

**Cumberland House Cree Nation
Consolidated Financial Statements
March 31, 2015**

Cumberland House Cree Nation
Consolidated Financial Statements
March 31, 2015

| | <i>Page</i> |
|-----------------------------------------------------------------|-------------|
| Management's Responsibility for Financial Reporting..... | 1 |
| Independent Auditors' Report..... | 2 |
| Financial Statements | |
| Consolidated Statement of Financial Position..... | 3 |
| Consolidated Statement of Operations | 4 |
| Consolidated Statement of Accumulated Surplus..... | 5 |
| Consolidated Statement of Change in Net Debt..... | 6 |
| Consolidated Statement of Cash Flows..... | 7 |
| Notes to Consolidated Financial Statements..... | 8 - 25 |
| Program schedules | |
| Claims and Indian Government..... | 26 |
| Community Development..... | 27 |
| Economic Development..... | 28 |
| Education..... | 29 |
| Indian Government Support..... | 30 |
| Social Development..... | 31 |
| Indian Registration..... | 32 |
| Governance and Institutions of Governance..... | 33 |
| CMHC..... | 35 |
| Other Programs..... | 36 |
| Investments..... | 37 |
| Amortization..... | 38 |

Cumberland House Cree Nation
Management's Responsibility for Financial Reporting
March 31, 2015

The financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) and the reporting requirements of the funding agreement with Aboriginal Affairs and Northern Development Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to band members. The Chief and Council meet periodically with management, as well as 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 financial statements and the external auditors' report.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on File

Cumberland House Cree Nation

August 13, 2015

Date

Chalupiak & Associates
Chartered Professional Accountants
3261 Saskatchewan Drive, Regina, SK S4T 6S4
Phone (306) 359-3711 Fax (306) 569-3030

Independent Auditors' Report

To the Members of
Cumberland House Cree Nation

We have audited the accompanying consolidated financial statements of Cumberland House Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, 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 First Nation'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 First Nation'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 Cumberland House Cree Nation as at March 31, 2015, and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
August 13, 2015

Chartered Professional Accountants

Cumberland House Cree Nation
Consolidated Statement of Financial Position
March 31, 2015

| | 2015 | 2014 |
|-------------------------------------------------------|----------------------|----------------------|
| Financial Assets | | |
| Cash (Note 3) | \$ 115,738 | \$ - |
| Restricted cash (Notes 3 and 22) | 978,612 | 945,007 |
| Trust funds held by federal government (Note 3 and 4) | 17,816 | 17,397 |
| Accounts receivable (Notes 5 and 6) | 1,159,012 | 1,127,862 |
| Due from related entities (Note 7) | 66,000 | - |
| <u>Long-term investments (Note 8)</u> | <u>2,404,446</u> | <u>1,984,808</u> |
| | 4,741,624 | 4,075,074 |
| Liabilities | | |
| Bank indebtedness (Note 3 and 10) | - 204,876 | |
| Accounts payable (Note 11) | 1,501,976 | 1,427,848 |
| Deferred revenue (Note 13) | 30,186 | 156,936 |
| Current portion of long-term debt (Note 14) | 241,006 | 231,000 |
| Current portion of CMHC housing mortgage (Note 15) | 530,487 | 470,798 |
| Long-term debt (Note 14) | 1,626,251 | 302,500 |
| <u>CMHC mortgages (Note 15)</u> | <u>6,187,624</u> | <u>5,990,741</u> |
| | 10,117,530 | 8,784,699 |
| Net debt | (5,375,906) | (4,709,625) |
| Non-financial Assets | | |
| <u>Capital assets (Note 16)</u> | <u>21,869,917</u> | <u>22,015,403</u> |
| Accumulated Surplus (Note 17) | \$ 16,494,011 | \$ 17,305,778 |

Approved on behalf of the Cumberland House Cree Nation:

Signature on File, Cumberland House Cree Nation

Signature on File, Cumberland House Cree Nation

Cumberland House Cree Nation
Consolidated Statement of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|----------------------------------------------------------|--------------------|---------------------|---------------------|
| Revenue | | | |
| AANDC - grant contribution | \$ 342,178 | \$ 342,178 | \$ 342,178 |
| AANDC - fixed contribution | 2,402,420 | 2,455,492 | 2,690,126 |
| AANDC - set contribution | 2,736,072 | 3,380,893 | 3,242,237 |
| AANDC - flexible contribution | - | 377,333 | 64,800 |
| AANDC - prior period revenue (recovery) | - | (2,820) | - |
| AANDC - current year receivable (payable) | 3,537 | 31,265 | 49,868 |
| Health Canada | 351,444 | 326,783 | 227,237 |
| CMHC | 555,000 | 624,982 | 570,979 |
| Funds earned and held in trust by the federal government | - | 419 | 481 |
| Government of Saskatchewan | - | - | 248,048 |
| Prince Albert Grand Council | 964,537 | 1,004,176 | 1,030,893 |
| First Nations Trust | - | 506,669 | 474,888 |
| Northern Lights Community Development Corporation | - | 178,211 | 159,000 |
| Prince Albert Development Corporation dividends | - | 50,000 | 420,000 |
| Northern Lights School Division | - | 427,657 | 53,990 |
| Native claims loan agreement advances | 131,495 | - | 322,527 |
| Land claim - future settlement - Note 21 | - | 717,876 | - |
| Rental income | 540,000 | 558,367 | 576,990 |
| Other revenue | 81,579 | 345,949 | 270,554 |
| Increase (decrease) in value of investments | - | 419,638 | (327,100) |
| Administration - internal allocation | 387,543 | 407,372 | 413,395 |
| Unexpended funds transferred - prior year | - | 44,637 | - |
| Deferred revenue - prior year | - | 156,936 | 195,533 |
| Deferred revenue - current year | - | (30,186) | (156,936) |
| | 8,495,805 | 12,323,827 | 10,869,688 |
| Expenses | | | |
| Claims and Indian Government (Schedule 1) | 131,495 | 727,876 | 267,389 |
| Community Development (Schedule 2) | 828,458 | 1,549,613 | 1,492,419 |
| Economic Development (Schedule 3) | 13,851 | 77,209 | 33,701 |
| Education (Schedule 4) | 2,314,406 | 3,096,069 | 2,523,241 |
| Indian Government Support (Schedule 5) | 832,591 | 1,171,504 | 1,081,109 |
| Social Development (Schedule 6) | 2,654,196 | 2,787,564 | 2,997,213 |
| Indian Registration (Schedule 7) | 29,446 | 43,904 | 29,447 |
| Governance and Institutions of Governance (Schedule 8) | - | 6,000 | - |
| Health (Schedule 9) | 685,542 | 727,072 | 697,517 |
| CMHC (Schedule 10) | 959,432 | 418,155 | 483,850 |
| Other Programs (Schedule 11) | 135,981 | 1,328,379 | 890,775 |
| Investments (Schedule 12) | - | - | - |
| Amortization (Schedule 13) | - | 1,202,249 | 1,182,219 |
| | 8,585,398 | 13,135,594 | 11,678,880 |
| Current deficit | \$ (89,593) | \$ (811,767) | \$ (809,191) |

The accompanying notes are an integral part of the financial statements

Cumberland House Cree Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2015

| | 2015 | 2014 |
|-------------------------------------|----------------------|----------------------|
| Surplus at beginning of year | \$ 17,305,776 | \$ 18,114,967 |
| Current deficit | (811,767) | (809,191) |
| Surplus at end of year | \$ 16,494,009 | \$ 17,305,776 |

The accompanying notes are an integral part of the financial statements

Cumberland House Cree Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|------------------------------------------------|----------------|-----------------------|-----------------------|
| Current deficit | \$ (89,593) | \$ (811,767) | \$ (809,191) |
| Acquisition of tangible capital assets | - | (1,056,763) | (583,722) |
| <u>Amortization of tangible capital assets</u> | <u>-</u> | <u>1,202,249</u> | <u>1,182,219</u> |
| | - | 145,486 | 598,497 |
| Acquisition of prepaid asset | - | - | - |
| <u>Use of prepaid asset</u> | <u>-</u> | <u>-</u> | <u>6,638</u> |
| Decrease in net financial assets | (89,593) | (666,281) | (204,056) |
| Net debt at beginning of year | - | (4,709,625) | (4,505,569) |
| Net debt at end of year | \$ - | \$ (5,375,906) | \$ (4,709,625) |

The accompanying notes are an integral part of the financial statements

Cumberland House Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

| | 2015 | 2014 |
|-----------------------------------------------------|---------------------|-------------------|
| Cash flows from Operating activities | | |
| Current deficit | \$ (811,767) | \$ (809,191) |
| Items not affecting cash | | |
| Amortization | 1,202,249 | 1,182,219 |
| Increase in equity in investments | (419,638) | 327,100 |
| | (29,156) | 700,128 |
| Change in non-cash operating working capital | | |
| Accounts receivable | (31,150) | (623,160) |
| Prepaid expenses | - | 6,638 |
| Accounts payable | 74,128 | 825,174 |
| Deferred revenue | (126,750) | (38,597) |
| | (112,928) | 870,183 |
| Capital activities | | |
| Purchase of capital assets | (1,056,763) | (583,723) |
| Financing activities | | |
| Due from related entities | (66,000) | - |
| Repayment of long-term debt | (533,500) | (231,000) |
| Loan proceeds | 1,867,257 | - |
| Repayment of CMHC mortgages | (484,164) | (467,610) |
| Mortgage proceeds | 740,736 | 492,034 |
| | 1,524,329 | (206,576) |
| Investing activities | | |
| Restricted cash - AANDC Ottawa Trust Funds | (419) | (481) |
| Increase in cash and cash equivalents | 354,219 | 79,403 |
| Cash and cash equivalents, beginning of year | 740,131 | 660,728 |
| Cash and cash equivalents, end of year | <u>\$ 1,094,350</u> | <u>\$ 740,131</u> |
| Represented by | | |
| Cash | \$ 115,738 | \$ - |
| Cash | - | (204,876) |
| Restricted cash | 978,612 | 945,007 |
| | <u>\$ 1,094,350</u> | <u>\$ 740,131</u> |

The accompanying notes are an integral part of the financial statements

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

1. General

The Cumberland House Cree Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include the Cumberland House Cree Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board.

(a) Reporting entity

The Cumberland House Cree Nation reporting entity includes the Cumberland House Cree Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis.

Under the modified equity method of accounting, only Cumberland House Cree Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Cumberland House Cree Nation.

Organizations accounted for on a modified equity basis include:
Cumberland House Saskatchewan River Business Corporation (CHBC)
Cumberland House Saskatchewan River LP (CHSR LP)
Prince Albert Development Corporation (PADC)
Prince Albert First Nations Business Development LP (PAFNBD LP)
Eastern Sector Community Development Corporation (ESCDC)
Eastern Sector Community Development LP (ESCD LP)
Waskiganikh Enterprises Ltd.

(c) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by liabilities less financial assets. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

2. Basis of presentation and significant accounting policies (continued)

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

(f) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Cumberland House Cree Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------------|------------------------|
| Buildings | 25 years Straight line |
| Computers | 4 years Straight line |
| Furniture and equipment | 5 years Straight line |
| Houses - CMHC | 20 years Straight line |
| Infrastructure | 30 years Straight line |

Tangible capital assets are written down when conditions indicate that they no longer contribute to Cumberland House Cree Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(g) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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. Actual results could differ from those estimates.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

2. Basis of presentation and significant accounting policies (continued)

(h) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts 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, 2015.

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's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(i) Segments

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(j) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees - internal allocation."

(k) Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

(l) Recognition of expenses

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(m) Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Cumberland House Cree Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the respective reserve fund.

| | 2015 | 2014 |
|-----------------------------------------------|--------------------------|------------------------|
| Cash | | |
| Operating | \$ 115,738 | \$ (204,876) |
| Restricted cash | | |
| CMHC reserves | 964,783 | 728,778 |
| Capital projects | 13,829 | 216,229 |
| | <hr/> 978,612 | <hr/> 945,007 |
| Funds held in trust by the federal government | | |
| Capital | 15,556 | 15,556 |
| Revenue | 2,260 | 1,841 |
| | <hr/> 17,816 | <hr/> 17,397 |
| | <hr/> <hr/> \$ 1,112,166 | <hr/> <hr/> \$ 757,528 |

4. Trust funds held by federal government

As these are not the assets or liabilities of the First Nation, they have not been included in these consolidated financial statements.

| | 2015 | 2014 |
|-----------------------------|-----------------|-----------------|
| Capital funds held in trust | \$ 17,816 | \$ 17,397 |
| | <hr/> \$ - | <hr/> \$ - |
| | 2015 | 2015 |
| | Revenue | Capital |
| Surplus, beginning of year | \$ 1,841 | \$ 15,556 |
| Interest earnings | 419 | - |
| | <hr/> \$ 2,260 | <hr/> \$ 15,556 |
| Surplus, end of year | <hr/> \$ 17,816 | <hr/> \$ 17,397 |

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

5. Accounts receivable

| | 2015 | 2014 |
|---------------------------------------------------------------|--------------------------|--------------------------|
| Due from members | | |
| Staff and member advances and loans | \$ 119,308 | \$ 132,286 |
| CMHC Rent | 67,834 | 67,773 |
| Other | 4,491 | - |
| | <hr/> 191,633 | <hr/> 200,059 |
| Due from others | | |
| Northern Lights School Division | - | 216,055 |
| Prince Albert Grand Council | 45,806 | 78,615 |
| NLCDC | 58,549 | 12,500 |
| Native claims loan agreement | 108,444 | 239,939 |
| Nuclear Waste Management Organization | 12,500 | - |
| Other | 771 | 2,414 |
| Future land claim settlement - note 21 | 717,876 | - |
| | <hr/> 943,946 | <hr/> 549,523 |
| Due from government and other government organizations | | |
| AANDC (note 5) | 41,587 | 265,923 |
| CMHC Subsidy | 50,622 | 45,901 |
| Government of Saskatchewan - PDAP | - | 139,216 |
| | <hr/> 92,209 | <hr/> 451,040 |
| Allowance for doubtful accounts | 1,227,788 (68,776) | 1,200,622 (72,760) |
| | <hr/> <hr/> \$ 1,159,012 | <hr/> <hr/> \$ 1,127,862 |

6. AANDC accounts receivable

| | 2015 | 2014 |
|------------------------|-----------------|------------------|
| Tuition | \$ - | \$ 216,055 |
| Basic needs | 34,754 | 46,331 |
| Band employee benefits | 6,833 | 3,537 |
| | <hr/> \$ 41,587 | <hr/> \$ 265,923 |

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

7. Due from related entities

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties.

| | 2015 | 2014 |
|----------------------------------------|-----------|------|
| Cumberland House Saskatchewan River LP | \$ 66,000 | \$ - |

8. Investment in government business enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

| | 2015 | 2014 |
|--------------------------------------------------------------------|-----------------------|-----------------------|
| Cumberland House Saskatchewan River Business Corporation (CHBC) | \$ (1,462) | \$ (1,483) |
| Cumberland House Saskatchewan River LP (CHSR LP) | 559,509 | 353,917 |
| Prince Albert Development Corporation (PADC) | 24,246 | 23,129 |
| Prince Albert First Nations Business Development LP (PAFNBD LP) | 1,893,347 | 1,730,794 |
| Eastern Sector Community Development Corporation (ESCDC) | (44,522) | (44,121) |
| Eastern Sector Community Development LP (ESCD LP) | (26,672) | (26,380) |
| Waskaganikh Enterprises Ltd. | - | (51,049) |
| | <hr/> \$ 2,404,446 | <hr/> \$ 1,984,807 |

| | 2015 | | | | |
|---------------------------------|-----------------------------------------|------------------------------|-------------------|-------------------------------------|-----------------------------------|
| | Investment, beginning of the year | Contributions / Purchases | Withdrawals | Undistributed Earnings (Loss) | Investment, end of the year |
| Wholly-owned Businesses: | | | | | |
| CHBC | \$ - | \$ - | \$ - | \$ (1,462) | \$ (1,462) |
| CHSR LP | <hr/> \$ 353,917 | <hr/> \$ - | <hr/> \$ - | <hr/> \$ 205,592 | <hr/> \$ 559,509 |
| Partnerships: | | | | | |
| PADC - 8.3% | \$ 23,129 | \$ - | \$ - | \$ 1,117 | \$ 24,246 |
| PAFNBD LP - 8.2% | 1,730,794 | - | (50,000) | 212,553 | 1,893,347 |
| ESCDC - 33.3% | (44,121) | - | - | (401) | (44,522) |
| ESCD LP - 33.3% | (26,380) | - | - | (292) | (26,672) |
| Waskaganikh Enterprises Ltd | <hr/> (51,049) | <hr/> 51,049 | <hr/> - | <hr/> - | <hr/> - |
| Total liabilities | <hr/> \$ 1,632,373 | <hr/> \$ 51,049 | <hr/> \$ (50,000) | <hr/> \$ 212,977 | <hr/> \$ 1,846,399 |

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

9. Investment in government business enterprises - summary of activity

The financial summary of the activities of the investments is as follows:

| | PADC & PAFNBD LP | ESCDC & ESCDC LP | CHBC & CHSR LP | 2015 Total | 2014 Total |
|-------------------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| Current assets | \$ 2,016,818 | \$ 1,530 | \$ 487,116 | \$ 2,505,464 | \$ 4,669,273 |
| Tangible capital assets | 216,292 | - | 229,133 | 445,425 | 313,039 |
| Investments | 21,191,426 | 79,391 | 38 | 21,270,855 | 16,981,024 |
| Total assets | \$ 23,424,536 | \$ 80,921 | \$ 716,287 | \$ 24,221,744 | \$ 21,963,336 |
| | | | | | |
| Current liabilities | \$ 111,247 | \$ 2,500 | \$ 158,202 | \$ 271,949 | \$ 200,276 |
| Long term liabilities | - | 212,610 | - | 212,610 | 212,610 |
| Total liabilities | 111,247 | 215,110 | 158,202 | 484,559 | 412,886 |
| Equity | 23,313,289 | (134,819) | 558,085 | 23,736,555 | 21,550,450 |
| Total liabilities and equity | \$ 23,424,536 | \$ 80,921 | \$ 716,287 | \$ 24,221,114 | \$ 21,963,336 |
| | | | | | |
| | PADC & PAFNBD LP | ESCDC & ESCDC LP | CHBC & CHSR LP | 2015 Total | 2014 Total |
| Revenue | \$ 2,905,166 | \$ - | \$ 4,131,494 | \$ 7,036,660 | \$ 6,517,520 |
| Cost of sales | - | - | 2,998,144 | 2,998,144 | 2,890,774 |
| Expenses | 315,369 | 2,074 | 929,216 | 1,246,659 | 1,072,559 |
| Total expenses | 315,369 | 2,074 | 3,927,360 | 4,244,803 | 3,963,333 |
| Net income | \$ 2,589,797 | \$ (2,074) | \$ 204,134 | \$ 2,791,857 | \$ 2,554,187 |

10. Bank indebtedness

The First Nation has an approved overdraft limit with the Royal Bank of Canada of \$100,000 at a rate of prime plus 2.5%.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

11. Accounts payable

| | 2015 | 2014 |
|-------------------------------------------------------------|--------------------------|--------------------------|
| Due to others | | |
| Prince Albert Grand Council | \$ 183,708 | \$ 226,351 |
| General suppliers - CMHC operations | 65,488 | 61,296 |
| Northern Lights School Division | 211,487 | 216,055 |
| General suppliers | 966,752 | 859,927 |
| | <hr/> 1,427,435 | <hr/> 1,363,629 |
| Due to government and other government organizations | | |
| AANDC | 10,322 | - |
| Health Canada | 64,219 | 64,219 |
| | <hr/> 74,541 | <hr/> 64,219 |
| | <hr/> <hr/> \$ 1,501,976 | <hr/> <hr/> \$ 1,427,848 |

12. Deferred revenue - unexpended funds

AANDC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to AANDC, deferred to the following year, or transferred to another AANDC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

The 2014 AANDC review letter indicated unexpended funds of \$44,637 that were not recognized in the 2014 audited financial statements. These amounts have been adjusted for in the current year by recording the unexpended funds in the applicable programs with an offsetting expense in the "Other Programs - Schedule 12". The amounts included in the 2014 column of this note are for information purposes only.

| | 2015 | 2014 |
|------------------------------------------|------------------|-----------------------|
| Classroom Instruction | \$ - | \$ 11,856 |
| Low Cost Special Education | - | 1,137 |
| Post Secondary | - | 13,504 |
| Comprehensive Education Support Services | - | 18,140 |
| | <hr/> <hr/> \$ - | <hr/> <hr/> \$ 44,637 |

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

13. Deferred revenue

| | March 31, 2014 | Funding received, 2015 | Revenue recognized, 2015 | March 31, 2015 |
|---------------------------|-------------------|------------------------------|--------------------------------|-------------------|
| Federal government | | | | |
| AANDC - school heating | \$ 83,090 | \$ - | \$ (72,964) | \$ 10,126 |
| AANDC - lagoon project | 73,846 | - | (73,846) | - |
| | 156,936 | - | (146,810) | 10,126 |
| Other | | | | |
| School maintenance | - | 20,060 | - | 20,060 |
| | \$ 156,936 | \$ 20,060 | \$ (146,810) | \$ 30,186 |

14. Long-term debt

| | 2015 | 2014 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|
| CIBC loan bearing interest at prime plus 5.5% per annum, repayable in quarterly principle payments of \$55,000 plus interest paid monthly. The loan matures on April 1, 2016 and is secured by general security agreement covering all assets of the First Nation. | \$ - | \$ 495,000 |
| RBC loan - 002 (debt consolidation) Term loan bearing interest at prime plus 2.75% per annum, repayable in quarterly blended payments of \$65,000, matures on April 1, 2016 and is secured by general security agreement covering all assets of the First Nation. | 1,100,000 | - |
| CIBC loan bearing interest at prime plus 5.5% per annum, repayable in monthly principle payments of \$917 plus interest. The loan matures on August 1, 2017 and is secured by general security agreement and a Caterpillar loader. | - | 38,500 |
| RBC loan - 003 (Cumberland House 100A Settlement Claim) Term loan bearing interest at prime plus 2.50% per annum, repayable in quarterly blended payments of \$42,500, matures on April 1, 2016 and is secured by general security agreement covering all assets of the First Nation. | 767,257 | - |
| Current portion | 1,867,257 | 533,500 |
| | 241,006 | 231,000 |
| | \$ 1,626,251 | \$ 302,500 |

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

14. Long-term debt, continued

Principal portion of long-term debt due within the next five years:

| | |
|----------------------------|----------------------------|
| 2016 | \$ 241,006 |
| 2017 | 383,002 |
| 2018 | 396,140 |
| 2019 | 410,088 |
| <u>2020 and thereafter</u> | <u>437,021</u> |
| | <u><u>\$ 1,867,257</u></u> |

| | 2015 | 2014 |
|-------------------------------------------------|-----------|------------------|
| Interest expense for the year on long-term debt | \$ 70,387 | <u>\$ 37,754</u> |

15. CMHC mortgages

| | Phase number | Maturity date | Interest rate | Monthly payment | 2015 | 2014 |
|----------------------------------|-----------------|------------------|------------------|--------------------|----------------------------|----------------------------|
| CIBC | 5 | 01/09/2016 | 5.39% | \$ 3,599 | \$ 94,554 | \$ 131,620 |
| CIBC | 6 | 01/04/2016 | 5.34% | 3,710 | 126,431 | 163,216 |
| Scotiabank | 8 | 01/08/2016 | 4.39% | 1,557 | 34,309 | 51,088 |
| CIBC | 9 | 01/09/2016 | 5.39% | 1,200 | 37,779 | 49,811 |
| CMHC | 10 | 01/02/2020 | 1.12% | 743 | 81,097 | 88,599 |
| CMHC | 11 | 01/06/2015 | 2.76% | 1,222 | 131,234 | 142,172 |
| CIBC | 12 | 01/03/2016 | 5.44% | 1,507 | 144,792 | 154,788 |
| CMHC | 13 | 01/12/2016 | 1.64% | 1,364 | 175,082 | 188,489 |
| CMHC | 14 | 01/03/2018 | 1.62% | 3,484 | 485,040 | 518,782 |
| CMHC | 15 | 01/04/2019 | 1.92% | 4,210 | 614,672 | 653,090 |
| CMHC | 16 | 01/02/2020 | 1.12% | 3,443 | 384,878 | 419,475 |
| CMHC | 17 | 01/04/2016 | 2.65% | 9,055 | 1,045,741 | 1,125,931 |
| CMHC | 18 | 01/06/2018 | 1.67% | 14,981 | 2,139,319 | 2,282,445 |
| CMHC | 19 | 01/11/2019 | 1.77% | 4,745 | 720,600 | 492,033 |
| CMHC - assets under construction | 20 | | | - | 502,583 | - |
| | | | | | 6,718,111 | 6,461,539 |
| <u>Less current portion</u> | | | | | <u>530,488</u> | <u>470,798</u> |
| | | | | | <u><u>\$ 6,187,623</u></u> | <u><u>\$ 5,990,741</u></u> |

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

16. Tangible capital assets

| | Cost | Additions | Accumulated amortization | 2015 Net book value |
|-----------------------|----------------------|---------------------|-----------------------------|---------------------------|
| Buildings | \$ 11,364,616 | \$ - | \$ 4,437,734 | \$ 6,926,882 |
| Equipment | 890,648 | 4,799 | 781,740 | 113,707 |
| Computer equipment | 40,391 | - | 27,945 | 12,446 |
| CMHC - houses | 9,853,636 | 281,775 | 3,919,883 | 6,215,527 |
| Infrastructure assets | 10,621,947 | 770,189 | 2,790,782 | 8,601,354 |
| | \$ 32,771,238 | \$ 1,056,763 | \$ 11,958,084 | \$ 21,869,916 |
| | Cost | Additions | Accumulated amortization | 2014 Net book value |
| Buildings | \$ 11,316,516 | \$ 48,100 | \$ 4,051,260 | \$ 7,313,356 |
| Equipment | 837,599 | 53,049 | 722,884 | 167,764 |
| Computer equipment | 6,228 | 34,163 | 23,267 | 17,124 |
| CMHC - houses | 9,405,224 | 448,411 | 3,435,719 | 6,417,916 |
| Infrastructure assets | 10,621,947 | - | 2,522,705 | 8,099,242 |
| | \$ 32,187,514 | \$ 583,723 | \$ 10,755,835 | \$ 22,015,402 |

17. Accumulated surplus

| | 2015 | 2014 |
|-------------------------------------------|----------------------|----------------------|
| Restricted | | |
| Invested in tangible capital assets | \$ 15,151,805 | \$ 15,592,363 |
| Funds held in trust by federal government | 17,816 | 17,397 |
| Invested in business ventures | 2,404,446 | 1,984,808 |
| CMHC reserves | 2,096,420 | 1,875,876 |
| Unrestricted | | |
| Operating surplus (deficit) | (3,176,476) | (2,164,667) |
| | \$ 16,494,011 | \$ 17,305,777 |

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

18. Revenue, expenditures and surplus (deficit) by segment

| | Revenue | Expenditures | Transfers | Surplus (deficit) |
|-------------------------------------------|----------------------|----------------------|-------------|----------------------|
| Claims and Indian Government | \$ 727,876 | \$ 727,876 | \$ - | \$ - |
| Community Development | 1,459,721 | 1,549,614 | (632,448) | (722,341) |
| Economic Development | 27,300 | 77,209 | - | (49,909) |
| Education | 2,953,208 | 3,096,067 | (14,155) | (157,014) |
| Indian Government Support | 466,768 | 1,171,504 | 468,796 | (235,940) |
| Social Development | 2,725,307 | 2,787,564 | - | (62,257) |
| Indian Registration | 11,296 | 43,904 | - | (32,608) |
| Governance and Institutions of Governance | 6,000 | 6,000 | - | - |
| Health | 645,145 | 727,072 | (63,632) | (145,559) |
| CMHC | 1,106,808 | 418,155 | (484,164) | 204,489 |
| Other Programs | 1,724,759 | 1,328,379 | (426,646) | (30,266) |
| Investments | 469,638 | - | (50,000) | 419,638 |
| Amortization | - | 1,202,249 | 1,202,249 | - |
| | \$ 12,323,826 | \$ 13,135,593 | \$ - | \$ (811,767) |

19. AANDC contributions

| | 2015 | 2014 |
|-------------------------------------|---------------------|---------------------|
| AANDC confirmation | \$ 6,596,532 | \$ 6,417,323 |
| Prior period receivable (payable) | | |
| Basic needs | (46,331) | (77,981) |
| Band Employee Benefits | (3,537) | - |
| Basic Needs - compliance | (2,820) | - |
| Current year receivable (payable) | | |
| Basic needs | 34,754 | 46,331 |
| Band employee benefits | 6,833 | 3,537 |
| National Child Benefit Reinvestment | (1,090) | - |
| | \$ 6,584,341 | \$ 6,389,210 |

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

20. Government Transfers

| | 2015 | | |
|----------------------------------------------------|---------------------|-------------------|---------------------|
| | Operating | Capital | Total |
| Federal government transfers | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 6,207,008 | \$ 377,333 | \$ 6,584,341 |
| Health Canada | 326,783 | - | 326,783 |
| Canada Mortgage and Housing Corporation | 624,982 | - | 624,982 |
| Total | 7,158,773 | 377,333 | 7,536,106 |
| Provincial government transfers | | | |
| Total | \$ 7,158,773 | \$ 377,333 | \$ 7,536,106 |
| | 2014 | | |
| | Operating | Capital | Total |
| Federal government transfers | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 6,324,410 | \$ 64,800 | \$ 6,389,210 |
| Health Canada | 227,237 | - | 227,237 |
| Canada Mortgage and Housing Corporation | 570,979 | - | 570,979 |
| Total | 7,122,626 | 64,800 | 7,187,426 |
| Provincial government transfers | | | |
| Total | \$ 7,370,674 | \$ 64,800 | \$ 7,435,474 |

21. Future land claim settlement

Cumberland House Cree Nation has entered into negotiations with Canada regarding a specific claim settlement. A loan has been secured to provide funding for the negotiation costs. The First Nation has negotiated an insurance policy guaranteeing repayment should no settlement funds be received; at the date of this audit the policy is not yet in force. The loan is approved for \$850,000 and draw downs will coincide with settlement expenses incurred. As of March 31, 2015 the amount of \$767,257 had been drawn down and is reported as a liability to the lending institution; a receivable in the amount of \$717,876 has been recorded to offset expenses incurred in the current year.

22. CMHC housing restricted funds

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts; as of March 31, 2015 the reserves were under funded by \$1,131,637.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

23. Contingent liabilities

Cumberland House Cree Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Cumberland House Cree Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Cumberland House Cree Nation's financial statements.

24. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

Cumberland House Cree Nation does not provide extended health, dental and life insurance benefits to retired employees and therefore has no obligations with regards to post employment benefits.

Pension plan

Cumberland House Cree Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 3% of their salary up to a maximum of 10% of their basic salary. Cumberland House Cree Nation contributes a matching portion which is directed to the member's contribution account. Cumberland House Cree Nation does not have any other obligations with regards to the pension plan as at March 31, 2015.

25. Contractual Obligations

The nature of Cumberland House Cree Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

| | 2015 |
|--------------------------------------|---------------|
| Ford Credit - student transportation | \$ 642 |
| Total | \$ 642 |

26. Related party transactions

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

27. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and derived from the estimates approved by the Cumberland House Cree Nation.

28. Economic dependence

Cumberland House Cree Nation receives a significant portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada.

29. AANDC funding

The First Nation (Recipient) receives funding from Aboriginal Affairs and Northern Development Canada (AANDC) by entering into an agreement with AANDC.

There are five approaches that AANDC may consider in the design and delivery of transfer payment programs:

1. **Grant approach** – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. **Set contribution approach** – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to AANDC annually.
3. **Fixed contribution approach** – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by AANDC. A plan must be submitted and approved by AANDC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by AANDC.
4. **Flexible contribution approach** – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to AANDC at the end of the project, program or agreement.
5. **Block contribution approach** – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by AANDC.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

30. Segmented information

As previously discussed in note 2 (i) the First Nation conducts its business through reportable segments as follows:

1) Aboriginal Affairs and Northern Development Canada (AANDC)

Claims and Indian Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with AANDC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

30. Segmented information, continued

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration:

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

2) Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3) Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth

4) Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Cumberland House Cree Nation
Notes to Consolidated Financial Statements
March 31, 2015

31. Expenses by object

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---------------------------------|----------------|----------------|----------------|
| Administration | \$ 387,543 | \$ 407,372 | \$ 413,395 |
| Amortization | - | 1,202,249 | 1,182,219 |
| Assistance - basic needs | 2,175,000 | 2,257,387 | 2,262,835 |
| Assistance - special needs | 179,160 | 179,328 | 215,097 |
| Assistance to band members | 10,725 | 306,089 | 188,422 |
| Bank charges and interest | - | 49,750 | 50,352 |
| Capital - construction | - | 72,964 | 60,886 |
| Consultants and contractors | 188,487 | 827,109 | 397,180 |
| Contingency | 17,482 | 32,962 | 17,482 |
| Cultural programs | - | 263,070 | 61,318 |
| Emergency measures - flood | - | 42,336 | 30,782 |
| Equipment purchases | - | - | 49,400 |
| Fuel | 70,366 | 51,346 | 69,841 |
| Honorariums | 4,200 | 60,130 | 42,105 |
| Insurance | 90,516 | 126,685 | 123,557 |
| Leases | 19,360 | 25,449 | 27,997 |
| Long term debt - interest paid | 610,000 | 209,581 | 179,477 |
| NCBR program expenses | 178,208 | 178,238 | 381,044 |
| Other expenses | 8,750 | 51,140 | 14,022 |
| PAGC paid expenses directly | - | 195,412 | 85,369 |
| Professional fees | 108,229 | 735,780 | 384,715 |
| Program expenses | 27,800 | 189,214 | 327,649 |
| Recreational activities | - | 145,148 | 32,206 |
| Repairs and maintenance | 440,200 | 580,391 | 605,958 |
| Student allowance | 190,432 | 226,189 | 211,756 |
| Student incentives | 85,328 | 48,587 | 33,556 |
| Student transportation | 7,458 | 7,441 | 3,336 |
| Student tuition | 100,738 | 151,064 | 110,738 |
| Supplies | 159,265 | 586,529 | 612,645 |
| Telephone | 27,651 | 49,793 | 58,959 |
| Training | 16,749 | 29,862 | 55,546 |
| Travel - medical transportation | 206,083 | 177,451 | 161,083 |
| Travel, meetings, per diems | 224,528 | 572,318 | 363,041 |
| Tuition | - | 639,144 | 216,055 |
| Unexpended funds - prior years | - | 44,637 | - |
| Utilities | 110,180 | 210,211 | 180,400 |
| Wages and benefits | 2,940,960 | 3,186,101 | 3,052,180 |
| Transfer to capital assets | - | (982,863) | (583,723) |
| | <hr/> | <hr/> | <hr/> |
| | \$ 8,585,398 | \$ 13,135,594 | \$ 11,678,880 |

Schedule #1
Cumberland House Cree Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---------------------------------------------------|----------------|----------------|------------------|
| Revenue | | | |
| Native claims loan agreement advances | \$ 131,495 | \$ 131,495 | \$ 82,588 |
| Native claims loan agreement advances receivable | - - | - - | 239,939 |
| Native claims loan advances applied to receivable | - - | (131,495) - | - - |
| Land claim - future settlement - Note 21 | - - | 717,876 - | - - |
| Other revenue | - - | 10,000 - | - - |
| | 131,495 | 727,876 | 322,527 |
| Expenses | | | |
| Bank charges and interest | - - | 81 8 | - - |
| Honorariums | 4,200 | 4,177 | - - |
| Long term debt - interest paid | - - | 7,161 | - - |
| Other expenses | 8,750 | 8,750 | - - |
| Professional fees | 84,879 | 469,408 | 197,824 |
| Program expenses | 4,500 | 4,625 | - - |
| Supplies | - - | 7,650 | 10,501 |
| Telephone | - - | 2,234 | - - |
| Travel, meetings, per diems | 29,166 | 172,633 | 59,056 |
| Wages and benefits | - - | 51,157 | - - |
| | 131,495 | 727,876 | 267,389 |
| Current surplus | \$ - | \$ - | \$ 55,138 |

The accompanying notes are an integral part of the financial statements

Schedule #2
Cumberland House Cree Nation
Community Development
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---------------------------------------------------|---------------------|---------------------|---------------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ 472,497 | \$ 525,326 | \$ 797,666 |
| AANDC - set contribution | 40,500 | 40,500 | 54,000 |
| AANDC - flexible contribution | - | 377,333 | 64,800 |
| Prince Albert Grand Council | 135,158 | 135,718 | 127,477 |
| CMHC | - | 47,557 | 16,924 |
| Government of Saskatchewan | - | - | 233,048 |
| Northern Lights Community Development Corporation | - | 42,336 | 25,000 |
| Rental income - teacherages | - | 36,600 | 34,583 |
| Other revenue | 26,000 | 127,601 | 43,174 |
| Deferred revenue - prior year | - | 156,936 | 106,229 |
| Deferred revenue - current year | - | (30,186) | (156,936) |
| | 674,155 | 1,459,721 | 1,345,965 |
| Expenses | | | |
| Administration | 27,146 | 59,625 | 59,625 |
| Bank charges and interest | - | 18,017 | 107 |
| Construction | - | 72,964 | 60,886 |
| Consultants and contractors | 96,607 | 747,583 | 332,501 |
| Contingency | - | 9,169 | - |
| Emergency measures - flood | - | 42,336 | 30,782 |
| Fuel | 47,824 | 30,849 | 39,818 |
| Insurance | 35,516 | 51,531 | 72,105 |
| Leases | - | 5,934 | 8,699 |
| Long term debt - interest paid | - | 1,571 | 4,098 |
| Other expenses | - | - | 2,458 |
| Professional fees | - | 74,033 | 1,200 |
| Repairs and maintenance | 283,932 | 458,945 | 443,192 |
| Supplies | 14,677 | 371,676 | 380,049 |
| Telephone | 1,776 | 4,654 | 3,933 |
| Training | 2,720 | 1,315 | 3,008 |
| Travel | 288 | 9,851 | 12,663 |
| Utilities | 97,871 | 192,323 | 168,090 |
| Wages and benefits | 220,101 | 376,797 | 365,717 |
| Transfer to capital assets | - | (979,559) | (496,511) |
| | 828,458 | 1,549,614 | 1,492,420 |
| Current deficit before transfers | (154,303) | (89,893) | (146,455) |
| Transfers | | | |
| Transfer - Amortization | - | (632,448) | (629,634) |
| Current deficit | \$ (154,303) | \$ (722,341) | \$ (776,089) |

The accompanying notes are an integral part of the financial statements

Schedule #3
Cumberland House Cree Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|----------------------------------|------------------|--------------------|------------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ - | \$ - | \$ 24,000 |
| Prince Albert Grand Council | 29,060 | 17,300 | 29,060 |
| Other revenue | 15,846 | 10,000 | 15,846 |
| | 44,906 | 27,300 | 68,906 |
| Expenses | | | |
| Administration | 2,776 | 2,776 | 2,776 |
| Assistance to band members | 10,725 | 11,677 | 6,575 |
| Professional fees | 350 | 42,336 | 350 |
| Training | - | 2,225 | 24,000 |
| Travel, meetings, per diems | - | 18,195 | - |
| | 13,851 | 77,209 | 33,701 |
| Current surplus (deficit) | \$ 31,055 | \$ (49,909) | \$ 35,205 |

The accompanying notes are an integral part of the financial statements

Schedule #4
Cumberland House Cree Nation
Education
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|-------------------------------------------|--------------------|---------------------|--------------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ 1,814,047 | \$ 1,793,235 | \$ 1,792,365 |
| AANDC - set contribution | 41,544 | 680,365 | 257,203 |
| Prince Albert Grand Council | 404,282 | 423,013 | 430,297 |
| Other revenue | - | 11,958 | - |
| Unexpended funds transferred - prior year | - | 44,637 | - |
| | 2,259,873 | 2,953,208 | 2,479,865 |
| Expenses | | | |
| Administration | 189,524 | 179,943 | 179,943 |
| Leases | 12,548 | 12,549 | 12,486 |
| Other expenses | - | - | 505 |
| Professional fees | - | 1,523 | 1,170 |
| Program expenses | 12,000 | 10,400 | 27,740 |
| Supplies | 64,660 | 95,977 | 72,496 |
| Telephone | 10,200 | 7,914 | 10,779 |
| Training | - | 2,935 | - |
| Travel, meetings, per diems | 21,266 | 33,907 | 25,404 |
| Wages and benefits | 1,561,082 | 1,607,560 | 1,544,367 |
| Contingency | 17,482 | 23,793 | 17,482 |
| Fuel | 18,000 | 16,745 | 25,480 |
| Student allowance | 190,432 | 226,189 | 211,756 |
| Student incentives | 85,328 | 48,587 | 33,556 |
| Student tuition | 100,738 | 151,064 | 110,738 |
| Student transportation | 7,458 | 7,441 | 3,336 |
| Tuition | - | 639,144 | 216,055 |
| Repairs and maintenance - vehicle | 23,688 | 30,396 | 33,697 |
| PAGC paid expenses directly | - | - | 2,750 |
| Transfer to capital assets | - | - | (6,499) |
| | 2,314,406 | 3,096,067 | 2,523,241 |
| Current deficit before transfers | (54,533) | (142,859) | (43,376) |
| Transfers | | | |
| Transfer - Amortization | - | (14,155) | (14,155) |
| Current deficit | \$ (54,533) | \$ (157,014) | \$ (57,531) |

The accompanying notes are an integral part of the financial statements

Schedule #5
Cumberland House Cree Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|----------------------------------------------------|--------------------|---------------------|---------------------|
| Revenue | | | |
| AANDC - grant contribution | \$ 342,178 | \$ 342,178 | \$ 342,178 |
| AANDC - fixed contribution | - | 21,055 | 20,546 |
| AANDC - set contribution | 80,453 | 80,453 | 76,916 |
| AANDC - current year receivable (payable) | 3,537 | 6,833 | 3,537 |
| Prince Albert Grand Council | - | 8,537 | 7,987 |
| Northern Lights Community Development Corporation | - | - | 8,000 |
| Interest revenue | - | 360 | 385 |
| Other revenue | - | 7,352 | 40,053 |
| | 426,168 | 466,768 | 499,602 |
| Expenses | | | |
| Bank charges and interest | - | 20,814 | 37,778 |
| Leases | 3,406 | 3,483 | 3,406 |
| Other expenses | - | 42,390 | 11,059 |
| Professional fees | - | 105,508 | 54,595 |
| Program expenses | - | - | 8,000 |
| Supplies | - | 31,068 | 33,083 |
| Telephone | 8,040 | 26,454 | 36,612 |
| Travel | 162,564 | 281,456 | 240,090 |
| Wages and benefits | 658,581 | 660,331 | 656,486 |
| | 832,591 | 1,171,504 | 1,081,109 |
| Current deficit before transfers | (406,423) | (704,736) | (581,507) |
| Transfers | | | |
| Transfer - Other Band Programs | 353,053 | 471,146 | 393,871 |
| Transfer - Governance & Institutions of Governance | - | - | 7,500 |
| Transfer - Amortization | - | (2,350) | (2,350) |
| Current deficit | \$ (53,370) | \$ (235,940) | \$ (182,486) |

The accompanying notes are an integral part of the financial statements

Schedule #6
Cumberland House Cree Nation
Social Development
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---------------------------------------------------|------------------|--------------------|--------------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ 104,580 | \$ 104,580 | \$ 44,344 |
| AANDC - set contribution | 2,573,575 | 2,573,575 | 2,846,618 |
| AANDC - current year receivable (payable) | - | 24,432 | 46,331 |
| AANDC - prior period revenue (recovery) | - | (2,820) | - |
| Prince Albert Grand Council | 15,751 | 25,526 | 25,482 |
| Northern Lights Community Development Corporation | - | - | 10,500 |
| Other revenue | - | 14 | - |
| | 2,693,906 | 2,725,307 | 2,973,275 |
| Expenses | | | |
| Administration | 4,900 | 4,900 | 4,900 |
| Assistance - social development | 2,354,160 | 2,436,715 | 2,477,932 |
| Bank charges and interest | - | 10,837 | 12,458 |
| Fuel | 2,600 | 2,200 | 2,600 |
| NCBR - Administration | 26,731 | 19,236 | 57,156 |
| NCBR - Community based support | 116,477 | 116,594 | 160,043 |
| NCBR - Home to work transition | 35,000 | 42,408 | 163,845 |
| Professional fees | - | 2,200 | - |
| Supplies | 14,323 | 21,822 | 17,534 |
| Telephone | - | 2,000 | - |
| Training | 2,312 | 1,099 | 2,620 |
| Travel, meetings, per diems | 308 | 5,321 | 738 |
| Wages and benefits | 97,385 | 122,232 | 97,388 |
| | 2,654,196 | 2,787,564 | 2,997,214 |
| Current deficit | \$ 39,710 | \$ (62,257) | \$ (23,939) |

The accompanying notes are an integral part of the financial statements

Schedule #7
Cumberland House Cree Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|-----------------------------|-------------------|----------------|----------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ 11,296 | \$ 11,296 | \$ 11,206 |
| Expenses | | | |
| Administration | 888 | 888 | 888 |
| Supplies | - | 10,629 | - |
| Travel, meetings, per diems | 1,792 | 2,314 | 1,792 |
| Wages and benefits | 26,766 | 30,073 | 26,767 |
| | <hr/> 29,446 | 43,904 | 29,447 |
| Current deficit | <hr/> \$ (18,150) | \$ (32,608) | \$ (18,241) |

The accompanying notes are an integral part of the financial statements

Schedule #8
Cumberland House Cree Nation
Governance and Institutions of Governance
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|-----------------------------------------|----------------|----------------|----------------|
| Revenue | | | |
| AANDC - set contribution | \$ - | \$ 6,000 | \$ 7,500 |
| Expenses | | | |
| Equipment purchases | - - | - - | 9,400 |
| Training | - - | 6,000 | - |
| Transfer to capital assets | - - | - - | (9,400) |
| | - - | 6,000 | - |
| Current surplus before transfers | - - | - - | 7,500 |
| Transfers | | | |
| Transfer - Indian Government Support | - - | - - | (7,500) |
| Current surplus | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements

Schedule #9
Cumberland House Cree Nation
Health
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|-----------------------------------------|--------------------|---------------------|--------------------|
| Revenue | | | |
| Health Canada | \$ 351,444 | \$ 355,550 | \$ 351,456 |
| Health Canada - recovered | - | (28,767) | (124,219) |
| Prince Albert Grand Council | 308,286 | 316,942 | 332,091 |
| Government of Saskatchewan | - | - | 15,000 |
| Other revenue | 1,214 | 1,420 | - |
| Deferred revenue - prior year | - | - | 89,304 |
| | 660,944 | 645,145 | 663,632 |
| Expenses | | | |
| Administration | 58,309 | 58,309 | 59,352 |
| Consultants and contractors | 66,880 | 71,355 | 64,680 |
| Fuel | 1,200 | 1,200 | 1,200 |
| Insurance | - | 6,704 | - |
| Leases | 3,406 | 3,483 | 3,406 |
| PAGC paid expenses directly | - | 10,875 | 48,427 |
| Program expenses | 11,300 | 12,417 | 11,879 |
| Repairs and maintenance | - | 533 | - |
| Supplies | 32,635 | 44,950 | 58,872 |
| Telephone | 7,635 | 6,536 | 7,635 |
| Training | 11,717 | 16,288 | 25,918 |
| Travel - medical transportation | 206,083 | 177,451 | 161,083 |
| Travel, meetings, per diems | 9,144 | 34,501 | 9,144 |
| Utilities | 12,309 | 17,203 | 12,309 |
| Wages and benefits | 264,924 | 268,571 | 264,924 |
| Transfer to capital assets | - | (3,304) | (31,313) |
| | 685,542 | 727,072 | 697,516 |
| Current deficit before transfers | (24,598) | (81,927) | (33,884) |
| Transfers | | | |
| Transfer - Amortization | - | (63,632) | (62,971) |
| Current deficit | \$ (24,598) | \$ (145,559) | \$ (96,855) |

The accompanying notes are an integral part of the financial statements

Schedule #10
Cumberland House Cree Nation
CMHC
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|-----------------------------------------|-------------------|-------------------|-------------------|
| Revenue | | | |
| CMHC | \$ 555,000 | \$ 577,425 | \$ 554,055 |
| Rental income - CMHC | 540,000 | 521,767 | 542,407 |
| Interest revenue | - | 7,616 | 9,626 |
| | 1,095,000 | 1,106,808 | 1,106,088 |
| Expenses | | | |
| Administration | 94,000 | 90,931 | 95,911 |
| Insurance | 55,000 | 68,450 | 51,452 |
| Long term debt - interest paid | 610,000 | 139,194 | 141,723 |
| Professional fees | 23,000 | 30,792 | 22,845 |
| Repairs and maintenance | 130,000 | 88,788 | 127,466 |
| Supplies | 25,000 | - | 22,022 |
| Wages and benefits | 22,432 | - | 22,431 |
| | 959,432 | 418,155 | 483,850 |
| Current surplus before transfers | 135,568 | 688,653 | 622,238 |
| Transfers | | | |
| Transfer - Amortization | - | (484,164) | (467,609) |
| Current surplus | \$ 135,568 | \$ 204,489 | \$ 154,629 |

The accompanying notes are an integral part of the financial statements

Schedule #11
Cumberland House Cree Nation
Other Programs
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---------------------------------------------------|-----------------|--------------------|-------------------|
| Revenue | | | |
| First Nations Trust | \$ - | \$ 506,669 | \$ 474,888 |
| Ottawa Trust Funds | - - | 419 | 481 |
| Northern Lights Community Development Corporation | - - | 135,875 | 115,500 |
| Northern Lights School Division | - - | 427,657 | 53,990 |
| Prince Albert Grand Council | 72,000 | 77,141 | 78,500 |
| Other revenue | 38,519 | 169,626 | 161,468 |
| Administration - internal allocation | 387,543 | 407,372 | 413,395 |
| | 498,062 | 1,724,759 | 1,298,222 |
| Expenses | | | |
| Administration | 10,000 | 10,000 | 10,000 |
| Assistance to band members | - - | 294,412 | 181,847 |
| Consultants and contractors | 25,000 | 8,171 | - |
| Cultural programs | - - | 263,070 | 61,318 |
| Equipment purchases | - - | - | 40,000 |
| Fuel | 742 | 352 | 742 |
| Honorariums | - - | 55,953 | 42,105 |
| Long term debt - interest paid | - - | 61,655 | 33,656 |
| PAGC paid expenses directly | - - | 184,538 | 34,192 |
| Professional fees | - - | 9,980 | 106,731 |
| Program expenses | - - | 161,773 | 280,030 |
| Recreational activities | - - | 145,148 | 32,206 |
| Repairs and maintenance | 2,580 | 1,730 | 1,603 |
| Supplies | 7,970 | 2,758 | 18,088 |
| Travel, meetings, per diems | - - | 14,139 | 14,154 |
| Unexpended funds - prior years | - - | 44,637 | - |
| Utilities | - - | 685 | - |
| Wages and benefits | 89,689 | 69,378 | 74,102 |
| Transfer to capital assets | - - | - | (40,000) |
| | 135,981 | 1,328,379 | 890,774 |
| Current surplus before transfers | 362,081 | 396,380 | 407,448 |
| Transfers | | | |
| Transfers - Indian Government Support | (353,053) | (471,146) | (393,871) |
| Transfer - Investments | - - | 50,000 | 420,000 |
| Transfer - Amortization | - - | (5,500) | (5,500) |
| Current surplus (deficit) | \$ 9,028 | \$ (30,266) | \$ 428,077 |

The accompanying notes are an integral part of the financial statements

Schedule #12
Cumberland House Cree Nation
Investments
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|-------------------------------------------------|----------------|----------------|----------------|
| Revenue | | | |
| Increase (decrease) in value of investments | \$ - | \$ 419,638 | \$ (327,100) |
| Prince Albert Development Corporation dividends | - - | 50,000 | 420,000 |
| | | 469,638 | 92,900 |
| Expenses | | | |
| Current surplus before transfers | - | 469,638 | 92,900 |
| Transfers | | | |
| Transfer - Other Band Programs | - - | (50,000) | (420,000) |
| Current surplus (deficit) | \$ - | \$ 419,638 | \$ (327,100) |

The accompanying notes are an integral part of the financial statements

Schedule #13
Cumberland House Cree Nation
Amortization
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|-----------------------------------------|----------------|----------------|----------------|
| Revenue | \$ - | \$ - | \$ - |
| Expenses | | | |
| Roads & Bridges | - | 20,651 | 20,651 |
| Sanitation Systems | - | 199,352 | 196,837 |
| Water Systems | - | 68,725 | 68,725 |
| Community Buildings | - | 36,533 | 36,533 |
| School Maintenance | - | 302,687 | 302,388 |
| Student Transportation Services | - | 14,155 | 14,155 |
| PAGC Health | - | 52,971 | 52,971 |
| CMHC Section 95 Housing | - | 484,164 | 467,609 |
| Flooding | - | 4,500 | 4,500 |
| Band Support | - | 2,350 | 2,350 |
| Aboriginal Headstart | - | 10,000 | 10,000 |
| Membership Reserve | - | 5,500 | 5,500 |
| Brighter Futures | - | 661 | - |
| | <hr/> | 1,202,249 | 1,182,219 |
| Current deficit before transfers | - | (1,202,249) | (1,182,219) |
| Transfers | | | |
| Transfer - Amortization | - | 1,202,249 | 1,182,219 |
| Current surplus | <hr/> | <hr/> | <hr/> |

The accompanying notes are an integral part of the financial statements