

Star Blanket Cree Nation
Consolidated Financial Statements
March 31, 2015

Star Blanket Cree Nation

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For the year ended March 31, 2015

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Management's Responsibility

To the Members of Star Blanket Cree Nation:

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

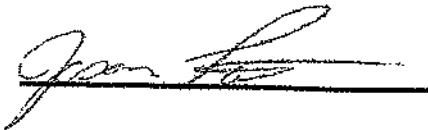
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 financial statements.

The Star Blanket Cree Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfills 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 Chief and Council to audit the consolidated financial statements and report directly to the members of Star Blanket Cree Nation; 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.

October 29, 2015



Management

Independent Auditors' Report

To the Members of Star Blanket Cree Nation:

We have audited the accompanying consolidated financial statements of Star Blanket Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, change in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Star Blanket Cree Nation as at March 31, 2015 and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan

October 29, 2015

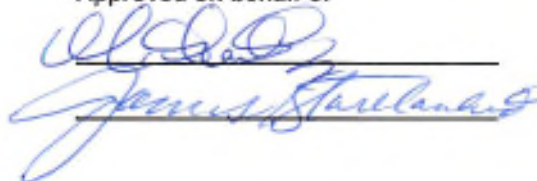
MNP LLP

Chartered Professional Accountants

Star Blanket Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial assets		
Current		
Cash resources	380,493	389,061
Accounts receivable (Note 4)	687,646	242,414
Restricted cash (Note 5)	14,510	15,151
Subtotal of current assets	1,082,649	646,626
Restricted cash (Note 5)	185,972	135,732
Portfolio investments (Note 6)	2,963,000	2,820,000
Funds held in trust (Note 7)	8,522	8,322
Due from Star Blanket Treaty Land Entitlement Trust (Note 8)	45,613	28,549
Total financial assets	4,285,756	3,639,229
Liabilities		
Current		
Bank indebtedness (Note 9)	316,461	218,218
Accounts payable and accruals	1,661,823	873,908
Goods and Services Tax payable	58,306	61,669
Due to Star Blanket Treaty Land Entitlement Trust (Note 8)	60,000	60,000
Deferred revenue (Note 10)	12,339	12,339
Current portion of long-term debt (Note 11)	719,804	1,250,370
Current financial liabilities	2,828,733	2,476,502
Long-term debt (Note 11)	3,616,888	3,269,336
Total financial liabilities	6,445,621	5,745,838
Net debt	(2,159,865)	(2,106,609)
Contingent liability (Note 12)		
Non-financial assets		
Tangible capital assets (Note 13)	9,044,781	9,434,566
Inventories of supplies	1,367	1,367
Prepaid expenses	31,394	5,368
Total non-financial assets	9,077,542	9,441,301
Accumulated surplus (Note 14)	6,917,677	7,334,692

Approved on behalf of



Chief

Councillor



Councillor

Councillor

The accompanying notes are an integral part of these financial statements

Star Blanket Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2015

	<i>Schedules</i>	<i>2015 Budget (Note 17)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenues				
Aboriginal Affairs and Northern Development Canada		2,556,069	2,640,990	2,669,139
Bingo revenue		700,800	680,396	690,589
Rental income		319,592	342,612	324,425
First Nations Trust		192,743	234,760	245,272
File Hills Community Health Services Inc.		207,753	181,179	176,176
FHQ Tribal council		128,033	167,144	141,590
Other revenue		363,541	152,835	159,122
Investment income		-	143,000	260,000
FHQ Casino Holdings		-	70,000	60,000
Health Canada		9,677	55,277	52,684
Canada Mortgage and Housing Corporation		61,070	52,166	52,865
Living Skies Community Development Corporation		-	35,378	39,063
CMHC tenant rent		-	24,259	23,085
Aboriginal Healing Foundation		-	-	302,920
Business Ready Investment Development Gateway		-	-	17,640
Saskatchewan Liquor and Gaming Authority		-	-	9,952
Health Canada funding adjustment		-	-	(4,422)
AANDC funding adjustment		-	(4,395)	(20,570)
		4,539,278	4,775,601	5,199,540
Program expenses				
Band Government	3	462,987	614,103	529,463
Capital	4	-	474,608	514,510
Economic Development	5	1,123,188	1,284,013	1,307,579
Education	6	1,191,782	1,187,062	1,213,529
Health	7	331,270	367,907	371,726
Housing	8	227,636	283,843	394,461
Operations and Maintenance	9	548,968	967,177	608,847
Reserves and Trusts	10	31,579	5,055	4,742
Social Development	11	631,489	602,605	894,978
Total expenses		4,548,899	5,786,373	5,839,835
Deficit before other item and transfers		(9,621)	(1,010,772)	(640,295)
Other item				
Insurance proceeds		-	593,757	-
Transfers between programs		(154,000)	-	-
Deficit		(163,621)	(417,015)	(640,295)
Accumulated surplus, beginning of year		7,334,692	7,334,692	7,974,987
Accumulated surplus, end of year		7,171,071	6,917,677	7,334,692

The accompanying notes are an integral part of these financial statements

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

	<i>2015 Budget (Note 17)</i>	<i>2015</i>	<i>2014</i>
Annual deficit	(163,621)	(417,015)	(640,295)
Purchases of tangible capital assets	-	(155,601)	(9,906)
Amortization of tangible capital assets	-	545,386	588,566
Acquisition of prepaid expenses	-	(26,026)	-
Use of prepaid expenses	-	-	189,817
Change in net debt	(163,621)	(53,256)	128,182
Net debt, beginning of year	(2,106,609)	(2,106,609)	(2,234,791)
Net debt, end of year	(2,270,230)	(2,159,865)	(2,106,609)

The accompanying notes are an integral part of these financial statements

Star Blanket Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(417,015)	(640,295)
Non-cash items		
Amortization	545,386	588,566
	128,371	(51,729)
Changes in working capital accounts		
Accounts receivable	(445,232)	604,659
Prepaid expenses	(26,026)	189,817
Accounts payable and accruals	787,917	(475,729)
Goods and Services Tax payable	(3,363)	(2,001)
	441,667	265,017
Financing activities		
Loan proceeds	149,969	4,250,000
Loan payments	(332,983)	(1,891,795)
Increase in bank indebtedness	98,243	71,450
	(84,771)	2,429,655
Capital activities		
Purchases of tangible capital assets	(155,601)	(9,906)
Investing activities		
Increase in funds held in trust	(200)	-
Decrease in funds held in trust	-	83,848
Increase in investments	(143,000)	(2,760,000)
Transfers from (to) restricted cash	(49,599)	10,480
Increase in due to/from FLE Trust	(17,064)	(4,333)
	(209,863)	(2,670,005)
Increase (decrease) in cash resources	(8,568)	14,761
Cash resources, beginning of year	389,061	374,300
Cash resources, end of year	380,493	389,061
Supplementary cash flow information		
Interest paid	142,534	151,134

1. Operations

The Star Blanket Cree Nation (the "Cree Nation") is located in the Province of Saskatchewan, and provides various services to its members. The Star Blanket 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 Nation.

2. Significant accounting policies

These consolidated 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. Star Blanket Cree Nation Treaty Land Entitlement Trust is not controlled by the Cree Nation and is excluded from the Cree Nation reporting entity.

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

- Star Blanket Cree Nation
- Wahpiimooosis Healing Centre
- Star Blanket Cree Nation - CMHC Housing Program
- White Buffalo Calf Gaming Authority
- Star Blanket Rentals
- Red Dog Holdings Ltd.
- Red Dog Holdings Limited Partnership

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

Basis of presentation

Sources of revenue and 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 resources includes balances with banks and short-term investments with maturities of three months or less.

Restricted cash

Restricted cash consists of funds held in the CMHC operating and replacement reserve bank accounts and funds managed by a project manager. The project manager is responsible for the completion of the capital projects and the CMHC reserves are used to pay eligible expenditures of the CMHC housing units.

Portfolio investments

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

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Cree Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust moneys consist of:

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

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. Tangible capital assets recorded at a nominal amount include the original reserve land. Land purchased is recorded at the purchase price.

Amortization

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

	Rate
Buildings	15 - 40 years
Band Housing	15 - 25 years
CMHC Housing	15 - 25 years
Computers	3 years
Equipment	6 - 10 years
Infrastructure	40 years
Roads	40 years

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, inventories of supplies and prepaid expenses.

Net financial debt

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

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

Revenue recognition

Funding

Revenue 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 is reflected as deferred revenue on the consolidated 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.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Other Revenue

Rental revenue is recognized over the rental term. Other revenues are earned from services provided by the Cree Nation and are recognized when the service has been provided. Bingo revenue is recognized when the bingo event has occurred. Investment income is recognized on an accrual basis.

Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

The investment in Can Elson 120601 Drilling Partnership #3 is recorded at cost. Management has assessed the Cree Nation's portfolio investment in Can Elson 120601 Drilling Partnership #3 for impairment and has concluded no impairment exists at this time. As the partnership provides services to the oil industry its value may be impacted by changes in market conditions that affect the Canadian petroleum industry.

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

Segments

The Nation conducts its business through nine reportable segments: Band Government, Capital, Economic Development, Education, Health, Housing, Operations and Maintenance, Reserves and Trusts, and Social Development. These operating segments are established by Council and 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 consolidated financial statements as disclosed in the Significant Accounting Policies.

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 benefit will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2015.

At each financial reporting date, the Cree Nation reviewed 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.

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. The implementation date has been deferred to year beginning on or after April 1, 2019.

Related Party Disclosures and Inter-Entity Transactions

In March 2015, the Public Sector Accounting Board (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 standards are effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Restructuring Transactions

In June 2015, the PSAB issued PS 3430 *Restructuring Transactions*. A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

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

The financial position and results of operations prior to the restructuring date are not restated.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

Assets

In June 2015, the PSAB issued PS 3210 *Assets*. The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

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

Contractual Rights

In June 2015, the PSAB issued PS 3380 *Contractual Rights*. 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.

Disclosures should include descriptions about nature, extent, and timing.

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

Contingent Assets

In June 2015, the PSAB issued PS 3320 *Contingent Assets*. Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

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

3. Change in accounting policy

Liability for contaminated sites

Effective April 1, 2014, the Cree Nation adopted the recommendations relating to PS 3260, *Liability for Contaminated Sites* as set out in the Canadian public sector accounting standards. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the Cree Nation is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 2, Significant Accounting Policies.

There was no effect on the Cree Nation's financial statements as a result of adopting the above-noted change in accounting policy.

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

4. Accounts receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada	562,199	188,533
FHQ Tribal Council	100,219	32,766
Rent receivable	13,564	4,918
Members	11,084	8,993
Health Canada	9,759	6,682
Canada Mortgage and Housing Corporation	4,347	8,694
Other	556	556
Trade receivables	-	265
	701,728	251,407
Allowance for doubtful accounts	(14,082)	(8,993)
	687,646	242,414

5. Restricted cash

	2015	2014
Current		
Water treatment plant	14,510	15,151
Long-term		
CMHC replacement reserve	155,624	125,398
CMHC operating reserve	30,348	10,334
	185,972	135,732
	200,482	150,883

6. Portfolio investments

	2015	2014
FHQ Casino Holdings Ltd.	60,000	60,000
Can Elson 120601 Drilling Limited Partnership #3	2,903,000	2,760,000
	2,963,000	2,820,000

The Cree Nation has a 1/12 interest in FHQ Casino Holdings Ltd., a Company which holds a rental property. It also owns (through ownership of Red Dog Holdings Limited Partnership), 50% of the partnership units in Can Elson 120601 Drilling Limited Partnership #3, an entity which owns and operates a drilling rig.

The Cree Nation's investee, Can Elson 120601 Drilling Limited Partnership #3, reports using a fiscal year-end of December 31. Can Elson 120601 Drilling Limited Partnership #3 allocates its earnings at its year-end date of December 31.

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Funds held in trust

Capital and revenue trust monies are transferred to the Cree Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Cree Nation's Council.

	2015	2014
Capital Trust		
Balance, beginning and end of year	5,960	5,960
Revenue Trust		
Balance, beginning of year	2,362	86,210
Interest	200	1,152
	2,562	87,362
Less: Disbursements from trust	-	85,000
Balance, end of year	2,562	2,362
Total funds in trust, end of year	8,522	8,322

8. Due from (to) Star Blanket Treaty Land Entitlement Trust

Amounts owing between the Cree Nation and the Star Blanket Treaty Land Entitlement Trust are without fixed repayment terms and bear no interest.

The Star Blanket Treaty Land Entitlement Trust has been established for the benefit of the Members of Star Blanket Cree Nation and is managed by an independent group of Trustees.

9. Bank indebtedness

The Cree Nation has an operating line of credit with a limit of \$75,000. Interest is payable at Peace Hills Trust prime (3.75%) plus 2%. At March 31, 2015, the Cree Nation has drawn \$75,000 (2014 - \$74,695) against its overdraft limit. The line of credit is secured by a band council resolution redirecting gaming revenue and AANDC funding.

The Cree Nation has an additional operating line of credit with a limit of \$247,000. Interest is payable at 24%. At March 31, 2015, the Cree Nation has drawn \$131,973 (2014 - nil) against its overdraft limit. The line of credit is secured by a band council resolution redirecting First Nations Trust and AANDC funding.

The bank indebtedness reported on the financial statements is represented by advances plus outstanding cheques.

10. Deferred revenue

	2015	2014
Unearned rental revenue from tenants	12,339	12,339

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

11. Long-term debt

	2015	2014
First Nations and Metis Fund loan with principal payments of \$125,000 annually, commencing 2017 increasing to \$250,000 in 2019 and \$500,000 in 2021, including fixed interest at 14.00% paid annually and additional interest charge of 5% per annum due at maturity, secured by all current and future property of Red Dog Holdings Limited Partnership (see Note 6).	1,250,000	1,250,000
Crown Investments Corporation of Saskatchewan loan with payment of all distributions received from Can Elson 120601 Drilling Partnership #3 after the full repayment of principal owed on the First Nations and Metis Fund loan, non-interest bearing, secured by all current and future property of Red Dog Holdings Limited Partnership (see Note 6).	700,000	700,000
Peace Hills Trust loan with principal and interest payments of \$40,000 quarterly and an additional annual payment of \$70,000 with interest at 6.25%, secured by guarantees and assignment of particular contracts, a promissory note, and a general security agreement, maturing April 2019.	879,644	1,046,390
Peace Hills Trust loan with principal and interest payments of \$7,905 monthly with interest at 6%, secured by guarantees and assignment of White Buffalo Calf Gaming proceeds and SIGA/SGC Trust receipts, maturing August 2019.	423,233	489,335
Star Blanket Treaty Land Entitlement Trust loan due on demand, interest payable on demand and calculated at 5.75%.	360,000	360,000
Peace Hills Trust loan with principal and interest payments of \$33,000 annually with interest at 6.00%, secured by guarantees and assignment of FHQ Casino Holdings Ltd, and a general security agreement, maturing November 2019.	140,805	163,967
De Lage Landen loan with principal and interest payments of \$1,352 monthly with interest at 7.74%, secured by equipment with a net book value of \$43,470, and general security agreements, maturing September 2017.	36,761	-
Peace Hills Trust loan with principal and interest payments of \$1,663 monthly with interest at 6.50%, secured by equipment with a net book value of \$50,100, and general security agreements, maturing October 2016.	28,302	45,787
Peace Hills Trust mortgage for CMHC Phase IV housing, payable in monthly instalments of \$1,337 including interest at 5.44%, secured by ministerial guarantee and due May 2017.	32,176	46,894
Peace Hills Trust mortgage for CMHC Phase VII housing, payable in monthly instalments of \$310 including interest at 5.29%, secured by ministerial guarantee and due January 2017.	6,442	9,825
Peace Hills Trust mortgage for CMHC Phase VIII housing, payable in monthly instalments of \$922 including interest at 4.64%, secured by ministerial guarantee and due January 2017.	19,280	29,472
Canada Mortgage and Housing Corporation mortgage for CMHC Phase IX housing, payable in monthly instalments of \$1,043 including interest at 1.08%, secured by ministerial guarantee and due August 2020.	121,069	131,201
Canada Mortgage and Housing Corporation mortgage for CMHC Phase X housing, payable in monthly instalments of \$1,631 including interest at 2.11%, secured by ministerial guarantee and due January 2019.	232,311	246,835

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Canada Mortgage and Housing Corporation mortgage for CMHC Phase XI housing, payable in monthly instalments of \$579 including interest at 1.08%, secured by ministerial guarantee and due September 2020.	106,669	-
	4,336,692	4,519,706
Less: current portion	719,804	1,250,370
	3,616,888	3,269,336

Principal repayments on term loans in each of the next five years, assuming the term loans are renewed with similar terms, are estimated below. Loans with either a demand feature or which have matured subsequent to year end and are without renewed terms have been recorded as current and are included below as demandable loans.

	Term loans	Demandable loans	Total
2016	359,804	360,000	719,804
2017	494,169	-	494,169
2018	471,982	-	471,982
2019	606,381	-	606,381
2020	491,196	-	491,196

The First Nation and Metis Fund loan (FNMf) and the Crown Investments Corporation of Saskatchewan loan are subject to certain financial and non-financial covenants, including submission of annual financial statements to the lender within 120 days of year end, and an annual interest payment due April 30, 2015 on the FNMf loan. The Cree Nation was in default on both of these covenants. Under the terms of the loan agreements, such default allows the lenders to immediately demand full payment of these loan balances. However, the lender has granted a grace period to March 31, 2016 to remedy the defaults noted above.

12. Contingent liability

In prior years Goods and Services Tax was collected which was subsequently determined to have been charged in error. These amounts have not yet been remitted. Only the actual amount collected has been reflected in these financial statements. It is possible these amounts could be subject to penalties and interest. Any additional amounts to be paid will be recorded in the period in which they are assessed.

13. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

14. Accumulated surplus

Accumulated surplus consists of the following:

	2015	2014
Equity in funds held in trust	8,522	8,322
Canadian Mortgage and Housing Corporation reserves	234,426	213,299
Equity in tangible capital assets	8,038,535	8,435,217
Unrestricted deficit	(1,363,806)	(1,322,146)
	6,917,677	7,334,692

15. Canada Mortgage and Housing Corporation reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Cree Nation established the following:

- A replacement reserve, established to ensure replacement of capital equipment and for major repairs to the housing units, which requires an annual allocation to the reserve. At March 31, 2015 \$144,809 (2014 - \$131,540) has been charged to this reserve. The unfunded portion at March 31, 2015 is nil (2014 - \$6,142).
- A operating surplus reserve established for housing units under the post 1997 Fixed Subsidy Program requires surpluses to be retained to offset future operating losses. At March 31, 2015 \$89,617 (2014 - \$81,759) has been charged to this reserve. At March 31, 2015 the reserve is underfunded by \$59,269 (2014 - \$71,425).

16. Economic dependence

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

Due to certain deficiencies in its operating fund position, the Cree Nation is also party to a Management Action Plan agreement with Aboriginal Affairs and Northern Development Canada that will expire when certain financial indicators are met by the Cree Nation. Under the terms of the Management Action Plan, AANDC can suspend transfers to the Nation if it does not comply with the terms of the agreement. Management believes that they are in compliance with the Management Action Plan.

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

17. Budget information

The disclosed budget information for the following entities has been approved by Chief and Council on:

Star Blanket Cree Nation	November 6, 2012.
Star Blanket Rentals	July, 2014.
White Buffalo Calf Gaming Authority	April 8, 2014.

18. Compliance with authorities

The First Nations Financial Transparency Act requires First Nations to make their financial statements publicly available and submit their consolidated financial statements to Aboriginal Affairs and Northern Development Canada by July 29. As the audit report is dated after July 29, 2015, the Cree Nation is in violation of this requirement. The possible effect of this violation has not yet been determined.

19. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Buildings</i>	<i>Band housing</i>	<i>CMHC housing</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Office equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	9,492,001	2,823,372	1,433,766	372,148	4,384,816	7,739	18,513,842
Acquisition of tangible capital assets	-	-	-	48,300	-	-	48,300
Construction-in-progress	107,301	-	-	-	-	-	107,301
Balance, end of year	9,599,302	2,823,372	1,433,766	420,448	4,384,816	7,739	18,669,443
Accumulated amortization							
Balance, beginning of year	6,391,158	2,674,704	946,207	243,979	910,996	7,488	11,174,532
Annual amortization	318,994	36,208	50,215	28,823	110,083	251	544,574
Balance, end of year	6,710,152	2,710,912	996,422	272,802	1,021,079	7,739	11,719,106
Net book value of tangible capital assets	2,889,150	112,460	437,344	147,646	3,363,737	-	6,950,337
2014 Net book value of tangible capital assets	3,100,843	148,668	487,569	128,169	3,473,820	251	7,341,324

Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	Subtotal	Roads	Land - 5,646 hectares	TLE land - 3,120 hectares	Computers	2015	2014
Cost							
Balance, beginning of year	18,513,842	149,290	2	2,065,201	91,773	20,820,108	20,810,202
Acquisition of tangible capital assets	48,300	-	-	-	-	48,300	9,906
Construction-in-progress	107,301	-	-	-	-	107,301	-
Balance, end of year	18,669,443	149,290	2	2,065,201	91,773	20,975,709	20,820,108
Accumulated amortization							
Balance, beginning of year	11,174,532	119,237	-	-	91,773	11,385,542	10,796,976
Annual amortization	544,574	812	-	-	-	545,386	588,566
Balance, end of year	11,719,106	120,049	-	-	91,773	11,930,928	11,385,542
Net book value of tangible capital assets	6,950,337	29,241	2	2,065,201	-	9,044,781	9,434,566
2014 Net book value of tangible capital assets	7,341,324	30,053	2	2,065,201	-	9,434,566	

Star Blanket Cree Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2015

	2015 <i>Budget</i> <i>(Note 17)</i>	2015 <i>Actual</i>	2014 <i>Actual</i>
Expenses			
Administration	100,748	-	(34,169)
Advertising, promotion and gifts	500	17,204	15,867
Amortization	-	545,386	588,566
Assistance	50,182	154,325	176,656
Bad debts (recovery)	-	5,851	(1,978)
Bank charges and interest	11,150	25,670	24,460
Basic needs	361,564	359,192	347,742
Bingo paper	1,800	12,831	19,041
Community donations	3,000	3,675	18,300
Contracted services	220,618	671,645	354,183
Contributions	-	-	43,200
Fuel	38,000	42,407	59,547
Honouraria	6,300	17,147	11,838
Insurance	94,912	129,652	99,832
Interest on long-term debt	266,233	397,291	367,727
Lunches	9,310	20,944	29,324
Meetings	22,463	39,251	57,898
Miscellaneous	13,068	93,668	37,938
National child benefit - projects	131,530	130	-
Office supplies and expenses	8,700	5,742	7,230
Payments to charities	105,120	-	-
Prize payouts	490,588	428,059	453,117
Professional fees	75,184	191,407	145,041
Pump outs	-	28,817	4,485
Program expense	36,821	29,594	60,422
Registration fees	-	8,836	10,414
Rent	-	36,509	33,205
Repairs and maintenance	259,247	100,220	254,055
Salaries and benefits	904,955	807,754	1,022,077
Service agreements	44,250	71,123	74,480
Student allowance	104,639	84,013	93,649
Student wages	-	16,433	15,800
Supplies	70,409	154,591	150,250
Telephone	15,000	34,373	33,093
Training	3,450	30,040	61,660
Travel	101,534	176,541	166,023
Tuition	756,728	841,579	848,924
Utilities	229,680	144,430	106,230
Youth and cultural activities	11,216	60,043	83,708
	4,548,899	5,786,373	5,839,835

Star Blanket Cree Nation
Band Government
Schedule 3 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
Revenues			
Aboriginal Affairs and Northern Development Canada	265,132	235,098	252,823
Other revenue	-	98,880	30,228
Aboriginal Affairs and Northern Development Canada - adjustment	-	(4,395)	(14,571)
	265,132	329,583	268,480
Expenses			
Administration	-	-	1,100
Advertising, promotion and gifts	-	4,424	684
Assistance	-	23,528	8,100
Bad debts (recovery)	-	74,608	(1,978)
Bank charges and interest	9,500	23,433	10,361
Contracted services	6,000	93,882	58,657
Fuel	-	1,500	500
Honouraria	1,500	600	-
Interest on long-term debt	-	1,619	-
Lunches	800	5,079	1,138
Meetings	-	3,351	11,215
Miscellaneous	-	35,245	3,569
Office supplies and expenses	7,000	3,486	1,211
Professional fees	40,000	40,552	58,805
Registration fees	-	4,783	8,289
Rent	-	883	16,405
Salaries and benefits	317,687	191,952	254,044
Supplies	10,000	15,173	15,572
Telephone	13,000	29,081	25,333
Training	-	419	10,900
Travel	40,000	60,505	45,558
Utilities	17,500	-	-
	462,987	614,103	529,463
Deficit	(197,855)	(284,520)	(260,983)

Star Blanket Cree Nation
Capital
Schedule 4 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 17)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Expenses			
Amortization	-	474,596	514,510
Bank charges and interest	-	12	-
Deficit	-	(474,608)	(514,510)

Star Blanket Cree Nation
Economic Development
Schedule 5 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
Revenues			
Aboriginal Affairs and Northern Development Canada	-	44,565	-
Bingo revenue	700,800	680,396	690,599
Rental income	319,592	342,612	324,425
First Nations Trust	192,743	234,760	245,272
Investment income	-	143,000	260,000
FHQ Casino Holdings Ltd.	-	70,000	60,000
FHQ Tribal Council	36,597	36,597	30,000
Other revenue	40	18,264	32,303
Business Ready Investment Development Gateway	-	-	17,640
	1,249,772	1,570,194	1,660,239
Expenses			
Advertising, promotion and gifts	500	7,864	7,884
Amortization	-	20,575	23,841
Assistance	-	6,000	-
Bad debts (recovery)	-	(68,757)	-
Bank charges and interest	1,500	1,929	12,317
Community donations	3,000	3,675	18,300
Contracted services	47,250	53,286	55,212
Honouraria	4,800	16,547	11,518
Insurance	6,500	6,533	6,241
Interest on long-term debt	200,000	353,519	312,579
Meetings	1,000	20,329	24,218
Miscellaneous	500	31,620	14,819
Office supplies and expenses	1,700	1,730	4,729
Paper - bingo	1,800	12,831	19,041
Payments to charities	105,120	-	-
Prize payouts	490,588	428,059	453,117
Professional fees	28,060	96,497	61,723
Rent	-	6,875	7,800
Repairs and maintenance	34,250	40,294	28,429
Salaries and benefits	120,226	166,740	169,020
Service agreements	44,250	27,807	28,823
Supplies	2,540	5,160	2,663
Telephone	2,000	3,866	3,523
Training	750	11,456	7,229
Travel	8,474	11,494	16,255
Utilities	18,380	18,084	18,298
	1,123,188	1,284,013	1,307,579
Surplus (deficit) before transfers	126,584	286,181	352,660
Transfers between programs	(154,000)	(109,559)	(132,016)
Surplus (deficit)	(27,416)	176,622	220,644

Star Blanket Cree Nation
Education

Schedule 6 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 17)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	1,188,106	1,285,183	1,255,750
FHQ Tribal council	-	6,192	6,192
Other revenue	-	40	1,780
	1,188,106	1,291,415	1,263,722
Expenses			
Administration	4,318	-	4,317
Assistance	-	13,783	9,252
Contracted services	102,925	64,587	69,726
Fuel	27,000	21,971	25,445
Insurance	3,323	2,715	3,962
Interest on long-term debt	44,904	2,471	5,156
Lunches	2,000	1,155	4,272
Meetings	3,500	400	804
Miscellaneous	-	1,163	2,097
Office supplies and expenses	-	75	-
Professional fees	-	1,425	480
Program expense	6,000	15,529	13,215
Registration fees	-	1,318	1,230
Repairs and maintenance	27,000	21,557	14,160
Salaries and benefits	64,745	63,971	63,712
Student allowance	104,639	84,013	93,649
Student wages	-	16,433	15,800
Supplies	31,000	20,337	19,484
Training	500	-	315
Travel	11,500	12,020	17,129
Tuition	756,728	841,579	848,924
Utilities	500	560	400
Youth and cultural activities	1,200	-	-
	1,191,782	1,187,062	1,213,529
Surplus (deficit)	(3,676)	104,353	50,193

Star Blanket Cree Nation
Health

Schedule 7 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	2015 <i>Budget</i> <i>(Note 17)</i>	2015 <i>Actual</i>	2014 <i>Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	3,769	-	3,820
File Hills Community Health Services Inc.	207,753	181,179	176,176
FHQ Tribal Council	91,436	119,266	100,309
Health Canada	9,677	55,277	52,684
Health Canada funding adjustment	-	-	(4,422)
	312,635	355,722	328,567
Expenses			
Administration	28,141	29,248	27,505
Advertising, promotion and gifts	-	1,265	3,779
Assistance	8,000	15,697	8,076
Contracted services	4,152	9,840	3,660
Contributions	-	-	43,200
Insurance	-	1,435	1,405
Lunches	6,510	900	6,498
Meetings	17,963	12,965	15,948
Miscellaneous	-	15,773	10,884
Office supplies and expenses	-	450	-
Professional fees	-	-	380
Program expense	30,821	10,130	8,749
Registration fees	-	2,010	595
Repairs and maintenance	-	3,000	798
Salaries and benefits	188,525	169,237	155,179
Supplies	1,282	17,463	11,253
Telephone	-	600	-
Training	2,000	4,192	8,687
Travel	33,860	61,288	56,760
Utilities	-	3,092	-
Youth and cultural activities	10,016	9,322	8,370
	331,270	367,907	371,726
Deficit	(18,635)	(12,185)	(43,159)

Star Blanket Cree Nation
Housing
Schedule 8 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	2015 <i>Budget</i> <i>(Note 17)</i>	2015 <i>Actual</i>	2014 <i>Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	130,566	130,566	80,566
CMHC tenant rent	-	24,259	23,085
Other revenue	36,000	-	12,400
Canada Mortgage and Housing Corporation	61,070	52,166	52,865
	227,636	206,991	168,916
Expenses			
Administration	16,150	12,000	12,000
Amortization	-	50,215	50,215
Bank charges and interest	-	140	67
Contracted services	-	89,206	130,116
Fuel	-	1,550	17,222
Insurance	51,391	61,706	15,838
Interest on long-term debt	21,329	10,972	15,569
Miscellaneous	10,568	3,375	-
Professional fees	7,124	-	5,250
Repairs and maintenance	121,074	16,521	67,795
Supplies	-	38,005	74,602
Training	-	-	500
Travel	-	153	5,287
	227,636	283,843	394,461
Surplus (deficit) before transfers	-	(76,852)	(225,545)
Transfers between programs	-	-	17,745
Deficit	-	(76,852)	(207,800)

Star Blanket Cree Nation
Operations and Maintenance
Schedule 9 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
Revenues			
Aboriginal Affairs and Northern Development Canada	339,673	410,474	462,159
Other revenue	-	11,726	74,481
FHQ Tribal Council	-	5,089	5,089
	339,673	427,289	541,729
Expenses			
Administration	28,928	33,188	37,254
Bank charges and interest	150	158	60
Contracted services	33,712	352,641	8,581
Fuel	11,000	17,386	12,958
Insurance	33,698	57,262	71,819
Meetings	-	100	-
Miscellaneous	2,000	4,067	4,094
Professional fees	-	50,150	-
Pump outs	-	28,817	4,485
Registration fees	-	150	300
Rent	-	28,752	-
Repairs and maintenance	76,923	18,847	140,154
Salaries and benefits	141,364	143,955	170,360
Service agreements	-	43,315	45,657
Supplies	24,893	58,214	23,051
Telephone	-	826	2,474
Training	200	-	1,305
Travel	2,800	6,654	4,206
Utilities	193,300	122,695	82,089
	548,968	967,177	608,847
Deficit before other item and transfers	(209,295)	(539,888)	(67,118)
Other item			
Insurance proceeds	-	593,757	-
Transfers between programs	-	-	10,656
Surplus (deficit)	(209,295)	53,869	(56,462)

Star Blanket Cree Nation
Reserves and Trusts
Schedule 10 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 17)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	5,000	5,000	5,000
Other revenue	26,579	209	1,152
	31,579	5,209	6,152
Expenses			
Contracted services	26,579	3,893	4,200
Salaries and benefits	4,306	108	108
Supplies	694	-	-
Travel	-	1,054	434
	31,579	5,055	4,742
Surplus	-	154	1,410

Star Blanket Cree Nation
Social Development
Schedule 11 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
Revenues			
Aboriginal Affairs and Northern Development Canada	623,823	530,104	609,021
Living Skies Community Development Corporation	-	35,378	39,063
Other revenue	300,922	23,715	6,778
Aboriginal Healing Foundation	-	-	302,920
Saskatchewan Liquor and Gaming Authority	-	-	9,952
AANDC funding adjustment	-	-	(5,999)
	924,745	589,197	961,735
Expenses			
Administration	23,211	(74,436)	(116,346)
Advertising, promotion and gifts	-	3,650	3,520
Assistance	42,182	95,317	151,227
Bank charges and interest	-	(2)	1,654
Basic needs	361,564	359,192	347,742
Contracted services	-	4,310	24,033
Fuel	-	-	3,422
Honouraria	-	-	320
Insurance	-	-	566
Interest on long-term debt	-	28,710	34,422
Lunches	-	13,809	17,417
Meetings	-	2,105	5,714
Miscellaneous	-	2,425	2,475
National child benefit - projects	131,530	130	-
Office supplies and expenses	-	-	1,290
Professional fees	-	2,783	18,403
Program expense	-	3,935	38,458
Registration fees	-	575	-
Rent	-	-	9,000
Repairs and maintenance	-	-	2,720
Salaries and benefits	68,102	71,797	209,655
Supplies	-	238	3,623
Telephone	-	-	1,764
Training	-	13,972	32,725
Travel	4,900	23,374	20,393
Utilities	-	-	5,443
Youth and cultural activities	-	50,721	75,338
	631,489	602,605	894,978
Surplus (deficit) before transfers	293,256	(13,408)	66,757
Transfers between programs	-	109,559	103,615
Surplus	293,256	96,151	170,372