



**Cumberland House Cree Nation**  
**Consolidated Financial Statements**

*March 31, 2019*



# Cumberland House Cree Nation

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*For the year ended March 31, 2019*

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## Management's Responsibility

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To the Members of Cumberland House Cree Nation:

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

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

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

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

MNP LLP is appointed by the Council on behalf of the Members to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 27, 2019

(signature on file)

Expert Resource Advisor

## **Independent Auditor's Report**

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To the Members of Cumberland House Cree Nation:

### **Opinion**

We have audited the consolidated financial statements of Cumberland House Cree Nation (the "Cree Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cree Nation as at March 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Cree Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Council for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Cree Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management has no realistic alternative but to cease operations, or has no realistic alternative but to do so.

Council are responsible for overseeing the Cree Nation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

# Independent Auditor's Report

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Cree Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cree Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cree Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Cree Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan  
July 27, 2019

*MNP LLP*  
Chartered Professional Accountants



# Cumberland House Cree Nation

## Consolidated Statement of Financial Position

As at March 31, 2019

	2019	2018
<b>Financial assets</b>		
<b>Current</b>		
Restricted cash - capital projects (Note 4)	223,152	393,699
Accounts receivable (Note 5)	1,159,109	1,482,302
Due from Nation business entities (Note 6)	34,110	34,110
	<b>1,416,371</b>	1,910,111
<b>Restricted cash - CMHC (Note 4)</b>	<b>3,272,292</b>	1,619,239
<b>Portfolio investments (Note 7)</b>	<b>39,600</b>	39,600
<b>Investments in Nation business entities (Note 8)</b>	<b>529,725</b>	749,878
<b>Funds held in trust (Note 9)</b>	<b>19,374</b>	18,726
<b>Total financial assets</b>	<b>5,277,362</b>	4,337,554
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness	348,504	309,590
Accounts payable and accruals (Note 11)	2,348,911	3,302,313
Specific Claim promissory notes (Note 12)	1,297,558	673,427
Deferred revenue (Note 13)	822,460	1,005,918
Current portion of long-term debt (Note 14)	693,239	665,469
	<b>5,510,672</b>	5,956,717
<b>Long-term debt (Note 14)</b>	<b>8,292,660</b>	7,087,807
<b>Total liabilities</b>	<b>13,803,332</b>	13,044,524
<b>Net debt</b>	<b>(8,525,970)</b>	(8,706,970)
<b>Contingencies (Note 15)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 16) (Schedule 1)	20,356,613	21,355,709
Prepaid expenses	15,385	2,369
<b>Total non-financial assets</b>	<b>20,371,998</b>	21,358,078
<b>Accumulated surplus (Note 17)</b>	<b>11,846,028</b>	12,651,108

Approved on behalf of the Council

(signature on file)

Chief

(signature on file)

Councillor



# Cumberland House Cree Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2019*

	<i>Schedules</i>	<b>2019 Budget (Note 18)</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>				
Government funding (Note 19)				
Indigenous Services Canada		<b>6,801,565</b>	<b>8,965,133</b>	9,446,265
First Nations and Inuit Health		<b>749,488</b>	<b>1,016,999</b>	657,876
Canada Mortgage and Housing Corporation		<b>586,732</b>	<b>703,158</b>	1,689,339
Province of Saskatchewan		-	<b>3,023</b>	3,297
Government of Canada		-	-	25,399
		<b>8,137,785</b>	<b>10,688,313</b>	11,822,176
Prince Albert Grand Council		<b>1,183,897</b>	<b>1,650,749</b>	1,404,117
Other revenue		<b>114,273</b>	<b>672,550</b>	460,587
First Nations Trust		<b>524,143</b>	<b>525,643</b>	524,143
Rental income		<b>36,000</b>	<b>512,158</b>	580,503
Northern Lights School Division		-	<b>212,575</b>	220,136
Northern Lights CDC		-	<b>134,453</b>	92,500
Investment income (loss)		-	<b>(103,615)</b>	44,413
		<b>9,996,098</b>	<b>14,292,826</b>	15,148,575
<b>Program expenses</b>				
Claims Support	3	-	<b>519,481</b>	266,980
Community Development	4	<b>1,020,163</b>	<b>2,515,250</b>	4,663,120
Economic Development	5	<b>25,706</b>	<b>80,199</b>	34,187
Education	6	<b>3,379,766</b>	<b>4,488,614</b>	3,565,799
Indian Government Support	7	<b>1,396,268</b>	<b>1,047,516</b>	687,361
Social Development	8	<b>2,793,844</b>	<b>2,675,273</b>	2,874,772
Health	9	<b>1,297,778</b>	<b>1,601,148</b>	1,152,535
Rental Housing	10	<b>566,408</b>	<b>1,217,038</b>	1,414,179
Other Programs	11	<b>640,253</b>	<b>953,387</b>	929,736
		<b>11,120,186</b>	<b>15,097,906</b>	15,588,669
<b>Deficit</b>		<b>(1,124,088)</b>	<b>(805,080)</b>	(440,094)
<b>Accumulated surplus, beginning of year</b>		<b>12,651,106</b>	<b>12,651,108</b>	13,091,202
<b>Accumulated surplus, end of year (Note 17)</b>		<b>11,527,018</b>	<b>11,846,028</b>	12,651,108

The accompanying notes are an integral part of these financial statements



# Cumberland House Cree Nation

## Consolidated Statement of Change in Net Debt

*For the year ended March 31, 2019*

	<b>2019 Budget (Note 18)</b>	<b>2019</b>	<b>2018</b>
<b>Annual deficit</b>	<b>(1,124,088)</b>	<b>(805,080)</b>	(440,094)
Purchases of tangible capital assets	-	<b>(333,552)</b>	(244,349)
Amortization of tangible capital assets	-	<b>1,332,648</b>	1,316,815
Acquisition of prepaid expenses	-	<b>(15,385)</b>	(2,369)
Use of prepaid expenses	-	<b>2,369</b>	70,917
<b>Decrease (increase) in net debt</b>	<b>(1,124,088)</b>	<b>181,000</b>	700,920
<b>Net debt, beginning of year</b>	<b>(8,706,970)</b>	<b>(8,706,970)</b>	(9,407,890)
<b>Net debt, end of year</b>	<b>(9,831,058)</b>	<b>(8,525,970)</b>	(8,706,970)





# Cumberland House Cree Nation

## Consolidated Statement of Cash Flows

*For the year ended March 31, 2019*

	2019	2018
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Deficit	(805,080)	(440,094)
Non-cash items		
Amortization	1,332,648	1,316,815
Investments in Nation business entities	118,615	5,587
	646,183	882,308
Changes in working capital accounts		
Accounts receivable	323,193	556,814
Prepaid expenses	(13,016)	68,548
Accounts payable and accruals	(953,401)	(301,645)
Deferred revenue	(183,458)	(1,320,387)
	(180,499)	(114,362)
<b>Financing activities</b>		
Advances of long-term debt	4,412,323	139,370
Repayment of long-term debt	(3,179,701)	(727,157)
Advances of specific claims loan	624,131	213,225
	1,856,753	(374,562)
<b>Capital activities</b>		
Purchases of tangible capital assets	(333,552)	(244,349)
<b>Investing activities</b>		
Repayment of due from Nation business entities	-	2,355
Change in restricted cash - CMHC	(1,653,053)	(710,427)
Change in restricted cash - capital projects	170,547	1,441,963
Change in Ottawa Trust funds	(648)	(196)
Withdrawal from investment in Nation business entities	101,538	64,255
	(1,381,616)	797,950
<b>Increase (decrease) in cash deficiency</b>	(38,914)	64,677
<b>Cash deficiency, beginning of year</b>	(309,590)	(374,267)
<b>Cash deficiency, end of year</b>	(348,504)	(309,590)



# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

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### 1. Operations

The Cumberland House Cree Nation (the "Cree Nation") is located in the province of Saskatchewan, and provides various services to its members.

### 2. Change in accounting policy

Effective April 1, 2018, the Cree Nation adopted the recommendations relating to PS 3430 *Restructuring Transactions*, as set out in the Canadian public sector accounting standards Handbook.

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Section.

### 3. Significant accounting policies

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

#### ***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the Cree Nation reporting entity, except for Cree Nation business entities. Trusts administered on behalf of third parties by Cumberland House Cree Nation are excluded from the Cree Nation reporting entity.

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

- Cumberland House Cree Nation
- CMHC Section 95 Housing Program

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.

Cumberland House Cree Nation business entities controlled by the Cree Nation's Council but not dependent on the Cree Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Cree Nation. Thus, the Cree Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

Saskatchewan River Business Corporation (SRBC)

Cumberland House Saskatchewan River LP (CHSRLP)

#### ***Basis of presentation***

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



# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

### 3. Significant accounting policies (Continued from previous page)

#### Revenue recognition

##### Non-government funding

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

##### Government transfers

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

##### Other revenue

Investment and interest income are recognized when earned. Rent and other revenue is recognized when the related services are provided.

#### Asset classification

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

##### Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

##### Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives with half the rate taken in the year of purchase:

	<b>Method</b>	<b>Years</b>
Buildings	straight-line	25-40 years
Equipment	straight-line	4-15 years
CMHC - Houses	straight-line	20 years
Infrastructure assets	straight-line	30-40 years

##### Cash resources

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

##### Portfolio investments

Long-term investments in entities that are not controlled by the Cree Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.



## Cumberland House Cree Nation

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

#### 3. Significant accounting policies (Continued from previous page)

##### **Measurement uncertainty**

The preparation of 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 evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Cree Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in income in the periods in which they become known.

##### **Liability for contaminated sites**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Cree 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, 2019.

At each financial reporting date, the Cree 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 Cree Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

There are no currently no liabilities for contaminated sites reported by the Cree Nation.

##### **Segments**

The Cree Nation conducts its business through nine reportable segments: claims support, community development, economic development, education, Indian government support, social development, health, rental housing, and other programs. These operating segments are established by senior management to facilitate the achievement of the Cree 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 financial statements. Inter-segment transfers are recorded at their exchange amount.

#### 4. Restricted cash

	2019	2018
Capital projects	223,152	393,699
CMHC reserves	3,272,292	1,619,239

Cash received to fund capital projects under construction is restricted to fund deferred revenue as per Note 13.

As required by the operating agreements signed with Canada Mortgage and Housing Corporation ("CMHC"), the Cree Nation is required to restrict cash for the purposes of replacement and operating reserves. As of March 31, 2019, the Cree Nation's CMHC reserves have excess cash of \$1,081,641 (2018 - are under funded by \$693,418).



# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 5. Accounts receivable

	2019	2018
Rent receivable	722,391	698,732
Due from members	348,423	239,343
Peter Chapman Band	272,069	50,000
Indigenous Services Canada	223,201	30,444
Northern Lights School Division	220,136	867,312
Northern Lights CDC	101,953	-
Prince Albert Grand Council	92,797	230,771
Canada Mortgage and Housing Corporation	75,394	149,955
	<b>2,056,364</b>	<b>2,266,557</b>
Less: Allowance for doubtful accounts	<b>897,255</b>	<b>784,255</b>
	<b>1,159,109</b>	<b>1,482,302</b>

### 6. Due from Nation business entities

Amounts due from Nation business entities have no fixed terms of repayment and are non-interest bearing.

### 7. Portfolio investments

	2019	2018
Prince Albert Development Corporation (8.33%)	39,600	39,600
Prince Albert First Nation Business Development Limited Partnership (8.25%)	-	-
Cumberland House Development Corporation (50%)	-	-
Eastern Sector Community Development Corporation (33.3%)	-	-
Eastern Sector Community Development LP (33.3%)	-	-

### 8. Investments in Nation business entities

The Cree Nation has investments in the following entities:

Saskatchewan River Business Corporation (SRBC)

Cumberland House Saskatchewan River LP (CHSRLP)

	<i>Investment balance, beginning of year</i>	<i>Contributions</i>	<i>Withdrawals</i>	<i>Share of profit/loss</i>	2019 <i>Total investment</i>
<b>Wholly-owned Businesses:</b>					
SRBC	(1,436)	-	-	-	(1,436)
CHSRLP	751,314	-	(101,538)	(118,615)	531,161
	<b>749,878</b>	<b>-</b>	<b>(101,538)</b>	<b>(118,615)</b>	<b>529,725</b>



# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 8. Investments in Nation business entities *(Continued from previous page)*

	<i>Investment balance, beginning of year</i>	<i>Contributions</i>	<i>Withdrawals</i>	<i>Share of profit/loss</i>	<i>Total Investment</i>
<b>Wholly-owned Businesses:</b>					
SRBC	(1,436)	-	-	-	(1,436)
CHSRLP	821,156	-	(64,255)	(5,587)	751,314
	819,720	-	(64,255)	(5,587)	749,878

Summary financial information for each Cree Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>SRBC &amp; CHSRLP As at March 31, 2019</i>
<b>Assets</b>	
Current assets	396,530
Tangible capital assets	362,745
Investments	3,000
Loans receivable	19,333
<b>Total assets</b>	<b>781,608</b>
<b>Liabilities</b>	
Current liabilities	216,285
Due to Cree Nation	34,110
<b>Total liabilities</b>	<b>250,395</b>
<b>Net assets</b>	<b>531,213</b>
<b>Total revenue</b>	<b>3,473,550</b>
<b>Expenses</b>	<b>3,592,165</b>
<b>Net loss</b>	<b>(118,615)</b>
<b>Comprehensive loss</b>	<b>(118,615)</b>

During the year, the following Cree Nation business entities had transactions with the Cree Nation:

<i>Name of business entity</i>	<i>Name of organization</i>	<i>Nature of transactions/balances</i>
CHSRLP	Various Departments of the Cree Nation	Sale of fuel and other supplies from the Chief's Island Community Store



# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 9. Funds held in trust

Capital and revenue trust monies are transferred to the Cree Nation on the authorization of the Cree Nation's Council, with the consent of the Minister of Indigenous Services Canada.

	2019	2018
<b>Capital trust</b>		
Balance, beginning and end of year	15,556	15,556
<b>Revenue trust</b>		
Balance, beginning of year	3,170	2,974
Interest	648	196
Balance, end of year	3,818	3,170
	<b>19,374</b>	<b>18,726</b>

### 10. Available credit

The Cree Nation has an approved loan up to \$2,700,000 with Peace Hills Trust. To date the Cree Nation has received advances of \$2,219,221.

### 11. Accounts payable and accruals

	2019	2018
Northern Lights School Division	1,047,317	1,699,162
Trade payables	1,047,228	1,421,924
Prince Albert Grand Council	254,366	181,227
	<b>2,348,911</b>	<b>3,302,313</b>

### 12. Specific Claim promissory notes

The Cree Nation is seeking compensation for failure of the Crown to provide certain benefits to their Nation. The balance payable represents funds advanced via Promissory Notes by the Government of Canada to the Cree Nation to finance its costs to pursue the claim. The Promissory Notes are non-interest bearing and are to be repaid by the earlier of March 31, 2021 or the date on which the claim is settled.



# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 13. Deferred revenue

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

	<i>Balance, beginning of 2019</i>	<i>Contributions received</i>	<i>Amount recognized</i>	<i>Balance, end of 2019</i>
Indigenous Services Canada - Flood Mitigation	200,389	50,000	249,213	1,176
Indigenous Services Canada - Well Upgrade	223,909	-	55,877	168,032
Indigenous Services Canada - School Heating Repairs	24,892	-	24,892	-
Indigenous Services Canada - School Renovations	59,664	100,000	74,118	85,546
Prince Albert Grand Council - Special Education	362,511	583,756	551,080	395,187
Prince Albert Grand Council - First Nation Student Support	49,949	191,030	191,030	49,949
Prince Albert Grand Council - New Paths	84,604	153,520	115,554	122,570
	<b>1,005,918</b>	<b>1,078,306</b>	<b>1,261,764</b>	<b>822,460</b>

### 14. Long-term debt

	<i>2019</i>	<i>2018</i>
Peace Hills Trust (PHT) loan repayable in quarterly interest only payments, including interest at 3.75%. Matures July 1, 2020.	2,219,221	-
PHT loan repayable in quarterly payments of \$64,032 including interest at 4.00%. Matures April 1, 2023.	1,913,245	-
CMHC loan repayable in monthly payments of \$15,712 including interest at 2.70%. Matures June 1, 2028.	1,542,600	1,692,990
CMHC loan repayable in monthly payments of \$8,406 including interest at 1.11%. Matures April 1, 2026.	686,836	779,537
CMHC loan repayable in monthly payments of \$4,587 including interest at 1.30%. Matures December 1, 2030.	599,559	646,499
CMHC loan repayable in monthly payments of \$4,745 including interest at 1.77%. Matures November 1, 2029.	553,202	599,936
CMHC loan repayable in monthly payments of \$4,210 including interest at 1.92%. Matures January 1, 2029.	452,575	494,012
CMHC loan repayable in monthly payments of \$3,484 including interest at 1.62%. Matures January 1, 2028.	344,022	379,964
CMHC loan repayable in monthly payments of \$3,443 including interest at 1.12%. Matures January 1, 2025.	233,171	271,643
CMHC loan repayable in monthly payments of \$1,342 including interest at 1.31%. Matures December 1, 2026.	118,628	133,079
CMHC loan advance, repayable upon completion of housing project.	96,224	-
CMHC loan repayable in monthly payments of \$1,220 including interest at 1.13%. Matures January 1, 2026.	96,198	109,665





# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 14. Long-term debt *(Continued from previous page)*

	2019	2018
CMHC loan repayable in monthly payments of \$1,144 including interest at 1.39%. Matures June 1, 2025.	<b>82,166</b>	94,665
CMHC loan repayable in monthly payments of \$743 including interest at 1.12%. Matures October 1, 2024.	<b>48,252</b>	56,582
PHT quarterly interest only payments, including interest at 3.75%. Matured July 1, 2018.	-	1,797,804
PHT loan repayable in quarterly payments of \$45,000 including interest at 3.75%. Matured July 1, 2018.	-	689,700
CMHC loan repayable in monthly payments of \$3,613 including interest at 2.79%. Matured June 31, 2018.	-	7,200
	<b>8,985,899</b>	7,753,276
Less: current portion	<b>693,239</b>	665,469
	<b>8,292,660</b>	7,087,807

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

2020	693,239
2021	708,431
2022	723,852
2023	739,706
2024	755,899

### 15. Contingencies and compliance with authorities

These financial statements are subject to review by the Cree Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.



# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 16. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets includes assets under construction with a carrying value of \$253,179 (2018 - \$26,959). No amortization of these assets have been recorded during the year because they are currently under construction and not being used.

The Cree Nation holds works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

### 17. Accumulated surplus

Accumulated surplus consists of the following:

	2019	2018
Equity in Ottawa Trust Funds	19,374	18,726
CMHC reserves	2,190,663	2,312,657
Investment in Nation business entities	529,724	749,878
Tangible capital assets	15,503,180	16,089,936
Operating deficit	(6,396,913)	(6,520,089)
	<b>11,846,028</b>	<b>12,651,108</b>

### 18. Budget information

The disclosed budget information has been approved by the Chief and Council of the Cumberland House Cree Nation at a council meeting held in August 2, 2018.

The disclosed budget is required to be presented on the same basis as the actual results. The Cree Nation has not budgeted for amortization, funding for capital projects and earnings from Nation business entities.



# Cumberland House Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 19. Government funding reconciliation

	2019	2018
<b>Indigenous Services Canada</b>		
ISC per confirmation	8,759,012	8,067,822
Add: deferred revenue from prior year	508,854	1,943,075
Less: revenue deferred during the year	(254,754)	(508,854)
Prior year ISC adjustments	(47,979)	(55,778)
	<b>8,965,133</b>	<b>9,446,265</b>
<b>First Nations and Inuit Health</b>		
First Nations and Inuit Health per confirmation	1,016,999	657,876
<b>Canada Mortgage and Housing Corporation</b>		
Special replacement reserve contribution	-	672,804
Mortgage subsidy	570,217	620,224
RRAP	132,941	98,850
Retrofit	-	100,000
Training	-	91,065
Add: Retrofit revenue deferred from prior year	-	106,396
	<b>703,158</b>	<b>1,689,339</b>
<b>Government of Canada funding</b>	-	25,399
<b>Province of Saskatchewan funding</b>	<b>3,023</b>	<b>3,297</b>
	<b>10,688,313</b>	<b>11,822,176</b>

### 20. Economic dependence

Cumberland House Cree Nation receives substantially all of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Cree Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.



## Cumberland House Cree Nation

### Schedule 1 - Consolidated Schedule of Tangible Capital Assets

*For the year ended March 31, 2019*

	<i>Buildings</i>	<i>Equipment</i>	<i>CMHC - houses</i>	<i>Infrastructure assets</i>	<i>Assets under construction</i>	<i>2019</i>	<i>2018</i>
<b>Cost</b>							
Balance, beginning of year	11,578,086	1,047,776	11,057,898	13,393,190	26,959	37,103,909	36,859,561
Acquisition of tangible capital assets	-	107,331	-	-	226,221	333,552	244,348
Balance, end of year	11,578,086	1,155,107	11,057,898	13,393,190	253,180	37,437,461	37,103,909
<b>Accumulated amortization</b>							
Balance, beginning of year	5,597,959	957,429	5,529,102	3,663,710	-	15,748,200	14,431,385
Annual amortization	387,279	57,017	552,895	335,457	-	1,332,648	1,316,815
Balance, end of year	5,985,238	1,014,446	6,081,997	3,999,167	-	17,080,848	15,748,200
<b>Net book value of tangible capital assets</b>	<b>5,592,848</b>	<b>140,661</b>	<b>4,975,901</b>	<b>9,394,023</b>	<b>253,180</b>	<b>20,356,613</b>	<b>21,355,709</b>
Net book value - 2018	5,980,127	90,347	5,528,796	9,729,480	26,959	21,355,709	



# Cumberland House Cree Nation

## Schedule 2 - Consolidated Schedule of Expenses by Object

*For the year ended March 31, 2019*

	2019 Budget (Note 18)	2019	2018
<b>Consolidated expenses by object</b>			
Salaries and benefits	3,852,249	3,667,421	3,487,610
Social assistance	2,475,213	2,413,406	2,617,023
Amortization	-	1,332,648	1,316,815
Repairs and maintenance	414,493	930,764	2,427,128
Tuition	-	832,175	642,513
Contracted services	336,477	784,978	431,457
Professional fees	145,998	748,548	724,874
Supplies	363,201	693,871	811,995
Student expenses	532,150	529,309	486,080
Community donations	263,400	487,423	358,589
Transportation	380,400	395,080	347,892
Travel	273,000	350,270	326,463
Fuel and utilities	215,350	298,141	286,954
Interest on long-term debt	225,634	256,155	212,505
Honouraria	33,700	230,338	100,444
Program expense	102,356	152,481	55,969
Program education	148,227	142,065	41,008
Community events	96,724	139,248	203,722
Insurance	146,008	129,791	169,308
Rent	64,371	114,089	66,203
Bad debts	-	113,000	186,466
Training	169,350	169,276	99,438
Telephone	70,700	56,491	55,748
Administration	640,695	52,947	(2,735)
Bank charges and interest	143,190	26,786	26,131
Funeral	18,000	26,146	14,352
Meeting	-	24,761	-
Miscellaneous	7,800	298	94,717
Renovation materials	1,500	-	-
	<b>11,120,186</b>	<b>15,097,906</b>	<b>15,588,669</b>



**Cumberland House Cree Nation**  
**Claims Support**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 18)</b>	<b>2019</b>	<b>2018</b>
<b>Expenses</b>			
Professional fees	-	<b>287,422</b>	181,738
Honouraria	-	<b>176,536</b>	57,811
Contracted services	-	<b>41,572</b>	-
Program expense	-	<b>13,731</b>	-
Meeting	-	<b>143</b>	-
Bank charges and interest	-	<b>53</b>	-
Salaries and benefits	-	<b>24</b>	-
Miscellaneous	-	-	27,431
<b>Deficit</b>	-	<b>(519,481)</b>	(266,980)



**Cumberland House Cree Nation**  
**Community Development**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 18)</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Indigenous Services Canada	890,090	1,684,067	3,283,167
Canada Mortgage and Housing Corporation	-	132,941	1,069,115
Prince Albert Grand Council	-	163,022	169,797
Rental income	36,000	35,008	-
Other revenue	50,534	33,308	68,765
	<b>976,624</b>	<b>2,048,346</b>	<b>4,590,844</b>
<b>Expenses</b>			
Amortization	-	670,731	681,731
Repairs and maintenance	295,329	526,140	2,087,587
Salaries and benefits	302,156	384,713	468,384
Supplies	47,000	271,982	375,949
Fuel and utilities	147,900	221,880	209,386
Contracted services	112,397	194,321	319,865
Administration	51,575	106,573	56,720
Insurance	31,762	65,270	19,589
Professional fees	-	50,720	421,590
Rent	6,844	8,362	3,678
Travel	6,000	5,017	9,811
Telephone	5,400	4,581	7,372
Program expense	-	2,856	-
Honouraria	-	900	-
Bank charges and interest	-	507	120
Training	6,000	400	1,338
Miscellaneous	7,800	297	-
	<b>1,020,163</b>	<b>2,515,250</b>	<b>4,663,120</b>
<b>Deficit</b>	<b>(43,539)</b>	<b>(466,904)</b>	<b>(72,276)</b>



**Cumberland House Cree Nation**  
**Economic Development**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 18)</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Indigenous Services Canada	<b>29,060</b>	<b>46,100</b>	9,000
Prince Albert Grand Council	-	<b>17,300</b>	17,300
Other revenue	-	<b>1,708</b>	7,500
	<b>29,060</b>	<b>65,108</b>	33,800
<b>Expenses</b>			
Professional fees	<b>20,000</b>	<b>49,750</b>	9,000
Community donations	-	<b>11,305</b>	-
Program education	-	<b>6,265</b>	-
Program expense	<b>5,706</b>	<b>6,000</b>	14,437
Insurance	-	<b>2,985</b>	3,250
Fuel and utilities	-	<b>2,867</b>	-
Travel	-	<b>452</b>	-
Supplies	-	<b>420</b>	-
Repairs and maintenance	-	<b>155</b>	-
Contracted services	-	-	7,500
	<b>25,706</b>	<b>80,199</b>	34,187
<b>Deficit</b>	<b>3,354</b>	<b>(15,091)</b>	(387)





# Cumberland House Cree Nation Education

## Schedule 6 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019	2018
<b>Revenue</b>			
Indigenous Services Canada	2,446,357	3,536,624	2,732,839
Prince Albert Grand Council	767,188	857,600	756,369
Northern Lights School Division	-	212,575	220,136
Other revenue	-	23,848	42,035
	<b>3,213,545</b>	<b>4,630,647</b>	<b>3,751,379</b>
<b>Expenses</b>			
Salaries and benefits	2,094,231	1,988,097	1,750,159
Tuition	-	832,175	642,513
Student expenses	532,150	529,309	486,080
Administration	285,055	359,535	264,514
Contracted services	-	202,817	-
Supplies	202,006	183,599	285,902
Training	60,000	104,554	8,751
Program expense	59,500	85,066	600
Rent	43,364	35,949	33,211
Community events	25,000	31,787	-
Honouraria	11,000	26,900	100
Travel	24,600	22,695	7,289
Amortization	-	20,880	20,880
Professional fees	4,500	20,549	23,200
Fuel and utilities	21,750	18,317	9,206
Repairs and maintenance	6,000	11,997	3,663
Telephone	7,700	9,236	6,054
Insurance	2,910	5,152	1,081
Miscellaneous	-	-	15,596
Program education	-	-	7,000
	<b>3,379,766</b>	<b>4,488,614</b>	<b>3,565,799</b>
<b>Surplus</b>	<b>(166,221)</b>	<b>142,033</b>	<b>185,580</b>



**Cumberland House Cree Nation**  
**Indian Government Support**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 18)</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Indigenous Services Canada	549,284	968,371	624,844
Northern Lights CDC	-	131,953	-
Other revenue	51,739	95,165	91,624
Prince Albert Grand Council	-	13,850	11,396
	<b>601,023</b>	<b>1,209,339</b>	<b>727,864</b>
<b>Expenses</b>			
Salaries and benefits	857,259	713,662	675,894
Travel	218,500	222,375	271,251
Professional fees	75,000	213,595	46,810
Supplies	35,200	93,471	18,172
Contracted services	24,000	73,807	24
Rent	6,746	62,999	25,485
Community events	-	56,795	-
Community donations	-	50,850	-
Training	72,000	38,207	25,989
Telephone	44,400	30,909	27,107
Program expense	-	25,953	(3,300)
Amortization	-	23,737	9,378
Meeting	-	22,816	-
Bank charges and interest	7,800	22,081	25,948
Fuel and utilities	10,400	8,191	21,443
Insurance	12,000	3,328	2,257
Miscellaneous	-	-	29,681
Administration	32,963	(615,260)	(488,778)
	<b>1,396,268</b>	<b>1,047,516</b>	<b>687,361</b>
<b>Surplus</b>	<b>(795,245)</b>	<b>161,823</b>	<b>40,503</b>



**Cumberland House Cree Nation**  
**Social Development**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<i>2019 Budget (Note 18)</i>	<i>2019</i>	<i>2018</i>
<b>Revenue</b>			
Indigenous Services Canada	2,851,048	2,655,994	2,760,689
	<b>2,851,048</b>	<b>2,655,994</b>	<b>2,760,689</b>
<b>Expenses</b>			
Social assistance	2,475,213	2,413,406	2,617,023
Program education	148,227	135,800	34,008
Salaries and benefits	96,066	96,395	150,300
Administration	51,038	14,245	1,703
Supplies	12,200	9,632	33,645
Telephone	2,400	2,200	2,800
Fuel and utilities	1,200	1,200	-
Training	6,000	951	5,199
Travel	-	644	1,971
Contracted services	-	500	950
Professional fees	-	200	1,498
Honouraria	1,500	100	-
Community events	-	-	25,675
	<b>2,793,844</b>	<b>2,675,273</b>	<b>2,874,772</b>
<b>Deficit</b>	<b>57,204</b>	<b>(19,279)</b>	<b>(114,083)</b>



# Cumberland House Cree Nation Health

## Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019	2018
<b>Revenue</b>			
First Nations and Inuit Health	749,488	1,016,999	657,876
Indigenous Services Canada	35,726	73,977	35,726
Prince Albert Grand Council	344,709	444,953	365,255
Other revenue	-	194	1,500
	<b>1,129,923</b>	<b>1,536,123</b>	<b>1,060,357</b>
<b>Expenses</b>			
Salaries and benefits	422,198	403,446	322,950
Transportation	380,400	395,080	347,892
Contracted services	171,480	236,937	79,849
Supplies	66,795	132,432	76,805
Administration	91,448	97,073	59,606
Travel	23,900	74,485	31,524
Amortization	-	64,404	51,931
Fuel and utilities	34,100	45,536	40,052
Professional fees	14,400	41,842	20,787
Training	25,350	22,094	56,005
Honouraria	15,200	20,814	-
Program expense	26,350	16,750	36,553
Community events	-	14,221	-
Repairs and maintenance	5,300	11,444	11,402
Telephone	10,800	9,565	12,241
Rent	7,417	7,138	3,829
Bank charges and interest	-	3,825	-
Insurance	1,140	2,260	1,109
Meeting	-	1,802	-
Renovation materials	1,500	-	-
	<b>1,297,778</b>	<b>1,601,148</b>	<b>1,152,535</b>
<b>Deficit</b>	<b>(167,855)</b>	<b>(65,025)</b>	<b>(92,178)</b>



**Cumberland House Cree Nation**  
**Rental Housing**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 18)</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	<b>586,732</b>	<b>570,217</b>	620,224
Rental income	<b>-</b>	<b>477,150</b>	544,925
	<b>586,732</b>	<b>1,047,367</b>	1,165,149
<b>Expenses</b>			
Amortization	<b>-</b>	<b>552,895</b>	552,895
Repairs and maintenance	<b>81,864</b>	<b>349,372</b>	314,060
Administration	<b>128,616</b>	<b>88,980</b>	95,100
Interest on long-term debt	<b>225,634</b>	<b>81,245</b>	118,448
Bad debts	<b>-</b>	<b>78,000</b>	160,248
Insurance	<b>98,196</b>	<b>50,796</b>	142,022
Professional fees	<b>32,098</b>	<b>15,750</b>	15,000
Salaries and benefits	<b>-</b>	<b>-</b>	14,646
Supplies	<b>-</b>	<b>-</b>	1,421
Travel	<b>-</b>	<b>-</b>	150
Fuel and utilities	<b>-</b>	<b>-</b>	114
Telephone	<b>-</b>	<b>-</b>	75
	<b>566,408</b>	<b>1,217,038</b>	1,414,179
<b>Deficit</b>	<b>20,324</b>	<b>(169,671)</b>	(249,030)



## Cumberland House Cree Nation Other Programs

### Schedule 11 - Consolidated Schedule of Revenue and Expenses

*For the year ended March 31, 2019*

	<b>2019 Budget (Note 18)</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Government of Canada	-	-	25,399
Province of Saskatchewan	-	3,023	3,297
First Nations Trust	524,143	525,643	524,143
Other revenue	12,000	518,326	249,163
Prince Albert Grand Council	72,000	154,024	84,000
Northern Lights CDC	-	2,500	92,500
Rental income	-	-	35,578
Investment income (loss)	-	(103,615)	44,413
	<b>608,143</b>	<b>1,099,901</b>	<b>1,058,493</b>
<b>Expenses</b>			
Community donations	263,400	425,269	358,589
Interest on long-term debt	-	174,910	94,057
Salaries and benefits	80,339	81,084	105,277
Professional fees	-	68,721	5,252
Community events	71,724	36,445	178,048
Contracted services	28,600	35,024	23,269
Bad debts	-	35,000	26,218
Repairs and maintenance	26,000	31,656	10,417
Funeral	18,000	26,146	14,352
Travel	-	24,603	4,466
Honouraria	6,000	5,088	42,532
Training	-	3,071	2,156
Supplies	-	2,336	20,100
Program expense	10,800	2,124	7,680
Administration	-	1,800	8,400
Bank charges and interest	135,390	321	63
Fuel and utilities	-	149	6,753
Telephone	-	-	100
Miscellaneous	-	-	22,007
Rent	-	(360)	-
	<b>640,253</b>	<b>953,387</b>	<b>929,736</b>
<b>Surplus</b>	<b>(32,110)</b>	<b>146,514</b>	<b>128,757</b>