

**Moose Cree First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2017**

**Moose Cree First Nation**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2017**

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

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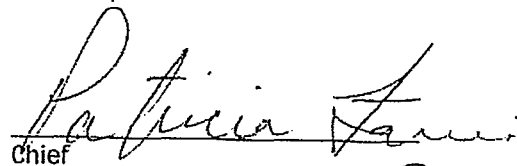
March 31, 2017

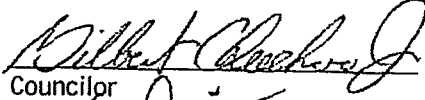
The accompanying consolidated financial statements of the Moose Cree First Nation are the responsibility of management and have been approved by the Chief and Council.

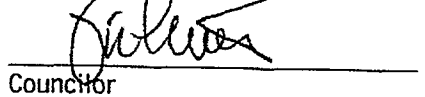
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

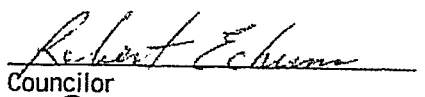
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

  
Councilor

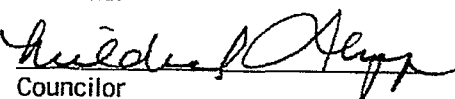
  
Councilor

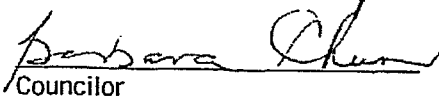
  
Councilor

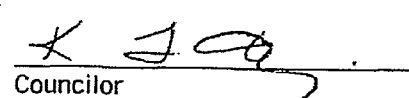
  
Councilor

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

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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, 2017 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, 2017 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  
August 18, 2017

# Moose Cree First Nation

## Consolidated Statement of Financial Position

**March 31** **2017** **2016**

**Financial assets**

Cash and short term deposits (Note 2)	\$ 8,359,273	\$ 6,272,436
Accounts receivable (Note 3)	6,827,497	10,743,267
Portfolio investments (Note 4)	140,908,262	140,908,262
Due from subsidiary companies (Note 10)	8,359,820	8,240,861
Investment in government business enterprises (Note 13)	6,473,078	8,373,532
	<u>170,927,930</u>	<u>174,538,358</u>

**Liabilities**

Accounts payable and accrued liabilities	8,375,104	7,354,972
Deferred revenue and advances (Note 5)	322,386	155,997
Demand loans (Note 7)	-	44,173
Long term debt (Note 6)	111,941,787	112,483,213
	<u>120,639,277</u>	<u>120,038,355</u>

**Net financial assets**

50,288,653 54,500,003

**Non-financial assets**

Tangible capital assets (Schedule 1)	58,765,401	49,532,484
Prepaid expenses and inventory of supplies	516,546	347,495
	<u>59,281,947</u>	<u>49,879,979</u>

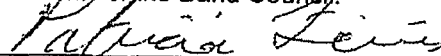
**Accumulated surplus (Note 9)**

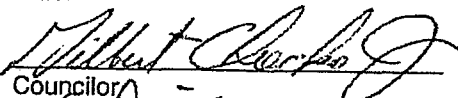
\$109,570,600 \$ 104,379,982


**Funds held in trust with Government of Canada**

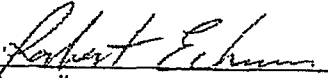
\$ 30,640 \$ 30,082

On behalf of the Band Council:

  
Chief

  
Councilor

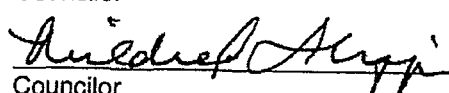
  
Councilor


  
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Councilor

# Moose Cree First Nation

## Consolidated Statement of Operations

For the year ended March 31	Budget	2017	2016
<b>Revenue</b>			
Deferred revenue, beginning of year	\$ 155,997	\$ 472,926	
INAC	14,315,497	13,615,277	
Health Canada	2,605,226	2,577,515	
Canada Mortgage and Housing Corporation	1,259,544	1,399,975	
Federal other	87,478	47,500	
Province of Ontario	6,465,549	5,672,034	
Mushkegowuk Council	173,510	179,147	
Ontario First Nation Limited Partnership	2,252,035	1,987,482	
Rental	1,366,595	1,374,898	
Lower Mattagami LP distributions	14,189,069	14,578,261	
Local services	354,261	356,118	
Ontario Power Generation	-	3,314,070	
DeBeers	946,438	1,502,468	
Detour Gold	3,383,952	2,881,523	
Other (Note 8)	6,328,264	4,201,491	
Interest	10,310	18,272	
Deferred revenue, end of year	(322,386)	(155,997)	
	<u>\$ 49,885,533</u>	<u>53,571,339</u>	<u>54,022,960</u>
<b>Expenses</b>			
Administration and communications	1,692,430	1,983,168	1,651,429
Land and resources	1,446,922	203,880	368,887
Fire protection services and projects	712,721	417,170	395,110
Economic development	1,323,152	1,184,320	863,597
Major agreements	4,420,368	3,244,571	4,915,228
Health	3,485,124	3,568,474	3,464,196
Public works	2,887,175	1,543,753	2,307,954
Social assistance	4,079,613	4,773,729	4,682,280
Self generated allocations	7,446,813	1,444,803	1,581,381
Social housing and housing administration	3,199,205	2,170,897	2,230,730
Other	1,587,303	3,661,072	1,715,422
Capital	-	1,629,997	936,254
Ontario F.N. Limited Partnership allocations	1,125,345	2,052,140	1,821,800
EPR and arena	801,221	873,945	470,864
Moose Cree Education Authority	11,086,213	10,256,249	11,064,669
Language and cultural projects	328,462	(28,857)	905,795
Youth programming	723,217	399,615	97,759
Amisk-OO-Skow Finance Corporation	-	7,101,341	8,063,459
	<u>46,345,284</u>	<u>46,480,267</u>	<u>47,536,814</u>
<b>Annual surplus before share in earnings of First Nation business enterprises</b>	3,540,249	7,091,072	6,486,146
<b>Share in earnings of First Nation business enterprises</b>	-	(1,900,454)	(1,096,692)
<b>Annual surplus</b>	3,540,249	5,190,618	5,389,454
<b>Accumulated surplus, beginning of year</b>	104,379,982	104,379,982	98,990,528
<b>Accumulated surplus, end of year</b>	<u>\$107,920,231</u>	<u>\$109,570,600</u>	<u>\$ 104,379,982</u>

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

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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2017</b>	<b>2016</b>
<b>Annual surplus</b>	\$ 3,540,249	\$ 7,091,072	\$ 6,486,146
Acquisition and adjustments of tangible capital assets	(4,691,098)	(11,952,688)	(6,138,090)
Amortization of tangible capital assets	2,693,357	2,719,771	2,728,215
Share in earnings of government business enterprises	-	(1,900,454)	(1,096,692)
Prepaid expenses and inventory of supplies	-	(169,051)	96
<b>Net change in financial assets (debt)</b>	1,542,508	(4,211,350)	1,979,675
<b>Net financial assets, beginning of year</b>	54,500,003	54,500,003	52,520,328
<b>Net financial assets, end of year</b>	\$ 56,042,511	\$ 50,288,653	\$ 54,500,003

# Moose Cree First Nation

## Consolidated Statement of Cash Flows

For the year ended March 31	2017	2016
<b>Operating transactions</b>		
Annual surplus	\$ 5,190,618	\$ 5,389,454
Items not involving cash		
Share in (gain) loss of subsidiary operations	1,900,454	1,096,692
Amortization	2,719,771	2,728,215
	<u>9,810,843</u>	<u>9,214,361</u>
Changes in non-cash operating balances		
Accounts receivable	3,915,770	2,582,104
Prepaid expenses	(169,051)	96
Accounts payable and accrued liabilities	1,020,132	(753,881)
Due from government business enterprises	(118,959)	(500,478)
Deferred revenue	166,389	(316,929)
	<u>14,625,124</u>	<u>10,225,273</u>
<b>Capital transactions</b>		
Proceeds on disposition of assets	44,172	-
Purchase of capital assets	(11,952,688)	(6,138,090)
Portfolio investments	-	(762,001)
Investment in First Nation business enterprises	-	418
	<u>(11,908,516)</u>	<u>(6,899,673)</u>
<b>Financing activities</b>		
Long term debt issued	8,149,853	894,101
Principal payments on debt	(8,735,451)	(12,380,692)
Decrease in demand loans	(44,173)	(55,872)
Non-interest bearing advances	-	(978,243)
	<u>(629,771)</u>	<u>(12,520,706)</u>
<b>Net change in cash and cash equivalents</b>	<b>2,086,837</b>	<b>(9,195,106)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,272,436</b>	<b>15,467,542</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 8,359,273</b>	<b>\$ 6,272,436</b>

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



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# Moose Cree First Nation

## Notes to Consolidated Financial Statements

**March 31, 2017**

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### 1. Summary of significant accounting policies

<b>Accounting Principles</b>	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.												
<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.</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"><li>- Moose Cree Education Authority</li><li>- Amisk-OO-Skow Finance Corporation</li></ul> <p>Organizations accounted for on a modified equity basis include:</p> <ul style="list-style-type: none"><li>- Moose Cree Group of Companies LP</li><li>- Moose Cree Group GP Ltd</li><li>- 1929319 Ontario Inc and Moose Band Development Corporation</li><li>- Amisk-Kodim Corporation</li><li>- 1100076 Ontario Inc.</li></ul>												
<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><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												
<b>Portfolio Investments</b>	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.												

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## Moose Cree First Nation

### Notes to Consolidated Financial Statements

**March 31, 2017**

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#### 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 public sector accounting standards 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.

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#### 2. Cash and short term deposits

	2017	2016
Cash	\$ 7,629,580	\$ 5,726,574
Short term deposits	729,693	545,862
	<u>\$ 8,359,273</u>	<u>\$ 6,272,436</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 May 2017 to April 2018 at interest rates varying from 0.1% to 0.2%.

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

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#### 3. Accounts receivable

The amount reflected in accounts receivable at March 31, 2017 is net of an allowance for doubtful accounts of \$4,547,095 (2016 - \$4,253,485).

# Moose Cree First Nation

## Notes to Consolidated Financial Statements

**March 31, 2017**

### 4. Portfolio investments

	2017	2016
Investment in Lower Mattagami Limited Partnership (LMLP)	\$ 140,908,261	\$ 140,908,261
Kimesskanemenow Corporation	1	1
	<b>\$ 140,908,262</b>	<b>\$ 140,908,262</b>

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:

	2017	2016
Health Transfer Agreement	\$ 212,274	\$ 56,939
Employment programs	110,112	99,058
	<b>\$ 322,386</b>	<b>\$ 155,997</b>

### 6. Long term debt

	2017	2016
CMHC advances payable	\$ -	\$ 612,503
Mortgages payable - Waskahegun property, in blended monthly payment ranging from \$667 to \$997 including interest at a rate of 2.99%, due May 2018	34,445	64,083
Mortgages payable - receiving home, in blended monthly payments of \$607, including interest at a rate of 3.18%, due May 2018	57,806	63,152
Mortgages payable - housing initiative #1, in blended monthly payments of \$16,379, including interest at a rate of 2.92%, due March, 2029	2,239,259	2,392,157
Mortgages payable - housing initiative #2, in blended monthly payments of \$18,742, including interest at a rate of 2.45%, due January, 2020	3,123,158	3,269,594

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

**March 31, 2017**

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

	<u>2017</u>	<u>2016</u>
NOHFC loan payable, monthly payments of \$1,389 maturing February 2030, interest free	<b>215,271</b>	231,939
Loan payable, in blended monthly payments of \$5,056, including interest of 2.96%, due July 2020	<b>192,320</b>	246,424
Loan payable, in blended monthly payments of \$1,322, including interest at 3.6%, due January 2018	<b>12,960</b>	28,059
Loan payable in blended monthly payments of \$1,807 including interest at 4.75%, due December 2019	<b>56,481</b>	75,504
Social Housing Mortgages payable in blended monthly payments ranging from \$2,606 to \$8,251, including interest at various rates from 0.9% to 2.18%, due on various dates from 2017 to 2022	<b>14,077,013</b>	14,119,757
Scotiabank construction loan, prime plus 1.5%, interest payable monthly, amount due in full on June 30, 2017	<b>7,733,356</b>	-
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	<b>84,988,242</b>	92,252,041
Deferred financing fees related to loans	<b>(788,524)</b>	(872,000)
	<b>\$ 111,941,787</b>	<b>\$ 112,483,213</b>

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

<b>Year</b>	<b>Amount</b>
2018	\$ 16,754,324
2019	9,161,092
2020	9,440,806
2021	9,767,506
2022	10,075,927
Thereafter	57,530,656
Deferred financing fees related to loans	<u>(788,524)</u>
	<b>\$ 111,941,787</b>

Interest expense on long term debt totalled \$4,165,323 for 2017 (2016 - \$4,593,936)

**7. Demand loans**

	<u>2017</u>	<u>2016</u>
Bank of Montreal demand loan, repaid during year	<b>\$ -</b>	44,173

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

**March 31, 2017**

**8. Other revenues listing**

The following is a listing of other revenues:

	2017	2016
User fees	\$ 294,278	\$ 202,457
Interest	6,108	23,329
Canada Revenue Agency	158,428	3,115
Rental revenue	127,868	192,185
Ontario Trillium Foundation	50,500	101,624
6398651 Canada Inc.	-	12,582
CPAWS Wildlands League	-	7,500
OPG	877	510,154
Mushkegowuk Council	219,847	163,887
Payukotayno	58,067	58,767
Nexus	-	6,024
Paytaphun Fuels	2,675	21,523
MFIDSAB	75,580	69,080
Weeneebayko Area Health Authority	85,247	1,550
Royal & Sun Alliance Insurance Co. of Canada	-	31,700
Tourism	89,396	56,337
Moose Cree Ticket Agency	74,670	88,136
ATM Commissions	58,050	50,964
Arthouse Agency	-	2,330
Northern College	3,718	1,016
MNDM	365,105	358,946
Indian Association Coordinating Committee	2,228	1,161
NAN	519,808	208,327
Hydro One	11,100	-
Prosper Canada	10,000	10,000
Moose Cree Constructors	1,445,000	500,000
DeBeers	11,620	12,109
University of Guelph	-	14,807
University of Ottawa	-	11,922
Ontario Arts Council	-	5,000
McCreebec Housing	20,892	5,000
Kiewit-Alare, a Partnership	-	5,000
GG's Corner and Gift	-	5,000
Nishnawbe-Aski Police Services	159,396	159,396
James Bay General Hospital	-	49,444
Red Cross	-	6,854
Cree Aski Services	-	9,180
Amisk Kodim	295,715	151,292
Donations	63,247	178,860
IESO	54,072	-
Kimesskanemenow Corporation	152,676	-
Little NHL	339,668	-
Laurentian University	11,300	-
Nature Canada	4,500	-
Environment Canada	2,800	-
Waubetek Business Development Corp.	5,000	-
NOHFC	14,349	-
Other	143,445	183,107
Other - MCEA	1,391,034	721,826
	<b>\$ 6,328,264</b>	<b>\$ 4,201,491</b>

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

**March 31, 2017**

**9. Accumulated surplus**

Allocation of Annual Surplus:

	2017	2016
Equity in tangible capital assets	\$ 2,638,192	\$ 4,172,403
Reserve and reserve funds	(1,883,534)	(5,305,236)
Equity in government business enterprises	(1,900,454)	(1,232,610)
General surplus in Amisk-OO-Skow Finance Corporation	7,087,728	6,514,802
General surplus/deficit Moose Cree Education Authority	263,781	(168,655)
General surplus/deficit Moose Cree First Nation	(1,015,095)	1,408,750
	<u>\$ 5,190,618</u>	<u>\$ 5,389,454</u>

	2017	2016
Reserves set aside for specific purposes by the First Nation		
Fire service	\$ 64,854	\$ 64,854
Water plant	32,537	32,537
Housing	1,196,811	1,282,240
Program reserves	(2,577,282)	297,480
Casino Rama	4,180,640	3,970,435
Self generated revenue fund - invested in LMLP	50,000,000	50,000,000
Moose Cree Education Authority	2,995,067	2,128,615
Reserves	55,892,627	57,776,161
Equity in tangible capital assets	31,023,331	28,385,139
General surplus	535,042	1,286,356
Equity in government business enterprises	6,473,070	8,373,524
Equity in Amisk-OO-Skow Finance Corporation	15,646,530	8,558,802
	<u>\$109,570,600</u>	<u>\$ 104,379,982</u>

**10. 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, 2017, the First Nation had a payable to Moose Cree Education Authority in the amount of \$2,572,266 (2016 - \$561,304).

# Moose Cree First Nation

## Notes to Consolidated Financial Statements

**March 31, 2017**

### 10. Related party transactions (continued)

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

	<u>2017</u>	<u>2016</u>
Balance, end of year		
Due to (from) Moose Cree Group of Companies LP	\$ (8,169,344)\$	(8,050,685)
Due to (from) Kimesskanemenow Corporation	(190,176)	(190,176)
	<u>\$ (8,359,520)\$</u>	<u>(8,240,861)</u>
Transactions during the year by Moose Cree First Nation		
Rental expense with Complex RE Limited Partnership	\$ 366,743 \$	305,000
Donations and other receipts from Amisk-Kodim Corporation	\$ 1,639,800 \$	1,124,791

### 11. Contingency liabilities

- (i) The First Nation has guaranteed bank loans of government business enterprises in the original amount of \$3,005,926.
- (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.

### 12. 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, 2017

### 13. 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, 2017:

	1100076 Ontario Limited	Amisk- Kodim Corp	1929319 Ontario Inc and MBDC	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd	2017 Total	2016 Total
<b>Financial position</b>							
Current assets	\$ 3,867,907	\$ 2,798,631	\$ -	\$ 5,277,000	\$ 129	\$ 11,943,667	\$ 14,441,110
Capital assets	-	-	-	11,276,000	-	11,276,000	10,450,000
Other assets	-	-	1,998	55,000	20	57,018	52,018
<b>Total assets</b>	<b>3,867,907</b>	<b>2,798,631</b>	<b>1,998</b>	<b>16,608,000</b>	<b>149</b>	<b>23,276,685</b>	<b>24,943,128</b>
Current liabilities	1,000	1,408,087	-	12,780,000	1,420	14,190,507	14,414,496
Long-term liabilities	-	-	-	2,613,000	-	2,613,000	2,155,000
<b>Total liabilities</b>	<b>1,000</b>	<b>1,408,087</b>	<b>-</b>	<b>15,393,000</b>	<b>1,420</b>	<b>16,803,507</b>	<b>16,569,496</b>
<b>Net assets</b>	<b>\$ 3,866,907</b>	<b>\$ 1,390,544</b>	<b>\$ 1,998</b>	<b>\$ 1,215,000</b>	<b>\$ (1,271)</b>	<b>\$ 6,473,178</b>	<b>\$ 8,373,632</b>
<b>Results of operations</b>							
Revenue	\$ -	\$ 976,201	\$ -	\$ 12,396,000	\$ (42)	\$ 13,372,159	\$ 17,657,428
Operating expenses	-	(1,853,524)	-	(13,583,000)	(500)	(15,437,024)	(18,552,075)
Other	-	164,411	-	-	-	164,411	(24,426)
<b>Net earnings (loss)</b>	<b>\$ -</b>	<b>\$ (712,912)</b>	<b>\$ -</b>	<b>\$ (1,187,000)</b>	<b>\$ (542)</b>	<b>\$ (1,900,454)</b>	<b>\$ (919,073)</b>

(b) The investment at March 31, 2017 consists of the following:

	1100076 Ontario Limited	Amisk- Kodim Corp	1929319 Ontario Inc and MBDC	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd	2017 Total	2016 Total
Balance, beginning of year	\$ 3,866,807	\$ 2,103,456	\$ 1,998	\$ 2,402,000	\$ (729)	\$ 8,373,532	\$ 9,606,142
First Nation's share of earnings (loss)	-	(712,912)	-	(1,187,000)	(542)	(1,900,454)	(1,096,692)
Change in classification of investment during year	-	-	-	-	-	-	(135,918)
<b>Balance, end of year</b>	<b>\$ 3,866,807</b>	<b>\$ 1,390,544</b>	<b>\$ 1,998</b>	<b>\$ 1,215,000</b>	<b>\$ (1,271)</b>	<b>\$ 6,473,078</b>	<b>\$ 8,373,532</b>



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## Moose Cree First Nation

### Notes to Consolidated Financial Statements

**March 31, 2017**

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#### **14. 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).

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

**March 31, 2017**

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**15. 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 represent the budget adopted by the First Nation with adjustments as follows:

<b>Budget deficit for the year</b>	\$ (332,369)
<b>Add:</b>	
Principal portion of long term debt	1,874,877
Capital asset additions	4,691,098
<b>Less:</b>	
Amortization	<u>(2,693,357)</u>
<b>Budget surplus per statement of operations</b>	<u>\$ 3,540,249</u>

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

**For the year ended March 31, 2017**

	Land	Leasehold Improve- ments	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infra- structure	Construction in Progress	Total
Cost, beginning of year	\$ -	\$ 415,422	\$ 61,778,508	\$ 3,080,757	\$ 1,895,837	\$ 218,909	\$ 17,046,873	\$ 6,487,741	\$ 90,924,047
Additions	-	68,600	1,019,254	151,329	139,748	-	-	-	1,378,931
Disposals	-	-	(1,599,223)	(37,568)	(37,810)	-	-	(612,503)	(2,287,104)
Capitalized construction	-	-	-	-	-	-	-	11,194,774	11,194,774
Cost, end of year	-	484,022	61,198,539	3,194,518	1,997,775	218,909	17,046,873	17,070,012	101,210,648
Accumulated amortization, beginning and end of year	-	319,192	29,089,973	2,116,786	1,319,027	106,551	8,440,034	-	41,391,563
Amortization	-	59,004	1,842,964	249,831	203,045	21,891	343,036	-	2,719,771
Disposals	-	-	(1,599,223)	(9,396)	(37,810)	(19,658)	-	-	(1,666,087)
Accumulated amortization, end of year	-	378,196	29,333,714	2,357,221	1,484,262	108,784	8,783,070	-	42,445,247
Net carrying amount, end of year	\$ -	\$ 105,826	\$ 31,864,825	\$ 837,297	\$ 513,513	\$ 110,125	\$ 8,263,803	\$ 17,070,012	\$ 58,765,401

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$17,070,012 (2016 - \$6,487,741).

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

**For the year ended March 31, 2016** (comparative figures)

	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 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 (or development or have been removed from service) is \$6,487,741 (2016 - \$6,487,741).

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

**For the year ended March 31, 2017**

	Social Assistance	Admin- istration	Maintenance	Education	Medical	Housing	Economic Development	Other	Consolidated Total
<b>Revenue</b>	<b>\$ 5,103,862</b>	<b>\$ 1,538,595</b>	<b>\$ 1,874,822</b>	<b>\$ 11,086,213</b>	<b>\$ 3,748,036</b>	<b>\$ 2,607,755</b>	<b>\$ 822,095</b>	<b>\$ 26,789,961</b>	<b>\$ 53,571,339</b>
<b>Expenses</b>									
Amortization	1,739	151,932	344,387	421,808	52,752	1,163,338	121,018	462,797	2,719,771
Salaries, wages and benefits	283,979	1,654,524	446,059	-	2,353,971	452,897	531,036	4,659,723	10,382,189
Materials and supplies	-	-	142,310	-	334,858	-	200,231	956,770	1,634,169
Professional services	-	217,147	-	-	77,087	6,771	242,687	1,740,128	2,283,820
Tuition	-	-	-	4,286,149	-	-	-	-	4,286,149
Interest expenses on LTD	-	-	-	-	-	-	-	3,787,453	3,787,453
Travel and training	16,366	107,422	20,351	137,255	289,902	4,742	59,770	1,421,341	2,057,149
Other	4,482,395	(326,881)	735,301	5,411,037	477,679	111,454	161,190	8,277,392	19,329,567
	<b>4,784,479</b>	<b>1,804,144</b>	<b>1,688,408</b>	<b>10,256,249</b>	<b>3,586,249</b>	<b>1,739,202</b>	<b>1,315,932</b>	<b>21,305,604</b>	<b>46,480,267</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 319,383</b>	<b>\$ (265,549)</b>	<b>\$ 186,414</b>	<b>\$ 829,964</b>	<b>\$ 161,787</b>	<b>\$ 868,553</b>	<b>\$ (493,837)</b>	<b>\$ 5,484,357</b>	<b>\$ 7,091,072</b>

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, 2016 (comparative figures)**

	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 expense 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.

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

**For the year ended March 31,** **2017** **2016**

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**INAC**

Revenue per financial statements	\$ 14,315,497	\$ 13,615,277
Revenue per confirmation	<u>14,402,614</u>	<u>13,615,277</u>
	(87,117)	-

**Difference represented by**

Education funding adjustments	<u>87,117</u>	-
	\$ -	\$ -

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**Health Canada**

Revenue per financial statements	\$ 2,605,226	\$ 2,577,515
Revenue per confirmation	<u>2,605,226</u>	<u>2,577,515</u>
	\$ -	\$ -

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