	14,771
Repairs and maintenance	26,903	25,378	12,152
Salaries and benefits	582,845	624,386	570,016
Sports and activities	18,591	16,527	19,710
Supplies	31,397	27,258	15,778
Telephone	14,640	11,415	12,101
Travel	41,424	14,822	26,359
Utilities	18,000	13,027	12,314
	1,294,895	1,262,248	1,274,902
Surplus (deficit)	-	59,632	(14,113)

Kinistin Saulteaux Nation
Lands

Schedule 9 - Segment Schedule of Revenues and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada	204,536	216,536	204,536
Miscellaneous	-	-	92
	204,536	216,536	204,628
Expenses			
Administration	20,454	42,440	20,463
Amortization	-	5,857	8,367
Member assistance	500	1,339	183
Automotive	12,000	4,381	2,571
Contracted services	-	14,658	-
Honouraria	7,640	9,888	12,000
Interest on long-term debt	-	526	808
Meetings	8,672	7,633	4,797
Office supplies	2,000	2,000	5,500
Professional development	-	150	3,830
Professional fees	5,000	36,625	98,124
Program expense	30,000	900	10,148
Repairs and maintenance	2,400	26,508	4,600
Salaries and benefits	101,870	65,000	70,374
Telephone	-	-	2,400
Travel	4,000	23,641	12,400
Utilities	-	5,296	-
	194,536	246,842	256,565
Deficit before transfers	10,000	(30,306)	(51,937)
Transfers between programs	(10,000)	(20,210)	-
Deficit	-	(50,516)	(51,937)

Kinistin Saulteaux Nation
Other Programs

Schedule 10 - Segment Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Dakota Dunes Community Development Corporation	-	285,799	503,826
Saskatoon Tribal Council Inc.	37,750	37,750	37,750
Miscellaneous	13,690	20,471	15,987
	51,440	344,020	557,563
Expenses			
Administration	3,775	3,900	3,775
Member assistance	3,690	3,690	3,624
Automotive	-	-	1,308
Cultural activities	-	18,000	10,136
Meetings	-	1,522	1,912
Professional development	4,865	2,817	11,014
Program expense	1,000	81,647	9,016
Repairs and maintenance	-	33,081	113,172
Salaries and benefits	27,110	26,258	60,086
Secondary student costs	-	1,872	25,994
Sports and activities	-	81,785	81,472
Supplies	5,400	-	1,823
Travel	5,600	4,109	4,600
	51,440	258,681	327,932
Surplus	-	85,339	229,631

Kinistin Saulteaux Nation
Social Development
Schedule 11 - Segment Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 20)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada	805,905	846,067	752,096
INAC funding adjustment	-	26,366	(38,826)
	805,905	872,433	713,270
Expenses			
Administration	15,462	15,462	15,462
Cultural activities	15,000	12,704	10,001
Program expense	44,019	73,306	57,343
Social assistance	702,824	764,197	709,292
	777,305	865,669	792,098
Surplus (deficit) before transfers	28,600	6,764	(78,828)
Transfers between programs	(28,600)	-	(28,600)
Surplus (deficit)	-	6,764	(107,428)