

Moose Cree First Nation
Consolidated Financial Statements
For the year ended March 31, 2016

Moose Cree First Nation
Consolidated Financial Statements
For the year ended March 31, 2016

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Moose Cree First Nation
Management's Responsibility for the Consolidated Financial Statements


March 31, 2016

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


The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible 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.

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

The external auditors, BDO Canada LLP, conduct an audit in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Moose Cree First Nation and meet when required.




Chief



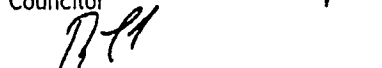
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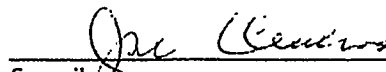
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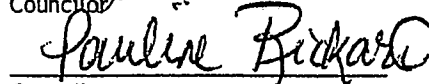
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BDO Canada LLP
747 Queen Street E
PO Box 1109
Sault Ste. Marie ON P6A 5N7 Canada

Independent Auditor's Report

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, 2016 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, 2016 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.

BDO Canada LLP

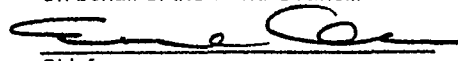
Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
July 28, 2016


Moose Cree First Nation


Consolidated Statement of Financial Position


March 31	2016	2015
Financial assets		
Cash and short term deposits (Note 2)	\$ 6,272,436	\$ 15,467,542
Portfolio Investments (Note 4)	140,908,262	140,146,261
Accounts receivable (Note 3)	10,743,267	13,325,371
Due from subsidiary companies (Note 11)	8,240,861	7,740,383
Investment in government business enterprises (Note 15)	8,373,532	9,606,142
	<u>174,538,358</u>	<u>186,285,699</u>
Liabilities		
Accounts payable and accrued liabilities	7,354,972	8,108,853
Non-interest bearing advances (Note 6)	-	978,243
Deferred revenue and advances (Note 5)	155,997	472,926
Demand loans (Note 8)	44,173	100,045
Long term debt (Note 7)	112,483,213	124,105,304
	<u>120,038,355</u>	<u>133,765,371</u>
Net financial assets	<u>54,500,003</u>	<u>52,520,328</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	49,532,484	46,122,609
Prepaid expenses and inventory of supplies	347,495	347,591
	<u>49,879,979</u>	<u>46,470,200</u>
Accumulated surplus (Note 10)	<u>\$104,379,982</u>	<u>\$ 98,990,528</u>
Funds held in trust with Government of Canada	<u>\$ 30,082</u>	<u>\$ 29,457</u>


On behalf of the Band Council:

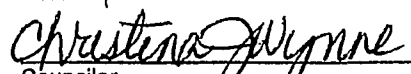

Chief

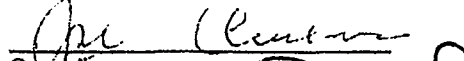

Councilor

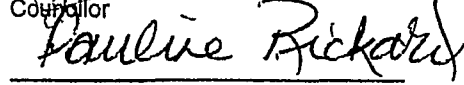

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Moose Cree First Nation

Consolidated Statement of Operations

For the year ended March 31	Budget	2016	2015
Revenue			
Deferred revenue, beginning of year	\$	472,926	\$ 307,164
INAC		13,615,277	14,215,572
Health Canada		2,577,515	2,776,894
Canada Mortgage and Housing Corporation		1,399,975	1,438,851
Federal other		47,500	137,520
Province of Ontario		5,672,034	5,245,049
Mushkegowuk Council		179,147	293,449
Ontario First Nation Limited Partnership trust fund		1,987,482	1,965,128
Rental		1,374,898	1,368,724
Lower Mattagami LP distributions		14,578,261	11,160,564
Local services		356,118	358,844
Ontario Power Generation		3,314,070	4,120,658
Ontario Power Generation - LMLP Contribution		-	46,204,136
DeBeers		1,502,468	942,262
Detour Gold		2,881,523	1,440,572
Detour Gold share issuance		-	1,121,987
Other (Note 9)		4,201,491	3,593,131
Interest		18,272	770,809
Deferred revenue, end of year		(155,997)	(472,926)
	\$ 44,507,003	54,022,960	96,988,388
Expenses			
Administration and communications	(905,278)	1,651,429	1,381,172
Land and resources	1,289,590	368,887	139,194
Fire protection services and projects	956,367	395,110	413,940
Economic development	1,727,762	863,597	859,760
Major agreements	5,249,749	4,915,228	6,238,710
Health	4,191,214	3,464,196	2,094,178
Public works	3,410,474	2,307,954	2,344,496
Social assistance	4,082,534	4,682,280	4,135,022
Self generated allocations	-	1,581,381	5,499,559
Social housing and housing administration	5,391,326	2,230,730	1,991,718
Other	1,734,318	1,715,422	2,267,437
Capital	-	936,254	890,225
Ontario F.N. Limited Partnership allocations	1,500,000	1,821,800	1,134,918
Moose Cree Properties	-	-	382,848
EPR and arena	395,860	470,864	452,641
Moose Cree Education Authority	11,457,847	11,064,669	10,783,046
Language and cultural projects	784,645	905,795	350,382
Youth programming	930,052	97,759	42,330
Amisk-OO-Skow Finance Corporation	8,063,459	8,063,459	5,049,350
	50,259,919	47,536,814	46,450,926
Annual surplus before share in earnings of First Nation business enterprises	(5,752,916)	6,486,146	50,537,462
Share in earnings of First Nation business enterprises	-	(1,096,692)	1,357,606
Annual surplus	(5,752,916)	5,389,454	51,895,068
Accumulated surplus, beginning of year	98,990,528	98,990,528	47,095,460
Accumulated surplus, end of year	\$ 93,237,612	\$104,379,982	\$ 98,990,528

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

Moose Cree First Nation
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	Budget	2016	2015
Annual surplus	\$ (5,752,916)	\$ 6,486,146	\$ 50,537,462
Acquisition and adjustments of tangible capital assets	(1,648,879)	(6,138,090)	(1,648,879)
Amortization of tangible capital assets	2,693,670	2,728,215	2,693,670
Share in earnings of government business enterprises	-	(1,096,692)	1,357,606
Prepaid expenses and inventory of supplies	-	96	(65,570)
Net change in financial assets (debt)	(4,708,125)	1,979,675	52,874,289
Net financial assets (debt), beginning of year	52,520,328	52,520,328	(353,961)
Net financial assets, end of year	\$ 47,812,203	\$ 54,500,003	\$ 52,520,328

Moose Cree First Nation

Consolidated Statement of Cash Flows

For the year ended March 31	2016	2015
Operating transactions		
Annual surplus	\$ 5,389,454	\$ 51,895,068
Items not involving cash		
Share in (gain) loss of subsidiary operations	1,096,692	(1,357,606)
Amortization	2,728,215	2,693,670
	<u>9,214,361</u>	<u>53,231,132</u>
Changes in non-cash operating balances		
Accounts receivable	2,582,104	(6,700,014)
Prepaid expenses	96	(65,570)
Accounts payable and accrued liabilities	(753,881)	3,071,747
Due from government business enterprises	(500,478)	(7,740,383)
Due to government business enterprises	-	(2,326,106)
Deferred revenue	(316,929)	165,762
	<u>10,225,273</u>	<u>39,636,568</u>
Capital transactions		
Mortgage receivable	-	15,080
Purchase of capital assets	(6,138,090)	(1,648,879)
Portfolio investments	(762,001)	(137,108,761)
Investment in First Nation business enterprises	418	1,617,786
	<u>(6,899,673)</u>	<u>(137,124,774)</u>
Financing activities		
Long term debt issued	894,101	103,119,476
Principal payments on debt	(12,380,692)	(1,476,592)
Decrease in demand loans	(55,872)	(53,550)
Non-interest bearing advances	(978,243)	(1,021,757)
	<u>(12,520,706)</u>	<u>100,567,577</u>
Net change in cash and cash equivalents	<u>(9,195,106)</u>	<u>3,079,371</u>
Cash and cash equivalents, beginning of year	<u>15,467,542</u>	<u>12,388,171</u>
Cash and cash equivalents, end of year	<u>\$ 6,272,436</u>	<u>\$ 15,467,542</u>

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2016

1. Summary of significant accounting policies

Accounting Principles	These consolidated financial statements of the Moose Cree First Nation have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.												
Funds Held in Trust	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.												
Basis of Consolidation	<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.</p> <p>All controlled entities are fully consolidated on a line by line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. All inter-organizational balances have been eliminated upon consolidation.</p> <p>Organizations consolidated include:</p> <ul style="list-style-type: none">- Moose Cree Education Authority- Amisk-OO-Skow Finance Corporation <p>Organizations accounted for on a modified equity basis include:</p> <ul style="list-style-type: none">- Moose Cree Group of Companies LP- Moose Cree Group GP Ltd- 1929319 Ontario Inc and Moose Band Development Corporation- Amisk-Kodim Corporation- 1100076 Ontario Inc.												
Tangible Capital Assets	<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><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></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												
Portfolio Investments	All portfolio investments are recorded at cost. A write-down is recorded where there has been a loss that is other than a temporary decline.												

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2016

1. Summary of significant accounting policies (continued)

Revenue Recognition

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis.

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

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.

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

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for governments 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 as additional information becomes available in the future.

2. Cash and short term deposits

	2016	2015
Cash	\$ 5,726,574	\$ 15,000,427
Short term deposits	545,862	467,115
	<u>\$ 6,272,436</u>	<u>\$ 15,467,542</u>

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 April 2016 to May 2016 at interest rates varying from 0.35% to 1.7%.

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

3. Accounts receivable

The amount reflected in accounts receivable at March 31, 2016 is net of an allowance for doubtful accounts of \$4,253,485 (2015 - \$3,843,441).

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2016

4. Portfolio investments

	2016	2015
Investment in Lower Mattagami Limited Partnership (LMLP)	\$140,908,261	\$140,146,261
Kimesskanemenow Corporation	1	-
	<u>\$140,908,262</u>	<u>\$ 140,146,261</u>

The company purchased 25% of the limited partnership units in the Lower Mattagami Energy Limited Partnership (LMLP), which represents an investment in 6 hydro-electric generating stations.

The company has a 25% share ownership in Kimesskanemenow Corporation, a corporation controlled by several First Nations whose primary business activity is the annual construction and maintenance of a winter road.

5. Deferred revenue

Deferred revenue consists of the following:

	2016	2015
Health Transfer Agreement	\$ 56,939	\$ 380,285
Employment programs	99,058	92,641
	<u>\$ 155,997</u>	<u>\$ 472,926</u>

6. Non-interest bearing advances

	2016	2015
Ontario Power Generation	\$ -	\$ 658,378
Detour Gold Corporation	-	319,865
	<u>\$ -</u>	<u>\$ 978,243</u>

7. Long term debt

	2016	2015
CMHC advances payable	\$ 612,503	\$ 824,000
Mortgages payable - Waskahegun property, in blended monthly payment ranging from \$667 to \$997 including interest at a rate of 2.99%, due May 2018	64,083	82,849
Mortgages payable - receiving home, in blended monthly payments of \$607, including interest at a rate of 3.18%, due May 2018	63,152	68,338
Mortgages payable - housing initiative #1, in blended monthly payments of \$16,379, including interest at a rate of 2.92%, due March, 2029	2,392,157	2,540,660
Mortgages payable - housing initiative #2, in blended monthly payments of \$18,742, including interest at a rate of 2.45%, due January, 2020	3,269,594	3,404,627

Moose Cree First Nation
Notes to Consolidated Financial Statements

March 31, 2016

7. Long term debt (continued)

	<u>2016</u>	<u>2015</u>
NOHFC loan payable, monthly payments of \$1,389 maturing February 2030, interest free	231,939	249,996
Loans payable, repaid during year	-	51,586
Loan payable, in blended monthly payments of \$5,056, including interest of 2.96%, due July 2020	246,424	-
Loan payable, in blended monthly payments of \$1,322, including interest at 3.6%, due January 2018	28,059	43,643
Loan payable in blended monthly payments of \$1,807 including interest at 4.75%, due December 2019	75,504	93,835
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 2016 to 2021	14,119,757	14,450,294
Loan payable to Ontario Power Generation Inc, repaid during year	-	5,250,000
London Life Insurance Company loan, payable at \$920,000 monthly, including interest at 4.258%, secured by investment in the Lower Mattagami Limited Partnership, due July 2026	92,252,041	98,000,476
Deferred financing fees related to loans	(872,000)	(955,000)
	<u>\$ 112,483,213</u>	<u>\$ 124,105,304</u>

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

Year	Amount
2017	\$ 8,652,815
2018	8,910,246
2019	9,060,155
2020	9,347,354
2021	9,681,459
Thereafter	67,703,184
Deferred financing fees related to loans	(872,000)
	<u>\$ 112,483,213</u>

Interest expense on long term debt totalled \$4,593,936 for 2016 (2015 - \$4,973,295)

8. Demand loans

	<u>2016</u>	<u>2015</u>
Bank of Montreal demand loan, \$4,885 monthly plus interest at prime plus 1%, due on demand	\$ 44,173	\$ 100,045

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2016

9. Other revenues listing

The following is a listing of other revenues:

	2016
User fees	\$ 202,457
Interest	23,329
Canada Revenue Agency	3,115
Rental revenue	192,185
Ontario Trillium Foundation	101,624
6398651 Canada Inc.	12,582
CPAWS Wildlands League	7,500
OPG	510,154
Mushkegowuk council	163,887
Payukotayno	58,767
Nexus	6,024
Paytaphun Fuels	21,523
MFIDSAB	69,080
Weeneebayko area health authority	1,550
Royal & Sun Alliance Insurance Co. of Canada	31,700
Tourism	56,337
Moose Cree Ticket Agency	88,136
ATM Commissions	50,964
Arthouse Agency	2,330
Northern College	1,016
MNDM	358,946
Indian Association Coordinating Committee	1,161
NAN	208,327
Delores Echum school	2,000
Prosper Canada	10,000
Moose Cree Constructors	500,000
DeBeers	12,109
University of Guelph	14,807
University of Ottawa	11,922
Ontario Arts Council	5,000
McCreebec Housing	5,000
Kiewit-Alare, a Partnership	5,000
GG's Corner and Gift	5,000
Nishnawbe-Aski Police Services	159,396
James Bay General Hospital	49,444
Red Cross	6,854
Cree Aski Services	9,180
Other revenue included in Amisk Kodim	151,292
Donations	178,860
Other revenue included in MCEA	721,826
John R. Delaney Youth Centre	499
Great White North Technology Consulting Inc.	1,000
DeTour Gold Corporation	4,200
Moose Cree LP	1,000
Ontario General Accounts	1,947
Expedition Helicopters	500
Abenaki Computer Enterprises Ltd.	10,982
Band Membership	6,414
Other	154,565
	<u>\$ 4,201,491</u>

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2016

10. Accumulated surplus

Allocation of Annual Surplus:

	2016	2015
Equity in tangible capital assets	\$ 4,172,403	\$ (318,649)
Reserve and reserve funds	(5,305,236)	(5,952,021)
Self generated revenue fund - invested in LMLP	-	50,000,000
Equity in government business enterprises	(1,232,610)	(280,188)
General surplus in Amisk-OO-Skow Finance Corporation	6,514,802	2,044,000
General surplus/deficit Moose Cree Education Authority	(168,655)	(428,741)
General surplus/deficit Moose Cree First Nation	1,408,750	6,830,667
	<u>\$ 5,389,454</u>	<u>\$ 51,895,068</u>

	2016	2015
Reserves set aside for specific purposes by the First Nation		
Fire service	\$ 64,854	\$ 64,854
Water plant	32,537	32,537
Housing	1,282,240	1,466,985
Program reserves	297,480	7,118,578
Casino Rama	3,970,435	3,786,481
Self generated revenue fund	-	(2,452,542)
Self generated revenue fund - invested in LMLP	50,000,000	50,000,000
Moose Cree Education Authority	2,128,615	3,064,504
	<u>57,776,161</u>	<u>63,081,397</u>
Reserves	57,776,161	63,081,397
Equity in tangible capital assets	28,385,139	24,212,736
General surplus/deficit	1,286,356	46,261
Equity in government business enterprises	8,373,524	9,606,134
Equity in Amisk-OO-Skow Finance Corporation	8,558,802	2,044,000
	<u>\$104,379,982</u>	<u>\$ 98,990,528</u>

11. 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, 2016, the First Nation had a payable to Moose Cree Education Authority in the amount of \$561,304 (2015 - \$348,770).

Moose Cree First Nation
Notes to Consolidated Financial Statements

March 31, 2016

11. Related party transactions (continued)

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

	<u>2016</u>	<u>2015</u>
Balance, end of year		
Due to (from) Amisk-Kodim Corporation	\$ -	\$ 19,528
Due to (from) Moose Cree Group of Companies LP	(8,050,685)	(7,705,235)
Due to (from) Kimesskanemenow Corporation	(190,176)	(54,676)
	<u>\$ (8,240,861)</u>	<u>\$ (7,740,383)</u>

Transactions during the year by Moose Cree First Nation		
Rental expense with Complex RE Limited Partnership	\$ 305,000	\$ 384,148
Donations and other receipts from Amisk-Kodim Corporation	\$ 1,124,791	\$ 719,546

12. Contingency liabilities

- (i) The First Nation has guaranteed bank loans of government business enterprises in the original amount of \$3,005,926.
 - (ii) INAC has guaranteed loans to various members in the amount of \$53,745 (2015 - \$66,214). If any loans are in default and require payment by INAC, 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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13. Subsequent event

In May 2016 the First Nation entered into a loan agreement with First Nations Bank and TD Bank for a \$5,750,000 credit facility related to the construction of the new assisted living center.

14. 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 Consolidated Financial Statements

March 31, 2016

15. Investment in government business enterprises

The Moose Band Development Corporation ("MBDC"), 1929319 Ontario Inc, 1100076 Ontario Limited, Amisk-Kodim Corporation, Moose Cree Group of Companies LP and Moose Cree Group GP Ltd are owned and controlled by the 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.

(a) The following table provides condensed supplementary financial information for the year ending March 31, 2016:

	1100076 Ontario Limited	Amisk- Kodim Corp	1929319 Ontario Inc and MBDC	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd	2016 Total	2015 Total
Financial position							
Current assets	\$ 3,867,907	\$ 5,992,032	\$ -	\$ 4,581,000	\$ 171	\$ 14,441,110	\$ 15,624,470
Capital assets	-	-	-	10,450,000	-	10,450,000	10,600,230
Other assets	-	-	1,998	50,000	20	52,018	52,018
Total assets	3,867,907	5,992,032	1,998	15,081,000	191	24,943,128	26,276,718
Current liabilities	1,000	3,888,576	-	10,524,000	920	14,414,496	13,850,151
Long-term liabilities	-	-	-	2,155,000	-	2,155,000	1,945,494
Other	-	-	-	-	-	-	467,176
Total liabilities	1,000	3,888,576	-	12,679,000	920	16,569,496	16,262,821
Net assets	\$ 3,866,907	\$ 2,103,456	\$ 1,998	\$ 2,402,000	\$ (729)	\$ 8,373,632	\$ 10,013,897
Results of operations							
Revenue	\$ 51,849	\$ 1,196,563	\$ -	\$ 16,409,000	\$ 16	\$ 17,657,428	\$ 23,624,654
Operating expenses	(14,400)	(1,711,175)	-	(16,826,000)	(500)	(18,552,075)	(22,199,672)
Other	-	(24,426)	-	-	-	(24,426)	300,716
Net earnings (loss)	\$ 37,449	\$ (539,038)	\$ -	\$ (417,000)	\$ (484)	\$ (919,073)	\$ 1,725,698

(b) The investment at March 31, 2016 consists of the following:

	Kimesskane- menow Corporation	1100076 Ontario Limited	Amisk- Kodim Corp	1929319 Ontario Inc and MBDC	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd	2016 Total	2015 Total
Balance, beginning of year	\$ 135,918	\$ 4,386,477	\$ 2,642,494	\$ 1,998	\$ 2,439,000	\$ 255	\$ 9,606,142	\$ 9,887,302
First Nation's share of earnings (loss)	-	(519,670)	(539,038)	-	(37,000)	(984)	(1,096,692)	1,357,606
Change in classification of investment during year	(135,918)	-	-	-	-	-	(135,918)	4,732,088
Investments (Dividends)	-	-	-	-	-	-	-	6,370,854
Balance, end of year	\$ -	\$ 3,866,807	\$ 2,103,456	\$ 1,998	\$ 2,402,000	\$ (729)	\$ 8,373,532	\$ 9,606,142

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2016

16. 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 2).

Moose Cree First Nation
Notes to Consolidated Financial Statements

March 31, 2016

17. 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:

Budget deficit for the year	\$ 517,053
Add:	
Principal portion of long term debt	1,431,129
Capital asset additions	15,840,791
Less:	
Net inter-fund transfers from reserves	(6,938,361)
Amortization	(2,728,215)
Additions to long term debt	<u>(13,875,313)</u>
Budget deficit per statement of operations	<u>\$ (5,752,916)</u>

Moose Cree First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2016

		Land	Leasehold Improve- ments	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infra- structure	Construction in Progress	Total
Cost, beginning of year	\$	-	\$ 415,422	\$ 60,894,041	\$ 2,747,523	\$ 1,540,782	\$ 200,210	\$ 16,885,192	\$ 2,102,787	\$ 84,785,957
Additions		-	-	884,467	333,234	355,055	18,699	161,681	-	1,753,136
Disposals		-	-	-	-	-	-	-	(636,042)	(636,042)
Capitalized construction		-	-	-	-	-	-	-	5,020,996	5,020,996
Cost, end of year		-	415,422	61,778,508	3,080,757	1,895,837	218,909	17,046,873	6,487,741	90,924,047
Accumulated amortization, beginning and end of year		-	261,308	27,184,950	1,905,184	1,129,469	85,439	8,096,998	-	38,663,348
Amortization		-	57,884	1,905,023	211,602	189,558	21,112	343,036	-	2,728,215
Accumulated amortization, end of year		-	319,192	29,089,973	2,116,786	1,319,027	106,551	8,440,034	-	41,391,563
Net carrying amount, end of year	\$	-	\$ 96,230	\$ 32,688,535	\$ 963,971	\$ 576,810	\$ 112,358	\$ 8,606,839	\$ 6,487,741	\$ 49,532,484

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$6,487,741 (2015 - \$2,102,787).

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

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

For the year ended March 31, 2015 (comparative figures)

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

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 \$2,102,787 (2014 - \$1,934,790).

Moose Cree First Nation
Schedule 2 - Consolidated Segment Disclosure

For the year ended March 31, 2016

	Social Assistance	Admin- istration	Maintenance	Education	Medical	Housing	Economic Development	Other	Consolidated Total
Revenue	\$ 4,470,223	\$ 1,341,767	\$ 1,607,765	\$ 10,024,973	\$ 3,727,349	\$ 2,731,901	\$ 719,601	\$ 29,399,381	\$ 54,022,960
Expenses									
Amortization	1,739	78,656	336,921	393,178	58,796	1,202,276	120,783	534,364	2,726,713
Salaries, wages and benefits	250,880	1,734,736	493,919	-	2,199,452	429,553	512,479	4,425,947	10,046,966
Materials and supplies	-	117,767	443,194	-	342,638	-	202,506	716,391	1,822,496
Professional services	-	177,710	-	-	206,223	5,174	100,881	2,542,052	3,032,040
Tuition	-	-	-	3,553,219	-	-	-	-	3,553,219
Interest expenses on LTD	-	-	-	-	-	-	-	4,032,826	4,032,826
Travel and training	11,790	145,465	31,454	231,345	230,486	7,077	59,746	1,462,298	2,179,661
Other	4,417,871	(602,905)	999,718	6,886,927	486,112	665,052	(33,740)	7,323,858	20,142,893
	4,682,280	1,651,429	2,305,206	11,064,669	3,523,707	2,309,132	962,655	21,037,736	47,536,814
Excess (deficiency) of revenue over expenses	\$ (212,057)	\$ (309,662)	\$ (697,441)	\$ (1,039,696)	\$ 203,642	\$ 422,769	\$ (243,054)	\$ 8,361,645	\$ 6,486,146

The accompanying 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, 2015 (comparative figures)

	Social Assistance	Admin- istration	Maintenance	Education	Medical	Housing	Economic Development	Other	Consolidated Total
Revenue	\$ 3,988,391	\$ 1,616,662	\$ 2,632,781	\$ 9,098,793	\$ 4,029,908	\$ 2,764,242	\$ 1,801,852	\$ 71,055,759	\$ 96,988,388
Expenses									
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	-	171,893	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
Interest expense on LTD	-	-	-	-	-	-	-	4,659,794	4,659,794
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	10,277,092	21,347,902
	4,135,022	1,344,522	2,897,630	10,783,046	2,036,119	1,886,426	1,210,142	22,158,019	46,450,926
Excess (deficiency) of revenue over expenses	\$ (146,631)	\$ 272,140	\$ (264,849)	\$ (1,684,253)	\$ 1,993,789	\$ 877,816	\$ 591,710	\$ 48,897,740	\$ 50,537,462

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

Moose Cree First Nation
Reconciliation of Funding

For the year ended March 31, **2016** **2015**

INAC

Revenue per financial statements	\$ 13,615,277	\$ 14,215,572
Revenue per confirmation	<u>13,615,277</u>	<u>14,215,572</u>
	\$	- \$ -

Health Canada

Revenue per financial statements	\$ 2,577,515	\$ 2,776,894
Revenue per confirmation	<u>2,577,515</u>	<u>2,776,894</u>
	\$	- \$ -
