

Peepeekisis Cree Nation
Financial Statements
March 31, 2016

Peepeekisis Cree Nation

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For the year ended March 31, 2016

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Management's Responsibility

To the Members of Peepeekisis Cree Nation:

The accompanying financial statements of Peepeekisis Cree Nation are the responsibility of management and have been approved by Council.

Management is responsible for the preparation and presentation of the accompanying 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 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 financial statements.

The Peepeekisis Cree Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the 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 Cree Nation's external auditors.

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

August 5, 2016

A handwritten signature in dark ink, appearing to read "A. Borden", is written over a horizontal line.

Director of Finance

Independent Auditors' Report

To the Members of Peepeekisis Cree Nation:

We have audited the accompanying financial statements of Peepeekisis Cree Nation, which comprise the statement of financial position as at March 31, 2016, and the statements of operations and accumulated surplus, changes 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements present fairly, in all material respects, the financial position of Peepeekisis Cree Nation as at March 31, 2016 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan

August 5, 2016

MNP LLP

Chartered Professional Accountants

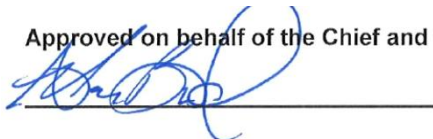
Peepeekisis Cree Nation

Statement of Financial Position

As at March 31, 2016

	2016	2015
Financial assets		
Current		
Cash	173,502	414,831
Accounts receivable (Note 3)	262,055	372,562
Restricted cash (Note 4)	128,314	178,355
Subtotal of current assets	563,871	965,748
Investments	80,000	80,000
Funds held in trust (Note 5)	44,127	43,263
Restricted cash (Note 4)	311,409	79,856
Total financial assets	999,407	1,168,867
Liabilities		
Current		
Bank indebtedness (Note 6)	163,736	39,761
Accounts payable and accruals	434,253	343,779
Deferred revenue (Note 7)	118,386	154,104
Current portion of long-term debt (Note 8)	267,524	296,789
Subtotal of current liabilities	983,899	834,433
Long-term debt (Note 8)	2,495,222	2,576,969
Total financial liabilities	3,479,121	3,411,402
Net debt	(2,479,714)	(2,242,535)
Contingencies (Note 14)		
Non-financial assets		
Tangible capital assets (Note 9) (Schedule 1)	12,496,844	13,068,831
Accumulated surplus (Note 10)	10,017,130	10,826,296

Approved on behalf of the Chief and Council



Chief



Headperson

The accompanying notes are an integral part of these financial statements

Peepeekisis Cree Nation

Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

	<i>Schedules</i>	2016 Budget (Note 11)	2016 Actual	2015 Actual
Revenue				
Indigenous and Northern Affairs Canada (Note 15)		4,357,950	4,935,182	7,512,022
First Nations and Inuit Health Branch		650,371	644,277	642,182
Canada Mortgage and Housing Corporation		194,046	189,487	181,095
Forfeited INAC funding		-	(12,367)	(21,832)
First Nations Trust		850,000	930,997	928,182
File Hills Qu'Appelle Tribal Council		221,960	489,588	445,410
Rental income		63,676	157,979	206,958
Other revenue		254,457	154,835	215,252
Common Experience Program		-	147,397	94,603
FHQ Casino Holdings Ltd.		60,000	60,000	70,000
Prairie Valley School Division		-	26,688	26,688
Insurance proceeds		-	-	22,720
		6,652,460	7,724,063	10,323,280
Program expenses				
Band Government	3	506,548	605,417	517,907
Social Services	4	1,042,678	1,179,072	1,211,915
Lands and Trust Services	5	19,847	72,662	23,115
Education	6	2,072,270	2,139,596	2,136,995
Operations and Maintenance	7	893,531	1,348,955	1,111,368
Health	8	850,635	875,608	982,985
Capital	9	(136,421)	590,041	714,858
Other	10	1,058,344	1,721,878	1,301,693
		6,307,432	8,533,229	8,000,836
Surplus (deficit)		345,028	(809,166)	2,322,444
Accumulated surplus, beginning of year		10,826,296	10,826,296	8,503,852
Accumulated surplus, end of year (Note 10)		11,078,361	10,017,130	10,826,296

The accompanying notes are an integral part of these financial statements

Peepeekisis Cree Nation
Statement of Changes in Net Debt
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Actual	2015 Actual
Annual operating surplus	345,028	(809,166)	2,322,444
Purchases of tangible capital assets	-	(388,366)	(2,565,062)
Amortization of tangible capital assets	-	960,353	965,309
Decrease (increase) in net debt	345,028	(237,179)	722,691
Net debt, beginning of year	(2,242,535)	(2,242,535)	(2,965,226)
Net debt, end of year	(1,897,507)	(2,479,714)	(2,242,535)

The accompanying notes are an integral part of these financial statements

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

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Surplus	(809,166)	2,322,444
Non-cash items		
Amortization	960,353	965,309
	151,187	3,287,753
Changes in working capital accounts		
Accounts receivable	110,507	351,954
Accounts payable and accruals	90,474	77,302
Deferred revenue	(35,718)	(322,424)
	316,450	3,394,585
Financing activities		
Advances of long-term debt	191,064	218,086
Repayment of long-term debt	(302,076)	(621,547)
Increase (decrease) in bank indebtedness	123,975	(188,727)
Increase in funds held in trust	(864)	(1,835)
Transfer from (to) restricted cash	(181,512)	101,972
	(169,413)	(492,051)
Capital activities		
Purchases of tangible capital assets	(388,366)	(2,565,062)
Increase (decrease) in cash resources	(241,329)	337,472
Cash resources, beginning of year	414,831	77,359
Cash resources, end of year	173,502	414,831
Supplementary cash flow information		
Interest paid	56,306	66,767

The accompanying notes are an integral part of these financial statements

1. Operations

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

2. Significant accounting policies

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

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

- Peepeekisis Cree Nation; and,
- Peepeekisis Cree Nation Housing Authority.

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

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

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

Restricted Cash

Restricted cash consists of:

- Funds held in the CMHC replacement and operating reserve bank accounts. The CMHC reserves are used to pay eligible expenditures of the CMHC units; and
- Funds held in a project bank account for specific capital projects.

Portfolio investments

Long-term investments in entities that are not owned, controlled, or influenced 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.

Tangible capital assets

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

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized over the estimated useful life. All other leases are accounted for as operating leases and rental payments are expenses as incurred.

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

Amortization

Tangible capital assets are amortized using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Rate</i>
Band Housing	7-15 years
Buildings and infrastructure	15-40 years
CMHC Housing	7-15 years
Equipment	4-15 years
Roads	40 years

Projects under construction are not amortized until they are put into use.

Funds held in Trust

Funds held in trust on behalf of the Cree Nation by the Government of Canada in the Ottawa Trust Fund consist of:

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

Long-lived assets

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

The Cree Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

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.

2. 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.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the 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 cost directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2016.

At each financial reporting date, the 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.

No provision for contaminated sites has been reported in these financial statements.

Net debt

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

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

Rental revenue is recognized over the rental term. Other revenues are earned from other services provided by the Cree Nation and are recognized when the service has been provided.

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

Segments

The Cree Nation conducts its business through nine reportable segments: Band Government, Social Services, Lands and Trust Services, Education, Operations and Maintenance, Health, Capital, Other and Ottawa Trust Funds. 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, revenues and expenditures 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. Administration fees have been apportioned based on a percentage of budgeted revenues, where permitted by the funder.

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.

Recent accounting pronouncements

Related Party Disclosures and Inter-Entity Transactions

In March 2015, PSAB issued PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions. These new Sections define related parties and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

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

Assets, Contingent Assets and Contractual Rights

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

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

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

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

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

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

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

Related Party Disclosures and Inter-Entity Transactions

In March 2015, PSAB issued PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions. These new Sections define related parties and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3450 Financial Instruments (Amendment)

In September 2015, the effective date for governments was extended by three years. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3041. Early adoption is permitted.

3. Accounts receivable

	2016	2015
File Hills Qu'Appelle Tribal Council	195,645	226,303
Other receivables	32,251	36,609
CMHC	17,413	15,047
Indigenous and Northern Affairs Canada	16,746	-
Common Experience Program	-	94,603
	262,055	372,562

4. Restricted cash

	2016	2015
Current		
Water treatment plant	128,314	-
School roof project	-	147,878
School renovations project	-	30,477
	128,314	178,355
Long-term		
CMHC reserve bank accounts (Note 13)	311,409	79,856
	439,723	258,211

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

5. Funds held in trust

Funds held in trust are held on behalf of the Members of Peepeekisis Cree Nation by the Government of Canada and consist of a capital and revenue trust fund. Moneys are transferred from these funds to the Cree Nation on the authorization of the Cree Nation's Chief and Council, with the consent of the Minister of Indigenous and Northern Affairs Canada.

	2016	2015
Capital Trust		
Balance, beginning and end of year	5,175	5,175
Revenue Trust		
Balance, beginning of year	38,088	36,253
Interest	864	1,835
Balance, end of year	38,952	38,088
	44,127	43,263

6. Bank indebtedness

Bank indebtedness is represented by cash balances less outstanding cheques. At March 31, 2016, the Cree Nation has a line of credit available of \$250,000, of which \$7,083 was drawn (2015 - \$nil). The line of credit is secured by a Band Council Resolution redirecting INAC funding. Interest is calculated at the Royal Bank prime rate plus 2.0%.

The Cree Nation has a VISA line of credit available of \$25,000, of which \$nil was drawn (2014 - \$nil). The line of credit is secured by a Band Council Resolution authorizing the credit facility.

7. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each capital project:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
INAC -Water treatment plant	-	125,000	6,614	118,386
INAC - School roof project	123,627	-	123,627	-
INAC - School renovations project	30,477	-	30,477	-
	154,104	125,000	160,718	118,386

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

8. Long-term debt

<u>CMHC Phase</u>	<u>Monthly Payment Including Interest</u>	<u>Interest Rate</u>	<u>Renewal Date</u>	<u>2016</u>	<u>2015</u>
I	1,796	3.29%	November 2016	14,151	34,317
II	2,390	3.99%	May 2016	3,902	32,746
III	1,688	1.30%	December 2020	177,327	194,053
IV	538	1.80%	October 2016	61,782	67,079
V	1,809	1.53%	December 2017	231,815	249,824
VI	1,597	1.82%	September 2019	226,852	241,748
VII	263	1.82%	September 2019	37,454	39,913
VIII	4,289	1.67%	October 2017	745,294	783,975
IX	1,529	1.67%	October 2017	332,439	345,125
X	2,006	1.53%	December 2017	445,226	462,345
XI	1,505	1.08%	August 2020	241,014	202,755

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

2,517,256 2,653,880

Royal Bank of Canada - lease agreement, payable in monthly installments of \$2,746 including interest at 4.24%; matures April 27, 2020. Secured by a John Deere loader having a net book value of \$138,228. Lease includes an option for the Cree Nation to purchase equipment on April 26, 2020 for \$1.00.

123,347 -

Royal Bank of Canada - term loan to assist with the construction costs of two new CMHC housing units, with annual principal payments of \$65,600 at the Royal Bank prime rate plus 1.75%. Secured by a BCR redirecting funding; matures July 1, 2016.

65,600 131,200

Royal Bank of Canada - lease agreement, payable in monthly installments of \$1,308 including interest at 4.25%; matures March 5, 2020. Secured by a 2013 John Deere backhoe having a net book value of \$87,817. Lease includes an option for the Cree Nation to purchase equipment on March 4, 2020 for \$1.00.

56,543 69,563

Royal Bank of Canada - term loan; repaid during the year.

- 14,500

Royal Bank of Canada - term loan; repaid during the year.

- 4,615

2,762,746 2,873,758

Less: current portion

267,524 296,789

2,495,222 2,576,969

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

2017	267,524
2018	189,435
2019	193,836
2020	197,480
2021	156,289

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

The Cree Nation has a revolving lease line of credit in the amount of \$350,000 to finance regular ongoing capital asset purchases. As at March 31, 2016, the Cree Nation had used \$56,543 of the facility to pay out the John Deere lease owed by the Cree Nation; the lessor of the 2013 John Deere backhoe is now Royal Bank of Canada as at March 31, 2016. In addition, the Cree Nation used \$123,347 of the facility to lease a 2013 John Deere Wheel Loader.

9. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include assets under capital lease. Assets under capital lease include equipment assets with a gross cost of \$294,590 (2015 - \$146,362), and an accumulated amortization of \$68,426 (2015 - \$39,030).

The Cree Nation holds culturally significant 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.

10. Accumulated surplus

Accumulated surplus consists of the following:

	2016	2015
Ottawa Trust Funds	44,127	43,263
Investments	80,000	80,000
CMHC Operating Reserve	47,990	103,475
CMHC Replacement Reserve	285,024	308,841
Capital	9,734,098	10,195,073
Operating	(174,109)	95,644
	10,017,130	10,826,296

11. Budgets

In preparation of the annual operating budget of the Cree Nation, management plans for debt servicing by recognizing both the interest component of loan payments as well as the principal component. As a result, budgeted figures approved by Council differ from the amounts presented on the Statement of Operations by the budgeted principal repayment amount of \$213,987.

The budget process followed by management only includes activities managed directly by the Cree Nation. Management does not prepare a budget for capital projects administered through third party project managers. As such no amounts have been included in the annual budget of the Cree Nation for the school roof project, the school renovation project, and the lagoon/jet replacement project.

Management does not budget for amortization expenses and as such, no amounts have been included in the annual budget of the Cree Nation for amortization.

The disclosed budget information included was approved by the Cree Nation's Chief and Council on July 21, 2015.

12. Economic dependence

The Cree Nation receives a significant portion of its revenues from the Government of Canada as a result of Treaties entered into with the Crown in Right of Canada. These Treaties are administered by Indigenous and Northern Affairs Canada 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.

The Cree Nation also receives a significant portion of its revenues from First Nations and Inuit Health Branch (FNIHB), Canadian Mortgage and Housing Corporation (CMHC), and File Hills Qu'Appelle Tribal Council Inc. (FHQTC). Continuing receipt of funding is dependent on the Cree Nation continuing to be in compliance with their respective funding agreements. It is the assertion of the Cree Nation's management that they are in compliance with all funding agreements.

13. Canada Mortgage and Housing Corporation Reserves

Under agreements with CMHC the Cree Nation has established the following:

- A replacement reserve, to ensure replacement of capital equipment and for major repairs to the housing units, which requires an annual cash allocation to the reserve. At March 31, 2016, the replacement reserve is required to be funded to a level of \$285,024 (2015 - \$308,841). At March 31, 2016 the cash balance in the reserve is \$262,929 (2015 - \$61,446).
- An operating surplus reserve established for housing units under the Post 1997 Fixed Subsidy Program requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2016 the operating reserve is required to be funded to a level of \$47,990 (2015 - \$103,475). At March 31, 2016 the cash balance in the reserve is \$48,480 (2015 - \$18,410).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

14. Contingencies

File Hills Colony claim

The Cree Nation has been pursuing the File Hills Colony Claim against the Government of Canada for a number of years. Management has accrued an amount for professional fees relating to services rendered on the File Hills Colony claim, based on preliminary information received from legal counsel. There are certain aspects of the fee arrangement which management believes require further discussion. Until such time as legal counsel renders their final account for these services, the amount invoiced could vary from the accrued estimate. Any adjustment required will be recorded in the period in which the final fee is determined.

The Cree Nation has been named defendant in wrongful dismissal suits originating in 2015 by two former employees. No damages have yet been specified by the claimants. Management believe the claims are without merit and does not anticipate any liability from the actions. If any liability arises, it will be recorded in the period it is determined.

Funding agents

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.

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

15. Indigenous and Northern Affairs Canada funding reconciliation

Funding per Indigenous and Northern Affairs Canada (INAC) confirmation	4,882,718
School roof project - deferred revenue from prior year, recognized in current year	154,104
Water treatment plant - revenue deferred by the Cree Nation in the current year	(118,386)
Basic Needs year end program reconciliation for 2015-16	16,746
<hr/>	
INAC funding per Financial Statements	4,935,182

16. Segments

During the year, the Cree Nation had nine reportable segments. These segments are differentiated by major activities and services provided; as described below:

Band Government - includes administration and governance activities.

Social Services - activities include delivering social programs.

Lands and Trust Services - includes activities for the development of the Cree Nation's land.

Education - includes the operations of the education programs.

Operations and Maintenance - includes activities for the maintenance of the community and its infrastructure.

Health - the administration and delivery of the health programs.

Capital - reports on capital projects.

Other - other band programs not funded by INAC or Health Canada.

Ottawa Trust - reports revenues allocated to the fund and transfers to other segments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

17. Compliance with authorities

The Cree Nation is required to make its financial statements publicly available and submit its financial statements to Indigenous and Northern Affairs Canada by July 29, 2016. As the audit report date is dated after July 29, 2016, the Cree Nation is in breach of this requirement. The possible effect of this breach has not yet been determined.

Peepeekisis Cree Nation
Schedule 1- Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Buildings and infrastructure</i>	<i>Assets under construction</i>	<i>CMHC housing</i>	<i>Band housing</i>	<i>Equipment</i>	<i>Roads</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	15,382,095	428,987	5,110,839	2,955,094	921,279	351,550	25,149,844
Acquisition of tangible capital assets	166,900	-	-	14,138	207,328	-	388,366
Transfer of assets under construction	-	(428,987)	428,987	-	-	-	-
Balance, end of year	15,548,995	-	5,539,826	2,969,232	1,128,607	351,550	25,538,210
Accumulated amortization							
Balance, beginning of year	5,256,345	-	3,003,689	2,896,333	573,097	351,550	12,081,014
Annual amortization	571,610	-	278,626	9,793	100,324	-	960,353
Balance, end of year	5,827,955	-	3,282,315	2,906,126	673,421	351,550	13,041,367
Net book value of tangible capital assets	9,721,040	-	2,257,511	63,106	455,186	-	12,496,843
2015 Net book value of tangible capital assets	10,125,750	428,987	2,107,150	58,761	348,182	-	13,068,830

Peepeekisis Cree Nation
Schedule 1- Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Land - 11,300 hectares</i>	<i>2016</i>	<i>2015</i>
Cost				
Balance, beginning of year	25,149,844	1	25,149,845	22,584,783
Acquisition of tangible capital assets	388,366	-	388,366	2,565,062
Transfer of assets under construction	-	-	-	-
Balance, end of year	25,538,210	1	25,538,211	25,149,845
Accumulated amortization				
Balance, beginning of year	12,081,014	-	12,081,014	11,115,705
Annual amortization	960,353	-	960,353	965,309
Balance, end of year	13,041,367	-	13,041,367	12,081,014
Net book value of tangible capital assets	12,496,843	1	12,496,844	13,068,831
2015 Net book value of tangible capital assets	13,068,830	1	13,068,831	

Peepeekisis Cree Nation
Schedule 2 - Schedule of Expenses by Object
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Actual	2015 Actual
Salaries and benefits	2,501,867	2,929,609	2,756,388
Contracted services	674,852	986,800	770,161
Amortization	-	960,353	965,309
Social assistance	807,702	939,505	976,162
Student expenses	380,500	367,163	412,686
Repairs and maintenance	127,543	280,063	266,908
Travel	200,096	202,496	273,961
Tuition	210,000	196,623	230,536
Meeting	43,591	173,336	34,236
Materials	124,615	166,597	132,465
Professional fees	25,048	156,577	82,741
IRS education credits	-	147,370	18,750
Insurance	140,318	142,375	123,066
Assistance	163,449	129,537	145,224
Office supplies	87,777	120,641	91,745
Fuel	104,282	97,242	88,316
Utilities	84,970	93,458	105,124
Community events	47,377	69,740	86,471
Interest on long-term debt	270,293	56,306	66,766
Groceries	70,534	55,282	66,038
Special projects	35,700	55,014	36,569
Supplies	41,680	48,241	51,974
Telephone	33,625	41,896	37,215
Rent	23,607	33,395	31,339
Registration	43,822	30,466	48,093
Funeral	19,000	24,520	14,364
Bank charges and interest	11,750	21,484	13,918
Training	2,000	10,483	19,061
Elders fees	7,000	7,682	7,089
Advertising	3,000	5,056	2,140
Transportation	20,000	4,503	17,984
Honouraria	4,000	3,396	23,606
GST and Sales tax	-	1,034	-
Miscellaneous	-	200	-
Bad debts	-	-	4,625
Administration	(2,566)	(25,214)	(194)
	6,307,432	8,533,229	8,000,836

Peepeekisis Cree Nation
Band Government
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Audited	2015 Audited
Revenue			
Indigenous and Northern Affairs Canada	490,312	516,969	501,116
Recovered funding	-	(6,925)	(3,146)
Other revenue	53,471	85,192	8,280
FHQ Holdings	60,000	60,000	70,000
File Hills Qu'Appelle Tribal Council	-	15,000	-
	603,783	670,236	576,250
Expenses			
Salaries and benefits	243,477	358,102	324,424
Contracted services	43,000	72,893	11,476
Travel	101,500	47,489	105,201
Administration (recovery)	34,471	34,471	(12,220)
Office supplies	19,000	20,606	11,175
Meeting	13,500	16,267	6,164
Telephone	14,000	12,301	16,234
Bank charges and interest	7,000	11,737	10,396
Rent	4,500	11,451	17,037
Insurance	20,000	6,272	-
Registration	3,800	3,655	1,962
Amortization	-	3,460	3,460
Supplies	-	2,225	(240)
Advertising	500	2,058	-
Training	1,500	1,500	900
GST and Sales tax	-	727	-
Miscellaneous	300	103	-
Honouraria	-	100	-
Utilities	-	-	1,909
Assistance	-	-	15,404
Bad debts	-	-	4,625
	506,548	605,417	517,907
Surplus	97,235	64,819	58,343

Peepeekisis Cree Nation
Social Services
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Audited	2015 Audited
Revenue			
Indigenous and Northern Affairs Canada	1,057,582	1,179,307	1,120,217
Recovered funding	-	(276)	(18,686)
	1,057,582	1,179,031	1,101,531
Expenses			
Social assistance	807,702	939,505	976,162
Salaries and benefits	99,959	102,274	88,494
Groceries	44,300	38,054	47,568
Community events	20,291	27,222	25,602
Contracted services	27,993	21,054	25,100
Office supplies	6,754	17,209	10,930
Travel	7,529	10,982	7,619
Training	-	7,200	-
Administration	6,450	6,450	7,845
Transportation	20,000	4,503	17,984
Professional fees	-	2,000	2,000
Bank charges and interest	1,400	1,669	1,761
Meeting	300	950	-
Registration	-	-	850
	1,042,678	1,179,072	1,211,915
Deficit before transfers	14,904	(41)	(110,384)
Transfers between programs	(10,900)	(10,900)	(10,900)
Deficit	4,004	(10,941)	(121,284)

Peepeekisis Cree Nation
Lands and Trust Services
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Audited	2015 Audited
Revenue			
Indigenous and Northern Affairs Canada	19,597	71,697	19,166
Expenses			
Professional fees	-	46,890	1,000
Salaries and benefits	19,415	18,293	18,510
Contracted services	-	4,380	-
Amortization	-	2,198	3,204
Meeting	-	830	-
Office supplies	432	71	-
Travel	-	-	401
	19,847	72,662	23,115
Deficit before transfers	(250)	(965)	(3,949)
Transfers between programs	-	-	6,000
Surplus (deficit)	(250)	(965)	2,051

Peepeekisis Cree Nation
Education
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Audited	2015 Audited
Revenue			
Indigenous and Northern Affairs Canada	1,973,184	2,045,721	2,082,311
Recovered funding	-	(4,847)	-
Prairie Valley School Division	-	26,688	26,688
File Hills Qu'Appelle Tribal Council	25,776	25,593	31,245
Other revenue	-	19,042	36,112
	1,998,960	2,112,197	2,176,356
Expenses			
Salaries and benefits	1,208,414	1,294,298	1,251,463
Student expenses	380,500	353,377	389,876
Tuition	210,000	196,623	230,536
Contracted services	113,000	103,600	85,750
Supplies	38,565	39,460	37,575
Travel	33,600	36,740	28,530
Fuel	12,000	20,089	8,174
Materials	5,750	17,891	4,303
Repairs and maintenance	17,000	17,135	42,255
Office supplies	22,000	14,925	16,573
Meeting	-	12,858	500
Special projects	5,700	12,671	10,319
Assistance	9,100	5,336	10,303
Telephone	3,800	4,344	3,036
Registration	4,500	4,043	4,458
Advertising	2,500	2,998	2,140
Bank charges and interest	1,900	2,162	1,218
Amortization	-	1,006	9,614
GST and Sales tax	-	40	-
Miscellaneous	2,400	-	-
Administration	1,541	-	-
Interest on long-term debt	-	-	372
	2,072,270	2,139,596	2,136,995
Surplus (deficit)	(73,310)	(27,399)	39,361

Peepeekisis Cree Nation
Operations and Maintenance
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Audited	2015 Audited
Revenue			
Indigenous and Northern Affairs Canada	817,275	960,770	977,088
Recovered funding	-	(319)	-
File Hills Qu'Appelle Tribal Council	8,916	8,917	8,917
Other revenue	42,448	1,056	58,189
Insurance proceeds	-	-	22,720
	868,639	970,424	1,066,914
Expenses			
Contracted services	217,700	398,916	290,264
Salaries and benefits	253,468	375,125	289,047
Materials	90,054	114,785	62,991
Repairs and maintenance	49,902	94,824	85,554
Insurance	80,924	90,477	85,326
Utilities	73,470	83,901	89,515
Administration	42,071	44,751	74,168
Amortization	-	39,273	39,273
Office supplies	20,800	34,418	25,174
Fuel	46,642	33,578	38,095
Telephone	5,500	14,264	8,733
Rent	10,000	12,258	15,229
Travel	3,000	3,443	3,694
Interest on long-term debt	-	3,382	4,305
Supplies	-	3,360	-
Meeting	-	1,910	-
Registration	-	290	-
	893,531	1,348,955	1,111,368
Deficit before transfers	(24,892)	(378,531)	(44,454)
Transfers between programs	25,369	-	6,000
Deficit	477	(378,531)	(38,454)

Peepeekisis Cree Nation
Health
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Audited	2015 Audited
Revenue			
Health Canada	650,371	644,277	642,182
File Hills Qu'Appelle Tribal Council	187,268	193,451	191,043
Other revenue	6,750	5,491	12,132
	844,389	843,219	845,357
Expenses			
Salaries and benefits	470,254	482,735	487,476
Contracted services	155,126	158,253	232,075
Travel	41,867	52,204	31,806
Materials	28,812	25,613	44,520
Community events	21,086	20,786	15,357
Repairs and maintenance	9,375	17,169	9,996
Groceries	20,234	16,980	16,085
Office supplies	13,591	16,900	16,091
Insurance	11,362	15,926	8,073
Assistance	12,349	15,079	16,866
Meeting	9,791	11,912	688
Fuel	15,640	10,245	10,913
Utilities	11,500	9,403	12,737
Telephone	10,325	9,249	7,643
Rent	5,607	6,542	747
Registration	5,022	4,460	4,960
Supplies	3,115	3,196	14,360
Professional fees	2,500	1,949	3,000
Training	500	1,783	18,161
Bank charges and interest	1,000	1,000	-
Funeral	1,000	554	-
GST and Sales tax	-	120	-
Honouraria	-	-	16,645
Amortization	-	-	10,455
Administration	579	(6,450)	4,331
	850,635	875,608	982,985
Deficit before transfers	(6,246)	(32,389)	(137,628)
Transfers between programs	6,322	(10,900)	(4,900)
Surplus (deficit)	76	(43,289)	(142,528)

Peepeekisis Cree Nation
Capital
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Audited	2015 Audited
Revenue			
Indigenous and Northern Affairs Canada	-	160,718	2,812,124
Other revenue	-	4,192	75,553
	-	164,910	2,887,677
Expenses			
Amortization	-	620,429	596,264
Salaries and benefits	-	87,822	103,281
Travel	-	17,279	15,010
Meeting	-	9,368	925
Contracted services	-	4,259	79,135
Office supplies	-	2,930	707
Registration	-	2,801	1,524
Bank charges and interest	-	2,637	231
Telephone	-	1,738	1,569
Materials	-	1,418	20,572
Repairs and maintenance	-	754	100
Utilities	-	155	665
GST and Sales tax	-	86	-
Fuel	-	-	955
Assistance	-	-	883
Administration (recovery)	(136,421)	(161,635)	(106,963)
	(136,421)	590,041	714,858
Surplus (deficit)	136,421	(425,131)	2,172,819

Peepeekisis Cree Nation
Other
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 11)	2016 Audited	2015 Audited
Revenue			
Canada Mortgage and Housing Corporation	194,046	189,487	181,095
First Nations Trust	850,000	930,997	928,182
File Hills Qu'Appelle Tribal Council	-	246,627	214,205
Rental income	63,676	157,979	206,958
Common Experience Program	-	147,397	94,603
Other revenue	151,788	38,997	23,151
	1,259,510	1,711,484	1,648,194
Expenses			
Amortization	-	293,987	303,039
Contracted services	118,032	223,445	46,361
Salaries and benefits	206,880	210,960	193,693
Repairs and maintenance	51,267	150,182	129,003
IRS education credits	-	147,370	18,750
Meeting	20,000	119,242	25,959
Assistance	142,000	109,122	101,768
Professional fees	22,548	105,737	76,741
Administration	48,742	57,198	32,645
Interest on long-term debt	270,293	52,924	61,968
Special projects	30,000	42,343	26,249
Travel	12,600	34,359	81,698
Fuel	30,000	33,330	30,180
Insurance	28,032	29,699	29,667
Funeral	18,000	23,966	14,364
Community events	6,000	21,731	45,512
Registration	30,500	15,218	34,339
Student expenses	-	13,786	22,810
Office supplies	2,500	13,584	11,095
Elders fees	7,000	7,682	7,089
Materials	-	6,889	80
Honouraria	4,000	3,296	6,961
Rent	3,500	3,144	(1,675)
Bank charges and interest	450	2,278	433
Groceries	6,000	249	2,385
Miscellaneous	-	97	-
GST and Sales tax	-	60	-
Supplies	-	-	279
Utilities	-	-	300
	1,058,344	1,721,878	1,301,693
Surplus (deficit) before transfers	201,166	(10,394)	346,501
Transfers between programs	(8,147)	-	(6,000)
Surplus (deficit)	193,019	(10,394)	340,501

Peepeekisis Cree Nation
Ottawa Trust Funds
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget (Note 11)</i>	<i>2016 Audited</i>	<i>2015 Audited</i>
Revenue			
Other revenue	-	865	1,835
Surplus	-	865	1,835