



Grant Thornton

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## Consolidated Financial Statements

Norway House Cree Nation

March 31, 2016



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# Contents

Management's Responsibility for Financial Reporting	Page 1
Independent Auditors' Report	2-3
Consolidated Statement of Operations	4
Consolidated Statement of Change in Accumulated Surplus	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Change in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9-32
Summary Schedule of Revenue and Expenditures	33
Schedule of Revenue and Expenditures – Education	34
Schedule of Revenue and Expenditures – Employment and Training	35
Schedule of Revenue and Expenditures – Social Services	36
Schedule of Revenue and Expenditures – Band Support	37
Schedule of Revenue and Expenditures – Public Works	38
Schedule of Revenue and Expenditures – Housing	39
Schedule of Revenue and Expenditures – Health Services	40
Schedule of Revenue and Expenditures – Assisted Living	41
Schedule of Revenue and Expenditures – Emergency Services	42
Schedule of Revenue and Expenditures – Restorative Justice	43
Schedule of Revenue and Expenditures – Safety Officer's Program	44
Schedule of Revenue and Expenditures – Parks, Recreation and Multi-Plex Operations	45
Schedule of Revenue and Expenditures – Youth	46
Schedule of Revenue and Expenditures – VLT Operations	47
Schedule of Revenue and Expenditures – CMHC	48
Schedule of Revenue and Expenditures – Broadband	49
Schedule of Revenue and Expenditures – Keenanow Trust Secretariat	50
Schedule of Revenue and Expenditures – Enterprises	51
Schedule of Set Contribution Funding	52
Schedule of Fixed Contribution Funding	53
Schedule of Operations – Health Services – Block Funding	54
Schedule of Operations – Health Services – Set Programs	55
Health Services – Statement of Moveable Assets Replacement Reserve	56

### Management's Responsibility for Financial Reporting

The accompanying March 31, 2016 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, 2016 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

  
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*Council*

  
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## Independent Auditors' Report

Grant Thornton LLP  
94 Commerce Drive  
Winnipeg, MB  
R3P 0Z3  
T +1 204 944 0100  
F +1 204 957 5442  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

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

We have audited the accompanying consolidated financial statements of Norway House Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2016, 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.



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**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, 2016, 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  
October 27, 2016

*Grant Thornton LLP*

Chartered Professional Accountants

# Norway House Cree Nation

## Consolidated Statement of Operations

Year Ended March 31

2016

2015  
(Note 21)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Indigenous and Northern Affairs Canada (Note 14)	\$ 51,934,204	\$ 50,117,662	\$ 49,816,356
Manitoba Keewatinowi Okimakanak	2,141,309	1,988,823	2,141,309
Health Canada	8,497,727	8,380,478	8,497,727
Province of Manitoba	2,893,521	1,828,912	2,117,277
Communications	44,347	28,028	44,347
Video lottery terminal revenues	23,319,707	24,802,290	22,752,108
Education	871,343	1,680,846	871,343
CMHC projects/subsidy	-	1,327,446	1,418,843
Parks, Recreation and Multi-Plex	122,623	122,170	114,058
Public Works	2,061,229	1,920,416	2,813,426
Housing	888,737	711,950	888,737
Construction	1,338,571	374,247	586,375
Manitoba Hydro	12,741	8,244,769	12,741
Other	2,145,097	4,943,802	10,500,110
Keenanow Trust Secretariat (Page 50)	-	3,460,273	7,556,227
Enterprises (Page 51)	741,228	6,538,444	4,120,380
	<u>97,012,384</u>	<u>116,470,556</u>	<u>114,251,364</u>
Expenditures			
Education (Page 34)	29,632,231	31,040,615	29,363,048
Employment and Training (Page 35)	1,612,208	1,671,239	1,721,102
Social Services (Page 36)	11,074,967	11,652,479	11,074,966
Band Support (Page 37)	6,296,267	8,891,576	7,692,256
Public Works (Page 38)	8,666,778	7,962,376	9,232,778
Housing (Page 39)	3,480,751	3,139,431	2,748,365
Health Services (Page 40)	10,320,624	7,765,579	9,426,192
Assisted Living (Page 41)	2,739,813	3,519,322	3,219,556
Emergency Services (Page 42)	788,057	809,328	681,570
Restorative Justice (Page 43)	-	53,065	-
Safety Officer's Program (Page 44)	302,380	364,427	295,713
Parks, Recreation and Multi-Plex (Page 45)	1,899,986	1,863,290	1,469,835
Youth (Page 46)	-	55,300	14,613
VLT Operations (Page 47)	18,441,855	20,718,044	19,072,690
CMHC (Page 48)	-	1,395,131	1,678,385
Broadband (Page 49)	1,132,910	1,295,220	990,445
Keenanow Trust Secretariat (Page 50)	-	3,304,204	7,518,596
Enterprises (Page 51)	-	7,517,001	4,954,830
	<u>96,388,827</u>	<u>113,017,627</u>	<u>111,154,940</u>
Annual surplus	\$ 623,557	\$ 3,452,929	\$ 3,096,424

See accompanying notes to the consolidated financial statements.

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

Year Ended March 31

2016

2015

Accumulated surplus, beginning of year

Accumulated surplus as previously stated	\$ 96,786,734	\$ 93,690,310
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Prior period adjustment (Note 3)	<u>637,683</u>	<u>637,683</u>
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Accumulated surplus, restated	97,424,417	94,327,993
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Annual surplus	<u>3,452,929</u>	<u>3,096,424</u>
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Accumulated surplus, end of year	<u>\$ 100,877,346</u>	<u>\$ 97,424,417</u>
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# Norway House Cree Nation

## Consolidated Statement of Financial Position

March 31

2016

2015

### Financial assets

Accounts and loans receivable (Note 4)	\$ 5,424,416	\$ 4,021,301
Trust funds (Note 5)	<u>22,792</u>	<u>20,143</u>

### Total financial assets

5,447,208      4,041,444

### Liabilities

Bank indebtedness (Note 6)	4,507,816	2,950,144
Accounts payable and accrued liabilities	7,325,726	8,652,280
Deferred revenue (Note 7)	643,414	920,454
Debt reduction trust payable (Note 8)	809,776	809,776
Long-term debt (Note 9)	<u>57,942,819</u>	<u>61,727,353</u>

### Total liabilities

71,229,551      75,060,007

### Net debt

(65,782,343)      (71,018,563)

### Non-financial assets

Tangible capital assets (Note 11)	166,239,271	168,215,765
Inventory (Note 12)	248,965	28,127
Prepaid expenses	<u>171,453</u>	<u>199,088</u>

### Total non-financial assets

166,659,689      168,442,980

### Accumulated surplus (Page 5)

\$ 100,877,346      \$ 97,424,417

Contingencies (Note 15)

Approved 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

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 123,557	\$ 3,452,929	\$ 3,096,424
Acquisition of tangible capital assets	(2,000,000)	(4,720,559)	(6,298,596)
Amortization of tangible capital assets	<u>5,381,298</u>	<u>6,697,053</u>	<u>6,885,368</u>
	<u>3,504,855</u>	<u>5,429,423</u>	<u>3,683,196</u>
Use (acquisition) of inventory	-	(220,838)	211,040
Change in prepaid expenses	<u>-</u>	<u>27,635</u>	<u>(128,419)</u>
	<u>-</u>	<u>(193,203)</u>	<u>82,621</u>
Decrease in net debt	3,504,855	5,236,220	3,765,817
Net debt, beginning of year	<u>(71,018,563)</u>	<u>(71,018,563)</u>	<u>(74,784,380)</u>
Net debt, end of year	<u>\$ (68,151,390)</u>	<u>\$ (65,782,343)</u>	<u>\$ (71,018,563)</u>

# Norway House Cree Nation

## Consolidated Statement of Cash Flows

Year Ended March 31

2016

2015

Increase (decrease) in cash and cash equivalents

<b>Operating</b>		
Annual surplus	\$ 3,452,929	\$ 3,096,424
Adjustments for non-cash items		
Amortization of capital assets – general account	6,236,175	6,470,387
Amortization of capital assets – enterprises	460,878	414,981
Debt reduction contribution	-	(1,991,163)
	<u>10,149,982</u>	<u>7,990,629</u>
Changes in non-cash working capital		
Accounts and loans receivable	(1,403,115)	(1,442,755)
Prepaid expenses	27,635	(128,407)
Inventory	(220,838)	211,040
Accounts payable and accrued liabilities	(1,326,554)	(25,842,526)
Deferred revenue	(277,040)	179,004
	<u>6,950,070</u>	<u>(19,033,015)</u>
<b>Financing</b>		
Bank indebtedness advances (repayment) – net	1,557,672	1,554,948
Long-term debt proceeds (repayment) – net	(3,784,534)	23,779,409
	<u>(2,226,862)</u>	<u>25,334,357</u>
<b>Investing</b>		
Acquisition of tangible capital assets	(4,720,559)	(6,298,596)
Net increase in cash and cash equivalents	2,649	2,746
Cash and cash equivalents, beginning of year	<u>20,143</u>	<u>17,397</u>
Cash and cash equivalents, end of year	<u>\$ 22,792</u>	<u>\$ 20,143</u>
<b>Cash and cash equivalents consist of:</b>		
Trust funds (Note 5)	<u>\$ 22,792</u>	<u>\$ 20,143</u>

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

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March 31, 2016

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#### 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.

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#### 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

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

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March 31, 2016

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

##### Principles of consolidation (continued)

Incorporated entities including:

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

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

##### 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.

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

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March 31, 2016

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#### 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.

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## **Norway House Cree Nation**

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

March 31, 2016

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#### **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 NHCN'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, 2016

### 3. Prior period adjustment

Funding received from Health Canada in 2013 was recorded as deferred revenue, however, the funds received did not meet the definition of a liability and should have been recorded as revenue in the year received. As a result, the financial statements of the prior period have been restated to correct this presentation.

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

	2015, as previously stated	Adjustment	2015, restated
Accumulated surplus, beginning of year	\$ 93,690,310	\$ 637,683	\$ 94,327,993
Accumulated surplus, end of year	96,786,734	637,683	97,424,417

4. Accounts and loans receivable	2016	2015
INAC	\$ 134,737	\$ 724,302
Health Canada	18,154	-
MKO	310,230	756,351
CMHC	49,377	-
Pharmacy	403,572	393,004
Other (net of allowance for doubtful accounts of \$7,728,117 (2015 - \$ 6,733,597))	4,508,346	2,147,644
	<u>\$ 5,424,416</u>	<u>\$ 4,021,301</u>

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

5. Trust funds	2016	2015
INAC – Trust funds	<u>\$ 22,792</u>	<u>\$ 20,143</u>



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

March 31, 2016

6. Bank indebtedness	<u>2016</u>	<u>2015</u>
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 Indigenous and Northern Affairs Canada, Norway House Cree Nation and the Royal Bank acknowledging loan commitment of funding.	\$ 3,840,000	\$ 3,800,000
Bank overdrafts (cash and banks) – net	<u>667,816</u>	<u>(849,856)</u>
	<u>\$ 4,507,816</u>	<u>\$ 2,950,144</u>

7. Deferred revenue	<u>2016</u>	<u>2015</u>
Deferred revenue consists of the following:		
MKO	\$ -	\$ 90,795
Other	<u>643,414</u>	<u>829,659</u>
	<u>\$ 643,414</u>	<u>\$ 920,454</u>

### 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 was no payment 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 Indigenous and Northern Affairs 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, 2016

<b>9. Long-term debt</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Cambrian Credit Union loan repaid during the year.	\$ -	\$ 1,549,163
Promissory notes payable on demand, bearing interest rate of 18%	<b>2,800,000</b>	3,090,000
Bank of Montreal		
Loans are secured by the equipment being financed.		
Loan 003-6996-145, \$8,038 principal plus interest payable monthly at prime+2.25% maturing on July 30, 2019.	<b>305,438</b>	401,892
Loan 003-6995-740, \$8,745 principal plus interest payable monthly at prime+2.25% maturing on October 30, 2019	<b>376,029</b>	480,969
Loan 003-6995-687, \$6,264 principal plus interest payable monthly at prime+2.25% maturing on October 30, 2019	<b>53,157</b>	134,586
Loan 003-6996-129, \$2,265 principal plus interest payable monthly at prime+2.25% maturing on July 30, 2019	<b>86,083</b>	113,267
Loan 003-6996-081, \$2,224 principal plus interest payable monthly at prime+2.25% maturing on June 30, 2019	<b>86,726</b>	113,411
Loan 003-6995-847, \$5,706 principal plus interest payable monthly at prime+2.25% maturing on September 30, 2019	<b>144,741</b>	308,139
Loan 003-6996-137, \$13,889 principal plus interest payable monthly at prime+2.00% maturing on June 30, 2029	<b>2,194,445</b>	2,361,111
Loan 003-6995-636, repaid during the year.	-	21,541
Loan 003-6995-708, \$3,099 principal plus interest payable monthly at prime+2.25% maturing on January 30, 2017	<b>28,237</b>	65,419
Loan 003-6995-513, \$6,143 payable monthly at prime+2.25% maturing on December 31, 2019	<b>282,565</b>	350,140
Loan 0003-6995-089, \$1,800 principal plus interest payable monthly at prime+2.25% maturing on April 30, 2020.	<b>88,200</b>	-
	<b><u>\$ 6,445,621</u></b>	<b><u>\$ 8,989,638</u></b>

# **Norway House Cree Nation**

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

March 31, 2016

<b>9. Long-term debt (continued)</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Balance carried forward	\$ 6,445,621	\$ 8,989,638
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.	302,200	681,953
National Leasing \$4,991 payable monthly including interest at 7.58%, maturing May 1, 2018, secured by a first charge on excavation equipment.	123,542	172,061
\$4,802 payable monthly including interest at 7.00%, secured by a first charge on equipment.	122,717	168,945
\$3,014 payable monthly including interest at 7.99%, maturing September 1, 2018, secured by a first charge on excavator.	84,365	112,736
Lease repaid during the year.	-	16,547
\$8,778 payable monthly including interest at 7.39%, maturing July 2, 2019, secured by a first charge on equipment.	304,670	385,066
Royal Bank of Canada Mortgage payable in monthly instalments of \$10,927 including interest at 2.60%, maturing February 1, 2021, secured by teacherage units.	1,621,533	1,687,301
Lease Payments \$1,661 payable monthly including interest at 7.07%, maturing November 1, 2018.	47,743	-
GE Capital \$1,846 payable monthly including interest at 7.07%, maturing February 1, 2021.	91,776	-
Loan repaid during the year.	-	43,167
\$2,947 payable monthly including interest at 10.08%, maturing March 1, 2017, secured by a first charge on equipment.	30,908	61,665
	<b><u>\$ 9,175,075</u></b>	<b><u>\$ 12,319,079</u></b>

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

9. Long-term debt (continued)	<u>2016</u>	<u>2015</u>
Balance carried forward	\$ 9,175,075	\$ 12,319,079
Bank of Montreal		
Demand loan non revolving from Bank of Montreal up to \$3,500,000 repayable in monthly payments of \$14,584 principal plus interest at the prime rate plus 1.25%. Loan is secured by a general security agreement providing a first fixed and floating charge over the assets of the company, a registered first charge collateral mortgage of \$5,000,000 over 333 Maryland St. property, a guarantee in the amount of \$3,500,000 signed by Norway House Cree Nation and a Band Council Resolution signed by Norway House Cree Nation as to the guarantee provided by the company.	3,398,750	-
GMAC		
Loan repaid during the year.	-	4,250
CMHC		
Forgivable loan over 15 years as long as the building is used for a shelter.	350,000	385,000
Communities Economic Development Fund		
\$11,208 payable monthly including interest at 6.1%, maturing August 28, 2023, secured by a first charge on equipment.	848,227	963,198
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 December 1, 2023 and \$455,221 loan with \$5,175 payable monthly including interest at 6%, maturing December 1, 2023.	543,420	689,968
Mercado		
\$3,751 payable monthly including interest at 7.55%, maturing January 2, 2019.	114,467	149,376
Wells Fargo		
\$2,671 payable monthly including interest at 7.07%, maturing February 1, 2021.	132,785	-
Metis Economic Development Organization		
No repayment terms.	400,000	-
Frontier School Division		
\$250,000 payable monthly including interest at 3.75% maturing April 30, 2021.	16,831,160	19,465,070
	<u>\$ 31,793,884</u>	<u>\$ 33,975,941</u>

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**Norway House Cree Nation**  
**Notes to the Consolidated Financial Statements**  
March 31, 2016

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9. Long-term debt (continued)	<u>2016</u>	<u>2015</u>
Balance carried forward	\$ 31,793,884	\$ 33,975,941
<b>NHCN Housing Projects</b>		
Peace Hills Trust		
Construction mortgage, payable in blended monthly instalments of \$25,181 and interest rate of 5% renewable on November 1, 2019	4,224,971	4,316,295
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.	1,009,223	1,105,702
Mortgage payable in monthly instalments of \$15,193, less interest at 2.14% payable monthly, maturing April 1, 2020, secured by 36 housing units.	1,514,250	1,653,493
Non-revolving term loan, repaid during the year.	-	19,211
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 INAC as to loan funding, terms and conditions.	1,553,515	1,659,720
Revolving term loan, repayable in monthly instalments of \$4,725 including interest at 2.19%, secured by a Band Council Resolution committing to a loan for the purchase of trailers.	691,300	724,892
Revolving term loan, repayable in monthly instalments of \$13,755 plus interest at 2.63%, secured by a Band Council Resolution supporting a loan facility of \$2,652,000 to fund the construction of the 33-unit CMHC project.	1,998,767	2,081,205
Mortgage payable in monthly instalments of \$17,510 including interest at 6%, maturing November 1, 2016 secured by 33 trailer units.	<u>2,141,225</u>	<u>2,221,846</u>
Total long-term debt – NHCN Housing Projects	<u>13,133,251</u>	<u>13,782,364</u>
	<u>\$ 44,927,135</u>	<u>\$ 47,758,305</u>

# Norway House Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

9. Long-term debt (continued)	2016	2015
Balance carried forward	\$ 44,927,135	\$ 47,758,305
<b>CMHC Housing Projects</b>		
Canada Mortgage and Housing Corporation		
Mortgage payable, 1.82%, repayable in monthly instalments of \$5,789, due June 1, 2023.	471,563	531,860
Mortgage payable, 1.80%, repayable in monthly instalments of \$4,563, due July 1, 2026.	516,108	561,144
Mortgage payable, 1.53%, repayable in monthly instalments of \$3,485, due October 1, 2027.	443,712	478,454
Mortgage payable, 1.71%, repayable in monthly instalments of \$3,069, due September 1, 2027.	384,327	414,312
Mortgage payable, 1.71%, repayable in monthly instalments of \$2,050, due September 1, 2027.	256,676	276,701
Mortgage payable, 1.62%, repayable in monthly instalments of \$4,418, due March 1, 2028.	577,987	621,263
Mortgage payable, 1.92%, repayable in monthly instalments of \$1,445, due January 1, 2029.	197,147	210,564
Mortgage payable, 1.83%, repayable in monthly instalments of \$1,888, due November 1, 2024.	181,483	200,630
Mortgage payable, 1.08% repayable in monthly instalments of \$4,422, due August 1, 2025.	475,005	521,018
Mortgage payable, 1.62% repayable in monthly instalments of \$6,540, due February 1, 2032.	1,100,993	1,161,129
Mortgage payable, 1.12% repayable in monthly instalments of \$10,324, due February 1, 2035.	2,111,525	2,211,162
Mortgage payable 1.19%, repayable in monthly instalments of \$5,066, due July 1, 2035.	1,049,773	1,092,882
Mortgage payable 2.35%, repayable in monthly instalments of \$15,598, due September 1, 2033.	2,685,879	2,808,530
Mortgage payable 2.08%, repayable in monthly instalments of \$10,495, due February 1, 2034.	1,883,485	1,969,349
Mortgage payable in monthly instalments of \$2,560 including interest at 1.88%, maturing April 1, 2018.	62,722	91,967
Mortgage payable, 1.92% payable in monthly instalments of \$6,172, loan renewal date March 1, 2019	215,776	284,982
Mortgage payable, 1.67% payable in monthly instalments of \$7,979, loan renewal date February 1, 2019	272,404	362,782
Toronto-Dominion Bank		
Mortgage payable, 3.95% repayable in monthly instalments of \$3,994 loan renewal date December 31, 2018.	129,119	170,319
Total long-term debt – CMHC Housing Projects	13,015,684	13,969,048
Total long term debt	\$ 57,942,819	\$ 61,727,353

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

March 31, 2016

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#### 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:

2017	\$ 13,144,497
2018	5,910,483
2019	5,770,518
2020	9,108,629
2021	5,006,113

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.

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#### 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 \$ 2,436,366 (2015: \$ 2,348,795).



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

March 31, 2016

11. Tangible capital assets	Opening Cost	Additions	Transfers/ Disposals	Closing Cost	Opening Accumulated Depreciation	Adjustments	Transfers/ Disposals	Amortization Expense	Accumulated Depreciation	2016 NBV	2015 NBV
<b>Funded capital assets</b>											
Major housing renovations											
Housing	\$ 1,642,304	\$	\$	\$ 1,642,304	\$ 861,318	\$	\$	\$ 31,239	\$ 892,557	\$ 749,747	\$ 780,886
Buildings - administration	8,826,759			8,826,759	4,557,775			170,759	4,728,534	4,098,225	4,268,984
- others	2,093,807			2,093,807	943,774			52,345	996,119	1,097,688	1,150,033
Construction in progress	108,210			108,210	50,047			2,705	52,752	55,458	58,163
CMHC projects											
Land and improvements	103,102			103,102						103,102	103,102
Buildings	29,455,385		(1,281,977)	28,173,408	8,258,717		(938,000)	953,365	8,274,082	19,899,326	21,196,668
Furnishings and equipment	182,151			182,151						182,151	182,151
<b>Unfunded capital assets</b>											
Buildings											
Multiplex	6,526,814	596,548		7,123,362	3,018,850			178,084	3,196,734	3,926,628	3,508,164
Health and Social	951,755			951,755	510,106			17,666	527,772	423,983	441,649
333 Maryland Street	3,664,238	2,375,416	(45,121)	5,994,533	1,434,482			104,747	1,539,229	4,455,304	2,229,756
Apartments	15,337,760			15,337,760	6,057,509			371,210	6,428,719	8,909,041	9,280,251
Trailers	9,915,330			9,915,330	2,600,164			292,607	2,892,771	7,022,559	7,315,166
Molson Lake Lodge	1,719,314	126,433		1,845,747	1,447,498			35,369	1,482,867	362,880	271,816
4015029 MB Ltd.	865,034			865,034						865,034	865,034
Whiskeyjack Centre	4,874,864			4,874,864	1,950,490			116,975	2,067,465	2,807,399	2,924,374
Minisowin Agency	5,064,164			5,064,164	469,431			126,604	596,035	4,468,129	4,594,733
High School	51,205,272			51,205,272	10,881,120			1,280,132	12,161,252	39,044,020	40,324,152
Teacherage	2,881,877			2,881,877	772,265			84,384	856,649	2,025,226	2,109,612
Pinaow Wachi	3,780,121	4,538		3,784,659	1,245,615			101,471	1,347,086	2,437,573	2,534,508
Other	6,167,531	4,301,977		10,469,508	3,389,430		938,000	175,845	4,503,275	5,966,233	2,778,101
Equipment											
Multiplex	1,007,343	97,200		1,104,543	964,055			28,098	992,153	112,390	43,288
Cablevision	1,703,080			1,703,080	1,002,497			140,117	1,142,614	560,466	700,583
Video	358,711			358,711	286,493			14,444	300,937	57,774	72,218
Computer	952,713			952,713	903,507			14,762	918,269	34,444	49,206
Water and sewer	18,283,261			16,283,261	9,539,591			354,647	9,894,238	6,389,023	6,743,670
Muchipunowin	91,710			91,710	5,984			10,847	16,831	74,879	85,726
Band Admin	1,209,679	245,674		1,455,353	982,502			74,082	1,056,584	398,769	227,177
Assets under capital lease	709,346			709,346	709,346				709,346	-	-
Gaming Commission	192,943			192,943	105,407			3,688	109,095	83,848	87,536
Dental Clinic	638,750			638,750	613,430			5,064	618,494	20,256	25,320
Pinaow Wachi Inc.	463,742	20,666	(49,176)	435,242	330,512		(49,176)	20,721	302,057	133,175	133,230
Machinery	9,513,789	722,059		10,235,848	5,400,619			461,510	5,862,129	4,373,719	4,113,170
Street lighting	505,542			505,542	359,437			14,610	374,047	131,495	146,105
Vehicles	4,846,603	49,404	(97,635)	4,798,372	3,058,523			498,608	3,557,131	1,241,241	1,788,080
York Boat Inn											
Land	75,000			75,000						75,000	75,000
Building	1,065,059	66,000		1,131,059	297,477			16,964	314,441	816,618	767,582
Furnishings and equipment	511,193			511,193	302,840			3,690	306,530	204,663	208,353
Computer	21,249			21,249	16,494			13	16,507	4,742	4,755
Signage	12,766			12,766	10,465			5	10,470	2,296	2,301
Telephone system	14,739			14,739	14,413			98	14,511	228	326
Mall - Building	5,227,077			5,227,077	2,010,229			131,331	2,414,560	3,085,517	3,216,848
- Equipment	533,501			533,501	519,601			2,780	522,381	11,120	13,900
- Buses	482,269	113,000		595,269	195,320			103,035	298,355	296,914	286,949
Pharmacy	349,546	1,798		351,344	144,407			43,248	187,655	163,689	
Daycare	1,062,004			1,062,004	462,876			26,550	489,426	572,578	599,128
Construction in progress	20,963,516	119,440	(2,900,000)	18,182,956						18,182,956	20,963,516
Lagoon	14,817,145			14,817,145	1,876,777			312,472	2,189,249	12,627,896	12,940,368
Paving	13,272,330			13,272,330	6,051,017			288,853	6,339,870	6,932,460	7,221,313
Winter road	1,540,592			1,540,592	757,876			31,399	789,185	751,407	782,716
	\$ 253,790,990	\$ 8,840,153	\$ (4,373,909)	\$ 258,257,234	\$ 85,370,086	\$ -	\$ (48,176)	\$ 6,697,053	\$ 92,017,963	\$ 166,239,271	\$ 168,215,765

# **Norway House Cree Nation**

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

March 31, 2016

<b>12. Inventory</b>	<u><b>2016</b></u>	<u><b>2015</b></u>
Norway House Cree Nation Gaming Commission	\$ 12,965	\$ 8,127
York Boat Inn	1,500	20,000
Norway House Pharmacy Ltd.	<u>234,500</u>	<u>-</u>
	<u>\$ 248,965</u>	<u>\$ 28,127</u>

### **13. Economic dependence**

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

### **14. Indigenous and Northern Affairs Canada revenue reconciliation**

	<u><b>2016</b></u>	<u><b>2015</b></u>
INAC revenue per financial statements	\$ 50,117,662	\$ 49,816,356
Add:		
Current year's contribution towards waste water project	-	25,279
Deduct:		
Previous year's deferred revenue		
Waste water project	-	(25,279)
Pinaow Wachi Inc.	<u>-</u>	<u>(295,000)</u>
Total INAC revenue reported	<u>\$ 50,117,662</u>	<u>\$ 49,521,356</u>

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

March 31, 2016

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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 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.
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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 \$204,247 (2015: \$163,490).

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.

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#### 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 is 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.

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

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March 31, 2016

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#### 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, and 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 medical and 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 medical and non-medical care in a supported living environment.

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

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March 31, 2016

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#### 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.

**Restorative Justice:** to facilitate Aboriginal peoples' greater involvement in the administration of justice in the Province of Manitoba and the Government of Canada.

**Safety Officer's Program:** 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.

**VLT Operations:** department responsible for the operations of video lottery terminals.

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

**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.

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## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

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March 31, 2016

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#### 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.

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

**Norway House Cree Nation Gaming Commission:** department responsible for the operation of licensed gaming activities.

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, 2016

**18. Segment Disclosure (continued)**

	Band Support			Education			Employment and Training			Social Services			Health Services			Public Works		
	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015
Revenue																		
Federal Government	\$ 3,109,549	\$ 4,745,190	\$ 2,237,749	\$ 28,000,000	\$ 26,639,688	\$ 26,166,382	\$ 231,787	\$ 239,166	\$ 231,786	\$ 11,074,967	\$ 11,299,788	\$ 11,074,966	\$ 8,992,129	\$ 8,860,880	\$ 8,992,129	\$ 6,395,484	\$ 3,160,344	\$ 6,395,484
Provincial Government	1,930,973	1,694,234	2,117,277	760,888	2,194,793	1,513,967	1,380,421	1,348,551	1,380,421	-	-	-	-	-	-	-	-	-
Economic activities	44,347	508,028	44,347	-	-	-	-	-	-	-	-	-	-	-	-	1,338,571	1,350,183	1,338,570
Other revenue	941,472	8,916,975	8,456,300	871,343	547,109	118,264	-	-	-	-	-	-	-	-	-	34,750	35,000	2,073,971
Total revenue	6,026,341	15,864,427	12,855,673	29,632,231	29,981,587	27,798,613	1,612,208	1,587,717	1,612,207	11,074,967	11,299,788	11,074,966	8,992,129	8,895,630	9,027,129	9,808,025	7,316,089	9,808,025
Expenditures																		
Salaries and benefits	2,943,689	3,197,976	2,943,689	1,013,549	1,121,260	1,017,081	342,539	414,468	328,186	193,571	179,304	193,570	4,508,483	3,856,097	3,975,149	2,321,152	2,635,714	2,187,818
Amortization	-	-	-	1,737,460	1,668,276	1,737,460	-	-	-	-	-	-	1,271,648	1,221,012	1,271,648	253,951	243,839	253,951
Debt servicing	809,776	1,337,814	2,281,740	-	666,090	-	-	-	-	-	-	-	-	-	-	98,237	77,485	98,237
Transfer – interdepartment	630,544	(296,104)	945,815	-	(3,912)	-	-	-	-	(945,815)	-	(945,815)	-	10,948	-	732,385	(169,782)	732,385
Other expenses	1,912,258	4,651,890	1,541,012	26,881,222	27,588,901	26,608,507	1,269,669	1,256,771	1,392,916	11,827,211	11,473,175	11,827,211	4,540,493	3,763,671	3,867,582	5,261,053	5,175,120	5,960,387
Total expenditures	6,296,267	8,891,576	7,692,256	29,632,231	31,040,615	29,363,048	1,612,208	1,671,239	1,721,102	11,074,967	11,652,479	11,074,966	10,320,624	8,851,728	9,114,379	8,666,778	7,962,376	9,232,778
Annual surplus (deficit)	\$ (269,926)	\$ 6,972,851	\$ 5,163,417	\$ -	\$ (1,659,028)	\$ (1,564,435)	\$ -	\$ (83,522)	\$ (108,895)	\$ -	\$ (352,691)	\$ -	\$ (1,328,495)	\$ 43,902	\$ (87,250)	\$ 1,141,247	\$ (646,287)	\$ 575,247



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

March 31, 2016

**18. Segment Disclosure (continued)**

	Housing			Parks, Recreation and Multi-Plex			Youth			Emergency Services			Enterprises		
	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015
Revenue															
Federal Government	\$ 666,667	\$ 691,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,441	\$ 92,616	\$ 92,616	\$ -	\$ -	\$ -
Provincial Government	-	-	-	-	-	-	-	-	-	582,043	551,505	582,043	-	-	-
Economic activities	201,439	242,883	201,439	8,564	10,857	9,175	-	-	-	-	-	-	741,228	7,670,113	5,455,871
Other revenue	687,298	469,067	687,298	114,059	122,169	114,058	-	173,777	-	-	-	-	-	-	-
Total revenue	1,555,404	1,403,618	888,737	122,623	133,026	123,233	-	173,777	-	668,484	644,121	674,659	741,228	7,670,113	5,455,871
Expenditures															
Salaries and benefits	934,755	922,407	934,755	951,409	950,825	684,743	-	11,224	11,707	300,350	356,522	140,350	-	1,231,200	917,586
Amortization	1,859,630	1,785,580	1,859,629	232,525	223,266	232,525	-	-	-	19,419	18,645	19,419	-	460,879	414,981
Debt servicing	-	-	-	-	-	-	-	-	-	-	-	-	-	319,891	95,006
Transfer - interdepartment	-	-	(732,385)	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	686,366	431,444	686,366	716,052	689,199	552,567	-	44,076	2,906	468,288	434,161	521,801	-	6,248,363	5,174,558
Total expenditures	3,480,751	3,139,431	2,748,365	1,899,986	1,863,290	1,469,835	-	55,300	14,613	788,057	809,328	681,570	-	8,260,333	6,602,131
Annual surplus (deficit)	\$ (1,925,347)	\$(1,735,813)	\$(1,859,628)	\$(1,777,363)	\$(1,730,264)	\$(1,346,602)	\$ -	\$ 118,477	\$ (14,613)	\$ (119,573)	\$ (165,207)	\$ (6,911)	\$ 741,228	\$ (590,220)	\$(1,146,260)

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

March 31, 2016

## **18. Segment Disclosure (continued)**

	VLT			CMHC			Assisted Living			Safety Officer's Program			Restorative Justice		
	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015
Revenue															
Federal Government	\$ -	\$ -	\$ -	\$ -	\$ 842,474	\$ 889,160	\$ 2,061,211	\$ 2,903,481	\$ 3,122,971	\$ 93,143	\$ 51,228	\$ 93,171	\$ -	\$ 52,500	\$ -
Provincial Government	-	-	-	-	-	-	380,505	448,205	380,505	-	-	-	-	-	-
Economic activities	23,319,707	24,802,290	22,752,108	-	484,972	529,686	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	298,097	283,181	321,976	-	-	-	-	-	-
Total revenue	23,319,707	24,802,290	22,752,108	-	1,327,446	1,418,846	2,739,813	3,634,868	3,825,452	93,143	51,228	93,171	-	52,500	-
Expenditures															
Salaries and benefits	325,771	442,037	329,117	-	-	-	1,500,009	1,668,792	842,342	241,745	288,284	239,745	-	33,788	-
Amortization	-	-	-	-	953,364	974,397	-	122,192	117,433	-	-	-	-	-	-
Debt servicing	9,052	11,743	9,446	-	249,673	313,020	-	-	-	-	-	-	-	-	-
Transfer - interdepartment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	18,107,032	20,264,264	18,734,127	-	192,093	390,968	1,239,804	1,728,338	2,259,781	60,635	76,143	55,968	-	19,277	-
Total expenditures	18,441,855	20,718,044	19,072,690	-	1,395,130	1,678,385	2,739,813	3,519,322	3,219,556	302,380	364,427	295,713	-	53,065	-
Annual surplus (deficit)	\$ 4,877,852	\$ 4,084,246	\$ 3,679,418	\$ -	\$ (67,684)	\$ (259,539)	\$ -	\$ 115,546	\$ 605,896	\$ (209,237)	\$ (313,199)	\$ (202,542)	\$ -	\$ (565)	\$ -

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

March 31, 2016

## **18. Segment Disclosure (continued)**

	Broadband			Keenanow Trust Secretariat			Elimination			Total		
	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015
Revenue												
Federal Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,711,378	\$ 59,579,020	\$ 59,296,414
Provincial Government	-	-	-	-	-	-	-	-	-	5,034,830	6,237,288	5,974,213
Economic activities	-	-	-	-	-	-	-	-	-	25,653,856	35,069,326	24,664,711
Other revenue	<u>626,081</u>	<u>601,538</u>	<u>621,935</u>	<u>-</u>	<u>3,460,273</u>	<u>7,556,227</u>	<u>-</u>	<u>(1,829,480)</u>	<u>(1,335,488)</u>	<u>5,612,320</u>	<u>15,584,922</u>	<u>24,316,026</u>
Total revenue	<u>626,081</u>	<u>601,538</u>	<u>621,935</u>	<u>-</u>	<u>3,460,273</u>	<u>7,556,227</u>	<u>-</u>	<u>(1,829,480)</u>	<u>(1,335,488)</u>	<u>97,012,384</u>	<u>116,470,556</u>	<u>114,251,364</u>
Expenditures												
Salaries and benefits	164,753	186,652	164,753	-	-	-	-	-	-	15,741,775	17,496,550	14,910,591
Amortization	-	-	-	-	-	-	-	-	-	5,374,633	6,869,298	6,881,443
Debt servicing	227,943	172,245	83,444	-	-	-	-	-	-	1,145,008	2,662,696	2,851,447
Transfer - interdepartment	-	-	-	-	-	-	-	-	-	417,114	477,473	7,518,596
Other expenses	<u>740,214</u>	<u>936,323</u>	<u>742,248</u>	<u>-</u>	<u>3,304,204</u>	<u>7,518,596</u>	<u>-</u>	<u>(1,829,480)</u>	<u>(1,335,488)</u>	<u>73,710,297</u>	<u>85,511,610</u>	<u>78,992,863</u>
Total expenditures	<u>1,132,910</u>	<u>1,295,220</u>	<u>990,445</u>	<u>-</u>	<u>3,304,204</u>	<u>7,518,596</u>	<u>-</u>	<u>(1,829,480)</u>	<u>(1,335,488)</u>	<u>96,388,827</u>	<u>113,017,627</u>	<u>111,154,940</u>
Annual surplus (deficit)	<u>\$ (506,829)</u>	<u>\$ (693,682)</u>	<u>\$ (368,510)</u>	<u>\$ -</u>	<u>\$ 156,069</u>	<u>\$ 37,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 623,557</u>	<u>\$ 3,452,929</u>	<u>\$ 3,096,424</u>

# **Norway House Cree Nation**

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

March 31, 2016

### **19. Expenses by object**

The following is a summary of expenses by object:

	<u>2016</u>	<u>2015</u> (Note 21)
Administration	\$ 4,168,664	\$ 3,543,983
Amortization	6,697,053	6,881,443
Bad debt	989,191	392,409
Board, hotels and accommodations	834,010	1,128,523
Contracts – public works	1,822,970	2,191,793
Debt reduction contribution	-	(1,991,163)
Gas and oil	1,035,322	1,310,126
Interest	2,522,811	2,927,356
Keenanow Trust Secretariat	3,304,204	7,518,596
Materials and supplies	2,163,123	2,557,887
Miscellaneous	8,633,808	7,929,544
MLCC share	803,959	754,653
Nursing unit	1,113,548	1,054,593
Professional fees	1,521,425	1,080,259
Program costs	2,132,529	3,680,456
Salaries and benefits	17,496,550	14,910,591
Social assistance and pensioners	11,435,709	11,782,454
Transportation	1,887,273	1,798,818
Tuition	24,153,058	22,969,663
VLT prize payout	19,431,012	17,865,422
Utilities	871,408	867,534
	<u>\$ 113,017,627</u>	<u>\$ 111,154,940</u>

## Norway House Cree Nation

### Notes to the Consolidated Financial Statements

March 31, 2016

#### 20. Government transfers

	<u>Operating</u>	<u>2016 Capital</u>	<u>Total</u>	<u>Operating</u>	<u>2015 Capital</u>	<u>Total</u>
Federal Government Transfers:						
Indigenous and Northern						
Affairs Canada	\$ 50,117,662	\$ -	\$ 50,117,662	\$ 49,521,356	\$ -	\$ 49,521,356
Health Canada	8,380,478	-	8,380,478	8,497,727	-	8,497,727
Canada Mortgage and Housing						
Corporation	842,474	-	842,474	889,160	-	889,160
Policing	103,728	-	103,728	93,142	-	93,142
MKO	1,988,823	-	1,988,823	2,141,309	-	2,141,309
	<u>\$ 61,433,165</u>	<u>\$ -</u>	<u>\$ 61,433,165</u>	<u>\$ 61,142,694</u>	<u>\$ -</u>	<u>\$ 61,142,694</u>

#### 21. Comparative figures

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