

# **Ahtakakoop Cree Nation**

Financial Statements

**March 31, 2017**



September 25, 2017

## **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, 2017 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.

---

*PricewaterhouseCoopers LLP  
128 4th Avenue South, Suite 600, Saskatoon, Saskatchewan, Canada S7K 1M8  
T: +1 306 668 5900, F: +1 306 652 1315*



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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ahtahkakoop Cree Nation as at March 31, 2017 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 Chartered Professional Accountants of Canada 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

# Ahtahkakoop Cree Nation

## Statement of Financial Position

As at March 31, 2017

	2017 \$	2016 \$
<b>Financial assets</b>		
Accounts receivable (note 2)	1,840,732	574,472
Restricted assets (note 3)	1,413,445	4,367,349
Trust funds held by federal government (note 4)	67,148	10,298
Investment in government business enterprise (note 5)	1,551,254	1,373,012
	<u>4,872,579</u>	<u>6,325,131</u>
<b>Liabilities</b>		
Bank indebtedness (note 6)	1,567,795	1,199,254
Accounts payable and accrued liabilities (note 7)	1,722,038	1,149,967
Long-term debt (note 8)	16,607,699	16,786,639
Deferred revenue (note 9)	780,990	2,582,697
	<u>20,678,522</u>	<u>21,718,557</u>
<b>Net debt</b>	<u>(15,805,943)</u>	<u>(15,393,426)</u>
<b>Non-financial assets</b>		
Prepaid expenses	12,300	56,318
Tangible capital assets (note 10)	35,310,707	32,238,367
	<u>35,323,007</u>	<u>32,294,685</u>
<b>Accumulated surplus</b>	<u>19,517,064</u>	<u>16,901,259</u>
<b>Contingencies</b> (note 12)		

### Approved by the Chief and Council

\_\_\_\_\_ Chief \_\_\_\_\_ Councillor

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

# Ahtahkakoop Cree Nation

## Statement of Operations

For the year ended March 31, 2017

	Budget \$ (note 14)	2017 \$	2016 \$
<b>Revenue</b>			
Indigenous and Northern Affairs Canada (INAC) (note 11)			
Fixed contributions	6,670,000	6,670,409	5,948,875
Flexible contributions	1,140,000	1,138,135	1,521,744
Grant funding	600,753	600,753	525,301
Set contributions	560,000	559,601	607,072
Health Canada (note 11)	3,780,000	5,833,214	2,852,803
First Nations Trust	1,110,000	1,111,698	1,187,451
Canada Mortgage and Housing Corporation subsidiaries (CMHC) (note 11)	990,000	997,401	652,859
Bingo	307,000	938,706	1,211,348
Social housing rent	705,000	504,523	437,628
CMHC SIF retrofit (note 11)	313,000	383,605	-
Saskatchewan Indian Institute of Technology (SIIT)/SITAG	333,000	348,146	390,714
Battleford Agency Tribal Chiefs Inc. (BATC)	315,000	315,506	278,535
BATC Community Development Corporation	253,879	258,575	259,622
CMHC RRAP (note 11)	213,675	249,766	175,044
Government of Saskatchewan (note 11)	33,760	233,828	92,471
Other revenue	808,000	227,624	221,634
Income from investment in government business enterprise (note 5)	-	223,242	68,825
Revenue from trust funds held by federal government	102,000	110,742	105,318
User fees	103,900	103,048	80,594
Battle River Treaty 6 Health Centre Inc.	93,000	89,357	89,357
Insurance proceeds	-	61,785	59,568
GST	50,500	39,487	66,844
Government of Canada (note 11)	54,092	24,279	38,282
Saskatchewan Lotteries	-	16,761	16,376
CMHC enhanced assistance (note 11)	-	1,348	383,831
	<u>18,536,559</u>	<u>21,041,539</u>	<u>17,272,096</u>
<b>Expenses</b>			
Salaries, contracts and benefits	8,777,327	7,383,203	7,326,581
Amortization	2,000,000	2,396,040	2,103,762
Repairs and maintenance	1,199,066	1,755,600	1,276,941
Supplies	1,338,204	1,054,491	839,877
Travel and honorarium	689,984	918,112	754,181
Post-secondary	954,796	880,276	994,099
Bingo	-	703,712	900,985
Sports and recreation	300,000	442,317	275,142
Bank charges and interest	423,436	356,642	394,572
Utilities	264,364	317,984	349,723

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

**Ahtahkakoop Cree Nation**  
Statement of Operations ...continued  
For the year ended March 31, 2017

---

	<b>Budget</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Community events	260,000	268,672	230,647
Designated projects	707,439	258,016	224,668
Emergency assistance	150,000	238,415	239,388
Insurance	204,151	233,418	213,975
Professional fees	204,984	193,850	276,905
Community programs	150,000	149,190	201,907
Professional development/training	193,173	146,352	112,826
Consolidated revenue fund (CRF)	192,992	123,741	146,652
Elders	75,417	103,521	47,153
Waste management fees	105,000	102,900	
Leases	119,733	99,280	86,638
Telephone	90,000	92,905	104,721
Funeral	54,275	92,139	99,975
Programming and extracurricular	30,000	56,021	36,674
Nutrition program	12,618	34,628	34,062
Donations	15,000	20,434	16,595
Postage	4,600	3,875	6,993
Election costs	20,000	-	27,387
Prevention and promotion	-	-	3,340
Treaty day	-	-	20,291
	<hr/>	<hr/>	<hr/>
	18,536,559	18,425,734	17,346,660
<b>Annual surplus (deficit)</b>	-	2,615,805	(74,564)
<b>Accumulated surplus – Beginning of year</b>	16,901,259	16,901,259	16,975,823
<b>Accumulated surplus – End of year</b>	16,901,259	19,517,064	16,901,259

**Segment disclosure** (note 15)

# Ahtahkakoop Cree Nation

## Statement of Changes in Net Debt

For the year ended March 31, 2017

---

	Budget \$ (note 14)	2017 \$	2016 \$
<b>Annual surplus (deficit)</b>	-	2,615,805	(74,564)
Acquisition of tangible capital assets	(5,000,000)	(5,489,400)	(5,292,797)
Amortization of tangible capital assets	2,000,000	2,396,040	2,103,762
	<u>(3,000,000)</u>	<u>(477,555)</u>	<u>(3,263,599)</u>
Gain on sale of tangible assets	-	(61,785)	-
Disposal of inventories held for use	-	-	4,176
Proceeds from disposition of capital assets	-	82,805	-
Decrease in prepaid expenses	-	44,018	53,555
	<u>-</u>	<u>65,038</u>	<u>57,731</u>
<b>Increase in net debt</b>	(3,000,000)	(412,517)	(3,205,868)
<b>Net debt – Beginning of year</b>	<u>(15,393,426)</u>	<u>(15,393,426)</u>	<u>(12,187,558)</u>
<b>Net debt – End of year</b>	<u>(18,393,426)</u>	<u>(15,805,943)</u>	<u>(15,393,426)</u>

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



# Ahtakakoop Cree Nation

## Statement of Cash Flows

For the year ended March 31, 2017

---

	2017 \$	2016 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	2,615,805	(74,564)
Items not affecting cash		
Amortization of tangible capital assets	2,396,040	2,103,762
Gain on disposal of tangible capital assets	(61,785)	-
Income from investment in government business enterprise	(223,242)	(68,825)
	<u>4,726,818</u>	<u>1,960,373</u>
Net change in non-cash working capital items (note 13)	(2,451,878)	2,879,829
	<u>2,274,940</u>	<u>4,840,202</u>
<b>Financing activities</b>		
Proceeds from long-term debt	916,777	4,184,973
Repayment of long-term debt	(1,095,717)	(1,278,111)
	<u>(178,940)</u>	<u>2,906,862</u>
<b>Capital activities</b>		
Purchase of tangible capital assets	(5,489,400)	(5,292,797)
Proceeds from disposition of tangible capital assets	82,805	-
	<u>(5,406,595)</u>	<u>(5,292,797)</u>
<b>Investing activities</b>		
Distributions from government business enterprise	45,000	-
Net change in trust funds held by federal government	(56,850)	25,206
Net change in restricted assets	2,953,904	(2,974,812)
	<u>2,942,054</u>	<u>(2,949,606)</u>
<b>Net change in cash</b>	(368,541)	(495,339)
<b>Bank indebtedness – Beginning of year</b>	(1,199,254)	(703,915)
<b>Bank indebtedness – End of year</b>	<u>(1,567,795)</u>	<u>(1,199,254)</u>
<b>Supplementary cash flow information</b>		
Interest received in year	3,906	9,575
Interest paid in year	351,835	329,390

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

# Ahtahkakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

---

### 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, 2017

---

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) 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.

### **g) 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, 2017

---

### 2 Accounts receivable

	2017	2016
	\$	\$
Canada Mortgage and Housing Corporation (CMHC)	935,951	46,146
Battlefords Agency Tribal Chiefs Inc. (BATC)	391,832	218,301
First Nations and Inuit Health Branch (FNIHB)	248,656	-
Indigenous and Northern Affairs Canada	84,518	-
Saskatchewan Indian Institute of Technology (SIIT)/SITAG	78,664	53,125
Other	65,872	51,266
Battle River	22,339	60,153
Government of Saskatchewan	12,900	32,140
Treaty 6 Education Council	-	61,574
Hub International	-	30,414
Government of Canada	-	21,353
	<hr/>	<hr/>
	1,840,732	574,472

### 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, 2017

---

Restricted assets are comprised of the following:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Health centre project – cash	523,289	2,290,030
Fire hall project – cash	114,972	817,044
Water treatment plant upgrade project – cash	20,968	-
New school feasibility project – cash	15,217	-
CMHC replacement reserve		
Cash	5,332	528,922
Guaranteed investment certificates	733,667	731,353
	<hr/>	<hr/>
	1,413,445	4,367,349
	<hr/>	<hr/>

The guaranteed investment certificates consist of the following:

	<b>2017</b>
	<b>\$</b>
Guaranteed investment certificate earning interest at 0.9%, issue date of January 6, 2017, and maturity date of January 6, 2018	150,000
Guaranteed investment certificate earning interest at 1.05%, issue date of January 4, 2016, and maturity date of January 4, 2019	350,000
Guaranteed investment certificate earning interest at 1.0%, issue date of October 12, 2015, and maturity date of October 12, 2017	<hr/>
	233,667
	<hr/>
	733,667
	<hr/>

# Ahtahkakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

---

### 4 Trust funds held by federal government

				<b>2017</b>
	<b>Balance - Beginning of year \$</b>	<b>Additions \$</b>	<b>Withdrawals \$</b>	<b>Balance - End of Year \$</b>
Revenue	794	109,945	(53,095)	57,644
Capital	9,504	-	-	9,504
	<u>10,298</u>	<u>109,945</u>	<u>(53,095)</u>	<u>67,148</u>
				<b>2016</b>
	<b>Balance - Beginning of year \$</b>	<b>Additions \$</b>	<b>Withdrawals \$</b>	<b>Balance - End of Year \$</b>
Revenue	26,000	105,318	(130,524)	794
Capital	9,504	-	-	9,504
	<u>35,504</u>	<u>105,318</u>	<u>(130,524)</u>	<u>10,298</u>

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 \$1,592 (2016 – \$1,765) of government interest and \$108,353 (2016 – \$103,553) of other income.

# Ahtahkakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

---

### 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:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	110,639	112,121
Accounts receivable	293,267	170,106
Inventory	230,310	225,479
Tangible capital assets	851,638	909,075
Prepaid expenses	5,876	500
Investments	109,023	65,168
Other receivable	27,817	-
	<hr/>	<hr/>
	1,628,570	1,482,449
	<hr/>	<hr/>
Accounts payable and accrued liabilities	77,218	109,373
	<hr/>	<hr/>
Equity	1,551,352	1,373,076
	<hr/>	<hr/>
	1,628,570	1,482,449
	<hr/>	<hr/>
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Revenue	5,857,869	5,699,211
Expenses	5,634,593	5,630,375
	<hr/>	<hr/>
Net income	223,276	68,836
	<hr/>	<hr/>

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, 2017, 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, 2017

---

ACDLP made \$241,242 (2016 - \$352,338) of sales to the Cree Nation. Included in accounts receivable is an amount owing from the Cree Nation of \$133,539 (2016 - \$48,707) (which is also included in Note 7 as a payable to ACDLP).

### 6 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.

### 7 Accounts payable and accrued liabilities

	2017 \$	2016 \$
Trade payables	857,399	354,414
Capital project holdbacks	484,722	538,396
Amount owing to ACDLP	133,539	48,707
Accrued payroll	124,656	111,617
Accrued interest	78,548	75,380
Other accrued liabilities	43,174	14,006
Repayable to SITAG	-	7,447
	<hr/>	<hr/>
	1,722,038	1,149,967

### 8 Long-term debt

Long-term debt consists of the following:

	2017 \$	2016 \$
Operating loans	2,269,229	2,635,539
Non-CMHC capital loans	1,389,546	1,562,616
CMHC Housing mortgages	12,948,924	9,749,470
	<hr/>	<hr/>
CMHC Phase 18 & 19 advances	16,607,699	13,947,625
	-	2,839,014
	<hr/>	<hr/>
	16,607,699	16,786,639



# Ahtakakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

---

	2017 \$	2016 \$
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	88,381	134,627
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	154,363	172,970
CMHC Phase 3 – Mortgage bearing interest at 1.14%, repayable in monthly blended principal and interest instalments of \$2,767, due for renewal June 1, 2021, maturity date of February 1, 2026; government guarantee pledged as security	281,454	310,732
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	252,510	274,682
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	160,655	174,011
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	234,391	251,615
CMHC Phase 7 – Mortgage bearing interest at 1.37%, repayable in monthly blended principal and interest instalments of \$2,441, due for renewal July 1, 2020, maturity date of May 1, 2025; government guarantee pledged as security	226,251	252,268
CMHC Phase 8 – Mortgage bearing interest at 0.96%, repayable in monthly blended principal and interest instalments of \$6,492, due for renewal September 1, 2021, maturity date of July 1, 2031; government guarantee pledged as security	1,042,903	1,107,157
CMHC Phase 9 – Mortgage bearing interest at 1.43%, repayable in monthly blended principal and interest instalments of \$2,276, due for renewal April 1, 2022, maturity date of March 1, 2027; government guarantee pledged as security	254,392	277,591
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	1,042,165	1,099,168
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	666,936	699,511
CMHC Phase 12 – Mortgage bearing interest at 1.37%, repayable in monthly blended principal and interest instalments of \$2,298, due for renewal July 1, 2020, maturity date of May 1, 2030; government guarantee pledged as security	332,173	355,056

# Ahtakakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

---

	2017 \$	2016 \$
CMHC Phase 13 – Mortgage bearing interest at 1.3%, repayable in monthly blended principal and interest instalments of \$2,156, due for renewal December 1, 2020, maturity date of December 1, 2035; government guarantee pledged as security	430,330	450,489
CMHC Phase 14 – Mortgage bearing interest at 0.96%, repayable in monthly blended principal and interest instalments of \$3,261, due for renewal September 1, 2021, maturity date of August 1, 2036; government guarantee pledged as security	611,319	638,557
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	986,447	1,034,856
CMHC Phase 16 – Mortgage bearing interest at 1.23%, repayable in monthly blended principal and interest instalments of \$8,367, due for renewal May 1, 2020, maturity date May 1, 2030; government guarantee pledged as security	1,220,193	1,305,097
CMHC Phase 17 – Mortgage bearing interest at 0.94%, repayable in monthly blended principal and interest instalments of \$7,447, due for renewal September 1, 2020, maturity date of September 1, 2030; government guarantee pledged as security	1,132,719	1,211,083
CMHC Phase 18 – Mortgage bearing interest at 1.05%, repayable in monthly blended principal and interest instalments of \$11,440, due for renewal August 1, 2021, maturity date of August 1, 2031; government guarantee pledged as security	1,995,322	-
CMHC Phase 19 – Mortgage bearing interest at 1.05%, repayable in monthly blended principal and interest instalments of \$12,432, due for renewal August 1, 2021, maturity date of August 1, 2031; government guarantee pledged as security	1,836,020	-
Band hall – Term loan bearing interest at 4.6%, repayable in monthly blended principal and interest instalments of \$8,049, due February 3, 2019, Band Council Resolution pledged as security	154,027	241,321
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, 2018, Band Council Resolution pledged as security	1,684,253	1,868,416
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, 2018, Band Council Resolution pledged as security	584,974	767,123
Housing – Term loan bearing interest at prime plus 1.85%, repayable in annual principal instalments of \$100,079, due July 12, 2016, Band Council Resolution pledged as security	-	89,767
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	-	659
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	-	587
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	28,872	62,496

# Ahtahkakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

	2017 \$	2016 \$
Treaty Land Entitlement – Non-interest bearing loan, repayable in instalments of \$57,450 due March 15, 2017 and \$597,182 due March 31, 2018; Band Council Resolution pledged as security	654,632	570,114
Health vehicles – Term loan bearing interest at prime plus 2.5%, repayable in monthly blended principal and interest instalments of \$1,480, due October 10, 2017; Band Council Resolution pledged as security	9,756	26,528
Vehicle – Demand loan bearing interest at 6.99%, repayable in monthly blended principal and interest instalments of \$583, due April 8, 2017; Band Council Resolution pledged as security	589	7,286
Construction loan – Term loan bearing interest at prime plus 1.85%, monthly repayments consisting of interest only until July 31, 2016. Subsequently quarterly repayments of \$15,847; Band Council Resolution pledged as security	465,243	446,405
Recreation van – Term loan bearing interest at prime plus 2.5%, repayable in monthly principal plus interest amounts of \$502 plus interest, due March 28, 2021; Band Council Resolution pledged as security	24,080	30,100
Water truck – Term loan bearing interest at prime plus 2.55%, repayable in monthly principal plus interest payments of \$2,917 plus interest, due September 15, 2019; Band Council Resolution pledged as security	52,349	87,353
	<u>16,607,699</u>	<u>13,947,625</u>

Assuming renewal of the long-term debt for similar terms as those that exist at March 31, 2017 principal repayments over the next five years and thereafter are estimated to be as follows:

	\$
2018	1,465,740
2019	1,949,477
2020	1,260,391
2021	1,289,170
2022	1,151,034
Thereafter	<u>9,491,887</u>
	<u>16,607,699</u>

	2017 \$	2016 \$
Interest expense for the year on long-term debt	<u>337,746</u>	<u>294,366</u>

# Ahtahkakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

### 9 Deferred revenue

	<b>2017</b>			
	<b>Balance - Beginning of year \$</b>	<b>Funding received \$</b>	<b>Revenue recognized \$</b>	<b>Balance - End of year \$</b>
Indigenous and Northern Affairs Canada				
Fire hall and truck project	169,630	82,441	(252,071)	-
Water treatment plant upgrade project	-	60,000	(8,853)	51,147
New school feasibility project	-	80,000	(44,572)	35,428
Health Canada				
Health centre project	2,008,703	1,298,000	(3,197,568)	109,135
CMHC Enhanced Assistance	31,169	-	(1,348)	29,821
CMHC RRAP Advances	373,195	440,029	(257,765)	555,459
	<b>2,582,697</b>	<b>1,960,470</b>	<b>(3,762,177)</b>	<b>780,990</b>

	<b>2016</b>			
	<b>Balance - Beginning of year \$</b>	<b>Funding received \$</b>	<b>Revenue recognized \$</b>	<b>Balance - End of year \$</b>
Indigenous and Northern Affairs Canada				
School addition project	-	1,003,145	(833,515)	169,630
Fire hall and truck project	-	-	-	-
Health Canada	-	2,573,775	(565,072)	2,008,703
Health centre project	-	415,000	(383,831)	31,169
CMHC RRAP Advances	302,574	245,665	(175,044)	373,195
	<b>302,574</b>	<b>4,237,585</b>	<b>(1,957,462)</b>	<b>2,582,697</b>

# Ahtakakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

### 10 Tangible capital assets

						2017	2016
	Infrastructure	Roads	Buildings	Housing	Equipment	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Opening costs	2,084,102	6,855,702	13,679,405	30,197,562	3,566,344	56,383,115	51,090,318
Additions	-	-	4,119,901	1,017,694	352,815	5,490,410	5,292,797
Disposals	-	-	-	(220,335)	-	(220,335)	-
Closing costs	2,084,102	6,855,702	17,799,306	30,994,921	3,919,159	61,653,190	56,383,115
Accumulated amortization							
Opening accumulated amortization	1,011,070	2,868,875	1,902,267	15,306,418	3,056,118	24,144,748	22,040,986
Disposals	-	-	-	(198,305)	-	(198,305)	-
Amortization expense	104,516	171,402	434,582	1,325,819	359,721	2,396,040	2,103,762
Closing accumulated amortization	1,115,586	3,040,277	2,336,849	16,433,932	3,415,839	26,342,483	24,144,748
Net book value	968,516	3,815,425	15,462,457	14,560,989	503,320	35,310,707	32,238,367
Opening balance	1,073,032	3,986,827	11,777,138	14,891,144	510,226	32,238,367	29,049,332
Closing balance	968,516	3,815,425	15,462,457	14,560,989	503,320	35,310,707	32,238,367
Increase (decrease) in net value	(104,516)	(171,402)	(3,685,319)	(330,155)	(6,906)	(3,072,340)	(3,189,035)

Building additions include construction in progress activity related to the health centre project (\$3,197,568), new school feasibility project (\$44,572) and water treatment plant upgrades (\$8,853). No amortization was taken on any of these projects given that construction was in progress as at March 31, 2017 and none of the underlying assets were brought into use during the year then ended.

The phase 18 & 19 social housing projects were substantially completed and brought into use during the year ended March 31, 2017.

Cumulative construction in progress as of March 31 is comprised as follows:

	2017	2016
	\$	\$
Health centre project – Buildings	4,433,140	1,235,571
Fire hall project – Buildings	-	913,615
New school feasibility project	44,572	-
Water treatment plant upgrades	8,853	-
Arena upgrades	269,040	-
	<u>4,755,605</u>	<u>2,149,186</u>

# Ahtakakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

						2016	2015
	Infrastructure	Roads	Buildings	Housing	Equipment	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Opening costs	2,084,102	6,855,702	12,309,495	26,460,155	3,380,864	51,090,318	48,276,441
Additions	-	-	1,369,910	3,737,407	185,480	5,292,797	2,887,322
Disposals	-	-	-	-	-	-	(73,445)
Closing costs	2,084,102	6,855,702	13,679,405	30,197,562	3,566,344	56,383,115	51,090,318
Accumulated amortization							
Opening accumulated amortization	906,554	2,697,473	1,517,180	14,150,078	2,769,701	22,040,986	20,105,491
Disposals	-	-	-	-	-	-	(73,445)
Amortization expense	104,516	171,402	385,087	1,156,340	286,417	2,103,762	2,008,940
Closing accumulated amortization	1,011,070	2,868,875	1,902,267	15,306,418	3,056,118	24,144,748	22,040,986
Net book value	1,073,032	3,986,827	11,777,138	14,891,144	510,226	32,238,367	29,049,332
Opening balance	1,177,548	4,158,229	10,792,315	12,310,077	611,163	29,049,332	28,170,950
Closing balance	1,073,032	3,986,827	11,777,138	14,891,144	510,226	32,238,367	29,049,332
Increase (decrease) in net value	(104,516)	(171,402)	(984,823)	(2,581,067)	(100,937)	(3,189,035)	(878,382)

## 11 Government transfers

	2017	2016
	\$	\$
Federal government transfers		
Indigenous and Northern Affairs Canada (INAC)	9,083,589	8,772,622
Health Canada	2,635,646	2,287,731
Health Canada – health centre capital project	1,298,000	2,573,775
Canada Mortgage and Housing Corporation (CMHC)	997,401	652,859
CMHC RRAP	440,029	245,665
CMHC SIF Retrofit	383,605	-
Other Government of Canada departments	24,279	38,282
CMHC Enhanced Assistance	-	415,000
Current year deferred revenue	(561,848)	(2,406,034)
Prior year deferred revenue	2,157,810	125,911
	16,458,511	12,705,811
Provincial government transfers	233,828	92,471

# Ahtahkakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

---

### 12 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.

A legal claim was brought forward during the financial year against the Cree Nation related to the termination of an employee. No accrual has been made in respect of this claim as the outcome is not determinable and the amount of any potential liability cannot be reasonably estimated.

### 13 Net change in non-cash working capital items

	2017 \$	2016 \$
Accounts receivable	(1,266,260)	146,160
Inventory	-	4,176
Prepaid expenses	44,018	53,555
Accounts payable and accrued liabilities	572,071	395,815
Deferred revenue	(1,801,707)	2,280,123
	<u>(2,451,878)</u>	<u>2,879,829</u>

### 14 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.

### 15 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.

# Ahtahkakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

---

- 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 development – represents a variety of band owned activities and economic development initiatives, including the Bingo, CEDO programs and other programs.
- 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:



# Ahtakakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

	Education		Justice		Health	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>Revenues</b>						
Federal government transfers	5,315,943	4,782,060	24,279	38,282	5,833,214	2,287,731
Provincial government transfers	-	-	64,198	62,622	-	-
Income from investment in government business enterprise	-	-	-	-	-	-
First Nations Trust	-	-	-	-	-	-
Bingo	-	-	-	-	-	-
Social housing rent	-	-	-	-	-	-
Battleford Agency Tribal Chiefs Inc.	-	-	-	-	87,294	87,294
Saskatchewan Indian Institute of Technology/SITAG	348,146	390,714	-	-	-	-
BATC Community Development Corporation	-	-	-	-	-	-
Other	207,110	215,468	6,640	12,120	17,234	32,072
	<b>5,871,199</b>	<b>5,388,242</b>	<b>95,117</b>	<b>113,024</b>	<b>5,937,742</b>	<b>2,407,097</b>
<b>Expenses</b>						
Salaries, contracts and benefits	3,387,856	3,182,889	55,673	83,463	1,343,428	1,302,046
Amortization	-	-	-	-	-	-
Community events and programs	-	-	-	-	193,121	308,099
Designated projects	26,667	53	-	8,577	84,362	8,759
Post-secondary	866,626	979,999	-	-	-	-
Travel and honorarium	205,240	120,884	17,666	20,236	297,766	201,715
Telephones and utilities	17,420	21,901	2,079	1,334	31,864	26,780
Supplies	311,114	174,549	576	1,260	153,460	170,559
Bingo	-	-	-	-	-	-
Repairs and maintenance	27,541	32,588	-	-	31,969	39,400
Bank charges and interest	-	1,201	-	-	930	3,076
Rent	-	-	-	-	-	-
Sports and recreation	-	-	-	-	-	-
Other	372,476	332,527	6,866	21,464	90,995	59,589
	<b>5,214,940</b>	<b>4,846,591</b>	<b>82,860</b>	<b>136,334</b>	<b>2,227,895</b>	<b>2,120,023</b>
<b>Annual surplus (deficit)</b>	<b>656,259</b>	<b>541,651</b>	<b>12,257</b>	<b>(23,310)</b>	<b>3,709,847</b>	<b>287,074</b>

# Ahtakakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

	Social Development		Community Infrastructure		Band governance	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>Revenues</b>						
Federal government transfers	-	-	1,792,091	2,148,226	1,194,973	984,476
Provincial government transfers	-	-	169,630	29,022	-	827
Income from investment in government business enterprise	-	-	-	-	223,242	68,825
First Nations Trust	-	-	-	-	1,111,698	1,187,451
Bingo	-	-	-	-	-	-
Social housing rent	-	-	-	-	-	-
Battleford Agency Tribal Chiefs Inc.	-	-	114,085	52,717	-	25,385
Saskatchewan Indian Institute of Technology/SITAG	-	-	-	-	-	-
BATC Community Development Corporation	-	-	17,100	25,650	241,475	233,972
Other	-	-	97,347	58,890	193,429	246,193
	-	-	2,190,253	2,314,505	2,964,817	2,747,129
<b>Expenses</b>						
Salaries, contracts and benefits	-	-	836,637	792,991	1,478,896	1,476,517
Amortization	-	-	-	-	-	-
Community events and programs	-	-	-	-	224,741	124,455
Designated projects	-	-	55,771	158,006	65,291	23,967
Post-secondary	-	-	-	-	13,650	14,100
Travel and honorarium	-	-	34,065	38,213	281,694	288,919
Telephones and utilities	-	92	299,017	326,791	43,447	53,437
Supplies	-	-	391,641	331,515	61,792	51,135
Bingo	-	-	-	-	-	-
Repairs and maintenance	-	-	159,171	81,183	9,281	17,734
Bank charges and interest	-	-	29,584	7,277	59,929	112,541
Rent	-	-	-	-	-	-
Sports and recreation	-	-	-	-	133,021	123,118
Other	-	-	169,123	69,779	677,411	641,146
	-	92	1,975,009	1,805,755	3,049,153	2,927,069
<b>Annual surplus (deficit)</b>	-	( 92)	215,244	508,750	(84,336)	(179,940)

# Ahtakakoop Cree Nation

## Notes to Financial Statements

March 31, 2017

	Economic Development		Capital		Other Programs		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>Revenues</b>								
Federal government transfers	-	-	2,298,011	2,465,036	-	-	16,458,511	12,705,811
Provincial government transfers	-	-	-	-	-	-	233,828	92,471
Income from investment in government business enterprise	-	-	-	-	-	-	223,242	68,825
First Nations Trust	-	-	-	-	-	-	1,111,698	1,187,451
Bingo	938,706	1,211,348	-	-	-	-	938,706	1,211,348
Social housing rent	-	-	504,523	437,628	-	-	504,523	437,628
Battleford Agency Tribal Chiefs Inc.	114,127	113,139	-	-	-	-	315,506	278,535
Saskatchewan Indian Institute of Technology/SITAG	-	-	-	-	-	-	348,146	390,714
BATC Community Development Corporation	-	-	-	-	-	-	258,575	259,622
Other	33,626	5,700	76,657	52,872	16,761	16,376	648,804	639,691
	<u>1,086,459</u>	<u>1,330,187</u>	<u>2,879,191</u>	<u>2,955,536</u>	<u>16,761</u>	<u>16,376</u>	<u>21,041,539</u>	<u>17,272,096</u>
<b>Expenses</b>								
Salaries, contracts and benefits	134,968	219,556	108,973	223,145	36,772	45,974	7,383,203	7,326,581
Amortization	-	-	2,396,040	2,103,762	-	-	2,396,040	2,103,762
Community events and programs	-	-	-	-	-	-	417,862	432,554
Designated projects	21,999	39,647	-	(14,341)	3,927	-	258,016	224,668
Post-secondary	-	-	-	-	-	-	880,276	994,099
Travel and honorarium	6,182	9,405	41,519	54,383	33,980	20,426	918,112	754,181
Telephone and utilities	14,709	20,976	1,173	1,021	1,178	2,112	410,889	454,444
Supplies	123,112	123,345	12,416	(12,486)	379	-	1,054,491	839,877
Bingo	703,712	900,985	-	-	-	-	703,712	900,985
Repairs and maintenance	3,659	8,834	1,523,980	1,097,202	-	-	1,755,600	1,276,941
Bank charges and interest	1,474	1,665	264,726	268,812	-	-	356,642	394,572
Rent	-	-	-	-	-	-	-	-
Sports and recreation	-	-	-	-	309,296	152,024	442,317	275,142
Other	2,255	301	126,067	203,897	3,381	40,151	1,448,574	1,368,854
	<u>1,012,070</u>	<u>1,324,714</u>	<u>4,474,894</u>	<u>3,925,395</u>	<u>388,913</u>	<u>260,687</u>	<u>18,425,734</u>	<u>17,346,660</u>
<b>Annual surplus (deficit)</b>	<u>74,389</u>	<u>5,473</u>	<u>(1,595,703)</u>	<u>(969,859)</u>	<u>(372,152)</u>	<u>(244,311)</u>	<u>2,615,805</u>	<u>(74,564)</u>