



**Piapot First Nation
Consolidated Financial Statements**
March 31, 2018

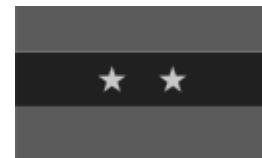


Piapot First Nation Contents

For the year ended March 31, 2018

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Management's Responsibility



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 fulfills 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, 2018, 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, 2018 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

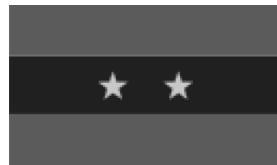
Without modifying our opinion, we draw attention to Notes 13 and 14 to the consolidated financial statements which describe that Piapot First Nation initiated a claim against the Government of Canada for damages sustained by the First Nation. The First Nation has obtained a loan to fund costs of negotiations and has taken insurance to cover the repayment of the loan if in excess of settlement proceeds.

Saskatoon, Saskatchewan

July 29, 2018

MNP LLP

Chartered Professional Accountants



Piapot First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents	15,564	-
Accounts receivable (Note 4)	384,742	698,175
Restricted cash (Note 5)	740,240	610,533
Portfolio investments (Note 6)	80,000	80,000
Investments in Nation partnerships (Note 7)	(234,543)	(712,985)
Funds held in Ottawa Trust Fund (Note 8)	165,435	145,166
Total of assets	1,151,438	820,889
Liabilities		
Bank indebtedness	-	437,172
Accounts payable and accruals	377,994	725,426
Deferred revenue (Note 9)	548,535	772,885
Due to related party (Note 10)	-	35,000
Term loans due on demand (Note 11)	9,982,800	1,961,605
Capital lease obligations (Note 12)	338,022	184,046
Long-term debt (Note 13)	8,498,455	6,896,060
Total of financial liabilities	19,745,806	11,012,194
Net debt	(18,594,368)	(10,191,305)
Contingent asset (Note 14)		
Contingent liabilities (Note 23)		
Non-financial assets		
Tangible capital assets (Note 15)	53,587,831	46,044,161
Accumulated surplus (Note 16)	34,993,463	35,852,856

Approved on behalf of the Council

Signed By: Jeremy Fourhorns

Chief

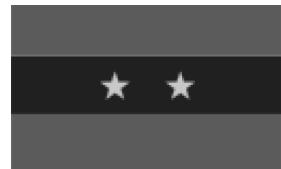
Signed By: Harold Kaiswatum

Councillor


Piapot First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenues			
Indigenous Services Canada (Note 19)	5,925,958	7,520,033	7,725,273
Earnings from investments in commercial enterprises (Note 7)	2,000,000	2,213,476	2,254,462
Health Canada (Note 20)	642,787	1,086,207	924,723
First Nations Trust	640,000	774,372	763,303
Rental	255,520	400,842	319,314
CMHC (Subsidy)	286,248	326,101	287,792
FHQ Tribal Council	331,737	313,999	310,201
Other	103,506	165,202	122,394
CMHC (Rent)	196,320	211,535	198,902
CMHC (RRAP/Retrofit)	146,190	144,552	181,266
Living Sky lease dividend	60,000	60,000	60,000
Daycare fees	15,400	27,335	11,845
Interest	-	8,154	3,500
Gain on disposal of tangible capital assets	-	810	-
Insurance proceeds	-	-	146,530
Living Sky CDC	-	-	102,517
	10,603,666	13,252,618	13,412,022
Program expenses			
Community Development	1,821,531	2,917,203	2,488,024
Economic Development	9,153	9,153	9,153
Education	2,884,538	3,305,803	2,757,861
Government Support	839,520	1,038,342	1,069,386
Land Management	229,958	178,959	174,881
Social Development	1,105,430	1,582,033	1,381,985
Indian Registry	41,964	37,138	31,904
Health	760,475	881,532	804,735
Band Programs	2,322,163	4,161,848	4,495,730
Total expenses	10,014,732	14,112,011	13,213,659
Annual surplus (deficit)	588,934	(859,393)	198,363
Accumulated surplus, beginning of year	35,852,856	35,852,856	35,654,493
Accumulated surplus, end of year	36,441,790	34,993,463	35,852,856

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



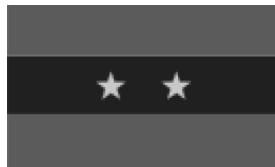
Piapot First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Annual surplus (deficit)	588,934	(859,393)	198,363
Purchases of tangible capital assets	-	(8,370,264)	(5,177,872)
Leased tangible capital assets	-	(320,155)	(58,605)
Amortization of tangible capital assets	-	1,120,259	988,522
Use of prepaid expenses	-	-	33,574
Proceeds on disposal of tangible capital assets	-	27,300	-
Gain on disposal of tangible capital assets	-	(810)	-
		(7,543,670)	(4,214,381)
Increase in net debt	588,934	(8,403,063)	(4,016,018)
Net debt, beginning of year	(10,191,305)	(10,191,305)	(6,175,287)
Net debt, end of year	(9,602,371)	(18,594,368)	(10,191,305)


Piapot First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	(859,393)	198,363
Non-cash items		
Amortization	1,120,259	988,522
Gain on disposal of tangible capital assets	(810)	-
Earnings from investments in commercial enterprises (Note 7)	(2,213,476)	(2,254,462)
	(1,953,420)	(1,067,577)
Changes in		
Accounts receivable	313,433	(304,868)
Prepaid expenses	-	33,574
Accounts payable and accruals	(347,432)	207,850
Deferred revenue	(224,350)	719,842
	(2,211,769)	(411,179)
Financing activities		
Advances of term loans due on demand and long-term debt	10,569,158	7,051,378
Repayment of term loans due on demand and long-term debt	(945,568)	(4,741,857)
Repayment of capital lease obligations	(166,179)	-
	9,457,411	2,309,521
Capital activities		
Purchases of tangible capital assets	(8,370,264)	(5,177,872)
Proceeds on disposal of tangible capital assets	27,300	-
	(8,342,964)	(5,177,872)
Investing activities		
Increase in restricted cash (net)	(129,707)	(192,710)
Withdrawals from investments in commercial enterprises (Note 7)	1,735,034	2,476,606
Increase in Ottawa Trust Fund	(20,269)	(112,050)
Decrease in due to related parties	(35,000)	-
	1,550,058	2,171,846
Increase (decrease) in cash resources	452,736	(1,107,684)
Cash resources (deficiency), beginning of year	(437,172)	670,512
Cash resources (deficiency), end of year	15,564	(437,172)
Cash resources (deficiency) are composed of:		
Cash and cash equivalents	15,564	-
Bank indebtedness	-	(437,172)
	15,564	(437,172)
Supplementary cash flow information		
Interest paid	417,378	200,585

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, 2018

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 the First Nation's operations and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Change in accounting policies

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights
- PS 3420 Inter-entity Transactions

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from adopting the new Sections.

3. 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
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Reporting entity *(Continued from previous page)*

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.

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.

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.

Restricted cash

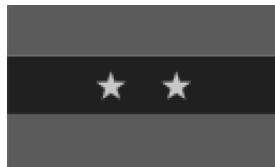
Restricted cash consists of funds held in the following accounts: the CMHC replacement reserve, the CMHC operating reserve, school boiler replacement, emergency road repairs, aboriginal headstart, Piapot Specific Claims, Kehiew Holdings LP Lawyers' Trust, designation of minerals Lawyers' Trust, and CMHC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



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

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.

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.

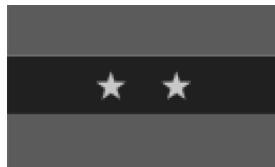
Revenue recognition

Funding

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 statement of financial position in the year of receipt.

Government Transfers

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.



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the funds held in the Ottawa Trust Fund is recognized when it is deposited into the trust account.

Other revenues

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

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 21). 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

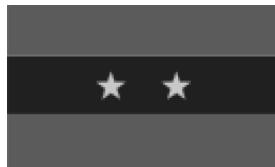
A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that 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, 2018. There are no known liabilities at March 31, 2018.

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.

4. Accounts receivable

	2018	2017
Other	131,159	27,583
Goods and Services Tax	84,866	97,731
CMHC	71,616	165,725
File Hills Qu'Appelle Tribal Council	60,480	35,219
Natural Resources Canada	30,600	-
Salary advances receivable	4,043	39,921
Indigenous Services Canada	1,978	200,000
Health Canada	-	75,000
Living Sky CDC	-	56,996
	384,742	698,175



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Restricted cash

	2018	2017
Capital projects - Sewage Pump repairs/Lagoon Expansion	276,748	7,239
Capital projects - Aboriginal Headstart	274,096	348,462
Lawyers' Trust - Baltic Homes	90,889	90,889
Lawyers' Trust - Kehiew Holdings LP	47,483	47,483
Specific Claims	22,565	22,565
CMHC - Replacement reserve	13,078	76,515
Lawyers' Trust - Designation of Minerals	9,684	9,684
CMHC - Operating reserve	5,697	7,696
	740,240	610,533

6. Portfolio investments

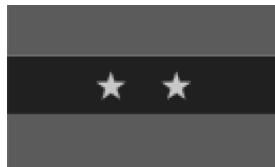
The First Nation has an 8.3% interest in Keseechiwan Holdings Inc. (Swift Current Casino Development) which has a carrying value of \$60,000. The First Nation also has a \$20,000 non-redeemable Guaranteed Investment Certificate with Royal Bank of Canada with interest at 2.00% maturing October 20, 2019.

7. Investments in commercial enterprises

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

The First Nation has investments in the following entities:

	<i>Opening</i>	<i>Share of earnings</i>	<i>Withdrawals April 1 to December 31, 2017</i>	<i>Withdrawals January 1 to March 31, 2018</i>	<i>Ending</i>
Piapot First Nations Business Trust (Cree Land Mini-Mart Limited Partnership)	(748,019)	2,213,476	(1,600,000)	(100,000)	(234,543)
Piapot Urban Development Corporation (Oskapewis Holdings Inc.)	35,034	-	(35,034)	-	-
	(712,985)	2,213,476	(1,635,034)	(100,000)	(234,543)



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Investments in Nation commercial entities *(Continued from previous page)*

Summary financial information for each First Nation business entity, 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)</i> <i>As at December 31, 2017</i>	<i>Piapot Urban Development Corporation (Oskapewis Holdings Inc.)</i> <i>As at March 31, 2018</i>
Assets		
Current	426,298	-
Property, plant and equipment	844,292	-
Total assets	1,270,590	-
Liabilities		
Current	788,797	-
Long-term debt	616,336	-
Total liabilities	1,405,133	-
Equity (deficiency)	(134,543)	-
Total revenues	12,394,589	-
Total expenses	10,181,113	-
Net income (loss)	2,213,476	-

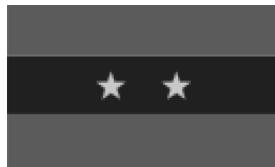
Principal repayments on long-term debt of the First Nation's business enterprises in each of the next five years assuming long-term debt subject to refinancing is renewed at similar terms, are estimated as follows:

	2019	2020	2021	2022	2023	Thereafter	Total
Cree Land Mini-Mart	128,575	50,582	52,978	55,488	58,116	399,172	744,911

8. Funds held in Ottawa Trust Fund

Funds held in trust are held on behalf of the First Nation by the Government of Canada and consist of a capital and revenue trust fund. Moneys are transferred from these funds to the First Nation on the authorization of the First Nation's Chief and Council, with the consent of the Minister of Indigenous and Northern Affairs Canada.

	<i>Balance Beginning of Year</i>	<i>Lease income</i>	<i>Interest income</i>	<i>Payments to Nation</i>	<i>Balance End of Year</i>
Capital account	3,872	-	-	-	3,872
Revenue account	141,294	323,299	5,967	(308,997)	161,563
	145,166	323,299	5,967	(308,997)	165,435



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

9. Deferred revenue

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

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Sewage pumping station & lagoon expansion (ISC)	135,810	220,000	80,019	275,791
Aboriginal Headstart (Health Canada)	423,439	200,000	350,695	272,744
Duplex Units (ISC)	182,387	-	182,387	-
Road repairs (ISC)	16,476	-	16,476	-
School boiler replacement (ISC)	14,773	-	14,773	-
	772,885	420,000	644,350	548,535

10. Due to related party

	<i>2018</i>	<i>2017</i>
Piapot Urban Development Corporation (Oskapewis Holdings Inc.)	-	35,000

The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. The First Nation owns 100% of Piapot Urban Development Corporation (Oskapewis Holdings Inc.).

11. Term loans due on demand

	<i>2018</i>	<i>2017</i>
RBC Phase XVII-A bridge financing repayable upon receipt of CMHC advances, with interest at Royal Bank prime plus 1%, due April 2018	3,879,074	-
RBC Phase XVI bridge financing repayable upon receipt of CMHC advances, with interest at Royal Bank prime plus 1.2%, due September 2018	2,971,626	-
RBC Phase XIV bridge financing repayable upon receipt of CMHC advances, with interest at Royal Bank prime plus 1.2%, due September 2018	1,797,416	1,761,605
RBC Phase XVII bridge financing repayable upon receipt of CMHC advances, with interest at Royal Bank prime plus 1%, due April 2018	749,690	-
RBC Phase XV bridge financing repayable upon receipt of CMHC advances, with interest at Royal Bank prime plus 1%, due May 2018	584,994	-
RBC term loan	-	200,000
	9,982,800	1,961,605


Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

12. Capital lease obligations

	2018	2017
RBC financing lease, repayable in monthly instalments of \$4,156 including interest at 4.71%, maturing May 2021, secured by equipment with a net book value of \$164,003	142,876	-
RBC financing lease, repayable in monthly instalments of \$2,591 including interest at 4.99%, maturing October 2022, secured by equipment with a net book value of \$124,137	125,110	-
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 \$229,005	40,088	117,781
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 \$35,163	23,589	41,329
RBC financing lease, repayable in monthly instalments of \$1,604 including interest at 4.3%, maturing July 2018, secured by equipment with a net book value of \$37,989	6,359	24,936
	338,022	184,046

Minimum lease payments related to the obligations under capital lease are as follows:

2019	148,752
2020	84,428
2021	80,969
2022	35,254
2023	15,549
	<hr/>
	364,952
Less: imputed interest	<hr/>
	26,930
	<hr/>
Balance of obligation	338,022
Less: current portion	<hr/>
	136,116
	<hr/>
	201,906


Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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</u>	<u>Interest Rate</u>	<u>Renewal Date</u>	<u>2018</u>	<u>2017</u>
V	3,455	4.54%	1-Oct-18	23,826	63,246
VIII	3,885	2.50%	1-Dec-18	34,680	79,815
IX	653	2.50%	1-Dec-19	13,401	20,795
X	513	0.99%	1-Dec-19	10,666	16,679
XI	4,427	2.01%	1-Oct-19	749,135	786,853
XII	6,019	1.08%	1-Aug-20	839,066	901,885
XIII	11,246	1.13%	1-Jul-21	1,669,856	1,785,270
XV	3,867	2.39%	1-Mar-23	<u>585,000</u>	-
				3,925,630	3,654,543
Canada Mortgage and Housing Corporation Phase XIV loan advances				2,289,247	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)				1,303,636	839,139
RBC loan repayable in quarterly instalments of \$74,582 including interest at 4.45%, maturing October 2020, secured by a general security agreement				724,244	993,882
RBC loan repayable in quarterly instalments of \$38,200 including interest at 4.45%, maturing October 2019, secured by a general security agreement				255,698	394,681
RBC term loan				-	23,034
				8,498,455	6,896,060

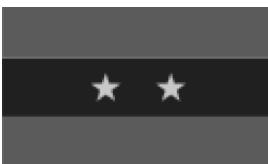
Principal repayments on long-term debt in each of the next five years, assuming loans are renewed at similar rates and terms, are estimated as follows:

2019	647,638
2020	531,523
2021	428,961
2022	447,895
2023	426,499

14. 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, 2018, expenses totalling \$1,303,636 (2017 - \$839,139) have been incurred and available financing drawn (Note 14). 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.



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

15. Tangible capital assets

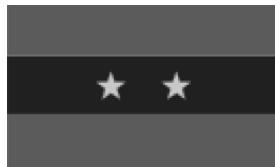
For the year ended March 31, 2018

	Cost				Accumulated Amortization				Net book value
	Opening balance	Additions	Disposals	Assets under construction completed	Ending balance	Opening balance	Current amortization on disposals	Ending balance	
Buildings	10,392,144	-	-	537,923	10,930,067	3,672,380	273,252	-	3,945,632
Infrastructure	7,379,999	-	-	-	7,379,999	1,780,368	184,500	-	1,964,868
Band Housing	2,723,434	-	-	1,334,102	4,057,536	2,549,787	88,505	-	2,638,292
CMHC Housing	6,965,905	598,678	-	-	7,564,583	2,356,691	424,694	-	2,781,385
Equipment	764,673	364,709	26,490	-	1,102,892	359,145	110,290	-	469,435
Vehicles	239,139	-	-	-	239,139	87,659	39,018	-	112,462
Assets under construction	4,788,924	7,727,032	-	(1,872,025)	10,643,931	-	-	-	10,643,931
Land	23,595,973	-	-	-	23,595,973	-	-	-	23,595,973
	56,850,191	8,690,419	26,490	-	65,514,120	10,806,030	1,120,259	-	11,926,289
									53,587,831

For the year ended March 31, 2017

	Cost				Accumulated Amortization				Net book value
	Opening balance	Additions	Disposals	Assets under construction completed	Ending balance	Opening balance	Current amortization on disposals	Ending balance	
Buildings	10,392,144	-	-	-	10,392,144	3,412,576	259,804	-	3,672,380
Infrastructure	6,525,064	-	-	854,935	7,379,999	1,595,868	184,500	-	1,780,368
Band Housing	2,723,434	-	-	-	2,723,434	2,514,646	35,141	-	2,549,787
CMHC Housing	5,104,365	253,560	-	1,607,980	6,965,905	1,971,909	384,782	-	2,356,691
Equipment	764,673	-	-	-	764,673	282,677	76,468	-	359,145
Vehicles	67,020	172,119	-	-	239,139	39,832	47,827	-	87,659
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	-	46,044,161

Tangible capital assets includes equipment under capital lease with a gross cost of \$963,090 (2017 - \$642,935) and accumulated amortization of \$372,794 (2017 - \$270,624) Included in additions in the current year is \$320,155 (2017 - \$58,605) under capital lease.



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

16. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Operating	(1,925,334)	(2,251,325)
Capital	36,657,184	37,841,589
CMHC Replacement Reserve	70,512	90,730
CMHC Operating Reserve	25,666	26,696
Ottawa Trust Fund	165,435	145,166
	<hr/>	<hr/>
	34,993,463	35,852,856

At March 31, 2018 the accumulated operating deficit includes \$1,303,636 (2017 - \$839,139) of expenses for the QVIDA flood claim disclosed in Note 11.

17. Funds and reserves

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

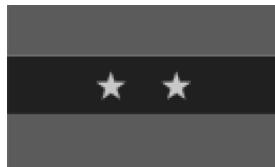
- Operating Fund reports on the general activities of the First Nation's administration;
- Capital Asset Fund reports on the capital assets and projects of the First Nation;
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 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.

18. 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 Services Canada (ISC) 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.

19. Indigenous Services Canada (ISC) reconciliation

ISC funding per confirmation	7,362,627
<hr/>	
Add:	
Deferred revenue, beginning of year (note 9)	349,446
2016/17 Basic Needs reconciliation	74,384
2016/17 Institutional Care reconciliation	19,389
2017/18 Institutional Care reconciliation	1,978
<hr/>	
Deduct:	
2017/18 Funding recovered - Membership Gov Cap Dev	(12,000)
Deferred revenue, end of year (note 9)	(275,791)
	<hr/>
	7,520,033



Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

20. Health Canada Reconciliation

Health Canada funding per confirmation	935,512
Add:	
Deferred revenue, beginning of year (note 9)	423,439
Deduct:	
Deferred revenue, end of year (note 9)	(272,744)
	<hr/>
	1,086,207

21. 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 ISC and Health Canada; and

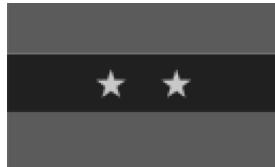
Ottawa Trust Funds - reports on revenue allocated to the fund and transfers to other segments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 3. 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.

22. Budget information

	Approved Budget	Adjustments	Budget per consolidated financial statements
Statement of operations			
Revenues	16,007,602	(5,403,936)	10,603,666
Expenses	18,075,306	8,060,574	10,014,732
Transfers	1,344,017	(1,344,017)	---
 Surplus (deficit)	 (723,687)	 1,312,621	 588,934

The disclosed budget information has been approved by the Chief and Council of the Piapot First Nation in March 2017. The approved budget included loan advances and principal payments of long-term debt in revenues and expenses and budgeted transfers were not reconciled between the individual programs. These items have been adjusted to conform to presentation under Canadian public sector accounting standards. 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.



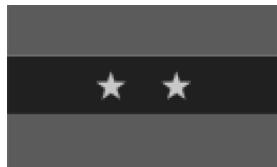
Piapot First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

23. 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, 2018.

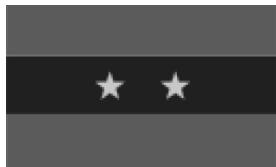
24. Comparative figures

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



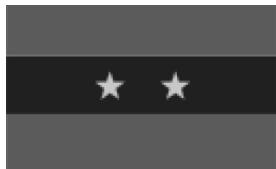
Piapot First Nation
Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

	<i>2018 Budget (Note 22)</i>	<i>2018 Actual</i>	<i>2017 Actual</i>
Salaries and benefits	3,264,207	3,644,786	3,000,991
Social assistance	829,274	1,133,371	1,094,005
Amortization	-	1,120,259	988,522
Contracted services	654,836	885,562	1,012,887
Repairs and maintenance	542,310	795,819	956,431
Governance	560,000	666,370	813,972
Student expenses	421,189	656,308	561,925
Assistance	610,000	573,517	962,935
Renovations	247,504	567,095	487,408
Community events	346,344	447,748	530,846
Interest on long-term debt	-	417,378	200,585
Legal fees - QVIDA	-	378,102	132,703
Tuition	312,688	323,854	200,204
Professional fees	277,091	272,609	307,410
Utilities	172,089	239,527	189,877
Training	183,873	224,364	126,034
Travel	185,021	217,246	204,612
Supplies	139,931	196,189	120,816
Workshops	97,122	183,796	124,880
Elders fees	181,000	151,510	143,275
Office	170,814	150,654	115,381
Insurance	126,036	138,537	157,968
National child benefit - projects	124,342	120,483	118,473
Project management	116,200	113,954	93,566
Telephone	65,700	81,076	71,977
Program expense	104,595	68,334	73,912
Office equipment lease	231,916	67,602	36,649
Rent paid on behalf of members	-	57,127	62,015
Insurance - QVIDA	-	48,582	24,596
Bank charges and interest	12,660	39,070	80,939
Rent	42,600	39,000	50,013
Nutrition program	25,996	25,004	23,093
Meal preparation	10,800	24,652	27,495
Administration	(57,406)	24,024	64,923
Property tax	16,000	10,997	16,783
Per diems	-	7,505	35,558
	10,014,732	14,112,011	13,213,659



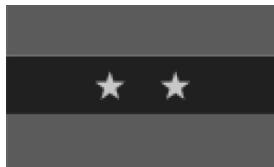
Piapot First Nation
Community Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018 <i>Actual</i>	2017 <i>Actual</i>
Revenues		
Indigenous Services Canada	1,748,181	2,943,481
Rental	55,788	46,801
FHQ Tribal Council	10,118	10,118
Gain on disposal of tangible capital assets	810	-
Interest	760	78
Other	-	21,895
	1,815,657	3,022,373
Expenses		
Repairs and maintenance	589,651	605,856
Amortization	588,978	488,344
Contracted services	431,469	276,237
Renovations	418,285	358,251
Salaries and benefits	281,360	236,756
Utilities	212,972	168,415
Administration	85,536	85,053
Insurance	71,830	86,546
Supplies	66,233	45,772
Project management fees	60,454	70,574
Training	31,975	5,590
Telephone	27,653	18,869
Office equipment lease	23,923	8,517
Travel	14,151	11,418
Interest on long-term debt	9,095	10,129
Office	3,638	684
Rent	-	11,013
	2,917,203	2,488,024
Surplus (deficit) before transfers	(1,101,546)	534,349
Transfers between programs	930,013	409,664
Surplus (deficit)	(171,533)	944,013



Piapot First Nation
Economic Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018 <i>Actual</i>	2017 <i>Actual</i>
Revenue		
FHQ Tribal Council	91,531	91,531
Expense		
Administration	9,153	9,153
Surplus before transfers	82,378	82,378
Transfers between programs	(82,378)	(82,378)
Surplus	-	-

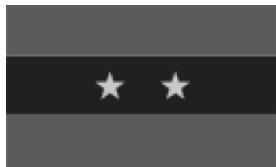


**Piapot First Nation
Education**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

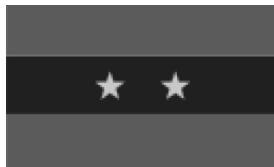
For the year ended March 31, 2018

	2018 Actual	2017 Actual
Revenues		
Indigenous Services Canada	3,166,738	2,715,316
FHQ Tribal Council	11,232	22,464
Other	-	12,749
	3,177,970	2,750,529
Expenses		
Salaries and benefits	1,807,101	1,518,053
Student expenses	656,308	561,925
Tuition	323,854	200,204
Contracted services	245,759	223,246
Program expense	62,033	66,592
Supplies	61,625	26,923
Administration	39,695	70,195
Office equipment lease	24,062	23,675
Travel	22,128	6,819
Training	18,889	14,939
Amortization	17,322	17,322
Office	16,200	17,467
Insurance	4,324	2,570
Professional fees	2,871	-
Bank charges and interest	2,743	6,432
Telephone	889	1,499
	3,305,803	2,757,861
Deficit before transfers	(127,833)	(7,332)
Transfers between programs	78,479	18,623
Surplus (deficit)	(49,354)	11,291



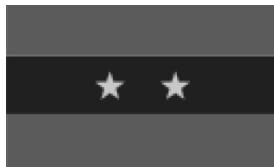
Piapot First Nation
Government Support
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018 <i>Actual</i>	2017 <i>Actual</i>
Revenues		
Indigenous Services Canada	755,617	663,193
Other	1,710	-
	757,327	663,193
 Expenses		
Salaries and benefits	558,792	509,529
Contracted services	99,822	116,650
Office	68,563	43,956
Professional fees	66,546	116,994
Travel	58,250	42,515
Rent paid on behalf of Members - CMHC housing	57,127	62,015
Project management	53,500	22,992
Training	25,139	13,061
Telephone	21,696	17,339
Bank charges and interest	21,288	62,131
Office equipment lease	4,771	557
Administration	2,848	2,959
Per diems	-	23,250
Insurance	-	19,395
Repairs and maintenance	-	16,043
	1,038,342	1,069,386
Deficit before transfers	(281,015)	(406,193)
Transfers between programs	170,371	201,997
 Deficit	(110,644)	(204,196)



Piapot First Nation
Land Management
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018 <i>Actual</i>	2017 <i>Actual</i>
Revenue		
Indigenous Services Canada	252,179	229,958
Expenses		
Salaries and benefits	58,253	53,888
Contracted services	27,143	12,890
Administration	22,995	22,996
Training	11,112	6,122
Property tax	10,997	16,783
Professional fees	10,402	15,354
Rent	9,000	9,000
Travel	7,945	11,342
Office	7,816	6,114
Office equipment lease	4,174	-
Repairs and maintenance	3,995	18,565
Supplies	2,407	395
Insurance	2,375	1,432
Telephone	345	-
	178,959	174,881
Surplus before transfers	73,220	55,077
Transfers between programs	10,997	-
Surplus	84,217	55,077

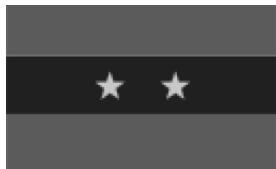


**Piapot First Nation
Social Development**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Actual	2017 Actual
Revenues		
Indigenous Services Canada	1,577,323	1,155,594
FHQ Tribal Council	25,000	25,000
	1,602,323	1,180,594
Expenses		
Social assistance	1,133,371	1,094,005
Salaries and benefits	253,515	100,328
National child benefit	120,483	118,473
Contracted services	22,400	19,690
Administration	16,539	14,324
Travel	15,347	16,692
Training	7,761	10,880
Supplies	6,921	3,501
Office	3,124	512
Bank charges and interest	1,372	2,485
Telephone	1,200	1,095
	1,582,033	1,381,985
Surplus (deficit) before transfers	20,290	(201,391)
Transfers between programs	(10,338)	27,378
Surplus (deficit)	9,952	(174,013)

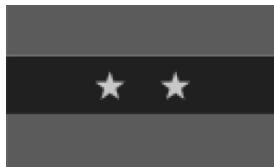


**Piapot First Nation
Indian Registry**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Actual	2017 Actual
Revenue		
Indigenous Services Canada	19,995	17,731
Expenses		
Salaries and benefits	30,688	22,713
Office	2,846	1,507
Administration	1,999	1,772
Travel	1,605	1,412
Contracted services	-	4,500
	37,138	31,904
Deficit before transfers	(17,143)	(14,173)
Transfers between programs	17,129	14,173
Deficit	(14)	-



Piapot First Nation
Health
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018 <i>Actual</i>	2017 <i>Actual</i>
Revenues		
Health Canada	1,086,207	924,723
FHQ Tribal Council	23,918	23,888
Interest	1,427	103
Other	-	1,232
Insurance proceeds	-	1,000
	1,111,552	950,946
Expenses		
Salaries and benefits	318,862	306,391
Workshops	183,796	124,880
Professional fees	90,153	78,048
Amortization	62,328	62,328
Travel	61,261	58,285
Supplies	40,596	41,016
Nutrition program	25,004	23,093
Meal preparation	24,652	27,495
Training	22,027	27,208
Utilities	11,547	13,243
Telephone	9,915	12,214
Office equipment lease	8,590	3,900
Repairs and maintenance	7,987	9,985
Insurance	6,600	7,534
Bank charges and interest	5,561	3,467
Freight and postage	2,400	4,868
Elders fees	253	780
	881,532	804,735
Surplus before transfers	230,020	146,211
Transfers between programs	54,891	67,047
Surplus	284,911	213,258


Piapot First Nation
Band Programs
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018 <i>Actual</i>	2017 <i>Actual</i>
Revenues		
Earnings from investment in commercial enterprises	2,213,476	2,254,462
First Nations Trust	774,372	763,303
CMHC (Subsidy)	326,101	287,792
CMHC (Rent)	211,535	198,902
Other	163,492	86,518
FHQ Tribal Council	152,200	137,200
CMHC (RRAP/Retrofit)	144,552	181,266
Living Sky CDC	-	102,517
Daycare fees	27,335	11,845
Rental	21,755	-
Insurance proceeds	-	145,530
	4,034,818	4,169,335
Expenses		
Governance	666,370	813,972
Assistance	573,517	962,935
Amortization	451,631	420,528
Community events	447,748	530,846
Interest on long-term debt	408,283	190,456
Legal fees - QVIDA	378,102	132,703
Salaries and benefits	336,215	253,333
Repairs and maintenance	194,186	305,982
Elders fees	151,257	142,495
Renovations	148,810	129,157
Training	107,461	48,234
Professional fees	102,637	97,014
Contracted services	58,969	359,674
Insurance	53,408	40,491
Insurance - QVIDA	48,582	24,596
Office	46,067	40,273
Travel	36,559	56,129
Rent	30,000	30,000
Telephone	19,378	20,961
Supplies	18,407	3,209
Utilities	15,008	8,219
Bank charges and interest	8,106	6,424
Per diems	7,505	12,308
Program expense	6,301	7,320
Office equipment lease	2,082	-
Administration (recovery)	(154,741)	(141,529)
	4,161,848	4,495,730
Deficit before transfers	(127,030)	(326,395)
Transfers between programs	(860,167)	(639,210)
Deficit	(987,197)	(965,605)



Piapot First Nation
Ottawa Trust Funds

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 <i>Actual</i>	2017 <i>Actual</i>
Revenues		
Rental	323,299	272,513
Interest	5,967	3,319
Surplus before transfers	329,266	275,832
Transfers between programs	(308,997)	(17,294)
Surplus	20,269	258,538