

---

RED PHEASANT CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

---

# RED PHEASANT CREE NATION

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

---

MARCH 31, 2015

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

### INDEPENDENT AUDITORS' REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....STATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONS .....STATEMENT 2

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT.....STATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWS .....STATEMENT 4

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Red Pheasant Cree Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for government entities as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

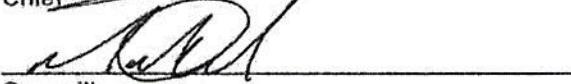
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

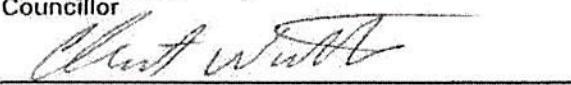
Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and 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 consolidated financial statements and the external auditors' report.

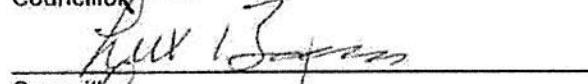
The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Red Pheasant Cree Nation and meet when required.

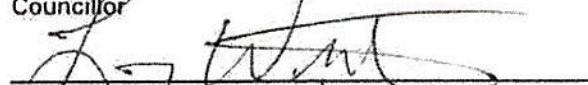
  
Chief

  
Councillor

  
Councillor

  
Councillor

  
Councillor

  
Councillor

Collins Barrow HMA LLP  
Suite 701 - 330 Portage Avenue  
Winnipeg, Manitoba  
R3C 0C4 Canada

T. 204.989.2229  
F. 204.944.9923  
TF. 1.866.730.4777

[www.collinsbarrow.com](http://www.collinsbarrow.com)

## INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership  
Red Pheasant Cree Nation

We have audited the accompanying consolidated financial statements of Red Pheasant Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, change 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 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 Red Pheasant Cree Nation as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba  
September 9, 2015

*Collins Barrow HMA LLP*  
CHARTERED ACCOUNTANTS

# RED PHEASANT CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2015	2014
--	------	------

### FINANCIAL ASSETS

Restricted cash <i>(Note 6)</i>	\$ 668,013	\$ 682,705
Accounts receivable <i>(Note 3)</i>	321,344	657,701
Investments	<u>13,435</u>	<u>13,435</u>
	<u><u>1,002,792</u></u>	<u><u>1,353,841</u></u>

### LIABILITIES

Bank indebtedness	197,974	53,959
Accounts payable and accrued liabilities <i>(Note 4)</i>	1,152,136	1,986,000
Deferred revenue <i>(Note 5)</i>	1,180,770	
Long term debt <i>(Note 8)</i>	<u>3,273,814</u>	<u>3,100,394</u>
	<u><u>4,623,924</u></u>	<u><u>6,321,123</u></u>
NET DEBT	<u><u>( 3,621,132)</u></u>	<u><u>( 4,967,282)</u></u>

### NON-FINANCIAL ASSETS

TANGIBLE CAPITAL ASSETS <i>(Note 15)</i>	11,610,639	11,262,374
PREPAID EXPENSES	57,218	
CONSTRUCTION IN PROGRESS	<u>-</u>	<u>1,013,307</u>
	<u><u>11,610,639</u></u>	<u><u>12,332,899</u></u>
ACCUMULATED SURPLUS <i>(Note 7)</i>	<u><u>\$ 7,989,507</u></u>	<u><u>\$ 7,365,617</u></u>

### CONTINGENT LIABILITIES *(Note 10)*

Approved by Chief and Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

# RED PHEASANT CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2015	2014
<b>REVENUE</b>			
AANDC	\$ 1,358,739	\$ 1,120,971	\$ 3,737,094
Ottawa Trust	350,000	125,000	393,000
Battleford Tribal Council	375,780	596,970	390,851
Canada Mortgage and Housing Corporation	112,182	112,182	112,182
Health Canada	132,500	216,500	132,500
First Nations Trust	800,000	844,163	726,822
Saskatchewan Indian Institute of Technologies	165,750	204,481	114,692
Rental revenue	87,818	36,240	49,108
Other revenue	725,000	398,297	368,534
Deferred from prior year		1,138,923	1,153,156
Deferred to next year			(1,138,923)
Recovered - AANDC	<u>-</u>	<u>(104,277)</u>	<u>(45,905)</u>
	<u>4,107,769</u>	<u>4,689,450</u>	<u>5,993,111</u>
<b>EXPENDITURES</b>			
Administration	402,978	516,471	493,681
Reserves	81,104	101,058	124,367
Community wellness	167,185	173,079	162,059
Infrastructure	564,879	618,568	697,183
First Nation programs	1,588,000	1,917,316	2,573,977
Capital projects	537,827	536,277	592,481
Community and economic development	167,261	332,447	354,086
Education			2,798,523
Housing	<u>200,000</u>	<u>182,252</u>	<u>192,685</u>
	<u>3,709,234</u>	<u>4,377,468</u>	<u>7,989,042</u>
ANNUAL SURPLUS (DEFICIT)	\$ 398,535	\$ 311,982	\$ ( 1,995,931)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>7,365,616</u>	<u>7,365,616</u>	<u>9,361,547</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 7,764,151</u>	<u>\$ 7,677,598</u>	<u>\$ 7,365,616</u>

# RED PHEASANT CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2015	2014
ANNUAL SURPLUS (DEFICIT)	\$ 398,535	\$ 311,982	\$ ( 1,995,931)
Acquisition of tangible capital assets	( 84,000)	( 106,798)	( 209,158)
Amortization of tangible capital assets	<u>750,000</u>	<u>771,839</u>	<u>727,145</u>
	<u>666,000</u>	<u>665,041</u>	<u>517,987</u>
Ottawa trust revenue recorded		326,845	328,175
Ottawa trust disbursements received	( 350,000)	( 518,000)	-
	( 350,000)	( 191,155)	328,175
Acquisition of prepaid expenses			( 57,218)
Use of prepaid expenses	<u>57,000</u>	<u>57,218</u>	<u>92,872</u>
	<u>57,000</u>	<u>57,218</u>	<u>35,654</u>
CHANGE IN NET DEBT FOR YEAR	771,535	843,086	( 1,114,115)
NET DEBT, <i>beginning of year</i>	( 4,967,282)	( 4,967,282)	( 3,853,167)
EDUCATION AUTHORITY ADJUSTMENT ( <i>Note 17</i> )	<u>503,064</u>	<u>503,064</u>	-
NET DEBT, <i>end of year</i>	<u>\$ ( 3,692,683)</u>	<u>\$ ( 3,621,132)</u>	<u>\$ ( 4,967,282)</u>

# RED PHEASANT CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 1 5	2 0 1 4
<b>OPERATING ACTIVITIES</b>		
Cash received from funding agencies	\$ 3,359,970	\$ 6,110,194
Cash received from other sources	288,964	882,667
Cash paid to suppliers and other	( 2,872,021)	( 5,721,126)
Cash paid to employees	( 831,436)	( 1,926,916)
Interest paid	<u>( 167,418)</u>	<u>( 124,294)</u>
Net cash paid for operating activities	<u>( 221,941)</u>	<u>( 779,475)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	<u>( 106,798)</u>	<u>( 209,158)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	1,942,802	1,662,564
Repayment of long-term debt	<u>( 1,772,770)</u>	<u>( 949,797)</u>
Net cash received from financing activities	<u>170,032</u>	<u>712,767</u>
NET DECREASE IN CASH DURING YEAR	<u>( 158,707)</u>	<u>( 275,866)</u>
CASH, <i>beginning of year</i>	<u>628,746</u>	<u>904,612</u>
CASH, <i>end of year</i>	<u>\$ 470,039</u>	<u>\$ 628,746</u>
<b>CASH COMPRISED OF</b>		
Restricted cash	\$ 668,013	\$ 682,705
Bank indebtedness	<u>( 197,974)</u>	<u>( 53,959)</u>
	<u>\$ 470,039</u>	<u>\$ 628,746</u>

# RED PHEASANT CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

---

### 1. OPERATIONS

The Red Pheasant Cree Nation ("the Nation") is located in the province of Saskatchewan, and provides various services to its members. The Nation's financial reporting includes all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

#### *REPORTING ENTITY*

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation;

- Red Pheasant Cree Nation Administration
- Red Pheasant Cree Nation Housing Authority
- Red Pheasant Cree Nation Eagle Hills Daycare Centre Inc.

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 using 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 the legal obligation to pay.

#### *CASH AND CASH EQUIVALENTS*

Cash sources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevents its use for current purposes is included in restricted cash.

#### *FUNDS HELD IN OTTAWA TRUST*

Funds held in the Ottawa Trust Fund on behalf of Nation members by the Government of Canada are reported as restricted cash. Trust monies consists of:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

---

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *TANGIBLE CAPITAL ASSETS*

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

Tangible capital assets are amortized annually using the declining balance method (except where noted) at rates intended to amortize the cost of the assets over their estimated useful lives:

Buildings	40 years	straight line
Equipment	20%	declining balance
Computer equipment	50%	declining balance
Vehicles	25%	declining balance
Furniture and fixtures	20%	declining balance
Mobile homes	18 years	straight line
Building improvements	40 years	straight line
Social housing	25 years	straight line
Infrastructure	25 years	straight line

In the year of acquisition, amortization is taken at one-half of the above rates.

#### *LONG-LIVED ASSETS*

Long-lived assets consists of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of the asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

#### *NON-FINANCIAL ASSETS*

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

#### *NET DEBT*

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

---

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *REVENUE RECOGNITION*

Government transfer revenue is recognized as it becomes receivable under the terms of applicable agreements. Funding received under funding arrangements that relate to subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt, and is matched with the related department expenses in the year of their occurrence.

Other revenue is recognized by the Nation when services are provided or goods are shipped.

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

#### *EMPLOYEE FUTURE BENEFITS*

The Nation's employee future benefit program consists of a defined contribution pension plan. Nation contributions to the defined contribution plan are expensed as incurred.

#### *PROVISION FOR SITE REHABILITATION*

Environmental law requires appropriate closure and post-closure care of landfill sites. This would include covering and landscaping of the site, ongoing environmental monitoring, site inspection and maintenance. No liability has been recorded as of March 31, 2014 as funding from agencies will offset any cost associated with the closure of landfill sites.

#### *SEGMENTS*

The Nation conducts its business through eight reportable segments as identified in Note 12. These operating segments are established by senior management to facilitate the achievement of the 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

#### *FINANCIAL INSTRUMENTS*

Financial instruments include cash, investments, accounts receivable, accounts payable and accrued liabilities. Unless otherwise stated, it is management's opinion that Red Pheasant Cree Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of the financial assets and liabilities approximates their fair value.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**MEASUREMENT UNCERTAINTY*

The preparation of the 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 financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

## 3. ACCOUNTS RECEIVABLE

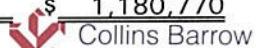
	2 0 1 5	2 0 1 4
AANDC	\$ 73,171	\$ 73,171
Ottawa Trust	393,000	393,000
Nu Vista Resources Ltd.	67,185	67,185
Saskatchewan Indian Institute of Technologies	83,268	-
Canada Mortgage and Housing Corporation	177,622	65,440
Other	<u>60,454</u>	<u>58,905</u>
	<u><u>\$ 321,344</u></u>	<u><u>\$ 657,701</u></u>

## 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 5	2 0 1 4
Trade payables and accrued liabilities	\$ 1,621,123	\$ 1,621,123
Riverbend Properties	239,528	239,528
AANDC	104,277	45,905
Payroll liabilities	90,424	79,444
Battleford Tribal Council	<u>42,231</u>	-
	<u><u>\$ 1,152,136</u></u>	<u><u>\$ 1,986,000</u></u>

## 5. DEFERRED REVENUE

	2 0 1 5	2 0 1 4
AANDC - Major Capital	\$ 350,000	\$ 350,000
School Heating System	745,000	745,000
Water and Waste	43,923	43,923
Sewage Maintenance	41,847	41,847
AANDC - Instructional Services	<u>-</u>	<u>-</u>
	<u><u>\$ 1,180,770</u></u>	<u><u>\$ 1,180,770</u></u>


 Collins Barrow

# RED PHEASANT CREE NATION

PAGE 5

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

### 6. RESTRICTED CASH

	2 0 1 5	2 0 1 4
Ottawa Trust	\$ 409,134	\$ 600,290
Funds in trust - McKercher LLP	75,618	75,618
Capital projects - Mahon Management Ltd.	21,091	108
Funded reserves - CMHC	<u>162,170</u>	<u>6,689</u>
	 <u>\$ 668,013</u>	 <u>\$ 682,705</u>

### 7. ACCUMULATED SURPLUS

	2 0 1 5	2 0 1 4
Unrestricted	\$ 7,580,373	\$ 6,765,327
Restricted- Ottawa Trust	<u>409,134</u>	<u>600,290</u>
	 <u>\$ 7,989,507</u>	 <u>\$ 7,365,617</u>

#### UNRESTRICTED

	2 0 1 5	2 0 1 4
Opening balance	\$ 6,765,327	\$ 8,761,258
Annual deficit	311,982	(1,995,931)
Education Authority adjustment ( <i>Note 17</i> )	<u>503,064</u>	<u>-</u>
	 <u>\$ 7,580,373</u>	 <u>\$ 6,765,327</u>

#### RESTRICTED - OTTAWA TRUST

	2 0 1 5	2 0 1 4
Opening balance	\$ 600,290	\$ 272,114
Income- net of disbursements	<u>(191,156)</u>	<u>328,176</u>
	 <u>\$ 409,134</u>	 <u>\$ 600,290</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

## 8. LONG TERM DEBT

2015

2014

Bank of Montreal - repayable in quarterly instalments of \$61,501. Interest at prime (3.00%) plus 2.00% compounded monthly. Secured by the General Security Agreement and band council resolution redirecting First Nation Trust revenue.	\$ 1,904,653	\$
Royal Bank - repaid in March 2015		57,579
Innovation Credit Union - repayable in monthly instalments of \$2,963. Interest at 4.24% compounded monthly. Secured by a loan guarantee from Aboriginal Affairs and Northern Development Canada.	112,139	128,423
CMHC - repayable in monthly instalments of \$2,300. Interest at 2.57% compounded monthly. Secured by a loan guarantee from Aboriginal Affairs and Northern Development Canada.	109,665	106,900
CMHC - repayable in monthly instalments of \$6,023. Interest at 1.49% compounded monthly. Secured by a loan guarantee from Aboriginal Affairs and Northern Development Canada.	1,147,357	1,130,450
Peace Hills Trust - repaid in March 2015.	-	1,677,042
	<u>\$ 3,273,814</u>	<u>\$ 3,100,394</u>

The estimated annual principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2016	\$ 267,722
2017	278,467
2018	287,094
2019	239,531
2020	247,209
Thereafter	<u>1,953,791</u>
	<u>\$ 3,273,814</u>

## 9. BUDGET INFORMATION

The disclosed budget information has been approved by the Chief and Council of Red Pheasant Cree Nation. The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on them.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

---

### 10. CONTINGENT LIABILITIES

The Nation is subject to funding recoveries according to their agreements with federal government agencies. At year-end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2015 might be recovered by these agencies.

In addition, a claim has been filed with the Court of Queen's Bench and the outcome was not certain as of March 31, 2015.

**Red Pheasant Cree Nation vs Downer Holdings Inc. and D.C. Gravel Inc.:** The Plaintiffs have commenced an action against the Nation for the sum of \$285,000. Following a Trial in the Court of Queen's Bench in September 2012, a portion of the claim was found to be unenforceable. A portion of the claim remains unresolved totaling sums in excess of \$50,000. The First Nation has counter-claimed against the Plaintiffs in the sum of \$4,281,500. The action is currently dormant.

### 11. ECONOMIC DEPENDENCE

The Nation receives a majority of its revenue from Aboriginal Affairs and Northern Development Canada as a result of treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

### 12. SEGMENTS

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

**Administration** - includes administration and governance activities.

**Infrastructure** - includes improving and maintenance of the Community and its infrastructure.

**Capital Projects** - includes activities related to major improvements and renovations in the Community.

**Community Wellness** - reports on the Nation's funding related to health and wellness.

**Community and Economic Development** - includes activities related to the economic development of the community, including its commercial operations.

**Housing** - includes activities related to the development and sustainment of on-reserve housing.

**First Nation programs** - activities include delivering recreational activities.

**Reserves** - includes resources that are to be used in the case of emergency.

## RED PHEASANT CREE NATION

PAGE 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

### 13. RECONCILIATION OF AANDC FUNDING

#### 14. CONSOLIDATED EXPENDITURES BY OBJECT

	2 0 1 5	2 0 1 4
Amortization	\$ 771,839	\$ 727,143
Bank charges and interest	167,418	124,294
Compensation	831,436	1,926,916
Purchased goods and services	1,778,811	3,034,295
Financial assistance	218,237	268,877
Travel and accomodation	497,291	795,776
Tuition and training	<u>112,436</u>	<u>1,111,741</u>
	<u>\$ 4,377,468</u>	<u>\$ 7,989,042</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 15. TANGIBLE CAPITAL ASSETS

MARCH 31, 2015

**16. COMPARATIVE FIGURES**

Certain prior year's comparative amounts have been reclassified where necessary to conform to the presentation adopted for the current year.

**17. EDUCATION AUTHORITY ADJUSTMENT**

As at April 1, 2014 Red Pheasant Education Authority Inc. "the Authority" was no longer part of the Aboriginal Affairs and Northern Development Canada funding agreement and therefore Chief and Council were not responsible to deliver the Education programs in the Community. Management of Red Pheasant Cree Nation has determined that Chief and Council no longer control the Authority and consequently the assets, liabilities, accumulated surplus and operations of the Authority will not be reported in the consolidated financial statements for the year ended March 31, 2015. As a result, an adjustment in the amount of \$503,064 representing the cumulative deficit of the Authority was recorded to the opening balance of consolidated accumulated surplus and net debt.

# RED PHEASANT CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PAGE 11

MARCH 31, 2015

### 18. GOVERNMENT TRANSFERS

	2015			2014		
	Operating	Capital	Total	Operating	Capital	Total
Federal Government Transfers						
AANDC	\$ 973,870	\$ 147,101	\$ 1,120,971	\$ 3,339,720	\$ 233,869	\$ 3,573,589
FNIH	132,500	84,000	216,500	132,500		132,500
CMHC	<u>112,182</u>	<u>-</u>	<u>112,182</u>	<u>112,182</u>	<u>-</u>	<u>112,182</u>
	<b>\$ 1,218,552</b>	<b>\$ 231,101</b>	<b>\$ 1,449,653</b>	<b>\$ 3,584,402</b>	<b>\$ 233,869</b>	<b>\$ 3,818,271</b>

# RED PHEASANT CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PAGE 12

MARCH 31, 2015

19. SEGMENTED DISCLOSURE		Administration		Reserves		Community Wellness		Infrastructure	
		2015	2014	2015	2014	2015	2014	2015	2014
Revenues									
Federal Government	\$ 409,618	\$ 395,478	\$ 100,964	\$ 112,650	\$ 216,500	\$ 132,500	\$ 443,288	\$ 467,885	
AANDC									
FNIIH									
CMHC									
Deferred (to) from next year									53,580
AANDC recovery	-	-	-	-	-	-	-	-	-
Subtotal	409,618	395,478	100,964	112,650	216,500	132,500	443,288	467,885	
Other revenue	-	-	-	-	34,780	10,200	-	-	-
Total revenue	409,618	395,478	100,964	112,650	251,280	142,700	443,288	521,465	
Expenditures									
Amortization	27,189	9,093							67,535
Debt servicing	270,071	233,912	44,332	53,321	122,904	108,266	471,826	545,684	
Other	219,211	250,676	56,726	71,046	50,175	53,793	79,207	89,685	
Salaries and benefits									
Total expenditures	516,471	493,681	101,058	124,367	173,079	162,059	618,568	697,183	
Surplus (Deficit)	\$ (106,853)	\$ (98,203)	\$ (94)	\$ (11,717)	\$ (78,201)	\$ (19,359)	\$ (175,280)	\$ (175,718)	

RED PHEASANT CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PAGE 13

		First Nation Programs		Capital Projects		Community and Economic Development		Education	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues									
Federal Government	\$			\$ 147,101	\$ 233,869	\$ 20,000	\$ 32,775	\$ 2,494,437	
AANDC									
FNIIH									
CMHC									
Deferred (to) from next year				1,138,923	2,500			(41,847)	
AANDC recovery				(104,277)	-			(13,130)	
Subtotal				1,181,747	236,369	20,000		2,439,460	
Other revenue						313,925	215,307		65,066
Total revenue						333,925	215,307		2,504,526
Expenditures									
Amortization	607,811	556,327				147	166		2,801
Debt servicing	112,987	85,793				262,416	262,892		1,784,282
Other	840,285	1,572,609	536,277	592,481		69,884	91,028		1,011,440
Salaries and benefits	356,233	359,248	-						
Total expenditures	1,917,316	2,573,977	536,277	592,481		332,447	354,086		2,798,523
Surplus (Deficit)	\$ 375,081	\$ 870,651	\$ 923,441	\$ 356,112	\$ 1,478	\$ (138,779)	\$ -		\$ (293,997)

# RED PHEASANT CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PAGE 14

MARCH 31, 2015

	Housing			TOTAL	
	<u>2015</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>					
Federal Government					
AANDC			\$ 1,120,971	\$ 3,737,094	
FNIH			216,500	132,500	
CMHC			112,182	112,182	
Deferred (to) from next year			1,138,923	14,233	
AANDC recovery			(104,277)	(45,905)	
Subtotal	112,182	112,182	2,484,299	3,950,104	
Other revenue	36,240	49,108	2,205,151	2,043,007	
Total revenue	148,422	161,290	4,689,450	5,993,111	
<b>Expenditures</b>					
Amortization	96,493	109,002	771,839	727,143	
Debt servicing	27,095	26,441	167,418	124,294	
Other	58,664	57,242	2,606,775	5,210,689	
Salaries and benefits	-	-	831,436	1,926,916	
Total expenditures	182,252	192,685	4,377,468	7,989,042	
Surplus (Deficit)	<u><u><u>\$ (33,830)</u></u></u>	<u><u><u>\$ (31,395)</u></u></u>	<u><u><u>\$ 311,982</u></u></u>	<u><u><u>\$ (1,995,931)</u></u></u>	