



## 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.

  
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Chief

Norway House, Manitoba

**Council**

  
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## Independent Auditors' Report

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

# **Norway House Cree Nation**

## **Consolidated Statement of Change in Accumulated Surplus**

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

# 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>

### Total financial assets

\$ 2,308,874	\$ 5,566,996
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### Liabilities

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

### Total liabilities

78,272,031	81,103,599
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### Net debt

(75,963,157)	(75,536,603)
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### Non-financial assets

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

### Total non-financial assets








169,112,373	164,529,533
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### Accumulated surplus (Page 5)

\$ 93,149,216	\$ 88,992,930
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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	1,577,044	(426,554)	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

<b>Operating</b>		
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>
	9,353,905	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>
	<u>11,492,259</u>	<u>4,507,217</u>
<b>Financing</b>		
Change in bank indebtedness	(273,451)	(1,700,905)
(Repayment) proceeds from long-term debt	<u>(124,899)</u>	<u>427,350</u>
	<u>(398,350)</u>	<u>(1,273,555)</u>
<b>Investing</b>		
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>
	<u>(11,091,294)</u>	<u>(3,231,641)</u>
Net increase in cash and cash equivalents	2,615	2,021
Cash and cash equivalents, beginning of year	<u>14,782</u>	<u>12,761</u>
Cash and cash equivalents, end of year	<u>\$ 17,397</u>	<u>\$ 14,782</u>
<b>Cash and cash equivalents consist of:</b>		
Trust funds (Note 4)	<u>\$ 17,397</u>	<u>\$ 14,782</u>

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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  
VLT Lounge  
York Boat Diner  
York Boat Inn

Water and Sewer Privatization  
Kinosao Sipi Cable Vision  
Kinosao Sipi Dental Centre  
Creelite Communications  
Kinosao Sipi Muchipinowin Program

Incorporated enterprises including:

Kinosao Sipi Business Development Corporation Ltd.  
Playgreen Development Corporation  
4015029 Manitoba Ltd.  
4023315 Manitoba Ltd.  
Pinaow Wachi Inc.

Molson Lake Lodge (1978) Ltd.  
Norway House Pharmacy Ltd.  
Keewatin Concrete Ltd.  
4744757 Manitoba Ltd.  
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 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 collectibility is reasonably assured.

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

York Boat Inn revenue is recognized when services have been provided and collectibility 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>
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Increase in accumulated surplus, March 31, 2014	<u>\$ 2,166,758</u>
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# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

<b>3. Accounts and loans receivable</b>	<b><u>2014</u></b>	<b>2013 (Note 20)</b>
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 Accounts of \$ 6,096,419 (2013 - \$ 5,305,085))	<u>1,400,795</u>	<u>2,538,694</u>
	<b><u>\$ 2,291,477</u></b>	<b><u>\$ 5,552,214</u></b>

<b>4. Trust funds</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
AANDC – Trust funds	<u>\$ 17,397</u>	<u>\$ 14,782</u>

<b>5. Bank indebtedness</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Royal Bank of Canada		
Approved line of credit of \$4,500,000 with interest at prime plus 4.0%, repayable on demand		
Lines of credit are secured by a Band Council Resolution and a Tri-Party Agreement signed by Aboriginal Affairs and Northern Development Canada, Norway House Cree Nation and the Royal Bank acknowledging loan 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>
	<b><u>\$ 1,708,269</u></b>	<b><u>\$ 1,981,720</u></b>



# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

### 6. Deferred revenue

	<u>Opening Balance 2013</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing balance 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	<u>205,771</u>	<u>26,577,314</u>	<u>26,407,300</u>	<u>375,785</u>	<u>205,771</u>
	<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>

### 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.

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

<b>8. Long-term debt</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Cambrian Credit Union</b>		
\$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.	<b>\$ 1,641,346</b>	<b>\$ 1,730,254</b>
<b>CITI Financial Ltd.</b>		
\$6,993 payable monthly including interest at 8.59%, secured by first charge on buses.	<b>13,837</b>	<b>92,277</b>
<b>International Wireless Communications Inc.</b>		
\$34,356 payable monthly including interest at 6.8%, maturing on December 20, 2016, secured by a first charge on broadband equipment.	<b>1,036,839</b>	<b>286,046</b>
<b>National Leasing</b>		
\$5,143 payable monthly including interest at 8.73%, secured by a first charge on excavation equipment.	<b>238,883</b>	<b>255,409</b>
\$4,802 payable monthly including interest at 7.0%, secured by a first charge on equipment.	<b>211,759</b>	<b>248,222</b>
\$3,014 payable monthly including interest at 7.99%, maturing September 1, 2018, secured by a first charge on excavator.	<b>138,985</b>	<b>-</b>
\$1,341 payable monthly including interest at 9.1%, maturing March 1, 2016, secured by a first charge on dozer.	<b>30,444</b>	<b>-</b>
\$8,778 payable monthly including interest at 7.1%, maturing July 2, 2019, secured by a first charge on equipment.	<b>459,927</b>	<b>-</b>
<b>Royal Bank</b>		
Term reducing loan, repaid during the year	<b>-</b>	<b>283,711</b>
Mortgage payable in monthly instalments of \$13,666 including interest at 6.0%, maturing February 1, 2016, secured by teacherage units.	<b>1,749,293</b>	<b>1,807,726</b>
<b>GE Capital</b>		
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.	<b>293,132</b>	<b>485,877</b>
\$2,947 payable monthly including interest at 7.0%, secured by a first charge on equipment.	<b>89,608</b>	<b>112,969</b>
Loan repaid during the year	<b>-</b>	<b>20,373</b>
	<b><u>\$ 5,904,053</u></b>	<b><u>\$ 5,322,864</u></b>

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

<b>8. Long-term debt (continued)</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Balance carried forward	<b>\$ 5,904,053</b>	<b>\$ 5,322,864</b>
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.	<b>1,885</b>	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.	<b>6,523</b>	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.	<b>420,000</b>	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.	<b>1,005,000</b>	-
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.	<b>755,221</b>	-
Mercado		
\$3,751 payable monthly including interest at 7.55%, maturing January 2, 2019.	<b>181,750</b>	-
ESB Construction		
\$25,000 payable monthly including interest at 4.0%, maturing February 1, 2015.	<b>250,992</b>	-
Metis Economic Development Organization		
From KSBDC to be repaid within the fiscal year or within 2 years thereafter in full. No repayment terms.	<b>400,000</b>	-
Total	<b><u>\$ 8,925,424</u></b>	<b><u>\$ 7,617,346</u></b>

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

<b>8. Long-term debt (continued)</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Balance carried forward	<b>\$ 8,925,424</b>	<b>\$ 7,617,346</b>
<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.	<b>3,627,845</b>	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.	<b>1,222,137</b>	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.	<b>1,787,265</b>	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.	<b>470,476</b>	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.	<b>1,762,922</b>	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.	<b>751,682</b>	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.	<b>2,158,919</b>	2,232,171
Mortgage payable in monthly instalments of \$17,510 including interest at 6%, maturing November 1, 2016 secured by 33 trailer units.	<b><u>2,297,828</u></b>	<b><u>2,369,449</u></b>
Total long-term debt – Band Housing Projects	<b><u>\$ 23,004,498</u></b>	<b><u>\$ 22,136,899</u></b>

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

<b>8. Long-term debt (continued)</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<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>	<b>537,085</b>
Total long-term debt – C.M.H.C. Housing Projects	<b><u>14,943,446</u></b>	<b><u>15,935,944</u></b>
Long term debt	<b><u>\$ 37,947,944</u></b>	<b><u>\$ 38,072,843</u></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)

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	Opening Costs	Additions	Disposals	Ending Cost	2013 Accumulated Depreciation	Adjustments	Disposal	Amortized Expense	Accumulated Depreciation	2014 NBV	2013 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

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

<b>11. Inventories</b>	<b><u>2014</u></b>	<b><u>2013</u></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>
	<b><u>\$ 239,167</u></b>	<b><u>\$ 169,357</u></b>

### 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.

### 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).

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

	<b><u>2014</u></b>	<b><u>2013</u></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>
	<b><u>\$ 49,201,977</u></b>	<b><u>\$ 49,203,369</u></b>



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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		
	<u>Budget</u> <u>2014</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u> <u>2014</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u> <u>2014</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u> <u>2014</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u> <u>2014</u>	<u>2014</u>	<u>2013</u>
Revenues															
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	-	-	-	-	-	-	-	-	-
Economic Activities	-	520,942	751,961	-	-	-	-	-	-	-	-	-	-	1,927,216	1,563,982
Net income from investment in government business enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	526,855	6,396,244	3,917,430	220,081	115,719	36,890	-	6,105	300	-	-	-	-	1,025,375	57,401
Total Revenue	4,959,568	12,487,491	10,478,019	28,612,885	29,343,440	28,312,012	13,684,788	12,909,213	13,707,299	8,766,518	8,933,044	8,368,875	3,029,851	6,822,844	4,769,011
Expenses															
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
Total Expenses	5,531,576	7,265,021	5,358,717	29,719,185	30,295,504	27,390,586	14,943,778	11,971,763	11,458,075	9,561,802	10,245,112	8,205,972	3,286,051	6,723,017	7,546,507
Annual Surplus (Deficit)	\$ (572,008)	\$ 5,222,470	\$ 5,119,302	\$ (1,106,300)	\$ (952,064)	\$ 921,426	\$ (1,258,990)	\$ 937,450	\$ 2,249,224	\$ (795,284)	\$ (1,312,068)	\$ 162,903	\$ (256,200)	\$ 99,827	\$ (2,777,496)

# 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		
	<u>Budget</u>			<u>Budget</u>			<u>Budget</u>			<u>Budget</u>			<u>Budget</u>		
	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>
Revenues															
Federal Government	\$ 747,005	\$ 838,675	\$ 591,672	\$ 99,868	\$ -	\$ -	\$ -	\$ 99,872	\$ 200,115	\$ 92,619	\$ 92,616	\$ 92,616	\$ -	\$ -	\$ -
Provincial Government	-	-	-	-	-	-	-	-	-	600,000	478,931	620,236	-	2,450,371	2,694,916
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>-</u>	<u>49,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,085,705</u>	<u>6,192,297</u>	<u>5,715,520</u>
Total Revenue	<u>1,571,530</u>	<u>1,166,357</u>	<u>1,290,276</u>	<u>2,396,477</u>	<u>345,667</u>	<u>136,548</u>	<u>-</u>	<u>99,872</u>	<u>250,075</u>	<u>692,619</u>	<u>571,547</u>	<u>712,852</u>	<u>1,085,705</u>	<u>8,642,668</u>	<u>8,410,436</u>
Expenses															
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>
Total Expenses	<u>2,057,567</u>	<u>2,340,706</u>	<u>2,334,756</u>	<u>2,501,777</u>	<u>1,613,868</u>	<u>1,469,148</u>	<u>-</u>	<u>311,457</u>	<u>330,426</u>	<u>704,519</u>	<u>634,430</u>	<u>747,502</u>	<u>911,297</u>	<u>8,700,631</u>	<u>7,947,202</u>
Annual Surplus (Deficit)	<u>\$ (486,037)</u>	<u>\$ (1,174,349)</u>	<u>\$ (1,044,480)</u>	<u>\$ (105,300)</u>	<u>\$ (1,266,201)</u>	<u>\$ (1,332,600)</u>	<u>\$ -</u>	<u>\$ (211,585)</u>	<u>\$ (80,351)</u>	<u>\$ (11,900)</u>	<u>\$ (62,883)</u>	<u>\$ (34,650)</u>	<u>\$ 174,408</u>	<u>\$ (57,963)</u>	<u>\$ 463,234</u>

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

### 17. Segment Disclosure (continued)

	Gaming			CMHC			Pinaow Wachi			Policing		
	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013
Revenues												
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	-	-	-
Total Revenue	4,409,207	4,336,165	4,173,772	-	1,477,179	2,410,115	-	2,239,417	2,244,098	97,000	93,142	93,142
Expenses												
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
Total Expenses	-	1,103,913	943,807	-	1,674,690	2,396,290	-	2,239,510	2,246,710	311,552	300,972	350,194
Annual Surplus (Deficit)	\$ 4,409,207	\$ 3,232,252	\$ 3,229,965	\$ -	\$ (197,511)	\$ 13,825	\$ -	\$ (93)	\$ (2,612)	\$ (214,552)	\$ (207,830)	\$ (257,052)

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

### 17. Segment Disclosure (continued)

	Broadband			Elimination			Total		
	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013
Revenues									
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	-	318,037	-	-	(328,324)	-	4,953,775	14,698,523	10,926,026
Total Revenue	-	318,037	-	-	(328,324)	-	69,306,148	89,459,759	85,356,530
Expenses									
Salaries and benefits	-	121,355	-	-	-	-	12,448,987	15,452,030	15,480,383
Amortization	-	-	-	-	-	-	3,600,000	6,406,896	6,027,866
Debt Servicing	-	-	-	-	-	-	1,719,287	2,735,171	2,544,682
Transfer - interdepartment	-	-	-	-	-	-	40,200	(386,082)	(289,192)
Other expenses	-	89,848	-	-	(328,324)	-	51,720,630	61,095,458	54,962,153
Total Expenses	-	211,203	-	-	(328,324)	-	69,529,104	85,303,473	78,725,892
Annual Surplus (Deficit)	\$ -	\$ 106,834	\$ -	\$ -	\$ -	\$ -	\$ (222,956)	\$ 4,156,286	\$ 6,630,638

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

### 18. Expenses by object

The following is a summary of expenses by object:

	<b>2014</b>	2013 (Note 20)
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
Tution	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>
	<b>\$ 85,631,797</b>	<b>\$ 78,725,892</b>



# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2014

### 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
Indutstry 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>

### 20. Comparative figures

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

### 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.