

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

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Nekaneet First Nation
Management's Responsibility for Financial Reporting
March 31, 2016

The accompanying consolidated financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen what it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and review the financial statements and the external auditor's report.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file

Nekaneet First Nation

April 4, 2017

Date

Chalupiak & Associates
Chartered Professional Accountants
3261 Saskatchewan Drive, Regina, SK S4T 6S4
Phone (306) 359-3711 Fax (306) 569-3030

Independent Auditors' Report

To the Members of
Nekaneet First Nation

We have audited the accompanying consolidated financial statements of Nekaneet First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, accumulated surplus, change 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

In some instances we were unable to examine sufficient supporting documentation, with properly authorized signatures, to satisfy ourselves that the expenses were properly authorized, that they were classified properly and charged against the appropriate funding source, and that the purpose of the expenses was recorded properly. We were unable to satisfy ourselves as to the completeness and accuracy of the fixed assets, accounts payable and accounts receivable. As a result, we were unable to determine whether adjustments were required in respect of recorded or unrecorded assets and liabilities and the components making up the Consolidated Statement of Financial Position and the Consolidated Statement of Operations.

Opinion

Except as noted in the above paragraph, in our opinion, present fairly, in all material respects, the financial position of the First Nation as at March 31, 2016 and the results of its operations then ended in accordance with Canadian public sector accounting standards.

Nekaneet First Nation
Consolidated Statement of Financial Position
March 31, 2016

	2016	2015
Financial Assets		
Restricted cash - capital projects (Note 3)	\$ 24,077	\$ 63,812
Restricted cash - CMHC reserves (Note 3)	83,798	82,152
Restricted cash - other (Note 3)	121	121
Trust funds held by federal government (Note 3 and 4)	533,525	652,614
Accounts receivable (Notes 5 and 6)	485,354	465,815
Due from New Horizon First Nations Administration (Note 7)	198,146	178,146
Portfolio investment (Note 8)	60,000	60,000
	<hr/> 1,385,021	<hr/> 1,502,660
Liabilities		
Bank indebtedness (Note 3 and 9)	221,592	265,241
Accounts payable (Note 10 and 11)	495,608	372,798
Reserve for losses in related business entity (Note 12)	1,270,878	1,225,537
Deferred revenue - unexpended funds (Note 13)	92,523	156,883
Deferred revenue (Note 14)	27,087	66,822
Current portion of long-term debt (Note 15)	535,162	605,062
Current portion of CMHC mortgages (Note 16)	73,782	68,857
Long-term debt (Note 15)	674,589	561,309
CMHC mortgages (Note 16)	543,352	618,216
	<hr/> 3,934,573	<hr/> 3,940,725
Net debt	(2,549,552)	(2,438,065)
Non-financial Assets		
Capital assets (Note 17)	6,356,415	6,622,901
Prepaid expenses (Note 18)	2,496	-
	<hr/> 6,358,911	<hr/> 6,622,901
Accumulated Surplus (Note 19)	\$ 3,809,359	\$ 4,184,836

Approved on behalf of the Nekaneet First Nation:

Signature on file, **Chief**

Signature on file, **Councilor**

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - grant	\$ 206,538	\$ 206,538	\$ 206,538
INAC - fixed	485,960	479,652	490,700
INAC - set	307,453	284,723	323,717
INAC - flexible	97,281	97,281	97,281
INAC - current year receivable (payable)	-	(19,123)	(431)
INAC - prior year receivable (payable)	-	-	(17,830)
Health Canada	197,420	245,190	217,199
Health Canada - prior period revenue (recovery)	-	-	(13,061)
Health Canada - current year receivable (payable)	-	-	(6,000)
CMHC - subsidy	-	62,833	70,468
Funds held in trust by Federal Government	-	137,910	143,193
FHQ Tribal Council	68,280	136,367	181,836
First Nation GST	336,000	345,583	375,305
First Nations Trust	173,075	174,214	173,075
Specific Claims Settlement Trust	-	344,887	334,142
Keseechiwan Holdings - monetary benefit agreement	-	144,283	143,638
Community Development Corporation	-	35,477	28,637
CMHC rental income	-	40,848	45,078
Interest revenue	-	1,804	1,556
Other revenue	389,731	225,253	138,058
Administration fees (Note 2.k)	42,251	48,210	38,756
Unexpended funds transferred - prior year	-	170,385	200,333
Deferred revenue - prior	-	66,822	171,271
Deferred revenue - current	-	(27,087)	(66,822)
	2,303,989	3,202,050	3,276,637
Expenses			
Community Development (Schedule 1)	232,467	204,938	197,666
Economic Development (Schedule 2)	-	21,454	65,714
Education (Schedule 3)	322,052	351,423	382,613
Indian Government Support (Schedule 4)	461,970	1,062,261	1,015,291
Social Development (Schedule 5)	340,135	293,537	435,419
Indian Registration (Schedule 6)	5,000	5,040	5,751
Governance and Institutions of Government (Schedule 7)	-	-	-
Health Services (Schedule 8)	221,457	257,863	238,423
CMHC Operations (Schedule 9)	-	17,651	21,855
Band Programs (Schedule 10)	294,683	879,018	1,135,047
Amortization (Schedule 11)	-	391,820	428,488
	1,877,764	3,485,005	3,926,267
Current deficit before unexpended funds	426,225	(282,955)	(649,630)

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Operations
For the year ended March 31, 2016

	2016 Actual	2015 Actual
Unexpended funds		
Unexpended funds transferred to deferred revenue	- (92,523)	(156,883)
Current deficit	\$ 426,225	\$ (375,478)
	\$ (806,513)	

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2016

	2016	2015
Surplus at beginning of year	\$ 4,184,840	\$ 4,991,353
Current deficit	(375,478)	(806,513)
Surplus at end of year	\$ 3,809,362	\$ 4,184,840

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Current deficit	\$ 426,225	\$ (375,478)	\$ (806,513)
Acquisition of tangible capital assets	-	(125,333)	(253,831)
<u>Amortization of tangible capital assets</u>	<u>-</u>	<u>391,820</u>	<u>428,488</u>
	-	266,487	174,657
Acquisition of prepaid asset	(2,496)	(2,496)	-
<u>Use of prepaid asset</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net financial assets	423,729	(111,487)	(631,856)
Net debt at beginning of year	(2,438,065)	(2,438,065)	(1,806,209)
Net debt at end of year	\$ (2,014,336)	\$ (2,549,552)	\$ (2,438,065)

The accompanying notes are an integral part of the financial statements

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

	2016	2015
Cash flows from Operating activities		
Current deficit	\$ (375,478)	\$ (806,513)
Items not affecting cash		
Amortization	391,820	428,488
	16,342	(378,025)
Change in non-cash operating working capital		
Accounts receivable	(19,539)	80,066
Prepaid expenses	(2,496)	-
Accounts payable	122,810	(12,508)
Deferred revenue - unexpended funds	(64,360)	(34,861)
Deferred revenue	(39,735)	(104,449)
Trust funds held by federal government	119,089	(143,192)
	132,111	(592,969)
Capital activities		
Capital asset purchases	(125,334)	(253,824)
Financing activities		
Due from New Horizon First Nations Administration	(20,000)	(154,400)
CMHC mortgages	(69,939)	(82,197)
Long term debt - proceeds	488,558	787,976
Long term debt - repaid	(445,177)	(307,034)
	(46,558)	244,345
Investing activities		
Loss (gain) on investments	45,341	193,610
Restricted cash - CMHC reserves	(1,646)	31,592
Restricted cash - other	-	(74)
	43,695	225,128
Increase (decrease) in cash and cash equivalents	3,914	(377,320)
Cash and cash equivalents, beginning of year	(201,429)	175,891
Cash and cash equivalents, end of year	\$ (197,515)	\$ (201,429)
Represented by		
Cash	\$ (221,592)	\$ (265,241)
Restricted cash - capital projects	24,077	63,812
	\$ (197,515)	\$ (201,429)

The accompanying notes are an integral part of the financial statements

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

1. General

Nekaneet First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include Nekaneet First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board.

(a) Reporting entity

Nekaneet First Nation reporting entity includes the Nekaneet First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Nekaneet First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Nekaneet First Nation.

Organizations accounted for on a modified equity basis include:
New Horizon First Nations Administration Inc.

(c) Asset classification

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

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

2. Basis of presentation and significant accounting policies (continued)

(f) Liability for contaminated sites

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

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

(g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Nekaneet First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Automotive equipment	4 years Straight line
Furniture and equipment	5 years Straight line
Infrastructure	40 years Straight line
CMHC houses	40 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Nekaneet First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

2. Basis of presentation and significant accounting policies (continued)

(h) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

(i) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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. Actual results could differ from those estimates.

(j) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

(k) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

(l) Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

(m) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(n) Comparative figures

Prior years' comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Nekaneet First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2016	2015
Unrestricted cash		
Bank indebtedness	\$ (221,592)	\$ (265,241)
Restricted cash - capital projects		
Lagoon project	24,077	63,812
Restricted cash - CMHC reserves		
Replacement reserve	3,798	2,152
Replacement reserve term deposits	80,000	80,000
	83,798	82,152
Restricted cash - other		
Lawyer's trust - Olive, Waller, Zinkhan & Waller	121	121
Restricted cash - trust funds held by federal government		
Capital	38,564	38,564
Revenue	494,961	614,050
	533,525	652,614
	\$ 419,929	\$ 533,458

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

4. Restricted cash - Trust funds held by federal government

	2016 Revenue	2016 Capital	2016 Total	2015 Total
Surplus, beginning of year	\$ 357,050	\$ 38,564	\$ 395,614	\$ 509,422
Lease revenue	127,644	-	127,644	129,858
Interest earnings	10,267	-	10,267	13,334
Surplus, end of year	\$ 494,961	\$ 38,564	\$ 533,525	\$ 652,614

5. Accounts receivable

	2016	2015
Due from members		
Advances	\$ 60,308	\$ 49,452
Due from others		
File Hills Qu'Appelle Tribal Council	16,586	25,676
New Horizon First Nation Administration - funds held in trust	268,308	268,308
BMO	7,849	7,849
	292,743	301,832
Due from government and other government organizations		
INAC	3,715	842
Health Canada	2,336	-
CMHC	133,134	70,814
First Nation GST	31,334	31,275
Other	19,084	11,600
	189,603	114,531
Allowance for doubtful accounts	542,654 (57,300)	465,815 -
	\$ 485,354	\$ 465,815

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

6. INAC - accounts receivable

	2016	2015
Basic needs	\$ -	\$ 646
BEB	<u>3,715</u>	<u>196</u>
	<u><u>\$ 3,715</u></u>	<u><u>\$ 842</u></u>

7. Due from New Horizon First Nations Administration Inc.

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties. Amounts payable and receivable bear no interest and have no fixed terms of repayment.

8. Portfolio investments

	2016	2015
Keseechiwan Holdings LP (8.3% interest)	<u><u>\$ 60,000</u></u>	<u><u>\$ 60,000</u></u>

9. Bank indebtedness

The First Nation has a line of credit with Peace Hills Trust of \$50,000 bearing interest at prime plus 2%, and an authorized overdraft for \$190,000 bearing interest at 24%, both secured with a Band Council Resolution.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

10. Accounts payable

	2016	2015
Due to others		
Trade payables	\$ 402,206	\$ 347,099
FHQ	30,000	-
Group pension	2,635	2,785
BMO Trust	30,558	-
	<hr/> <u>465,399</u>	<hr/> <u>349,884</u>
Due to government and other government organizations		
INAC	22,838	1,273
Health Canada	6,000	18,203
CRA payroll deductions	1,371	3,438
	<hr/> <u>30,209</u>	<hr/> <u>22,914</u>
	<hr/> <u>\$ 495,608</u>	<hr/> <u>\$ 372,798</u>

11. INAC payable

	2016	2015
Special Needs	\$ 12,604	\$ 1,273
Basic Needs	10,216	-
Institutional Care	18	-
	<hr/> <u>\$ 22,838</u>	<hr/> <u>\$ 1,273</u>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

12. Reserve for losses in related business entity

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

- ◆ New Horizon First Nation Administration Inc.

	2016	2015
<u>New Horizon First Nation Administration Inc.</u>	<u>\$ (1,270,878)</u>	<u>\$ (1,225,537)</u>
	December 31, 2015	December 31, 2014
Cash	\$ 1,446	\$ 4,503
Accounts receivable	6,415	16,939
Prepaid expenses	6,942	9,047
Fixed assets	217,703	230,012
<u>Total assets</u>	<u>\$ 232,506</u>	<u>\$ 260,501</u>
Accounts payable	\$ 101,167	\$ 77,386
Tenant deposits	12,594	14,344
Due to Ottawa Trust Fund	268,308	268,308
Due to related party	198,146	178,146
Long-term debt	923,169	947,854
<u>Total liabilities</u>	<u>1,503,384</u>	<u>1,486,038</u>
Contributed surplus	260,596	260,596
Deficit	(1,531,474)	(1,486,133)
<u>Total equity</u>	<u>(1,270,878)</u>	<u>(1,225,537)</u>
<u>Total liabilities and equity</u>	<u>\$ 232,506</u>	<u>\$ 260,501</u>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

12. Reserve for losses in related business entity, continued

	December 31, 2015	December 31, 2014
<u>Revenue</u>	\$ 154,794	\$ 199,299
<u>Expenses</u>	200,135	392,909
<u>Total expenses</u>	200,135	392,909
<u>Net income</u>	\$ (45,341)	\$ (193,610)

13. Deferred revenue - unexpended funds

INAC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to INAC, deferred to the following year, or transferred to another INAC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

	2016	2015
Student Transportation	\$ 538	\$ 86,114
Instructional Services	-	21,024
Band Based Capital	91,985	49,745
	<hr/>	<hr/>
	\$ 92,523	\$ 156,883

14. Deferred revenue

	March 31, 2015	Revenue recognized, 2016	March 31, 2016
<u>Federal government</u>			
<u>Water Treatment Plant</u>	\$ 66,822	\$ (39,735)	\$ 27,087

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

15. Long-term debt

	2016	2015
Peace Hills Trust #12 Land Purchase bearing interest at 5% per annum, repayable in monthly payments of \$8,900 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on December-15-17.	\$ 180,489	\$ 276,091
Peace Hills Trust #14 CMHC Replacement Reserve bearing interest at 5% per annum, repayable in monthly payments of \$1,508 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST.	- 49,233	
Peace Hills Trust #17 Capital Equipment bearing interest at 7% per annum, repayable in quarterly payments of \$23,650 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on April-1-19.	251,478	348,916
Peace Hills Trust #18 Overdraft legal fees & cash flow bearing interest at 7.5% per annum, repayable in monthly payments of \$10,373 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on September-30-16.	70,470	185,693
Peace Hills Trust #19 Per Capita Distribution bearing interest at 7.5% per annum, repayable in annual payments of \$157,785 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST.	- 306,438	
Peace Hills Trust #21 Rewrite loan & term out O/D bearing interest at 7.5% per annum, repayable in monthly payments of \$3,000 including interest and quarterly principal payments of \$5,480, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on September-01-20.	215,540	-
Peace Hills Trust #22 Purchase bus bearing interest at 5% per annum, repayable in monthly payments of \$2,500 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on November-01-18.	74,083	-
Peace Hills Trust #23 Rewrite from loan #19 bearing interest at 7.5% per annum, repayable in quarterly payments of \$8,522 including interest, and annual blended payments of \$150,000 and \$50,000, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on December-16-17.	417,691	-
<u>Current portion</u>	<u>1,209,751</u>	<u>1,166,371</u>
	535,162	605,062
	<u>\$ 674,589</u>	<u>\$ 561,309</u>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

15. Long-term debt, continued

Principal portion of long-term debt due within the next five years:

2017	\$ 535,162
2018	444,726
2019	154,768
2020	54,265
<u>2021 and thereafter</u>	<u>20,830</u>
	<u><u>\$ 1,209,751</u></u>

	2016	2015
<u>Interest expense for the year on long-term debt</u>	<u><u>\$ 87,192</u></u>	<u><u>\$ 55,143</u></u>

16. CMHC mortgages

	Phase number	Maturity date	Interest rate	Monthly payment	2016	2015
PHT	5	4/1/2017	2.94%	\$ 730	\$ 9,341	\$ 17,748
Scotia	6	7/1/2019	4.79%	665	40,622	46,046
Scotia	7	6/1/2017	4.99%	394	5,433	9,423
Scotia	8	1/1/2018	3.09%	647	17,467	23,913
Scotia	9	12/1/2019	4.79%	676	27,808	33,887
CMHC	10	9/1/2020	0.94%	1,107	113,641	125,451
CMHC	11	2/1/2018	1.69%	1,342	164,093	177,334
CMHC	12	10/1/2020	1.04%	1,477	238,729	253,271
					617,134	687,073
<u>Less current portion</u>					<u>73,782</u>	<u>68,858</u>
Total					\$ 543,352	\$ 618,215

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

17. Tangible capital assets

	Cost	Additions	Accumulated amortization	2016 Net book value
Land	\$ 1,377,971	\$ -	\$ -	\$ 1,377,971
Buildings	6,544,719	-	4,320,133	2,224,586
Automotive equipment	251,427	82,000	232,980	100,447
Furniture and equipment	497,481	3,599	407,309	93,771
Infrastructure	2,011,992	39,735	161,078	1,890,649
CMHC houses	2,379,378	-	1,710,387	668,991
Total	\$ 13,062,968	\$ 125,334	\$ 6,831,887	\$ 6,356,415

	Cost	Additions	Accumulated amortization	2015 Net book value
Land	\$ 1,377,971	\$ -	\$ -	\$ 1,377,971
Buildings	6,544,719	-	4,097,674	2,447,045
Automotive equipment	194,551	56,876	187,752	63,675
Furniture and equipment	404,981	92,500	352,697	144,784
Infrastructure	1,907,543	104,449	109,638	1,902,354
CMHC houses	2,379,378	-	1,692,306	687,072
Total	\$ 12,809,143	\$ 253,825	\$ 6,440,067	\$ 6,622,901

18. Prepaid expenses

	2016	2015
<u>Insurance</u>	\$ 2,496	\$ -

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

19. Accumulated surplus

	2016	2015
Restricted		
Invested in tangible capital assets	\$ 5,233,231	\$ 5,319,821
Funds held in trust by federal government	533,525	652,614
CMHC reserves	435,806	452,042
Equity in related entity	(1,270,878)	(1,225,537)
	<hr/>	<hr/>
Unrestricted	4,931,684	5,198,940
Operating deficit	(1,122,325)	(1,014,104)
	<hr/>	<hr/>
	\$ 3,809,359	\$ 4,184,836
	<hr/>	<hr/>

20. Revenue, expenditures and surplus (deficit) by segment

	Revenue	Expenditures	Transfers	Surplus (deficit)
Community Development	220,273	204,938	(326,240)	(310,905)
Economic Development	33,369	21,454	-	11,915
Education	442,154	351,424	(31,010)	59,720
Indian Government Support	693,367	1,062,261	249,805	(119,089)
Social Development	286,945	293,538	-	(6,593)
Indian Registration	5,000	5,040	-	(40)
Health Services	273,564	257,863	(9,294)	6,407
CMHC Operations	105,482	17,651	(18,081)	69,750
Band Programs	1,049,373	879,018	(257,000)	(86,645)
Amortization	-	391,820	391,820	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,109,527	3,485,007	-	(375,480)
	<hr/>	<hr/>	<hr/>	<hr/>

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

21. INAC reconciliation

	2016	2015
Total per INAC confirmation	\$ 1,069,036	\$ 1,123,461
Receivable (payable) previous year		
Basic Needs	(646)	-
Band Employee Benefits	(196)	(5,225)
Capacity Development	-	(15,000)
Summer work experience	-	(2,830)
Current year receivable (payable)		
Basic Needs	(10,216)	646
Band Employee Benefits	3,715	196
Special Needs	(12,604)	(1,273)
Institutional Care	(18)	-
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 1,049,071	\$ 1,099,975

22. Government Transfers

	<u>2016</u>		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 951,790	\$ 97,281	\$ 1,049,071
Health Canada	245,190	-	245,190
Canada Mortgage and Housing Corporation	62,833	-	62,833
Total	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Provincial government transfers	1,259,813	97,281	1,357,094
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 1,259,813	\$ 97,281	\$ 1,357,094

	<u>2015</u>		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 1,002,694	\$ 97,281	\$ 1,099,975
Health Canada	204,138	-	204,138
Canada Mortgage and Housing Corporation	70,468	-	70,468
Total	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Provincial government transfers	1,277,300	97,281	1,374,581
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 1,277,300	\$ 97,281	\$ 1,374,581

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

23. CMHC housing restricted funds

It is a requirement of the CMHC operating agreements that subsidy surplus, operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2016 the reserve accounts were under-funded by \$352,008 (2015-\$369,890). The amount required to be set aside was \$435,806 (2015-\$452,042) and the amount in the reserve bank account was \$83,798 (2015-\$82,152). (The reserve amount of \$435,806 is not reported separately on these financial statements, but is included in equity).

24. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

Nekaneet First Nation does not provide extended health, dental and life insurance benefits to retirees and their surviving spouses and therefore has no obligations with regards to post employment benefits.

Pension plan

Nekaneet First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and Nekaneet First Nation contributes a matching portion. Nekaneet First Nation does not have any other obligations with regards to the pension plan as at March 31, 2016.

25. Contractual Obligations

The nature of Nekaneet First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. There are no significant contractual obligations.

26. Contingent liabilities

Nekaneet First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Nekaneet First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Nekaneet First Nation's financial statements.

The First Nation is contingently liable for a loan of New Horizon First Nation Administration Inc. with Peace Hills Trust. As of December 31, 2015 there was an outstanding balance of \$923,169 (2014 - \$947,854).

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

27. Related party transactions

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties.

28. Trusts under administration

Nekaneet First Nation acts as a trustee for a number of third parties, holding assets and administering them on their behalf. These assets held in trust are not included on the statement of financial position as assets of Nekaneet First Nation. Amounts held in trust at the year-end are the following:

	2016	2015
Nekaneet Treaty Benefits Claims Trust	<u>\$ 10,030,321</u>	<u>\$ 10,260,079</u>
	<u><u>\$ 10,030,321</u></u>	<u><u>\$ 10,260,079</u></u>

29. Economic dependence

Nekaneet First Nation receives a major portion of its revenue pursuant to funding agreements with Indigenous and Northern Affairs Canada and Health Canada.

30. Subsequent events

There are no subsequent events to report.

31. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from estimates approved by Nekaneet First Nation.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

32. Expenses by object

	2016 Budget	2016 Actual	2015 Actual
Administration	\$ 55,900	\$ 46,710	\$ 38,536
Amortization	-	391,820	428,488
Assistance	217,146	390,517	480,300
Bad debts	-	57,300	-
Consultants and contractors	203,876	252,763	207,011
Cultural programs	27,200	57,813	36,961
Donations	-	-	3,632
Elders	500	200	-
Equipment	77,119	82,000	144,376
First Nations Trust	123,500	146,727	201,384
Fuel	23,111	21,736	19,300
Governance	1,000	43,100	76,733
Graduation, awards, prizes	5,000	5,610	3,850
Honorariums	-	347,000	286,990
Insurance	35,500	27,933	28,038
Interest and bank charges	25,000	46,050	52,781
Janitorial	23,944	8,449	8,503
Long-term debt - interest	-	87,192	55,143
Long-term debt - CMHC mortgage interest	-	15,526	17,476
Loss (gain) on investments	-	45,341	193,610
NCBR - community based support	21,940	6,475	11,525
NCBR - home to work	-	-	1,890
Per capita distribution	-	155,718	319,836
Professional fees	104,093	59,906	91,533
Program expenses	39,219	69,186	16,952
Property taxes	-	-	35,513
Registration fees	1,900	3,250	3,761
Rent - equipment	5,800	5,785	10,742
Rent - office	-	1,500	6,000
Repairs and maintenance	66,000	112,875	165,753
Student allowance	102,766	137,475	156,949
Student transportation	-	5,000	4,570
Supplies	67,368	76,396	62,907
Telephone	18,327	22,443	24,316
Training	1,000	2,255	2,136
Travel - medical transportation	664	5,593	2,890
Travel, meetings, per diems	79,262	205,541	271,936
Tuition	67,000	68,676	89,413
Utilities	16,490	46,927	44,114
Wages and benefits	467,139	538,049	565,655
Transfer to capital assets	-	(125,334)	(253,825)
Unexpended funds - unrecorded in prior period	-	13,502	8,589
	<hr/>	<hr/>	<hr/>
	\$ 1,877,764	\$ 3,485,005	\$ 3,926,267

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

33. INAC funding

The First Nation (Recipient) receives funding from Indigenous and Northern Affairs Canada (INAC) by entering into an agreement with INAC.

There are five approaches that INAC may consider in the design and delivery of transfer payment programs:

1. **Grant approach** – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. **Set contribution approach** – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to INAC annually.
3. **Fixed contribution approach** – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by INAC. A plan must be submitted and approved by INAC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by INAC.
4. **Flexible contribution approach** – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to INAC at the end of the project, program or agreement.
5. **Block contribution approach** – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by INAC.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

34. Segmented information

As previously discussed in note 2 (j) the First Nation conducts its business through reportable segments as follows:

1) Indigenous and Northern Affairs Canada (INAC)

Claims and Indian Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with INAC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Nekaneet First Nation
Notes to Consolidated Financial Statements
March 31, 2016

34. Segmented information, continued

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration:

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

2) Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3) Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

4) Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Schedule #1
Nekaneet First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 122,306	\$ 116,097	\$ 122,306
INAC - flexible	97,281	97,281	97,281
FHQ Tribal Council	5,680	5,400	5,680
Other revenue	7,200	4,000	12,000
Unexpended funds transferred - prior year	-	49,745	7,158
Deferred revenue - prior	-	66,822	171,271
Deferred revenue - current	-	(27,087)	(66,822)
	232,467	312,258	348,874
Expenses			
Administration	28,890	-	-
Consultants and contractors	45,526	71,691	113,915
Equipment	-	-	78,500
Fuel	611	180	876
Insurance	30,000	22,350	24,989
Janitorial	-	4,007	503
Registration fees	-	150	-
Repairs and maintenance	44,000	24,300	29,595
Supplies	14,724	610	11,901
Telephone	-	1,064	1,799
Training	-	-	411
Travel, meetings, per diems	-	6,240	11,353
Utilities	10,955	40,698	36,390
Wages and benefits	57,761	73,383	70,384
Transfer to capital assets	-	(39,735)	(182,949)
	232,467	204,938	197,667
Current surplus before unexpended funds	-	107,320	151,207
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	(91,985)	(49,745)
Current surplus before transfers	-	15,335	101,462
Transfers			
Transfer - Amortization	-	(326,240)	(325,221)
Current deficit	\$ -	\$ (310,905)	\$ (223,759)

The accompanying notes are an integral part of the financial statements

Schedule #2
Nekaneet First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
FHQ Tribal Council	\$ -	\$ 33,369	\$ 33,369
Expenses			
Consultants and contractors	-	21,200	18,000
Cultural programs	-	-	9,398
Property taxes	-	-	35,513
Travel, meetings, per diems	-	254	2,803
	-	21,454	65,714
Current surplus (deficit)	\$ -	\$ 11,915	\$ (32,345)

The accompanying notes are an integral part of the financial statements

Schedule #3
Nekaneet First Nation
Education
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 322,052	\$ 322,052	\$ 326,357
INAC - prior year receivable (payable)	-	-	(2,830)
Unexpended funds transferred - prior year	-	120,640	191,744
	322,052	442,692	515,271
Expenses			
Administration	-	14,807	3,833
Consultants and contractors	19,400	16,195	3,100
Equipment	34,744	82,000	28,350
Fuel	22,000	21,363	18,424
Graduation, awards, prizes	5,000	5,610	3,850
Insurance	1,000	878	248
Interest and bank charges	-	500	50
Long-term debt - payments (principle & interest)	-	10,313	-
Long-term debt - principle repayment	-	(8,731)	-
Registration fees	1,700	1,600	2,442
Repairs and maintenance	6,000	15,454	15,087
Student allowance	102,766	137,475	156,949
Student transportation	-	5,000	4,570
Supplies	5,652	20,896	15,698
Training	800	773	350
Travel, meetings, per diems	14,500	8,817	26,086
Tuition	67,000	68,676	89,413
Utilities	-	-	2,514
Wages and benefits	41,490	31,798	39,999
Transfer to capital assets	-	(82,000)	(28,350)
	322,052	351,424	382,613
Current surplus before unexpended funds	-	91,268	132,658
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	(538)	(107,138)
Current surplus before transfers	-	90,730	25,520
Transfers			
Transfer - Amortization	-	(31,010)	(10,510)
Current surplus	\$ -	\$ 59,720	\$ 15,010

The accompanying notes are an integral part of the financial statements

Schedule #4
Nekaneet First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - grant	\$ 206,538	\$ 206,538	\$ 206,538
INAC - fixed	3,920	3,821	4,355
INAC - set	-	7,622	7,426
INAC - current year receivable (payable)	-	3,715	196
First Nation GST	336,000	345,583	375,305
Other revenue	323,523	104,252	20,123
Administration fees	18,214	21,836	18,214
Unexpended funds transferred - prior year	-	-	1,431
	888,195	693,367	633,588
Expenses			
Assistance	-	152,245	184,918
Consultants and contractors	76,000	81,167	44,996
Elders	500	200	-
Fuel	500	192	-
Governance	1,000	1,000	8,000
Honorariums	-	347,000	286,990
Insurance	4,000	3,627	760
Interest and bank charges	25,000	35,599	51,948
Professional fees	70,000	40,838	65,050
Program expenses	3,500	-	-
Registration fees	50	550	63
Rent - equipment	1,800	1,785	4,742
Repairs and maintenance	11,500	11,647	7,818
Supplies	14,000	12,750	5,943
Telephone	14,000	13,906	15,936
Training	200	158	-
Travel, meetings, per diems	57,500	164,900	176,850
Wages and benefits	182,420	194,697	161,277
	461,970	1,062,261	1,015,291
Current deficit before transfers	426,225	(368,894)	(381,703)
Transfers			
Transfer - Health Services	-	9,294	-
Transfer - Band Programs	-	257,000	-
Transfer - Amortization	-	(16,489)	(15,769)
Current deficit	\$ 426,225	\$ (119,089)	\$ (397,472)

The accompanying notes are an integral part of the financial statements

Schedule #5
Nekaneet First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 32,682	\$ 32,682	\$ 32,682
INAC - set	307,453	277,101	316,291
INAC - current year receivable (payable)	- 	(22,838)	(627)
	340,135	286,945	348,346
Expenses			
Assistance	217,146	176,975	276,532
Consultants and contractors	7,000	5,725	-
Cultural programs	10,000	-	3,090
NCBR - community based support	21,940	6,475	11,525
NCBR - home to work	-	-	1,890
Professional fees	34,093	19,068	5,415
Program expenses	-	-	2,400
Registration fees	150	150	656
Supplies	236	5,711	4,610
Travel, meetings, per diems	1,500	1,217	8,758
Wages and benefits	48,070	78,217	120,544
	340,135	293,538	435,420
Current deficit	\$ -	\$ (6,593)	\$ (87,074)

The accompanying notes are an integral part of the financial statements

Schedule #6
Nekaneet First Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 5,000	\$ 5,000	\$ 5,000
Expenses			
Consultants and contractors	-	-	300
Supplies	1,000	540	708
Travel, meetings, per diems	-	-	4,263
Wages and benefits	4,000	4,500	480
	5,000	5,040	5,751
Current deficit	\$ -	\$ (40)	\$ (751)

The accompanying notes are an integral part of the financial statements

Schedule #7
Nekaneet First Nation
Governance and Institutions of Government
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - prior year receivable (payable)	\$ -	\$ -	\$ (15,000)
Expenses			
Current deficit	\$ -	\$ -	\$ (15,000)

The accompanying notes are an integral part of the financial statements

Schedule #8
Nekaneet First Nation
Health Services
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Health Canada	\$ 197,420	\$ 245,190	\$ 198,138
Other revenue	-	2,000	-
Administration fees	24,037	26,374	20,542
	221,457	273,564	218,680
Expenses			
Administration	17,549	23,320	20,322
Consultants and contractors	48,700	24,210	13,250
Cultural programs	17,200	41,647	24,473
Insurance	-	-	511
Janitorial	544	642	-
Professional fees	-	-	20,898
Program expenses	6,364	13,797	3,816
Registration fees	-	800	600
Repairs and maintenance	3,200	3,838	2,750
Supplies	25,956	23,135	19,326
Telephone	3,927	7,139	5,211
Training	-	-	1,375
Travel - medical transportation	664	5,593	2,890
Travel, meetings, per diems	2,662	9,088	27,217
Utilities	5,535	5,629	3,890
Wages and benefits	89,156	102,624	91,894
Transfer to capital assets	-	(3,599)	-
	221,457	257,863	238,423
Current surplus (deficit) before transfers	-	15,701	(19,743)
Transfers			
Transfer - Indian Government Support	-	(9,294)	-
Current surplus (deficit)	\$ -	\$ 6,407	\$ (19,743)

The accompanying notes are an integral part of the financial statements

Schedule #9
Nekaneet First Nation
CMHC Operations
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
CMHC	\$ -	\$ 103,682	\$ 115,546
Interest revenue	- - -	1,800	1,548
		105,482	117,094
Expenses			
Interest and bank charges	- - -	1,090	379
Long-term debt - CMHC mortgage interest	- - -	15,526	17,476
Repairs and maintenance	1,035	4,000	
		17,651	21,855
Current surplus before transfers	- - -	87,831	95,239
Transfers			
Transfer - Amortization	- - -	(18,081)	(76,988)
Current surplus	\$ - - -	\$ 69,750	\$ 18,251

The accompanying notes are an integral part of the financial statements

Schedule #10
Nekaneet First Nation
Band Programs
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Funds held in trust by Federal Government	\$ -	\$ 137,910	\$ 143,193
FHQ Tribal Council	62,600	97,598	142,787
First Nations Trust	173,075	174,214	173,075
Specific Claims Settlement Trust	-	344,887	334,142
Keseechiwan Holdings - monetary benefit agreement	-	144,283	143,638
Community Development Corporation	-	35,477	28,637
Interest revenue	-	3	8
Other revenue	59,008	115,001	105,933
	294,683	1,049,373	1,071,413
Expenses			
Administration	9,461	8,583	14,381
Assistance	-	61,296	18,850
Bad debts	-	57,300	-
Consultants and contractors	7,250	32,575	13,450
Cultural programs	-	16,166	-
Donations	-	-	3,632
Equipment	42,375	-	37,526
First Nations Trust	123,500	146,727	201,384
Governance	-	42,100	68,733
Insurance	500	1,078	1,530
Interest and bank charges	-	8,862	404
Janitorial	23,400	3,800	8,000
Long-term debt - interest	-	85,609	55,143
Loss (gain) on investments	-	45,341	193,610
Per capita distribution	-	155,718	319,836
Professional fees	-	-	170
Program expenses	29,355	55,389	10,736
Rent - equipment	4,000	4,000	6,000
Rent - office	-	1,500	6,000
Repairs and maintenance	1,300	56,601	106,503
Supplies	5,800	12,754	4,721
Telephone	400	333	1,371
Training	-	1,325	-
Travel, meetings, per diems	3,100	15,025	14,606

The accompanying notes are an integral part of the financial statements

Schedule #10, continued
Nekaneet First Nation
Band Programs
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Unexpended funds - unrecorded in prior period	-	13,502	8,589
Utilities	-	600	1,320
Wages and benefits	44,242	52,834	81,078
<u>Transfer to capital assets</u>	<u>-</u>	<u>-</u>	<u>(42,526)</u>
	294,683	879,018	1,135,047
Current surplus (deficit) before transfers	-	170,355	(63,634)
Transfers			
Transfer - Indian Government Support	-	(257,000)	-
Current deficit	\$ -	\$ (86,645)	\$ (63,634)

The accompanying notes are an integral part of the financial statements

Schedule #11
Nekaneet First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
CMHC Operations	-	18,081	76,988
Education	-	31,010	10,510
Public Works	-	326,240	325,221
Band Support	-	16,489	15,769
	<hr/>	<hr/>	<hr/>
	- 391,820	428,488	
Current deficit before transfers	- (391,820)	(428,488)	
Transfers			
Transfer - Programs	- 391,820	428,488	
Current surplus	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements