

Consolidated Financial Statements

Norway House Cree Nation

March 31, 2015



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Management's Responsibility for Financial Reporting

The accompanying March 31, 2015 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 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 First Nation's assets are appropriately accounted for and adequately safeguarded.

The Norway House Cree Nation 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, 2015 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



Grant Thornton

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Independent Auditors' Report

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, 2015, and the consolidated statements of operations, changes in accumulated surplus, changes in net debt, and cash flows 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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, 2015, 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

Supplemental information presented in the schedules on pages 33 to 56 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
August 10, 2015

Grant Thornton LLP
Chartered Accountants

Norway House Cree Nation

Consolidated Statement of Operations

Year Ended March 31

2015

2014
(Note 21)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Aboriginal Affairs and Northern Development Canada (Note 14)	\$ 52,102,792	\$ 49,816,356	\$ 49,506,977
Management fees	-	-	10,000
Manitoba Keewatinowi Okimakanak	1,988,824	2,141,309	2,467,499
Health Canada	8,658,640	8,497,727	7,894,523
Province of Manitoba	1,703,114	2,117,277	2,251,493
Communications	-	44,347	40,942
Video lottery terminal revenues	5,308,341	4,886,686	4,147,630
Net proceeds, Minisowin building	-	-	1,170,190
Education	-	871,343	1,172,926
CMHC projects/subsidy	-	1,418,843	1,477,179
Multiplex/Parks and Recreation	-	114,058	277,215
Public Works	-	2,813,426	1,812,992
Housing	-	888,737	327,682
Construction	-	586,375	1,028,731
Manitoba Hydro	-	161,483	246,078
Other	4,297,197	10,535,779	6,995,034
Keenanow Trust Secretariat (Page 50)	-	7,556,227	2,905,461
Enterprises (Page 51)	-	4,959,644	8,632,668
	74,058,908	97,409,617	92,365,220
Expenditures			
Education (Page 34)	29,101,272	29,359,513	28,580,367
Employment and Training (Page 35)	1,417,739	1,735,454	1,888,557
Social Services (Page 36)	11,091,808	11,074,966	11,952,649
Band Support (Page 37)	6,067,245	8,004,069	7,538,521
Public Works (Page 38)	3,340,447	9,232,778	6,723,018
Housing (Page 39)	2,578,089	2,748,365	2,340,706
Health Services (Page 40)	9,182,008	9,972,623	9,330,341
Assisted Living (Page 41)	1,890,454	985,553	933,885
Emergency Services (Page 42)	692,412	788,058	634,430
Policing (Page 43)	469,138	295,713	300,972
Parks and Recreation (Page 44)	1,998,210	1,469,835	1,613,868
Youth (Page 45)	-	3,795	138,037
Gaming (Page 46)	1,195,668	1,420,775	1,103,913
CMHC (Page 47)	-	1,678,385	1,674,690
Pinaow Wachi Inc. (Page 48)	1,958,201	2,234,004	2,239,510
Broadband (Page 49)	-	990,445	211,202
Keenanow Trust Secretariat (Page 50)	-	7,518,596	2,940,970
Enterprises (Page 51)	-	4,800,266	8,098,807
	70,982,691	94,313,193	88,244,443
Annual surplus	\$ 3,076,217	\$ 3,096,424	\$ 4,120,777

Norway House Cree Nation
Consolidated Statement of Change in Accumulated
Surplus

Year Ended March 31

2015

2014
 (Note 21)

Accumulated surplus, beginning of the year

Accumulated surplus as previously stated	\$ 93,149,216	\$ 88,992,930
Prior period adjustment (Note 3)	541,094	576,603
Accumulated surplus, restated	93,690,310	89,569,533
Annual surplus	3,096,424	4,120,777
Accumulated surplus, end of year	\$ 96,786,734	\$ 93,690,310

Norway House Cree Nation
Consolidated Statement of Financial Position

March 31

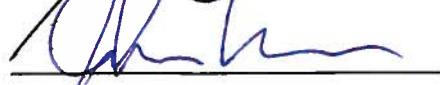
2015

2014
 (Note 21)

Financial assets		
Accounts and loans receivable (Note 4)	\$ 4,021,301	\$ 2,578,558
Trust funds (Note 5)	<u>20,143</u>	<u>17,397</u>
Total financial assets	<u>4,041,444</u>	<u>2,595,955</u>
Liabilities		
Bank indebtedness (Note 6)	2,950,144	1,395,196
Accounts payable and accrued liabilities	8,652,280	34,494,806
Deferred revenue (Note 7)	1,558,137	1,379,133
Debt reduction trust payable (Note 8)	809,776	2,800,939
Long-term debt (Note 9)	<u>61,727,353</u>	<u>37,947,944</u>
Total liabilities	<u>75,697,690</u>	<u>78,018,018</u>
Net debt	<u>(71,656,246)</u>	<u>(75,422,063)</u>
Non-financial assets		
Tangible capital assets (Note 11)	168,215,765	168,802,525
Inventory (Note 12)	28,127	239,167
Prepaid expenses	<u>199,088</u>	<u>70,681</u>
Total non-financial assets	<u>168,442,980</u>	<u>169,112,373</u>
Accumulated surplus (Page 5)	<u>\$ 96,786,734</u>	<u>\$ 93,690,310</u>

Contingencies (Note 15)

Approved on behalf of the Council:

 Chief  Councillor
 Councillor  Councillor
 Councillor  Councillor
 Councillor  Councillor
 Councillor  Councillor

Norway House Cree Nation
Consolidated Statement of Change in Net Debt

Year Ended March 31

2015

2014
 (Note 21)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 3,076,217	\$ 3,096,424	\$ 4,120,777
Acquisition of tangible capital assets	(2,000,000)	(6,298,596)	(11,788,098)
Disposal of tangible capital assets	-	-	696,804
Amortization of tangible capital assets	<u>3,600,000</u>	<u>6,885,368</u>	<u>6,575,290</u>
	<u>4,676,217</u>	<u>3,683,196</u>	<u>(395,227)</u>
Use (acquisition) of inventory	-	211,040	(69,810)
Change in prepaid expenses	<u>-</u>	<u>(129,419)</u>	<u>2,974</u>
	<u>-</u>	<u>82,621</u>	<u>(66,836)</u>
Decrease (increase) in net debt	4,676,217	3,765,817	(462,063)
Net debt, beginning of year	<u>(73,959,559)</u>	<u>(75,422,063)</u>	<u>(74,960,000)</u>
Net debt, end of year	<u>\$ (69,283,342)</u>	<u>\$ (71,656,246)</u>	<u>\$ (75,422,063)</u>

Norway House Cree Nation

Consolidated Statement of Cash Flows

Year Ended March 31

2015

2014
(Note 21)

Increase (decrease) in cash and cash equivalents

Operating

Annual surplus	\$ 3,096,424	\$ 4,120,777
Adjustments for non-cash items		
Amortization of capital assets – general account	6,470,387	6,015,876
Amortization of capital assets – enterprises	414,981	559,414
Debt reduction contribution	<u>(1,991,163)</u>	<u>(1,377,671)</u>
	7,990,629	9,318,396
Changes in non-cash working capital		
Accounts and loans receivable	(1,442,755)	3,550,259
Prepaid expenses	(128,407)	2,974
Inventory	211,040	(69,810)
Accounts payable and accrued liabilities	(25,842,526)	(120,629)
Deferred revenue	<u>179,004</u>	<u>(875,858)</u>
	(19,033,015)	11,805,332

Financing

Bank indebtedness advances (repayment) – net	1,554,948	(586,524)
Long-term debt proceeds (repayment) – net	<u>23,779,409</u>	<u>(124,899)</u>
	25,334,357	(711,423)

Investing

Acquisition of tangible capital assets	(6,298,596)	(11,788,098)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>696,804</u>
	(6,298,596)	(11,091,294)

Net increase in cash and cash equivalents	2,746	2,615
Cash and cash equivalents, beginning of year	17,397	14,782
Cash and cash equivalents, end of year	\$ 20,143	\$ 17,397

Cash and cash equivalents consist of:

Trust funds (Note 5)	\$ 20,143	\$ 17,397
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Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

1. Nature of entity

Norway House Cree Nation (NHCN) is a non-profit, non-taxable entity and is engaged in the social, cultural, educational and economic development of the First Nation citizens of Norway House Cree Nation at Norway House, Manitoba.

2. Summary of significant accounting policies

Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards 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.

Reporting entity

The NHCN reporting entity includes the NHCN government and all related entities that are either owned or controlled by NHCN. Control is defined as the power to govern the financial and operating policies of another with expected benefits or the risk of loss to the government from the other organizations' activities. Control exists regardless of whether the government chooses to exercise its power to govern so long as it has the ability to govern. Control must exist at the financial statement date, without the need to amend agreements.

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. The other government organizations that were consolidated are the following:

Unincorporated departments including:

Norway House Cree Nation CMHC Housing Projects
Norway House Cree Nation Gaming Commission

Unincorporated entities including:

York Boat Inn
Keenanow Trust Secretariat

Kinosao Sipi Dental Centre
Kinosao Sipi Muchipinowin Program

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Principles of consolidation (continued)

Incorporated entities including:

Kinosao Sipi Business Development Corporation Ltd.	Molson Lake Lodge (1978) Ltd.
Playgreen Development Corporation	4744757 Manitoba Ltd.
4015029 Manitoba Ltd.	Pinaow Wachi Inc.
Norway House Cree Nation Broadband Inc.	

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

Portfolio investments

All non controlled investment entities are considered to be portfolio investments. They are reported at cost less any write-downs associated with a loss in value that is other than a temporary decline.

Norway House Pharmacy Limited Partnership has been included as a portfolio investment.

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 applied.

Construction in progress

Assets under construction are not amortized until the asset is available for use. At completion, the construction costs are closed out to the appropriate asset classification and amortized over its estimated useful life.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

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.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public accounting standards 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 revenue and expenditures. Actual results could differ from these estimates.

Revenue recognition

NHCN follows the deferral method of accounting for restricted revenues. Revenues restricted by legislation, regulation or agreement and not available for general government purposes are deferred on the consolidated statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other income, primarily including sales of gas, tobacco and fees for service, are recognized upon transfer of title of the product or upon performance of the service and when collectability is reasonably assured.

Transfers (revenues from non-exchange transactions) are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

Consolidated Contribution Agreement Funding is funding approved by Health Canada for specific programs. 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 financial statements. At that time, Health Canada determines what portion of the approved surplus may be retained by NHCN, or repaid to Health Canada. Any unapproved costs not paid by Health Canada are absorbed by NHCN. Any adjustments will be reflected in the year the final statement of recommended costs is received from Health Canada.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Inventory

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks net of bank overdrafts.

Pension plans

NHCN maintains a defined contribution pension plans for its personnel. Expenditures for this plan are equal to NCHN's required contribution for the year.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not 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.

Program surpluses

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

Net debt

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

Financial instruments

Financial instruments are classified into one of the two measurement categories: (a) fair value; or (b) cost or amortized cost.

NHCN records its financial assets at cost, which include trust funds and accounts and loans receivable. NHCN also records its financial liabilities at cost, which include bank indebtedness, accounts payable and accrued liabilities and long-term debt.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

3. Prior period adjustment

Keenanow Trust Secretariat is an unincorporated entity controlled by NHCN and therefore should be fully consolidated in the financial statements on a line-by-line basis. The entity was not part of the prior year consolidated financial statements and therefore a restatement of prior year is required.

The effects of the restatement on the consolidated financial statements are summarized as follows:

	<u>2014, as previously stated</u>	<u>Adjustment</u>	<u>2014, restated</u>
Accounts and loans receivable	\$ 2,291,477	\$ 287,081	\$ 2,578,558
Bank indebtedness	1,708,269	(313,073)	1,395,196
Accounts payable and accrued liabilities	34,435,746	59,060	34,494,806
Accumulated surplus, beginning of year	88,992,930	576,603	89,569,533
Accumulated surplus, end of year	93,149,216	541,094	93,690,310

4. Accounts and loans receivable	<u>2015</u>	<u>2014</u> (Note 21)
NHCN members	\$ -	\$ 5,475
AANDC	<u>724,302</u>	128,325
Health Canada	-	563,863
MKO	<u>756,351</u>	189,752
CMHC	-	3,267
Portfolio Investment	<u>393,004</u>	-
Other (net of allowance for doubtful accounts of \$ 6,733,597 (2013 - \$ 6,096,419))	<u>2,147,644</u>	<u>1,687,874</u>
	<u>\$ 4,021,301</u>	<u>\$ 2,578,556</u>

Other receivables include trade receivables and receivables due from Norway House Cree Nation members.

5. Trust funds	<u>2015</u>	<u>2014</u>
AANDC – Trust funds	<u>\$ 20,143</u>	<u>\$ 17,397</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

6. Bank indebtedness	<u>2015</u>	<u>2014</u>
	(Note 21)	
Royal Bank of Canada		
Approved line of credit of \$4,500,000 with interest at prime plus 4.0%, repayable on demand and 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.	\$ 3,800,000	\$ 4,065,000
Bank overdrafts (cash and banks) – net	<u>(849,856)</u>	<u>(2,669,804)</u>
	\$ 2,950,144	\$ 1,395,196

7. Deferred revenue	<u>2015</u>	<u>2014</u>
Deferred revenue consists of the following:		
AANDC	\$ -	\$ 25,279
Health Canada	<u>637,683</u>	<u>637,685</u>
MKO	<u>90,795</u>	<u>340,384</u>
Other	<u>829,659</u>	<u>375,785</u>
	\$ 1,558,137	\$ 1,379,133

8. Debt reduction trust payable

The loan 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. In the current year there were excess earnings in the trust and the trustees determined that an additional distribution of \$613,492 be applied to the debt reduction trust.

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 entity'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, 2015

9. Long-term debt	<u>2015</u>	<u>2014</u>
Cambrian Credit Union	\$ 1,549,163	\$ 1,641,346
\$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.		
Promissory notes payable on demand, no interest until April 7, 2015	3,090,000	-
Bank of Montreal		
Loan 003-6996-145, \$8,038 principal plus interest payable monthly at prime+2.25% maturing on May 30, 2019.	401,892	-
Loan 003-6995-740, \$8,745 principal plus interest payable monthly at prime+2.25% maturing on October 30, 2019	480,969	-
Loan 003-6995-687, \$6,264 principal plus interest payable monthly at prime+2.25% maturing on October 30, 2019	134,586	-
Loan 003-6996-129, \$2,265 principal plus interest payable monthly at prime+2.25% maturing on May 30, 2019	113,267	-
Loan 003-6996-081, \$2,224 principal plus interest payable monthly at prime+2.25% maturing on June 30, 2019	113,411	-
Loan 003-6995-847, \$5,706 principal plus interest payable monthly at prime+2.25% maturing on September 30, 2019	308,139	-
Loan 003-6996-137, \$13,889 principal plus interest payable monthly at prime+2.00% maturing on June 30, 2029	2,361,111	-
Loan 003-6995-636, \$8,039 principal plus interest payable monthly at prime+2.25% maturing on November 30, 2019	21,541	-
Loan 003-6995-708, \$3,099 principal plus interest payable monthly at prime+2.25% maturing on January 30, 2017	65,419	-
Loan 003-6995-513, \$6,143 payable monthly at prime+2.00% maturing on December 31, 2019	350,140	-
Bank of Montreal loans are secured by the equipment being financed.		
CITI Financial Ltd. loan repaid during the year.	-	13,837
International Wireless Communications Inc.		
\$34,356 payable monthly including interest at 6.80%, maturing on December 20, 2016, secured by a first charge on broadband equipment.	681,953	1,036,839
	<u>\$ 9,671,591</u>	<u>\$ 2,692,022</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

9. Long-term debt (continued)	<u>2015</u>	<u>2014</u>
Balance carried forward	\$ 9,671,591	\$ 2,692,022
 National Leasing		
\$4,991 payable monthly including interest at 7.58%, maturing May 1, 2018, secured by a first charge on excavation equipment.	172,061	238,883
\$4,802 payable monthly including interest at 7.00%, secured by a first charge on equipment.	168,945	211,759
\$3,014 payable monthly including interest at 7.99%, maturing September 1, 2018, secured by a first charge on excavator.	112,736	138,985
\$1,341 payable monthly including interest at 9.10%, maturing March 1, 2016, secured by a first charge on dozer.	16,547	30,444
\$8,778 payable monthly including interest at 7.39%, maturing July 2, 2019, secured by a first charge on equipment.	385,066	459,927
 Royal Bank of Canada		
Mortgage payable in monthly instalments of \$13,666 including interest at 6.0%, maturing February 1, 2016, secured by teacherage units.	1,687,301	1,749,293
 GE Capital		
Loan payable in monthly instalments of \$21,749 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.		
\$2,947 payable monthly including interest at 7.00%, secured by a first charge on equipment.	43,167	293,132
	<hr/> 61,665	<hr/> 89,608
	<hr/> <u>\$ 12,319,079</u>	<hr/> <u>\$ 5,904,053</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

9. Long-term debt (continued)	<u>2015</u>	<u>2014</u>
Balance carried forward	\$ 12,319,079	\$ 5,904,053
Chrysler Financial loan repaid during the year.	-	1,885
GMAC		
Loan with interest at 7.00%, payable in monthly instalments of \$1,020, secured by a first charge on the associated vehicle.	4,250	6,523
CMHC		
Forgivable loan over 15 years as long as the building is used for a shelter.	385,000	420,000
Communities Economic Development Fund		
\$11,208 payable monthly including interest at 6.1%, maturing August 28, 2023, secured by a first charge on equipment.	963,198	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 and \$455,221 loan with \$5,175 payable monthly including interest at 6%, maturing April 1, 2024.	689,968	755,221
Mercado		
\$3,751 payable monthly including interest at 7.55%, maturing January 2, 2019.	149,376	181,750
ESB Construction loan repaid during the year.	-	250,992
Metis Economic Development Organization loan reclassified during the year.	-	400,000
Frontier School Division		
\$300,000 payable monthly including interest at 3.85% maturing April 30, 2021.	19,465,070	-
	<u>\$ 33,975,941</u>	<u>\$ 8,925,424</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

9. Long-term debt (continued)	<u>2015</u>	<u>2014</u>
Balance carried forward	\$ 33,975,941	\$ 8,925,424
NHCN Housing Projects		
Peace Hills Trust		
Construction mortgage, payable in blended monthly instalments of \$25,181 and interest rate of 5% renewable on November 1, 2019	4,316,295	3,627,845
Royal Bank of Canada		
Demand loan payable in annual instalments of \$110,570 less interest at 2.94% payable monthly maturing April 1, 2019, secured by 35 housing units.	1,105,702	1,222,137
Mortgage payable in monthly instalments of \$16,313, less interest at 3.6% payable monthly, maturing April 1, 2015, secured by 36 housing units.	1,653,493	1,787,265
Non-revolving term loan, repayable in monthly instalments of \$35,798 including interest at prime plus 2.00%, 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.	19,211	470,476
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.	1,659,720	1,762,922
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.	724,892	751,682
Revolving term loan, repayable in monthly instalments of \$16,964 plus interest at 6.0%, secured by a Band Council Resolution supporting a loan facility of \$2,652,000 to fund the construction of the 33-unit CMHC project.	2,081,205	2,158,919
Mortgage payable in monthly instalments of \$17,510 including interest at 6%, maturing November 1, 2016 secured by 33 trailer units.	2,221,846	2,297,828
Total long-term debt – NHCN Housing Projects	13,782,364	14,079,074
	\$ 47,758,305	\$ 23,004,498

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

9. Long-term debt (continued)	<u>2015</u>	<u>2014</u>
Balance carried forward	\$ 47,758,305	\$ 23,004,498
CMHC Housing Projects		
Canada Mortgage and Housing Corporation		
Mortgage payable, 1.82%, repayable in monthly instalments of \$5,789, due June 1, 2023.	531,860	589,998
Mortgage payable, 1.80%, repayable in monthly instalments of \$4,563, due July 1, 2026.	561,144	605,402
Mortgage payable, 1.53%, repayable in monthly instalments of \$3,485, due October 1, 2027.	478,454	512,687
Mortgage payable, 1.71%, repayable in monthly instalments of \$3,069, due September 1, 2027.	414,312	443,804
Mortgage payable, 1.71%, repayable in monthly instalments of \$2,050, due September 1, 2027.	276,701	296,398
Mortgage payable, 1.62%, repayable in monthly instalments of \$4,418, due March 1, 2028.	621,263	663,869
Mortgage payable, 1.92%, repayable in monthly instalments of \$1,445, due January 1, 2029.	210,564	223,745
Mortgage payable, 1.83%, repayable in monthly instalments of \$1,888, due November 1, 2024.	200,630	218,878
Mortgage payable, 2.69% repayable in monthly instalments of \$4,781, due August 1, 2025.	521,018	563,822
Mortgage payable, 1.62% repayable in monthly instalments of \$6,540, due February 1, 2032.	1,161,129	1,220,342
Mortgage payable, 1.12% repayable in monthly instalments of \$10,324, due February 1, 2035.	2,211,162	2,296,299
Mortgage payable 2.78%, repayable in monthly instalments of \$5,883, due July 1, 2035.	1,092,882	1,132,671
Mortgage payable 2.35%, repayable in monthly instalments of \$15,598, due September 1, 2033.	2,808,530	2,928,489
Mortgage payable 1.82%, repayable in monthly instalments of \$10,251, due February 1, 2034.	1,969,349	2,053,542
Mortgage payable in monthly instalments of \$2,560 including interest at 1.88%, maturing April 1, 2018.	91,967	120,333
Mortgage payable, 1.92% payable in monthly instalments of \$6,172, loan renewal date March 1, 2019	284,982	352,817
Mortgage payable, 1.67% payable in monthly instalments of \$7,979, loan renewal date February 1, 2019	362,782	451,680
Royal Bank of Canada mortgage repaid during the year.	-	58,022
Toronto-Dominion Bank		
Mortgage payable, 3.95% repayable in monthly instalments of \$3,994 loan renewal date February 1, 2017.	170,319	210,648
Total long-term debt – CMHC Housing Projects	<u>13,969,048</u>	<u>14,943,446</u>
Total long term debt	<u>\$ 61,727,353</u>	<u>\$ 37,947,944</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

9. Long-term debt (continued)

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

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

2016	\$ 14,524,366
2017	6,322,849
2018	5,904,348
2019	5,960,099
2020	5,570,427

Royal Bank of Canada 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 of Canada has been classified according to its original repayment terms.

10. 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 \$ 2,348,795 (2014:\$ 2,355,726).

Norway House Cree Nation
Notes to the Consolidated Financial Statements

March 31, 2015

11. Tangible capital assets												2015	2014
	Opening Cost	Additions	Transfers/ Disposals	Closing Cost	Accumulated Depreciation	Adjustments	Transfers/ Disposals	Amortization Expense	Accumulated Depreciation	NBV	NBV		
Funded capital assets													
Major housing renovations													
Housing	\$ 1,642,304	\$	\$	\$ 1,642,304	\$ 828,777	\$	\$	\$ 32,541	\$ 861,318	\$ 780,986	\$ 813,527		
Buildings - administration	8,826,759			8,826,759	4,379,900			177,875	4,557,775	4,268,984	4,446,859		
- others	2,093,807			2,093,807	891,428			52,346	943,774	1,150,033	1,202,379		
Construction in progress	108,210			108,210	47,342			2,705	50,047	50,163	60,868		
CMHC projects													
Land and improvements	103,102			103,102						103,102	103,102		
Buildings	30,871,154		(1,415,769)	29,455,385	8,318,607		(1,034,287)	974,397	8,258,717	21,196,668	22,552,547		
Furnishings and equipment	182,151			182,151						182,151	182,151		
Unfunded capital assets													
Buildings													
Multiplex	6,526,814			6,526,814	2,855,481			163,169	3,018,650	3,508,164	3,671,333		
Health and Social	951,755			951,755	491,704			18,402	510,106	441,649	460,051		
333 Maryland Street	3,375,196	289,042		3,664,238	1,340,314			94,168	1,434,482	2,229,756	2,034,882		
Apartments	15,337,760			15,337,760	5,670,831			386,678	6,057,509	9,280,251	9,666,929		
Trailers	9,915,330			9,915,330	2,295,365			304,799	2,600,164	7,315,166	7,619,965		
Molson Lake Lodge	1,719,314			1,719,314	1,416,498			31,000	1,447,498	271,816	302,816		
4015029 MB Ltd.	865,034			865,034						865,034	865,034		
Whiskeyjack Centre	4,874,864			4,874,864	1,828,641			121,849	1,950,490	2,924,374	3,046,223		
Minisowin Agency	4,999,664	64,500		5,064,164	343,633			125,798	469,431	4,594,733	4,656,031		
High School	51,205,272			51,205,272	9,600,982			1,280,138	10,881,120	40,324,152	41,604,290		
Teacherage	2,881,877			2,881,877	684,364			87,901	772,265	2,109,612	2,197,512		
Pinaow Wachi	3,677,193	102,928		3,780,121	1,142,155			103,460	1,245,615	2,534,506	2,535,038		
Other	4,512,105	1,655,426		6,167,531	2,201,395			1,188,035	3,389,430	2,778,101	2,310,710		
Equipment													
Multiplex	1,007,343			1,007,343	953,233			10,822	964,055	43,288	54,110		
Cablevision	1,703,080			1,703,080	827,351			175,146	1,002,497	700,583	875,729		
Video	358,711			358,711	268,438			18,055	286,493	72,218	90,273		
Computer	952,713			952,713	882,419			21,088	903,507	49,206	70,294		
Water and sewer	16,283,261			16,283,261	9,174,379			365,212	9,539,591	6,743,670	7,108,882		
Muchipunowin	-	91,710		91,710	-			5,984	5,984	85,726	-		
Band Admin	1,209,679			1,209,679	925,708			56,794	982,502	227,177	283,971		
Assets under capital lease	709,346			709,346	709,346			-	709,346	-	-		
Gaming Commission	192,943			192,943	101,483			3,924	105,407	87,536	91,460		
Dental Clinic	638,750			638,750	607,100			6,330	613,430	25,320	31,650		
Pinaow Wachi Inc.	392,322	71,420		463,742	316,539			13,973	330,512	133,230	75,783		
Machinery	9,056,436	457,353		9,513,789	4,968,466			432,153	5,400,619	4,113,170	4,087,970		
Street lighting	505,542			505,542	343,203			16,234	359,437	146,105	162,339		
Vehicles	2,950,680	1,895,923		4,846,603	2,723,865			334,658	3,058,523	1,788,080	226,815		
York Boat Inn													
Land	75,000			75,000						75,000	75,000		
Building	1,065,059			1,065,059	281,338			16,139	297,477	767,582	783,721		
Furnishings and equipment	500,977	10,216		511,193	299,307			3,533	302,840	208,353	201,670		
Computer	21,249			21,249	16,475			19	16,494	4,755	4,774		
Signage	12,766			12,766	10,458			7	10,465	2,301	2,308		
Telephone system	14,739			14,739	14,274			139	14,413	326	465		
Mall - Building	5,217,077	10,000		5,227,077	1,879,021			131,208	2,010,229	3,216,848	3,338,056		
- Equipment	533,501			533,501	516,127			3,474	519,601	13,900	17,374		
- Buses	482,269			482,269	72,341			122,979	195,320	286,949	409,928		
Daycare	1,062,004			1,062,004	436,326			26,550	462,876	599,128	625,678		
Construction in progress	17,959,408	3,004,108		20,963,516						20,963,516	17,959,408		
Lagoon	14,737,631	79,514		14,817,145	1,200,299			676,478	1,876,777	12,940,368	13,537,332		
Paving	13,272,330			13,272,330	5,750,129			300,888	6,051,017	7,221,313	7,522,201		
Winter road	1,540,592			1,540,592	725,269			32,607	757,876	782,716	815,323		
	\$ 247,125,073	\$ 7,732,140	\$ (1,415,769)	\$ 253,441,444	\$ 78,340,311	\$ -	\$ (1,034,287)	\$ 7,919,655	\$ 85,225,679	\$ 168,215,765	\$ 168,802,525		

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

12. Inventory	<u>2015</u>	<u>2014</u>
Norway House Cree Nation Gaming Commission	\$ 8,127	\$ 7,597
York Boat Inn	<u>20,000</u>	20,000
Norway House Pharmacy Ltd.	<u>-</u>	211,570
	<u>\$ 28,127</u>	<u>\$ 239,167</u>

13. Economic dependence

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

14. Aboriginal Affairs and Northern Development Canada revenue reconciliation

	<u>2015</u>	<u>2014</u>
AANDC revenue per financial statements	\$ 49,816,356	\$ 49,506,977
Add:		
Current year's deferred revenue waste water project	-	25,279
Current year's contribution towards waste water project	<u>25,279</u>	264,311
Deduct:		
Previous year's deferred revenue		
Waste water project	(25,279)	(289,590)
Pinaow Wachi Inc.	<u>(295,000)</u>	(305,000)
Total AANDC revenue reported	<u>\$ 49,521,356</u>	<u>\$ 49,201,977</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

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 entity 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 entity'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.

16. Pension plan

Norway House Cree Nation provides a defined contribution pension plan to its employees. The net expense for the period is \$149,896 (2014: \$149,745).

Employees contribute 3% of their 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.

17. Financial instrument risk management

Norway House Cree Nation is susceptible to credit risk due to the large balances of accounts receivable and significant overdue accounts. Credit risk is the risk of financial loss if a debtor fails to make payments of interest and principal when due. Accounts receivable from federal and provincial governments pose minimal credit risk. Miscellaneous receivables from various other individuals and entities are monitored on a regular basis. Norway House Cree Nation measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on Norway House Cree Nation's historical experience regarding collections.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and price risk. Unless otherwise noted, it's management's opinion that Norway House Cree Nation is not exposed to significant currency, interest and price risk.

Liquidity risk is the risk that Norway House Cree Nation will not be able to meet all cash outflow obligations as they become due. NHCN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

18. Segment disclosure

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 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.

Employment and Training: provides funding to support development and enhancement of essential employability skills, training for high-demand jobs, job finding, and programs for youth and people with disabilities.

Social Services: responsible for administering assistance payments as well as providing services directed towards members.

Band Support: oversees the delivery of all government services. The department is responsible for 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 Norway House Cree Nation 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 Services: 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.

Assisted Living: provides funding to assist in non-medical, social support services to seniors, adults with chronic illness, and children and adults with disabilities (mental and physical) so that they can maintain functional independence and achieve greater self-reliance. There are three major components to the program; in-home care, adult foster care and institutional care. In-home care provides financial assistance for non-medical personal care for all individuals who need assistance with activities of daily living. Adult foster care and institutional care provide funding for eligible individuals in need of personal non-medical care in a supported living environment.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

18. Segment disclosure (continued)

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 filling out paperwork.

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

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

CMHC: division of the Norway House Cree Nation that administers housing projects partially funded by operating agreements with CMHC.

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

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

Keenanow Trust Secretariat: organization is an unincorporated, non-profit, non-taxable entity responsible for the administration of funds received from Keenanow Trust. The trust was established to promote social welfare, civic improvement, recreation and the economic, spiritual and cultural welfare of Norway House Cree Nation and its members.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

18. Segment disclosure (continued)

Enterprises: includes the activities of Norway House Cree Nation related entities such as:

Kinosao Sipi Business Development Corporation: organization that undertakes economic development projects with the goal of generating revenues and employing members.

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

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

Molson Lake Lodge (1978) Ltd.: entity that provides accommodation, fly-in, outposts and guide services for ultimate fishing in different lakes of Norway House, Manitoba.

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

Kinosao Sipi Muchipunowin Program: unincorporated entity that operates radio bingo events in Norway House, Manitoba.

For each reported segment, revenue and expenditures 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, 2015

18. Segment Disclosure (continued)

	Band Support				Education				Employment and Training				Social Services				Health Services				Assisted Living				Public Works					
	Budget				Budget				Budget				Budget				Budget				Budget				Budget					
	2015	2015	2014		2015	2015	2014		2015	2015	2014		2015	2015	2014		2015	2015	2014		2015	2015	2014		2015	2015	2014			
Revenue																														
Federal Government	\$ 3,689,364	\$ 2,237,749	\$ 4,156,631		\$ 26,047,045	\$ 26,166,382	\$ 25,561,899		\$ 153,610	\$ 231,786	\$ 240,988		\$ 11,084,719	\$ 11,074,966	\$ 10,684,762		\$ 8,552,636	\$ 8,992,129	\$ 8,375,693		\$ 1,385,056	\$ 1,571,780	\$ 2,741,569		\$ 7,608,429	\$ 6,395,484	\$ 3,147,476			
Provincial Government	1,200,000	2,117,277	2,251,493		724,695	1,513,967	810,894		1,264,129	1,380,421	1,656,605		-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic activities	-	44,347	520,942																											
Other revenue	1,026,274	8,456,329	5,111,012		1,381,107	118,264	1,172,926		-	-	-		7,030	-	-		55,312	35,000	34,128		-	7,275	6,105		-	2,073,971	2,195,563			
Total revenue	5,915,638	12,855,702	12,040,078		28,152,847	27,798,613	27,545,719		1,417,739	1,612,207	1,897,593		11,091,749	11,074,966	10,684,762		8,607,948	9,027,129	8,409,821		1,385,056	1,579,055	2,747,674		7,608,429	9,808,025	7,270,255			
Expenditures																														
Salaries and benefits	2,474,377	2,943,688	2,529,423		1,397,782	1,013,547	1,107,587		312,850	342,538	403,388		200,000	193,570	194,179		4,437,286	3,975,153	4,072,544		461,166	686,671	863,529		662,887	2,187,818	1,858,246			
Amortization	291,500	-	407,743		1,069,500	1,737,460	1,496,142		-	-	-		-	-	-		651,400	1,271,648	1,095,026		-	-	-		156,300	253,951	218,680			
Debt servicing	1,763,287	2,261,740	1,927,849		-	-	-		-	-	-		-	-	-		-	-	-	-	-	-	-		-	98,237	85,856			
Transfer – interdepartment	-	945,815	-		3,200	-	(3,912)		-	-	-		-	-	-		(945,815)	-	-	-	-	-	-	-	-	-	732,385	(382,170)		
Other expenses	1,538,084	1,541,013	2,400,006		26,630,790	26,608,506	25,980,550		1,104,889	1,392,916	1,485,169		10,891,808	11,827,211	11,758,470		4,093,322	4,725,822	4,162,771		1,429,288	298,882	70,356		2,521,260	5,960,387	4,942,406			
Total expenditures	6,067,245	7,692,256	7,265,021		29,101,272	29,359,513	28,580,367		1,417,739	1,735,454	1,888,557		11,091,808	11,074,966	11,952,649		9,182,008	9,972,623	9,330,341		1,890,454	985,553	933,885		3,340,442	9,232,778	6,723,018			
Annual surplus (deficit)	\$ (151,607)	\$ 5,163,446	\$ 4,775,057		\$ (948,425)	\$ (1,560,900)	\$ (1,034,648)		\$ -	\$ (123,247)	\$ 9,036		\$ (59)	\$ -	\$ (1,267,887)		\$ (574,060)	\$ (945,494)	\$ (920,520)		\$ (505,398)	\$ 593,502	\$ 1,813,789		\$ 4,267,982	\$ 575,247	\$ 547,237			

Norway House Cree Nation
Notes to the Consolidated Financial Statements

March 31, 2015

18. Segment Disclosure (continued)

	Housing			Parks and Recreation			Youth			Emergency Services			Enterprises			
	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	
Revenue																
Federal Government	\$ 608,763	\$ -	\$ 838,675	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,619	\$ 92,616	\$ 92,616	\$ -	\$ -	\$ -	
Provincial Government	-	-	-	-	-	-	-	-	-	491,974	582,043	478,931	-	-	2,450,371	
Economic activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other revenue	<u>824,525</u>	<u>888,737</u>	<u>327,682</u>	<u>1,899,541</u>	<u>123,233</u>	<u>347,667</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,959,647</u>	<u>6,192,297</u>	
Total revenue	<u>1,433,288</u>	<u>888,737</u>	<u>1,166,357</u>	<u>1,969,541</u>	<u>123,233</u>	<u>347,667</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>626,593</u>	<u>674,659</u>	<u>571,547</u>	<u>—</u>	<u>—</u>	<u>4,959,647</u>	<u>8,642,668</u>
Expenditures																
Salaries and benefits	465,208	934,755	426,218	641,692	684,743	552,203	-	889	60,137	81,874	140,349	148,436	-	917,586	1,077,345	
Amortization	127,081	1,859,629	1,601,343	143,100	232,525	200,229	-	-	-	12,000	19,419	-	-	414,981	559,414	
Debt servicing	-	-	-	-	-	-	-	-	-	-	-	-	-	95,006	365,563	
Transfer - interdepartment	-	(732,385)	-	-	-	-	-	-	-	39,000	-	-	-	-	-	
Other expenses	<u>1,985,800</u>	<u>686,366</u>	<u>313,145</u>	<u>1,213,418</u>	<u>552,567</u>	<u>861,436</u>	<u>—</u>	<u>2,906</u>	<u>77,900</u>	<u>559,538</u>	<u>628,290</u>	<u>485,994</u>	<u>—</u>	<u>3,684,506</u>	<u>6,698,309</u>	
Total expenditures	<u>2,578,089</u>	<u>2,748,365</u>	<u>2,340,706</u>	<u>1,998,210</u>	<u>1,469,835</u>	<u>1,613,868</u>	<u>—</u>	<u>3,795</u>	<u>138,037</u>	<u>692,412</u>	<u>788,058</u>	<u>634,430</u>	<u>—</u>	<u>5,112,079</u>	<u>8,700,631</u>	
Annual surplus (deficit)	<u>\$ (1,144,801)</u>	<u>\$ (1,859,628)</u>	<u>\$ (1,174,349)</u>	<u>\$ (28,669)</u>	<u>\$ (1,346,602)</u>	<u>\$ (1,266,201)</u>	<u>\$ —</u>	<u>\$ (3,795)</u>	<u>\$ (138,037)</u>	<u>\$ (65,819)</u>	<u>\$ (113,399)</u>	<u>\$ (62,883)</u>	<u>\$ —</u>	<u>\$ (152,432)</u>	<u>\$ (57,963)</u>	

Norway House Cree Nation
Notes to the Consolidated Financial Statements

March 31, 2015

18. Segment Disclosure (continued)

	Gaming			CMHC			Pinaow Wachi Inc.			Policing		
	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014
Revenue												
Federal Government	\$ -	\$ -	\$ -	\$ 889,160	\$ 934,447	\$ 1,256,191	\$ 1,551,191	\$ 1,561,191	\$ 97,000	\$ 93,142	\$ 93,142	
Provincial Government	-	-	-	-	-	380,505	380,505	380,505	-	-	-	
Economic activities	3,600,000	5,071,097	4,336,165	529,686	542,732	-	-	-	-	-	-	
Other revenue	-	-	-	-	-	326,242	314,701	297,721	190,142	-	-	
Total revenue	<u>3,600,000</u>	<u>5,071,097</u>	<u>4,336,165</u>	<u>1,418,846</u>	<u>1,477,179</u>	<u>1,962,938</u>	<u>2,246,397</u>	<u>2,239,417</u>	<u>287,142</u>	<u>93,142</u>	<u>93,142</u>	
Expenditures												
Salaries and benefits	433,168	349,041	302,151	-	-	1,500,000	1,589,994	1,507,299	392,015	239,746	227,991	
Amortization	-	3,924	4,207	-	974,397	992,506	-	117,433	-	-	-	
Debt servicing	-	-	-	-	313,019	355,903	-	-	-	-	-	
Transfer - interdepartment	-	-	-	-	-	-	-	-	-	-	-	
Other expenses	762,500	1,067,810	797,555	-	390,969	326,281	458,201	526,577	732,211	77,123	55,967	72,981
Total expenditures	<u>1,195,668</u>	<u>1,420,775</u>	<u>1,103,913</u>	<u>-</u>	<u>1,678,385</u>	<u>1,674,690</u>	<u>1,958,201</u>	<u>2,234,004</u>	<u>2,239,510</u>	<u>469,138</u>	<u>295,713</u>	<u>300,972</u>
Annual surplus (deficit)	<u>\$ 2,404,332</u>	<u>\$ 3,650,322</u>	<u>\$ 3,232,252</u>	<u>\$ -</u>	<u>\$ (259,539)</u>	<u>\$ (197,511)</u>	<u>\$ 4,737</u>	<u>\$ 12,393</u>	<u>\$ (93)</u>	<u>\$ (181,996)</u>	<u>\$ (202,571)</u>	<u>\$ (207,830)</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

18. Segment Disclosure (continued)

	Broadband			Keenanow Trust Secretariat			Elimination			Total		
	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014
Revenue												
Federal Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,687,432	\$ 59,296,385	\$ 58,429,089
Provincial Government	-	-	-	-	-	-	-	-	-	3,569,329	5,974,213	8,028,799
Economic activities	-	-	-	-	-	-	-	-	-	3,600,000	6,983,700	7,327,055
Other revenue	-	<u>621,935</u>	<u>318,037</u>	-	<u>7,556,227</u>	<u>2,905,461</u>	-	<u>(311,813)</u>	<u>(328,324)</u>	<u>6,202,147</u>	<u>24,843,506</u>	<u>18,580,277</u>
Total revenue	-	<u>621,935</u>	<u>318,037</u>	-	<u>7,556,227</u>	<u>2,905,461</u>	-	<u>(311,813)</u>	<u>(328,324)</u>	<u>74,058,908</u>	<u>97,097,804</u>	<u>92,365,220</u>
Expenditures												
Salaries and benefits	-	<u>164,753</u>	<u>121,354</u>	-	-	-	-	-	-	<u>13,460,302</u>	<u>16,364,841</u>	<u>15,452,030</u>
Amortization	-	-	-	-	-	-	-	-	-	<u>2,450,881</u>	<u>6,885,368</u>	<u>6,575,290</u>
Debt servicing	-	<u>83,444</u>	-	-	-	-	-	-	-	<u>1,713,287</u>	<u>2,851,446</u>	<u>2,735,171</u>
Transfer - interdepartment	-	-	-	-	-	-	-	-	-	<u>42,200</u>	-	<u>(386,083)</u>
Other expenses	-	<u>742,248</u>	<u>89,848</u>	-	<u>7,518,596</u>	<u>2,940,970</u>	-	<u>(311,813)</u>	<u>(328,324)</u>	<u>53,316,021</u>	<u>67,899,726</u>	<u>63,868,035</u>
Total expenditures	-	<u>990,445</u>	<u>211,202</u>	-	<u>7,518,596</u>	<u>2,940,970</u>	-	<u>(311,813)</u>	<u>(328,324)</u>	<u>70,982,691</u>	<u>94,001,380</u>	<u>88,244,443</u>
Annual surplus (deficit)	\$ -	\$ <u>368,510</u>	\$ <u>106,835</u>	\$ -	\$ <u>37,631</u>	\$ <u>(35,509)</u>	\$ -	\$ -	\$ -	\$ <u>3,076,217</u>	\$ <u>3,096,424</u>	\$ <u>4,120,777</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

19. Expenses by object

The following is a summary of expenses by object:

	<u>2015</u>	<u>2014</u> (Note 21)
Administration	\$ 3,688,524	\$ 4,682,352
Amortization	6,885,368	6,575,290
Bad debt	392,409	914,864
Board, hotels and accommodations	1,677,255	1,508,465
Contracts – public works	2,191,793	1,886,910
Debt reduction contribution	(1,991,163)	(1,377,671)
Gas and oil	1,310,126	1,283,824
Interest	2,851,446	2,735,151
Keenanow Trust Secretariat	7,518,596	2,940,970
Materials and supplies	2,541,892	1,903,138
Miscellaneous	6,474,152	7,679,071
MLCC share	754,653	609,075
Nursing unit	1,054,593	1,025,073
Professional fees	1,076,259	643,274
Program costs	3,684,456	2,256,131
Salaries and benefits	16,364,841	15,452,030
Social assistance and pensioners	11,782,454	11,570,375
Transportation	2,214,818	2,131,493
Tuition	22,969,663	22,938,904
Utilities	871,058	885,724
	<hr/> <u>\$ 94,313,193</u>	<hr/> <u>\$ 88,244,443</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2015

20. Government transfers

	<u>Operating</u>	<u>2015 Capital</u>	<u>Total</u>	<u>Operating</u>	<u>2014 Capital</u>	<u>Total</u>
Federal Government Transfers:						
Aboriginal Affairs and Northern Development Canada	\$ 49,521,356	\$ -	\$ 49,521,356	\$ 49,176,698	\$ 25,279	\$ 49,201,977
Health Canada	8,497,727	-	8,497,727	7,894,523	-	7,894,523
Canada Mortgage and Housing Corporation	889,160	-	889,160	934,447	-	934,447
Policing	93,142	-	93,142	93,142	-	93,142
MKO	<u>2,141,309</u>	<u>-</u>	<u>2,141,309</u>	<u>2,467,499</u>	<u>-</u>	<u>2,467,499</u>
	<u>\$ 61,142,694</u>	<u>\$ -</u>	<u>\$ 61,142,694</u>	<u>\$ 60,566,309</u>	<u>\$ 25,279</u>	<u>\$ 60,591,588</u>

21. Comparative figures

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