

**Moose Cree First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2015**

**Moose Cree First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2015**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Moose Cree First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of the First Nation.

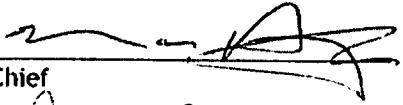
The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments in Canada. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

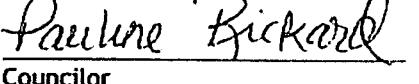
The Chief and Council have reviewed the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet to discuss and review the annual report, the financial statements and the external auditors' report. The Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members of the First Nation. BDO Canada LLP has full and free access to the Council.

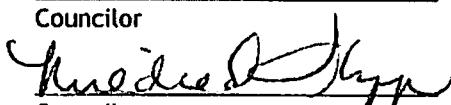
  
Chief  
Joe Beaton  
Councilor

  
Councilor  
Christina J. Wyne  
Councilor

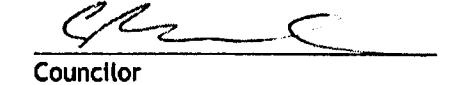
  
Councilor  
Louise Difford  
Councilor

  
Councilor  
Pauline Bickard  
Councilor

  
Councilor

  
Councilor  
Wendie D. Styp  
Councilor

  
Councilor  
Debbie Dwyer  
Councilor

  
Councilor  
Clare C.  
Councilor

  
Councilor



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## Independent Auditor's Report

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### To the Members of Moose Cree First Nation

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

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

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

#### ***Auditor's 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 auditor's 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 the Moose Cree First Nation as at March 31, 2015 and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants  
Sault Ste. Marie, Ontario  
July 29, 2015

**Moose Cree First Nation**  
**Consolidated Statement of Financial Position**

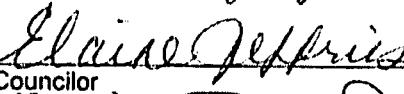
<u>March 31</u>	<u>2015</u>	<u>2014</u>
<b>Financial assets</b>		
Cash and short term deposits (Note 1)	\$ 15,467,542	\$ 12,388,171
Portfolio investments (Note 3)	140,146,261	3,037,500
Accounts receivable	12,702,651	6,002,637
Mortgages receivable (Note 2)	622,720	637,800
Due from subsidiary companies (Note 9)	7,740,383	-
Investment in government business enterprises (Note 12)	9,606,142	9,886,322
	<u>186,285,699</u>	<u>31,952,430</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	8,108,853	5,037,106
Non-interest bearing advances (Note 5)	978,243	2,000,000
Deferred revenue and advances (Note 4)	472,926	307,164
Demand loans (Note 7)	100,045	153,595
Due to government business enterprises (Note 9)	-	2,326,106
Long term debt (Note 6)	<u>124,105,304</u>	<u>22,482,420</u>
	<u>133,765,371</u>	<u>32,306,391</u>
<b>Net financial assets (debt)</b>	<b><u>52,520,328</u></b>	<b><u>(353,961)</u></b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	46,122,609	47,167,400
Prepaid expenses and inventory of supplies	<u>347,591</u>	<u>282,021</u>
	<u>46,470,200</u>	<u>47,449,421</u>
<b>Accumulated surplus (Note 8)</b>	<b><u>\$ 98,990,528</u></b>	<b><u>\$ 47,095,460</u></b>
<b>Funds held in trust with Government of Canada</b>	<b><u>\$ 29,457</u></b>	<b><u>\$ 28,646</u></b>

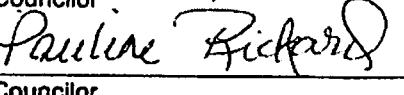
On behalf of the Band Council:

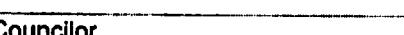
  
Chief

  
Councilor

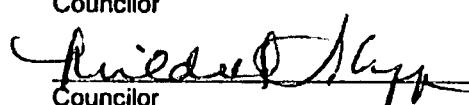
  
Christina Wyman  
Councilor

  
Elaine Jeffries  
Councilor

  
Pauline Richard  
Councilor

  
Councilor

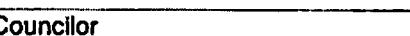
Councilor

  
Wendy Day  
Councilor

  
Dennis Dapp  
Councilor

  
CR  
Councilor

  
Councilor

  
Councilor

**Moose Cree First Nation  
Consolidated Statement of Operations**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>			
Deferred revenue, beginning of year	\$ -	\$ 307,164	\$ 357,164
Aboriginal Affairs and Northern Development	-	14,215,572	13,162,454
Health Canada	-	2,776,894	2,423,840
Canada Mortgage and Housing Corporation	-	1,438,851	1,406,423
Federal other	-	137,520	154,170
Province of Ontario	-	5,245,049	4,669,065
Mushkegowuk Council	-	293,449	291,712
Ontario First Nation Limited Partnership trust fund	-	1,965,128	1,900,711
Rental	-	1,368,724	1,994,924
LMLP Distributions	-	11,160,564	-
Local services	-	358,844	447,646
Ontario Power Generation	-	4,120,658	4,020,085
Ontario Power Generation - LMLP Contribution	-	46,204,136	6,045,864
DeBeers	-	942,262	771,356
Detour Gold	-	1,440,572	1,543,895
Detour Gold share issuance	-	1,121,987	3,037,500
Other	-	3,593,131	4,164,547
Interest	-	770,809	22,666
Deferred revenue, end of year	-	(472,926)	(307,164)
	<b>39,599,917</b>	<b>96,988,388</b>	<b>46,106,858</b>
<b>Expenses</b>			
Administration and communications	1,288,516	1,381,172	1,651,808
Land and resources	848,489	139,194	701,993
Fire protection services and projects	599,685	413,940	552,099
Economic development	1,340,508	859,760	895,408
Major agreements	5,877,476	6,238,710	6,647,597
Health	3,580,846	2,094,178	3,379,820
Public works	3,355,577	2,344,496	2,398,723
Social assistance	3,482,780	4,135,022	3,599,021
Self Generated allocations	-	5,499,559	-
Social housing and housing administration	2,943,066	1,991,718	2,488,566
Other	4,454,311	2,267,437	4,584,470
Capital	-	890,225	933,670
Ontario First Nation Limited Partnership allocations	1,500,000	1,134,918	2,210,000
Moose Cree Properties	-	382,848	329,811
EPR and Arena	637,260	452,641	579,731
Moose Cree Education Authority	12,855,170	10,783,046	9,822,971
Language and Cultural Projects	584,847	350,382	1,045,898
Youth programming	710,297	42,330	556,797
Amisk-OO-Skow Finance Corporation	-	5,049,350	-
Loss on sale of Detour Gold Shares	-	-	6,267,865
	<b>44,058,828</b>	<b>46,450,926</b>	<b>48,646,248</b>
<b>Annual surplus (deficit) before share in earnings of First Nation business enterprises</b>	<b>(4,458,911)</b>	<b>50,537,462</b>	<b>(2,539,390)</b>
<b>Share in earnings of First Nation business enterprises</b>	<b>-</b>	<b>1,357,606</b>	<b>1,604,919</b>
<b>Annual surplus (deficit)</b>	<b>(4,458,911)</b>	<b>51,895,068</b>	<b>(934,471)</b>
<b>Accumulated surplus, beginning of year</b>	<b>47,095,460</b>	<b>47,095,460</b>	<b>48,029,931</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 42,636,549</b>	<b>\$ 98,990,528</b>	<b>\$ 47,095,460</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Moose Cree First Nation**  
**Consolidated Statement of Change in Net Financial Assets (Debt)**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2015</b>	<b>2014</b>
<b>Annual surplus (deficit)</b>	<b>\$ (4,458,911)\$ 50,537,462</b>	<b>\$ (2,539,390)</b>	
Acquisition and adjustments of tangible capital assets	(1,648,879)	(1,648,879)	(2,610,577)
Amortization of tangible capital assets	2,693,670	2,693,670	2,874,436
Share in earnings of government business enterprises	-	1,357,608	1,604,919
Prepaid expenses and inventory of supplies	-	(65,570)	(4,945)
<b>Net change in financial assets (debt)</b>	<b>(3,414,120)</b>	<b>52,874,289</b>	<b>(675,557)</b>
<b>Net financial assets (debt), beginning of year</b>	<b>(353,961)</b>	<b>(353,961)</b>	<b>321,596</b>
<b>Net financial assets (debt), end of year</b>	<b>\$ (3,768,081)\$ 52,520,328</b>	<b>\$ (353,961)</b>	

**Moose Cree First Nation**  
**Consolidated Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2015</b>	<b>2014</b>
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 51,895,068	\$ (934,471)
Items not involving cash		
Share in (gain) loss of subsidiary operations	(1,357,606)	(1,604,919)
Amortization	<u>2,693,670</u>	<u>2,874,436</u>
	53,231,132	335,046
<b>Changes in non-cash operating balances</b>		
Accounts receivable	(6,700,014)	(1,401,866)
Prepaid expenses	(65,570)	(4,945)
Accounts payable and accrued liabilities	3,071,747	1,055,735
Due from government business enterprises	(7,740,383)	-
Due to government business enterprises	(2,326,106)	(3,625,090)
Deferred revenue	<u>165,762</u>	<u>(50,000)</u>
	39,636,568	(3,691,120)
<b>Capital transactions</b>		
Mortgage receivable	15,080	4,980
Purchase of capital assets	(1,648,879)	(2,610,577)
Portfolio investments	(137,108,761)	5,751,000
Investment in First Nation business enterprises	<u>1,617,788</u>	<u>(200,000)</u>
	(137,124,774)	2,945,403
<b>Financing activities</b>		
Long term debt issued	103,119,476	1,695,000
Principal payments on debt	(1,476,592)	(1,423,511)
Decrease in demand loans	(53,550)	(56,463)
Non-interest bearing advances	<u>(1,021,757)</u>	<u>(227,993)</u>
	100,567,577	(12,967)
<b>Net change in cash and cash equivalents</b>	<b>3,079,371</b>	<b>(758,684)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>12,388,171</b>	<b>13,146,855</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 15,467,542</b>	<b>\$ 12,388,171</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## Moose Cree First Nation Consolidated Summary of Significant Accounting Policies

**March 31, 2015**

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<b>Accounting Principles</b>	The financial statements of the Moose Cree First Nation are the representation of management prepared in accordance with generally accepted accounting principles for governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.												
<b>Funds Held in Trust</b>	Band funds held in trust with the Government of Canada 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.												
<b>Basis of Consolidation</b>	<p>The Moose Cree First Nation consolidates the assets, liabilities and results of operations for the Moose Cree First Nation and all the related entities which are accountable to the First Nation, including the Moose Cree Education Authority.</p> <p>All inter-fund balances have been eliminated on consolidation, but in order to present the operations for each specific program, transactions amongst programs have not necessarily been eliminated on the various schedules.</p> <p>Moose Cree GP Limited Partnership, Moose Band Development Corporation, 1929319 Ontario Inc, Amisk-Kodim Corporation, 1100076 Ontario Inc, and Kimessanamenow Corporation are accounted for using the modified equity method. Separate audited financial statements of the Corporations are available to First Nation members. Amisk-OO-Skow Finance Corporation is fully consolidated into the financial statements of Moose Cree First Nation.</p>												
<b>Tangible Capital Assets</b>	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tbody><tr><td>Land improvements</td><td>10-30 years</td></tr><tr><td>Buildings</td><td>10-40 years</td></tr><tr><td>Office equipment</td><td>4-10 years</td></tr><tr><td>Equipment and furniture</td><td>10-15 years</td></tr><tr><td>Vehicles</td><td>3-5 years</td></tr><tr><td>Infrastructure</td><td>10-100 years</td></tr></tbody></table>	Land improvements	10-30 years	Buildings	10-40 years	Office equipment	4-10 years	Equipment and furniture	10-15 years	Vehicles	3-5 years	Infrastructure	10-100 years
Land improvements	10-30 years												
Buildings	10-40 years												
Office equipment	4-10 years												
Equipment and furniture	10-15 years												
Vehicles	3-5 years												
Infrastructure	10-100 years												

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## Moose Cree First Nation Consolidated Summary of Significant Accounting Policies

**March 31, 2015**

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<b>Portfolio Investments</b>	Portfolio investments are long term investments in organizations that do not form part of the First Nation. All portfolio investments are recorded at cost. Income is recognized to the extent of dividends received.
<b>Revenue Recognition</b>	Revenue is recognized as it becomes available under the terms of applicable funding agreements. Funding received under the funding agreements which relates to a subsequent period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position.  Other revenue is recognized as received or when services are provided.
<b>Government Transfers</b>	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
<b>Use of Estimates</b>	The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
<b>Prior Year Funding Adjustments</b>	The First Nation has entered into contribution agreements with several government funding agencies. These programs are subject to audit by the various government agencies with audit adjustments repayable to the government. Adjustments relating to prior years are charged to operations in the year during which the adjustments are determined.

**Moose Cree First Nation  
Notes to Financial Statements**

**March 31, 2015**

**1. Cash and short term deposits**

	<b>2015</b>	<b>2014</b>
Cash	\$ 15,000,427	\$ 10,903,289
Short term deposits	<u>467,115</u>	<u>1,484,882</u>
	<b>\$ 15,467,542</b>	<b>\$ 12,388,171</b>

Cash is represented by deposits at financial institutions and cash amounts on hand at year end.

Short term deposits is represented by investments in guaranteed investment certificates with maturity dates varying from June 8, 2015 to November 13, 2015 at interest rates varying from 0.1% to 1.6%.

All interest earned from the investments is recorded under the accrual method and is included under interest income in the statement of operations.

**2. Mortgage receivables**

Amounts reflected as mortgage receivables relate to interest free loans to First Nation members to finance housing renovations. All loans are secured by the members' home and have varying repayment terms.

**3. Portfolio investments**

	<b>2015</b>	<b>2014</b>
Investment in Lower Mattagami Limited Partnership (LMLP)	\$ 140,146,261	\$ -
Detour Gold Shares	<u>-</u>	<u>3,037,500</u>
	<b>\$ 140,146,261</b>	<b>\$ 3,037,500</b>

During the year, the First Nation, through Amisk-OO-Skow Finance Corporation, purchased Limited Partnership units in Lower Mattagami Limited Partnership. Amisk-OO-Skow Finance Corporation ("the company") is fully consolidated into the First Nation. The First Nation received a total of \$46,204,136 (2014-\$6,045,864) in compensation from OPG during the year for settlement of past loss of use of land. The company purchased 25% of the limited partnership units in the Lower Mattagami Energy Limited Partnership (LMLP) for \$140,908,000, which represents an investment in 6 hydro-electric generating stations. The company received distributions from the LMLP of \$762,000 in excess of company's portion of the LMLP's income for the year. The excess distributions were treated as a reduction in the cost of the investment.

Financial information for LMLP for its non-coterminous December 31 fiscal periods reflected herein is as follows:

	<b>Dec 31, 2014</b>	<b>Dec 31, 2013</b>
	<b>Total</b>	<b>Total</b>
<b>Financial position</b>		
Current assets	\$ 162,545,000	\$ 1,053
Non-current assets	<u>2,356,477,000</u>	<u>1,982,060</u>
<b>Total assets</b>	<b>2,519,022,000</b>	<b>1,983,113</b>
<b>Current liabilities</b>		
Long-term liabilities	128,093,000	527,228
	<u>1,828,077,000</u>	<u>1,456,064</u>
<b>Total liabilities</b>	<b>1,956,170,000</b>	<b>1,983,292</b>

**Moose Cree First Nation**  
**Notes to Financial Statements**

**March 31, 2015**

**3. Portfolio investments (continued)**

	<b>Dec 31, 2014</b>	<b>Dec 31, 2013</b>
	<b>Total</b>	<b>Total</b>
<b>Partners' equity</b>	<b>\$ 562,852,000</b>	<b>\$ (179)</b>
<b>Results of operations</b>		
Revenue	\$ 73,364,000	\$ -
Operating expenses	<u>45,023,000</u>	52
<b>Net earnings (loss)</b>	<b>\$ 28,341,000</b>	<b>\$ (52)</b>

**4. Deferred revenue**

Deferred revenue consists of the following:

	<b>2015</b>	<b>2014</b>
Health Transfer Agreement	\$ 380,285	\$ 210,736
Employment programs	<u>92,641</u>	96,428
	<b>\$ 472,926</b>	<b>\$ 307,164</b>

**5. Non-interest bearing advances**

	<b>2015</b>	<b>2014</b>
Ontario Power Generation	\$ 658,378	\$ 2,000,000
Detour Gold Corporation	<u>319,865</u>	-
	<b>\$ 978,243</b>	<b>\$ 2,000,000</b>

**6. Long term debt**

	<b>2015</b>	<b>2014</b>
CMHC advances payable	\$ 824,000	\$ 1,695,000
Mortgages payable - Waskahegan property, in blended monthly payment ranging from \$667 to \$997 including interest at a rate of 2.99%, due May 2018	82,849	120,763
Mortgages payable - receiving home, in blended monthly payments of \$607, including interest at a rate of 3.18%, due May 2018	68,338	73,344
Mortgages payable - housing initiative #1, in blended monthly payments of \$16,379, including interest at a rate of 2.92%, due March, 2029	2,540,660	2,638,987
Mortgages payable - housing initiative #2, in blended monthly payments of \$18,742, including interest at a rate of 2.45%, due January, 2020	3,404,627	3,494,066
NOHFC loan payable, 215 monthly payments of \$1,389 starting April 1, 2012 ending February 2030, interest free	249,996	266,864

**Moose Cree First Nation  
Notes to Financial Statements**

**March 31, 2015**

**6. Long term debt (continued)**

	<b>2015</b>	<b>2014</b>
Leasehold payable, monthly payments of \$1,830, due July 2015, interest free	6,520	28,480
Loans payable, in blended monthly payments of \$4,866, including interest at a rate of 5%, due March 2016	45,066	99,749
Loan payable, in blended monthly payments of \$1,322, including interest at 3.6%, due January 2018	43,643	56,694
Loan payable in blended monthly payments of \$1,807 including interest at 4.75%, due December 2019	93,835	111,153
Social Housing Mortgages payable in blended monthly payments ranging from \$2,606 to \$19,064, including interest at various rates from 1.6% to 5.6%, due on various dates from 2015 to 2020	14,450,294	13,897,520
Loan payable to Ontario Power Generation Inc, interest at 6.85%, due in 2015, to be repaid with initial earnings from LMLP investment	5,250,000	-
London Life Insurance Company loan payable, payable at \$920,000 monthly starting in July 2015, including interest at 4.258%, secured by investment in the Lower Maltagami Limited Partnership, due July 2026	97,045,476	-
	<b>\$ 124,105,304</b>	<b>\$ 22,482,420</b>

Principal payments required on long term debt for the next five years and thereafter assuming similar refinancing terms is due as follows:

Year	Amount
2016	\$ 14,286,419
2017	8,725,178
2018	8,975,547
2019	9,149,120
2020	9,137,747
Thereafter	<u>73,831,293</u>
	<b><u>\$ 124,105,304</u></b>

**7. Demand loans**

	<b>2015</b>	<b>2014</b>
Bank of Montreal demand loan, \$4,885 monthly plus interest at prime plus 1%, due on demand	<u>\$ 100,045</u>	<u>\$ 153,595</u>

**Moose Cree First Nation**  
**Notes to Financial Statements**

**March 31, 2015**

**8. Accumulated surplus**

	<b>2015</b>	<b>2014</b>
<b>Reserves set aside for specific purposes by the First Nation</b>		
Fire service	\$ 64,854	\$ 64,854
Water plant	32,537	32,537
Housing	1,466,985	1,582,307
Program reserves	7,118,578	5,047,276
Casino Rama	3,786,481	2,932,325
Self generated revenue fund	(2,452,542)	5,614,657
Self generated revenue fund - invested in LMLP	50,000,000	-
Moose Cree Education Authority	3,064,504	3,759,462
<b>Reserves</b>		
Equity in tangible capital assets	63,081,397	19,033,418
General surplus/deficit	24,212,736	24,531,385
Equity in government business enterprises	46,261	(6,355,665)
Equity in Amisk-OO-Skow Finance Corporation	9,606,134	9,886,322
	2,044,000	-
	<b>\$ 98,990,528</b>	<b>\$ 47,095,460</b>

**9. Related party transactions**

- (i) Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.
- (ii) At March 31, 2015, the First Nation had a payable to Moose Cree Education Authority in the amount of \$348,770 (2014 - \$1,247,706).

The particulars of transactions with and balances owing to or from government business enterprises are as follows:

	<b>2015</b>	<b>2014</b>
<b>Balance, end of year</b>		
Due to (from) Moose Band Development Corporation	\$ -	\$ (550,000)
Due to (from) Amisk-OO-Skow Finance Corporation	-	2,885,658
Due to (from) Amisk-Kodim Corporation	19,528	
Due to (from) Moose Cree Group of Companies LP	(7,705,235)	(112,602)
Due to (from) Moose Cree Properties	-	103,050
Due to (from) Kimessanamenow Corporation	(54,676)	
	<b>\$ (7,740,383)</b>	<b>\$ 2,326,106</b>

**Transactions during the year by Moose Cree First Nation**

Rental expense with Complex RE Limited Partnership	\$ 384,148	\$ 318,569
Donations and other receipts from Amisk-Kodim Corporation	\$ 719,546	\$ 1,076,617
Advances (to) from Amisk-OO-Skow Finance Corporation	\$ -	\$ (3,635,799)

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**Moose Cree First Nation**  
**Notes to Financial Statements**

**March 31, 2015**

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**10. Contingency liabilities**

- (i) The First Nation has guaranteed bank loans of government business enterprises in the original amount of \$3,005,926.
- (ii) Aboriginal Affairs and Northern Development Canada has guaranteed loans to various members in the amount of \$66,214 (2014 - \$136,580). If any loans are in default and require payment by AANDC, the amount paid will be charged back to the First Nation.
- (iii) The First Nation has been named as a defendant in legal action related to its contract with Ontario Power Generation. The outcome of this action is not determinable and accordingly, no amounts have been reflected in the accounts of the First Nation for this matter.

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**11. Comparative figures**

Certain comparative figures have been reclassified to conform with the financial presentation adopted in the current year.

**Moose Cree First Nation**  
**Notes to Financial Statements**

March 31, 2015

**12. Investment in government business enterprises**

The Moose Band Development Corporation ("MBDC"), 1929319 Ontario Inc, 1100076 Ontario Limited, Amisk-Kodim Corporation, are owned and controlled by the First Nation. Kimessanamenow Corporation is owned 25% by First Nation. As these corporations are business enterprises of the First Nation, they are accounted for on a modified equity basis in these financial statements. Amisk-OO-Skow Finance Corporation was a business enterprise in 2014 but has become a governmental unit in 2015 as a result of significant loans provided by Moose Cree First Nation to the company.

(a) The following table provides condensed supplementary financial information for the year ending March 31, 2015, except for Kimessanamenow Corporation which is for the year ended July 31, 2014:

	1929319 Ontario Inc and MBDC.	Kimessana- menow Corporation	1100076 Ontario Limited	Amisk-Kodim Corp.	Amisk-OO-Skow Finance Corporation	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd.	2015 Total	2014 Total
<b>Financial position</b>									
Current assets	\$ -	\$ 868,263	\$ 4,432,405	\$ 6,331,567	\$ -	\$ 3,992,000	\$ 235	\$ 15,624,470	\$ 33,328,695
Capital assets		\$ 322,230				\$ 10,278,000		\$ 10,600,230	\$ 8,781,000
Other assets	1,998	-	-	-	-	\$ 50,000	20	\$ 52,018	\$ 95,811,448
<b>Total assets</b>	<b>1,998</b>	<b>1,190,493</b>	<b>4,432,405</b>	<b>6,331,567</b>	<b>-</b>	<b>14,320,000</b>	<b>255</b>	<b>26,276,718</b>	<b>137,921,143</b>
Current liabilities		97,150	45,928	3,689,073		10,018,000		13,850,151	22,469,623
Long-term liabilities		82,494	-	-		1,863,000		1,945,494	105,609,476
Other		467,176	-	-		-		467,176	-
<b>Total liabilities</b>	<b>-</b>	<b>646,820</b>	<b>45,928</b>	<b>3,689,073</b>	<b>-</b>	<b>11,881,000</b>	<b>-</b>	<b>16,262,821</b>	<b>128,079,099</b>
<b>Net assets</b>	<b>\$ 1,998</b>	<b>\$ 543,673</b>	<b>\$ 4,386,477</b>	<b>\$ 2,642,494</b>	<b>\$ -</b>	<b>\$ 2,439,000</b>	<b>255</b>	<b>\$ 10,013,897</b>	<b>\$ 9,842,044</b>
<b>Results of operations</b>									
Revenue	\$ 239,490	\$ 6,855,970	\$ 535,851	\$ 1,535,343	\$ -	\$ 14,458,000		\$ 23,624,654	\$ 27,619,749
Operating expenses	\$ (155,324)	\$ (6,314,255)	\$ (35,633)	\$ (1,260,460)	\$ -	\$ (14,434,000)		\$ (22,199,672)	\$ (25,859,299)
Other	28,309	-	-	272,407	-	-		300,716	(719,330)
<b>Net earnings (loss)</b>	<b>\$ 112,475</b>	<b>\$ 541,715</b>	<b>\$ 500,218</b>	<b>\$ 547,290</b>	<b>\$ -</b>	<b>\$ 24,000</b>	<b>255</b>	<b>\$ 1,725,598</b>	<b>\$ 1,041,120</b>

(b) The investment at March 31, 2015 consists of the following:

	1929319 Ontario Inc and MBDC	Kimesskana- Menow Corporation	1100076 Ontario Limited	Amisk-00-Skow Finance Corporation	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd.	2015 Total	2014 Total
Balance, beginning of year	\$ 6,902,672	\$ 200,000	\$ 3,886,259	\$ 2,095,204	\$ (4,732,088)	\$ 1,535,000	255	\$ 9,887,302
First Nation's share of earnings (loss)	112,475	173,623	500,218	547,290	-	24,000	-	1,357,606
Change in classification of investment during year	-	-	-	-	4,732,088	-	-	4,732,088
Investments (Dividends)	(7,013,149)	(237,705)	-	-	-	880,000	-	(6,370,854)
<b>Balance, end of year</b>	<b>\$ 1,998</b>	<b>\$ 135,918</b>	<b>\$ 4,386,477</b>	<b>\$ 2,642,494</b>	<b>\$ -</b>	<b>\$ 2,439,000</b>	<b>255</b>	<b>\$ 9,606,142</b>
								\$ 9,886,322

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## Moose Cree First Nation Notes to Financial Statements

**March 31, 2015**

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### **13. Segmented information**

The Moose Cree First Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, capital, enterprises and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### **Social assistance**

The social assistance department is responsible for administering assistance payments as well as providing services directed towards members.

#### **Administration**

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council.

#### **Infrastructure maintenance**

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

#### **Education**

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department pays tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

#### **Medical and other health services**

The community wellness department provides a diverse bundle of services directed towards the well-being of members including such activities as long term care, medical transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

#### **Housing**

This department is responsible for all housing activities occurring in the First Nation during the year, excluding any housing capital such as construction.

#### **Economic development**

Activities conducted by the First Nation with the objective of promoting employment training.

#### **Other services**

The First Nation provides a wide array of other services, including youth employment projects, library, economic development, housing activities, forestry and others.

For each reported segment, revenues and expenses include 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, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see the Consolidated Schedule of Segment Disclosure (Schedule A).

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**Moose Cree First Nation**  
**Notes to Financial Statements**

**March 31, 2015**

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**14. Budget**

The Budget adopted by the First Nation was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the Budget adopted by the First Nation with adjustments as follows:

<b>Budget deficit for the year</b>	<b>\$ (7,122,851)</b>
<b>Add:</b>	
Principal portion of long term debt	1,502,319
Capital asset additions	7,365,774
<b>Less:</b>	
Net inter-fund transfers from reserves	(3,510,483)
Amortization	<u>(2,693,670)</u>
<b>Budget surplus per statement of operations</b>	<b><u>\$ (4,458,911)</u></b>

**Moose Cree First Nation**  
**Schedule 1 - Consolidated Tangible Capital Assets**

**For the year ended March 31, 2015**

	Land	Leasehold Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
<b>Cost, beginning of year</b>	<b>\$ 310,000</b>	<b>\$ 415,422</b>	<b>\$ 59,841,167</b>	<b>\$ 2,621,508</b>	<b>\$ 1,453,570</b>	<b>\$ 200,210</b>	<b>\$ 16,885,192</b>	<b>\$ 1,934,790</b>	<b>\$ 83,661,859</b>
Additions	-	-	2,159,874	133,760	124,913	-	-	1,702,026	4,120,573
Disposals	(310,000)	-	(1,107,000)	(7,745)	(37,701)	-	-	(1,534,029)	(2,996,475)
<b>Cost, end of year</b>	<b>-</b>	<b>415,422</b>	<b>60,894,041</b>	<b>2,747,523</b>	<b>1,540,782</b>	<b>200,210</b>	<b>16,885,192</b>	<b>2,102,787</b>	<b>84,785,957</b>
<b>Accumulated amortization, beginning of year</b>	<b>-</b>	<b>178,224</b>	<b>25,829,051</b>	<b>1,692,497</b>	<b>993,509</b>	<b>65,418</b>	<b>7,735,760</b>	<b>-</b>	<b>36,494,459</b>
Amortization	-	83,084	1,842,979	212,687	173,661	20,021	361,238	-	2,693,670
Disposals	-	-	(487,080)	-	(37,701)	-	-	-	(524,781)
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>261,308</b>	<b>27,184,950</b>	<b>1,905,184</b>	<b>1,129,469</b>	<b>85,439</b>	<b>8,096,998</b>	<b>-</b>	<b>38,663,348</b>
<b>Net carrying amount, end of year</b>	<b>\$ -</b>	<b>\$ 154,114</b>	<b>\$ 33,709,091</b>	<b>\$ 842,339</b>	<b>\$ 411,313</b>	<b>\$ 114,771</b>	<b>\$ 8,788,194</b>	<b>\$ 2,102,787</b>	<b>\$ 46,122,609</b>

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$2,102,787 (2014 - \$1,934,790).

**Moose Cree First Nation**  
**Schedule 1 - Consolidated Tangible Capital Assets (Continued)**

**For the year ended March 31, 2014 (comparative figures)**

	<b>Land</b>	<b>Leasehold Impro- ments</b>	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Vehicles</b>	<b>Furnishings and Fixtures</b>	<b>Infrastructure</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Cost, beginning of year</b>	\$ 310,000	\$ 189,000	\$ 58,629,247	\$ 2,264,921	\$ 1,304,039	\$ 200,210	\$ 16,885,192	\$ 1,268,673	\$ 81,051,282
Additions	-	226,422	1,211,920	356,587	149,531	-	-	1,878,037	3,822,497
Disposals	-	-	-	-	-	-	-	(1,211,920)	(1,211,920)
<b>Cost, end of year</b>	<b>310,000</b>	<b>415,422</b>	<b>59,841,167</b>	<b>2,621,508</b>	<b>1,453,570</b>	<b>200,210</b>	<b>16,885,192</b>	<b>1,934,790</b>	<b>83,661,859</b>
<b>Accumulated amortization, beginning of year</b>	-	100,800	23,810,994	1,468,651	818,417	47,089	7,374,072	-	33,620,023
Amortization	-	77,424	2,018,057	223,846	175,092	18,329	361,688	-	2,874,436
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>178,224</b>	<b>25,829,051</b>	<b>1,692,497</b>	<b>993,509</b>	<b>65,418</b>	<b>7,735,760</b>	<b>-</b>	<b>36,494,459</b>
<b>Net carrying amount, end of year</b>	<b>\$ 310,000</b>	<b>\$ 237,198</b>	<b>\$ 34,012,116</b>	<b>\$ 929,011</b>	<b>\$ 460,061</b>	<b>\$ 134,792</b>	<b>\$ 9,149,432</b>	<b>\$ 1,934,790</b>	<b>\$ 47,167,400</b>

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$1,934,790 (2013 - \$1,268,673).

**Moose Cree First Nation**  
**Schedule 2 - Consolidated Segment Disclosure**

**For the year ended March 31, 2015**

	<b>Social Assistance</b>	<b>Admin-istration</b>	<b>Maintenance</b>	<b>Education</b>	<b>Medical</b>	<b>Housing</b>	<b>Economic Development</b>	<b>Other</b>	<b>Consolidated Total</b>
<b>Revenue</b>	<b>\$ 3,988,391</b>	<b>\$ 1,616,662</b>	<b>\$ 2,632,781</b>	<b>\$ 9,098,793</b>	<b>\$ 4,029,908</b>	<b>\$ 2,764,242</b>	<b>\$ 1,801,852</b>	<b>\$ 71,055,759</b>	<b>\$ 96,988,388</b>
<b>Expenses</b>									
Amortization	1,739	79,960	431,570	361,865	47,948	1,138,906	128,018	503,666	2,693,672
Salaries, wages and benefits	239,999	1,577,805	1,146,147	-	2,012,098	460,474	439,792	2,696,589	8,572,904
Materials and supplies	-	102,597	171,673	-	237,650	-	171,883	286,379	970,192
Professional services	-	127,431	127,673	-	250,205	6,816	110,252	2,398,632	3,021,009
Tuition	-	-	-	2,987,383	-	-	-	-	2,987,383
Travel and training	10,573	52,135	178,222	188,455	208,529	(748)	225,037	1,335,867	2,198,070
Other	3,882,711	(595,406)	842,345	7,245,343	(720,311)	280,978	135,150	14,936,886	26,007,696
	<b>4,135,022</b>	<b>1,344,522</b>	<b>2,897,630</b>	<b>10,783,046</b>	<b>2,036,119</b>	<b>1,886,426</b>	<b>1,210,142</b>	<b>22,158,019</b>	<b>46,450,926</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (146,631)</b>	<b>\$ 272,140</b>	<b>\$ (264,849)</b>	<b>\$ (1,684,253)</b>	<b>\$ 1,993,789</b>	<b>\$ 877,816</b>	<b>\$ 591,710</b>	<b>\$ 48,897,740</b>	<b>\$ 50,537,462</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Moose Cree First Nation**  
**Schedule 2 - Consolidated Segment Disclosure (Continued)**

For the year ended March 31, 2014 (comparative figures)

	Social Assistance	Administration	Maintenance	Education	Medical	Housing	Economic Development	Other	Consolidated Total
<b>Revenue</b>	<b>\$ 3,716,028</b>	<b>\$ 1,580,061</b>	<b>\$ 2,955,342</b>	<b>\$ 9,338,985</b>	<b>\$ 3,442,714</b>	<b>\$ 2,785,482</b>	<b>\$ 2,905,801</b>	<b>\$ 19,382,445</b>	<b>\$ 46,106,858</b>
<b>Expenses</b>									
Amortization	1,449	78,738	430,997	354,229	31,004	1,275,175	325,991	382,248	2,879,831
Salaries, wages and benefits	279,309	1,284,682	515,390	1,198,587	2,185,363	497,186	925,153	3,280,173	10,165,843
Materials and supplies	2,559	301,487	281,370	-	417,780	7,992	133,022	926,379	2,070,589
Professional services	-	198,203	-	-	160,400	13,200	120,099	2,813,616	3,305,518
Tuition	-	-	-	8,270,155	-	-	-	-	8,270,155
External transfers	14,299	-	-	-	-	-	-	-	14,299
Travel and training	18,868	117,014	10,295	-	321,491	14,346	84,890	1,721,342	2,288,246
Other	3,282,537	(328,316)	2,029,240	-	264,142	654,784	1,263,597	12,485,803	19,651,787
	<b>3,599,021</b>	<b>1,651,808</b>	<b>3,267,292</b>	<b>9,822,971</b>	<b>3,380,180</b>	<b>2,462,663</b>	<b>2,852,752</b>	<b>21,609,561</b>	<b>48,646,248</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 117,007</b>	<b>\$ (71,747)</b>	<b>\$ (311,950)</b>	<b>\$ (483,986)</b>	<b>\$ 62,534</b>	<b>\$ 322,819</b>	<b>\$ 53,049</b>	<b>\$ (2,227,116)</b>	<b>\$ (2,539,390)</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**Moose Cree First Nation**  
**Reconciliation of Funding**

<u>For the year ended March 31, 2014</u>	<u>2015</u>	<u>2014</u>
<b>Aboriginal Affairs and Northern Development Canada</b>		
Revenue per financial statements	\$ 14,215,572	\$ 13,093,849
Revenue per confirmation	<u>14,215,572</u>	<u>13,093,849</u>
	\$ -	\$ -
<b>Health Canada</b>		
Revenue per financial statements	\$ 2,776,894	\$ 2,423,840
Revenue per confirmation	<u>2,776,894</u>	<u>2,423,840</u>
	\$ -	\$ -