

Consolidated Financial Statements

Norway House Cree Nation

March 31, 2014



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## Management's Responsibility for Financial Reporting

The accompanying March 31, 2014 consolidated financial statements of the Norway House Cree Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of Norway House Cree Nation.

The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting and Auditing Standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains appropriate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Band Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

The March 31, 2014 consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the council.

Chief

Norway House, Manitoba

*Council*

## Independent Auditors' Report

Grant Thornton LLP  
94 Commerce Drive  
Winnipeg, MB  
R3P 0Z3  
T (204) 944-0100  
F (204) 957-5442  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Chief and Council of  
**Norway House Cree Nation**

We have audited the accompanying consolidated financial statements of Norway House Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, changes in accumulated surplus, changes in net debt, and cash flow 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.

### Auditor's 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Band'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 Band'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 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 consolidated financial position of Norway House Cree Nation as at March 31, 2014, and the consolidated results of its operations, changes in accumulated surplus, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Other explanatory material**

Budget figures presented on the statement of operations are unaudited. Supplemental information presented in the schedules on pages 32 to 50 are not a part of the basic financial statements. Such supplemental information has been subjected only to auditing procedures applied to the audit of the basic consolidated financial statements taken as a whole.

Winnipeg, Canada  
December 10, 2014

*Grant Thornton LLP*  
Chartered Accountants

# Norway House Cree Nation

## Consolidated Statement of Operations

Year Ended March 31

2014

2014

2013  
(Note 20)

|  | <u>Budget</u>        | <u>Actual</u>        | <u>Actual</u> |
|--|----------------------|----------------------|---------------|
| <b>Revenues</b>  |                      |                      |               |
| Aboriginal Affairs and Northern Development Canada (Note 14) | <b>\$ 46,625,876</b> | <b>\$ 49,506,977</b> | \$ 49,632,625 |
| Management fees  | -                    | <b>10,000</b>        | 57,401        |
| MKO  | <b>1,988,824</b>     | <b>2,467,499</b>     | 1,940,292     |
| Health Canada – Medical Services Branch                      | <b>8,300,398</b>     | <b>7,894,523</b>     | 7,376,313     |
| Province of Manitoba tax rebate/GST                          | <b>1,200,000</b>     | <b>2,251,493</b>     | 1,623,512     |
| Communications   | <b>74,144</b>        | <b>40,942</b>        | 109,961       |
| VLT revenues   | <b>5,936,372</b>     | <b>4,147,630</b>     | 4,001,940     |
| Net proceeds, Minisowin building                             | -                    | <b>1,170,190</b>     | 536,201       |
| Education  | <b>1,351,149</b>     | <b>1,172,926</b>     | 1,206,022     |
| C.M.H.C projects/subsidy                                     | -                    | <b>1,477,179</b>     | 1,370,532     |
| Multiplex/Parks and Recreation                               | <b>769,444</b>       | <b>277,215</b>       | 136,548       |
| Public Works   | -                    | <b>1,812,992</b>     | 551,433       |
| Housing  | <b>824,525</b>       | <b>327,682</b>       | 205,682       |
| Construction   | -                    | <b>1,028,731</b>     | 1,008,049     |
| Manitoba Hydro   | -                    | <b>110,868</b>       | -             |
| Other  | <b>1,149,711</b>     | <b>7,130,244</b>     | 7,189,583     |
| Enterprises (Page 47)  | <b>1,085,705</b>     | <b>8,632,668</b>     | 8,410,436     |
|  | <b>69,306,148</b>    | <b>89,459,759</b>    | 85,356,530    |
| <b>Expenses</b>  |                      |                      |               |
| Education (Page 33)  | <b>29,719,185</b>    | <b>30,295,504</b>    | 27,390,586    |
| Social Services (Page 34)                                    | <b>14,943,778</b>    | <b>11,971,763</b>    | 11,458,075    |
| Band Support (Page 35)                                       | <b>5,531,576</b>     | <b>7,538,521</b>     | 5,358,717     |
| Public Works (Page 36)                                       | <b>3,286,051</b>     | <b>6,723,017</b>     | 7,546,507     |
| Housing (Page 37)  | <b>2,057,567</b>     | <b>2,340,706</b>     | 2,334,756     |
| Health Services (Page 38)                                    | <b>9,561,802</b>     | <b>10,245,112</b>    | 8,205,972     |
| Emergency Services (Page 39)                                 | <b>704,519</b>       | <b>634,430</b>       | 747,502       |
| Policing (Page 40)   | <b>311,552</b>       | <b>300,972</b>       | 350,194       |
| Parks and Recreation (Page 41)                               | <b>2,501,777</b>     | <b>1,613,868</b>     | 1,469,148     |
| Youth (Page 42)  | -                    | <b>311,457</b>       | 330,426       |
| Gaming (Page 43)   | -                    | <b>1,103,913</b>     | 943,807       |
| C.M.H.C. (Page 44)   | -                    | <b>1,674,690</b>     | 2,396,290     |
| Pinaow Wachi Inc. (Page 45)                                  | -                    | <b>2,239,510</b>     | 2,246,710     |
| Broadband (Page 46)  | -                    | <b>211,203</b>       | -             |
| Enterprises (Page 47)  | <b>911,297</b>       | <b>8,098,807</b>     | 7,947,202     |
|  | <b>69,529,104</b>    | <b>85,303,473</b>    | 78,725,892    |
| Annual surplus (deficit)                                     | <b>\$ (222,956)</b>  | <b>\$ 4,156,286</b>  | \$ 6,630,638  |

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**Norway House Cree Nation**  
**Consolidated Statement of Change in Accumulated**  
**Surplus**

| Year Ended March 31                        | 2014                 | 2013                 |
|--|----------------------|----------------------|
| Accumulated surplus, beginning of the year |                      |                      |
| Accumulated surplus as previously stated   | \$ 86,826,172        | \$ 80,432,542        |
| Prior period adjustments (Note 2)          | <u>2,166,758</u>     | <u>1,929,750</u>     |
| Balance beginning of year as restated      | 88,992,930           | 82,362,292           |
| Annual surplus                             | <u>4,156,286</u>     | <u>6,630,638</u>     |
| Balance, end of year                       | <u>\$ 93,149,216</u> | <u>\$ 88,992,930</u> |

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**Norway House Cree Nation**  
**Consolidated Statement of Financial Position**

March 31

2014

2013  
 (Note 20)

**Financial assets**

|  |                     |                     |
|--|---------------------|---------------------|
| Accounts and loans receivable (Note 3) | \$ 2,291,477        | \$ 5,552,214        |
| Trust funds (Note 4)                   | <u>17,397</u>       | <u>14,782</u>       |
| <b>Total financial assets</b>          | <b>\$ 2,308,874</b> | <b>\$ 5,566,996</b> |

**Liabilities**

|  |                   |                   |
|--|-------------------|-------------------|
| Bank indebtedness (Note 5)               | \$ 1,708,269      | \$ 1,981,720      |
| Accounts payable and accrued liabilities | <u>34,435,746</u> | <u>34,615,435</u> |
| Deferred revenue (Note 6)                | <u>1,379,133</u>  | <u>2,254,991</u>  |
| Debt reduction trust payable (Note 7)    | <u>2,800,939</u>  | <u>4,178,610</u>  |
| Long-term debt (Note 8)                  | <u>37,947,944</u> | <u>38,072,843</u> |

**Total liabilities**

78,272,031

81,103,599

**Net debt**

(75,963,157)

(75,536,603)

**Non-financial assets**

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Tangible capital assets (Note 10) | 168,802,525    | 164,286,521    |
| Inventory (Note 11)               | <u>239,167</u> | <u>169,357</u> |
| Prepaid expenses                  | <u>70,681</u>  | <u>73,655</u>  |

**Total non-financial assets**

169,112,373

164,529,533

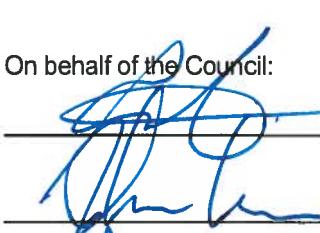
**Accumulated surplus (Page 5)**

\$ 93,149,216

\$ 88,992,930

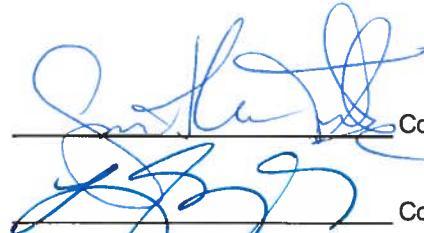
Contingencies (Note 15)

On behalf of the Council:

 Chief

 Councillor

Councillor

 Councillor

 Councillor

 Councillor

**Norway House Cree Nation**  
**Consolidated Statement of Change in Net Debt**

Year Ended March 31

**2014**

**2013**  
 (Note 2)

|  | <u>Budget</u>          | <u>Actual</u>          | <u>Actual</u>          |
|--|------------------------|------------------------|------------------------|
| Annual surplus   | \$ (222,956)           | \$ 4,156,286           | \$ 6,630,638           |
| Acquisition of tangible capital assets                 | (1,800,000)            | (11,788,098)           | (4,588,047)            |
| Disposal of tangible capital assets                    | -                      | 696,804                | 1,356,406              |
| Amortization of tangible capital assets (depreciation) | <u>3,600,000</u>       | <u>6,575,290</u>       | <u>6,027,866</u>       |
|  | <u>1,577,044</u>       | <u>(359,718)</u>       | <u>9,426,863</u>       |
| Use (acquisition) of supplies inventories              | -                      | (69,810)               | 2,940                  |
| Change in prepaid expenses                             | <u>-</u>               | <u>2,974</u>           | <u>(8,513)</u>         |
|  | <u>-</u>               | <u>(66,836)</u>        | <u>(5,573)</u>         |
| Decrease (increase) in net debt                        | <u>1,577,044</u>       | <u>(426,554)</u>       | 9,421,290              |
| Net debt at beginning of year                          | <u>(75,536,603)</u>    | <u>(75,536,603)</u>    | <u>(84,957,893)</u>    |
| Net debt at end of year                                | <u>\$ (73,959,559)</u> | <u>\$ (75,963,157)</u> | <u>\$ (75,536,603)</u> |

# Norway House Cree Nation

## Consolidated Statement of Cash Flows

Year Ended March 31

2014

2013  
(Note 20)

Increase (decrease) in cash and cash equivalents

### Operating

|  |                    |                    |
|--|--------------------|--------------------|
| Annual surplus (deficit)                         | \$ 4,156,286       | \$ 6,630,638       |
| Adjustments for non-cash items                   |                    |                    |
| Amortization of capital assets - general account | 6,146,119          | 5,677,587          |
| Amortization of capital assets – enterprises     | 429,171            | 350,279            |
| Debt reduction contribution                      | <u>(1,377,671)</u> | <u>(1,377,671)</u> |
|  | <b>9,353,905</b>   | 11,280,833         |

### Changes in non-cash working capital

|  |                   |                  |
|--|-------------------|------------------|
| Accounts and loans receivable            | 3,260,737         | (1,057,057)      |
| Prepaid expenses                         | 2,974             | (8,513)          |
| Inventories                              | (69,810)          | 2,940            |
| Accounts payable and accrued liabilities | (179,689)         | (5,120,237)      |
| Deferred revenue                         | <u>(875,858)</u>  | <u>(590,749)</u> |
|  | <b>11,492,259</b> | <b>4,507,217</b> |

### Financing

|  |                  |                    |
|--|------------------|--------------------|
| Change in bank indebtedness              | (273,451)        | (1,700,905)        |
| (Repayment) proceeds from long-term debt | <u>(124,899)</u> | <u>427,350</u>     |
|  | <b>(398,350)</b> | <b>(1,273,555)</b> |

### Investing

|  |                     |                    |
|--|---------------------|--------------------|
| Acquisition of tangible capital assets | (11,788,098)        | (4,588,047)        |
| Proceeds from disposal of property     | <u>696,804</u>      | <u>1,356,406</u>   |
|  | <b>(11,091,294)</b> | <b>(3,231,641)</b> |

|  |                  |                  |
|--|------------------|------------------|
| Net increase in cash and cash equivalents    | 2,615            | 2,021            |
| Cash and cash equivalents, beginning of year | <b>14,782</b>    | <b>12,761</b>    |
| Cash and cash equivalents, end of year       | <b>\$ 17,397</b> | <b>\$ 14,782</b> |

### Cash and cash equivalents consist of:

|                      |           |           |
|----------------------|-----------|-----------|
| Trust funds (Note 4) | \$ 17,397 | \$ 14,782 |
|----------------------|-----------|-----------|

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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### 1. Summary of significant accounting policies

#### Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise. These business enterprises are included in the Consolidated Financial Statements on a modified equity basis.

##### *Consolidation method*

This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization.

These financial statements have been prepared on a consolidated basis and include Norway House Cree Nation government and all related entities which are accountable to Norway House Cree Nation and are either owned or controlled by Norway House Cree Nation and include the following:

Norway House Cree Nation Government Administration  
Norway House Cree Nation C.M.H.C. Projects  
Norway House Cree Nation Gaming Commission

Unincorporated enterprises including:

|                      |                                   |
|----------------------|-----------------------------------|
| Multiplex operations | Water and Sewer Privatization     |
| VLT Lounge           | Kinosao Sipi Cable Vision         |
| York Boat Diner      | Kinosao Sipi Dental Centre        |
| York Boat Inn        | Creelite Communications           |
|                      | Kinosao Sipi Muchipinowin Program |

Incorporated enterprises including:

|  |                                   |
|--|-----------------------------------|
| Kinosao Sipi Business Development Corporation Ltd. | Molson Lake Lodge (1978) Ltd.     |
| Playgreen Development Corporation                  | Norway House Pharmacy Ltd.        |
| 4015029 Manitoba Ltd.                              | Keewatin Concrete Ltd.            |
| 4023315 Manitoba Ltd.                              | 4744757 Manitoba Ltd.             |
| Pinaow Wachi Inc.                                  | Norway House Health Services Inc. |

There are no organizations that have been accounted for using the modified equity basis.

#### Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities as defined in the CICA Public Sector Accounting and Auditing Handbook using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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### 1. Summary of significant accounting policies (continued)

#### Tangible capital assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services. Certain assets which have historical or cultural value, including works of art, historical documents and historical or cultural artifacts, are not recognized as tangible capital assets.

Tangible capital assets are reported at gross cost. Amortization of tangible capital assets is recognized as an expense in the Statement of Operations.

Amortization based on the estimated useful life of the asset is calculated commencing in the year subsequent to acquisition as follows:

|                            |   |
|----------------------------|---|
| Buildings                  | 40 year straight-line basis<br>and 4% declining balance basis |
| Equipment                  | 30%, 20% and 10% declining balance basis                      |
| Machinery                  | 10% declining balance basis                                   |
| Vehicles                   | 30% declining balance basis                                   |
| Paving and winter road     | 4% declining balance basis                                    |
| Assets under capital lease | straight-line basis over the lease term                       |
| Water and sewer equipment  | 30 year straight-line basis                                   |

In the year of acquisition, one-half of the applicable rate is used.

#### *Construction in progress*

Construction costs of assets which are in the process of being constructed and when completed will qualify as a capital asset are accumulated and capitalized as construction-in-progress. At year end a portion of all the materials and some of the labour costs have been incurred, but the asset is not yet complete. The construction in progress is closed out to the appropriate asset classification when the project is complete and amortized over its estimated useful life

#### *Assets under capital lease*

Leases that transfer substantially all of the benefits and risks of ownership of the property to Norway House Cree Nation are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation. Assets under capital lease are amortized on a basis consistent with related capital asset categories as disclosed above.

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# **Norway House Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2014

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### **1. Summary of significant accounting policies (continued)**

#### **Income taxes**

The Band is exempt from income taxes under Section 149(l)(c) of the *Canadian Income Tax Act*.

#### **Use of estimates**

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

#### **Revenue recognition**

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

Government transfers are recognized in the financial statements as revenue in the financial period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined.

Consolidated Contribution Agreement Funding is funding approved by Health Canada for specific programs. Under this agreement, Norway House Cree Nation is responsible for Consolidated Contribution Agreement deficits, unless otherwise approved by Health Canada.

Any operating surpluses related to Consolidated Contribution Agreement Funding are recorded on the consolidated statement of financial position as a payable to Health Canada until such time as Health Canada reviews the consolidated financial statements. At that time, Health Canada determines what portion of the approved surplus may be retained by Norway House Cree Nation, or repaid to Health Canada. Conversely, any operating deficits related to Consolidated Contribution Agreement funding arrangements are recorded on the consolidated statement of financial position as a receivable from Health Canada until such time as Health Canada reviews the consolidated financial statements. At that time, Health Canada determines their final funding approvals which indicate the portion of the deficit that will be paid to Norway House Cree Nation. Any unapproved costs not paid by Health Canada are absorbed by Norway House Cree Nation. Any adjustments will be reflected in the year the final statement of recommended costs is received from Health Canada.

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# **Norway House Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2014

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### **1. Summary of significant accounting policies (continued)**

#### **Revenue recognition (continued)**

Video lottery terminal revenues are recorded on a net basis when received.

Norway House Cree Nation – C.M.H.C. projects revenue is recognized when cash is received or when amounts are received and collection is reasonably assured.

*Enterprises revenue includes:*

Norway House Pharmacy Ltd. revenue is recognized upon receipt of goods by the customer.

Kinosao Sipi Business Development Corporation Ltd. revenue is recognized when it is due by agreement and collectability is reasonably assured. Reasonable assurance is based on the Company's past experience with claims and collections. Management fees and sales are recognized when the service has been performed and collection is reasonably assured.

Molson Lake Lodge (1978) Ltd. operations revenue is reported in the year which the Lodge services have been provided.

4744757 Manitoba Ltd. revenue is recognized when services have been provided and collectability is reasonably assured.

Muchipunowin revenue is recognized when services are provided and collectability is reasonably assured.

York Boat Inn revenue is recognized when services have been provided and collectability is reasonably assured.

#### **Inventory**

Inventories are valued at the lower of cost or net realizable value determined by the first-in, first-out method.

#### **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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories or supplies.

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# **Norway House Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2014

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### **1. Summary of significant accounting policies (continued)**

#### **Program surpluses**

Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements.

#### **Net debt**

Norway House Cree Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of Norway House Cree Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

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### **2. Prior period adjustments**

#### **CMHC Projects – replacement reserve**

The replacement reserve required by CMHC, as described in Note 9, was recognized in error as an expense each year with a corresponding increase to a liability. The replacement reserve liability does not meet the definition of a liability and the amount required to be reserved by CMHC is included within accumulated surplus.

In addition, one project included in the CMHC projects portfolio was completed and should have been transferred to the Norway House Cree Nation. As a result, the replacement reserve for this project in the amount of \$75,857 has been retroactively removed from the replacement reserve and reported as part of accumulated surplus.

The effect of these restatements on the consolidated financial statements are summarized as follows:

Increase in accumulated surplus, March 31, 2013

|   |              |
|---|--------------|
| Replacement reserve   | \$ 1,826,076 |
| Replacement reserve – CMHC project transferred to Band administration | 75,857       |

Increase in annual surplus in 2013

|   |                |
|---|----------------|
| Replacement reserve charged to expenditures during the year – CMHC Projects | <u>264,825</u> |
|---|----------------|

Increase in accumulated surplus, March 31, 2014

\$ 2,166,758

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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| 3. Accounts and loans receivable  | <u>2014</u>         | <u>2013</u><br>(Note 20) |
|---|---------------------|--------------------------|
| Accounts receivable – Band members  | \$ 5,475            | \$ 5,475                 |
| Accounts receivable – AANDC   | 128,325             | 2,658,717                |
| Accounts receivable – Health Canada   | 563,863             | 238,580                  |
| Accounts receivable – MKO   | 189,752             | 94,876                   |
| Accounts receivable – CMHC  | 3,267               | 15,832                   |
| Accounts receivable – other (net of allowance for doubtful<br>Accounts of \$ 6,096,419 (2013 - \$ 5,305,085))   | <u>1,400,795</u>    | <u>2,538,694</u>         |
|   | <u>\$ 2,291,477</u> | <u>\$ 5,552,214</u>      |
| 4. Trust funds  | <u>2014</u>         | <u>2013</u>              |
| AANDC – Trust funds   | <u>\$ 17,397</u>    | <u>\$ 14,782</u>         |
| 5. Bank indebtedness  | <u>2014</u>         | <u>2013</u>              |
| Royal Bank of Canada  |                     |                          |
| Approved line of credit of \$4,500,000 with interest at<br>prime plus 4.0%, repayable on demand   |                     |                          |
| Lines of credit are secured by a Band Council Resolution<br>and a Tri-Party Agreement signed by Aboriginal Affairs<br>and Northern Development Canada, Norway House Cree<br>Nation and the Royal Bank acknowledging loan<br>commitment of funding | \$ 4,065,000        | \$ 2,985,000             |
| Bank overdrafts (cash and banks) net  | <u>(2,356,731)</u>  | <u>(1,003,280)</u>       |
|   | <u>\$ 1,708,269</u> | <u>\$ 1,981,720</u>      |

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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### 6. Deferred revenue

|               | <u>Opening<br/>Balance<br/>2013</u> | <u>Funding<br/>Received</u> | <u>Revenue<br/>Recognized</u> | <u>Closing<br/>balance<br/>2014</u> | <u>2013</u>         |
|---------------|-------------------------------------|-----------------------------|-------------------------------|-------------------------------------|---------------------|
| AANDC         | \$ 289,590                          | \$ 49,201,976               | \$ 49,466,287                 | \$ 25,279                           | \$ 289,590          |
| Health Canada | 940,572                             | 7,591,636                   | 7,894,523                     | 637,685                             | 940,572             |
| MKO           | 819,058                             | 1,988,825                   | 2,467,499                     | 340,384                             | 819,058             |
| Other         | 205,771                             | 26,577,314                  | 26,407,300                    | 375,785                             | 205,771             |
|               | <u>\$ 2,254,991</u>                 | <u>\$ 85,359,751</u>        | <u>\$ 86,235,609</u>          | <u>\$ 1,379,133</u>                 | <u>\$ 2,254,991</u> |

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### 7. Norway House Cree Nation Debt Reduction Trust

Loan payable that is non-interest bearing, and is repayable with a first payment of \$688,537 paid on March 21, 2010, and subsequent annual payments of \$1,377,671 that are payable by December 1, of each year. The loan is secured by an assignment of its right to all funds available as determined each year pursuant to the terms of the Keenanow Trust Indenture now and into the future, along with funds on deposit in the Band's account and Aboriginal Affairs and Northern Development Canada advances as set out in the five year Canada/First Nations Funding Agreement dated March 8, 2009, and any successor funding agreements between Canada and the Norway House Cree Nation.

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

March 31, 2014

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| 8. Long-term debt   | <u>2014</u>         | <u>2013</u>         |
|---|---------------------|---------------------|
| Cambrian Credit Union   |                     |                     |
| \$14,332 payable monthly including interest at prime plus 2%, matures August, 1, 2015, secured by a fixed rate promissory note of the borrower executed jointly by the borrower and Norway House Cree Nation, a general security agreement providing a first floating charge over all of the borrower's assets related to the 333 Maryland Street property, a \$2,000,000 collateral mortgage providing a first charge over 333 Maryland Street, general assignment of leases and rents, acknowledged assignment of all perils insurance coverage over the property, and a Band council resolution from Norway House Cree Nation authorizing the project. | \$ 1,641,346        | \$ 1,730,254        |
| CITI Financial Ltd.   |                     |                     |
| \$6,993 payable monthly including interest at 8.59%, secured by first charge on buses.  | 13,837              | 92,277              |
| International Wireless Communications Inc.  |                     |                     |
| \$34,356 payable monthly including interest at 6.8%, maturing on December 20, 2016, secured by a first charge on broadband equipment.   | 1,036,839           | 286,046             |
| National Leasing  |                     |                     |
| \$5,143 payable monthly including interest at 8.73%, secured by a first charge on excavation equipment.   | 238,883             | 255,409             |
| \$4,802 payable monthly including interest at 7.0%, secured by a first charge on equipment.   | 211,759             | 248,222             |
| \$3,014 payable monthly including interest at 7.99%, maturing September 1, 2018, secured by a first charge on excavator.  | 138,985             | -                   |
| \$1,341 payable monthly including interest at 9.1%, maturing March 1, 2016, secured by a first charge on dozer.   | 30,444              | -                   |
| \$8,778 payable monthly including interest at 7.1%, maturing July 2, 2019, secured by a first charge on equipment.  | 459,927             | -                   |
| Royal Bank  |                     |                     |
| Term reducing loan, repaid during the year  | -                   | 283,711             |
| Mortgage payable in monthly instalments of \$13,666 including interest at 6.0%, maturing February 1, 2016, secured by teacherage units.   | 1,749,293           | 1,807,726           |
| GE Capital  |                     |                     |
| Mortgage payable in monthly instalments of \$21,407 including interest at 6.13%, lender is fully entitled to exercise any rights or security interest it may have on the Equipment, or any part thereof, which is located on the Reserve.   | 293,132             | 485,877             |
| \$2,947 payable monthly including interest at 7.0%, secured by a first charge on equipment.   | 89,608              | 112,969             |
| Loan repaid during the year   | <u>-</u>            | <u>20,373</u>       |
|   | <u>\$ 5,904,053</u> | <u>\$ 5,322,864</u> |

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

March 31, 2014

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| 8. Long-term debt (continued)   | <u>2014</u>         | <u>2013</u>         |
|---|---------------------|---------------------|
| Balance carried forward   | \$ 5,904,053        | \$ 5,322,864        |
| Chrysler Financial  |                     |                     |
| Loan repaid during the year   | -                   | 4,212               |
| Loan with interest at 3.0%, payable in monthly instalments of \$2,228, secured by a first charge on the associated vehicle.   | 1,885               | 14,126              |
| GMAC  |                     |                     |
| Loan with interest at 7.0%, payable in monthly instalments of \$1,020, secured by a first charge on the associated vehicle.   | 6,523               | 26,253              |
| Slater Group Loan   |                     |                     |
| Loan repaid during the year   | -                   | 1,794,891           |
| CMHC  |                     |                     |
| Forgivable loan over 15 years as long as the building is used for a shelter.  | 420,000             | 455,000             |
| Communities Economic Development Fund   |                     |                     |
| \$11,208 payable monthly including interest at 6.1%, maturing March 31, 2024, secured by a first charge on equipment.   | 1,005,000           | -                   |
| First People Economic Growth Fund   |                     |                     |
| Advanced on April 1, 2014 consists of two loans: \$300,000 loan with \$2,632 payable monthly including no interest, maturing April 1, 2024. \$455,221 loan with \$5,175 payable monthly including interest at 6%, maturing April 1, 2014. | 755,221             | -                   |
| Mercado   |                     |                     |
| \$3,751 payable monthly including interest at 7.55%, maturing January 2, 2019.  | 181,750             | -                   |
| ESB Construction  |                     |                     |
| \$25,000 payable monthly including interest at 4.0%, maturing February 1, 2015.   | 250,992             | -                   |
| Metis Economic Development Organization   |                     |                     |
| From KSBDC to be repaid within the fiscal year or within 2 years thereafter in full. No repayment terms.  | 400,000             | -                   |
| <b>Total</b>  | <b>\$ 8,925,424</b> | <b>\$ 7,617,346</b> |

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

March 31, 2014

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| 8. Long-term debt (continued)   | <u>2014</u>          | <u>2013</u>          |
|---|----------------------|----------------------|
| Balance carried forward   | \$ 8,925,424         | \$ 7,617,346         |
| <b>Band Housing Projects</b>  |                      |                      |
| Peace Hills Trust   |                      |                      |
| Construction mortgage, terms will be decided when construction has been completed and all of the advances have been made.   | 3,627,845            | 3,196,080            |
| The authorized loan amount is \$4,394,971.  |                      |                      |
| Royal Bank  |                      |                      |
| Demand loan payable in annual instalments of \$116,436, less interest at 5.45% payable monthly maturing April 1, 2036, secured by 35 housing units.   | 1,222,137            | 1,338,573            |
| Mortgage payable in monthly instalments of \$16,313, less interest at 3.6% payable monthly, maturing June 1, 2024, secured by 36 housing units.   | 1,787,265            | 1,915,776            |
| Non-revolving term loan, repayable in monthly instalments of \$35,798 including interest at prime plus 2.0%, secured by a general security agreement covering all assets other than real property, specific assignment of all tenant leases, guarantee and postponement of claim by Norway House Cree Nation for the full amount of the advances, and assignment of fire insurance with loss payable firstly to Royal Bank. | 470,476              | 833,179              |
| Term reducing loan, first payment effective June 30, 2002 in the amount of \$12,365 monthly including interest at 2.64%, secured by a Band Council Resolution supporting the apartment building construction loan in the original amount of \$2,400,000 and acknowledgement from AANDC as to loan funding, terms and conditions.  | 1,762,922            | 1,855,026            |
| Revolving term loan, repayable in monthly instalments of \$6,088 including interest at 6.0%, secured by a Band Council Resolution committing to a loan for the purchase of trailers.  | 751,682              | 779,299              |
| Revolving term loan, repayable in monthly instalments of \$16,964 plus interest at 6.0%, maturing December 1, 2015 secured by a Band Council Resolution supporting a loan facility of \$2,652,000 to fund the construction of the 33-unit CMHC project.   | 2,158,919            | 2,232,171            |
| Mortgage payable in monthly instalments of \$17,510 including interest at 6%, maturing November 1, 2016 secured by 33 trailer units.  | <u>2,297,828</u>     | <u>2,369,449</u>     |
| Total long-term debt – Band Housing Projects  | <u>\$ 23,004,498</u> | <u>\$ 22,136,899</u> |

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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| 8. Long-term debt (continued)  | <u>2014</u>                 | <u>2013</u>          |
|--|-----------------------------|----------------------|
| <b>CMHC Housing Projects</b>   |                             |                      |
| Canada Mortgage and Housing Corporation  |                             |                      |
| Mortgage repaid during the year.   | \$ -                        | \$ 32,262            |
| Mortgage payable, 2.61%, repayable in monthly instalments of \$5,985, due June 1, 2023.                  | <b>589,998</b>              | 645,714              |
| Mortgage payable, 1.80%, repayable in monthly instalments of \$4,563, due July 1, 2026.                  | <b>605,402</b>              | 648,872              |
| Mortgage payable, 4.28%, repayable in monthly instalments of \$4,205, due October 1, 2027.               | <b>512,687</b>              | 546,401              |
| Mortgage payable, 4.63%, repayable in monthly instalments of \$3,748, due September 1, 2027.             | <b>443,804</b>              | 472,799              |
| Mortgage payable, 1.71%, repayable in monthly instalments of \$2,503, due September 1, 2027.             | <b>296,398</b>              | 315,762              |
| Mortgage payable, 3.90%, repayable in monthly instalments of \$5,175, due March 1, 2028.                 | <b>663,869</b>              | 705,792              |
| Mortgage payable, 1.81%, repayable in monthly instalments of \$1,434, due January 1, 2029.               | <b>223,745</b>              | 236,784              |
| Mortgage payable, 2.57%, repayable in monthly instalments of \$1,956, due November 1, 2024.              | <b>218,878</b>              | 236,505              |
| Mortgage payable, 2.69% repayable in monthly instalments of \$4,781, due August 1, 2025.                 | <b>563,822</b>              | 605,497              |
| Mortgage payable, 3.98% repayable in monthly instalments of \$8,022, due February 1, 2032.               | <b>1,220,342</b>            | 1,278,608            |
| Mortgage payable, 2.65% repayable in monthly instalments of \$11,977, due February 1, 2035.              | <b>2,296,299</b>            | 2,378,316            |
| Mortgage payable 2.78%, repayable in monthly instalments of \$5,883, due July 1, 2035.                   | <b>1,132,671</b>            | 1,171,377            |
| Mortgage payable 3.09%, repayable in monthly instalments of \$16,698, due September 1, 2033.             | <b>2,928,489</b>            | 3,041,173            |
| Mortgage payable 1.82%, repayable in monthly instalments of \$10,251, due February 1, 2034.              | <b>2,053,542</b>            | 2,138,318            |
| Royal Bank   |                             |                      |
| Mortgage payable in monthly instalments of \$2,676 including interest at 4.37%, maturing April 1, 2014.  | <b>120,333</b>              | 145,695              |
| Mortgage payable, 3.55% payable in monthly instalments of \$6,434, loan renewal date April 1, 2014.      | <b>352,817</b>              | 416,196              |
| Mortgage payable, 2.95% repayable in monthly instalments of \$6,519 loan renewal date January 1, 2015.   | <b>58,022</b>               | 133,304              |
| Toronto-Dominion Bank  |                             |                      |
| Mortgage payable, 3.95% repayable in monthly instalments of \$3,994 loan renewal date February 1, 2017.  | <b>210,648</b>              | 249,484              |
| Mortgage payable, 5.45% repayable in monthly instalments of \$8,962, loan renewal date November 1, 2012. | <b>451,680</b>              | 537,085              |
| Total long-term debt – C.M.H.C. Housing Projects   | <b><u>14,943,446</u></b>    | <u>15,935,944</u>    |
| Long term debt   | <b><u>\$ 37,947,944</u></b> | <u>\$ 38,072,843</u> |

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# **Norway House Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2014

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### **8. Long-term debt (continued)**

Long-term debt for C.M.H.C. projects financed by the Canada Mortgage and Housing Corporation, Royal Bank and the Toronto-Dominion Bank is secured by a C.M.H.C. undertaking to insure, a commitment letter, lender's loan agreement, ministerial guarantee and an assignment of fire insurance.

Principal payment due in the next five years are as follows:

|      |              |
|------|--------------|
| 2015 | \$ 1,857,090 |
| 2016 | 1,569,541    |
| 2017 | 1,447,160    |
| 2018 | 1,140,369    |
| 2019 | 1,123,429    |

Royal Bank has the right to demand payment of these balances at their discretion, however they have provided a waiver indicating they will not demand payment within the next year and consequently the long-term debt owing to the Royal Bank has been classified according to its original repayment terms. The Norway House Cree Nation is not in violation of its banking covenants in the current year.

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### **9. Replacement Reserves**

The accumulated surplus includes the cumulative total of the levy of operations, interest earned on deposits, less expenditures incurred since inception in accordance with the agreement with Canadian Mortgage and Housing Corporation of \$ 2,355,726 (2013:\$ 2,090,901).

**Norway House Cree Nation**  
**Notes to the Consolidated Financial Statements**

March 31, 2014

| 10. Tangible Capital Assets |                | 2013          |              |                |               |                          |             | 2014         |                   | 2013                     |                |            |
|-----------------------------|----------------|---------------|--------------|----------------|---------------|--------------------------|-------------|--------------|-------------------|--------------------------|----------------|------------|
|                             |                | Opening Costs | Additions    | Disposals      | Ending Cost   | Accumulated Depreciation | Adjustments | Disposal     | Amortized Expense | Accumulated Depreciation | NBV            | NBV        |
| Funded capital assets       |                |               |              |                |               |                          |             |              |                   |                          |                |            |
| Major housing renovations   |                |               |              |                |               |                          |             |              |                   |                          |                |            |
| Housing                     | \$ 1,642,304   | \$            |              | \$             | \$ 1,642,304  | \$ 794,880               | \$          | \$           | \$ 33,897         | \$ 828,777               | \$ 813,527     | \$ 847,424 |
| Buildings - administration  | 8,826,759      |               |              |                | 8,826,759     | 4,194,615                |             |              | 185,285           | 4,379,900                | 4,446,859      | 4,632,145  |
| - others                    | 2,093,807      |               |              |                | 2,093,807     | 839,083                  |             |              | 52,345            | 891,428                  | 1,202,379      | 1,254,724  |
| Construction in progress    | 108,210        |               |              |                | 108,210       | 44,637                   |             |              | 2,705             | 47,342                   | 60,868         | 63,573     |
| C.M.H.C. projects           |                |               |              |                |               |                          |             |              |                   |                          |                |            |
| Land and improvements       | 611,953        |               | (508,851)    |                | 103,102       |                          |             |              |                   | 8,318,607                | 103,102        | 611,953    |
| Buildings                   | 31,058,961     |               | (187,807)    |                | 30,871,154    | 7,899,250                |             |              | 419,357           |                          | 22,552,547     | 23,159,711 |
| Furnishings and equipment   | 182,151        |               |              |                | 182,151       |                          |             |              |                   |                          | 182,151        | 182,152    |
| Unfunded capital assets     |                |               |              |                |               |                          |             |              |                   |                          |                |            |
| Buildings                   |                |               |              |                |               |                          |             |              |                   |                          |                |            |
| Multiplex                   | 6,526,814      |               |              |                | 6,526,814     | 2,692,311                |             |              | 163,170           | 2,855,481                | 3,671,333      | 3,834,503  |
| Health and Social           | 951,755        |               |              |                | 951,755       | 472,536                  |             |              | 19,168            | 491,704                  | 460,051        | 479,219    |
| 333 Maryland Street         | 3,182,179      | 193,017       |              |                | 3,375,196     | 1,193,570                |             |              | 146,744           | 1,340,314                | 2,034,882      | 1,988,610  |
| Apartments                  | 15,332,155     | 5,605         |              |                | 15,337,760    | 5,268,043                |             |              | 402,788           | 5,670,831                | 9,666,929      | 10,064,112 |
| Trailers                    | 9,915,330      |               |              |                | 9,915,330     | 1,977,866                |             |              | 317,499           | 2,295,365                | 7,619,965      | 7,937,464  |
| Molson Lake Lodge           | 1,719,314      |               |              |                | 1,719,314     | 1,373,745                |             |              | 42,753            | 1,416,498                | 302,816        | 345,569    |
| 4015029 MB Ltd.             | 865,034        |               |              |                | 865,034       |                          |             |              |                   |                          | 865,034        | 865,034    |
| Whiskeyjack Centre          | 4,874,864      |               |              |                | 4,874,864     | 1,701,714                |             |              | 126,927           | 1,828,641                | 3,046,224      | 3,173,150  |
| Minisowin Agency            | 1,163,522      | 3,836,142     |              |                | 4,999,664     | 314,545                  |             |              | 29,088            | 343,633                  | 4,656,031      | 848,977    |
| High School                 | 51,205,272     |               |              |                | 51,205,272    | 8,320,857                |             |              | 1,280,125         | 9,600,982                | 41,604,291     | 42,884,415 |
| Teacherage                  | 2,881,877      |               |              |                | 2,881,877     | 592,801                  |             |              | 91,563            | 684,364                  | 2,197,512      | 2,289,076  |
| Pinaow Wachi                | 3,677,193      |               |              |                | 3,677,193     | 1,036,528                |             |              | 105,627           | 1,142,155                | 2,535,038      | 2,640,665  |
| Other                       | 3,815,446      | 696,657       |              |                | 4,512,103     | 1,540,460                |             |              | 660,935           | 2,201,395                | 2,310,708      | 2,274,986  |
| Equipment                   |                |               |              |                |               |                          |             |              |                   |                          |                |            |
| Multiplex                   | 1,007,343      |               |              |                | 1,007,343     | 939,705                  |             |              | 13,528            | 953,233                  | 54,110         | 67,638     |
| Cablevision                 | 1,703,080      |               |              |                | 1,703,080     | 608,419                  |             |              | 218,932           | 827,351                  | 875,729        | 1,094,661  |
| Video                       | 358,711        |               |              |                | 358,711       | 245,870                  |             |              | 22,568            | 268,438                  | 90,273         | 112,841    |
| Computer                    | 952,713        |               |              |                | 952,713       | 852,291                  |             |              | 30,128            | 882,419                  | 70,293         | 100,422    |
| Water and sewer             | 16,269,800     | 13,461        |              |                | 16,283,261    | 8,796,350                |             |              | 378,029           | 9,174,379                | 7,108,882      | 7,473,450  |
| Pharmacy                    | 113,453        | 14,649        |              |                | 128,102       | 106,075                  |             |              | 4,262             | 110,337                  | 17,765         | 7,378      |
| Band Admin                  | 977,512        | 237,555       | (5,388)      |                | 1,209,679     | 889,798                  | (5,388)     |              |                   | 925,708                  | 283,971        | 87,714     |
| Assets under capital lease  | 709,346        |               |              |                | 709,346       | 709,346                  |             |              | 41,298            | 709,346                  |                |            |
| Gaming Commission           | 192,943        |               |              |                | 192,943       | 97,276                   |             |              | 4,207             | 101,483                  | 91,460         | 95,667     |
| Dental Clinic               | 638,750        |               |              |                | 638,750       | 599,186                  |             |              | 7,914             | 607,100                  | 31,650         | 39,564     |
| Pinaow Wachi Inc            | 371,469        | 20,853        |              |                | 392,322       | 308,645                  |             |              | 7,894             | 316,539                  | 75,783         | 62,824     |
| Machinery                   | 8,272,783      | 783,653       |              |                | 9,056,436     | 4,469,205                | 87,806      |              | 411,455           | 4,968,466                | 4,087,970      | 3,803,578  |
| Street lighting             | 505,542        |               |              |                | 505,542       | 325,165                  |             |              | 18,038            | 343,203                  | 162,339        | 180,377    |
| Vehicles                    | 2,938,394      | 18,500        | (6,214)      |                | 2,950,680     | 2,752,604                | (87,811)    | (6,063)      | 65,135            | 2,723,865                | 226,815        | 185,790    |
| York Boat Inn               |                |               |              |                |               |                          |             |              |                   |                          |                |            |
| Land                        | 75,000         |               |              |                | 75,000        |                          |             |              |                   |                          | 75,000         | 75,000     |
| Building                    | 1,065,059      |               |              |                | 1,065,059     | 265,199                  |             |              | 16,139            | 281,338                  | 783,721        | 799,860    |
| Furnishings and equipment   | 500,977        |               |              |                | 500,977       | 295,948                  |             |              | 3,359             | 299,307                  | 201,670        | 205,029    |
| Computer                    | 21,249         |               |              |                | 21,249        | 16,449                   |             |              | 26                | 16,475                   | 4,773          | 4,800      |
| Signage                     | 12,766         |               |              |                | 12,766        | 10,448                   |             |              | 10                | 10,458                   | 2,308          | 2,318      |
| Telephone system            | 14,739         |               |              |                | 14,739        | 14,075                   |             |              | 199               | 14,274                   | 465            | 664        |
| Mall - Building             | 5,217,077      |               |              |                | 5,217,077     | 1,747,942                |             |              | 131,079           | 1,879,021                | 3,338,056      | 3,469,135  |
| - Equipment                 | 533,501        |               |              |                | 533,501       | 511,784                  |             |              | 4,343             | 516,127                  | 17,374         | 21,716     |
| - Bus                       |                | 482,269       |              |                | 482,269       |                          |             |              | 72,341            | 72,341                   | 409,928        |            |
| Day Care                    | 1,062,004      |               |              |                | 1,062,004     | 409,776                  |             |              | 26,550            | 436,326                  | 625,678        | 652,228    |
| Construction in progress    | 12,727,104     | 5,232,304     |              |                | 17,959,408    |                          |             |              |                   |                          | 17,959,408     | 12,727,100 |
| Lagoon                      | 14,484,198     | 253,433       |              |                | 14,737,631    | 529,818                  |             |              | 670,481           | 1,200,299                | 13,537,333     | 13,954,381 |
| Paving                      | 13,272,330     |               |              |                | 13,272,330    | 5,436,704                |             |              | 313,425           | 5,750,129                | 7,522,201      | 7,835,626  |
| Winter road                 | 1,540,592      |               |              |                | 1,540,592     | 691,295                  |             |              | 33,974            | 725,269                  | 815,323        | 849,298    |
|                             | \$ 236,173,335 | \$ 11,788,098 | \$ (708,260) | \$ 247,253,173 | \$ 71,886,814 | \$ (5)                   | \$ (11,451) | \$ 6,575,290 | \$ 78,450,648     | \$ 168,802,525           | \$ 164,286,521 |            |

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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| <b>11. Inventories</b>         | <b>2014</b>       | <b>2013</b>       |
|--------------------------------|-------------------|-------------------|
| Norway House Gaming Commission | \$ 7,597          | \$ 4,757          |
| York Boat Inn                  | 20,000            | -                 |
| Norway House Pharmacy Ltd      | <u>211,570</u>    | <u>164,600</u>    |
|                                | <u>\$ 239,167</u> | <u>\$ 169,357</u> |

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### **12. Economic dependence**

Norway House Cree Nation receives a major portion of its revenues pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada.

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### **13. Federal assistance payments**

The C.M.H.C. projects have received federal assistance through C.M.H.C. pursuant to Section 56.1 of the National Housing Act to enable the project to provide housing to low income individuals. The amount of assistance received to March 31, 2014 was \$ 934,447 (2013 - \$1,039,582).

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### **14. Aboriginal Affairs and Northern Development Canada revenue reconciliation**

|   | <b>2014</b>          | <b>2013</b>          |
|---|----------------------|----------------------|
| AANDC revenue per financial statements                  | \$ 49,506,977        | \$ 49,632,625        |
| Add:  |                      |                      |
| Current year's deferred revenue Waste water project     | 25,279               | 289,590              |
| Current year's contribution towards Waste water project | 264,311              |                      |
| Deduct:   |                      |                      |
| Previous year's deferred revenue                        |                      |                      |
| Waste water project                                     | (289,590)            | -                    |
| Pinaow Wachi Inc.                                       | <u>(305,000)</u>     | <u>(718,846)</u>     |
|   | <u>\$ 49,201,977</u> | <u>\$ 49,203,369</u> |

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# **Norway House Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2014

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### **15. Contingencies**

- a) Norway House Cree Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if Norway House Cree Nation fails to comply with the terms and conditions of the agreements.
- b) The Band is involved in legal claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of this matter will not have a material adverse effect on the Band's financial position, results of operations or cash flows. Any amounts awarded as a result of these actions will be reflected in the year of settlement.

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### **16. Pension plan**

Norway House Cree Nation provides a defined contribution pension plan to its employees. The net expense for the period is \$149,745 (2013: \$113,365).

Employees contribute 4.95% of their earnings up to the maximum pensionable earnings level allowed and 3% on excess earnings to the entity's pension plan. The entity matches these employee contributions.

At retirement, employees may elect to receive "life income fund like" payments from the pension plan or transfer their pension funds including vested Norway House Cree Nation contributions and related investment earnings to a financial institution of their choice for the purpose of obtaining retirement income payments from a life annuity or life income fund.

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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### 17. Segment information

Norway House Cree Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical services among other services.

Services are provided by departments and their activities are reported in these funds. The departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Education:** department that provides services to elementary and secondary students. The department also supports post-secondary students by providing funds for tuition fees, books and living allowances.

**Social:** responsible to administering assistance payments as well as providing services directed towards members.

**Band Support:** oversees the delivery of all government services. The department is responsible of ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance of Chief and Council

**Public Works:** department is responsible for public services such as the operation and maintenance of roads, water and sanitation system and waste management. Maintenance of Band buildings and community infrastructure is also included in this segment.

**Housing:** in charge of all activities related with First Nation housing construction and administration, rental units and Residential Repair Assistance programs (RRAP).

**Health:** department provides a diverse bundle of services directed towards the well being of members including such activities as medical transportation, home support services, prenatal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

**Emergency services:** provide timely and safe response, medical assessment and treatment, and medical transport services in emergencies to the community of Norway House Cree Nation

**Policing:** department responsible for internal security and law enforcement. The main activities include handling of domestic issues, traffic accidents, finding missing persons and filing out paperwork.

**Parks and recreation:** department that runs different programs and activities with the purpose to improve health and quality of life of band members. Activities performed include sports coordination, maintenance of public spaces, York Boat days and other social activities for all band members.

**Youth:** perform programs and activities for youth in matters such as education, culture, health economic development, welfare, housing and infrastructure and sports and recreation.

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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### 17. Segment information (continued)

**Gaming:** department responsible to perform and control lottery and gaming activities.

**C.M.H.C:** division of the Norway House Cree Nation that administers housing projects partially funded by operating agreements with C.M.H.C.

**Pinaow Wachi:** organization that operates a personal care home and provides services to elderly residents of the Norway House Cree Nation. Provides accommodation, meals and assistance with personal care.

**Broadband:** organization that provides high speed internet services in Norway House, Manitoba and the surrounding areas.

**Enterprises:** includes the activities of other Band related entities such as:

**Kinosao Sipi Business Development Corporation:** organization that undertakes economic development projects with the goal of generation of revenues and employment to the members of the Band.

**4744757 Manitoba Ltd:** that operates the rental property located at 333 Maryland in Winnipeg.

**York Boat Inn:** motel services provided for building located at Norway House. Activities include front desk, janitorial and cleaning services.

**Norway House Pharmacy:** entity that provides for the safe supply and use of medicines by patients and members of the Norway House community

**Molson Lake Lodge:** entity that provides with accommodation, fly-in, outposts and guides services for ultimate fishing in different lakes of Norway House.

**Kinosao Sipi Dental Centre:** organization that provides dental treatments, oral health assessment, dental hygiene, x-rays and dental education.

**Muchipunowin:** unincorporated entity that operates radio bingo events in the Norway House Community.

For each reported segment, revenues and expenses include 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, including transfers that have been apportioned based on a percentage of budgeted expenses.

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

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

### 17. Segment Disclosure (continued)

|   | Band Support        |                     |                     | Education and Training |                     |                   | Social Services       |                   |                     | Health Services     |                       |                   | Public Works        |                  |                       |
|---|---------------------|---------------------|---------------------|------------------------|---------------------|-------------------|-----------------------|-------------------|---------------------|---------------------|-----------------------|-------------------|---------------------|------------------|-----------------------|
|   | Budget<br>2014      | 2014                | 2013                | Budget<br>2014         | 2014                | 2013              | Budget<br>2014        | 2014              | 2013                | Budget<br>2014      | 2014                  | 2013              | Budget<br>2014      | 2014             | 2013                  |
| <b>Revenues</b>   |                     |                     |                     |                        |                     |                   |                       |                   |                     |                     |                       |                   |                     |                  |                       |
| Federal Government  | \$ 3,232,713        | \$ 3,433,854        | \$ 4,185,116        | \$ 25,727,912          | \$ 25,703,015       | \$ 25,165,697     | \$ 13,684,788         | \$ 12,903,108     | \$ 13,706,999       | \$ 8,766,518        | \$ 8,933,044          | \$ 8,368,875      | \$ 3,029,851        | \$ 3,870,253     | \$ 3,147,628          |
| Provincial Government   | 1,200,000           | 2,136,451           | 1,623,512           | 3,119,892              | 3,524,706           | 3,109,425         | -                     | -                 | -                   | -                   | -                     | -                 | -                   | 1,927,216        | 1,563,982             |
| Economic Activities   | -                   | 520,942             | 751,961             | -                      | -                   | -                 | -                     | -                 | -                   | -                   | -                     | -                 | -                   | -                | -                     |
| Net income from investment in government business enterprises | 526,855             | 6,396,244           | 3,917,430           | 220,081                | 115,719             | 36,890            | 6,105                 | 300               | -                   | -                   | -                     | -                 | 1,025,375           | 57,401           | -                     |
| Other revenue   | 526,855             | 6,396,244           | 3,917,430           | 220,081                | 115,719             | 36,890            | 6,105                 | 300               | -                   | -                   | -                     | -                 | 1,025,375           | 57,401           | -                     |
| <b>Total Revenue</b>  | <b>4,959,568</b>    | <b>12,487,491</b>   | <b>10,478,019</b>   | <b>28,612,885</b>      | <b>29,343,440</b>   | <b>28,312,012</b> | <b>13,684,788</b>     | <b>12,909,213</b> | <b>13,707,299</b>   | <b>8,766,518</b>    | <b>8,933,044</b>      | <b>8,368,875</b>  | <b>3,029,851</b>    | <b>6,822,844</b> | <b>4,769,011</b>      |
| <b>Expenses</b>   |                     |                     |                     |                        |                     |                   |                       |                   |                     |                     |                       |                   |                     |                  |                       |
| Salaries and benefits   | 3,180,394           | 2,529,423           | 2,596,977           | 1,784,217              | 1,337,555           | 1,617,182         | 416,015               | 194,179           | 188,483             | 4,344,589           | 4,936,073             | 4,571,915         | 627,843             | 1,858,246        | 1,831,536             |
| Amortization  | 291,600             | 407,743             | 371,334             | 1,069,600              | 1,496,142           | 1,362,550         | -                     | -                 | -                   | 782,600             | 1,095,027             | 199,153           | 156,200             | 218,680          | 1,458,357             |
| Debt Servicing  | 1,713,287           | 1,927,849           | 1,620,665           | -                      | -                   | -                 | -                     | -                 | -                   | -                   | -                     | -                 | -                   | 85,856           | 57,059                |
| Transfer – interdepartment                                    | -                   | -                   | (155,021)           | 1,200                  | (3,912)             | (3,912)           | -                     | -                 | -                   | -                   | -                     | -                 | -                   | (382,170)        | (168,488)             |
| Other expenses  | 346,295             | 2,400,006           | 924,762             | 26,864,168             | 27,465,719          | 24,414,766        | 14,527,763            | 11,777,584        | 11,269,592          | 4,434,613           | 4,214,012             | 3,434,904         | 2,502,008           | 4,942,405        | 4,368,043             |
| <b>Total Expenses</b>   | <b>5,531,576</b>    | <b>7,265,021</b>    | <b>5,358,717</b>    | <b>29,719,185</b>      | <b>30,295,504</b>   | <b>27,390,586</b> | <b>14,943,778</b>     | <b>11,971,763</b> | <b>11,458,075</b>   | <b>9,561,802</b>    | <b>10,245,112</b>     | <b>8,205,972</b>  | <b>3,286,051</b>    | <b>6,723,017</b> | <b>7,546,507</b>      |
| <b>Annual Surplus (Deficit)</b>                               | <b>\$ (572,008)</b> | <b>\$ 5,222,470</b> | <b>\$ 5,119,302</b> | <b>\$ (1,106,300)</b>  | <b>\$ (952,064)</b> | <b>\$ 921,426</b> | <b>\$ (1,258,990)</b> | <b>\$ 937,450</b> | <b>\$ 2,249,224</b> | <b>\$ (795,284)</b> | <b>\$ (1,312,068)</b> | <b>\$ 162,903</b> | <b>\$ (256,200)</b> | <b>\$ 99,827</b> | <b>\$ (2,777,496)</b> |

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

### 17. Segment Disclosure (continued)

|   | Housing                    |                              |                              | Parks and Recreation       |                              |                              | Youth Support      |                            |                           | Emergency Services        |                           |                           | Enterprises              |                           |                          |         |
|---|----------------------------|------------------------------|------------------------------|----------------------------|------------------------------|------------------------------|--------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------|
|   | Budget<br>2014             | 2014                         | 2013                         | Budget<br>2014             | 2014                         | 2013                         | Budget<br>2014     | 2014                       | 2013                      | Budget<br>2014            | 2014                      | 2013                      | Budget<br>2014           | 2014                      | 2013                     |         |
| <b>Revenues</b>   |                            |                              |                              |                            |                              |                              |                    |                            |                           |                           |                           |                           |                          |                           |                          |         |
| Federal Government  | \$ 747,005                 | \$ 838,675                   | \$ 591,672                   | \$ 99,868                  | \$ -                         | \$ -                         | \$ 99,872          | \$ 200,115                 | \$ 92,619                 | \$ 92,616                 | \$ 92,616                 | \$ -                      | \$ 2,450,371             | \$ -                      | \$ 2,694,916             |         |
| Provincial Government   | -                          | -                            | -                            | -                          | -                            | -                            | -                  | -                          | 600,000                   | 478,931                   | 620,236                   | -                         | -                        | -                         | -                        |         |
| Economic Activities   | -                          | -                            | -                            | -                          | -                            | -                            | -                  | -                          | -                         | -                         | -                         | -                         | -                        | -                         | -                        |         |
| Net income from investment in government business enterprises | -                          | -                            | -                            | -                          | -                            | -                            | -                  | -                          | -                         | -                         | -                         | -                         | -                        | -                         | -                        |         |
| Other revenue   | <u>824,525</u>             | <u>327,682</u>               | <u>698,604</u>               | <u>2,296,609</u>           | <u>347,667</u>               | <u>136,548</u>               | <u>—</u>           | <u>49,960</u>              | <u>—</u>                  | <u>—</u>                  | <u>—</u>                  | <u>—</u>                  | <u>1,085,705</u>         | <u>6,192,297</u>          | <u>5,715,520</u>         |         |
| <b>Total Revenue</b>  | <b><u>1,571,530</u></b>    | <b><u>1,166,357</u></b>      | <b><u>1,290,276</u></b>      | <b><u>2,396,477</u></b>    | <b><u>345,667</u></b>        | <b><u>136,548</u></b>        | <b><u>—</u></b>    | <b><u>99,872</u></b>       | <b><u>250,075</u></b>     | <b><u>692,619</u></b>     | <b><u>571,547</u></b>     | <b><u>712,852</u></b>     | <b><u>1,085,705</u></b>  | <b><u>8,642,668</u></b>   | <b><u>8,410,436</u></b>  |         |
| <b>Expenses</b>   |                            |                              |                              |                            |                              |                              |                    |                            |                           |                           |                           |                           |                          |                           |                          |         |
| Salaries and benefits   | 561,487                    | 426,218                      | 630,835                      | 713,797                    | 552,202                      | 572,821                      | -                  | 233,557                    | 250,225                   | 188,780                   | 148,436                   | 153,591                   | 407,536                  | 1,077,345                 | 972,262                  |         |
| Amortization  | 1,144,800                  | 1,601,343                    | 997,251                      | 143,300                    | 200,229                      | 182,351                      | -                  | -                          | -                         | 11,900                    | 16,721                    | 15,228                    | -                        | 387,505                   | 350,996                  |         |
| Debt Servicing  | -                          | -                            | -                            | -                          | -                            | 7,346                        | -                  | -                          | -                         | -                         | -                         | -                         | -                        | 6,000                     | 365,563                  | 362,720 |
| Transfer - interdepartment                                    | -                          | -                            | -                            | -                          | -                            | -                            | -                  | -                          | -                         | 39,000                    | -                         | 38,229                    | -                        | -                         | -                        |         |
| Other expenses  | <u>351,280</u>             | <u>313,145</u>               | <u>706,670</u>               | <u>1,644,680</u>           | <u>861,437</u>               | <u>706,630</u>               | <u>—</u>           | <u>77,900</u>              | <u>80,201</u>             | <u>464,839</u>            | <u>469,273</u>            | <u>540,454</u>            | <u>497,761</u>           | <u>6,879,218</u>          | <u>6,261,224</u>         |         |
| <b>Total Expenses</b>   | <b><u>2,057,567</u></b>    | <b><u>2,340,706</u></b>      | <b><u>2,334,756</u></b>      | <b><u>2,501,777</u></b>    | <b><u>1,613,868</u></b>      | <b><u>1,469,148</u></b>      | <b><u>—</u></b>    | <b><u>311,457</u></b>      | <b><u>330,426</u></b>     | <b><u>704,519</u></b>     | <b><u>634,430</u></b>     | <b><u>747,502</u></b>     | <b><u>911,297</u></b>    | <b><u>8,700,631</u></b>   | <b><u>7,947,202</u></b>  |         |
| <b>Annual Surplus (Deficit)</b>                               | <b><u>\$ (486,037)</u></b> | <b><u>\$ (1,174,349)</u></b> | <b><u>\$ (1,044,480)</u></b> | <b><u>\$ (105,300)</u></b> | <b><u>\$ (1,266,201)</u></b> | <b><u>\$ (1,332,600)</u></b> | <b><u>\$ —</u></b> | <b><u>\$ (211,585)</u></b> | <b><u>\$ (80,351)</u></b> | <b><u>\$ (11,900)</u></b> | <b><u>\$ (62,883)</u></b> | <b><u>\$ (34,650)</u></b> | <b><u>\$ 174,408</u></b> | <b><u>\$ (57,963)</u></b> | <b><u>\$ 463,234</u></b> |         |

**Norway House Cree Nation**  
**Notes to the Consolidated Financial Statements**

March 31, 2014

**17. Segment Disclosure (continued)**

|   | Gaming              |                     |                     | CMHC           |                     |                  | Pinaow Wachi   |                  |                   | Policing            |                     |                     |
|---|---------------------|---------------------|---------------------|----------------|---------------------|------------------|----------------|------------------|-------------------|---------------------|---------------------|---------------------|
|   | Budget<br>2014      | 2014                | 2013                | Budget<br>2014 | 2014                | 2013             | Budget<br>2014 | 2014             | 2013              | Budget<br>2014      | 2014                | 2013                |
| <b>Revenues</b>   |                     |                     |                     |                |                     |                  |                |                  |                   |                     |                     |                     |
| Federal Government  | \$ -                | \$ -                | \$ -                | \$ 934,447     | \$ 1,039,583        | \$ -             | \$ 1,561,191   | \$ 1,550,220     | \$ -              | \$ 97,000           | \$ 93,142           | \$ 93,142           |
| Provincial Government   | -                   | -                   | -                   | -              | -                   | -                | 380,505        | 380,505          | -                 | -                   | -                   | -                   |
| Economic Activities   | 4,409,207           | 4,336,165           | 4,173,772           | -              | 542,732             | 1,370,533        | -              | -                | -                 | -                   | -                   | -                   |
| Net income from investment in government business enterprises | -                   | -                   | -                   | -              | -                   | -                | -              | -                | -                 | -                   | -                   | -                   |
| Other revenue   | -                   | -                   | -                   | -              | -                   | -                | 297,721        | 313,373          | -                 | -                   | -                   | -                   |
| <b>Total Revenue</b>  | <b>4,409,207</b>    | <b>4,336,165</b>    | <b>4,173,772</b>    | <b>-</b>       | <b>1,477,179</b>    | <b>2,410,115</b> | <b>-</b>       | <b>2,239,417</b> | <b>2,244,098</b>  | <b>97,000</b>       | <b>93,142</b>       | <b>93,142</b>       |
| <b>Expenses</b>   |                     |                     |                     |                |                     |                  |                |                  |                   |                     |                     |                     |
| Salaries and benefits   | -                   | 302,151             | 226,394             | -              | -                   | -                | 1,507,299      | 1,592,863        | 224,329           | 227,991             | 275,299             | -                   |
| Amortization  | -                   | -                   | -                   | -              | 992,506             | 973,860          | -              | -                | 116,786           | -                   | -                   | -                   |
| Debt Servicing  | -                   | -                   | -                   | -              | 355,903             | 496,892          | -              | -                | -                 | -                   | -                   | -                   |
| Transfer - interdepartment                                    | -                   | -                   | -                   | -              | -                   | -                | -              | -                | -                 | -                   | -                   | -                   |
| Other expenses  | -                   | 801,762             | 717,413             | -              | 326,281             | 925,538          | -              | 732,211          | 537,061           | 87,223              | 72,981              | 74,895              |
| <b>Total Expenses</b>   | <b>-</b>            | <b>1,103,913</b>    | <b>943,807</b>      | <b>-</b>       | <b>1,674,690</b>    | <b>2,396,290</b> | <b>-</b>       | <b>2,239,510</b> | <b>2,246,710</b>  | <b>311,552</b>      | <b>300,972</b>      | <b>350,194</b>      |
| <b>Annual Surplus (Deficit)</b>                               | <b>\$ 4,409,207</b> | <b>\$ 3,232,252</b> | <b>\$ 3,229,965</b> | <b>\$ -</b>    | <b>\$ (197,511)</b> | <b>\$ 13,825</b> | <b>\$ -</b>    | <b>\$ (93)</b>   | <b>\$ (2,612)</b> | <b>\$ (214,552)</b> | <b>\$ (207,830)</b> | <b>\$ (257,052)</b> |

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

### 17. Segment Disclosure (continued)

|   | Broadband      |                          |             | Elimination    |                         |             | Total                      |                            |                            |
|---|----------------|--------------------------|-------------|----------------|-------------------------|-------------|----------------------------|----------------------------|----------------------------|
|   | Budget<br>2014 | 2014                     | 2013        | Budget<br>2014 | 2014                    | 2013        | Budget<br>2014             | 2014                       | 2013                       |
| <b>Revenues</b>   |                |                          |             |                |                         |             |                            |                            |                            |
| Federal Government  | \$ -           | \$ -                     | \$ -        | \$ -           | \$ -                    | \$ -        | \$ 55,023,274              | \$ 58,463,217              | \$ 58,141,663              |
| Provincial Government   | -              | -                        | -           | -              | -                       | -           | 4,919,892                  | 8,940,964                  | 8,428,594                  |
| Economic Activities   | -              | -                        | -           | -              | -                       | -           | 4,409,207                  | 7,327,055                  | 7,860,247                  |
| Net income from investment in government business enterprises | -              | -                        | -           | -              | -                       | -           | -                          | -                          | -                          |
| Other revenue   | -              | <u>318,037</u>           | -           | -              | <u>(328,324)</u>        | -           | <u>4,953,775</u>           | <u>14,698,523</u>          | <u>10,926,026</u>          |
| <b>Total Revenue</b>  | <b>-</b>       | <b><u>318,037</u></b>    | <b>-</b>    | <b>-</b>       | <b><u>(328,324)</u></b> | <b>-</b>    | <b><u>69,306,148</u></b>   | <b><u>89,459,759</u></b>   | <b><u>85,356,530</u></b>   |
| <b>Expenses</b>   |                |                          |             |                |                         |             |                            |                            |                            |
| Salaries and benefits   | -              | <u>121,355</u>           | -           | -              | -                       | -           | <u>12,448,987</u>          | <u>15,452,030</u>          | <u>15,480,383</u>          |
| Amortization  | -              | -                        | -           | -              | -                       | -           | <u>3,600,000</u>           | <u>6,406,896</u>           | <u>6,027,866</u>           |
| Debt Servicing  | -              | -                        | -           | -              | -                       | -           | <u>1,719,287</u>           | <u>2,735,171</u>           | <u>2,544,682</u>           |
| Transfer - interdepartment                                    | -              | -                        | -           | -              | -                       | -           | <u>40,200</u>              | <u>(386,082)</u>           | <u>(289,192)</u>           |
| Other expenses  | -              | <u>89,848</u>            | -           | -              | <u>(328,324)</u>        | -           | <u>51,720,630</u>          | <u>61,095,458</u>          | <u>54,962,153</u>          |
| <b>Total Expenses</b>   | <b>-</b>       | <b><u>211,203</u></b>    | <b>-</b>    | <b>-</b>       | <b><u>(328,324)</u></b> | <b>-</b>    | <b><u>69,529,104</u></b>   | <b><u>85,303,473</u></b>   | <b><u>78,725,892</u></b>   |
| <b>Annual Surplus (Deficit)</b>                               | <b>\$ -</b>    | <b>\$ <u>106,834</u></b> | <b>\$ -</b> | <b>\$ -</b>    | <b>\$ -</b>             | <b>\$ -</b> | <b>\$ <u>(222,956)</u></b> | <b>\$ <u>4,156,286</u></b> | <b>\$ <u>6,630,638</u></b> |

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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

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### 18. Expenses by object

The following is a summary of expenses by object:

|                                  | <b>2014</b>        | <b>2013</b>        |
|----------------------------------|--------------------|--------------------|
|                                  | <hr/>              | <u>(Note 20)</u>   |
| Administration fee               | \$ 4,682,352       | \$ 4,249,001       |
| Amortization                     | 6,575,288          | 6,027,863          |
| Bad debts                        | 914,864            | 1,428,218          |
| Contracts public works           | 1,886,910          | 1,870,443          |
| Social assistance and pensioners | 11,570,375         | 11,087,624         |
| Gas and Oil                      | 1,283,824          | 1,075,525          |
| Interest                         | 2,735,451          | 2,544,687          |
| Materials and supplies           | 1,903,138          | 2,021,916          |
| Professional fees                | 643,274            | 636,328            |
| Program Costs                    | 2,256,131          | 3,410,587          |
| Miscellaneous                    | 9,396,804          | 5,979,060          |
| MLCC share                       | 609,075            | 414,059            |
| Nursing unit                     | 1,025,073          | 971,754            |
| Salaries and benefits            | 14,062,323         | 13,830,418         |
| Transportation                   | 2,131,493          | 2,192,729          |
| Tuition                          | 22,938,904         | 20,359,976         |
| Utilities                        | 885,724            | 871,724            |
| Board/Hotels/Accomodations       | 1,508,465          | 1,131,651          |
| Debt reduction contribution      | <u>(1,377,671)</u> | <u>(1,377,671)</u> |
|                                  | <hr/>              | <hr/>              |
|                                  | \$ 85,631,797      | \$ 78,725,892      |

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

March 31, 2014

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#### 19. Government transfers

|                                 | <u>Operating</u>     | <u>2014 Capital</u> | <u>Total</u>         | <u>Operating</u>     | <u>2013 Capital</u> | <u>Total</u>         |
|---------------------------------|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| Federal Government Transfers    |                      |                     |                      |                      |                     |                      |
| Aboriginal Affairs and Northern |                      |                     |                      |                      |                     |                      |
| Development Canada              | \$ 49,176,698        | \$ 25,279           | \$ 49,201,977        | \$ 48,913,779        | \$ 289,590          | \$ 49,203,369        |
| Health Canada                   | 7,894,523            |                     | 7,894,523            | 7,376,313            |                     | 7,376,313            |
| Canada Mortgage and Housing     |                      |                     |                      |                      |                     |                      |
| Corporation                     | 934,447              |                     | 934,447              | 1,403,121            |                     | 1,403,121            |
| Policing                        | 93,142               |                     | 93,142               | 93,142               |                     | 93,142               |
| MKO                             | 2,467,499            |                     | 2,467,499            | 2,028,803            |                     | 2,028,803            |
| Industry Canada                 | -                    |                     | -                    | 1,238,184            |                     | 1,238,184            |
|                                 | <u>\$ 60,566,309</u> | <u>\$ 25,279</u>    | <u>\$ 60,591,588</u> | <u>\$ 61,053,342</u> | <u>\$ 289,590</u>   | <u>\$ 61,342,932</u> |

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#### 20. Comparative figures

Certain of the prior year's figures has been reclassified to conform to the current year's presentation.

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#### 21. Subsequent event

Subsequent to the year end, the Norway House Cree Nation negotiated a repayment plan for its debt owing to The Frontier School Division, resulting in a reduction in the balance payable due to a portion of the interest charges being forgiven. This forgiveness of interest charged will be reflected in the fiscal year that it is realized.