

## Independent Auditors' Report

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To the Members of Thunderchild First Nation:

We have audited the accompanying consolidated financial statements of Thunderchild First 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, and cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the 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 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 Thunderchild First 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.

Prince Albert, Saskatchewan

August 10, 2016

*MNP LLP*

Chartered Professional Accountants

**Thunderchild First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2016*

	2016	2015
<b>Financial assets</b>		
<b>Current</b>		
Cash resources (Note 3)	2,073,138	2,761,622
Accounts receivable (Note 4)	2,505,637	898,139
Inventory for resale	94,740	146,721
Temporary investments (Note 6)	161,016	88,083
Restricted cash - short-term (Note 7)	276,427	348,808
Portfolio investments (Note 8), (Note 9)	1	1
<b>Subtotal of current assets</b>	<b>5,110,959</b>	<b>4,243,374</b>
<b>Restricted cash - long-term (Note 10)</b>	<b>746,849</b>	<b>798,029</b>
<b>Funds held in trust (Note 11), (Note 28)</b>	<b>2,368,805</b>	<b>1,856,224</b>
<b>Equity investment in Co-op</b>	<b>73,184</b>	<b>73,043</b>
<b>Investments in First Nation partnerships and business entities (Note 12)</b>	<b>70,906</b>	<b>-</b>
<b>Total financial assets</b>	<b>8,370,703</b>	<b>6,970,670</b>

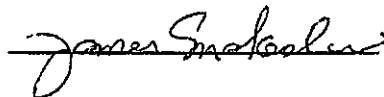
*The accompanying notes are an integral part of these financial statements*

**Thunderchild First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2016*

	2016	2015
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 13)	136,267	158,058
Accounts payable and accruals	2,844,326	2,881,715
Deferred revenue (Note 14)	45,861	103,306
Current portion of long-term debt (Note 16)	846,310	811,720
<b>Subtotal of current liabilities</b>	<b>3,872,764</b>	<b>3,954,799</b>
<b>Long-term debt (Note 16)</b>	<b>3,764,582</b>	<b>4,638,775</b>
<b>Deferred revenue (Note 15)</b>	<b>498,179</b>	<b>551,339</b>
<b>Total financial liabilities</b>	<b>8,135,525</b>	<b>9,144,913</b>
<b>Net financial assets (net debt)</b>	<b>235,178</b>	<b>(2,174,243)</b>
<b>Contingencies (Note 17)</b>		
<b>Guarantees (Note 18)</b>		
<b>Subsequent events (Note 28)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	49,313,711	50,096,557
Deposit	150,000	-
<b>Total non-financial assets</b>	<b>49,463,711</b>	<b>50,096,557</b>
<b>Accumulated surplus (Note 19)</b>	<b>49,698,889</b>	<b>47,922,314</b>

Approved on behalf of the Chief and Council

 Chief

 Councillor

The accompanying notes are an integral part of these financial statements