

**Poundmaker Cree Nation
Consolidated Financial Statements**
March 31, 2016

Poundmaker Cree Nation Contents

For the year ended March 31, 2016

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To the Members of Poundmaker Cree Nation

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for appointing of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members of Poundmaker Cree Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

October 11, 2016

Signed by - Duane Antoine

Management

To the Members of Poundmaker Cree Nation:

We have audited the accompanying consolidated financial statements of Poundmaker Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 consolidated 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 auditors' 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 consolidated 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 financial position of Poundmaker Cree Nation as at March 31, 2016 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The consolidated financial statements of Poundmaker Cree Nation for the year ended March 31, 2015 were reported on by another auditor who expressed an unqualified opinion on those consolidated financial statements on October 9, 2015.

Saskatoon, Saskatchewan

October 11, 2016

MNP LLP

Chartered Professional Accountants

Poundmaker Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015
Financial assets		
Current		
Cash <i>(Note 3)</i>	893,715	45,687
Restricted cash <i>(Note 3)</i>	185,219	326,843
Accounts receivable <i>(Note 4)</i>	260,600	673,453
	1,339,534	1,045,983
Funds held in Ottawa Trust Fund <i>(Note 5)</i>	44,093	79,492
Restricted cash <i>(Note 3)</i>	433,341	88
Total financial assets	1,816,968	1,125,563
Liabilities		
Current		
Bank indebtedness <i>(Note 6)</i>	-	878,876
Accounts payable and accruals	567,299	1,003,500
Deferred revenue <i>(Note 7)</i>	1,939,545	811,632
Current portion of long-term debt <i>(Note 8)</i>	564,036	604,694
	3,070,880	3,298,702
Long-term debt <i>(Note 8)</i>	3,554,322	2,069,362
Total liabilities	6,625,202	5,368,064
Net debt	(4,808,234)	(4,242,501)
Subsequent event <i>(Note 3)</i>		
Non-financial assets		
Tangible capital assets <i>(Note 9)</i>	26,545,536	26,792,229
Prepaid expenses	27,101	14,348
Total non-financial assets	26,572,637	26,806,577
Accumulated surplus <i>(Note 10)</i>	21,764,403	22,564,076

Approved on behalf of Chief and Council

Signed by - Duane Antoine

Chief

Signed by - Milton Tootoosis

Councillor

Signed by - Brandon Favel

Councillor

Poundmaker Cree Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

	2016 Budget (Note 12)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada (Note 15)	5,554,684	6,654,819	7,241,579
First Nations Trust	515,000	588,593	587,852
Land use agreement	-	585,839	-
Lease	225,000	275,765	281,193
Rental	199,260	243,968	199,260
Ottawa Trust Funds	970,000	186,115	281,193
Battlefords Agency Tribal Chiefs - CDC	100,000	165,600	196,371
Miscellaneous	99,626	136,795	160,806
Canada Mortgage and Housing Corporation	155,099	140,584	141,763
Gravel sales	-	118,100	500
Province of Saskatchewan	-	62,341	21,000
Canada Mortgage and Housing Corporation - RRAP	-	41,239	9,594
Government of Canada	21,500	39,080	19,708
Royalties	200,000	32,811	194,178
Battle River Treaty 6 Health Centre Inc.	108,282	32,250	116,734
Battlefords Tribal Council	-	6,200	30,000
Medical services funding	-	-	20,419
	8,148,451	9,310,099	9,502,150
Program expenses			
Administration	430,869	1,101,480	507,565
Education	2,348,401	2,629,088	2,459,401
Social Development	2,305,631	2,348,779	2,401,243
Housing	526,329	1,049,251	389,121
Operations and Maintenance	370,721	889,500	373,783
Capital	-	89,869	879,710
Own Source	770,000	1,545,850	980,300
Other	591,500	474,118	551,133
Total expenses	7,343,451	10,127,935	8,542,256
Surplus (deficit) before other income	805,000	(817,836)	959,894
Other income			
Gain on disposal of capital assets	-	18,163	-
Surplus (deficit)	805,000	(799,673)	959,894
Accumulated surplus, beginning of year	22,564,076	22,564,076	21,604,182
Accumulated surplus, end of year	23,369,076	21,764,403	22,564,076

Poundmaker Cree Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2016

	2016 Budget (Note 12)	2016 Actual	2015 Actual
Surplus (deficit)	805,000	(799,673)	959,894
Purchases of tangible capital assets	(400,000)	(723,582)	(1,481,579)
Amortization of tangible capital assets	204,903	970,275	879,710
Gain on disposal of tangible capital assets	-	(18,163)	-
Proceeds on disposal of tangible capital assets	-	18,163	-
Use (acquisition) of prepaid expense	-	(12,753)	16,962
	(195,097)	233,940	(584,907)
Change in net debt	609,903	(565,733)	374,987
Net debt, beginning of year	(4,242,501)	(4,242,501)	(4,617,488)
Net debt, end of year	(3,632,598)	(4,808,234)	(4,242,501)

Poundmaker Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(799,673)	959,894
Non-cash items		
Amortization	970,275	879,710
Gain on disposal of capital assets	(18,163)	-
	152,439	1,839,604
Changes in working capital accounts		
Accounts receivable	412,853	(103,491)
Prepaid expenses	(12,753)	16,962
Accounts payable and accruals	(436,201)	(591,890)
Deferred revenue	1,127,913	(982,916)
	1,244,251	178,269
Financing activities		
Advances of long-term debt	2,700,000	200,000
Repayment of long-term debt	(1,255,698)	(577,023)
	1,444,302	(377,023)
Capital activities		
Purchases of tangible capital assets	(723,582)	(1,481,579)
Decrease in Ottawa Trust Fund	35,399	239,363
Proceeds on disposal of tangible capital assets	18,163	-
	(670,020)	(1,242,216)
Investing activities		
Decrease (increase) in restricted cash	(291,629)	1,425,578
Increase (decrease) in cash resources	1,726,904	(15,392)
Cash deficiency, beginning of year	(833,189)	(817,797)
Cash resources (deficiency), end of year	893,715	(833,189)
Cash resources are composed of:		
Cash resources	893,715	45,687
Bank indebtedness	-	(878,876)
	893,715	(833,189)
Supplementary cash flow information		
Interest paid	223,415	132,937

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. Operations

The Poundmaker Cree Nation (the "First Nation") is located in Treaty 6 Territory, and provides various services to its Members. Poundmaker Cree Nation includes all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Poundmaker Cree Nation
- Poundmaker Cree Nation CMHC Housing
- Poundmaker Oil Ltd.
- Poundmaker Royalty Corporation
- Poundmaker Treaty Land Entitlement Trust

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash consists of the CMHC Replacement Reserve and capital project bank accounts.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Land purchased is recorded at the purchase price.

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies *(Continued from previous page)*

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Land improvements	straight-line	30 years
Buildings	straight-line	25 years
CMHC Housing	straight-line	25 years
Vehicles and equipment	straight-line	10 years
Computer equipment	straight-line	5 years
Roads	straight-line	40 years
Infrastructure	straight-line	40 years

Assets under construction are not amortized until they are put into use. Land is not amortized.

The First Nation holds original reserve land and mineral rights on the land. The land and mineral rights are not recognized in the First Nation's consolidated financial statements.

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenues

Rental and lease revenue is recognized over the rental term. Other revenue is recognized as it becomes receivable or when the goods or services have been provided.

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies *(Continued from previous page)*

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. There are no known liabilities at March 31, 2016.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Segments

The First Nation conducts its business through 8 reportable segments (Note 13). These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent both 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.

Other economic interests

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been included in these consolidated financial statements.

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. A related standard PS 1201, was issued to address changes to financial statement presentation related to financial instruments. In June 2015, the effective date was deferred to fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

Related Party Transactions

In March 2015, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 *Related Party Disclosures*.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies *(Continued from previous page)*

Inter-entity Transactions

The Public Sector Accounting Board (PSAB) issued a new standard in March 2015, PS 3420 *Inter-Entity Transactions*. The new standard establishes how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new standard are:

- Revenues and expenses are recognized on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for a nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.

Inter-entity transactions are considered in conjunction with PS 2200 *Related Party Disclosures*. The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Assets, Contingent Assets and Contractual Rights

In June 2015, new PS 3210 Assets, PS 3320 *Contingent Assets* and PS 3380 *Contractual Rights* were included in the CPA Canada Public Sector Accounting Handbook (PSA HB).

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 *Contingent Assets* establishes disclosure standards on contingent assets. Under previous standards contingent assets could not be recognized.

PS 3380 *Contractual Rights* establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

These standards are effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

3. Restricted cash

	2016	2015
Current:		
Capital projects	185,219	326,843
Long-term:		
CMHC Replacement Reserve	433,341	88
	618,560	326,931

Subsequent to year-end, the Nation transferred \$1,000,000 from cash to restricted cash in relation to capital project funding.

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

4. Accounts receivable

	2016	2015
Members	476,059	563,641
Other	196,926	247,883
Ottawa Trust	90,000	210,000
Indigenous and Northern Affairs Canada	47,000	57,632
CMHC	11,683	23,627
First Nations Trust	-	134,311
Less: Allowance for doubtful accounts	821,668	1,237,094
	561,068	563,641
	260,600	673,453

5. Funds held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the First Nation on the authorization of Chief and Council, with the consent of the Minister of Indigenous and Northern Affairs Canada.

	2016	2015
Capital Trust		
Balance, beginning of year	59,543	310,953
Royalties	137,233	329,217
Withdrawals	(163,785)	(580,627)
Balance, end of year	32,991	59,543
Revenue Trust		
Balance, beginning of year	19,949	7,902
Lease	81,153	82,047
Withdrawals	(90,000)	(70,000)
Balance, end of year	11,102	19,949
	44,093	79,492

6. Bank indebtedness

During the year, the First Nation obtained an operating line of credit of \$325,000 with interest to be charged at Royal Bank Prime plus 4.05% per annum. At March 31, 2016, \$nil has been drawn. The operating line is secured by a general security agreement and a Band Council Resolution.

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance 2015</i>	<i>Contributions received</i>	<i>Contributions utilized</i>	<i>Balance 2016</i>
INAC capital projects	415,835	1,449,900	243,380	1,622,355
INAC professional development	8,130	-	8,130	-
INAC housing band based capital	6,427	-	6,427	-
Ottawa Trust Funds	37,731	-	37,731	-
Land leases	343,509	249,446	275,765	317,190
	811,632	1,699,346	571,433	1,939,545

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

<u>Phase</u>	<u>Monthly payment including interest</u>	<u>Interest rate</u>	<u>Renewal Date</u>	<u>2016</u>	<u>2015</u>
I	1,622	1.11%	1-Apr-21	185,524	201,366
II	2,792	1.71%	1-Sep-17	350,209	374,721
III	1,247	1.92%	1-Apr-19	173,142	184,671
IV	1,279	1.37%	1-Jul-20	197,556	209,669
V	6,211	2.35%	1-Sep-18	808,691	857,447
				1,715,122	1,827,874
RBC term loan, repayable in quarterly instalments of \$87,060 including interest at Royal Bank Prime plus 2.75% (5.45% at March 31, 2016), due June 5, 2016, secured by a general security agreement				1,213,292	-
RBC term loan, repayable in quarterly instalments of \$33,205 including interest at Royal Bank Prime plus 2.75% (5.45% at March 31, 2016), due June 5, 2016, secured by a general security agreement				910,036	-
RBC term loan, repayable in annual instalments of \$50,000 plus interest at Royal Bank Prime plus 2.75% (5.45% at March 31, 2016), due June 1, 2016, secured by a general security agreement				200,000	-
Peace Hills Trust mortgage, repayable in monthly instalments of \$1,586 including interest at 4.0%, due October 1, 2020, secured by rental revenues and government guarantees				79,908	95,373
Innovation Credit Union loan, repaid during the year				-	481,357
Turtleford Credit Union loan, repaid during the year				-	269,452
				4,118,358	2,674,056
Less: current portion				564,036	604,694
				3,554,322	2,069,362

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed with similar terms, are estimated as follows:

2017	564,036
2018	587,286
2019	613,094
2020	602,414
2021	252,291

Long-term debt is subject to certain financial covenants with respect to timely submission of financial statements as well as various other restrictions and general covenants. As at March 31, 2016, the First Nation is in compliance with all such covenants.

9. Tangible capital assets

For the year ended March 31, 2016

	Cost				Accumulated Amortization				Net book value	
	Opening balance	Additions	Disposals	Reclass of assets	Ending balance	Opening balance	Current amortization	Amortization on disposals	Ending balance	
Land	6,526,781	-	-	-	6,526,781	-	-	-	-	6,526,781
Land Improvements	644,702	-	-	-	644,702	102,503	15,604	-	118,107	526,595
Buildings	13,763,748	473,695	-	-	14,237,443	9,418,855	381,230	-	9,800,085	4,437,358
CMHC Housing	4,499,233	-	-	-	4,499,233	1,782,213	179,971	-	1,962,184	2,537,049
Vehicles and Equipment	681,437	131,000	(17,500)	-	794,937	517,780	102,934	(17,500)	603,214	191,723
Computer equipment	94,016	42,585	-	-	136,601	94,016	4,259	-	98,275	38,326
Roads	2,245,653	76,302	-	-	2,321,955	971,218	43,255	-	1,014,473	1,307,482
Infrastructure	11,989,772	-	-	-	11,989,772	766,528	243,022	-	1,009,550	10,980,222
	40,445,342	723,582	(17,500)	-	41,151,424	13,653,113	970,275	(17,500)	14,605,888	26,545,536

For the year ended March 31, 2015

	Cost				Accumulated Amortization				Net book value	
	Opening balance	Additions	Disposals	Reclass of assets	Ending balance	Opening balance	Current amortization	Amortization on disposals	Ending balance	
Land	6,526,781	-	-	-	6,526,781	-	-	-	-	6,526,781
Land Improvements	328,004	-	-	316,698	644,702	86,846	15,657	-	102,503	542,199
Buildings	12,946,444	275,825	-	541,479	13,763,748	9,058,863	359,992	-	9,418,855	4,344,893
CMHC Housing	4,499,233	-	-	-	4,499,233	1,602,244	179,969	-	1,782,213	2,717,020
Vehicles and Equipment	681,437	-	-	-	681,437	479,490	38,290	-	517,780	163,657
Computer equipment	94,016	-	-	-	94,016	84,547	9,469	-	94,016	-
Roads	1,193,360	622,160	-	430,133	2,245,653	915,077	56,141	-	971,218	1,274,435
Infrastructure	2,965,886	583,594	-	8,440,292	11,989,772	546,336	220,192	-	766,528	11,223,244
Assets under construction	9,728,602	-	-	(9,728,602)	-	-	-	-	-	-
	38,963,763	1,481,579	-	-	40,445,342	12,773,403	879,710	-	13,653,113	26,792,229

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Accumulated surplus

Accumulated surplus consists of the following:

	2016	2015
Operating	(2,469,902)	(2,933,994)
Capital assets	23,549,526	24,793,982
CMHC operating reserve	107,112	128,462
CMHC replacement reserve	533,574	496,134
Ottawa Trust Funds	44,093	79,492
	21,764,403	22,564,076

11. Funds and reserves

The Poundmaker Cree Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration.
- Capital Asset Fund reports on the capital assets and projects of the First Nation.
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under the Program.
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses.
- Ottawa Trust Fund reports on trust moneys owned by the First Nation and held by the Government of Canada.

12. Budget information

The disclosed budget information is based on the approved November 30, 2012 Management Action Plan which covered the 2012 to 2020 fiscal years. The budget information was prepared for individual programs and has been consolidated in accordance with Canadian public sector accounting standards. In preparation of the budget, the Nation budgeted for tangible capital asset additions and loan principal payments as expenses which is not in accordance with Canadian public sector accounting standards. Tangible capital asset purchases were adjusted in the Consolidated Statement of Changes in Net Debt and the loan principal payments were eliminated.

	Approved fiscal plan	Adjustments	Fiscal plan per consolidated financial statements
Consolidated Statement of Operations and Accumulated Surplus			
Revenues	8,148,451	-	8,148,451
Expenses	8,038,451	(695,000)	7,343,451
Surplus (deficit)	110,000	695,000	805,000
Consolidated Statement of Changes in Net Debt			
Annual surplus (deficit)	110,000	695,000	805,000
Purchases of tangible capital assets	-	(400,000)	(400,000)
Amortization of tangible capital assets	204,903	-	204,903
Increase in net debt	314,903	295,000	609,903
Net debt, beginning of year	(4,242,501)	-	(4,242,501)
Adjusted net debt	(3,927,598)	295,000	(3,632,598)

Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

13. Segments

The First Nation has 8 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

- Administration - includes administration and governance activities.
- Education - includes the operations of education programs.
- Social Development - includes operations and delivery of social programs.
- Housing - includes the operations of housing.
- Operations and maintenance - includes operations for the maintenance of the Nation's buildings and infrastructure.
- Capital - reports on capital projects.
- Own Source - reports on operations related to economic development and other revenue generated by the Nation.
- Other - reports on operations of band programs.

14. Economic dependence

Poundmaker Cree Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada (INAC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

15. Indigenous and Northern Affairs Canada Reconciliation

INAC funding per confirmation	7,940,925
Add: Deferred revenue, beginning	430,392
Deduct: Deferred revenue, ending	(1,622,355)
Basic needs reconciliation	(26,363)
Special needs reconciliation	(18,727)
Overpaid recoveries	(49,053)
	<hr/>
	6,654,819

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

17. Compliance with laws

The First Nations Financial Transparency Act required First Nations to make their financial statements publicly available and submit their consolidated financial statements to Indigenous and Northern Affairs Canada by July 29, 2016. As the audit is dated after July 29, 2016, the First Nation is in breach of this requirement.

Poundmaker Cree Nation
Schedule of Consolidated Expenses by Object
For the year ended March 31, 2016

	2016 Budget (Note 12)	2016 Actual	2015 Actual
Salaries and benefits	2,104,441	2,496,091	2,287,517
Social assistance	1,782,652	1,937,586	1,854,316
Contracted services	429,531	1,174,499	842,160
Amortization	204,903	970,275	879,710
Repairs and maintenance	531,893	679,533	342,066
Student	381,195	455,847	491,384
Professional fees	247,200	435,496	248,909
Program	363,850	358,827	164,948
Meetings and travel	240,030	285,123	325,916
Utilities and telephone	157,700	224,336	192,831
Membership assistance	207,000	202,925	175,097
Supplies	135,980	202,791	129,153
Per capita distribution	150,000	170,140	160,061
Interest on long-term debt	124,800	144,362	82,160
Equipment	31,871	100,773	68,711
Bank charges and interest	16,745	79,150	107,031
Insurance	74,000	75,783	75,964
Rent	50,000	57,064	77,983
Training	28,800	36,437	23,183
Administration	80,860	17,442	(11,700)
Election	-	13,697	-
Bad debts	-	8,582	23,769
Land taxes	-	1,176	1,087
	7,343,451	10,127,935	8,542,256

Poundmaker Cree Nation
Consolidated Summary of Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Ottawa Trust Funds</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>
Administration	487,614	38,466	-	526,080	1,101,480	(575,400)
Education	2,478,649	6,867	-	2,485,516	2,629,088	(143,572)
Social Development	2,159,097	17,250	-	2,176,347	2,348,779	(172,432)
Housing	703,397	497,781	-	1,201,178	1,049,251	151,927
Operations and Maintenance	535,482	5,000	-	540,482	889,500	(349,018)
Capital	243,380	1,751	-	245,131	89,869	155,262
Own Source	47,200	1,837,242	-	1,884,442	1,545,850	338,592
Other	-	82,971	186,115	269,086	474,118	(205,032)
Total	6,654,819	2,487,328	186,115	9,328,262	10,127,935	(799,673)

Poundmaker Cree Nation
Administration
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	487,614	451,293
Miscellaneous	31,803	5,406
Battle River Treaty 6 Health Centre Inc.	6,000	-
Battlefords Tribal Council	-	5,000
	525,417	461,699
Expenses		
Salaries and benefits	464,923	217,507
Contracted services	150,492	84,440
Professional fees	126,905	32,063
Amortization	90,617	-
Meetings and travel	84,079	47,570
Bank charges and interest	43,944	42,464
Repairs and maintenance	31,349	24,391
Utilities and telephone	30,245	26,278
Training	26,819	-
Equipment	16,168	7,134
Election	13,697	-
Supplies	13,308	21,189
Insurance	10,766	12,223
Bad debts	8,970	-
Program	7,534	-
Interest on long-term debt	1,920	-
Per capita distribution	1,640	-
Rent	-	7,695
Administration	(21,896)	(15,389)
	1,101,480	507,565
Deficit before other income	(576,063)	(45,866)
Other income		
Gain on disposal of capital assets	663	-
Deficit	(575,400)	(45,866)

Poundmaker Cree Nation
Education
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	2,478,649	2,490,300
Miscellaneous	6,867	17,396
	2,485,516	2,507,696
Expenses		
Salaries and benefits	1,553,335	1,500,222
Student	455,847	457,583
Contracted services	234,097	234,822
Supplies	91,780	53,595
Meetings and travel	65,260	58,640
Amortization	60,691	-
Program	58,828	16,494
Utilities and telephone	51,786	43,632
Equipment	28,675	4,989
Repairs and maintenance	8,637	23,973
Professional fees	4,893	13,340
Bank charges and interest	4,850	11,171
Insurance	4,386	3,824
Training	3,445	4,224
Membership assistance	2,000	10,934
Administration	578	2,680
Rent	-	14,649
Bad debts	-	4,629
	2,629,088	2,459,401
Surplus (deficit)	(143,572)	48,295

Poundmaker Cree Nation
Social Development
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	2,159,097	2,186,989
Battle River Treaty 6 Health Centre Inc.	16,250	116,734
Battlefords Tribal Council	1,000	-
Medical services funding	-	20,419
Miscellaneous	-	11,705
	2,176,347	2,335,847
Expenses		
Social assistance	1,937,586	1,854,316
Salaries and benefits	224,864	270,763
Program	55,345	-
Contracted services	50,957	73,414
Meetings and travel	14,613	27,383
Rent	12,548	8,440
Supplies	11,808	23,793
Equipment	8,708	43,773
Utilities and telephone	6,795	12,685
Insurance	6,677	-
Administration	6,000	9,226
Bank charges and interest	5,220	5,826
Training	3,700	11,560
Membership assistance	2,617	7,522
Repairs and maintenance	1,341	7,234
Student	-	33,801
Professional fees	-	11,507
	2,348,779	2,401,243
Deficit	(172,432)	(65,396)

Poundmaker Cree Nation
Housing
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	703,397	290,543
Rental	243,968	199,260
Canada Mortgage and Housing Corporation	140,584	141,763
Province of Saskatchewan	41,341	-
Canada Mortgage and Housing Corporation - RRAP	41,239	9,594
Government of Canada	17,580	-
Miscellaneous	13,069	-
	1,201,178	641,160
Expenses		
Amortization	420,106	-
Repairs and maintenance	310,350	51,700
Supplies	59,003	15,356
Salaries and benefits	53,877	26,519
Contracted services	44,995	159,206
Insurance	43,225	48,489
Interest on long-term debt	38,089	48,269
Administration	22,560	21,181
Equipment	16,741	-
Meetings and travel	15,401	5,766
Membership assistance	9,940	-
Professional fees	8,000	6,900
Program	5,000	-
Training	1,492	3,551
Bank charges and interest	472	2,184
	1,049,251	389,121
Surplus	151,927	252,039

Poundmaker Cree Nation
Operations and Maintenance
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	535,482	347,322
Miscellaneous	5,000	24,004
	540,482	371,326
Expenses		
Amortization	331,932	-
Contracted services	232,368	239,537
Repairs and maintenance	123,393	25,459
Utilities and telephone	82,171	60,149
Salaries and benefits	71,700	32,465
Supplies	21,200	-
Equipment	11,226	2,893
Insurance	8,541	9,262
Bank charges and interest	3,470	-
Meetings and travel	2,518	170
Training	981	3,848
	889,500	373,783
Deficit	(349,018)	(2,457)

Poundmaker Cree Nation
Capital
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	243,380	1,475,132
Miscellaneous	1,751	6,447
	245,131	1,481,579
Expenses		
Amortization	59,315	879,710
Repairs and maintenance	30,545	-
Bank charges and interest	9	-
	89,869	879,710
Surplus	155,262	601,869

Poundmaker Cree Nation
Own Source
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	47,200	-
First Nations Trust	588,593	587,852
Land use agreement	585,839	-
Lease	275,765	281,193
Battlefords Agency Tribal Chiefs - CDC	165,600	196,371
Gravel sales	118,100	500
Miscellaneous	37,834	95,848
Royalties	32,811	194,178
Battle River Treaty 6 Health Centre Inc.	10,000	-
Battlefords Tribal Council	5,200	25,000
	1,866,942	1,380,942
Expenses		
Contracted services	438,483	776
Professional fees	294,698	184,099
Program	218,303	148,454
Per capita distribution	168,500	160,061
Salaries and benefits	112,555	118,925
Interest on long-term debt	100,861	24,471
Meetings and travel	92,216	125,822
Rent	44,516	47,199
Bank charges and interest	21,137	44,606
Equipment	19,061	865
Membership assistance	17,652	98,727
Repairs and maintenance	17,110	898
Utilities and telephone	1,500	33,586
Land taxes	1,176	1,087
Supplies	270	91
Insurance	-	891
Bad debts	(388)	19,140
Administration	(1,800)	(29,398)
	1,545,850	980,300
Surplus before other income	321,092	400,642
Other income		
Gain on disposal of capital assets	17,500	-
Surplus	338,592	400,642

Poundmaker Cree Nation
Other
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2016

	2016	2015
Revenues		
Ottawa Trust Funds	186,115	281,193
Miscellaneous	40,471	-
Government of Canada	21,500	19,708
Province of Saskatchewan	21,000	21,000
	269,086	321,901
Expenses		
Membership assistance	170,716	57,914
Repairs and maintenance	156,808	208,411
Utilities and telephone	51,839	16,501
Contracted services	23,107	49,965
Salaries and benefits	14,837	121,116
Program	13,817	-
Administration	12,000	-
Meetings and travel	11,036	60,565
Amortization	7,614	-
Supplies	5,422	15,129
Interest on long-term debt	3,492	9,420
Insurance	2,188	1,275
Professional fees	1,000	1,000
Equipment	194	9,057
Bank charges and interest	48	780
	474,118	551,133
Deficit	(205,032)	(229,232)