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RED PHEASANT CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31 2016

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# RED PHEASANT CREE NATION

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**MARCH 31, 2016**

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## 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 as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada 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.

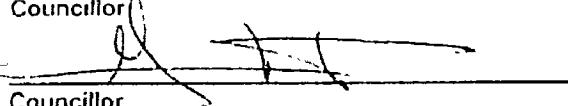
Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

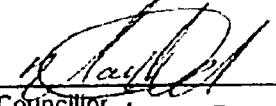
Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

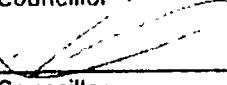
The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Red Pheasant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

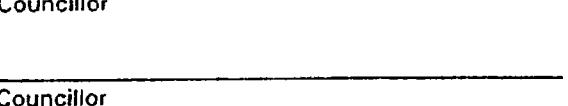
  
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Chief

  
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## 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, 2016, 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, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Collins Barrow HMA LLP*  
Chartered Professional Accountants

Winnipeg, Manitoba  
July 27, 2016

# RED PHEASANT CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2016 2015

### FINANCIAL ASSETS

Restricted cash (Note 6)	\$ 544,624	\$ 668,013
Accounts receivable (Note 3)	560,217	321,344
Investments	<u>13,435</u>	<u>13,435</u>
	<u>1,118,276</u>	<u>1,002,792</u>

### LIABILITIES

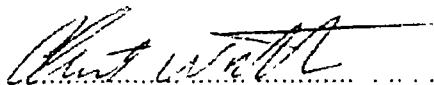
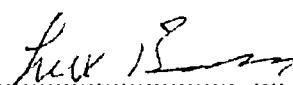
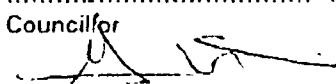
Bank indebtedness	688,392	197,974
Accounts payable and accrued liabilities (Note 5)	640,911	1,152,136
Long term debt (Note 8)	<u>2,916,591</u>	<u>3,273,814</u>
	<u>4,245,894</u>	<u>4,623,924</u>
NET DEBT	(3,127,618)	(3,621,132)

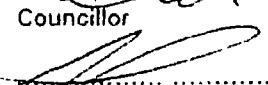
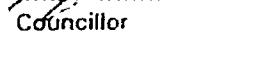
### NON-FINANCIAL ASSETS

TANGIBLE CAPITAL ASSETS (Note 15)	10,707,933	11,610,639
PREPAID EXPENSES	<u>57,265</u>	<u>—</u>
	<u>10,765,198</u>	<u>11,610,639</u>
ACCUMULATED SURPLUS (Note 7)	\$ 7,637,580	\$ 7,989,507

### 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)	2016	2015
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 1,358,739	\$ 1,219,329	\$ 1,120,971
Ottawa Trust	350,000	465,777	125,000
Battleford Tribal Council	256,000	228,931	319,128
Battle River Treaty 6 Health Centre Inc.	119,780	161,080	277,842
Canada Mortgage and Housing Corporation	113,000	113,773	112,182
Enbridge		125,000	
First Nations and Inuit Health	132,500	132,500	216,500
First Nations Trust	800,000	912,480	844,163
Saskatchewan Indian Institute of Technologies	165,750	131,502	204,481
Other revenue	812,000	570,837	434,537
Deferred from prior year			1,138,923
Recovered - INAC	-	(78,007)	(104,277)
	<u>4,107,769</u>	<u>3,983,202</u>	<u>4,689,450</u>
<b>EXPENDITURES</b>			
Administration	402,978	412,952	516,471
Reserves	81,104	96,556	101,058
Community wellness	252,185	208,628	173,079
Infrastructure	564,879	444,194	551,033
First Nation programs	1,503,000	1,525,143	1,309,505
Capital projects	334,127	287,835	196,513
Community and economic development	370,961	404,674	672,211
Housing	200,000	52,460	85,759
	<u>3,709,234</u>	<u>3,432,442</u>	<u>3,605,629</u>
<b>SURPLUS BEFORE AMORTIZATION</b>	<b>398,535</b>	<b>550,760</b>	<b>1,083,821</b>
Amortization expense	<u>930,956</u>	<u>930,956</u>	<u>771,839</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b><u>\$( 532,421)</u></b>	<b><u>\$( 380,196)</u></b>	<b><u>\$( 311,982)</u></b>

# RED PHEASANT CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2016	2015
ANNUAL SURPLUS (DEFICIT)	\$ (532,421)	\$ (380,196)	\$ 311,982
Acquisition of tangible capital assets	( 28,250)	( 28,250)	( 106,798)
Amortization of tangible capital assets	<u>930,956</u>	<u>930,956</u>	<u>771,839</u>
	<u>902,706</u>	<u>902,706</u>	<u>665,041</u>
Ottawa trust revenue recorded	316,089	316,089	326,845
Ottawa trust disbursements received	( 465,777)	( 465,777)	( 518,000)
	( 149,688)	( 149,688)	( 191,155)
Acquisition of prepaid expenses	( 57,265)	( 57,265)	
Use of prepaid expenses	-	-	57,218
	( 57,265)	( 57,265)	57,218
CHANGE IN NET DEBT FOR YEAR	163,332	315,557	843,086
NET DEBT, <i>beginning of year</i>	( 3,621,132)	( 3,621,132)	( 4,464,218)
PRIOR PERIOD ADJUSTMENT ( <i>Note 17</i> )	<u>177,957</u>	<u>177,957</u>	-
NET DEBT, <i>end of year</i>	\$ (3,279,843)	\$ (3,127,618)	\$ (3,621,132)

# RED PHEASANT CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 1 6	2 0 1 5
<b>OPERATING ACTIVITIES</b>		
Cash received from funding agencies	\$ 3,049,458	\$ 3,359,970
Cash received from other sources	546,149	487,556
Cash paid to suppliers and other	( 2,899,788)	( 3,152,955)
Cash paid to employees	( 743,045)	( 831,436)
Interest paid	( 181,108)	( 167,418)
Net cash paid for operating activities	( 228,334)	( 304,283)
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	( 28,250)	( 106,798)
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	21,875	1,942,802
Repayment of long-term debt	( 379,098)	( 1,772,770)
Net cash received from (paid for) financing activities	( 357,223)	170,032
NET DECREASE IN CASH DURING YEAR	( 613,807)	( 241,049)
CASH, <i>beginning of year</i>	470,039	711,088
CASH, <i>end of year</i>	\$ ( 143,768)	\$ 470,039
<b>CASH COMPRISED OF</b>		
Restricted funds	\$ 544,624	\$ 668,013
Bank indebtedness	( 688,392)	( 197,974)
	\$ ( 143,768)	\$ 470,039

# RED PHEASANT CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

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### 1. OPERATIONS

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 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.

# RED PHEASANT CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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.

# RED PHEASANT CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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.

# RED PHEASANT CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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 6	2 0 1 5
Canada Mortgage and Housing Corporation	\$ 291,395	\$ 177,622
Enbridge	125,000	
Indigenous and Northern Affairs Canada	96,762	
Saskatchewan Indian Institute of Technologies		83,268
Other	<u>47,060</u>	<u>60,454</u>
	<u><u>\$ 560,217</u></u>	<u><u>\$ 321,344</u></u>

### 4. INAC RECEIVABLE

	2 0 1 6	2 0 1 5
Planning, design and construction	<u>96,762</u>	\$ -

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 6	2 0 1 5
Trade payables and accrued liabilities	\$ 324,508	\$ 650,463
Riverbend Properties	239,528	239,528
Indigenous and Northern Affairs Canada	65,009	104,277
Payroll liabilities	8,041	90,424
Battleford Tribal Council		42,231
Other	<u>3,825</u>	<u>25,213</u>
	<u><u>\$ 640,911</u></u>	<u><u>\$ 1,152,136</u></u>

# RED PHEASANT CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 6. RESTRICTED CASH

	2 0 1 6	2 0 1 5
Ottawa Trust	\$ 259,446	\$ 409,134
Funds in trust - McKercher LLP	75,618	75,618
Capital projects - Mahon Management Ltd.		21,091
Funded reserves - CMHC	<u>209,560</u>	<u>162,170</u>
	 <u>\$ 544,624</u>	 <u>\$ 668,013</u>

### 7. ACCUMULATED SURPLUS

	2 0 1 6	2 0 1 5
Unrestricted	\$ 7,378,134	\$ 7,580,373
Restricted- Ottawa Trust	<u>259,446</u>	<u>409,134</u>
	 <u>\$ 7,637,580</u>	 <u>\$ 7,989,507</u>

#### UNRESTRICTED

	2 0 1 6	2 0 1 5
Opening balance	\$ 7,580,373	\$ 7,268,391
Annual deficit	(380,196)	311,982
Prior period adjustment <i>(Note 17)</i>	<u>177,957</u>	-
	 <u>\$ 7,378,134</u>	 <u>\$ 7,580,373</u>

#### RESTRICTED - OTTAWA TRUST

	2 0 1 6	2 0 1 5
Opening balance	\$ 409,134	\$ 600,290
Income- net of disbursements	<u>(149,688)</u>	<u>(191,156)</u>
	 <u>\$ 259,446</u>	 <u>\$ 409,134</u>

# RED PHEASANT CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 8. LONG TERM DEBT

	2 0 1 6	2 0 1 5
Bank of Montreal - repayable in quarterly instalments of \$61,641. Interest at prime (2.70%) plus 2.00% compounded monthly. Secured by the General Security Agreement and band council resolution redirecting First Nation Trust revenue.	\$ 1,764,586	\$ 1,904,653
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.	63,293	112,139
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.	55,795	109,665
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.	1,017,917	1,147,357
Bank of Montreal - repayable in monthly instalments of \$634. Interest at prime (2.70%) plus 2.00% per annum. Secured by the General Security Agreement, promissory note and band council resolution.	15,000	-
	<u>\$ 2,916,591</u>	<u>\$ 3,273,814</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, 2017	\$ 316,735
2018	287,116
2019	245,072
2020	252,847
2021	262,591
Thereafter	<u>1,552,230</u>
	<u>\$ 2,916,591</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.

# RED PHEASANT CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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, 2016 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, 2016.

**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 Indigenous and Northern Affairs Canada 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 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

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 13. RECONCILIATION OF INAC FUNDING

	2 0 1 6	2 0 1 5
INAC funding per financial statements	\$ 1,219,329	\$ 2,259,894
Less: prior year deferred revenue		
Capital projects - Mahon Management Ltd.	- <u>(1,138,923)</u>	
INAC funding per funding confirmation	<u>\$ 1,219,329</u>	<u>\$ 1,120,971</u>

### 14. CONSOLIDATED EXPENDITURES BY OBJECT

	2 0 1 6	2 0 1 5
Amortization	\$ 930,956	\$ 771,839
Bank charges and interest	181,108	167,418
Compensation	743,045	831,436
Purchased goods and services	1,725,141	1,778,811
Financial assistance	121,630	218,237
Travel and accomodation	588,794	497,291
Tuition and training	<u>72,724</u>	<u>112,436</u>
	<u>\$ 4,363,398</u>	<u>\$ 4,377,468</u>

# RED PHEASANT CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 15. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2016	Total 2015
Buildings	\$ 3,427,403	\$	\$ 3,427,403	\$ 1,666,210	\$ 85,685	\$ 1,751,895	\$ 1,675,508	\$ 1,761,193
CMHC Housing	3,908,401		3,908,401	1,168,824	230,439	1,399,263	2,509,138	2,739,577
Infrastructure	4,518,357		4,518,357	2,131,453	180,734	2,312,187	2,206,170	2,386,904
Equipment	1,230,491	20,000	1,250,491	766,917	94,715	861,632	388,859	463,574
Band Hall	1,373,405		1,373,405	238,629	34,335	272,964	1,100,441	1,134,776
Arena	1,673,928		1,673,928	1,223,521	41,848	1,265,369	408,559	450,407
Social Housing	5,298,828		5,298,828	3,042,260	211,953	3,254,213	2,044,615	2,256,568
Mobile Homes	366,105		366,105	68,972	20,339	89,311	276,794	297,133
Vehicles	198,791	8,250	207,041	79,284	30,908	110,192	96,849	119,507
Land	1,000		1,000				1,000	1,000
	<u>\$ 21,996,709</u>	<u>\$ 28,250</u>	<u>\$ 22,024,959</u>	<u>\$ 10,386,070</u>	<u>\$ 930,956</u>	<u>\$ 11,317,026</u>	<u>\$ 10,707,933</u>	<u>\$ 11,610,639</u>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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. PRIOR PERIOD ADJUSTMENT

Prior period adjustment relates to the correction of opening balances related to Red Pheasant First Nation Housing Authority, following the 2014-15 audit review, to reflect Canada Mortgage and Housing Corporation records, and the corresponding amounts due to the First Nation in the amount of \$177,957. The opening balances of assets, liabilities and accumulated surplus have been adjusted for the differences reported and the comparative figures have been restated accordingly.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 18. GOVERNMENT TRANSFERS

	2016			2015		
	Operating	Capital	Total	Operating	Capital	Total
<b>Federal Government Transfers</b>						
INAC	\$ 951,198	\$ 268,131	\$ 1,219,329	\$ 973,870	\$ 147,101	\$ 1,120,971
FNIH	132,500		132,500	132,500	84,000	216,500
CMHC	<u>113,773</u>	<u>-</u>	<u>113,773</u>	<u>112,182</u>	<u>-</u>	<u>112,182</u>
	<u>\$ 1,197,471</u>	<u>\$ 268,131</u>	<u>\$ 1,465,602</u>	<u>\$ 1,218,552</u>	<u>\$ 231,101</u>	<u>\$ 1,449,653</u>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2015**

19. SEGMENTED DISCLOSURE	Administration		Reserves		Community Wellness	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Federal Government						
INAC	\$ 407,389	\$ 409,618	\$ 93,274	\$ 100,964	\$ 132,500	\$ 216,500
FNIH						
CMHC						
INAC recovery	<u>(78,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>329,382</u>	<u>409,618</u>	<u>93,274</u>	<u>100,964</u>	<u>132,500</u>	<u>216,500</u>
Other revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,080</u>	<u>34,780</u>
<b>Total revenue</b>	<b><u>329,382</u></b>	<b><u>409,618</u></b>	<b><u>93,274</u></b>	<b><u>100,964</u></b>	<b><u>203,580</u></b>	<b><u>251,280</u></b>
<b>Expenditures</b>						
Amortization						
Debt servicing						
Other	<u>3,001</u>	<u>27,189</u>				
Salaries and benefits	<u>203,585</u>	<u>270,071</u>	<u>41,339</u>	<u>44,332</u>	<u>152,873</u>	<u>122,904</u>
	<u>206,366</u>	<u>219,211</u>	<u>55,217</u>	<u>56,726</u>	<u>55,754</u>	<u>50,175</u>
<b>Total expenditures</b>	<b><u>412,952</u></b>	<b><u>516,471</u></b>	<b><u>96,556</u></b>	<b><u>101,058</u></b>	<b><u>208,627</u></b>	<b><u>173,079</u></b>
<b>Surplus (Deficit)</b>	<b><u><u>\$( 83,570)</u></u></b>	<b><u><u>\$( 106,853)</u></u></b>	<b><u><u>\$( 3,282)</u></u></b>	<b><u><u>\$( 94)</u></u></b>	<b><u><u>\$( 5,047)</u></u></b>	<b><u><u>\$( 78,201)</u></u></b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

	Infrastructure		First Nation Programs		Capital Projects	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Federal Government						
INAC	\$ 443,035	\$ 443,288			\$ 268,131	\$ 147,101
FNIH						
CMHC						
Deferred (to) from next year						1,138,923
INAC recovery						(98,819)
Subtotal	<u>443,035</u>	<u>443,288</u>			<u>268,131</u>	<u>1,187,205</u>
Other revenue	<u>-</u>	<u>-</u>	<u>2,057,739</u>	<u>1,542,235</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u><b>443,035</b></u>	<u><b>443,288</b></u>	<u><b>2,057,739</b></u>	<u><b>1,542,235</b></u>	<u><b>268,131</b></u>	<u><b>1,187,205</b></u>
<b>Expenditures</b>						
Amortization	70,052	67,535	630,466	607,811		
Debt servicing			154,960	112,987		
Other	<u>444,194</u>	<u>471,826</u>	<u>1,034,837</u>	<u>840,285</u>	<u>287,835</u>	<u>196,513</u>
Salaries and benefits	<u>-</u>	<u>79,207</u>	<u>335,346</u>	<u>356,233</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u><b>514,246</b></u>	<u><b>618,568</b></u>	<u><b>2,155,609</b></u>	<u><b>1,917,316</b></u>	<u><b>287,835</b></u>	<u><b>196,513</b></u>
<b>Surplus (Deficit)</b>	<u><b>\$ 71,211)</b></u>	<u><b>\$ 175,280)</b></u>	<u><b>\$ 97,870)</b></u>	<u><b>\$ 375,081)</b></u>	<u><b>\$ 19,704)</b></u>	<u><b>\$ 990,692</b></u>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2015**

	Community and Economic Development		Housing		TOTAL	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Federal Government						
INAC	\$ 7,500	\$ 20,000	\$ 113,773	\$ 112,182	\$ 1,219,329	\$ 1,120,971
FNIH					132,500	216,500
CMHC					113,773	112,182
Deferred (to) from next year						1,138,923
INAC recovery	—	—	—	—	(78,007)	(98,819)
<b>Subtotal</b>	<b>7,500</b>	<b>20,000</b>	<b>113,773</b>	<b>112,182</b>	<b>1,387,595</b>	<b>2,489,757</b>
<b>Other revenue</b>	<b>424,621</b>	<b>586,438</b>	<b>42,166</b>	<b>36,240</b>	<b>2,595,606</b>	<b>2,199,693</b>
<b>Total revenue</b>	<b>432,121</b>	<b>606,438</b>	<b>155,939</b>	<b>148,422</b>	<b>3,983,201</b>	<b>4,689,450</b>
<b>Expenditures</b>						
Amortization			230,438	96,493	930,956	771,839
Debt servicing	163	147	22,984	27,095	181,108	167,418
Other	314,149	602,180	29,476	58,664	2,508,288	2,606,775
Salaries and benefits	90,362	69,884	—	—	743,045	831,436
<b>Total expenditures</b>	<b>404,674</b>	<b>672,211</b>	<b>282,898</b>	<b>182,252</b>	<b>4,363,397</b>	<b>4,377,468</b>
<b>Surplus (Deficit)</b>	<b>\$ 27,447</b>	<b>\$( 65,773)</b>	<b>\$( 126,959)</b>	<b>\$( 33,830)</b>	<b>\$( 380,196)</b>	<b>\$( 311,982)</b>