

Ministikwan Lake Cree Nation
Consolidated Financial Statements
March 31, 2016

Ministikwan Lake Cree Nation

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For the year ended March 31, 2016

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Management's Responsibility

To the Members of Ministikwan Lake Cree 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 financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Ministikwan Lake Cree Nation Council is composed entirely of individuals who are neither management nor employees of the Cree Nation. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for appointing the Cree Nation's external auditors.

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

November 10, 2016

Signed By: Barb Phillips

_____ Management

Independent Auditors' Report

To the Members of Ministikwan Lake Cree Nation:

We have audited the accompanying consolidated financial statements of Ministikwan Lake Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 Ministikwan Lake Cree Nation as at March 31, 2016 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Restated Comparative Information

Without modifying our opinion we draw attention to Note 18 to the consolidated financial statements, which explains that certain comparative information for the year ended March 31, 2015 has been restated. The consolidated financial statements of Ministikwan Lake Cree Nation for the year ended March 31, 2015 (prior to the restatement of the comparative information) were reported on by another professional accountant who expressed a qualified audit opinion on those financial statements on January 20, 2016.

Saskatoon, Saskatchewan

November 10, 2016

MNP LLP

Chartered Professional Accountants

Ministikwan Lake Cree Nation Consolidated Statement of Financial Position

As at March 31, 2016

	2016	2015 <i>(Restated - Note 18)</i>	
Financial assets			
Current			
Cash	52,238	120,052	
Restricted cash <i>(Note 3)</i>	639,478	248,095	
Accounts receivable <i>(Note 4)</i>	638,912	194,777	
	1,330,628	562,924	
Restricted deposits <i>(Note 5)</i>	369,558	366,518	
Portfolio Investments <i>(Note 6)</i>	942	942	
Funds held in trust <i>(Note 7)</i>	373,831	352,275	
	2,074,959	1,282,659	
Liabilities			
Current			
Bank indebtedness <i>(Note 8)</i>	122,737	298,337	
Accounts payable and accruals <i>(Note 9)</i>	1,072,003	1,130,294	
Deferred revenue <i>(Note 10)</i>	630,860	210,907	
Current portion of long-term debt <i>(Note 11)</i>	724,000	320,000	
	2,549,600	1,959,538	
Long-term debt <i>(Note 11)</i>	4,813,176	5,472,238	
	7,362,776	7,431,776	
Total financial liabilities	7,362,776	7,431,776	
	(5,287,817)	(6,149,117)	
Net debt	(5,287,817)	(6,149,117)	
Non-financial assets			
Tangible capital assets <i>(Note 12)</i>	28,550,786	29,708,891	
	23,262,969	23,559,774	
Accumulated surplus <i>(Note 13)</i>	23,262,969	23,559,774	
Approved on behalf of the Council			
Signed By: Leslie Crookedneck	Chief	Signed By: Randal Crookedneck	Councillor
Signed By: Dale Chief	Councillor	Signed By: Harold Chief	Councillor

The accompanying notes are an integral part of these financial statements

Ministikwan Lake Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

	Schedules	2016 Budget (Note 15)	2016 Actual	2015 Actual (Restated - Note 18)
Revenue				
Indigenous and Northern Affairs Canada (Note 16)		4,672,553	4,912,775	4,973,241
Meadow Lake Tribal Council		1,914,527	4,161,797	4,206,409
Canada Mortgage and Housing Corporation		-	362,830	355,994
Health Canada (Note 17)		230,113	230,113	164,195
Northern Lights Community Development Corporation		-	106,857	606,415
First Nations Trust		400,000	465,113	462,165
Investment income		-	450,000	150,000
Miscellaneous		32,681	115,083	195,961
Rental income		24,001	90,392	96,884
Revenue trust funds		-	21,555	32,298
		7,273,875	10,916,515	11,243,562
Program expenses				
Administration	3	476,382	611,914	1,123,884
Capital	4	269,722	1,012,865	1,090,748
Community Infrastructure	5	668,718	1,909,908	2,113,301
Economic Development	6	54,875	77,962	129,046
Education	7	2,709,327	2,845,898	2,707,371
Health	8	1,406,184	1,554,736	1,469,928
Other Programs	9	493,108	392,420	853,267
Reserves and Trusts	10	9,569	9,569	10,097
Social Assistance	11	638,992	2,798,048	2,732,009
		6,726,877	11,213,320	12,229,651
Annual surplus (deficit)		546,998	(296,805)	(986,089)
Accumulated surplus, beginning of year		23,559,774	23,559,774	24,545,863
Accumulated surplus, end of year		24,106,772	23,262,969	23,559,774

The accompanying notes are an integral part of these financial statements

Ministikwan Lake Cree Nation
Consolidated Statement of Changes in Net Debt

For the year ended March 31, 2016

	2016 Budget (Note 15)	2016	2015 (Restated - Note 18)
Annual surplus (deficit)	546,998	(296,805)	(986,089)
Purchases of tangible capital assets	-	(350,750)	(1,348,314)
Amortization of tangible capital assets	-	1,508,855	1,381,356
Decrease (increase) in net debt	546,998	861,300	(953,047)
Net debt, beginning of year	(6,149,117)	(6,149,117)	(5,196,070)
Net debt, end of year	(5,602,119)	(5,287,817)	(6,149,117)

The accompanying notes are an integral part of these financial statements

Ministikwan Lake Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015 <i>(Restated - Note 18)</i>
Cash provided by (used for) the following activities		
Operating activities		
Annual deficit	(296,805)	(986,089)
Non-cash items		
Amortization	1,508,855	1,381,356
Writedown of investment - bad debts	-	193,319
	1,212,050	588,586
Changes in working capital accounts		
Accounts receivable	(444,135)	433,545
Accounts payable and accruals	(58,291)	186,776
Deferred revenue	419,953	(421,026)
	1,129,577	787,881
Financing activities		
Advances of long-term debt	-	785,989
Repayment of long-term debt	(255,062)	(462,381)
	(255,062)	323,608
Capital activities		
Purchases of tangible capital assets	(350,750)	(1,348,314)
Investing activities		
Increase in restricted cash	(391,383)	(248,095)
Decrease (increase) in restricted deposits	(3,040)	26,264
Change in funds held in trust	(21,556)	71,726
	(415,979)	(150,105)
Decrease (increase) in cash deficiency	107,786	(386,930)
Cash resources (deficiency), beginning of year	(178,285)	208,645
Cash deficiency, end of year	(70,499)	(178,285)
Cash resources are composed of:		
Cash	52,238	120,052
Bank indebtedness	(122,737)	(298,337)
	(70,499)	(178,285)

The accompanying notes are an integral part of these financial statements

Ministikwan Lake Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

1. Operations

The Ministikwan Lake Cree Nation (the "Cree Nation") is located in the Province of Saskatchewan, and provides various services to its members. The Ministikwan Lake Cree Nation financial reporting entity includes the Cree Nation's operations and all related entities that are accountable to the Nation and are either owned or controlled by the Cree Nation.

2. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Cree Nation reporting entity except for Cree Nation business entities.

The Cree Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Ministikwan Lake Cree Nation CMHC Housing Authority 100% interest
- Island Lake Development Corporation 100% interest

Other economic interests

The Cree Nation is a member of Meadow Lake Tribal Council. The Tribal Council is an organization of nine Nations. The Cree Nation does not either share in the control or the profit or loss of Meadow Lake Tribal Council. As a result, the financial statements of MLTC have not been included in the financial statements of Ministikwan Lake Cree Nation.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash include balances with banks less outstanding cheques. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

Long-term investments in entities that are not controlled or influenced by the Cree 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

Funds held in trust on behalf of Cree Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position. Trust moneys consist of:

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

Ministikwan Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. **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.

Amortization

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

	Method	Rate
Buildings	straight-line	40 years
Housing	straight-line	40 years
Equipment	straight-line	10 years
Computers	straight-line	10 years
Vehicles and machinery	straight-line	4 years
Infrastructure	straight-line	50 years
Roads	straight-line	25 years
Trailers	straight-line	10 years

Construction in progress is not amortized until put into use. Land is not amortized.

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Cree Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted cash flow from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus (deficit) for the year.

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

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 are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government transfers

The Cree 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 Cree Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

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

Rental income

Income associated with the rental of homes to members is recorded monthly when rental amounts are measurable and collection is reasonably assured.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when received. These moneys are reported on by the Government of Canada.

Investment income

Investment income is recognized when earned and collection is reasonably assured.

Segments

The Cree Nation conducts its business through 9 reportable segments:

- Administration - includes administration and governance activities.
- Capital - includes capital projects and the operations and maintenance of all on-reserve housing.
- Community Infrastructure - includes the operations and maintenance of the Cree Nation's buildings and infrastructure.
- Economic Development - includes the activities of the Cree Nation's economic development initiatives and its business entities.
- Education - includes the operations of education programs.
- Health - includes the operations of health and community wellness programming.
- Other Programs - includes all other band activities of the Cree Nation.
- Reserves and Trusts - includes the activities for the Cree Nations's membership and land development.
- Social Assistance - includes all activities relating to income assistance for membership.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Inter program administration fees have been recorded based on a percentage of budgeted revenue, where permitted by the funder.

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

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after an assessment as to their collectability has been made and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful life of the tangible capital assets.

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

Liability for contaminated sites

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

At each financial reporting date, the Cree Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Cree Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. There are no known liabilities at March 31, 2016.

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 has been deferred to fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

Related Party Disclosures and Inter-Entity Transactions

In March 2015, PSAB issued PS 2200 *Related Party Disclosures* and PS 3420 *Inter-Entity Transactions*. These new Sections define related parties and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

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

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

Assets, Contingent Assets and Contractual Rights

In June 2015, new PS 3210 *Assets*, PS 3320 *Contingent Assets* and PS 3380 *Contractual Rights* were included in the CPA Canada Public Sector Accounting Handbook (PSA HB).

PS 3210 *Assets* provides additional guidance to clarify the definition of assets set out in PS 1000 *Financial Statement Concepts*.

PS 3320 *Contingent Assets* establishes disclosure standards on contingent assets. Under previous standards contingent assets could not be recognized.

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

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

These standards are effective for fiscal years beginning on or after April 1, 2017. The Cree Nation does not expect the adoption of these new standards to have a material impact of its financial statements.

Ministikwan Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

3. Restricted cash

Restricted cash represents cash managed by a project manager for the purpose of paying costs associated with the capital projects for the Cree Nation.

4. Accounts receivable

	2016	2015 <i>(Restated - Note 18)</i>
Canada Mortgage and Housing Corporation	429,886	96,354
Members	286,283	286,283
Indigenous and Northern Affairs Canada	157,239	6,000
AIG Insurance Company of Canada	32,500	-
Northern Lights Community Development Corporation	16,559	-
Meadow Lake Tribal Council	2,728	(11,600)
Indigenous and Northern Affairs Canada - Revenue Trust	-	104,023
	925,195	481,060
Provision for uncollectible amounts	(286,283)	(286,283)
	638,912	194,777

5. Restricted deposits

The restricted deposits consist of guaranteed investment certificates held for the purpose of funding the CMHC replacement and operating reserves. The guaranteed investment certificates have various maturity dates between April 2016 and February 2017 and the interest rates vary from 0.55% to 2.30%.

	2016	2015
Replacement reserve	239,954	263,587
Operating reserve	129,604	102,931
	369,558	366,518

6. Portfolio investments

	2016	2015 <i>(Restated - Note 18)</i>
First Nations Bank	940	940
MLTC Resource Development Inc.	1	1
MLTC Resource Development LP	1	1
	942	942

Ministikwan Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. Funds held in trust

Capital and revenue trust monies are transferred to the Cree Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, upon request of the Cree Nation's Council.

	2016	2015
Capital Trust		
Balance, beginning of year	325,387	325,387
Other	165	-
<hr/>		
Balance, end of year	325,552	325,387
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Revenue Trust		
Balance, beginning of year	26,888	98,614
Interest	21,391	32,297
Less: payments receivable	-	(104,023)
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Balance, end of year	48,279	26,888
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	373,831	352,275
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8. Bank indebtedness

Bank indebtedness is the bank balance less outstanding cheques. The Cree Nation does not have an operating line of credit.

9. Accounts payable and accruals

	2016	2015 <i>(Restated - Note 18)</i>
Government remittances	425,296	358,256
Trade payables	511,103	413,318
Employee benefits	75,673	205,536
Meadow Lake Tribal Council	56,134	115,446
Indigenous and Northern Affairs Canada	3,797	37,738
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	1,072,003	1,130,294
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Ministikwan Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Deferred revenue

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

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

	<i>Balance, beginning of year (Restated - Note 18)</i>	<i>Amounts received</i>	<i>Amount expended in current year</i>	<i>Balance, end of year</i>
INAC (NTF5 & NTF9) - Water Treatment Plant Upgrade	214,829	400,000	245,717	369,112
INAC (NTFW) - New Lagoon	24,648	300,000	62,900	261,748
INAC - Subdivision	(44,718)	44,718	-	-
NLCDC - Fire Hall and Truck	16,148	-	16,148	-
	210,907	744,718	324,765	630,860

Project	Amount expended to date	Budget for the project
Water Treatment Plant Upgrade	\$ 386,237	\$ 2,450,000
New Lagoon	\$ 62,900	\$ 2,922,943

11. Long-term debt

	2016	2015
CMHC phase 1 mortgage bearing interest at 1.82%, matures August 2024, and repayable in blended monthly principal and interest payments of \$1,182. Secured by a ministerial guarantee.	117,840	123,906
CMHC phase 2 mortgage bearing interest at 1.64%, matures January 2027, and repayable in blended monthly principal and interest payments of \$1,624. Secured by a ministerial guarantee.	206,534	211,209
CMHC phase 3 mortgage bearing interest at 2.78%, matures July 2030, and repayable in blended monthly principal and interest payments of \$4,886. Secured by a ministerial guarantee.	736,409	735,519
CMHC phase 4 mortgage bearing interest at 2.39%, matures September 2030, and repayable in blended monthly principal and interest payments of \$4,716. Secured by a ministerial guarantee.	730,195	736,202
CMHC phase 5 mortgage bearing interest at 2.78%, matures July 2030, and repayable in blended monthly principal and interest payments of \$3,909. Secured by a ministerial guarantee.	576,870	588,038
CMHC phase 6 mortgage bearing interest at 1.64%, matures December 2036, and repayable in blended monthly principal and interest payments of \$2,031. Secured by a ministerial guarantee.	442,671	447,556
CMHC phase 7 mortgage bearing interest at 1.49%, matures January 2037, and repayable in blended monthly principal and interest payments of \$998. Secured by a ministerial guarantee.	222,086	223,764

Ministikwan Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

11. Long term debt *(Continued from previous page)*

	2016	2015
CMHC phase 8 mortgage bearing interest at 1.80%, matures May 2037, and repayable in blended monthly principal and interest payments of \$3,104. Secured by a ministerial guarantee.	683,614	686,823
CMHC phase 9 mortgage bearing interest at 2.11%, matures December 2028, and repayable in blended monthly principal and interest payments of \$7,292. Secured by a ministerial guarantee.	952,600	939,933
First Nations Bank loan to fund the construction of band housing units; bearing interest at 4.35%, matures October 2020, and repayable in quarterly principal payments of \$21,947 plus quarterly interest payments. Secured by First Nations Trust funding.	263,010	350,799
First Nations Bank loan to fund the construction of a community fire hall; bearing interest at 6.95%, matures April 2022, and repayable in quarterly principal payments of \$23,215, plus monthly interest payments. Secured by Northern Lights Development Corporation funding and First Nations Trust funding.	567,847	635,989
First Nations Bank operating loan; bearing interest at prime plus 3.25% (5.95% at March 31, 2016), matures October 2016 and is repayable in quarterly principal payments of \$18,750 plus monthly interest payments. Secured by Northern Lights Community Development Corporation funding and First Nations Trust funding.	37,500	112,500
	5,537,176	5,792,238
Less: current portion	724,000	320,000
	4,813,176	5,472,238

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

2017	724,000
2018	444,000
2019	449,000
2020	368,000
2021	375,000

At March 31, 2016, the Cree Nation was in arrears on their CMHC mortgage payments totaling \$248,021. Subsequent to year end, the Cree Nation has fully paid its mortgage arrears.

12. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Ministikwan Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

13. Accumulated surplus

Accumulated surplus consists of the following:

	2016	2015 <i>(Restated - Note 18)</i>
Equity in Ottawa Trust Funds	373,831	352,275
Equity in investments	942	942
Equity in CMHC reserves	897,110	767,491
Equity in tangible capital assets	23,051,110	24,029,153
Operating deficit	(1,060,024)	(1,590,087)
	23,262,969	23,559,774

14. Canada Mortgage and Housing Corporation Reserves

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

- A replacement reserve, established by an annual allocation of \$70,680 (2015 - \$70,680), to ensure replacement of equipment and for major repairs to the housing units. At March 31, 2016, \$239,954 has been set aside to fund this reserve. The unfunded portion at March 31, 2016 was \$255,849 (2015 - \$ 158,892 - as restated).
- Any surplus generated in the Post - 1997 Housing Program are to be retained to offset any future deficits incurred in the Post 1997 Housing Program. As at March 31, 2016, \$129,604 has been set aside to fund this reserve. The unfunded portion at March 31, 2016 was \$271,703 (2015 - underfunded \$242,081 - as restated).

15. Budget information

The disclosed budget information has been approved by the Chief and Council of Ministikwan Lake Cree Nation at the budget meeting held on May 7, 2015.

The consolidated budget does include certain programs, such as Community Development Corporation or capital projects. These programs and projects require separate applications for funding or financing, and budgets are prepared on a project-by-project basis to accompany the applications.

The consolidated budget does not include social assistance, as funding is based on eligible expenditures incurred by the Cree Nation.

Ministikwan Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

Per funding confirmation	\$ 5,315,507
Add:	
Earned new lagoon revenue from prior year	24,648
Earned water treatment plant revenue from prior year	214,829
Less:	
Unearned new lagoon revenue in current year	(261,748)
Unearned water treatment plant revenue in current year	(369,113)
Band employee benefits reconciliation 2015	(7,551)
Band employee benefits reconciliation 2016	<u>(3,797)</u>
	<u>\$ 4,912,775</u>

17. Health Canada Funding

Per funding agreement 1516-SK-000030	\$ 230,113
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18. Correction of errors

During the year, the Cree Nation determined that the following corrections were required to prior years:

- The investment in Island Lake Development Corporation has been restated to a nil balance due to the business ceasing operations in 2015. Therefore a writedown of \$193,320 was necessary. In addition, a correction was made to the manner in which the Cree Nation records its patronage investment with certain business co-operatives. The effect of this change was a decrease in investments of \$6,407 and a decrease in net income of \$4,780.
- The allowance for doubtful accounts reported in 2015 did not properly reflect the collectability of member advances recorded as receivable. Therefore, an adjustment was made to increase the allowance for doubtful accounts (reduction in accounts receivable) and bad debts expense by \$145,790.
- Previously, the Cree Nation's investments in MLTC Resource Development Limited Partnership and MLTC Resource Development Inc. were recorded using the modified equity method of accounting for its investment in these entities. However, it has been determined that based on the Cree Nation's level of participation in these entities they should be accounted for as portfolio investments. The effect of the restatement to account for the above noted investments as portfolio investments has reduced the amount reported as investments by \$4,686,541 and increased the amount recorded as investment income by \$103,119 in 2015.
- There were prepaid expense adjustments of 2015 that required restatement, resulting in a decrease in prepaid expenses of \$94,589 and an decrease in income of \$94,589
- There were accounts payable adjustments of 2015 that required restatement, resulting in an increase in accounts payable of \$417,008 and a reduction of income of \$417,008.
- Certain of the amounts previously recorded as reserve for unexpended funds (deferred revenue) were determined to not be eligible for deferral. A reduction in the amount recorded as deferred revenue in 2015 of \$511,754 was recorded along with an increase in income of \$330,293 for 2015.
- Corrections were made with respect to the manner in which CMHC reserves were presented. The reserves, previously recorded as liabilities of \$334,865 are now presented as a component within accumulated surplus.

Ministikwan Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

18. Correction of errors *(Continued from previous page)*

- Adjustments were also made to capital project expenditures for the fire hall, water treatment plant and subdivision project, to capitalize costs that were previously expensed. An adjustment to the 2015 financial statements was made to increase tangible capital assets by \$1,670,441 and increase income by \$974,179. There was no effect on the amount recorded as amortization expense in 2015 since these projects were under construction at year end and not in use.
- Other adjustments were made directly to accumulated surplus accounts that are now presented as revenues or expenses.

The effect on the 2015 financial statements as a result of these restatements were:

	Balance as previously stated	Adjustments	Restated balance
Statement of Financial Position			
Accounts receivable	340,569	(145,792)	194,777
Investments	200,669	(199,727)	942
Limited partnership interests	4,686,541	(4,686,541)	-
Accounts payable	615,890	514,404	1,130,294
Reserve liabilities	334,865	(334,865)	-
Deferred revenue	722,661	(511,754)	210,907
Prepaid expenses	94,589	(94,589)	-
Tangible capital assets	28,038,450	1,670,441	29,708,891
Accumulated surplus	26,568,321	(3,008,547)	23,559,774
Statement of Operations			
Total revenues	11,117,945	125,617	11,243,562
Total program expenses	11,851,139	378,512	12,229,651
Deficit	(733,194)	(252,895)	(986,089)
Adjustments to accumulated surplus	940,849	(940,849)	-
Accumulated surplus, beginning of year	28,242,364	(3,696,501)	24,545,863

19. Economic dependence

Ministikwan Lake Cree Nation receives substantially all of its revenue from Indigenous and Northern Affairs Canada (INAC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the Cree Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

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

20. Comparative figures

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

21. Compliance with authorities

The Cree Nation is required to make its financial statements publicly available and submit its consolidated financial statements to Indigenous and Northern Affairs Canada by July 29, 2016. The Cree Nation was unable to meet the legislated filing deadline of July 29, 2016. The effects of late filing have not yet been determined.

Ministikwan Lake Cree Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	Buildings	Houses	Equipment	Vehicles	Trailers	Computers	Subtotal
Cost							
Balance, beginning of year	19,830,317	16,909,959	413,684	1,865,320	203,500	6,657	39,229,437
Acquisition of tangible capital assets	-	-	-	42,134	-	-	42,134
Balance, end of year	19,830,317	16,909,959	413,684	1,907,454	203,500	6,657	39,271,571
Accumulated amortization							
Balance, beginning of year	7,521,610	8,689,709	395,569	1,422,007	30,525	6,657	18,066,077
Annual amortization	396,606	422,749	18,115	221,425	20,350	-	1,079,245
Balance, end of year	7,918,216	9,112,458	413,684	1,643,432	50,875	6,657	19,145,322
Net book value of tangible capital assets	11,912,101	7,797,501	-	264,022	152,625	-	20,126,249
2015 Net book value of tangible capital assets (Restated - Note 18)	12,308,707	8,220,250	18,115	443,313	172,975	-	21,163,360

Ministikwan Lake Cree Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Roads</i>	<i>Infrastructure</i>	<i>Land</i>	<i>Construction in progress</i>	<i>2016</i>	<i>2015</i>
Cost							
Balance, beginning of year	39,229,437	7,831,514	5,817,442	220,000	757,590	53,855,983	52,507,669
Acquisition of tangible capital assets	42,134	-	-	-	308,616	350,750	1,348,314
Balance, end of year	39,271,571	7,831,514	5,817,442	220,000	1,066,206	54,206,733	53,855,983
Accumulated amortization							
Balance, beginning of year	18,066,077	3,853,138	2,227,877	-	-	24,147,092	22,765,736
Annual amortization	1,079,245	313,261	116,349	-	-	1,508,855	1,381,356
Balance, end of year	19,145,322	4,166,399	2,344,226	-	-	25,655,947	24,147,092
Net book value of tangible capital assets	20,126,249	3,665,115	3,473,216	220,000	1,066,206	28,550,786	29,708,891
2015 Net book value of tangible capital assets (Restated - Note 18)	21,163,360	3,978,376	3,589,565	220,000	757,590	29,708,891	

Ministikwan Lake Cree Nation
Schedule 2 - Schedule of Expenses by Object
For the year ended March 31, 2016

	2016 <i>Actual</i>	<i>2015</i> <i>Actual</i> <i>(Restated -</i> <i>Note 18)</i>
Administration	17,438	65,074
Amortization	1,508,855	1,381,356
Bad debts	-	479,603
Bank charges and interest	83,394	83,987
Community donations	317,171	299,822
Community events	184,438	141,460
Contracted services	165,020	553,066
Equipment rental	60,086	30,564
Fuel	41,939	35,894
Furniture and equipment	19,151	52,684
Honouraria	296,465	385,553
Insurance	184,184	189,572
Interest on long-term debt	140,192	119,926
Meetings	21,748	7,349
Office supplies	29,161	18,397
Professional development	16,537	-
Professional fees	209,078	237,379
Program expense	-	80,251
Registration fees	33,359	33,090
Rent	13,338	29,160
Repairs and maintenance	327,023	306,652
Salaries and benefits	3,877,154	4,051,838
Social assistance	2,296,814	2,276,933
Student expenses	352,444	325,883
Supplies	339,690	288,829
Telephone	40,531	44,912
Training	92,534	184,842
Travel	214,854	261,422
Utilities	242,517	251,945
Vehicle	88,205	12,208
	11,213,320	12,229,651

Ministikwan Lake Cree Nation
Administration

Schedule 3 - Schedule of Segment Revenue and Expenses Surplus (Deficit)
For the year ended March 31, 2016

	2016 <i>Actual</i>	2015 <i>Actual</i> <i>(Restated -</i> <i>Note 18)</i>
Revenues		
Indigenous and Northern Affairs Canada	473,338	467,396
Miscellaneous	6,907	87,662
	480,245	555,058
Expenses		
Administration	(25,997)	(126,762)
Amortization	28,099	9,668
Bad debts	-	145,791
Bank charges and interest	41,856	68,146
Community events	-	49,832
Equipment rental	-	440
Honouraria	189,158	340,553
Interest on long-term debt	5,188	13,045
Meetings	14,444	-
Office supplies	10,404	7,433
Professional fees	183,065	229,887
Salaries and benefits	84,889	291,060
Telephone	14,969	16,144
Training	250	2,917
Travel	65,589	75,730
	611,914	1,123,884
Surplus (deficit)	(131,669)	(568,826)

**Ministikwan Lake Cree Nation
Capital**

Schedule 4 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 <i>Actual</i>	2015 <i>Actual</i> <i>(Restated -</i> <i>Note 18)</i>
Revenues		
Indigenous and Northern Affairs Canada	548,689	751,424
Canada Mortgage and Housing Corporation	362,830	355,994
Northern Lights Community Development Corporation	-	204,196
Rental income	69,923	76,248
Miscellaneous	35,540	21,430
	1,016,982	1,409,292
Expenses		
Administration	-	34,200
Amortization	422,749	317,360
Bank charges and interest	3,466	9,522
Contracted services	33,703	334,217
Fuel	260	152
Furniture and equipment	11,250	16,881
Insurance	53,734	42,671
Interest on long-term debt	91,543	106,881
Professional fees	7,500	5,400
Repairs and maintenance	253,871	104,423
Salaries and benefits	95,283	108,503
Supplies	27,801	-
Travel	5,239	9,784
Utilities	6,466	754
	1,012,865	1,090,748
Surplus	4,117	318,544

Ministikwan Lake Cree Nation
Community Infrastructure

Schedule 5 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2016

	2016 <i>Actual</i>	2015 <i>Actual</i> <i>(Restated -</i> <i>Note 18)</i>
Revenues		
Indigenous and Northern Affairs Canada	754,708	787,943
Northern Lights Community Development Corporation	84,357	-
Rental income	20,469	-
Miscellaneous	8,576	620
	868,110	788,563
Expenses		
Amortization	1,047,473	1,020,563
Contracted services	740	41,550
Equipment rental	-	500
Fuel	38,481	6,450
Furniture and equipment	210	-
Insurance	130,330	146,901
Interest on long-term debt	43,461	-
Professional fees	6,000	-
Repairs and maintenance	55,404	116,305
Salaries and benefits	330,851	476,609
Supplies	57,239	54,295
Telephone	1,913	3,852
Training	-	2,677
Travel	3,116	6,605
Utilities	194,690	236,994
	1,909,908	2,113,301
Deficit	(1,041,798)	(1,324,738)

Ministikwan Lake Cree Nation
Economic Development
Schedule 6 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2016

	2016 <i>Actual</i>	2015 <i>Actual</i> <i>(Restated -</i> <i>Note 18)</i>
Revenues		
Meadow Lake Tribal Council	57,715	54,876
Investment income	450,000	150,000
	507,715	204,876
Expenses		
Bank charges and interest	32,438	-
Community donations	6,224	10,173
Community events	2,130	-
Contracted services	2,000	-
Meetings	2,830	-
Professional fees	-	1,000
Salaries and benefits	21,134	97,881
Supplies	-	800
Travel	5,097	19,192
Utilities	6,109	-
	77,962	129,046
Surplus	429,753	75,830

Ministikwan Lake Cree Nation
Education

Schedule 7 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 <i>Actual</i>	2015 <i>Actual</i> <i>(Restated -</i> <i>Note 18)</i>
Revenues		
Indigenous and Northern Affairs Canada	2,811,159	2,754,951
Meadow Lake Tribal Council	220,935	220,635
Miscellaneous	51,313	32,613
	3,083,407	3,008,199
Expenses		
Administration	-	42,156
Amortization	-	19,549
Community donations	22,333	24,254
Community events	56,627	61,448
Equipment rental	60,086	29,624
Fuel	465	3,997
Honouraria	62,307	-
Meetings	2,422	3,155
Office supplies	395	-
Professional fees	9,900	-
Program expense	-	7,546
Rent	13,338	-
Salaries and benefits	2,135,356	2,069,032
Student expenses	352,444	325,883
Supplies	75,343	84,888
Telephone	4,668	9,869
Training	350	445
Travel	49,864	25,525
	2,845,898	2,707,371
Surplus	237,509	300,828

**Ministikwan Lake Cree Nation
Health**

Schedule 8 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 <i>Actual</i>	2015 <i>Actual</i> <i>(Note 18 - restated)</i>
Revenues		
Meadow Lake Tribal Council	1,380,554	1,339,418
Health Canada	230,113	164,195
Miscellaneous	-	36,117
	1,610,667	1,539,730
Expenses		
Administration	150,497	94,124
Amortization	10,534	14,216
Bank charges and interest	2,065	2,048
Community donations	47,960	10,446
Community events	54,258	8,860
Contracted services	128,576	173,286
Fuel	263	20,307
Furniture and equipment	7,692	29,610
Insurance	120	-
Meetings	2,051	-
Office supplies	10,862	8,793
Professional development	16,537	-
Professional fees	2,613	1,092
Program expense	-	72,705
Rent	-	29,160
Repairs and maintenance	8,345	32,845
Salaries and benefits	756,820	688,717
Supplies	94,647	100,053
Telephone	14,539	15,047
Training	89,410	62,658
Travel	62,979	87,052
Utilities	5,763	6,701
Vehicle	88,205	12,208
	1,554,736	1,469,928
Surplus	55,931	69,802

**Ministikwan Lake Cree Nation
Other Programs**

Schedule 9 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 <i>Actual</i>	2015 <i>Actual</i> <i>(Restated - Note 18)</i>
Revenues		
Meadow Lake Tribal Council	117,160	138,028
Northern Lights Community Development Corporation	22,500	402,219
First Nations Trust	465,113	462,165
Miscellaneous	12,629	17,519
Rental income	-	20,636
	617,402	1,040,567
Expenses		
Bad debts	-	333,812
Community donations	206,940	254,949
Community events	-	3,799
Fuel	2,471	3,383
Furniture and equipment	-	6,193
Meetings	-	4,194
Registration fees	-	33,090
Repairs and maintenance	9,402	53,079
Salaries and benefits	135,676	122,242
Supplies	4,915	2,648
Telephone	842	-
Training	2,524	2,810
Travel	10,686	25,572
Utilities	18,964	7,496
	392,420	853,267
Surplus	224,982	187,300

**Ministikwan Lake Cree Nation
Reserves and Trusts**

Schedule 10 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 <i>Actual</i>	2015 <i>Actual</i> <i>(Restated -</i> <i>Note 18)</i>
Revenues		
Indigenous and Northern Affairs Canada	9,569	9,351
Revenue trust funds	21,555	32,298
	31,124	41,649
Expense		
Salaries and benefits	9,569	10,097
Surplus	21,555	31,552

**Ministikwan Lake Cree Nation
Social Assistance**

Schedule 11 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 Actual	2015 Actual (Restated - Note 18)
Revenues		
Meadow Lake Tribal Council	2,385,433	2,453,452
Indigenous and Northern Affairs Canada	315,312	202,176
Miscellaneous	117	-
	2,700,862	2,655,628
Expenses		
Administration	34,703	21,356
Bank charges and interest	3,569	4,271
Community events	71,422	17,521
Contracted services	-	4,013
Fuel	-	1,605
Honouraria	45,000	45,000
Office supplies	7,500	2,171
Salaries and benefits	165,812	187,697
Social assistance	2,296,814	2,276,933
Supplies	79,746	46,145
Telephone	3,600	-
Training	-	113,335
Travel	12,284	11,962
Community donations	33,714	-
Registration fees	33,359	-
Utilities	10,525	-
	2,798,048	2,732,009
Deficit	(97,186)	(76,381)