



Piapot First Nation
Consolidated Financial Statements
March 31, 2017



Piapot First Nation Contents

For the year ended March 31, 2017

Page

Management's Responsibility

Independent Auditors' Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Changes in Net Debt.....	3
Consolidated Statement of Cash Flows.....	4

Notes to the Consolidated Financial Statements.....	5
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Schedules

Schedule of Consolidated Expenses by Object.....	17
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Community Development	18
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Economic Development.....	19
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Education.....	20
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Government Support.....	21
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Land Management.....	22
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Social Development.....	23
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Indian Registry.....	24
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Health.....	25
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Band Programs.....	26
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Ottawa Trust Funds.....	28



To the Members of Piapot First 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 consolidated financial statements.

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

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

Signed by: Lynnette Crowe

Management

Independent Auditors' Report

To the Members of Piapot First Nation:

We have audited the accompanying consolidated financial statements of Piapot First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, changes in net debt and 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Piapot First Nation as at March 31, 2017 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 11 and 13 to the consolidated financial statements which describe that Piapot First Nation initiated a Qu'Appelle Valley Indian Development Authority (QVIDA) flood claim for damages sustained by the First Nation. The First Nation has obtained a loan to fund costs of negotiations and has taken insurance to cover the repayment of the loan if in excess of settlement proceeds.

Saskatoon, Saskatchewan

July 28, 2017

MNP LLP

Chartered Professional Accountants



Piapot First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Current		
Cash and cash equivalents	-	670,512
Accounts receivable (Note 3)	698,175	393,307
Restricted cash (Note 4)	610,533	417,823
	1,308,708	1,481,642
Portfolio investments (Note 5)	80,000	80,000
Investments in commercial enterprises (Note 6)	(712,985)	(490,841)
Funds held in Ottawa Trust Fund (Note 7)	145,166	33,116
Total financial assets	820,889	1,103,917
Liabilities		
Current		
Bank indebtedness (Note 8)	437,172	-
Accounts payable and accruals	725,426	517,576
Deferred revenue (Note 9)	772,885	53,043
Due to related party (Note 10)	35,000	35,000
Current portion of long-term debt (Note 13)	862,259	692,286
Term loans due on demand (Note 12)	1,961,605	493,952
	4,794,347	1,791,857
Long-term debt (Note 13)	6,217,847	5,487,347
Total financial liabilities	11,012,194	7,279,204
Net debt	(10,191,305)	(6,175,287)
Contingent asset (Note 11)		
Contingent liabilities (Note 22)		
Non-financial assets		
Tangible capital assets (Note 14)	46,044,161	41,796,206
Prepaid expenses	-	33,574
Total non-financial assets	46,044,161	41,829,780
Accumulated surplus (Note 15)	35,852,856	35,654,493
Approved on behalf of the Council		
Signed by: <u>Jeremy Fourhorns</u>	Chief	Signed by: <u>Harold Kaiswatum</u>
		Councillor

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



Piapot First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada (Note 18)	5,614,179	7,725,273	5,593,424
Earnings from investments in commercial enterprises (Note 6)	2,000,000	2,254,462	2,378,925
Health Canada (Note 19)	651,153	924,723	638,742
First Nations Trust	760,883	763,303	810,457
Rental	212,178	319,314	136,115
FHQ Tribal Council	298,514	310,201	371,289
CMHC (Subsidy)	148,899	287,792	160,392
CMHC (Rent)	157,320	198,902	156,761
CMHC (RRAP/Retrofit)	32,047	181,266	124,051
Living Sky CDC	-	162,517	195,303
Insurance proceeds	-	146,530	-
Other	79,930	122,394	110,872
Daycare fees	19,274	11,845	14,895
Interest	58	3,500	18,228
	9,974,435	13,412,022	10,709,454
Program expenses			
Community Development	1,532,729	2,488,024	1,901,603
Economic Development	9,153	9,153	81,846
Education	2,818,875	2,757,861	2,505,722
Government Support	324,469	1,069,386	694,788
Land Management	164,383	174,881	282,783
Social Development	1,223,519	1,381,985	1,308,575
Indian Registry	30,357	31,904	20,283
Health	690,257	804,735	750,055
Band Programs	2,590,074	4,495,730	3,802,970
Total expenses	9,383,816	13,213,659	11,348,625
Annual surplus (deficit)	590,619	198,363	(639,171)
Accumulated surplus, beginning of year	35,654,493	35,654,493	36,293,664
Accumulated surplus, end of year	36,245,112	35,852,856	35,654,493

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



Piapot First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2017

	<i>2017 Budget (Note 21)</i>	<i>2017 Actual</i>	<i>2016 Actual</i>
Annual surplus (deficit)	590,619	198,363	(639,171)
Purchases of tangible capital assets	-	(5,236,477)	(2,530,686)
Amortization of tangible capital assets	-	988,522	812,432
Use of prepaid expenses	-	33,574	13,439
	-	(4,214,381)	(1,704,815)
Increase in net debt	590,619	(4,016,018)	(2,343,986)
Net debt, beginning of year	(6,175,287)	(6,175,287)	(3,831,301)
Net debt, end of year	(5,584,668)	(10,191,305)	(6,175,287)

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



Piapot First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	198,363	(639,171)
Non-cash items		
Amortization	988,522	812,432
Earnings from investments in commercial enterprises (Note 6)	(2,254,462)	(2,378,925)
	(1,067,577)	(2,205,664)
Changes in		
Accounts receivable	(304,868)	(73,734)
Prepaid expenses	33,574	13,439
Accounts payable and accruals	207,850	173,972
Deferred revenue	719,842	(147,964)
	(411,179)	(2,239,951)
Financing activities		
Advances of term loans due on demand and long-term debt	7,109,983	5,653,273
Repayment of term loans due on demand and long-term debt	(4,741,857)	(3,747,475)
	2,368,126	1,905,798
Capital activities		
Purchases of tangible capital assets	(5,236,477)	(2,530,686)
Investing activities		
Decrease (increase) in restricted cash (net)	(192,710)	208,407
Distributions from investments in commercial enterprises (Note 6)	2,476,606	2,549,947
Decrease (increase) in funds Ottawa Trust Fund	(112,050)	56,818
Decrease in due to related parties (net)	-	(24,670)
	2,171,846	2,790,502
Decrease in cash resources	(1,107,684)	(74,337)
Cash resources, beginning of year	670,512	744,849
Cash resources (deficiency), end of year	(437,172)	670,512
Supplementary cash flow information		
Interest paid	200,585	170,007

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



Piapot First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

1. Operations

The Piapot First Nation (the "First Nation") is located in Treaty 4 Territory, Canada and provides various services to its Members. The Piapot First Nation financial reporting entity includes all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

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

- Piapot First Nation;
- Piapot First Nation Health Services;
- Piapot First Nation CMHC Housing;
- Kehiew Holdings Inc.;
- Piapot Treaty Land Entitlement Trust;
- Piapot Development Corporation/Piapot Holdings Limited Partnership;
- Piapot First Nation Business Trust; and
- Piapot Specific Claim Trust.

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

Piapot First Nation Business Trust is an other government organization and is fully consolidated by the First Nation. The Trust owns Cree Land Mini-Mart Limited Partnership and consolidates the Partnership using the modified equity method. Income and expenses of the Trust are allocated to the First Nation for its fiscal year of January to December 31.

Piapot First Nation business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for its proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Piapot Urban Development Corporation (Oskapewis Holdings Inc.) is accounted for using the modified equity method.

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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 and cash equivalents

Cash and cash equivalents includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.



Piapot First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies (Continued from previous page)

Restricted cash

Restricted cash consists of funds held in the following accounts: the CMHC replacement reserve, the CMHC operating reserve, school boiler replacement, emergency road repairs, aboriginal headstart, Piapot Specific Claims, Kehiew Holdings LP Lawyers' Trust, designation of minerals Lawyers' Trust, and CMHC housing contract Lawyers' Trust.

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 First Nation's consolidated financial statements are presented so as to highlight net debt as a measurement of financial position. The net debt of the First 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.

Tangible capital assets

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

The First Nation's original reserve land is not recognized in the consolidated financial statements.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Tangible capital assets are amortized using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until they are put into use. Land is not amortized.

	Rate
Buildings	40 years
Infrastructure	40 years
Housing (Band and CMHC)	25 years
Equipment	10 years
Vehicles	5 years

Portfolio investments

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



Piapot First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

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

Funds held in Ottawa Trust Fund

These funds are held in trust on behalf of the First Nation by the Government of Canada. Trust moneys consist of:

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

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

Revenue recognition

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

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

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

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

Segments

The First Nation conducts its business through 10 reportable segments (Note 20). 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 attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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, 2017. There are no known liabilities at March 31, 2017.

Other economic interests

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been reported in these consolidated financial statements.



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 June 2015, the effective date was deferred to fiscal years beginning on or after April 1, 2019.

Related Party Transactions

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

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

This section is effective for fiscal years beginning on or after April 1, 2017.

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.



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

3. Accounts receivable

	2017	2016
Indigenous and Northern Affairs Canada	200,000	24,938
CMHC (RRAP)	165,725	87,021
Goods and Services Tax	97,731	46,232
Health Canada	75,000	-
Living Sky CDC	56,996	36,666
Salary advances receivable	39,921	37,653
File Hills Qu'Appelle Tribal Council	35,219	98,248
Other	27,583	55,549
Saskatchewan student work program	-	7,000
	698,175	393,307

4. Restricted cash

	2017	2016
Capital projects - Aboriginal Headstart	348,462	-
Lawyers' Trust - Baltic Homes	90,889	75,960
CMHC - Replacement reserve	76,515	145,641
Lawyers' Trust - Kehiew Holdings LP	47,483	59,537
Specific Claims	22,565	22,565
Lawyers' Trust - Designation of Minerals	9,684	11,981
CMHC - Operating reserve	7,696	7,715
Capital projects - School Boiler repairs/Flood repairs	7,239	94,424
	610,533	417,823

5. Portfolio investments

The First Nation has an 8.3% interest in Keseechiwan Holdings Inc. (Swift Current Casino Development) which has a carrying value of \$60,000. The First Nation also has a \$20,000 non-redeemable Guaranteed Investment Certificate with Royal Bank of Canada with interest at 2.00% maturing October 20, 2019.



Piapot First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

6. Investments in commercial enterprises

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

The First Nation has investments in the following entities:

	Opening	Share of earnings	Withdrawals April 1 to December 31, 2016	Withdrawals January 1 to March 31, 2017	Ending
Piapot First Nations Business Trust (Cree Land Mini-Mart Limited Partnership)	(525,875)	2,254,462	(1,796,606)	(680,000)	(748,019)
Piapot Urban Development Corporation (Oskapewis Holdings Inc.)	35,034	-	-	-	35,034
	(490,841)	2,254,462	(1,796,606)	(680,000)	(712,985)

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

	<i>Piapot First Nation Business Trust (Cree Land Mini-Mart Limited Partnership) As at December 31, 2016</i>	<i>Piapot Urban Development Corporation (Oskapewis Holdings Inc.) As at March 31, 2017</i>
Assets		
Current	429,168	34
Due from related parties	-	35,000
Property, plant and equipment	383,469	-
Total assets	812,637	35,034
Liabilities		
Current	582,367	-
Long-term debt	298,289	-
Total liabilities	880,656	-
Equity (deficiency)	(68,019)	35,034
Total revenues	12,611,545	-
Total expenses	10,357,083	-
Net income	2,254,462	-



Piapot First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

6. Investments in commercial enterprises *(Continued from previous page)*

Principal repayments on long-term debt of the First Nation's business enterprises in each of the next five years assuming long-term debt subject to refinancing is renewed at similar terms, are estimated as follows:

	2018	2019	2020	2021	2022	Thereafter	Total
Cree Land Mini-Mart	172,416	119,061	41,091	43,539	46,132	48,466	470,705

7. Funds held in Ottawa Trust Fund

	Balance Beginning of Year	Lease income	Interest income	Payments to Nation	Balance End of Year
Capital account	3,872	-	-	-	3,872
Revenue account	29,244	272,513	3,319	(163,783)	141,294
	33,116	272,513	3,319	(163,783)	145,166

8. Bank indebtedness

Bank indebtedness includes outstanding cheques and deposits that had not cleared the bank.

9. Deferred revenue

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

	Balance, beginning of year	Contributions received	Revenue recognized	Balance, end of year
Aboriginal Headstart (Health Canada)	-	700,000	276,561	423,439
Duplex Units (INAC)	-	1,323,750	1,141,363	182,387
Sewage pumping station (INAC)	-	200,000	64,190	135,810
Road repairs (INAC)	23,400	-	6,924	16,476
School boiler replacement (INAC)	29,643	78	14,948	14,773
	53,043	2,223,828	1,503,986	772,885

10. Due to related party

	2017	2016
Piapot Urban Development Corporation (Oskapewis Holdings Inc.)	35,000	35,000

The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. Piapot First Nation owns 100% interest in Cree Land Mini-Mart Limited Partnership through the Piapot First Nation Business Trust. Piapot owns 100% of Piapot Urban Development Corporation (Oskapewis Holdings Inc.).



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

11. Contingent asset

Piapot First Nation has initiated a Qu'Appelle Valley Indian Development Authority (QVIDA) flood claim against the Government of Canada. The First Nation has obtained a loan to finance certain costs of negotiating the settlement. Insurance has been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time the claim is resolved.

As of March 31, 2017, expenses totalling \$839,139 (2016 - \$657,324) have been incurred and available financing drawn (Note 13). The First Nation anticipates these costs will be paid from settlement proceeds. When the claim is finalized or the insurance proceeds are paid the amounts will be recognized in revenue.

12. Term loans due on demand

	2017	2016
RBC Phase 14 bridge financing repayable upon receipt of CMHC advances, with interest at Royal Bank prime plus 1.2%, due August 2017	1,761,605	-
RBC term loan repayable June 2017 including interest at Royal Bank prime plus 1.5%	200,000	-
RBC term loan	-	493,952
	1,961,605	493,952



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

13. Long-term debt

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

<u>Phase</u>	<u>Monthly Payment Including Interest</u>	<u>Interest Rate</u>	<u>Renewal Date</u>	<u>2017</u>	<u>2016</u>
V	3,455	4.54%	1-Oct-18	63,246	100,939
VIII	3,885	2.50%	1-Dec-18	79,815	123,836
IX	653	2.50%	1-Dec-19	20,795	28,007
X	513	0.99%	1-Dec-19	16,679	22,632
XI	4,427	2.01%	1-Oct-19	786,853	798,298
XII	6,019	1.08%	1-Aug-20	901,885	870,442
XIII	11,246	1.13%	1-Jul-21	1,785,270	-
				3,654,543	1,944,154
RBC loan repayable in quarterly instalments of \$74,582 including interest at 3.13%, maturing October 2020, secured by a general security agreement				993,882	1,244,607
Canada Mortgage and Housing Corporation Phase XIV loan advances				990,781	-
RBC term loan with interest only payments at Royal Bank prime, due earlier of receipt of funds related to the claim or June 2020, secured by an insurance policy with AmTrust Europe Limited (Note 11)				839,139	657,324
RBC loan repayable in quarterly instalments of \$38,200 including interest at 4%, maturing October 2019, secured by a general security agreement				394,681	528,354
RBC financing lease, repayable in monthly instalments of \$6,769 including interest at 4.5%, maturing September 2018, secured by equipment with a net book value of \$282,011				117,781	203,073
RBC financing lease, repayable in monthly instalments of \$1,729 including interest at 4.2%, maturing May 2019, secured by equipment with a net book value of \$46,884				41,329	-
RBC financing lease, repayable in monthly instalments of \$1,604 including interest at 4.06%, maturing July 2018, secured by equipment having a net book value of \$43,416				24,936	44,905
RBC term loan repayable in quarterly instalments of \$11,339 including interest at 3.75%, maturing August 2017, secured by a general security agreement				23,034	66,508
Canada Mortgage and Housing Corporation Phase XIII loan advances				-	1,490,708
				7,080,106	6,179,633
Less: current portion				862,259	692,286
				6,217,847	5,487,347

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

2018	862,259
2019	774,022
2020	636,547
2021	393,416
2022	246,600



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

14. Tangible capital assets

For the year ended March 31, 2017

	Cost					Accumulated Amortization				
	Opening balance	Additions	Disposals	Assets under construction completed	Ending balance	Opening balance	Current amortization	Amortization on disposals	Ending balance	Net book value
Buildings	10,392,144	-	-	-	10,392,144	3,412,576	259,804	-	3,672,380	6,719,764
Infrastructure	6,525,064	-	-	854,935	7,379,999	1,595,868	184,500	-	1,780,368	5,599,631
Band Housing	2,723,434	-	-	-	2,723,434	2,514,646	35,141	-	2,549,787	173,647
CMHC Housing	5,104,365	253,560	-	1,607,980	6,965,905	1,971,909	384,782	-	2,356,691	4,609,214
Equipment	764,673	-	-	-	764,673	282,677	76,468	-	359,145	405,528
Vehicles	67,020	172,119	-	-	239,139	39,832	47,827	-	87,659	151,480
Assets under construction	2,441,041	4,810,798	-	(2,462,915)	4,788,924	-	-	-	-	4,788,924
Land	23,595,973	-	-	-	23,595,973	-	-	-	-	23,595,973
	51,613,714	5,236,477	-	-	56,850,191	9,817,508	988,522	-	10,806,030	46,044,161

For the year ended March 31, 2016

	Cost					Accumulated Amortization				
	Opening balance	Additions	Disposals	Assets under construction completed	Ending balance	Opening balance	Current amortization	Amortization on disposals	Ending balance	Net book value
Buildings	10,392,144	-	-	-	10,392,144	3,152,770	259,806	-	3,412,576	6,979,568
Infrastructure	6,525,064	-	-	-	6,525,064	1,432,740	163,128	-	1,595,868	4,929,196
Band Housing	2,723,434	-	-	-	2,723,434	2,479,505	35,141	-	2,514,646	208,788
CMHC Housing	3,754,772	-	339,489	1,689,082	5,104,365	2,050,720	260,678	339,489	1,971,909	3,132,456
Equipment	710,403	54,270	-	-	764,673	206,210	76,467	-	282,677	481,996
Vehicles	44,048	22,972	-	-	67,020	22,620	17,212	-	39,832	27,188
Assets under construction	1,676,679	2,453,444	-	(1,689,082)	2,441,041	-	-	-	-	2,441,041
Land	23,595,973	-	-	-	23,595,973	-	-	-	-	23,595,973
	49,422,517	2,530,686	339,489	-	51,613,714	9,344,565	812,432	339,489	9,817,508	41,796,206

Tangible capital assets includes equipment under capital lease with a gross cost of \$642,935 (2016 - \$584,330) and accumulated amortization of \$270,624 (2016 - \$258,904). Included in additions in the current year is \$58,605 (2016 - \$54,270) under capital lease.



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

15. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016
Operating	(2,251,325)	(288,717)
Capital	37,841,589	35,779,945
CMHC Replacement Reserve	90,730	105,568
CMHC Operating Reserve	26,696	24,581
Ottawa Trust Fund	145,166	33,116
	35,852,856	35,654,493

At March 31, 2017 the accumulated operating surplus includes \$839,139 (2016 - \$657,324) of expenses for the QVIDA flood claim disclosed in Note 11.

16. Funds and reserves

The Piapot First Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration;
- Capital Asset Fund reports on the capital assets and projects of the First Nation;
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program;
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses; and
- Ottawa Trust Fund reports trust moneys owned by the First Nation and held by the Government of Canada.

17. Economic dependence

Piapot First Nation receives some of its revenue from the Government of Canada as a result of Treaties entered into with Her Majesty the Queen. These Treaties are administered by Indigenous and Northern Affairs Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

18. Indigenous and Northern Affairs Canada Reconciliation

INAC funding per confirmation	8,081,775
Add:	
Deferred revenue, beginning of year (note 9)	53,044
Deduct:	
2016/17 Funding recovered - Basic Needs	58,288
2016/17 Funding recovered - Employee Benefits	1,812
Deferred revenue, end of year (note 9)	349,446
	7,725,273



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

19. Health Canada Reconciliation

Health Canada funding per confirmation	1,348,162
Deduct:	
Deferred revenue, end of year (note 9)	423,439
	924,723

20. Segments

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

Community Development - reports on capital projects and major repairs to community infrastructure;

Economic Development - reports on the economic development of the First Nation;

Education - reports on the operations of the First Nation's education programs;

Government Support - reports administration and governance activities;

Land Management - reports on operations for administration of lands;

Social Development - reports on delivery of social programs;

Indian Registry - reports on administration of membership;

Health - reports on operations of the First Nation's health programs;

Band Programs - reports on operations of band programs not funded by INAC and Health Canada; and

Ottawa Trust Funds - reports on revenue allocated to the fund and transfers to other segments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2. Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

21. Budget information

The disclosed budget information has been approved by the Chief and Council of the Piapot First Nation in March 2016. The approved budget does not include budget amounts for amortization or tangible capital assets that are approved by other proposals, such as CMHC housing phases. A detailed budget for these projects is approved by Chief and Council and included in the project funding application.

22. Contingent liabilities

- a) These consolidated financial statements are subject to review by the First Nation's funders. It is possible that adjustments could be made based on the results of their reviews.
- b) The First Nation has guaranteed the following debt for Cree Land Mini-Mart Limited Partnership, a wholly-owned business entity: a line of credit with an authorized limit of \$350,000 bearing interest at Royal Bank prime plus 2% and a Royal Bank fixed rate term loan, repayable in monthly instalments of \$11,800 including interest at 3.75%, due July 2018. Payment under these guarantees would be required if Cree Land Mini-Mart Limited Partnership were to default on its debt. No liability has been recorded as of March 31, 2017.

23. Comparative figures

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



Piapot First Nation
- Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Salaries and benefits	2,727,813	3,000,991	2,570,931
Social assistance	914,697	1,094,005	973,802
Contracted services	709,257	1,012,887	767,860
Amortization	-	988,522	812,432
Assistance	490,000	962,935	506,259
Repairs and maintenance	356,124	956,431	405,382
Governance	672,000	813,972	835,763
Student expenses	412,495	561,925	480,634
Community events	356,220	530,846	721,931
Renovations	234,041	487,408	174,353
Professional fees	208,479	307,410	166,774
Travel	195,947	204,612	230,246
Interest on long-term debt	191,408	200,585	170,007
Tuition	336,189	200,204	229,564
Utilities	198,342	189,877	236,106
Insurance	123,560	157,968	154,025
Elders fees	130,934	143,275	176,169
Legal fees - QVIDA	-	132,703	239,968
Insurance - QVIDA	-	24,596	304,077
Training	102,349	126,034	69,354
Workshops	96,526	124,880	98,393
Supplies	189,718	120,816	252,718
National child benefit - projects	121,089	118,473	102,648
Office	96,489	115,381	103,732
Project management	86,200	93,566	110,039
Bank charges and interest	16,864	80,939	32,039
Program expense	92,633	73,912	89,246
Telephone	69,724	71,977	64,537
Administration	12,533	64,923	21,330
Rent paid on behalf of members	-	62,015	65,227
Rent	42,600	50,013	54,635
Office equipment lease	133,050	36,649	48,368
Per diems	1,500	35,558	24,080
Meal preparation	19,700	27,495	14,900
Nutrition program	19,335	23,093	19,335
Property tax	26,000	16,783	21,761
	9,383,816	13,213,659	11,348,625



**Piapot First Nation
Community Development**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada	1,093,133	2,943,481	1,232,085
Rental	30,000	46,801	33,272
Other	21,000	21,895	29,250
FHQ Tribal Council	10,118	10,118	10,118
Interest	-	78	213
	1,154,251	3,022,373	1,304,938
Expenses			
Repairs and maintenance	260,851	605,856	291,181
Amortization	-	488,344	466,972
Renovations	208,363	358,251	78,358
Contracted services	224,336	276,237	264,976
Salaries and benefits	272,082	236,756	216,114
Utilities	173,134	168,415	211,598
Insurance	86,070	86,546	103,193
Administration	75,053	85,053	69,207
Project management fees	66,200	70,574	75,039
Supplies	40,500	45,772	54,865
Telephone	26,200	18,869	20,321
Travel	9,700	11,418	5,633
Rent	-	11,013	13,635
Interest on long-term debt	-	10,129	20,845
Office equipment lease	88,240	8,517	7,118
Training	1,500	5,590	2,163
Office	500	684	385
	1,532,729	2,488,024	1,901,603
Surplus (deficit) before transfers	(378,478)	534,349	(596,665)
Transfers between programs	378,478	409,664	(204,515)
Surplus (deficit)	-	944,013	(801,180)



Piapot First Nation
Economic Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2017

	<i>2017 Budget (Note 21)</i>	<i>2017 Actual</i>	<i>2016 Actual</i>
Revenue			
FHQ Tribal Council	91,531	91,531	91,531
Expenses			
Administration	9,153	9,153	-
Travel	-	-	30,891
Contracted services	-	-	22,061
Per diems	-	-	17,830
Office	-	-	3,260
Insurance	-	-	3,123
Training	-	-	681
Telephone	-	-	350
Community events	-	-	3,650
	9,153	9,153	81,846
Surplus before transfers	82,378	82,378	9,685
Transfers between programs	(82,378)	(82,378)	(9,685)
Surplus	-	-	-



**Piapot First Nation
Education**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada	2,616,008	2,715,316	2,254,223
FHQ Tribal Council	-	22,464	39,589
Other	-	12,749	2,361
	2,616,008	2,750,529	2,296,173
Expenses			
Salaries and benefits	1,570,833	1,518,053	1,262,744
Student expenses	412,495	561,925	480,634
Contracted services	198,755	223,246	208,523
Tuition	336,189	200,204	229,564
Administration	39,695	70,195	39,672
Program expense	85,133	66,592	81,453
Supplies	84,709	26,923	116,054
Office equipment lease	33,500	23,675	20,532
Office	13,755	17,467	34,416
Amortization	-	17,322	-
Training	6,300	14,939	8,764
Travel	29,141	6,819	13,728
Bank charges and interest	1,800	6,432	-
Insurance	2,570	2,570	2,432
Telephone	2,500	1,499	956
Per diems	1,500	-	6,250
	2,818,875	2,757,861	2,505,722
Deficit before transfers	(202,867)	(7,332)	(209,549)
Transfers between programs	190,959	18,623	192,322
Surplus (deficit)	(11,908)	11,291	(17,227)



**Piapot First Nation
Government Support**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada	508,284	663,193	563,336
Other	-	-	58
	508,284	663,193	563,394
Expenses			
Salaries and benefits	149,700	509,529	446,147
Professional fees	40,000	116,994	46,569
Contracted services	23,000	116,650	31,021
Bank charges and interest	7,750	62,131	9,185
Rent paid on behalf of Members - CMHC housing	-	62,015	65,227
Office	24,000	43,956	10,357
Travel	35,000	42,515	33,037
Per diems	-	23,250	-
Project management	20,000	22,992	22,000
Insurance	-	19,395	-
Telephone	10,000	17,339	11,231
Repairs and maintenance	-	16,043	-
Training	5,000	13,061	14,238
Administration	2,959	2,959	2,784
Office equipment lease	7,060	557	2,992
	324,469	1,069,386	694,788
Surplus (deficit) before transfers	183,815	(406,193)	(131,394)
Transfers between programs	(183,815)	201,997	168,834
Surplus (deficit)	-	(204,196)	37,440



**Piapot First Nation
Land Management**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	229,958	229,958	229,958
Expenses			
Salaries and benefits	56,350	53,888	56,303
Administration	13,870	22,996	22,995
Repairs and maintenance	2,000	18,565	1,640
Property tax	-	16,783	21,761
Professional fees	16,500	15,354	15,955
Contracted services	35,000	12,890	32,161
Travel	13,300	11,342	57,674
Rent	9,000	9,000	9,000
Training	6,500	6,122	5,600
Office	4,250	6,114	38,697
Insurance	1,213	1,432	1,213
Supplies	6,400	395	6,643
Office equipment lease	-	-	13,141
	164,383	174,881	282,783
Surplus (deficit) before transfers	65,575	55,077	(52,825)
Transfers between programs	(65,575)	-	21,715
Surplus (deficit)	-	55,077	(31,110)



**Piapot First Nation
Social Development**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada	1,149,065	1,155,594	1,296,406
FHQ Tribal Council	25,000	25,000	56,256
Other	-	-	2,059
	1,174,065	1,180,594	1,354,721
Expenses			
Social assistance	914,697	1,094,005	973,802
National child benefit	121,089	118,473	102,648
Salaries and benefits	148,338	100,328	145,152
Contracted services	6,186	19,690	25,825
Travel	10,318	16,692	11,778
Administration	11,691	14,324	11,734
Training	5,000	10,880	2,348
Supplies	-	3,501	-
Bank charges and interest	3,000	2,485	3,233
Telephone	1,200	1,095	2,400
Office	2,000	512	2,349
Community events	-	-	27,306
	1,223,519	1,381,985	1,308,575
Surplus (deficit) before transfers	(49,454)	(201,391)	46,146
Transfers between programs	46,752	27,378	(21,002)
Surplus (deficit)	(2,702)	(174,013)	25,144



**Piapot First Nation
Indian Registry**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	17,731	17,731	17,416
Expenses			
Salaries and benefits	26,684	22,713	16,870
Contracted services	-	4,500	250
Administration	1,773	1,772	1,740
Office	400	1,507	191
Travel	1,500	1,412	1,232
	30,357	31,904	20,283
Deficit before transfers	(12,626)	(14,173)	(2,867)
Transfers between programs	12,908	14,173	2,867
Surplus (deficit)	282	-	-



**Piapot First Nation
Health**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenues			
Health Canada	651,153	924,723	638,742
FHQ Tribal Council	23,888	23,888	23,888
Other	-	1,232	-
Insurance proceeds	-	1,000	-
Interest	58	103	60
	675,099	950,946	662,690
Expenses			
Salaries and benefits	297,626	306,391	296,456
Workshops	96,526	124,880	98,393
Professional fees	87,358	78,048	87,358
Amortization	-	62,328	50,607
Travel	50,288	58,285	50,538
Supplies	56,109	41,016	54,909
Meal preparation	14,900	27,495	14,900
Training	21,449	27,208	21,449
Nutrition program	19,335	23,093	19,335
Utilities	15,208	13,243	15,208
Telephone	11,024	12,214	11,024
Repairs and maintenance	5,773	9,985	5,773
Insurance	4,623	7,534	12,704
Freight and postage	2,600	4,868	3,800
Office equipment lease	4,250	3,900	4,250
Bank charges and interest	2,754	3,467	2,917
Elders fees	434	780	434
	690,257	804,735	750,055
Surplus (deficit) before transfers	(15,158)	146,211	(87,365)
Transfers between programs	6,764	67,047	7,560
Surplus (deficit)	(8,394)	213,258	(79,805)



**Piapot First Nation
Band Programs**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenues			
Earnings from investment in commercial enterprises	2,000,000	2,254,462	2,378,925
First Nations Trust	760,883	763,303	810,457
CMHC (Subsidy)	148,899	287,792	160,392
CMHC (Rent)	157,320	198,902	156,761
CMHC (RRAP/Retrofit)	32,047	181,266	124,051
Living Sky CDC	-	162,517	195,303
Insurance proceeds	-	145,530	-
FHQ Tribal Council	147,977	137,200	149,907
Other	58,930	86,518	77,144
Daycare fees	19,274	11,845	14,895
Interest	-	-	400
	3,325,330	4,229,335	4,068,235

Continued on next page



**Piapot First Nation
Band Programs**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
<i>(Continued from previous page)</i>	3,325,330	4,229,335	4,068,235
Expenses			
Assistance	490,000	962,935	506,259
Governance	672,000	813,972	835,763
Community events	356,220	530,846	690,975
Amortization	-	420,528	294,853
Contracted services	221,980	359,674	183,044
Repairs and maintenance	87,500	305,982	106,788
Salaries and benefits	206,200	253,333	131,145
Interest on long-term debt	191,408	190,456	149,162
Elders fees	130,500	142,495	175,735
Legal fees - QVIDA	-	132,703	239,968
Insurance - QVIDA	-	24,596	304,077
Renovations	25,678	129,157	95,995
Professional fees	64,621	97,014	16,892
Travel	46,700	56,129	25,735
Training	56,600	48,234	14,111
Insurance	29,084	40,491	31,360
Office	48,984	40,273	10,277
Rent	33,600	30,000	32,000
Telephone	18,800	20,961	18,255
Per diems	-	12,308	-
Utilities	10,000	8,219	9,300
Program expense	7,500	7,320	7,793
Bank charges and interest	1,560	6,424	16,704
Supplies	2,000	3,209	20,247
Meal preparation	4,800	-	-
Property tax	26,000	-	-
Office equipment lease	-	-	334
Project management	-	-	13,000
Administration (recovery)	(141,661)	(141,529)	(126,802)
	2,590,074	4,495,730	3,802,970
Surplus (deficit) before transfers	735,256	(266,395)	265,265
Transfers between programs	(121,915)	(639,210)	19,119
Surplus (deficit)	613,341	(905,605)	284,384



**Piapot First Nation
Ottawa Trust Funds**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 21)	2017 Actual	2016 Actual
Revenues			
Rental	182,178	272,513	102,843
Interest	-	3,319	17,555
Surplus before transfers	182,178	275,832	120,398
Transfers between programs	(182,178)	(17,294)	(177,215)
Surplus (deficit)	-	258,538	(56,817)