

Montreal Lake Cree Nation
Consolidated Financial Statements
March 31, 2016

Montreal Lake Cree Nation Contents

For the year ended March 31, 2016

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Management's Responsibility

To the Members of Montreal Lake Cree Nation:

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Montreal Lake Cree Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council are responsible for reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council are also responsible for the appointment of the Cree Nation's external auditors.

MNP LLP is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

Signed by: Mark D'Amato

Mark D'Amato, Band Manager

Independent Auditors' Report

To the Members of Montreal Lake Cree Nation:

We have audited the accompanying consolidated financial statements of Montreal Lake Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Saskatoon, Saskatchewan

August 12, 2016

MNP LLP

Chartered Professional Accountants

Montreal Lake Cree Nation Consolidated Statement of Financial Position

As at March 31, 2016

| | <i>2016</i> | <i>2015</i> |
|---|--------------------|--------------------------------|
| Financial assets | | |
| Current | | |
| Cash and cash equivalents | 357,533 | 285,175 |
| Accounts receivable (Note 3) | 981,517 | 1,278,704 |
| Inventory for resale | 96,077 | - |
| Restricted cash - capital projects (Note 6) | 3,947,677 | 3,405,537 |
| | 5,382,804 | 4,969,416 |
| Investments in Nation business entities (Note 4) | 3,167,957 | 2,708,352 |
| Funds held in trust (Note 5) | 10,376 | 9,141 |
| Restricted cash - housing (Note 6) | 1,538,991 | 1,338,641 |
| | 10,100,128 | 9,025,550 |
| Liabilities | | |
| Current | | |
| Bank indebtedness (Note 7) | 837,455 | 315,648 |
| Accounts payable and accruals | 1,480,268 | 1,380,589 |
| Deferred revenue (Note 8) | 3,854,343 | 3,392,500 |
| Due to related business enterprise | - | 5,255 |
| Current portion of long-term debt (Note 9) | 911,000 | 1,012,689 |
| | 7,083,066 | 6,106,681 |
| Long-term debt (Note 9) | 6,409,567 | 7,318,136 |
| | 13,492,633 | 13,424,817 |
| Net debt | (3,392,505) | (4,399,266) |
| Contingent liabilities (Note 10) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 11) (Schedule 1) | 23,192,636 | 22,402,317 |
| Prepaid expenses | 88,998 | 106,183 |
| Accumulated surplus (Note 12) | 19,889,129 | 18,109,234 |
| Approved on behalf of the Council | | |
| Signed by: Edward Henderson _____ | Chief | Signed by: Frank Roberts _____ |
| | | Councillor |
| Signed by: Dirk McDonald _____ | Councillor | |

The accompanying notes are an integral part of these financial statements

Montreal Lake Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

| | <i>Schedules</i> | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|--|------------------|--------------------------------------|------------------------|------------------------|
| Revenue | | | | |
| Indigenous and Northern Affairs Canada (Note 16) | | 10,403,571 | 14,366,900 | 13,079,323 |
| Health Canada (Note 17) | | 2,962,130 | 4,970,509 | 4,280,333 |
| Prince Albert Grand Council | | 526,110 | 1,515,988 | 1,230,741 |
| Canada Mortgage and Housing Corporation | | 706,163 | 733,404 | 798,385 |
| First Nations Trust | | 1,200,000 | 1,327,413 | 1,326,107 |
| Operating revenues - government partnership | | - | 835,366 | 906,082 |
| Contract revenue | | - | 809,961 | 801,823 |
| Rental income | | 749,731 | 760,952 | 773,580 |
| Other revenue | | 204,640 | 658,931 | 507,781 |
| Investment income (Note 4) | | - | 594,212 | 346,095 |
| Northern Lights Community Development Corporation | | - | 150,667 | 123,785 |
| Province of Saskatchewan | | - | 124,085 | - |
| Retail sales | | - | 44,852 | 388,549 |
| User fees | | 56,841 | 44,671 | 40,011 |
| Interest on trust funds | | - | 1,234 | 1,809 |
| | | 16,809,186 | 26,939,145 | 24,604,404 |
| Program expenses | | | | |
| Administration | 3 | 1,268,191 | 1,722,957 | 1,894,743 |
| Band Activities | 4 | 52,676 | 1,464,800 | 1,456,238 |
| Capital | 5 | - | 53,498 | - |
| Community Infrastructure | 6 | 1,156,712 | 4,149,492 | 2,488,080 |
| Economic Development | 7 | - | 65,666 | 1,149,069 |
| Education | 8 | 3,146,622 | 3,497,154 | 3,265,920 |
| Housing | 9 | 1,462,018 | 1,689,603 | 1,822,136 |
| Other Programs | 10 | 112,337 | 1,009,402 | 626,524 |
| Post Secondary | 12 | 953,876 | 1,183,390 | 1,447,590 |
| Social Development | 13 | 4,203,296 | 5,147,085 | 4,804,216 |
| Social Support Services | 14 | 3,840,202 | 4,818,139 | 4,529,872 |
| | | 16,195,930 | 24,801,186 | 23,484,388 |
| Surplus before other expense | | 613,256 | 2,137,959 | 1,120,016 |
| Other expense | | | | |
| Loss on disposal of tangible capital assets | | - | (358,064) | - |
| William Charles Health Centre renovation costs (Note 20) | | - | - | (606,102) |
| | | - | (358,064) | (606,102) |
| Surplus | | 613,256 | 1,779,895 | 513,914 |
| Accumulated surplus, beginning of year | | 18,109,234 | 18,109,234 | 17,595,320 |
| Accumulated surplus, end of year | | 18,722,490 | 19,889,129 | 18,109,234 |

The accompanying notes are an integral part of these financial statements

Montreal Lake Cree Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| Surplus | 613,256 | 1,779,895 | 513,914 |
| Purchases of tangible capital assets | - | (2,971,051) | (2,300,352) |
| Amortization of tangible capital assets | - | 1,822,668 | 1,934,033 |
| Loss on disposal of tangible capital assets | - | 358,064 | - |
| William Charles Health Centre renovation costs <i>(Note 20)</i> | - | - | 606,102 |
| Use of prepaid expenses | - | 17,185 | 7,569 |
| Change in net debt | 613,256 | 1,006,761 | 761,266 |
| Net debt, beginning of year | (4,399,266) | (4,399,266) | (5,160,532) |
| Net debt, end of year | (3,786,010) | (3,392,505) | (4,399,266) |

The accompanying notes are an integral part of these financial statements

Montreal Lake Cree Nation Consolidated Statement of Cash Flows

For the year ended March 31, 2016

| | 2016 | 2015 |
|---|------------------|--------------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Surplus | 1,779,895 | 513,914 |
| Non-cash items | | |
| Amortization | 1,822,669 | 1,934,033 |
| Loss on disposal of tangible capital assets | 358,064 | - |
| Investment income | (594,212) | (346,095) |
| William Charles Health Centre renovation costs <i>(Note 20)</i> | - | 606,102 |
| | 3,366,416 | 2,707,954 |
| Changes in working capital accounts | | |
| Accounts receivable | 297,187 | (1,673) |
| Inventory for resale | (96,077) | 23,412 |
| Prepaid expenses | 17,185 | 7,569 |
| Accounts payable and accruals | 99,679 | (140,166) |
| Deferred revenue | 461,843 | 1,348,285 |
| | 4,146,233 | 3,945,381 |
| Financing activities | | |
| Advances of long-term debt | - | 1,347,300 |
| Repayment of long-term debt | (1,010,258) | (1,128,046) |
| Increase (decrease) in bank indebtedness | 521,807 | (1,020,153) |
| Repayment of advances from related parties | (5,255) | - |
| | (493,706) | (800,899) |
| Capital activities | | |
| Purchases of tangible capital assets | (2,971,051) | (2,300,352) |
| Investing activities | | |
| Cash distributions from investments | 134,607 | 100,000 |
| Increase in restricted cash | (742,490) | (1,469,956) |
| (Increase) decrease in funds held in trust | (1,235) | 124,815 |
| | (609,118) | (1,245,141) |
| Decrease in cash resources | 72,358 | (401,011) |
| Cash resources, beginning of year | 285,175 | 686,186 |
| Cash resources, end of year | 357,533 | 285,175 |

The accompanying notes are an integral part of these financial statements

Montreal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

1. Operations

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

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards as set out in the CPA Canada Handbook - Public Sector Accounting as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Reporting entity consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the Cree Nation reporting entity, except for Cree Nation business entities.

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

- Montreal Lake Cree Nation
- Little Red River Reserve
- William Charles Health Centre
- Paskwawaskihk Health Centre
- Montreal Lake CMHC Housing Program
- Paskwawaskihk Community Store
- Montreal Lake Development Corporation

In February 2016, Paskwawaskihk Community Store was reopened and began serving the community members of Little Red River Reserve.

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

The Nation has proportionately consolidated the assets, liabilities, revenues and expenses of the following government partnership:

- Woodland Cree Enterprises Incorporated

Investments in government partnerships are accounted for using the proportionate consolidation method. The Cree Nation's pro-rata share of the assets, liabilities, revenues and expenses of the government partnerships have been combined on a line-by-line basis with similar items of the Cree Nation.

Montreal Lake Cree Nation business entities, owned or controlled by the Cree Nation and are not dependent on the Cree Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. 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 to those of the Cree Nation. Thus, the Cree Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Montreal Lake Business Ventures Limited Partnership
- Montreal Lake Business Ventures Ltd.

Portfolio investments which are owned by Montreal Lake Cree Nation but not controlled or influenced by the Cree Nation are accounted for using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported at. The Cree Nation has the following portfolio investments:

- La Ronge Wild Rice Corp. - 5.3% ownership interest

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

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

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Cost of inventories of items that are segregated for specific projects is assigned by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2016, the Cree Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the Cree Nation can reasonably be expected within one year.

Funds held in Ottawa Trust Fund

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

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

Revenues from Trust Moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported by the Government of Canada.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

| | <i>Method</i> | <i>Rate</i> |
|-------------------------------------|----------------------|--------------------|
| Buildings | straight-line | 20-25 years |
| Housing | straight-line | 15 years |
| Equipment, computers, and furniture | straight-line | 3-5 years |
| Infrastructure | straight-line | 40 years |
| Roads | straight-line | 40 years |
| Automotive | straight-line | 10 years |

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

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Non-government funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt.

Government transfers

The Cree Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Cree Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Rental income

Income associated with the rental of homes to members is recorded monthly when rental amounts are measurable and collection is reasonably assured.

Retail sales

Income from retail sales is recognized when the sale is made and the customer takes possession of the merchandise.

Investment income

Investment income is recognized when earned.

Segments

The Cree Nation conducts its business through 11 reportable segments:

- Administration - includes the administration and governance activities.
- Band activities - includes all other band activities of the Cree Nation.
- Capital - includes the operation and maintenance of the Cree Nation's capital construction projects.
- Community infrastructure - includes the operations and maintenance of the Cree Nation's buildings and infrastructure.
- Economic development - includes the activities of the Cree Nation's economic development initiatives and its business entities.
- Education - includes the operations of education programs.
- Housing - includes the operations and maintenance of all on reserve housing.
- Other - includes all internal activities of the Cree Nation for member development.
- Post secondary - includes the activities of the post secondary program.
- Social development - includes the activities relating to income assistance for membership.
- Social support services - includes the operations of health and community wellness programming.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

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

Net financial assets (net debt)

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

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Employee future benefits

The Cree Nation's employee future benefit programs consist of defined contribution pension plan. Contributions to the plan by the Cree Nation are expensed as incurred.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after an assessment as to their collectability has been made.

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

Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Cree Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus of the period in which they become known.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Cree Nation is either directly responsible or accepts responsibility, it is expected that future economic benefit will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2016.

At each financial reporting date, the Cree Nation reviewed the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Cree Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

No liability has been recorded at March 31, 2016.

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. A related standard, PS 1201, was issued to address changes to financial statement presentation related to financial instruments. In 2015 the effective date has been deferred to fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

Related Party Disclosures and Inter-Entity Transactions

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

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

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

Assets, Contingent Assets and Contractual Rights

In June 2015, PSAB issued the following new standards: PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

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

PS 3320 Contingent Assets establishes disclosure standards on contingent assets.

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

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

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

The Cree Nation has not yet determined the effect of these new standards on its consolidated financial statements.

3. Accounts receivable

| | | |
|---|------------------|-----------|
| Prince Albert Grand Council | 321,950 | 428,509 |
| Indigenous and Northern Affairs Canada | 179,162 | 10,000 |
| Trust deposit receivable | 144,263 | 144,263 |
| Member receivables | 132,823 | 116,910 |
| Government partnerships | 132,269 | 240,098 |
| Northern Lights Community Development Corporation | 66,622 | 96,830 |
| CMHC subsidy assistance receivable | 53,153 | 57,172 |
| Other accounts receivable | 51,275 | 54,745 |
| Health Canada | - | 230,177 |
| | 1,081,517 | 1,378,704 |
| Less: Allowance for doubtful accounts | 100,000 | 100,000 |
| | 981,517 | 1,278,704 |

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

4. Investments in Nation business enterprises

The Cree Nation has the following investments:

| | 2016 | 2015 |
|---|-----------|-----------|
| Modified Equity Method | | |
| Montreal Lake Business Ventures Limited Partnership - 99.99% ownership interest, March 31 year end | 3,160,457 | 2,700,852 |
| Montreal Lake Business Ventures Limited - 100% ownership interest, March 31 year end | - | - |
| Portfolio Investment - Cost Method | | |
| La Ronge Wild Rice Corporation - 5.3% ownership interest, December 31 year end | 7,500 | 7,500 |
| | 3,167,957 | 2,708,352 |

The condensed consolidated financial information of Montreal Lake Business Ventures Limited Partnership, for the years ended March 31, 2016 and March 31, 2015:

| | Assets | Liabilities | Equity | Revenues | Cost of Sales | Expenses | Net Earnings |
|------|-----------|-------------|-----------|-----------|---------------|-----------|--------------|
| 2016 | 5,701,575 | 147,798 | 5,553,777 | 5,475,387 | 3,092,046 | 1,789,129 | 594,212 |
| 2015 | 5,306,938 | 214,134 | 5,092,804 | 5,456,211 | 3,284,103 | 1,826,013 | 346,095 |

| | 2016 | 2015 |
|---------------------------|-----------|-----------|
| Equity, beginning of year | 2,700,852 | 2,462,257 |
| Share of earnings | 594,212 | 346,095 |
| Drawings | (127,107) | (100,000) |
| | 3,167,957 | 2,708,352 |

5. Funds held in trust

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

Capital Trust

| | | |
|---|---|---------|
| Balance, beginning of year | - | 126,624 |
| Less: Transfer to Montreal Lake Cree Nation | - | 126,624 |
| | - | - |
| Balance, end of year | - | - |

Revenue Trust

| | | |
|----------------------------|--------|-------|
| Balance, beginning of year | 9,141 | 7,332 |
| Interest | 208 | 782 |
| Subsurface leases | 1,027 | 1,027 |
| | 10,376 | 9,141 |
| Balance, end of year | 10,376 | 9,141 |
| | 10,376 | 9,141 |

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. Restricted cash

Capital Projects

| | | |
|---------------------------------------|------------------|-----------|
| Water Treatment Plant | 2,362,094 | 1,360,944 |
| William Charles Health Centre upgrade | 1,585,583 | 2,044,593 |
| | 3,947,677 | 3,405,537 |

Housing

| | | |
|-----------------------------|------------------|-----------|
| CMHC Replacement Reserve | 1,318,766 | 1,338,443 |
| Self-insurance bank account | 220,225 | 198 |
| | 1,538,991 | 1,338,641 |
| | 5,486,668 | 4,744,178 |

7. Bank indebtedness

Bank indebtedness includes draws against lines of credit and bank balances less outstanding cheques. At March 31, 2016 the Cree Nation had three lines of credit available:

- Montreal Lake Administration - approved limit of \$300,000; of which \$302,843 (2015 - \$171,998) has been drawn.
- Paskwawaskihk Administration - approved limit of \$50,000; of which \$76,240 (2015 - \$45,784) has been drawn.
- William Charles Health Centre - approved limit of \$75,000; of which \$nil (2015 - \$nil) has been drawn.

The lines of credit charge interest at bank prime plus 1.50% per annum and are secured by a General Security Agreement and First Nations Bank being the 1st loss payee on the Cree Nation's fire insurance policy.

The lines of credit are also secured by an assignment of Indigenous and Northern Affairs Canada funding for Montreal Lake Administration and Paskwawaskihk Administration lines of credit and Health Canada Funding for the William Charles Health Centre line of credit.

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Deferred revenue

Deferred revenue represent the amount of funds received by the Nation that relate to the future fiscal periods or to certain projects that are incomplete at year-end.

As of March 31, 2016, deferred revenue consists of amounts received for the following:

| | <i>Balance, beginning of year</i> | <i>Amounts received</i> | <i>Amount expended in current year</i> | <i>Balance, end of year</i> |
|--|---|-----------------------------|--|---------------------------------|
| Health Canada - William Charles Health Centre upgrades | 2,044,592 | 486,170 | 945,107 | 1,585,655 |
| INAC - Wildfire Housing Project | - | 1,000,000 | - | 1,000,000 |
| INAC - Water Treatment Plant | 406,188 | 1,000,000 | 846,839 | 559,349 |
| INAC - Wildfire Landfill Project | - | 500,000 | 238,257 | 261,743 |
| INAC - School Roof | 275,000 | - | 53,491 | 221,509 |
| INAC - Well Project | 47,932 | 110,000 | 50,241 | 107,691 |
| Woodland Cree - Government Partnership | 65,908 | - | 24 | 65,884 |
| INAC - Flooding Project | 546,858 | 80,000 | 580,368 | 46,490 |
| INAC - Lagoon Project | 6,022 | - | - | 6,022 |
| | 3,392,500 | 3,176,170 | 2,714,327 | 3,854,343 |

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

9. Long-term debt

| | | |
|---|------------------|-----------|
| CMHC mortgage - Phase I, interest at 3.14%, maturity date of December 2016, and repayable in blended monthly principal and interest payments of \$808. Secured by a ministerial guarantee. | 7,179 | 16,484 |
| CMHC mortgage - Phase VII, interest at 1.54%, maturity date of April 2016, and repayable in blended monthly principal and interest payments of \$2,572. Secured by a ministerial guarantee. | 2,571 | 33,133 |
| CMHC mortgage - Phase X, interest at 1.98%, maturity date of April 2019, and repayable in blended monthly principal and interest payments of \$2,147. Secured by a ministerial guarantee. | 77,010 | 100,992 |
| CMHC mortgage - Phase XIII, interest at 1.70%, maturity date of November 2016, and repayable in blended monthly principal and interest payments of \$1,400. Secured by a ministerial guarantee. | 11,130 | 27,591 |
| CMHC mortgage - Phase XIV, interest at 1.58%, maturity date of November 2016, and repayable in blended monthly principal and interest payments of \$1,803. Secured by a ministerial guarantee. | 14,336 | 35,560 |
| CMHC mortgage - Phase XV, interest at 1.98%, maturity date of January 2019, and repayable in blended monthly principal and interest payments of \$3,418. Secured by a ministerial guarantee. | 112,919 | 151,282 |
| CMHC mortgage - Phase XVI, interest at 1.12%, maturity date of August 2024, and repayable in blended monthly principal and interest payments of \$1,974. Secured by a ministerial guarantee. | 190,158 | 211,581 |
| CMHC mortgage - Phase XVII, interest at 2.26%, maturity date of June 2026, and repayable in blended monthly principal and interest payments of \$3,470. Secured by a ministerial guarantee. | 380,818 | 413,465 |
| CMHC mortgage - Phase XVIII, interest at 1.53%, maturity date of November 2027, and repayable in blended monthly principal and interest payments of \$2,703. Secured by a ministerial guarantee. | 346,407 | 373,319 |
| CMHC mortgage - Phase XIX, interest at 1.98%, maturity date of November 2028, and repayable in blended monthly principal and interest payments of \$3,681. Secured by a ministerial guarantee. | 494,754 | 528,779 |
| CMHC mortgage - Phase XX, interest at 1.53%, maturity date of October 2027, and repayable in blended monthly principal and interest payments of \$21,697. Secured by a ministerial guarantee. | 2,762,872 | 2,979,202 |
| CMHC mortgage - Phase XXI, bearing interest at 1.37%, maturity date of June 2035, and repayable in blended monthly principal and interest payments of \$14,793. Secured by a ministerial guarantee. | 2,079,951 | 2,206,720 |

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

| | | |
|---|------------------|-----------|
| First Nations Bank loan, interest at prime plus 1.85% per annum, maturity date of August 2019 and repayable in quarterly principal only payments of \$73,000 plus interest paid monthly. Secured by a general security agreement. | 789,000 | 1,081,000 |
| First Nations Bank loan, interest at prime plus 1.50% per annum, maturity date of October 2016 and repayable in blended monthly principal and interest payments of \$7,576. Secured by a general security agreement. | 51,462 | 138,144 |
| Conexus Credit Union mortgage - repaid during the year | - | 33,573 |
| | 7,320,567 | 8,330,825 |
| Less: current portion | 911,000 | 1,012,689 |
| | 6,409,567 | 7,318,136 |

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

| | |
|------|---------|
| 2017 | 911,000 |
| 2018 | 833,000 |
| 2019 | 748,000 |
| 2020 | 493,000 |
| 2021 | 499,000 |

Long-term debt is subject to certain covenants with respect to timely submission of the annual audited financial statements to their lender as well as restrictions that may be in place. As at March 31, 2016 the Cree Nation is in compliance with all such covenants. It is management's opinion that the Cree Nation is likely to remain in compliance with all long-term debt covenants throughout the next twelve months from the date of the financial statements.

10. Contingent liabilities

The Cree Nation has been named a defendant in three separate legal proceedings alleging breach of contract. The likelihood of loss can not be determined, nor can the amount of settlement be determined, if any. Any liability stemming from these actions will be recorded in the period it is determined. As the likelihood of loss cannot be determined, no obligation has been recorded in the Cree Nation's consolidated financial statements.

These consolidated financial statements are subject to review by Indigenous and Northern Affairs Canada, Health Canada, Prince Albert Grand Council and other funding agencies. It is possible that adjustments could be made based on the results of their review.

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

11. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1. Details of amounts included in assets under construction are as follows:

| Project | Budget | Cumulative costs to March 31, 2016 |
|---------------------------------------|-------------------|---------------------------------------|
| William Charles Health Centre upgrade | 8,000,000 | 945,110 |
| Water Treatment Plant upgrade | 9,425,000 | 1,069,051 |
| Lagoon project | 30,000 | 23,978 |
| Flooding project | 4,114,900 | 1,848,409 |
| School Roof project | 275,000 | - |
| Well project | 340,000 | 232,309 |
| Wildfire Landfill project | 1,500,000 | 238,256 |
| Wildfire Housing project | 1,650,000 | - |
| Total | 25,334,900 | 4,357,113 |

Assets under construction are financed by Indigenous and Northern Affairs Canada and are managed by a third party contractor.

12. Accumulated surplus

Accumulated surplus consists of the following:

| | | |
|--|--------------------|-------------|
| Equity in investments (Note 4) | 3,167,957 | 2,708,352 |
| Equity in funds held in trust (Note 5) | 10,376 | 9,141 |
| CMHC reserves (Note 19) | 2,001,816 | 2,171,933 |
| Equity in tangible capital assets | 16,661,171 | 15,152,492 |
| Government partnership | 21,083 | 22,487 |
| Movable Asset Reserve (Note 13) | 19,035 | 16,769 |
| Self insurance program (Note 14) | 220,225 | 197 |
| Operating deficit | (2,212,534) | (1,972,137) |
| | 19,889,129 | 18,109,234 |

13. Movable Asset Reserve

Included in the accumulated surplus of the Cree Nation is the movable asset reserve (MAR). The MAR is required as part of the Cree Nation's funding agreement with Cree Nations and Inuit Health Branch of Canada.

| | | |
|----------------------------|---------------|--------|
| Balance, beginning of year | 16,769 | 14,503 |
| Current year allocation | 2,266 | 2,266 |
| | 19,035 | 16,769 |

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

14. Self insurance program

The Cree Nation does not carry third party insurance on their housing units. The Cree Nation allocates a portion of its Band Based Capital Funding from INAC to pay construction costs relating to the program. The terms of the self-insurance agreement require a minimum contribution of \$200,000 per year until housing units destroyed by fires have been replaced.

At March 31, 2016, there are 10 units requiring to be rebuilt with the costs being funded through the self-insurance program per the terms of the agreement with CMHC.

| | | |
|----------------------------|---------|-----------|
| Balance, beginning of year | 197 | 123,872 |
| Contributions | 220,000 | 220,000 |
| Withdrawals | - | (343,675) |
| Balance, end of year | 220,197 | 197 |

15. Economic dependence

Montreal Lake Cree Nation receives substantially all of its revenue from Indigenous and Northern Affairs Canada (INAC) and Health Canada as a result of Treaties entered into with the Government of Canada. The ability of the Cree Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

16. Reconciliation of Indigenous and Northern Affairs Canada Funding

| | | |
|--|-------------|--|
| Funding per confirmation | 22,709,796 | |
| Recovery (NTR3) 2016 funding received after year-end, not expended | (2,720,000) | |
| Water Treatment Plant 2016 funding received after year-end, not expended | (4,820,184) | |
| Wildfire Landfill Project 2016 funding not expended | (261,743) | |
| Water Treatment Plant Project 2016 funding not expended | (153,161) | |
| Well Project 2016 funding not expended | (59,760) | |
| Wildfire Housing Project 2016 funding not expended | (1,000,000) | |
| Basic Needs 2016 funding receivable | 179,162 | |
| Employee Benefits 2015 funding receivable | 26,587 | |
| Basic Needs 2015 funding recovered | (86,417) | |
| Special Needs 2015 funding recovered | (1,239) | |
| Flooding Project 2015 funding, expended in 2016 | 500,368 | |
| School Roof Project 2015 funding, expended in 2016 | 53,491 | |
| | 14,366,900 | |

17. Reconciliation of Health Canada Funding

| | | |
|---|-----------|--|
| Funding received per agreement 1516-SK-000052 | 4,050,232 | |
| Add: 2016 Capital Health Centre Project funding received and expended in 2016 | 486,170 | |
| Add: 2015 Capital Health Centre Project funding, expended in 2016 | 458,940 | |
| Less: Recovery of funding | (24,833) | |
| | 4,970,509 | |

Montreal Lake Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

18. Budget information

The disclosed budget information has been approved by the Chief and Council of the Montreal Lake Cree Nation at the meeting held on February 10, 2014.

The Cree Nation prepares budgets for programming delivered with funding received from various funding agencies and does not include budgets for economic development activities. Additionally the Cree Nation includes loan principal repayments with its budget for interest expense. No provision is made in the budget for amortization of tangible capital assets. As such, the budget figures in the Statement of Operations and Accumulated Surplus are not for the same scope of activities as the actual results.

19. Canada Mortgage and Housing reserves

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

A replacement reserve, to ensure replacement of capital equipment and for major repairs to housing units, which requires an annual cash allocation to the reserve. At March 31, 2016, the replacement reserve is required to be funded to a level of \$1,377,458 (2015 - \$1,556,776). At March 31, 2016 the cash balance in the reserve is \$1,318,766 (2015 - \$1,338,443).

An operating surplus reserve established for housing units under the Post 1997 Fixed Subsidy Program which requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2016 the operating reserve is required to be funded to a level of \$624,358 (2015 - \$615,157). At March 31, 2016 the cash balance in the reserve is \$nil (2015 - \$nil).

20. William Charles Health Centre renovation costs

The Health Centre renovation project has incurred costs of \$606,102 since its commencement in 2013. Costs incurred during the 2013 and 2014 fiscal years of \$410,995 had previously been capitalized by management. In 2015, additional costs of \$195,107 were incurred by the project. In 2015, the scope of the project was increased to incorporate a new design for the Health Centre. As a result, costs previously incurred of \$606,102 were expensed in 2015.

21. Compliance with authorities

The First Nations Financial Transparency Act required First Nations to make their financial statements publicly available and submit their consolidated financial statements to Indigenous and Northern Affairs Canada by July 29, 2016. As the audit report is dated after July 29, 2016, the First Nation is in breach of this requirement.

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

| | Buildings | Housing | Roads | Equipment, computers and furniture | Automotive | Infrastructure | Subtotal |
|--|------------------|------------------|----------------|---|-------------------|-----------------------|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 18,038,623 | 20,591,331 | 1,367,426 | 106,709 | 3,135,582 | 13,194,917 | 56,434,588 |
| Acquisition of tangible capital assets | - | - | - | 147,159 | 163,077 | - | 310,236 |
| Disposal of tangible capital assets | - | (553,021) | - | - | (33,933) | (89,372) | (676,326) |
| Write down of tangible capital assets (Note 20) | - | - | - | - | - | - | - |
| Balance, end of year | 18,038,623 | 20,038,310 | 1,367,426 | 253,868 | 3,264,726 | 13,105,545 | 56,068,498 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | 12,995,421 | 15,268,827 | 622,558 | 106,709 | 2,164,520 | 4,596,120 | 35,754,155 |
| Annual amortization | 671,762 | 602,732 | 34,126 | 8,271 | 175,905 | 329,873 | 1,822,669 |
| Accumulated amortization on disposals | - | (198,175) | - | - | (33,933) | (86,155) | (318,263) |
| Balance, end of year | 13,667,183 | 15,673,384 | 656,684 | 114,980 | 2,306,492 | 4,839,838 | 37,258,561 |
| Net book value of tangible capital assets | 4,371,440 | 4,364,926 | 710,742 | 138,888 | 958,234 | 8,265,707 | 18,809,937 |
| Net book value of tangible capital assets 2015 | 5,043,202 | 5,322,504 | 744,868 | - | 971,062 | 8,598,797 | 20,680,433 |

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

| | <i>Subtotal</i> | <i>Other</i> | <i>Assets under construction</i> | <i>March 31, 2016</i> | <i>March 31, 2015</i> |
|--|-------------------|---------------|----------------------------------|-----------------------|-----------------------|
| Cost | | | | | |
| Balance, beginning of year | 56,434,588 | 25,586 | 1,696,298 | 58,156,472 | 56,577,937 |
| Acquisition of tangible capital assets | 310,236 | - | 2,660,815 | 2,971,051 | 2,300,351 |
| Disposal of tangible capital assets | (676,326) | - | - | (676,326) | (115,714) |
| Write down of tangible capital assets (Note 20) | - | - | - | - | (606,102) |
| Balance, end of year | 56,068,498 | 25,586 | 4,357,113 | 60,451,197 | 58,156,472 |
| Accumulated amortization | | | | | |
| Balance, beginning of year | 35,754,155 | - | - | 35,754,155 | 33,935,836 |
| Annual amortization | 1,822,669 | - | - | 1,822,669 | 1,934,033 |
| Accumulated amortization on disposals | (318,263) | - | - | (318,263) | (115,714) |
| Balance, end of year | 37,258,561 | - | - | 37,258,561 | 35,754,155 |
| Net book value of tangible capital assets | 18,809,937 | 25,586 | 4,357,113 | 23,192,636 | 22,402,317 |
| Net book value of tangible capital assets 2015 | 20,680,433 | 25,586 | 1,696,298 | 22,402,317 | |

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

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| Consolidated expenses by object | | | |
| Amortization | - | 1,822,669 | 1,934,033 |
| Assistance | 4,144,004 | 5,447,142 | 4,856,102 |
| Automotive | 211,138 | 419,925 | 408,310 |
| Bad debts | - | - | 100,000 |
| Bank charges and interest | 18,746 | 50,756 | 111,518 |
| Community donations | 21,548 | 103,569 | 58,418 |
| Consulting | 156,463 | 408,200 | 420,518 |
| Contracted services | 438,648 | 729,594 | 681,550 |
| Food and beverage | - | 14,935 | 372,779 |
| Elders support | 5,729 | 2,250 | 7,950 |
| Election | - | 34,604 | 11,067 |
| Funeral | - | 56,602 | 27,076 |
| Furniture and equipment | - | 68,762 | 108,311 |
| Honouraria | 177,478 | 396,757 | 440,848 |
| Insurance | 113,074 | 118,600 | 128,535 |
| Interest on long-term debt | 1,032,822 | 167,238 | 165,940 |
| Janitorial | 9,548 | 32,601 | 30,371 |
| Medical support | 3,278 | - | - |
| Meeting | 15,237 | 50,093 | 48,902 |
| Miscellaneous | 16,994 | 3,316 | 32,295 |
| Office supplies | 355,862 | 128,001 | 93,781 |
| Operating expenses - government partnership | - | 836,770 | 829,655 |
| Pharmacy | 113,898 | 68,939 | 132,075 |
| Professional fees | 86,996 | 181,852 | 172,111 |
| Program expense | 105,989 | 446,989 | 325,760 |
| Renovations | - | 462,888 | 275,979 |
| Rent | 21,126 | 207,565 | 244,353 |
| Repairs and maintenance | 496,471 | 954,614 | 898,806 |
| Salaries and benefits | 6,591,810 | 7,504,885 | 6,948,468 |
| Septic waste hauling | - | 8,515 | 33,041 |
| Student expenses | 620,629 | 739,826 | 929,414 |
| Supplies | 220,742 | 1,611,081 | 1,123,950 |
| Telephone | 118,129 | 117,981 | 112,074 |
| Training | 152,952 | 138,168 | 136,250 |
| Travel | 320,902 | 736,478 | 570,813 |
| Tuition | 216,400 | 353,634 | 412,748 |
| Utilities | 409,317 | 375,387 | 300,587 |
| | 16,195,930 | 24,801,186 | 23,484,388 |

Montreal Lake Cree Nation
Administration

Schedule 3 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|--|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Indigenous and Northern Affairs Canada | 870,812 | 975,658 | 926,658 |
| Prince Albert Grand Council | - | 15,659 | 22,644 |
| Other revenue | - | 211,473 | 68,426 |
| Province of Saskatchewan | - | 124,085 | - |
| User fees | 56,841 | 6,279 | 1,791 |
| | 927,653 | 1,333,154 | 1,019,519 |
| Expenses | | | |
| Administration (recovery) | - | (470,096) | (416,080) |
| Amortization | - | 6,620 | 3,906 |
| Assistance | - | 117,573 | 43,654 |
| Automotive | - | 56,963 | 46,251 |
| Bad debts | - | - | 100,000 |
| Bank charges and interest | 12,000 | 32,985 | 86,964 |
| Community donations | - | 7,152 | 7,294 |
| Consulting | 120,000 | (20,017) | 246,725 |
| Contracted services | 10,000 | 23,075 | 27,390 |
| Election | - | 34,469 | 11,067 |
| Furniture and equipment | - | 27,577 | 35,426 |
| Honouraria | 84,000 | 256,400 | 238,981 |
| Insurance | 74,292 | 91,621 | 34,330 |
| Interest on long-term debt | - | 45,476 | - |
| Janitorial | - | 5,316 | 3,746 |
| Meeting | - | 23,100 | 10,685 |
| Miscellaneous | - | 895 | 1,675 |
| Office supplies | - | 43,079 | 23,756 |
| Professional fees | 55,000 | 98,576 | 122,812 |
| Program expense | - | 1,260 | 4,986 |
| Renovations | - | 2,500 | - |
| Rent | - | 10,728 | 13,629 |
| Repairs and maintenance | - | 30,025 | 23,929 |
| Salaries and benefits | 746,315 | 829,151 | 810,222 |
| Supplies | - | 71,313 | 67,680 |
| Telephone | 52,992 | 59,734 | 56,494 |
| Training | - | 25,502 | 28,749 |
| Travel | 108,000 | 288,415 | 260,472 |
| Utilities | 5,592 | 23,565 | - |
| | 1,268,191 | 1,722,957 | 1,894,743 |
| Deficit before transfers | (340,538) | (389,803) | (875,224) |
| Transfers between programs | (70,215) | 915,583 | 948,685 |
| Surplus | (410,753) | 525,780 | 73,461 |

Montreal Lake Cree Nation
Band Activities
Schedule 4 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Operating revenues - government partnership | - | 835,366 | 906,082 |
| Investment income | - | 594,212 | 346,095 |
| Other revenue | 113,000 | 152,325 | 220,553 |
| Northern Lights Community Development Corporation | - | - | 10,000 |
| | 113,000 | 1,581,903 | 1,482,730 |
| Expenses | | | |
| Amortization | - | 36,430 | 55,555 |
| Assistance | - | 150 | - |
| Automotive | - | 66,102 | 30,629 |
| Bank charges and interest | - | 219 | 46 |
| Community donations | - | - | 4,747 |
| Consulting | - | 1,673 | - |
| Contracted services | - | 40,918 | 40,007 |
| Elders support | - | - | 500 |
| Furniture and equipment | - | - | 6,524 |
| Honouraria | - | 6,639 | 11,034 |
| Janitorial | - | 2,996 | 500 |
| Meeting | - | 699 | 750 |
| Office supplies | - | 2,378 | 3,257 |
| Operating expenses - government partnership | - | 836,770 | 829,655 |
| Program expense | - | 182,734 | 175,033 |
| Renovations | - | - | 100 |
| Repairs and maintenance | - | 13,548 | 767 |
| Salaries and benefits | 52,676 | 205,214 | 196,395 |
| Supplies | - | 45,203 | 80,568 |
| Telephone | - | 3,641 | 960 |
| Training | - | 7,706 | 7,945 |
| Travel | - | 9,149 | 11,266 |
| Utilities | - | 2,631 | - |
| | 52,676 | 1,464,800 | 1,456,238 |
| Surplus before transfers | 60,324 | 117,103 | 26,492 |
| Transfers between programs | - | (68,492) | 127,692 |
| Surplus | 60,324 | 48,611 | 154,184 |

Montreal Lake Cree Nation
Capital
Schedule 5 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Indigenous and Northern Affairs Canada | - | 1,769,195 | 1,483,937 |
| Health Canada | - | 945,110 | 195,106 |
| Other revenue | - | 84 | - |
| | - | 2,714,389 | 1,679,043 |
| Expenses | | | |
| Bank charges and interest | - | 7 | - |
| Contracted services | - | 53,491 | - |
| | - | 53,498 | - |
| Surplus before other expense | - | 2,660,891 | 1,679,043 |
| Other income (expense) | | | |
| William Charles Health Centre Renovation Costs <i>(Note 20)</i> | - | - | (606,102) |
| Surplus | - | 2,660,891 | 1,072,941 |

Montreal Lake Cree Nation
Community Infrastructure
Schedule 6 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Indigenous and Northern Affairs Canada | 970,777 | 1,908,295 | 1,214,096 |
| Prince Albert Grand Council | - | 397,752 | 244,799 |
| Contract revenue | - | 809,961 | - |
| Rental income | - | 53,265 | 54,200 |
| Other revenue | - | 52,477 | 34,969 |
| User fees | - | 38,392 | 38,220 |
| Northern Lights Community Development Corporation | - | 16,165 | - |
| | 970,777 | 3,276,307 | 1,586,284 |
| Expenses | | | |
| Amortization | - | 1,081,096 | 1,103,884 |
| Assistance | - | 109,737 | - |
| Automotive | 129,960 | 133,395 | 81,599 |
| Bank charges and interest | - | - | 1,378 |
| Consulting | - | 32,747 | 6,066 |
| Contracted services | 250,664 | 271,299 | 150,510 |
| Furniture and equipment | - | 13,468 | 2,546 |
| Honouraria | - | 3,250 | 2,554 |
| Insurance | 27,360 | 10,887 | 54,563 |
| Janitorial | - | 3,014 | 727 |
| Meeting | - | 1,191 | 211 |
| Office supplies | - | 4,624 | 2,751 |
| Renovations | - | 321,485 | 73,075 |
| Rent | 14,400 | 169,813 | 3,827 |
| Repairs and maintenance | 129,200 | 263,556 | 103,798 |
| Salaries and benefits | 239,896 | 873,986 | 548,369 |
| Septic waste hauling | - | 8,515 | 32,728 |
| Supplies | 60,000 | 407,608 | 183,752 |
| Telephone | 25,088 | 3,473 | 1,917 |
| Training | 24,000 | 6,181 | 1,302 |
| Travel | 9,600 | 216,412 | 6,762 |
| Utilities | 246,544 | 176,662 | 125,761 |
| Administration | - | 37,093 | - |
| | 1,156,712 | 4,149,492 | 2,488,080 |
| Deficit before transfers | (185,935) | (873,185) | (901,796) |
| Transfers between programs | 49,838 | - | (362,280) |
| Deficit | (136,097) | (873,185) | (1,264,076) |

Montreal Lake Cree Nation
Economic Development
Schedule 7 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Prince Albert Grand Council | - | - | 145,500 |
| Retail sales | - | 44,852 | 388,549 |
| Other revenue | - | - | 3,000 |
| Contract revenue | - | - | 801,823 |
| | - | 44,852 | 1,338,872 |
| Expenses | | | |
| Amortization | - | 5,557 | 126 |
| Automotive | - | - | 71,844 |
| Bank charges and interest | - | - | 4,546 |
| Consulting | - | - | 32,050 |
| Contracted services | - | 30,000 | 147,288 |
| Food and beverage | - | 14,935 | 372,779 |
| Furniture and equipment | - | - | 19,360 |
| Office supplies | - | 5,235 | 937 |
| Rent | - | - | 220,132 |
| Repairs and maintenance | - | 3,974 | 166,741 |
| Salaries and benefits | - | 4,007 | 101,075 |
| Supplies | - | - | 6,525 |
| Telephone | - | - | 1,736 |
| Travel | - | 1,958 | - |
| Utilities | - | - | 3,930 |
| | - | 65,666 | 1,149,069 |
| Surplus (deficit) before other items | - | (20,814) | 189,803 |
| Other income (expense) | | | |
| Loss on disposal of tangible capital assets | - | (3,218) | - |
| Surplus | - | (24,032) | 189,803 |

Montreal Lake Cree Nation
Education

Schedule 8 - Consolidated Schedule of Revenues and Expenses

For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|--|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Indigenous and Northern Affairs Canada | 2,674,460 | 3,000,711 | 2,673,395 |
| Prince Albert Grand Council | 362,110 | 539,042 | 469,280 |
| Other revenue | 6,240 | 12,300 | 7,000 |
| | 3,042,810 | 3,552,053 | 3,149,675 |
| Expenses | | | |
| Administration | - | - | 1,367 |
| Amortization | - | 8,758 | 8,758 |
| Assistance | - | 500 | - |
| Automotive | 3,964 | 62,840 | 58,153 |
| Community donations | - | 250 | 9,088 |
| Consulting | 5,762 | 200,917 | 26,621 |
| Contracted services | 12,054 | 96,420 | 51,757 |
| Furniture and equipment | 3,176 | 7,490 | 29,915 |
| Honouraria | 22,778 | 12,552 | 27,621 |
| Insurance | 1,722 | 100 | - |
| Interest on long-term debt | 91,020 | 4,224 | 8,215 |
| Janitorial | - | 16,103 | 11,942 |
| Meeting | 15,237 | 4,636 | 2,853 |
| Office supplies | 6,813 | 36,170 | 18,056 |
| Professional fees | - | 4,376 | - |
| Program expense | - | 43,445 | 40,001 |
| Renovations | - | 4,200 | 9,177 |
| Rent | 6,726 | - | 265 |
| Repairs and maintenance | 28,752 | 40,900 | 127,277 |
| Salaries and benefits | 2,671,332 | 2,576,147 | 2,467,114 |
| Student expenses | 45,993 | 46,271 | 54,579 |
| Supplies | 68,026 | 199,729 | 175,768 |
| Telephone | 7,920 | 10,792 | 9,470 |
| Training | 7,760 | 9,253 | 13,463 |
| Travel | 18,329 | 13,670 | 42,454 |
| Tuition | 400 | 2,917 | - |
| Utilities | 111,864 | 94,494 | 72,006 |
| Miscellaneous | 16,994 | - | - |
| | 3,146,622 | 3,497,154 | 3,265,920 |
| Transfers between programs | 179,997 | - | - |
| Surplus (deficit) | 76,185 | 54,899 | (116,245) |

Montreal Lake Cree Nation
Housing

Schedule 9 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|--|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Canada Mortgage and Housing Corporation | 706,163 | 733,404 | 798,385 |
| Indigenous and Northern Affairs Canada | - | - | 50,000 |
| Rental income | 749,731 | 707,687 | 719,380 |
| Other revenue | 80,000 | 68,180 | 13,972 |
| | 1,535,894 | 1,509,271 | 1,581,737 |
| Expenses | | | |
| Amortization | - | 602,732 | 696,318 |
| Automotive | 20,400 | 11,969 | 37,650 |
| Bank charges and interest | 1,441 | (27) | 5 |
| Community donations | - | - | 1,381 |
| Contracted services | - | 26,908 | 33,121 |
| Honouraria | - | 17,607 | 28,061 |
| Interest on long-term debt | 941,802 | 117,537 | 157,724 |
| Meeting | - | 2,008 | 5,498 |
| Miscellaneous | - | 400 | - |
| Office supplies | - | 17,453 | 11,076 |
| Professional fees | 16,082 | 18,147 | 18,585 |
| Renovations | - | 52,682 | 146,357 |
| Rent | - | - | 499 |
| Repairs and maintenance | 323,483 | 539,522 | 440,193 |
| Salaries and benefits | 148,010 | 242,581 | 202,125 |
| Supplies | - | 3,161 | 5,762 |
| Telephone | - | 10,394 | 5,835 |
| Training | - | 1,150 | 5,266 |
| Travel | 4,800 | 6,433 | 10,954 |
| Utilities | 6,000 | 18,946 | 15,726 |
| | 1,462,018 | 1,689,603 | 1,822,136 |
| Deficit before other income and transfers | 73,876 | (180,332) | (240,399) |
| Other income (expense) | | | |
| Loss on disposal of tangible capital assets | - | (354,846) | - |
| Deficit before transfers | 73,876 | (535,178) | (240,399) |
| Transfers between programs | - | - | 355,530 |
| Surplus (deficit) | 73,876 | (535,178) | 115,131 |

Montreal Lake Cree Nation
Other Programs
Schedule 10 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Prince Albert Grand Council | - | 154,242 | 10,586 |
| First Nations Trust | 1,200,000 | 1,327,413 | 1,326,107 |
| Other revenue | - | 156,655 | 130,765 |
| Northern Lights Community Development Corporation | - | 134,502 | 113,785 |
| | 1,200,000 | 1,772,812 | 1,581,243 |
| Expenses | | | |
| Assistance | 72,960 | 349,812 | 241,118 |
| Automotive | - | 17,074 | 9,071 |
| Bank charges and interest | - | - | (40) |
| Community donations | 12,000 | 91,098 | 35,190 |
| Consulting | - | 13,900 | 12,824 |
| Contracted services | - | 92,845 | 27,306 |
| Elders support | - | 250 | - |
| Funeral | - | 56,602 | 27,076 |
| Furniture and equipment | - | 2,500 | - |
| Honouraria | - | 7,826 | 2,650 |
| Meeting | - | - | 500 |
| Professional fees | - | 3,518 | - |
| Program expense | - | 14,735 | 40,897 |
| Renovations | - | 13,361 | 3,038 |
| Rent | - | 25,345 | - |
| Repairs and maintenance | - | 34,319 | 15,408 |
| Salaries and benefits | 27,377 | - | 1,000 |
| Septic waste hauling | - | - | 313 |
| Supplies | - | 226,584 | 163,484 |
| Telephone | - | 34 | 4,335 |
| Training | - | 15,170 | 2,198 |
| Travel | - | 36,308 | 9,427 |
| Utilities | - | 8,121 | 30,729 |
| | 112,337 | 1,009,402 | 626,524 |
| Surplus before transfers | 1,087,663 | 763,410 | 954,719 |
| Transfers between programs | 200,000 | (937,549) | (1,076,377) |
| Deficit | 1,287,663 | (174,139) | (121,658) |

Montreal Lake Cree Nation
Ottawa Trust
Schedule 11 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|-------------------------|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Interest on trust funds | - | 1,234 | 1,809 |
| Surplus | - | 1,234 | 1,809 |

Montreal Lake Cree Nation
Post Secondary
Schedule 12 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|--|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Indigenous and Northern Affairs Canada | 1,294,565 | 1,294,565 | 1,294,565 |
| Expenses | | | |
| Automotive | - | 466 | 929 |
| Contracted services | - | 1,319 | 1,048 |
| Honouraria | 21,640 | 8,020 | 25,703 |
| Meeting | - | 119 | 7,240 |
| Office supplies | - | 488 | 1,425 |
| Repairs and maintenance | - | 2,446 | 597 |
| Salaries and benefits | 109,218 | 97,477 | 91,266 |
| Student expenses | 574,636 | 689,174 | 870,855 |
| Supplies | - | 3,403 | - |
| Telephone | 5,172 | 4,623 | 3,770 |
| Training | - | - | 620 |
| Travel | 24,524 | 23,335 | 30,615 |
| Tuition | 216,000 | 350,716 | 411,748 |
| Utilities | 1,440 | 1,804 | 1,774 |
| Consulting | 1,246 | - | - |
| | 953,876 | 1,183,390 | 1,447,590 |
| Surplus (deficit) | 470,145 | 111,175 | (153,025) |

Montreal Lake Cree Nation
Social Development
Schedule 13 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|--|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Indigenous and Northern Affairs Canada | 4,483,177 | 4,868,574 | 4,886,619 |
| Expenses | | | |
| Assistance | 4,071,044 | 4,843,757 | 4,484,150 |
| Automotive | - | 160 | 1,292 |
| Bank charges and interest | - | 15,733 | 17,217 |
| Community donations | - | - | 718 |
| Consulting | - | 1,200 | 48,404 |
| Contracted services | - | 6,447 | 10,672 |
| Honouraria | - | 5,350 | 8,573 |
| Office supplies | 80,158 | 111 | 1,515 |
| Salaries and benefits | 47,294 | 259,128 | 215,679 |
| Supplies | - | 5,566 | 2,077 |
| Telephone | - | 1,106 | 1,183 |
| Training | - | 1,700 | 5,500 |
| Travel | 4,800 | 6,827 | 7,236 |
| | 4,203,296 | 5,147,085 | 4,804,216 |
| Surplus (deficit) | 279,881 | (278,511) | 82,403 |

Montreal Lake Cree Nation
Social Support Services

Schedule 14 - Consolidated Schedule of Revenues and Expenses

For the year ended March 31, 2016

| | <i>2016 Budget (Note 18)</i> | <i>2016 Actual</i> | <i>2015 Actual</i> |
|--|--------------------------------------|------------------------|------------------------|
| Revenue | | | |
| Health Canada | 2,962,130 | 4,025,399 | 4,085,227 |
| Indigenous and Northern Affairs Canada | 109,780 | 549,902 | 550,053 |
| Prince Albert Grand Council | 164,000 | 409,293 | 337,932 |
| Other revenue | 5,400 | 5,436 | 29,095 |
| | 3,241,310 | 4,990,030 | 5,002,307 |
| Expenses | | | |
| Administration | - | 433,003 | 414,713 |
| Amortization | - | 81,475 | 65,486 |
| Assistance | - | 25,614 | 87,181 |
| Automotive | 56,814 | 70,955 | 70,892 |
| Bank charges and interest | 5,305 | 1,839 | 1,401 |
| Community donations | 9,548 | 5,069 | - |
| Consulting | 29,455 | 177,779 | 47,827 |
| Contracted services | 165,930 | 86,872 | 192,451 |
| Elders support | 5,729 | 2,000 | 7,450 |
| Election | - | 135 | - |
| Furniture and equipment | - | 17,728 | 14,541 |
| Honouraria | 49,060 | 79,113 | 95,672 |
| Insurance | 9,700 | 15,992 | 39,642 |
| Janitorial | 9,548 | 5,172 | 13,455 |
| Medical support | 3,278 | - | - |
| Meeting | - | 18,341 | 21,165 |
| Miscellaneous | - | 2,020 | 30,619 |
| Office supplies | 265,715 | 18,463 | 31,007 |
| Pharmacy | 113,898 | 68,939 | 132,075 |
| Professional fees | 15,914 | 57,236 | 30,714 |
| Program expense | 105,989 | 204,815 | 64,843 |
| Renovations | - | 68,660 | 44,232 |
| Rent | - | 1,680 | 5,999 |
| Repairs and maintenance | 15,036 | 26,324 | 20,096 |
| Salaries and benefits | 2,549,692 | 2,417,195 | 2,315,227 |
| Student expenses | - | 4,380 | 3,980 |
| Supplies | 92,716 | 648,514 | 438,335 |
| Telephone | 26,957 | 24,184 | 26,375 |
| Training | 121,192 | 71,506 | 71,207 |
| Travel | 150,849 | 133,972 | 191,627 |
| Tuition | - | - | 1,000 |
| Utilities | 37,877 | 49,164 | 50,660 |
| | 3,840,202 | 4,818,139 | 4,529,872 |
| Surplus before transfers | (598,892) | 171,891 | 472,435 |
| Transfers between programs | (489,076) | 90,458 | 6,750 |
| Surplus | (1,087,968) | 262,349 | 479,185 |