

Ahtahkakoop Cree Nation

Financial Statements

March 31, 2015



August 14, 2015

Independent Auditor's Report

To the Members of Ahtahkakoop Cree Nation

We have audited the accompanying financial statements of Ahtahkakoop Cree Nation, which comprise the statement of financial position as at March 31, 2015 and the statements of operations, changes in net debt and cash flows for the year then ended, and the related notes, which comprise 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.

Auditor's 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 auditor's 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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Opinion**

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Management's Report

Management's Responsibility for the Financial Statements

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

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.


Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

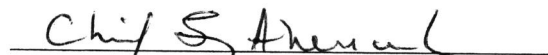
The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

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

The external auditors, PricewaterhouseCoopers LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Ahtahkakoop Cree Nation and meet when required.

On behalf of Ahtahkakoop Cree Nation:


Austin Ahenakew
Band Administrator


Larry Ahenakew
Chief

August 14, 2015


Ahtahkakoop Cree Nation

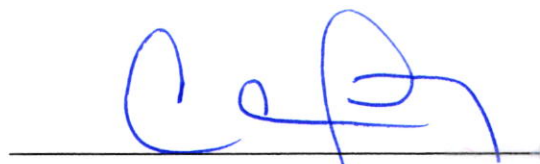
Statement of Financial Position

As at March 31, 2015

	2015 \$	2014 \$
Financial assets		
Accounts receivable (note 2)	720,632	606,935
Restricted assets (note 3)	1,392,537	1,526,122
Trust funds held by federal government (note 4)	35,504	70,505
Investment in government business enterprise (note 5)	1,304,187	1,119,973
Other investment (note 6)	-	50,000
	<u>3,452,860</u>	<u>3,373,535</u>
Liabilities		
Bank indebtedness (note 7)	703,915	2,538,698
Accounts payable and accrued liabilities (note 8)	754,152	484,966
Long-term debt (note 9)	13,879,777	10,547,488
Deferred revenue (note 10)	-	20,259
	<u>15,337,844</u>	<u>13,591,411</u>
Net debt	<u>(11,884,984)</u>	<u>(10,217,876)</u>
Non-financial assets		
Inventory	4,176	7,105
Prepaid expenses	109,873	80,977
Tangible capital assets (note 11)	29,049,332	28,170,950
	<u>29,163,381</u>	<u>28,259,032</u>
Accumulated surplus	<u>17,278,397</u>	<u>18,041,156</u>
Contingencies (note 13)		

Approved by the Chief and Council

 Chief

 Councilor

The accompanying notes are an integral part of these financial statements.

Ahtahkakoop Cree Nation

Statement of Operations

For the year ended March 31, 2015

	Budget \$ (note 15)	2015 \$	2014 \$
Revenue			
Aboriginal Affairs and Northern Development Canada (AANDC) (note 12)			
Fixed contributions	5,578,977	5,761,553	6,354,615
Set contributions	735,065	652,696	4,504,466
Flexible contributions	688,229	760,629	-
Grant funding	525,301	525,301	632,654
Retroactive funding adjustments (recoveries)	-	(93,899)	(32,869)
Health Canada (note 12)	2,297,903	2,572,311	2,553,776
Recoveries	-	(146,090)	-
Other revenue (note 5)	1,510,544	660,016	493,652
First Nations Trust	1,025,000	1,185,203	1,133,320
Canada Mortgage and Housing Corporation subsidies (CMHC) (note 12)	654,539	565,385	497,635
Bingo	610,000	592,593	666,522
Social housing rent	590,375	421,229	480,762
CMHC RRAP (note 12)	295,532	87,067	216,053
Battlefords Agency Tribal Chiefs Inc. (BATC)	255,416	355,499	175,134
BATC Community Development Corporation	252,843	386,699	306,032
Saskatchewan Indian Institute of Technology (SIIT)/SITAG	132,442	383,356	357,693
Recoveries	-	(41,914)	-
Revenue from trust funds held by government (note 4)	102,000	105,053	106,454
Battle River Treaty & Health Care Inc.	91,067	89,357	91,604
Government of Saskatchewan (note 12)	87,900	98,990	112,934
User fees	60,900	70,931	53,745
Saskatchewan Indian Gaming Authority	40,000	-	-
GST	36,504	57,017	43,277
Government of Canada (note 12)	29,877	28,041	133,431
Net income from investment in government business enterprise (note 5)	-	184,214	139,567
Insurance proceeds	-	90,549	-
Gain (loss) on disposal tangible capital assets	-	-	(14,689)
Saskatchewan Lotteries	-	16,198	16,198
Recognition of prior year deferred revenue	-	20,259	-
Retroactive funding adjustments	-	54,579	-
	15,600,414	15,442,822	19,021,966
Expenses			
Salaries, contracts and benefits	8,798,866	7,177,903	7,103,739
Amortization	2,008,940	2,008,940	1,963,371
Post-secondary	1,058,779	950,335	892,580
Designated projects	1,408,823	889,233	1,698,858
Supplies	1,663,509	786,669	860,769
Travel and honorarium	689,069	664,345	893,418
Repairs and maintenance	484,897	600,891	541,954
Bingo	610,000	576,254	432,597
Interest	359,898	294,366	293,459
Emergency assistance	317,371	288,077	296,148
Insurance	240,746	272,479	210,985
Professional development	280,711	268,716	225,148

The accompanying notes are an integral part of these financial statements.

Ahtahkakoop Cree Nation
Statement of Operations ...continued
For the year ended March 31, 2015

	Budget \$ (note 15)	2015 \$	2014 \$
Utilities	186,004	215,167	920,110
Professional fees	191,167	205,111	216,079
Bad debt	-	161,665	104,075
User fees	107,584	111,461	41,461
Water transfer station	-	109,408	-
Funeral	50,375	106,499	95,454
Consolidated revenue fund (CRF)	-	97,642	210,413
Leases	84,118	85,062	91,445
Nutrition program	32,523	83,681	146,532
Other	61,806	74,185	289,047
Write-down of investment	-	50,000	-
Programming and extracurricular	33,604	39,863	163,086
Elders	28,620	33,758	57,868
Receiver General	42,475	29,618	40,809
Donations	18,000	19,688	33,833
Prevention and promotion	6,823	4,565	27,105
Advertising	14,365	-	1,681
Basic needs	-	-	1,814,852
Rent	-	-	502,535
HEO training	-	-	116,140
	<u>18,779,073</u>	<u>16,205,581</u>	<u>20,285,551</u>
Annual deficit (note 16)	<u>(3,178,659)</u>	<u>(762,759)</u>	<u>(1,263,585)</u>
Accumulated surplus – Beginning of year	<u>18,041,155</u>	<u>18,041,156</u>	<u>19,304,741</u>
Accumulated surplus – End of year	<u>14,862,496</u>	<u>17,278,397</u>	<u>18,041,156</u>
Segment disclosure (note 17)			

The accompanying notes are an integral part of these financial statements.

Ahtahkakoop Cree Nation

Statement of Changes in Net Debt

For the year ended March 31, 2015

	Budget \$ (note 15)	2015 \$	2014 \$
Annual deficit	(3,178,659)	(762,759)	(1,263,585)
Proceeds on sale of tangible capital assets	-	-	-
Acquisition of tangible capital assets	(2,887,322)	(2,887,322)	(2,117,806)
Amortization of tangible capital assets	2,008,940	2,008,940	1,963,371
Loss on disposal of tangible capital assets	-	-	14,689
	<u>(4,057,041)</u>	<u>(1,641,141)</u>	<u>(1,403,331)</u>
Acquisition of inventories held for use	3,000	2,929	(4,848)
Increase in prepaid expenses	<u>(30,000)</u>	<u>(28,896)</u>	<u>(2,130)</u>
	<u>(27,000)</u>	<u>(25,967)</u>	<u>(6,978)</u>
Change in net debt during the year	(4,084,041)	(1,667,108)	(1,410,309)
Net debt – Beginning of year	<u>(10,217,876)</u>	<u>(10,217,876)</u>	<u>(8,807,567)</u>
Net debt – End of year	<u>(14,301,917)</u>	<u>(11,884,984)</u>	<u>(10,217,876)</u>

The accompanying notes are an integral part of these financial statements.

Ahtahkakoop Cree Nation

Statement of Cash Flows

For the year ended March 31, 2015

	2015 \$	2014 \$
Cash provided by (used in)		
Operating activities		
Annual surplus (deficit)	(762,759)	(1,263,585)
Items not affecting cash		
Amortization of tangible capital assets	2,008,940	1,963,371
Loss on disposal of tangible capital assets	-	14,689
Income from investment in government business enterprise	(184,214)	(139,567)
Write-down of investment	50,000	-
	<u>1,111,967</u>	<u>574,908</u>
Net change in non-cash working capital items (note 14)	<u>109,263</u>	<u>54,932</u>
	<u>1,221,230</u>	<u>629,840</u>
Financing activities		
Proceeds from long-term debt	4,847,479	1,305,720
Repayment of long-term debt	(1,515,190)	(938,032)
	<u>3,332,289</u>	<u>367,688</u>
Capital activities		
Purchase of tangible capital assets	<u>(2,887,322)</u>	<u>(2,117,806)</u>
	<u>(2,887,322)</u>	<u>(2,117,806)</u>
Investing activities		
Net change in restricted assets	133,585	(344,768)
Net change in trust funds held by federal government	35,001	(16,598)
	<u>168,586</u>	<u>(361,366)</u>
Change in bank indebtedness during the year	<u>1,834,783</u>	<u>(1,481,644)</u>
Bank indebtedness – Beginning of year	<u>(2,538,698)</u>	<u>(1,057,054)</u>
Bank indebtedness – End of year	<u>(703,915)</u>	<u>(2,538,698)</u>
Supplementary cash flow information		
Interest received in year	6,549	2,900
Interest paid in year	294,366	293,459

The accompanying notes are an integral part of these financial statements.

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

1 Summary of significant accounting policies

a) Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board Chartered Professional Accountants of Canada.

b) Reporting entity

The Ahtahkakoop Cree Nation reporting entity includes the Ahtahkakoop Cree Nation Government and all related entities that are controlled by the Ahtahkakoop Cree Nation (the Cree Nation).

c) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis, except for the commercial enterprises that meet the definition of a government business enterprise or government business partnership, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated on consolidation. There are no organizations that have been accounted for on a consolidation basis.

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

Organizations accounted for on a modified equity basis include:

- Ahtahkakoop Cree Developments Limited Partnership (ACDLP)

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts, and term deposits having a maturity of three months or less at acquisition, which are held for the purpose of meeting short-term cash commitments.

e) Tangible capital assets

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

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

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

Roads	40 years
Buildings	30 years
Infrastructure and housing	20 years
Equipment	5 years

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

f) Inventories held for use

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

g) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is not practicable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for a specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

h) Measurement uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the year. Items requiring the use of significant estimates include the recoverability of accounts receivable and the useful lives of tangible capital assets. Actual results could differ from those estimates.

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

2 Accounts receivable

	2015 \$	2014 \$
First Nations and Inuit Health Branch (FNIHB)	382,655	39,750
Battlefords Agency Tribal Chiefs Inc. (BATC)	134,747	45,292
Battle River	50,189	22,900
Canada Mortgage and Housing Corporation (CMHC)	47,066	41,240
Social housing rent	30,717	75,324
Ahtahkakoop Cree Developments LP (ACDLP)	21,750	-
Saskatchewan Indian Institute of Technology (SIIT)/SITAG	20,000	102,539
Government of Saskatchewan	16,924	26,730
Other	9,840	65,348
Government of Canada	6,744	9,545
Aboriginal Affairs and Northern Development Canada (AANDC)	-	178,267
	<hr/> 720,632	<hr/> 606,935

3 Restricted assets

The Cree Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the Cree Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the Cree Nation being in compliance with the terms of the agreement, which requires that a monthly amount be set aside to provide for major renovations to Nation housing in future years.

The Cree Nation has established a replacement reserve to ensure replacement of buildings financed by the CMHC, as well as a reserve related to surpluses generated in the post-1997 program, which are to be set aside and used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance.

The CMHC reserve funds must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by the CMHC. Reserve withdrawals are credited first to interest and then to principal.

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

Restricted assets are comprised of the following:

	2015 \$	2014 \$
Fire hall project – cash	7,641	-
School addition project – cash	50,572	-
Health centre project – cash	802	204,276
CMHC replacement reserve		
Cash	605,372	296,846
Guaranteed investment certificates	728,150	1,025,000
	<hr/>	<hr/>
	1,392,537	1,526,122

The guaranteed investment certificates consist of the following:

	2015 \$
Guaranteed investment certificate earning interest at 1.3%, issue date of January 6, 2015, and maturity date of January 6, 2016	150,000
Guaranteed investment certificate earning interest at 1.8%, issue date of January 4, 2013, and maturity date of January 4, 2016	350,000
Guaranteed investment certificate earning interest at 1.4%, issue date of October 11, 2013, and maturity date of October 12, 2015	<hr/>
	228,150
	<hr/>
	728,150

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

4 Trust funds held by federal government

				2015
	Balance - Beginning of year \$	Additions \$	Withdrawals \$	Balance - End of Year \$
Revenue	61,001	105,053	(140,054)	26,000
Capital	9,504	-	-	9,504
	70,505	105,053	(140,054)	35,504

				2014
	Balance - Beginning of year \$	Additions \$	Withdrawals \$	Balance - End of Year \$
Revenue	44,403	106,454	(89,856)	61,001
Capital	9,504	-	-	9,504
	53,907	106,454	(89,856)	70,505

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

The additions for the trust funds are comprised of \$1,460 (2014 – \$1,891) of government interest and \$103,553 (2014 – \$104,563) of other income.

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

5 Investment in government business enterprise

The Cree Nation holds a 99.99% ownership interest in Ahtahkakoop Cree Developments LP (ACDLP). ACDLP was established on April 1, 2010. The operations of ACDLP include two convenience stores, a cafe, a tire shop and a canteen. The investment in ACDLP has been accounted for in accordance with the modified equity method.

The following table presents condensed financial information for ACDLP:

	2015 \$	2014 \$
Cash and cash equivalents	148,951	158,120
Accounts receivable	126,023	121,306
Inventory	245,526	226,166
Tangible capital assets	930,639	990,091
Prepaid expenses	500	11,350
Investments	62,024	95,929
	<u>1,513,663</u>	<u>1,602,962</u>
Accounts payable and accrued liabilities	192,689	291,434
Long-term debt	16,734	191,540
	<u>209,423</u>	<u>482,974</u>
Equity	<u>1,304,240</u>	<u>1,119,988</u>
	<u>1,513,663</u>	<u>1,602,962</u>
	2015 \$	2014 \$
Revenue	5,565,043	5,596,648
Expenses	<u>5,375,504</u>	<u>5,495,888</u>
Net income	<u>189,539</u>	<u>100,760</u>

The Cree Nation has guaranteed the repayment of the long-term debt balance by ACDLP.

ACDLP is liable for the environmental obligations related to the future decommissioning of the two gas stations it owns. No provision has been made for the environmental remediation liabilities associated with the gas stations. Although it is probable a liability has been incurred as at March 31, 2015, the amount of the obligation cannot be reliably established.

All transactions between the Cree Nation and ACDLP are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

ACDLP made \$414,507 (2014 - \$397,736) of sales to the Cree Nation.

ACDLP paid administration fees of \$222,000 (2014 - \$178,800) to the Cree Nation, which are included in other revenue on the statement of operations.

6 Other investment

	2015 \$	2014 \$
Corman Park Development	-	50,000

The Cree Nation held a 33% interest in the development of a gas bar through Corman Park Development. This investment was carried at cost based on the amount initially contributed to Corman Park Development.

The investment was written off during the year as it is no longer expected to be recoverable

7 Bank indebtedness

The Cree Nation has a revolving line of credit by way of overdraft with the Royal Bank of Canada (RBC), which is secured by direction of funding and a general security agreement. The interest rate is at the bank's prime lending rate plus 1.25% on a limit of \$900,000 with additional overdraft charges as applicable.

8 Accounts payable and accrued liabilities

	2015 \$	2014 \$
Trade payables	354,361	328,792
Capital project holdbacks	90,715	92,570
Amount owing to ACDLP	64,387	49,680
Accrued payroll	60,175	-
Repayable to AANDC	58,546	-
Other accrued liabilities	54,099	-
Repayable to SITAG	41,914	-
Accrued interest	29,955	13,924
	<hr/> 754,152	<hr/> 484,966

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

9 Long-term debt

	2015 \$	2014 \$
CMHC Phase 1 – Demand loan bearing interest at 2.95%, repayable in monthly blended principal and interest instalments of \$4,134, due date January 1, 2019; Band Council Resolution pledged as security	179,534	223,155
CMHC Phase 2 – Mortgage bearing interest at 1.05%, repayable in monthly blended principal and interest instalments of \$1,694, due for renewal April 1, 2020, maturity date of February 1, 2025; government guarantee pledged as security	191,238	207,717
CMHC Phase 3 – Mortgage bearing interest at 2.65%, repayable in monthly blended principal and interest instalments of \$2,970, due for renewal April 1, 2016, maturity date of February 1, 2026; government guarantee pledged as security	337,773	364,131
CMHC Phase 4 – Mortgage bearing interest at 1.71%, repayable in monthly blended principal and interest instalments of \$2,223, due for renewal September 1, 2017, maturity date of July 1, 2027; government guarantee pledged as security	296,459	317,880
CMHC Phase 5 – Mortgage bearing interest at 1.62%, repayable in monthly blended principal and interest instalments of \$1,338, due for renewal March 1, 2018, maturity date of February 1, 2028; government guarantee pledged as security	187,141	200,066
CMHC Phase 6 – Mortgage bearing interest at 1.92%, repayable in monthly blended principal and interest instalments of \$1,823, due for renewal April 1, 2019, maturity date of March 1, 2029; government guarantee pledged as security	268,492	285,072
CMHC Phase 7 – Mortgage bearing interest at 2.76%, repayable in monthly blended principal and interest instalments of \$2,608, due for renewal June 1, 2015, maturity date of May 1, 2025; government guarantee pledged as security	277,321	300,651
CMHC Phase 8 – Mortgage bearing interest at 2.26%, repayable in monthly blended principal and interest instalments of \$7,120, due for renewal August 1, 2016, maturity date of July 1, 2031; government guarantee pledged as security	1,166,899	1,225,370
CMHC Phase 9 – Mortgage bearing interest at 1.67%, repayable in monthly blended principal and interest instalments of \$2,303, due for renewal April 1, 2017, maturity date of March 1, 2027; government guarantee pledged as security	300,386	322,816
CMHC Phase 10 – Mortgage bearing interest at 1.62%, repayable in monthly blended principal and interest instalments of \$6,191, due for renewal March 1, 2018, maturity date of February 1, 2033; government guarantee pledged as security	1,155,178	1,210,332
CMHC Phase 11 – Mortgage bearing interest at 1.85%, repayable in monthly blended principal and interest instalments of \$3,764, due for renewal August 1, 2019, maturity date of June 1, 2034; government guarantee pledged as security	731,433	762,348

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

	2015 \$	2014 \$
CMHC Phase 12 – Mortgage bearing interest at 3.13%, repayable in monthly blended principal and interest instalments of \$2,621, due for renewal June 1, 2015, maturity date of May 1, 2030; government guarantee pledged as security	376,719	396,128
CMHC Phase 13 – Mortgage bearing interest at 2.56%, repayable in monthly blended principal and interest instalments of \$2,435, due for renewal December 1, 2015, maturity date of December 1, 2035; government guarantee pledged as security	468,529	485,582
CMHC Phase 14 – Mortgage bearing interest at 2.26%, repayable in monthly blended principal and interest instalments of \$3,261, due for renewal August 1, 2016, maturity date of August 1, 2036; government guarantee pledged as security	662,993	686,919
CMHC Phase 15 – Mortgage bearing interest at 1.92%, repayable in monthly blended principal and interest instalments of \$5,645, due for renewal April 1, 2019, maturity date of April 1, 2034; government guarantee pledged as security	1,082,260	1,086,170
CMHC Phase 16 – Mortgage bearing interest at 0.83%, repayable in monthly blended principal and interest instalments of \$7,226	1,296,734	-
CMHC Phase 17 – Mortgage bearing interest at 0.8%, repayable in monthly blended principal and interest instalments of \$2,813, expected to mature in 2031	505,745	-
Housing – Term loan bearing interest at 4.9%, repayable in annual blended principal and interest instalments of \$184,000, due July 1, 2015; Band Council Resolution pledged as security	-	354,539
Band hall – Term loan bearing interest at 4.6%, repayable in monthly blended principal and interest instalments of \$8,049, due February 3, 2019	324,668	443,668
Operating loan – Term loan bearing interest at prime plus 1.00%, repayable in quarterly blended principal and interest instalments of \$63,155, due February 15, 2015; Band Council Resolution pledged as security	-	710,947
Operating loan – Term loan bearing interest at prime plus 1.85%, repayable in annual blended principal and interest instalments of \$269,982, due February 10, 2016, Band Council Resolution pledged as security	2,100,000	-
Operating loan – Term loan bearing interest at prime plus 1.85%, repayable in quarterly blended principal and interest instalments of \$53,486, due February 10, 2016, Band Council Resolution pledged as security	945,000	-
Housing – Term loan bearing interest at prime plus 1.85%, repayable in annual principal instalments of \$100,079, due February 12, 2016, Band Council Resolution pledged as security	186,484	-
Vehicle – Finance contract bearing interest at 7.49%, repayable in monthly blended principal and interest instalments of \$813, due June 8, 2015; Band Council Resolution pledged as security	2,410	11,609
Vehicle – Finance contract bearing interest at 7.69%, repayable in monthly principal and interest instalments of \$713, due April 30, 2016; Band Council Resolution pledged as security	8,822	16,383
Vehicle – Finance contract bearing interest at 5.68%, repayable in monthly principal and interest instalments of \$589, due April 3, 2016; Band Council Resolution pledged as security	7,414	13,866

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	2015 \$	2014 \$
Grader – Finance contract bearing interest at prime plus 1.75%, repayable in quarterly blended principal and interest instalments of \$8,949; due July 18, 2017; Band Council Resolution pledged as security	94,610	125,284
Treaty Land Entitlement – Non-interest bearing loan, repayable in instalments of \$57,450 due March 15, 2015; \$47,526 due March 15, 2016 and \$465,138 due March 31, 2017; Band Council Resolution pledged as security	570,114	570,114
Water and sewer – Term loan bearing interest at prime plus 2.55%, repayable in monthly blended principal and interest instalments of \$2,917, due September 20, 2015	77,319	112,323
Health vehicles – Term loan bearing interest at prime plus 2.5%, repayable in monthly blended principal and interest instalments of \$1,480, due January 10, 2016	42,428	57,408
Education van – Term loan bearing interest at prime plus 2.5%, repayable in monthly blended principal and interest instalments of \$815, due January 10, 2016	22,139	30,452
Vehicle – Demand loan bearing interest at 6.99%, repayable in monthly blended principal and interest instalments of \$583, due April 8, 2017	13,535	19,367
Street lights – Term loan bearing interest at prime plus 1.8%, repayable in quarterly principal instalments of \$7,000, due July 1, 2014	-	7,191
	<u>13,879,777</u>	<u>10,547,488</u>

Assuming renewal of the long-term debt for similar terms as those that exist at March 31, 2015 principal repayments over the next five years and thereafter are estimated to be as follows:

	\$
2016	1,238,918
2017	1,616,414
2018	1,042,445
2019	976,065
2020	898,800
Thereafter	<u>8,107,135</u>
	<u>13,879,777</u>

	2015 \$	2014 \$
Interest expense for the year on long-term debt	<u>294,366</u>	<u>272,067</u>

March 31, 2015

				2015
	Balance - Beginning of year \$	Funding received \$	Revenue recognized \$	Balance - End of year \$
Aboriginal Affairs and Northern Development Canada				
School addition project	1,079	-	(1,079)	-
Fire hall and truck project	-	72,405	(72,405)	-
Health Canada				
Health centre project	19,180	148,408	(167,588)	-
	20,259	220,813	(241,072)	-
				2014
	Balance - Beginning of year \$	Funding received \$	Revenue recognized \$	Balance - End of year \$
Aboriginal Affairs and Northern Development Canada				
School addition project	1,079	-	-	1,079
Health Canada				
Health centre project	-	478,309	(459,129)	19,180
	1,079	478,309	(459,129)	20,259

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

11 Tangible capital assets

	2015					2014
	Infrastructure \$	Roads \$	Buildings \$	Housing \$	Equipment \$	Total \$
Cost						
Opening costs	2,084,102	6,855,702	11,992,043	24,072,315	3,272,279	48,276,441
Additions	-	-	317,452	2,461,285	108,585	2,887,322
Disposals	-	-	-	(73,445)	-	(73,445)
Closing costs	2,084,102	6,855,702	12,309,495	26,460,155	3,380,864	51,090,318
Accumulated amortization						
Opening accumulated amortization	802,038	2,526,071	1,125,838	13,184,420	2,467,124	20,105,491
Disposals	-	-	-	(73,445)	-	(73,445)
Amortization expense	104,516	171,402	391,342	1,039,103	302,577	2,008,940
Closing accumulated amortization	906,554	2,697,473	1,517,180	14,150,078	2,769,701	22,040,986
Net book value	1,177,548	4,158,229	10,792,315	12,310,077	611,163	29,049,332
Opening balance	1,282,064	4,329,632	10,866,205	10,887,893	805,155	28,170,950
Closing balance	1,177,548	4,158,229	10,792,315	12,310,077	611,163	29,049,332
Increase (decrease) in net value	(104,516)	(171,403)	(73,890)	1,422,184	(193,992)	878,382

Housing additions include \$1,985,365 of construction costs related to the social housing phases 16 and 17 projects. Building additions include construction in progress activity related to the health centre project (\$211,370) and the fire hall project (\$90,105). No amortization was taken on any of these projects given that construction was in progress as at March 31, 2015 and none of the underlying assets were brought into use during the year then ended.

The phase 15 social housing project was completed and brought into use during the year ended March 31, 2015.

Construction in progress is comprised as follows:

	2015 \$	2014 \$
Phase 15 social housing project - Housing	-	1,041,210
Phase 16 and 17 social housing projects - Housing	1,985,365	-
Health centre project - Infrastructure	670,499	459,129
Fire hall project - Buildings	90,105	-
	<u>2,745,969</u>	<u>1,500,339</u>

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

12 Government transfers

	2015 \$	2014 \$
Federal government transfers		
Aboriginal Affairs and Northern Development Canada (AANDC)	7,606,280	11,458,866
Health Canada – health centre capital project	148,408	459,131
Health Canada	2,277,813	2,094,645
Canada Mortgage and Housing Corporation (CMHC)	565,385	497,635
CMHC RRAP	87,067	216,053
Other Government of Canada departments	28,041	133,431
	<hr/> 10,712,994	<hr/> 14,859,761
Provincial government transfers	<hr/> 98,990	<hr/> 112,934

13 Contingencies

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The Cree Nation is reviewing the applicability of the legislation on its lands and the environmental objectives and liabilities, if any, for its activities and potential site reclamation and restoration obligations. The Cree Nation has yet to determine the applicability of the legislation, or the amounts, if any, of such obligations.

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

14 Net change in non-cash working capital items

	2015 \$	2014 \$
Accounts receivable	(113,697)	12,667
Inventory	2,929	(4,848)
Prepaid expenses	(28,896)	(2,130)
Accounts payable and accrued liabilities	269,186	30,063
Deferred revenue	(20,259)	19,180
	<hr/> 109,263	<hr/> 54,932

15 Budgeted figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimated figures approved by the Chief and Council.

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Notes to Financial Statements

March 31, 2015

16 Annual surplus (deficit) net of capital related revenues and amortization

	2015 \$	2014 \$
Annual deficit	(762,759)	(1,263,585)
Federal government transfers for capital	(167,588)	(452,129)
Losses (gains) on disposal of tangible capital assets	-	14,689
Amortization of tangible capital assets	2,008,940	1,963,371
	<u>1,078,593</u>	<u>262,346</u>

17 Segment disclosure

The Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. The segments of the Cree Nation and the services provided by each are as follows:

- Education – provides a variety of services for students from nursery school to grade 12 that meet all provincial criteria with a cultural influence that reflects the First Nation's identity. The department includes a nutrition program, student counselling services, a resource centre, a Cree language and culture program, and a community school program.
- Justice – handles the major justice activities, including the police management board, tribal police, the alternative measures program, and the court worker program.
- Health – offers twenty-six community based programs aimed toward the well-being and health of the Cree Nation's residents. The Cree Nation operates a health centre with both health and dental services, as well as a home care program, counselling for drug and alcohol addictions, community health representatives, daycare and headstart.
- Social development – various social initiatives such as special needs, basic needs, service delivery and NCB reinvestment that require government funding.
- Community infrastructure – responsible for the capital projects, such as waste systems, roads and schools, etc. The projects are non-recurring and require both capital funding and band funding.
- Band governance – handles the finances and administration of the Cree Nation including support to Chief and Council and all other departments. The department provides internal support and central services to ensure the efficient and effective operations of the Cree Nation.
- Economic dependence – represents a variety of band owned activities and economic development initiatives, including the Bingo, CEDO programs and other programs.

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

- Capital – this department is responsible for larger maintenance projects that are non-recurring in nature and require both capital funding and band funding. Capital projects include housing renovations and new housing.
- Other programs – a variety of different programs that include recreation and Treaty Land Entitlement.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies. Segment results are as follows:

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Notes to Financial Statements

March 31, 2015

	Education		Justice	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenue				
Federal government transfers	4,674,627	4,626,342	28,041	26,977
Provincial government transfers	-	-	82,891	112,934
Deferred funding recognized from prior year	-	-	-	-
Income from investment in government business enterprise	-	-	-	-
First Nations Trust	-	-	-	-
Bingo	-	-	-	-
Social housing rent	-	-	-	-
Battleford Agency Tribal Chiefs Inc. (BATC)	10,500	-	-	-
Saskatchewan Indian Institute of Technology / SITAG	341,442	357,693	-	-
BATC Community Development Corporation	-	-	-	-
Other	166,648	32,283	4,737	19,332
	5,193,217	5,016,318	115,669	159,243
Expenses				
Salaries, contracts and benefits	3,190,384	3,085,918	132,620	152,557
Basic needs	-	-	-	-
Amortization	-	-	-	-
Designated projects	8,408	17,635	-	-
Post secondary	941,685	875,530	-	-
Travel and honorarium	85,663	141,996	16,479	26,767
Utilities	14,693	19,517	2,999	2,126
Supplies	188,627	211,164	673	2,625
Bingo	-	-	-	-
Repairs and maintenance	28,282	49,061	1,214	644
Interest	2,088	31,018	-	-
Rent	-	-	-	-
Other	367,461	297,380	13,991	18,521
	4,827,291	4,729,219	167,976	203,240
Annual surplus (deficit)	365,926	287,099	(52,307)	(43,997)

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Notes to Financial Statements

March 31, 2015

	Health		Social Development		Community Infrastructure	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Revenue						
Federal government transfers	2,277,813	2,179,909	-	3,889,239	1,362,809	1,206,101
Provincial government transfers	-	-	-	-	16,099	-
Deferred funding recognized from prior year	-	-	-	-	1,079	-
Income from investment in government business enterprise	-	-	-	-	-	-
First Nations Trust	-	-	-	-	-	-
Bingo	-	-	-	-	-	-
Social housing rent	-	-	-	-	-	-
Battleford Agency Tribal Chiefs Inc. (BATC)	85,262	-	-	-	86,658	66,907
Saskatchewan Indian Institute of Technology / SITAG	-	-	-	-	-	-
BATC Community Development Corporation	-	-	-	-	-	-
Other	15,614	78,883	-	9,244	199,230	103,387
	2,378,689	2,258,792	-	3,898,483	1,665,875	1,376,395
Expenses						
Salaries, contracts and benefits	1,347,662	931,094	-	224,154	731,664	801,001
Basic needs	-	-	-	1,814,852	-	-
Amortization	-	-	-	-	-	-
Designated projects	221,418	144,476	-	290,419	50,014	396,470
Post secondary	-	-	-	-	-	-
Travel and honorarium	180,549	207,510	-	53,261	27,323	32,832
Utilities	27,049	11,880	-	567,491	98,512	243,517
Supplies	170,486	99,630	-	8,451	302,129	394,236
Bingo	-	-	-	-	-	-
Repairs and maintenance	23,736	21,514	-	-	65,161	104,417
Interest	3,529	4,178	-	-	10,457	26,582
Rent	-	24,748	-	423,585	-	-
Other	281,000	1,177,551	-	583,524	292,305	103,056
	2,255,429	2,622,581	-	3,965,737	1,577,565	2,102,111
Annual surplus (deficit)	123,260	(363,789)	-	(67,254)	88,310	(725,716)

Ahtahkakoop Cree Nation

Notes to Financial Statements

March 31, 2015

	Band Governance		Economic Development	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenue				
Federal government transfers	880,615	1,088,093	-	-
Provincial government transfers	-	-	-	-
Deferred funding recognized from prior year	-	-	-	-
Income from investment in government business enterprise	184,214	139,567	-	-
First Nations Trust	1,185,203	1,133,320	-	-
Bingo	-	-	592,593	666,522
Social housing rent	-	-	-	-
Battleford Agency Tribal Chiefs Inc. (BATC)	64,365	-	108,714	108,227
Saskatchewan Indian Institute of Technology / SITAG	-	-	-	-
BATC Community Development Corporation	386,699	306,032	-	-
Other	405,899	250,769	222,000	31,361
	3,106,995	2,917,781	923,307	806,110
Expenses				
Salaries, contracts and benefits	1,269,493	1,314,785	244,158	338,539
Basic needs	-	-	-	-
Amortization	-	-	-	-
Designated projects	306,195	410,731	7,000	8,020
Post secondary	8,650	17,050	-	-
Travel and honorarium	266,274	326,678	27,807	25,144
Utilities	55,309	65,476	15,509	8,634
Supplies	94,647	52,842	12,396	71,651
Bingo	-	-	576,254	432,597
Repairs and maintenance	39,782	10,462	-	4,050
Interest	134,198	83,541	3,135	-
Rent	-	52,969	-	-
Other	853,376	110,218	31,640	36,745
	3,027,924	2,444,752	917,899	925,380
Annual surplus (deficit)	79,071	473,029	5,408	(119,270)

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March 31, 2015

	Capital		Other Programs		Totals	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Revenue						
Federal government transfers	1,489,089	1,881,456	-	-	10,712,994	14,898,117
Provincial government transfers	-	-	-	-	98,990	112,934
Deferred funding recognized from prior year	19,180	-	-	-	20,259	-
Income from investment in government business enterprise	-	-	-	-	184,214	139,567
First Nations Trust	-	-	-	-	1,185,203	1,133,320
Bingo	-	-	-	-	592,593	666,522
Social housing rent	421,229	480,762	-	-	421,229	480,762
Battleford Agency Tribal Chiefs Inc. (BATC)	-	-	-	-	355,499	175,134
Saskatchewan Indian Institute of Technology / SITAG	-	-	-	-	341,442	357,693
BATC Community Development Corporation	-	-	-	-	386,699	306,032
Other	113,374	208,928	16,198	17,698	1,143,700	751,885
	2,042,872	2,571,146	16,198	17,698	15,442,822	19,021,966
Expenses						
Salaries, contracts and benefits	147,085	151,183	114,836	104,508	7,177,903	7,103,739
Basic needs	-	-	-	-	-	1,814,852
Amortization	2,008,940	1,963,371	-	-	2,008,940	1,963,371
Designated projects	180,581	138,142	115,617	292,965	889,233	1,698,858
Post secondary	-	-	-	-	950,335	892,580
Travel and honorarium	42,661	48,805	17,589	30,425	664,345	893,418
Utilities	1,096	1,469	-	-	215,167	920,110
Supplies	16,905	20,102	806	68	786,669	860,769
Bingo	-	-	-	-	576,254	432,597
Repairs and maintenance	442,716	351,806	-	-	600,891	541,954
Interest	140,959	148,140	-	-	294,366	293,459
Rent	-	1,161	-	72	-	502,535
Other	176,748	27,085	24,957	13,229	2,041,478	2,367,309
	3,157,691	2,851,264	273,805	441,267	16,205,581	20,285,551
Annual surplus (deficit)	(1,114,819)	(280,118)	(257,607)	(423,569)	(762,759)	(1,263,585)