

**Chipewyan Prairie First Nation  
Consolidated Financial Statements**

**March 31, 2016**

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# **Chipewyan Prairie First Nation**

## **Consolidated Financial Statements**

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# Chipewyan Prairie First Nation

## Management's Responsibility for Financial Reporting

March 31, 2016

The accompanying consolidated financial statements of Chipewyan Prairie First Nation are the responsibility of management and have been approved by Council.

The consolidated 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.

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 consolidated financial statements.

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 consolidated financial statements and the external auditor's report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Chipewyan Prairie First Nation and meet when required.

On behalf of Chipewyan Prairie First Nation:

  
\_\_\_\_\_  
Chief  
  
\_\_\_\_\_  
Administrative Director

Oct 8, 2016  
Date  
Oct 19, 2016  
Date

## **Independent Auditors' Report**

### **To the Members of Chipewyan Prairie First Nation**

We have audited the accompanying consolidated financial statements of Chipewyan Prairie First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

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

#### *Auditors' Responsibility*

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

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

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

#### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Chipewyan Prairie First Nation as at March 31, 2016, and the results of its operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



**Chartered Professional Accountants**

**Edmonton, Canada**  
October 19, 2016

# Chipewyan Prairie First Nation

## Consolidated Statement of Financial Position

March 31	2016	2015 Restated (Note 20)
<b>Financial Assets</b>		
<b>Cash (Note 2)</b>		
Cash (Note 2)	\$ 1,338,820	\$ 502,899
Accounts receivable (Note 3)	652,405	703,778
Chipewyan Prairie Business Trust (Note 4)	11,415,452	11,972,258
Investments in First Nation Controlled Entities (Note 5)	12,287,157	9,632,384
Investments (Note 6)	101	101
Chipewyan Prairie First Nation Business Trust (Note 7)	5,428,137	6,569,666
Cash held in Trust (Note 8)	100,000	100,000
Restricted investment (Note 9)	6,317,521	6,263,197
Ottawa Trust Funds (Note 10)	281,587	260,517
	<b>37,821,180</b>	<b>36,004,800</b>
<b>Liabilities</b>		
Accounts payable (Note 11)	618,848	672,620
Deferred revenue (Note 12)	289,590	791,471
Due to related parties (Note 13)	1,769,681	2,714,291
Long-term debt (Note 14)	3,588,086	3,852,198
	<b>6,266,205</b>	<b>8,030,580</b>
<b>Net financial assets</b>	<b>31,554,975</b>	<b>27,974,220</b>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 15)	<b>20,561,003</b>	<b>20,700,743</b>
<b>Accumulated Surplus (Note 16)</b>	<b>\$ 52,115,978</b>	<b>\$ 48,674,963</b>
Contingent liabilities (Note 17)		

Approved on behalf of the Chipewyan Prairie First Nation

, Chief

, Councilor

## Chipewyan Prairie First Nation

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2016 Budget	2016 Actual	2015 Actual Restated (Note 20)
<b>Revenue</b>			
Federal Government:			
Indigenous and Northern Affairs Canada - Fixed	\$ 959,562	\$ 1,393,350	\$ 896,166
Indigenous and Northern Affairs Canada - Set	51,792	1,017,722	177,655
Indigenous and Northern Affairs Canada - Grant	318,804	318,804	320,319
Revenue Band Funds	-	21,070	22,291
Health Canada	957,518	1,050,419	865,841
Canada Mortgage and Housing Corporation subsidies	46,900	239,088	240,095
Athabasca Tribal Council	116,700	145,574	152,059
First Nation Development Funds	500,000	1,021,431	519,692
Enterprises income	-	2,754,673	936,332
Land Claims Settlement Trust	-	255,248	253,935
Business Trusts	5,000,000	1,958,015	9,537,613
Rental Income	-	61,800	67,000
Social priorities - IRC	2,835,234	3,691,237	586,400
Other revenue	79,850	795,127	437,258
	<b>10,866,360</b>	<b>14,723,558</b>	<b>15,012,656</b>
<b>Expenses (Note 18)</b>			
Amortization	-	1,034,800	1,014,125
Band government	1,585,680	1,977,305	4,209,235
Capital projects and housing	3,512,925	2,408,920	3,006,153
Economic development	1,987,115	2,765,499	2,265,892
Education	437,715	603,330	495,524
Employment programs	205,050	289,120	213,851
Health	1,048,320	1,069,642	1,052,887
Other	500,000	8,304	1,442
Public works	1,563,705	1,125,623	1,980,950
Social services	25,850	-	12,644
	<b>10,866,360</b>	<b>11,282,543</b>	<b>14,252,703</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>3,441,015</b>	<b>759,953</b>
<b>Accumulated surplus, beginning of year</b>			
As previously stated	-	48,674,963	40,054,594
Prior period adjustment (note 20)	-	-	7,860,416
As restated	-	<b>48,674,963</b>	<b>47,915,010</b>
<b>Accumulated surplus, end of year</b>	<b>\$ -</b>	<b>\$ 52,115,978</b>	<b>\$ 48,674,963</b>

**Chipewyan Prairie First Nation**

**Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual Restated (Note 20)</b>
<b>Excess of revenue over expenses</b>	\$ -	\$ 3,441,015	\$ 759,953
Acquisition of tangible capital assets	-	(1,034,921)	(1,747,856)
Amortization of tangible capital assets	-	1,034,800	1,014,125
<b>Loss on disposal of tangible capital assets</b>	<b>-</b>	<b>139,861</b>	<b>-</b>
	-	139,740	(733,731)
<b>Increase in net financial assets</b>	<b>-</b>	<b>3,580,755</b>	<b>26,222</b>
<b>Net financial assets, beginning of year</b>	<b>-</b>	<b>27,974,220</b>	<b>27,947,998</b>
<b>Net financial assets, end of year</b>	<b>\$ -</b>	<b>\$ 31,554,975</b>	<b>\$ 27,974,220</b>

**Chipewyan Prairie First Nation**

**Consolidated Statement of Cash Flow**

For the year ended March 31, 2016	2016	2015 Restated (Note 20)
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 3,441,015	\$ 759,953
Items not affecting cash		
Amortization of capital assets	1,034,800	1,014,125
Loss on disposal of trailer	139,861	-
	<b>4,615,676</b>	<b>1,774,078</b>
Change in non-cash operating working capital		
Accounts receivable	51,373	367,851
Restricted investment	(54,324)	(42,359)
Accounts payable	(53,773)	14,859
Deferred revenue	(501,881)	127,623
	<b>4,057,071</b>	<b>2,242,052</b>
<b>Capital activities</b>		
Purchase capital assets	(1,034,921)	(1,747,859)
<b>Financing activities</b>		
Due from (to) related parties	(944,610)	427,182
Repayment of long term debt	(264,111)	(336,672)
	<b>(1,208,721)</b>	<b>90,510</b>
<b>Investing activities</b>		
Increase in Ottawa Trust Funds	(21,070)	(22,291)
Investments in First Nation Controlled Entities	(2,654,773)	(886,332)
Chipewyan Prairie First Nation Business Trust	1,141,529	(921,490)
Chipewyan Prairie Business Trust	556,806	1,011,960
	<b>(977,508)</b>	<b>(818,153)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>835,921</b>	<b>(233,450)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>502,899</b>	<b>736,349</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,338,820</b>	<b>\$ 502,899</b>

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# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

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**March 31, 2016**

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### **1. Basis of Presentation and Significant Accounting Policies**

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

#### **(a) Reporting entity principles of financial reporting**

The Chipewyan Prairie First Nation reporting entity includes the Chipewyan Prairie First Nation government and all related entities that are accountable to the First Nation, and are either owned or controlled by the Chipewyan Prairie First Nation.

These consolidated financial statements include the operations of Chipewyan Prairie First Nation Land Claim Settlement Trust.

First Nation business enterprises and Trusts, that are owned or controlled by the First Nation Council and that are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method, in accordance with the Public Sector Accounting Recommendations.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform with those of the First Nation. Thus, the First Nation's investment in these enterprises is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses. Enterprises accounted for by the modified equity basis include:

1. Chipewyan Prairie Ventures Inc.
2. Chipewyan Prairie Camp and Catering Corporation
3. Chipewyan Prairie Oil Field Development Corporation
4. Chipewyan Prairie First Nation Housing Society
5. 1027511 Alberta Limited
6. Janvier Aboriginal Industrial Services Co. (JAISCO)
7. Chipewyan Prairie Business Trust
8. Prairie Dene Development Corporation
9. Chipewyan Prairie First Nation Business Trust
10. Chipewyan Prairie First Nation Land Claim Settlement Trust
11. Chipewyan Prairie Real Estate Development Corporation
12. Chipewyan Prairie Store Corporation

Long-term investments in non-controlled entities are recorded at cost.

The First Nation also has investments in the Chipewyan Prairie First Nation Land Claim Settlement Trust. These funds are accounted for as received and release of funds are subject to the terms of the Trust Agreements.

#### **(b) Cash**

Cash and cash equivalents includes cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

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## Chipewyan Prairie First Nation

### Notes to Consolidated Financial Statements

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March 31, 2016

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#### 1. Basis of Presentation and Significant Accounting Policies (continued)

##### (c) Tangible capital assets

Tangible capital assets are recorded at cost except for reserve lands, natural resources and cultural resources which are not recorded.

Amortization is provided on the straight-line basis over the estimated useful life of the asset as follows:

Buildings	5%	Declining balance
Automotive equipment	5%	Declining balance
Office equipment	20%	Declining balance
Equipment	25%	Declining balance
Infrastructure	5%	Declining balance
Emergency trailers	5%	Declining balance
Assets under construction	0%	Declining balance

##### (d) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the consolidated financial statements, together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

##### (e) 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 impracticable.

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 the specific purpose.

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

Income from investments is recorded on the accrual basis.

# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 1. Basis of Presentation and Significant Accounting Policies (continued)

#### (f) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Oil and gas royalties and surface rights payments related to oil and gas exploration and development activities are administered directly by the Government of Canada ("Canada") under the provisions of the Indian Oil and Gas Act. The Nation records receipts based on currently available information supplied by Canada. Royalty payments from oil and gas producers are subject to periodic revision. Adjustments are recorded by the Nation in the period that the information becomes available.

### 2. Cash

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Nation is required to provide a replacement reserve. This reserve is to ensure replacement of buildings financed by Canada Mortgage and Housing Corporation. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. At March 31, 2016 the reserve is under funded by \$274,971 (2015 - \$231,801).

The Nation's credit facilities include an authorized line of credit to a maximum of \$100,000 bearing interest at the bank's prime rate plus 3%, of which nil was used in the current year (2015 - nil).

### 3. Accounts receivable

	2016	2015
Indigenous and Northern Affairs Canada (INAC)	\$ 362,925	\$ 306,821
Athabasca Tribal Council	87,254	41,085
First Nations Development Fund	129,066	127,897
Other	93,160	247,975
Allowance for doubtful accounts	672,405 (20,000)	723,778 (20,000)
	<hr/> <b>\$ 652,405</b>	<hr/> <b>\$ 703,778</b>

## Chipewyan Prairie First Nation

### Notes to Consolidated Financial Statements

March 31, 2016

#### 4. Investment in Chipewyan Prairie Business Trust

The Investment in Chipewyan Prairie Business Trust consists of the First Nation's share of net income of limited partnerships, which includes Janvier Fabrication Services Limited Partnership, Janvier Pipeline Services Limited Partnership, Janvier Landsite Services Limited Partnership, Chipewyan Prairie Real Estate Development Limited Partnership, Chipewyan Prairie Store Limited Partnership, and TDN Contracting Ltd., less the cash distributions made by the limited partnerships to the First Nation. Peace Hills Trust is the Trustee.

#### 5. Investments in First Nation Controlled Entities

	2016	2015
Janvier Laundry Facility Ltd. - 100% ownership	\$ 1,674,819	\$ -
Prairie Dene Development Corporation - 100% ownership	10,087,010	9,093,680
Chipewyan Prairie Camp and Catering Corporation - 100% ownership	(23,859)	(21,973)
Chipewyan Prairie First Nation Housing Society - 50% ownership	585,533	585,533
Chipewyan Prairie Oil Field Development Corporation - 100% ownership	10,912	13,238
Chipewyan Prairie Ventures Inc. - 100% ownership	(23,478)	(20,620)
1027511 Alberta Ltd. - 100% ownership	2,396	2,396
Janvier Aboriginal Industrial Services Corporation - 100% ownership	(11,735)	(9,867)
Chipewyan Prairie Real Estate Development Corporation - 100% ownership	(7,353)	(5,395)
218 Trading Post Ltd. - 100% ownership	(7,088)	(4,608)
	<hr/> <b>\$ 12,287,157</b>	<hr/> <b>\$ 9,632,384</b>

#### 6. Investments

	2016	2015
Athabasca Tribal Council Ltd.	\$ 1	\$ 1
JHL Forestry Inc.	100	100
	<hr/> <b>\$ 101</b>	<hr/> <b>\$ 101</b>

#### 7. Investment in Chipewyan Prairie First Nation Business Trust

The Investment in Chipewyan Prairie First Nation Business Trust consists of the First Nation's share of net income of limited partnerships, which includes Chipewyan Prairie Cats Limited Partnership, Chipewyan Prairie Ventures Limited Partnership, Chipewyan Prairie Oilfield Developments Limited Partnership, Chipewyan Prairie Clearing Limited Partnership, Chipewyan Prairie Camp and Catering Limited Partnership, less the cash distributions made by the limited partnerships to the First Nation. CIBC is the Trustee.

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## Chipewyan Prairie First Nation

### Notes to Consolidated Financial Statements

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March 31, 2016

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#### 8. Cash held in Trust

Cash held in trust includes a \$100,000 guaranteed investment certificate held as a letter of guarantee by the Government of Alberta Sustainable Resource Development.

#### 9. Restricted investments - Chipewyan Prairie First Nation Land Claim Settlement Trust

The restricted investments held in the Chipewyan Prairie First Nation Land Claim Settlement Trust are carried at cost plus accrued interest.

The Chipewyan Prairie First Nation Land Claim Settlement Trust (the "Trust") was established on February 19, 1993, with a partial settlement of obligations of the Government of Canada to the Chipewyan Prairie First Nation under the land provisions of Treaty 8. The purpose of the Trust is to provide programs and projects for the benefit of members of the Chipewyan Prairie First Nation.

Equity of the Trust is separated into Capital and Revenue Funds, as set out in the terms of the Trust Agreement.

#### 10. Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by sections 63 and 69 of the Indian Act.

These Ottawa Funds are held in trust in the Consolidated Revenue fund of the Government of Canada. The funds earn interest as specified in Section 61(2) of the Indian Act.

#### 11. Accounts payable

	2016	2015
Trade payables	\$ 606,552	\$ 672,620
Government remittances payable	12,296	-
	<hr/> <b>\$ 618,848</b>	<hr/> <b>\$ 672,620</b>

# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 12. Deferred revenue

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2016

	2016	2015
Health Canada	\$ 70,178	\$ 127,623
First Nation Development Fund	151,876	663,848
INAC	67,536	-
	<b>\$ 289,590</b>	<b>\$ 791,471</b>

### 13. Due from (to) Related Parties

	2016	2015
Chipewyan Prairie Cats Limited Partnership	\$ (5,611)	\$ (5,611)
Chipewyan Prairie Clearing Limited Partnership	(8,760)	(8,760)
Chipewyan Prairie Camp and Catering Corporation	23,468	23,468
Chipewyan Prairie Camp and Catering Limited Partnership	(125,764)	(125,764)
Chipewyan Prairie Oil Field Development Limited Partnership	(491,791)	(470,429)
Chipewyan Prairie Oil Field Development Corporation	16,885	16,885
Janvier Laundry Facility Ltd.	(100)	-
Chipewyan Prairie Ventures Inc.	11,885	11,885
1027511 Alberta Ltd.	1,220,637	35,000
Chipewyan Prairie Ventures Limited Partnership	(1,888,469)	(1,888,469)
Janvier Land Site Services Limited Partnership	(138,416)	-
Janvier Aboriginal Industrial Services Corporation	4,900	4,900
Janvier Pipeline Service Limited Partnership	(509,695)	(507,196)
Prairie Dene Development Corporation	(78,750)	-
Chipewyan Prairie Real Estate Development Corporation	(50)	(100)
218 Trading Post Ltd.	(50)	(100)
TDN Contracting Ltd.	200,000	200,000
	<b>\$ (1,769,681)</b>	<b>\$ (2,714,291)</b>

# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 14. Long-term debt

	2016	2015
Peace Hills Trust mortgage payable in monthly payments of \$370, including interest at 3.95%, matures in July 2017.	\$ 40,649	\$ 43,443
Peace Hills Trust mortgage payable in monthly payments of \$882 with interest at 3.95%, matures in July 2018.	22,852	32,368
Canada Mortgage and Housing Corporation mortgage payable in monthly payments of \$3,645 with interest at 2.11%, matures in December 2038.	722,199	750,403
Canada Mortgage and Housing Corporation mortgage payable in monthly payments of \$3,456 with interest at 1.62%, matures in January 2038.	446,448	480,394
Canada Mortgage and Housing Corporation mortgage payable in monthly payments of \$1,116 with interest at 1.71%, matures in July 2032.	190,787	200,826
Canada Mortgage and Housing Corporation mortgage payable in monthly payments of \$3,520 with interest at 1.71%, matures in August 2027.	437,867	472,303
Canada Mortgage and Housing Corporation mortgage payable in monthly payments of \$1,264 with interest at 1.83%, matures in December 2034.	240,838	251,506
Bank of Montreal loan, due on demand with monthly payments of \$5,035 with interest at prime plus 1.5% per month, matures in November 2023.	360,308	449,770
Canada Mortgage and Housing Corporation mortgage payable in monthly payments of \$1,282 with interest at 1.01%, matures in March 2035.	265,940	277,008
Canada Mortgage and Housing Corporation mortgage payable in monthly payments of \$4,374 with interest of 2.11%, matures in December 2038.	860,198	894,177
	<hr/> <b>\$ 3,588,086</b>	<hr/> <b>\$ 3,852,198</b>

All housing loans are secured by a redirection of Indigenous and Northern Affairs Canada funds and Ministerial guarantees.

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**Chipewyan Prairie First Nation****Notes to Consolidated Financial Statements**

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**March 31, 2016**

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**14. Long-term debt, continued**

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

2017	\$ 539,751
2018	182,976
2019	178,612
2020	179,164
2021 and thereafter	2,507,583
	<hr/>
	\$ 3,588,086

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# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 15. Tangible Capital Assets

	Cost			Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2016 net book value
Land	\$ 9,000	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000
Buildings	19,932,883	713,687	(139,863)	20,506,707	5,333,333	724,334	6,057,667	14,449,040
Automotive equipment	1,422,752	177,416	-	1,600,168	986,792	26,233	1,013,025	587,143
Computer equipment	27,537	-	-	27,537	27,537	-	27,537	-
Office equipment	273,582	6,517	-	280,099	198,481	15,672	214,153	65,946
Equipment	982,593	15,000	-	997,593	463,018	131,769	594,787	402,806
Infrastructure	4,546,935	13,292	-	4,560,227	1,901,991	132,579	2,034,570	2,525,657
Emergency trailers	111,398	-	-	111,398	27,157	4,212	31,369	80,029
Buildings - Park and Playground	2,332,372	109,010	-	2,441,382	-	-	-	2,441,382
	\$ 29,639,052	\$ 1,034,922	\$ (139,863)	\$ 30,534,111	\$ 8,938,309	\$ 1,034,799	\$ 9,973,108	\$ 20,561,003

	Cost			Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2015 Net book value
Land	\$ 9,000	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000
Buildings	19,213,736	719,147	-	19,932,883	4,638,672	694,661	5,333,333	14,599,550
Automotive equipment	1,353,752	69,000	-	1,422,752	965,662	21,130	986,792	435,960
Computer equipment	27,537	-	-	27,537	27,537	-	27,537	-
Office equipment	273,582	-	-	273,582	179,706	18,775	198,481	75,101
Equipment	758,956	223,637	-	982,593	327,098	135,920	463,018	519,575
Infrastructure	4,546,935	-	-	4,546,935	1,762,783	139,208	1,901,991	2,644,944
Emergency trailers	111,398	-	-	111,398	22,723	4,434	27,157	84,241
Buildings - Park and Playground	1,596,298	736,074	-	2,332,372	-	-	-	2,332,372
	\$ 27,891,194	\$ 1,747,858	\$ -	\$ 29,639,052	\$ 7,924,181	\$ 1,014,128	\$ 8,938,309	\$ 20,700,743

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## Chipewyan Prairie First Nation

### Notes to Consolidated Financial Statements

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**March 31, 2016**

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#### **16. Accumulated surplus**

	<b>2016</b>	<b>2015</b>
Unrestricted operating deficit	\$ (876,494)	\$ (2,954,231)
Equity in Tangible Capital Assets	16,972,918	16,848,549
Equity in Ottawa Trust Fund	281,587	260,517
Equity in Enterprise Fund	12,287,258	9,632,484
Equity in CMHC Replacement Reserve	274,971	231,801
Equity in Land Claims Settlement Trust Fund	6,332,149	6,277,677
<u>Equity in Business Trust Fund</u>	<u>16,843,589</u>	<u>18,378,166</u>
	<b>\$ 52,115,978</b>	<b>\$ 48,674,963</b>

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#### **17. Contingent Liabilities**

Chipewyan Prairie First Nation has been named as defendant in various legal proceedings. The Chipewyan Prairie First Nation is actively defending all lawsuits. As of March 31, 2016, it was not possible to determine the outcomes of these actions and no provision for possible loss has been included in these financial statements.

Government contributions related to the projects of the First Nation are subject to conditions regarding the expenditure of funds. The Nation's accounting records are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 18. Expenditures by object

For the year ended March 31	2016 Budget	2016 Actual	2015 Actual
<b>Expenses by object</b>			
Administration fees	\$ 94,000	\$ 100,564	\$ 99,346
Advertising	-	15,367	37,031
Allowances - HRD	-	61,654	51,070
Amortization	-	1,034,800	1,014,125
Bad debts	-	15,483	98,950
Economic Development	-	-	9,589
Courses	156,000	161,959	77,972
Distribution to members	-	(50,221)	2,147,000
Insurance	175,000	161,486	132,151
Interest and bank charges	-	8,660	13,560
Interest on loans	150,000	84,275	77,034
Loss on disposal of assets	-	92,963	-
Materials and supplies	2,082,200	913,257	979,452
Meetings and travel	2,594,165	1,505,816	1,807,489
Office	125,000	81,129	121,873
Professional fees	525,000	439,493	194,483
Rent	36,860	65,377	79,114
Repairs and maintenance	-	80,384	60,829
Social Assistance	-	-	2,250
Utilities and telephone	513,450	498,747	577,869
Vehicle	190,000	169,264	216,294
Wages and subcontractors	4,224,685	5,842,086	6,455,222
	<b>\$ 10,866,360</b>	<b>\$ 11,282,543</b>	<b>\$ 14,252,703</b>

### 19. CMHC Replacement Reserve

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Nation is required to provide a replacement reserve. This reserve is to ensure replacement of buildings financed by Canada Mortgage and Housing Corporation. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. At March 31, 2016 the reserve is under funded by \$274,971 (2015 - \$231,801).

### 20. Prior period adjustment

During the year management determined that the contributions previously made by the Nation to Prairie Dene Development Corporation were incorrectly recorded as deferred contributions related to capital assets rather than contributed surplus in Prairie Dene Development Corporation. As a result, opening accumulated surplus as at April 1, 2014 has been increased by \$7,860,416 and investments in First nation Controlled Entities has been increased by \$7,860,416. There was no effect on excess of revenue over expenses or cash flows.

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## **Chipewyan Prairie First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2016**

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#### **21. Budget Information**

The budget information for the year ended March 31, 2016 is unaudited, prepared by management and has been approved by the Chief and Council.

#### **22. Economic Dependence**

Chipewyan Prairie First Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous and Northern Affairs Canada and First Nation Inuit Health.

#### **23. Comparative Amounts**

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current year.

# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 24. Segmented information

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. The segment revenues and expenses represent 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 Accounts Policies as described in Note 1. The segment results for the year are as follows:

	Amortization		Band government		Capital projects and housing			2016 Budget	2016 Actual	2015 Actual
	2016 Budget	2016 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual			
<b>Revenues</b>										
Indigenous and Northern Affairs Canada	-	-	-	376,745	381,310	372,850	364,331	483,900	181,400	
CMHC subsidies	-	-	-	-	-	-	46,900	239,088	240,095	
Chipewyan Prairie Business Trust	-	-	-	5,000,000	3,656,350	9,628,083	-	-	-	
Social priorities - IRC	-	-	-	2,835,234	3,691,237	586,400	-	-	-	
Transfers from (to) administration	-	-	-	(6,626,299)	(5,266,304)	(7,551,657)	3,101,694	2,666,421	3,572,385	
Other revenue	-	-	-	-	822,524	353,620	-	-	-	
<b>Total revenue</b>	-	-	-	1,585,680	3,285,117	3,389,296	3,512,925	3,389,409	3,993,880	
<b>Expenses</b>										
Amortization	-	1,034,800	1,014,125	-	-	-	-	-	-	
Distribution to members	-	-	-	-	(50,221)	2,147,000	-	-	-	
Materials and supplies	-	-	-	125,000	73,500	52,669	1,662,200	548,599	600,564	
Meetings and travel	-	-	-	500,800	431,187	521,166	200,000	172,448	382,158	
Wages and subcontractors	-	-	-	259,880	878,743	827,305	1,185,725	1,173,642	1,772,258	
Other expenses	-	-	-	700,000	644,096	661,095	465,000	514,231	251,173	
<b>Total expenses</b>	-	1,034,800	1,014,125	1,585,680	1,977,305	4,209,235	3,512,925	2,408,920	3,006,153	
<b>Annual surplus (deficit)</b>	-	(1,034,800)	(1,014,125)	-	1,307,812	(819,939)	-	980,489	987,727	

# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 24. Segmented information, continued

	Economic development			Education		Employment programs			
	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
<b>Revenues</b>									
Indigenous and Northern Affairs Canada	60,857	1,027,956	212,587	236,761	272,884	253,857	-	-	-
Transfers from (to) administration	1,885,258	1,536,754	1,837,342	200,954	318,446	172,929	88,350	-	-
Other revenue	41,000	200,789	240,463	-	12,000	68,738	116,700	116,338	116,338
<b>Total revenue</b>	<b>1,987,115</b>	<b>2,765,499</b>	<b>2,290,392</b>	<b>437,715</b>	<b>603,330</b>	<b>495,524</b>	<b>205,050</b>	<b>116,338</b>	<b>116,338</b>
<b>Expenses</b>									
Materials and supplies	150,000	145,542	143,199	25,000	26,968	12,496	-	10,722	3,333
Meetings and travel	585,715	440,784	346,686	125,000	106,457	102,603	-	6,517	9,714
Wages and subcontractors	876,400	1,857,887	1,399,367	265,855	416,341	327,620	49,050	41,840	49,099
Other expenses	375,000	321,286	376,640	21,860	53,564	52,805	156,000	230,041	151,705
<b>Total expenses</b>	<b>1,987,115</b>	<b>2,765,499</b>	<b>2,265,892</b>	<b>437,715</b>	<b>603,330</b>	<b>495,524</b>	<b>205,050</b>	<b>289,120</b>	<b>213,851</b>
<b>Annual surplus (deficit)</b>	<b>-</b>	<b>-</b>	<b>24,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(172,782)</b>	<b>(97,513)</b>

# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 24. Segmented information, continued

	Health			Other		Public works			
	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
<b>Revenues</b>									
Indigenous and Northern Affairs	-	-	-	-	-	-	291,464	563,826	448,003
Canada									
Band funds	-	-	-	-	21,070	22,291	-	-	-
First Nation Inuit Health	957,518	1,050,419	865,841	-	-	-	-	-	-
First Nation Development Funds	-	-	-	500,000	509,460	519,692	-	-	-
Chipewyan Prairie Business Trust	-	-	-	-	(1,698,335)	(90,470)	-	-	-
Transfers from (to) administration	89,802	31,592	248,916	-	-	-	1,260,241	713,091	1,720,085
Other revenue	1,000	-	13,501	-	3,364,286	1,037,724	12,000	8,456	12,000
<b>Total revenue</b>	<b>1,048,320</b>	<b>1,082,011</b>	<b>1,128,258</b>	<b>500,000</b>	<b>2,196,481</b>	<b>1,489,237</b>	<b>1,563,705</b>	<b>1,285,373</b>	<b>2,180,088</b>
<b>Expenses</b>									
Materials and supplies	70,000	72,618	55,518	-	-	-	50,000	35,307	111,672
Meetings and travel	139,445	139,374	125,794	500,000	8,304	667	543,205	200,743	318,702
Wages and subcontractors	714,875	701,909	734,131	-	-	-	850,500	767,200	1,337,907
Other expenses	124,000	155,741	137,444	-	-	775	120,000	122,373	212,669
<b>Total expenses</b>	<b>1,048,320</b>	<b>1,069,642</b>	<b>1,052,887</b>	<b>500,000</b>	<b>8,304</b>	<b>1,442</b>	<b>1,563,705</b>	<b>1,125,623</b>	<b>1,980,950</b>
<b>Annual surplus (deficit)</b>	<b>-</b>	<b>12,369</b>	<b>75,371</b>	<b>-</b>	<b>2,188,177</b>	<b>1,487,795</b>	<b>-</b>	<b>159,750</b>	<b>199,138</b>

# Chipewyan Prairie First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 24. Segmented information, continued

	Social services			Consolidated totals		
	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
<b>Revenues</b>						
Indigenous and Northern Affairs Canada	-	-	(74,557)	1,330,158	2,729,876	1,394,140
Band Funds	-	-	-	-	21,070	22,291
First Nation Inuit Health	-	-	-	957,518	1,050,419	865,841
CMHC subsidies	-	-	-	46,900	239,088	240,095
First Nation Development Funds	-	-	-	500,000	509,460	519,692
Chipewyan Prairie Business Trust	-	-	-	5,000,000	1,958,015	9,537,613
Social priorities - IRC	-	-	-	2,835,234	3,691,237	586,400
Other revenue	25,850	-	4,200	196,550	4,524,393	1,846,584
<b>Total revenue</b>	<b>25,850</b>	<b>-</b>	<b>(70,357)</b>	<b>10,866,360</b>	<b>14,723,558</b>	<b>15,012,656</b>
<b>Expenses</b>						
Amortization	-	-	-	-	1,034,800	1,014,125
Distribution to members	-	-	-	-	(50,221)	2,147,000
Materials and supplies	-	-	-	2,082,200	913,256	979,451
Meetings and travel	-	-	-	2,594,165	1,505,814	1,807,490
Social Assistance	-	-	2,250	-	-	2,250
Wages and subcontractors	22,400	-	6,889	4,224,685	5,837,562	6,454,576
Other expenses	3,450	-	3,505	1,965,310	2,041,332	1,847,811
<b>Total expenses</b>	<b>25,850</b>	<b>-</b>	<b>12,644</b>	<b>10,866,360</b>	<b>11,282,543</b>	<b>14,252,703</b>
<b>Annual surplus (deficit)</b>	<b>-</b>	<b>-</b>	<b>(83,001)</b>	<b>-</b>	<b>3,441,015</b>	<b>759,953</b>