

Consolidated Financial Statements

Norway House Cree Nation

March 31, 2018



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Management's Responsibility for Financial Reporting

The accompanying March 31, 2018 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.

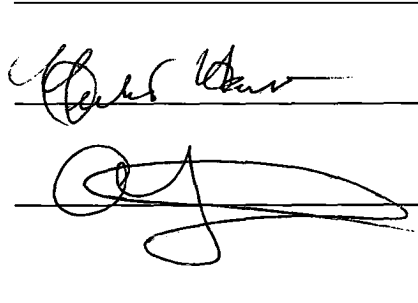
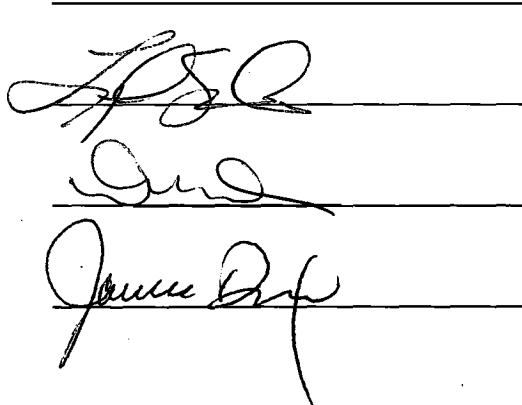
The March 31, 2018 consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.



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, 2018, 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, 2018, 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.

Winnipeg, Canada
November 15, 2018

Grant Thornton LLP
Chartered Professional Accountants

Norway House Cree Nation

Consolidated Statement of Operations

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Indigenous Services Canada (ISC)	\$ 46,621,884	\$ 53,290,206	\$ 52,668,245
Manitoba Keewatinowi Okimakanak (MKO)	2,113,229	2,483,129	2,030,389
Health Canada	10,234,681	12,938,841	9,941,726
Industry Canada	-	-	3,649,481
Province of Manitoba	1,218,174	2,082,389	2,130,640
Communications	-	19,995	32,625
Video lottery terminal (VLT) revenues	26,338,048	27,898,206	25,300,786
Education	1,275,068	2,015,342	1,499,407
Canada Mortgage and Housing Corporation (CMHC) projects/subsidy	569,628	1,845,147	1,275,356
Parks, Recreation and Multi-Plex	1,074,463	220,430	175,086
Public Works	893,353	1,919,935	1,984,135
Housing	586,021	90,592	1,147,594
Construction	297,407	126,970	260,713
Manitoba Hydro	2,160,458	1,302,130	1,601,565
Other	4,508,791	6,444,752	6,130,611
Keenanow Trust Secretariat	-	1,680,632	2,332,720
Enterprises	-	8,478,083	8,654,139
	<u>97,891,205</u>	<u>122,836,779</u>	<u>120,815,218</u>
Expenditures			
Education	26,113,346	32,969,241	31,706,826
Employment and Training	3,125,790	1,225,636	1,918,804
Social Services	12,211,147	12,736,748	11,908,308
Band Support	10,427,373	9,588,023	8,858,604
Public Works	5,926,263	9,120,591	8,701,195
Housing	2,996,753	4,145,079	3,316,984
Health Services	11,569,494	9,365,293	8,298,287
Assisted Living	2,060,767	2,917,342	2,719,511
Emergency Services	1,200,159	1,003,900	877,438
Restorative Justice	100,000	90,772	94,393
Safety Officer's Program	460,817	511,239	449,017
Parks, Recreation and Multi-Plex	2,285,632	2,209,218	1,940,186
Youth	-	12,088	12,303
VLT Operations	22,080,140	23,508,332	21,203,067
CMHC	2,304,199	2,073,546	1,538,378
Broadband	717,268	1,024,845	846,345
Keenanow Trust Secretariat	-	1,979,151	2,443,461
Enterprises	-	9,805,328	9,528,415
	<u>103,579,148</u>	<u>124,286,372</u>	<u>116,361,522</u>
Annual (deficit) surplus	<u>\$ (5,687,943)</u>	<u>\$ (1,449,593)</u>	<u>4,453,696</u>

Norway House Cree Nation

Consolidated Statement of Change in Accumulated Surplus

Year Ended March 31	2018	2017
Accumulated surplus, beginning of year	\$ 105,331,042	\$ 100,877,346
Annual (deficit) surplus	<u>(1,449,593)</u>	<u>4,453,696</u>
Accumulated surplus, end of year	<u>\$ 103,881,449</u>	<u>\$ 105,331,042</u>

Norway House Cree Nation

Consolidated Statement of Financial Position

March 31

2018

2017

Financial assets

Accounts receivable (Note 3)	\$ 8,517,616	\$ 7,566,431
Trust funds (Note 4)	<u>26,609</u>	<u>26,284</u>

Total financial assets

8,544,225 7,592,715

Liabilities

Bank indebtedness (Note 5)	3,032,666	2,437,938
Accounts payable and accrued liabilities	16,717,676	16,014,845
Deferred revenue	58,619	826,182
Debt reduction trust payable (Note 6)	809,776	809,776
Long-term debt (Note 7)	<u>50,520,805</u>	<u>52,626,949</u>

Total liabilities

71,139,542 72,715,690

Net debt

(62,595,317) (65,122,975)

Non-financial assets

Tangible capital assets (Note 9)	165,372,425	169,787,124
Inventory (Note 10)	389,896	480,308
Prepaid expenses	<u>714,445</u>	<u>186,585</u>

Total non-financial assets

166,476,766 170,454,017

Accumulated surplus (Page 5)

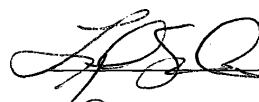
\$ 103,881,449 \$ 105,331,042

Contingencies (Note 12)

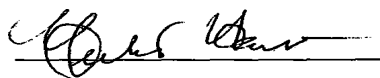
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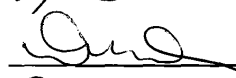
Chief



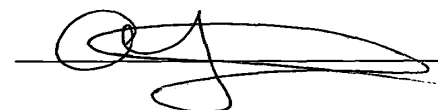
Councillor



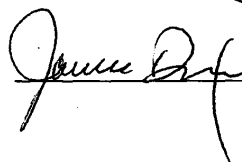
Councillor



Councillor



Councillor



Councillor

Norway House Cree Nation

Consolidated Statement of Change in Net Debt

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual (deficit) surplus	\$ (5,687,943)	\$ (1,449,593)	4,453,696
Acquisition of tangible capital assets	-	(4,082,621)	(10,308,504)
Disposal of tangible capital assets	-	569,564	57,349
Amortization of tangible capital assets	<u>5,218,405</u>	<u>7,927,756</u>	<u>6,703,302</u>
	<u>(469,538)</u>	<u>2,965,106</u>	<u>905,843</u>
Use (acquisition) of inventory	-	90,412	(231,343)
Change in prepaid expenses	<u>-</u>	<u>(527,860)</u>	<u>(15,132)</u>
	<u>-</u>	<u>(437,448)</u>	<u>(246,475)</u>
Decrease in net debt	(469,538)	2,527,658	659,368
Net debt, beginning of year	<u>(66,128,970)</u>	<u>(65,122,975)</u>	<u>(65,782,343)</u>
Net debt, end of year	<u>\$ (66,598,508)</u>	<u>\$ (62,595,317)</u>	<u>\$ (65,122,975)</u>

Norway House Cree Nation

Consolidated Statement of Cash Flows

Year Ended March 31

2018

2017

Increase (decrease) in cash and cash equivalents

Operating

Annual (deficit) surplus	\$	(1,449,593)	\$	4,453,696
Adjustments for non-cash items				
Amortization of capital assets – general account		7,375,048		6,192,172
Amortization of capital assets – enterprises		<u>552,708</u>		<u>511,130</u>

6,478,163 11,156,998

Changes in non-cash working capital

Accounts receivable	(951,185)	(1,306,361)
Prepaid expenses	(527,860)	(15,132)
Inventory	90,412	(231,343)
Accounts payable and accrued liabilities	702,831	7,853,465
Deferred revenue	<u>(767,563)</u>	<u>182,768</u>

5,024,798 17,640,395

Financing

Bank indebtedness advances (repayment) – net	594,728	(2,069,878)
Long-term debt proceeds (repayment) – net	<u>(2,106,144)</u>	<u>(5,315,870)</u>

(1,511,416) (7,385,748)

Investing

Acquisition of tangible capital assets	(4,082,621)	(10,308,504)
Proceeds on disposal of tangible capital assets	<u>569,564</u>	<u>57,349</u>

(3,513,057) (10,251,155)

Net increase in cash and cash equivalents **325** 3,492

Cash and cash equivalents, beginning of year **26,284** 22,792

Cash and cash equivalents, end of year **\$ 26,609** \$ 26,284

Cash and cash equivalents consist of:

Trust funds (Note 4)	<u>\$ 26,609</u>	<u>\$ 26,284</u>
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Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

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, 2018

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.	7133805 Manitoba Ltd.

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.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

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, 2018

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. Inventory consists of pharmaceuticals, bingo paper and supplies.

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 inventory.

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, 2018

3. Accounts receivable	<u>2018</u>	<u>2017</u>
ISC	\$ 531,738	\$ 40,349
MKO	192,630	219,080
Health Canada	244,769	-
Manitoba Hydro	1,000,000	1,500,000
Keenanow Trust	673,600	673,600
Province of Manitoba	576,461	586,289
Pharmacy	319,658	405,510
Other	13,694,833	11,930,039
Allowance for doubtful accounts	<u>(8,716,073)</u>	<u>(7,788,436)</u>
	<u>\$ 8,517,616</u>	<u>\$ 7,566,431</u>

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

4. Trust funds	<u>2018</u>	<u>2017</u>
INAC – Trust funds	<u>\$ 26,609</u>	<u>\$ 26,284</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

5. Bank indebtedness 2018 2017

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.

\$ 3,595,000 \$ 4,305,000

Cash and banks – net of overdrafts

(562,334) (1,867,062)

\$ 3,032,666 \$ 2,437,938

6. 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 Services 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, 2018

7. Long-term debt	<u>2018</u>	<u>2017</u>
Promissory notes repaid during the year.	\$ -	\$ 2,628,219
Bank of Montreal		
Loans are secured by the equipment and property being financed. All loans are demand loans non-revolving.		
Loan 6996-145, \$8,038 principal plus interest payable monthly at prime+2.25% maturing July 30, 2019.	120,568	208,984
Loan 6995-740, \$8,745 principal plus interest payable monthly at prime+2.25% maturing October 30, 2019.	174,894	271,089
Loan 6995-687, repaid during the year.	-	3,048
Loan 6996-129, \$2,223 principal plus interest payable monthly at prime+2.25% maturing July 30, 2019.	31,715	58,899
Loan 6996-081, \$2,224 principal plus interest payable monthly at prime+2.25% maturing June 30, 2019.	33,356	60,041
Loan 6995-847, \$5,706 principal plus interest payable monthly at prime+2.25% maturing September 30, 2019.	7,791	76,266
Loan 6996-137, \$13,889 principal plus interest payable monthly at prime+2.00% maturing June 30, 2029.	1,861,111	2,027,778
Loan 6995-708, repaid during the year.	-	350
Loan 6995-513, \$6,143 payable monthly at prime+2.25% maturing December 31, 2019.	135,130	208,847
Loan 6995-089, \$1,800 principal plus interest payable monthly at prime+2.25% maturing April 30, 2020.	45,000	66,600
Loan 6993-964, \$8,039 principal plus interest payable monthly at prime+2.25% maturing November 30, 2019.	43,482	54,605
Loan 6993-876, \$1,042 principal plus interest payable monthly at prime+1.50%, maturing March 31, 2022.	233,334	244,792
Loan 6994-035, \$62,500 principal payable quarterly at prime+2.25% maturing March 31, 2020.	350,000	562,500
Loan 6994-027, \$3,258 principal plus interest payable monthly at prime+2.25% maturing March 31, 2022.	133,592	172,691
Loan 6993-905, \$2,087 principal plus interest payable monthly at prime+2.25% maturing March 31, 2022.	91,864	114,830
Loan 6993-868, \$7,900 principal payable monthly at prime+2.25% maturing March 31, 2022.	355,501	442,402
	<u>\$ 3,617,338</u>	<u>\$ 7,201,941</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

7. Long-term debt (continued)	<u>2018</u>	<u>2017</u>
Balance carried forward	\$ 3,617,338	\$ 7,201,941
Bank of Montreal (continued)		
Loan 6993-901, \$6,569 principal plus interest payable monthly at prime+2.25% maturing October 30, 2022.	361,280	-
Loan 6993-163, \$6,508 principal plus interest payable monthly at prime+2.25% maturing October 30, 2022.	357,914	-
Loan 6992-830, \$6,614 principal plus interest payable monthly at prime+2.25% maturing January 28, 2023.	336,662	-
Loan 6992-849, \$1,417 principal plus interest payable monthly at prime+2.25% maturing January 28, 2023.	82,167	-
Loan 6992-769, \$10,558 principal plus interest payable monthly at prime+2.25% maturing on June 30, 2027.	622,956	-
Loan 6993-489, \$52,351 principal plus interest payable monthly at prime+2.0% maturing June 30, 2027.	5,810,945	-
National Leasing		
\$4,991 payable monthly including interest at 7.58%, maturing May 1, 2018, secured by a first charge on excavation equipment.	14,786	71,217
\$4,802 payable monthly including interest at 7.00%, maturing May 1, 2018, secured by a first charge on equipment.	18,904	72,801
\$3,014 payable monthly including interest at 7.99%, maturing September 1, 2018, secured by a first charge on excavator.	20,557	53,700
\$8,778 payable monthly including interest at 7.39%, maturing July 2, 2019, secured by a first charge on equipment.	164,832	244,433
\$7,025 payable monthly including interest of 5.75% maturing March 31, 2021, secured by a first charge on equipment.	229,181	298,306
\$1,132 payable monthly including interest of 7.03%, maturing March 1, 2021, secured by a first charge on equipment.	36,629	47,223
Beatoes Productions		
\$2,868 payable monthly interest free, maturing March 31, 2021, secured by audio/visual equipment.	77,444	-
Royal Bank of Canada		
Demand loan payable in monthly instalments of \$10,927 including interest at 2.60%, maturing February 1, 2021, secured by teacherage units.	1,436,972	1,529,413
	<u>13,188,567</u>	<u>9,519,034</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

7. Long-term debt (continued)	<u>2018</u>	<u>2017</u>
Balance carried forward	\$ 13,188,567	\$ 9,519,034
Money in Motion		
\$1,661 payable monthly including interest at 7.07%, maturing November 1, 2018, secured by a first charge on equipment.	12,134	30,546
GE Capital		
\$1,846 payable monthly including interest at 7.07%, maturing February 1, 2021, secured by a first charge on equipment.	57,886	75,420
Balance repaid during the year.	-	2,924
Bank of Montreal		
Demand loan non revolving from Bank of Montreal up to \$3,800,000 repayable in monthly payments of \$15,850 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 \$3,800,000 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.	3,663,719	3,778,104
CMHC		
Forgivable loan over 15 years, in 2025, as long as the building is used for a shelter.	280,000	315,000
Communities Economic Development Fund		
\$11,208 payable monthly including interest at 6.1%, maturing March 1, 2019, secured by a first charge on equipment.	671,434	762,485
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.	397,156	471,508
Mercado		
\$3,751 payable monthly including interest at 7.55%, maturing January 2, 2019, secured by a first charge on equipment.	36,239	76,827
	<u>18,307,135</u>	<u>15,031,848</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

7. Long-term debt (continued)	<u>2018</u>	<u>2017</u>
Balance carried forward	\$ 18,307,135	\$ 15,031,848
Wells Fargo \$2,671 payable monthly including interest at 7.07%, maturing February 1, 2021, secured by first charge on equipment.	84,251	109,373
Frontier School Division \$250,000 payable monthly including interest at 3.75% maturing April 30, 2021, not secured.	9,478,921	13,074,635
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.	4,027,047	4,128,451
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.	773,991	884,561
Demand loan payable in monthly instalments of \$15,193, less interest at 2.14% payable monthly, maturing April 1, 2020, secured by 36 housing units.	1,199,643	1,354,463
Demand loan, payable in monthly instalments of \$12,365 including interest at 2.64%, maturing June 1, 2018, 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.	1,333,694	1,445,244
Demand loan, repayable in monthly instalments of \$4,725 including interest at 2.19%, maturing February 1, 2020, secured by a Band Council Resolution committing to a loan for the purchase of trailers.	594,752	637,904
Demand loan, repayable in monthly instalments of \$13,755 plus interest at 2.63%, maturing December 1, 2020, secured by a Band Council Resolution supporting a loan facility of \$2,652,000 to fund the construction of the 33-unit CMHC project.	1,759,135	1,876,231
Demand loan payable in monthly instalments of \$13,670 including interest at 2.26%, maturing November 1, 2021 secured by 33 trailer units.	1,926,345	2,045,366
Total long term debt–NHCN Housing Projects	<u>11,614,607</u>	<u>12,372,220</u>
	<u>\$ 39,484,914</u>	<u>\$ 40,588,076</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

7. Long-term debt (continued)	<u>2018</u>	<u>2017</u>
Balance carried forward	\$ 39,484,914	\$ 40,588,076
CMHC Housing Projects		
Canada Mortgage and Housing Corporation		
Mortgage payable, 1.82%, repayable in monthly instalments of \$5,789 due June 1, 2023.	347,583	410,125
Mortgage payable, 1.35%, repayable in monthly instalments of \$4,472, due July 1, 2026.	422,764	470,215
Mortgage payable, 1.97%, repayable in monthly instalments of \$3,559, due October 1, 2027.	372,758	408,405
Mortgage payable, 1.97%, repayable in monthly instalments of \$3,107, due September 1, 2027.	322,856	353,799
Mortgage payable, 1.97%, repayable in monthly instalments of \$2,075, due September 1, 2027.	215,622	236,287
Mortgage payable, 2.39%, repayable in monthly instalments of \$4,585, due March 1, 2028.	489,245	533,964
Mortgage payable, 1.92%, repayable in monthly instalments of \$1,445, due January 1, 2029.	169,505	183,454
Mortgage payable, 1.83%, repayable in monthly instalments of \$1,888, due November 1, 2024.	142,102	161,968
Mortgage payable, 1.08% repayable in monthly instalments of \$4,422, due August 1, 2025.	378,100	426,808
Mortgage payable, 1.62% repayable in monthly instalments of \$6,540, due February 1, 2032.	977,647	1,039,798
Mortgage payable, 1.12% repayable in monthly instalments of \$10,324, due February 1, 2035.	1,908,719	2,010,662
Mortgage payable 1.19%, repayable in monthly instalments of \$5,066, due July 1, 2035.	951,972	1,001,148
Mortgage payable 2.35%, repayable in monthly instalments of \$15,598, due September 1, 2033.	2,431,371	2,560,041
Mortgage payable 2.08%, repayable in monthly instalments of \$10,495, due February 1, 2034.	1,706,060	1,795,647
Mortgage payable in monthly instalments of \$2,560 including interest at 1.88%, maturing April 1, 2018.	2,560	32,922
Mortgage payable, 1.92% payable in monthly instalments of \$6,172, loan renewal date March 1, 2019.	73,310	145,222
Mortgage payable, 1.67% payable in monthly instalments of \$7,979, loan renewal date February 1, 2019.	87,043	180,490
Mortgage payable, 1.02% repayable in monthly instalments of \$3,685, due January 1, 2019.	36,674	-
Toronto-Dominion Bank		
Mortgage payable, repaid during the year	-	87,918
Total long-term debt – CMHC Housing Projects	<u>11,035,891</u>	<u>12,038,873</u>
Total long term debt	<u>\$ 50,520,805</u>	<u>\$ 52,626,949</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

7. 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:

2019	6,157,073
2020	6,347,813
2021	6,432,791
2022	7,201,074
2023	5,698,890

8. 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 \$2,790,209 (2017:\$ 2,618,797).

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

9. Tangible capital assets	Opening Cost	Additions	Transfers/ Disposals	Closing Cost	Opening Accumulated Depreciation	Adjustments	Transfers/ Disposals	Amortization Expense	Accumulated Depreciation	2018 NBV	2017 NBV
Funded capital assets											
Major housing renovations		\$	\$								
Housing	\$ 1,642,304			\$ 1,642,304	\$ 922,547	\$		28,791	\$ 951,338	\$ 690,966	\$ 719,757
Buildings - administration	8,826,759			8,826,759	4,892,463			157,372	5,049,835	3,776,924	3,934,296
- others	2,093,807			2,093,807	1,048,464			52,345	1,100,809	992,998	1,045,343
Construction in progress	108,210			108,210	55,458			2,705	58,163	50,047	52,752
CMHC projects											
Land and improvements	103,102			103,102						103,102	103,102
Buildings	28,173,408	1,081,000		29,254,408	9,250,892			1,002,983	10,253,875	19,000,533	18,922,516
Furnishings and equipment	182,151			182,151						182,151	182,151
Unfunded capital assets											
Buildings											
Multiplex	7,123,362			7,123,362	3,367,362			178,084	3,545,446	3,577,916	3,756,000
Health and Social	951,755			951,755	544,732			16,281	561,013	390,742	407,023
333 Maryland Street	6,197,804	24,315		6,222,119	1,696,928			199,823	1,896,751	4,325,368	4,500,876
Apartments	15,337,760			15,337,760	6,785,081			342,378	7,127,459	8,210,301	8,552,679
Trailers	9,915,330			9,915,330	3,173,673			269,666	3,443,339	6,471,991	6,741,657
Molson Lake Lodge	1,893,848		(3,276)	1,890,572	1,531,098			39,587	1,570,685	319,887	362,750
4015029 MB Ltd.	865,034			865,034						865,034	865,034
Whiskeyjack Centre	4,874,864			4,874,864	2,179,761			107,804	2,287,565	2,587,299	2,695,103
Minisowin Agency	5,064,164			5,064,164	722,639			126,604	849,243	4,214,921	4,341,525
High School	51,205,272			51,205,272	13,441,384			1,280,132	14,721,516	36,483,756	37,763,888
Teacherage	2,881,877		(535,545)	2,346,332	937,658			77,769	1,015,427	1,330,905	1,944,219
Pinaow Wachi	3,784,659	66,742		3,851,401	1,444,589			94,938	1,539,527	2,311,874	2,340,070
Other	23,435,448	841,355	(30,743)	24,246,060	4,800,396			1,442,710	6,243,106	18,002,954	18,635,052
Equipment											
Multiplex	1,104,543	147,512		1,252,055	1,006,854			34,289	1,041,143	210,912	97,689
Cablevision	1,703,080			1,703,080	1,254,707			89,675	1,344,382	358,698	448,373
Video	358,711			358,711	312,492			9,244	321,736	36,975	46,219
Computer	1,013,177			1,013,177	953,650			17,873	971,523	41,654	59,527
Water and sewer	16,283,261			16,283,261	10,240,083			338,319	10,578,402	5,704,859	6,043,178
Muchipunowin	91,710	29,912		121,622	24,851			10,752	35,603	86,019	66,859
Band Admin	1,455,353	333,973		1,789,326	1,133,075			64,455	1,197,530	591,796	322,278
Assets under capital lease	709,346			709,346					709,346		
Gaming Commission	192,943			192,943	112,579			3,306	115,885	77,058	80,364
Dental Clinic	638,750			638,750	618,494				618,494	20,256	20,256
Pinaow Wachi Inc.	515,003			515,003	328,997			29,836	358,833	156,170	186,006
Machinery	10,547,730	775,061		11,322,791	6,302,960			449,604	6,752,564	4,570,227	4,244,770
Log house	250,000			250,000	2,500			5,000	7,500	242,500	247,500
Street lighting	505,542			505,542	387,196			11,835	399,031	106,511	118,346
Vehicles	4,989,565	139,576		5,129,141	3,943,839			333,839	4,277,678	851,463	1,045,726
York Boat Inn											
Land	75,000			75,000						75,000	75,000
Building	1,131,059	482,561		1,613,620	332,231			23,822	356,053	1,257,567	798,828
Furnishings and equipment	717,631			717,631	320,543			22,564	343,107	374,524	397,088
Computer	21,249			21,249	16,519			6	16,525	4,724	4,730
Signage	12,766			12,766	10,475			2	10,477	2,289	2,291
Telephone system	14,738			14,738	14,608			39	14,647	91	130
Mall - Building	5,227,077			5,227,077	2,272,809			131,169	2,403,978	2,823,099	2,954,268
- Equipment	517,896			517,896	509,000			1,779	510,779	7,117	8,896
- Buses	595,269			595,269	387,429			62,353	449,782	145,487	207,840
Pharmacy	403,846	157,614		561,460	228,548			52,508	281,056	280,404	175,298
Daycare	1,062,004			1,062,004	515,976			26,550	542,526	519,478	546,028
Construction in progress	14,031,919	3,000		14,034,919						14,034,919	14,031,919
Lagoon	14,817,132			14,817,132	2,501,721			493,905	2,995,626	11,821,506	12,315,411
Paving	13,272,330			13,272,330	6,617,168			266,206	6,883,374	6,388,956	6,655,162
Winter road	1,540,592			1,540,592	819,241			28,854	848,095	692,497	721,351
	\$ 268,460,140	\$ 4,082,621	\$ (569,564)	\$ 271,973,197	\$ 98,673,016	\$	\$	\$ 7,927,756	\$ 106,600,772	\$ 165,372,425	\$ 169,787,124

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

10. Inventory	<u>2018</u>	<u>2017</u>
Norway House Cree Nation Gaming Commission	\$ 23,136	\$ 11,279
York Boat Inn	4,000	4,000
Norway House Pharmacy	<u>362,760</u>	<u>465,029</u>
	<u>\$ 389,896</u>	<u>\$ 480,308</u>

11. Economic dependence

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

12. 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.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

13. Pension plan

Norway House Cree Nation provides a defined contribution pension plan to its employees. The net expense for the period is \$247,593 (2017: \$234,875).

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.

14. 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.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

15. 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.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

15. 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.

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

15. 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.: entity that 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.: general partner of Norway House Pharmacy Limited Partnership, 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, 2018

15. Segment Disclosure (continued)

	Band Support			Education			Employment and Training			Social Services			Health Services			Public Works		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017
Revenue																		
Federal Government	\$ 4,496,003	\$ 7,725,806	\$ 6,003,931	\$ 56,356	\$28,182,112	\$27,360,395	\$ 226,699	\$ 249,228	\$ 481,137	\$ 12,508,883	\$11,742,746	\$ 11,548,841	\$10,720,727	\$ 13,531,265	\$10,479,034	\$ 3,152,979	\$ 2,942,040	\$ 2,864,513
Provincial Government	1,188,174	2,082,389	1,981,640	22,428,014	2,953,048	1,999,786	1,446,278	1,390,117	1,390,117	-	-	-	-	-	-	-	-	-
Economic activities	-	499,995	512,625	666,951	-	-	-	-	-	-	-	-	-	-	-	-	562,980	503,456
Other revenue	2,154,261	3,191,580	3,447,412	1,275,068	571,613	581,354	1,390,117	-	-	-	-	-	36,414	(6,600)	35,000	3,593,587	3,177,991	3,669,545
Total revenue	7,838,438	13,499,770	11,945,608	24,426,389	31,706,773	29,941,535	3,063,094	1,639,345	1,871,254	12,508,883	11,742,746	11,548,841	10,757,141	13,524,665	10,514,034	6,746,566	6,683,011	7,037,514
Expenditures																		
Salaries and benefits	3,412,713	3,208,347	3,252,508	1,391,584	1,332,681	1,299,671	854,157	580,846	767,623	215,302	195,655	211,633	5,902,379	4,507,052	3,962,742	2,083,273	2,951,662	2,815,883
Amortization	-	50,331	-	1,686,957	2,003,333	1,645,744	-	-	-	-	-	-	1,234,684	1,466,241	1,204,521	246,569	292,812	240,546
Debt servicing	2,041,189	1,305,035	1,405,931	-	458,898	556,187	-	-	-	-	-	-	-	-	-	77,710	84,238	82,995
Transfer – interdepartment	-	(135,160)	-	2,778	(3,912)	(3,912)	-	-	-	-	-	-	150,776	-	-	(707,693)	(436,315)	(692,513)
Other expenses	4,973,471	5,161,265	4,427,006	23,032,027	29,178,241	28,209,136	2,271,633	644,790	1,151,181	11,995,845	12,541,093	11,696,675	4,281,655	5,529,771	4,589,390	4,226,404	6,228,194	6,580,872
Total expenditures	10,427,373	9,589,818	9,085,445	26,113,346	32,969,241	31,706,826	3,125,790	1,225,636	1,918,804	12,211,147	12,736,748	11,908,308	11,569,494	11,503,064	9,756,653	5,926,263	9,120,591	9,027,783
Annual surplus (deficit)	\$(2,588,935)	\$ 3,909,952	\$2,860,163	\$ (1,686,957)	\$(1,262,468)	\$(1,765,291)	\$ (62,696)	\$ 413,709	\$ (47,550)	\$ 297,736	\$ (994,002)	\$ (359,467)	\$ (812,353)	\$ 2,021,601	\$ 757,381	\$ 820,303	\$(2,437,580)	\$(1,990,269)

Norway House Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

15. Segment Disclosure (continued)

	Housing			Parks, Recreation and Multi-Plex			Youth			Emergency Services			Enterprises		
	Budget			Budget			Budget			Budget			Budget		
	2018	2018	2017	2018	2018	2017	2018	2018	2017	2018	2018	2017	2018	2018	2017
Revenue															
Federal Government	\$ 635,758	\$ 325,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,616	\$ -	\$ -	\$ -	\$ -	\$ -
Provincial Government	-	-	-	-	-	-	-	-	-	515,000	519,286	447,304	-	-	-
Economic activities	-	244,594	244,542	-	25,004	12,120	-	-	-	-	-	-	-	10,713,178	10,174,958
Other revenue	586,021	(154,002)	903,052	1,171,206	220,430	175,087	-	-	-	-	-	-	-	-	-
Total revenue	1,221,779	415,592	1,547,594	1,171,206	245,434	187,207	-	-	-	607,616	519,286	447,304	-	10,713,178	10,174,958
Expenditures															
Salaries and benefits	416,675	1,260,737	1,219,647	1,195,832	1,049,486	1,092,487	-	9,299	12,303	815,978	518,050	532,799	-	1,479,980	1,485,522
Amortization	1,805,574	2,144,075	1,761,463	225,766	268,107	220,251	-	-	-	18,854	22,390	18,393	-	552,708	511,130
Debt servicing	-	-	-	-	-	-	-	-	-	-	-	-	-	552,774	449,640
Transfer - interdepartment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	774,503	740,267	335,874	864,035	891,625	627,448	-	2,789	-	365,327	463,460	326,246	-	7,709,126	7,536,482
Total expenditures	2,996,752	4,145,079	3,316,984	2,285,633	2,209,218	1,940,186	-	12,088	12,303	1,200,159	1,003,900	877,438	-	10,294,588	9,982,774
Annual surplus (deficit)	\$ (1,774,973)	\$ (3,729,487)	\$ (1,769,390)	\$ (1,114,427)	\$ (1,963,784)	\$ (1,752,979)	\$ -	\$ (12,088)	\$ (12,303)	\$ (592,543)	\$ (484,614)	\$ (430,134)	\$ -	\$ 418,590	\$ 192,184

Norway House Cree Nation

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15. Segment Disclosure (continued)

	VLT			CMHC			Assisted Living			Safety Officer's Program			Restorative Justice		
	<u>Budget</u> <u>2018</u>	<u>2018</u>	<u>2017</u>	<u>Budget</u> <u>2018</u>	<u>2018</u>	<u>2017</u>	<u>Budget</u> <u>2018</u>	<u>2018</u>	<u>2017</u>	<u>Budget</u> <u>2018</u>	<u>2018</u>	<u>2017</u>	<u>Budget</u> <u>2018</u>	<u>2018</u>	<u>2017</u>
Revenue															
Federal Government	\$ -	\$ -	\$ -	\$ 569,628	\$ 1,432,693	\$ 834,146	\$ 1,955,057	\$ 3,036,965	\$ 2,969,814	\$ -	\$ -	\$ -	\$ -	\$ (70,000)	\$ 70,000
Provincial Government	-	-	-	-	-	-	-	661,300	661,268	-	248,429	216,177	30,000	30,000	30,000
Economic activities	26,338,048	27,898,206	25,300,786	-	412,454	441,210	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	17,532	330,822	293,630	-	-	-	-	-	-
Total revenue	<u>26,338,048</u>	<u>27,898,206</u>	<u>25,300,786</u>	<u>569,628</u>	<u>1,845,147</u>	<u>1,275,356</u>	<u>1,972,589</u>	<u>4,029,087</u>	<u>3,924,712</u>	<u>-</u>	<u>248,429</u>	<u>216,177</u>	<u>30,000</u>	<u>(40,000)</u>	<u>100,000</u>
Expenditures															
Salaries and benefits	485,929	452,305	458,213	1,423,377	-	-	548,332	629,310	1,143,998	375,514	436,268	367,026	66,000	59,840	46,348
Amortization	-	-	-	-	1,002,983	976,811	-	124,773	124,443	-	-	-	-	-	-
Debt servicing	-	14,507	13,998	-	199,573	220,134	-	-	-	-	-	-	-	-	-
Transfer - interdepartment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	21,594,211	23,041,520	20,730,856	880,822	870,990	341,433	1,512,435	3,667,403	1,451,070	85,303	74,971	81,991	34,000	30,932	48,045
Total expenditures	<u>22,080,140</u>	<u>23,508,332</u>	<u>21,203,067</u>	<u>2,304,199</u>	<u>2,073,546</u>	<u>1,538,378</u>	<u>2,060,767</u>	<u>4,421,486</u>	<u>2,719,511</u>	<u>460,817</u>	<u>511,239</u>	<u>449,017</u>	<u>100,000</u>	<u>90,772</u>	<u>94,393</u>
Annual surplus (deficit)	<u>\$ 4,257,908</u>	<u>\$ 4,389,874</u>	<u>\$4,097,719</u>	<u>\$(1,734,571)</u>	<u>\$ (228,399)</u>	<u>\$ (263,022)</u>	<u>\$ (88,178)</u>	<u>\$ (392,399)</u>	<u>\$ 1,205,201</u>	<u>\$ (460,817)</u>	<u>\$ (262,810)</u>	<u>\$ (202,840)</u>	<u>\$ (70,000)</u>	<u>\$ (130,772)</u>	<u>\$ 5,607</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

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15. Segment Disclosure (continued)

	Broadband			Keenanow Trust Secretariat			Elimination			Total		
	<u>Budget</u>			<u>Budget</u>			<u>Budget</u>			<u>Budget</u>		
	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>
Revenue												
Federal Government	\$ 639,830	\$ -	\$ 4,300,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,097,855	\$ 67,312,598
Provincial Government	-	-	-	-	-	-	-	-	-	-	7,884,569	6,726,292
Economic activities	-	-	-	-	-	-	-	-	-	-	40,356,411	37,189,697
Other revenue	-	618,448	614,985	-	1,680,632	2,332,720	-	(4,132,970)	(2,466,154)	-	5,497,944	9,586,631
Total revenue	639,830	618,448	4,915,772	-	1,680,632	2,332,720	-	(4,132,970)	(2,466,154)	-	122,836,779	120,815,218
Expenditures												
Salaries and benefits	196,583	185,089	184,036	-	-	-	-	-	-	-	18,856,607	18,852,439
Amortization	-	-	-	-	-	-	-	-	-	-	7,927,753	6,703,302
Debt servicing	-	234,889	54,509	-	-	-	-	-	-	-	2,849,914	2,783,394
Transfer - interdepartment	-	-	-	-	-	-	-	-	-	-	(575,387)	(696,425)
Other expenses	520,686	604,867	607,800	-	1,979,151	2,443,461	-	(4,132,970)	(2,466,154)	-	95,227,485	88,718,812
Total expenditures	717,269	1,024,845	846,345	-	1,979,151	2,443,461	-	(4,132,970)	(2,466,154)	-	124,286,372	116,361,522
Annual surplus (deficit)	\$ (77,439)	\$ (406,397)	\$ 4,069,427	\$ -	\$ (298,519)	\$ (110,741)	\$ -	\$ -	\$ -	\$ -	\$ (1,449,593)	\$ 4,453,696

Norway House Cree Nation

Notes to the Consolidated Financial Statements

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16. Expenses by object

The following is a summary of expenses by object:

	<u>2018</u>	<u>2017</u>
Administration	\$ 4,302,629	\$ 4,689,196
Amortization	7,927,756	6,703,302
Bad debt	1,014,263	846,705
Board, hotels and accommodations	444,433	785,728
Contracts – public works	2,408,879	3,303,020
Gas and oil	1,012,605	1,031,828
Interest	2,849,914	2,783,394
Keenanow Trust Secretariat	1,979,151	2,443,461
Materials and supplies	2,492,581	2,032,177
Miscellaneous	11,625,702	8,899,976
MLCC share	875,557	842,112
Nursing unit	1,167,513	1,106,337
Professional fees	2,668,165	1,413,633
Program costs	1,561,846	1,647,018
Salaries and benefits	18,856,607	18,852,439
Social assistance and pensioners	12,473,958	11,505,611
Transportation	1,695,867	1,721,963
Tuition	25,846,599	25,109,812
VLT prize payout	22,149,565	19,860,503
Utilities	<u>932,782</u>	<u>783,307</u>
	<u>\$ 124,286,372</u>	<u>\$ 116,361,522</u>

Norway House Cree Nation

Notes to the Consolidated Financial Statements

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17. Government transfers

	<u>Operating</u>	<u>2018 Capital</u>	<u>Total</u>	<u>Operating</u>	<u>2017 Capital</u>	<u>Total</u>
Federal Government Transfers:						
Indigenous and Northern						
Affairs Canada	\$ 53,290,206	\$ -	\$ 53,290,206	\$ 52,668,245	\$ -	\$ 52,668,245
Health Canada	12,938,841	-	12,938,841	9,941,726	-	9,941,726
Industry Canada	-	-	-	3,649,481	-	3,649,481
Canada Mortgage and Housing Corporation	832,793	-	832,793	834,146	-	834,146
Policing	-	-	-	70,000	-	70,000
MKO	<u>2,483,129</u>	<u>-</u>	<u>2,483,129</u>	<u>2,030,389</u>	<u>-</u>	<u>2,030,389</u>
	<u>\$ 69,544,969</u>	<u>\$ -</u>	<u>\$ 69,544,969</u>	<u>\$ 69,193,987</u>	<u>\$ -</u>	<u>\$ 69,193,987</u>

