

**Moose Cree First Nation**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2018**

**Moose Cree First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2018

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**Contents**

<b>Management's Responsibility for Financial Reporting</b>	<b>1</b>
<b>Independent Auditor's Report</b>	<b>2</b>
<b>Consolidated Financial Statements</b>	
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Financial Assets (Debt)	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Schedule 1 - Tangible Capital Assets	17
Schedule 2 - Segment Disclosure	19
Reconciliation of Funding	21

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

March 31, 2018

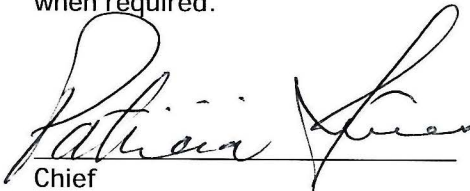
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The accompanying consolidated financial statements of the Moose Cree First Nation are the responsibility of management and have been approved by the Chief and Council.

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.

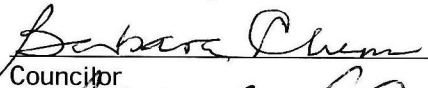
The external auditors, BDO Canada LLP, conduct an audit in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Moose Cree First Nation and meet when required.

  
Chief

  
Councilor D. Chab

  
Councilor

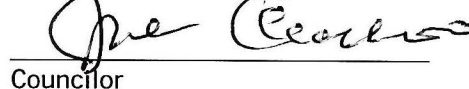
  
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## Independent Auditor's Report

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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, 2018 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, 2018 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 20, 2018

# Moose Cree First Nation

## Consolidated Statement of Financial Position

**March 31** **2018** 2017

**Financial assets**

Cash and short term deposits (Note 2)	\$ 12,093,897	\$ 8,359,273
Accounts receivable (Note 3)	7,678,627	6,827,497
Portfolio investments (Note 4)	140,908,262	140,908,262
Due from subsidiary companies (Note 9)	206,950	8,359,820
Investment in government business enterprises (Note 12)	12,871,769	6,473,078
	<u>173,759,505</u>	<u>170,927,930</u>

**Liabilities**

Accounts payable and accrued liabilities	5,837,243	8,375,104
Deferred revenue and advances (Note 5)	1,025,234	322,386
Long term debt (Note 6)	107,506,458	111,941,787
	<u>114,368,935</u>	<u>120,639,277</u>

**Net financial assets**

59,390,570 50,288,653

**Non-financial assets**

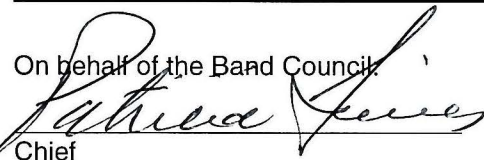
Tangible capital assets (Schedule 1)	59,964,065	58,765,401
Prepaid expenses and inventory of supplies	430,913	516,546
	<u>60,394,978</u>	<u>59,281,947</u>

**Accumulated surplus (Note 8)**

\$119,785,548 \$ 109,570,600

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

\$ 30,640 \$ 30,640

On behalf of the Band Council  
  
 Chief

  
 Councilor D. Chief

  
 Councilor

  
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# Moose Cree First Nation

## Consolidated Statement of Operations

For the year ended March 31	Budget (Note 14)	2018	2017
<b>Revenue</b>			
INAC		\$ 14,826,648	\$ 14,315,497
Health Canada		3,284,038	2,449,891
Canada Mortgage and Housing Corporation		1,274,995	1,259,544
Federal other		93,689	87,478
Province of Ontario		6,543,387	6,465,549
Mushkegowuk Council		377,985	162,456
Ontario First Nation Limited Partnership		2,286,125	2,252,035
Rental		1,494,118	1,366,595
Lower Mattagami LP distributions		14,427,901	14,189,069
Local services		349,478	354,261
Ontario Power Generation		675,921	-
DeBeers		971,675	946,438
Detour Gold		2,439,209	3,383,952
Moose Cree Constructors Inc		3,158,222	1,445,000
Other (Note 7)		4,903,129	4,883,264
Interest		20,718	10,310
		<b>\$ 49,451,568</b>	<b>57,127,238</b>
			<b>53,571,339</b>
<b>Expenses</b>			
Administration and communications	3,416,944	1,724,747	1,983,168
Land and resources	2,159,098	1,078,327	203,880
Fire protection services and projects	612,283	560,310	417,170
Economic development	2,910,011	1,154,618	1,184,320
Major agreements	2,325,920	2,351,961	3,244,571
Health	4,218,542	4,074,020	3,568,474
Public works	2,355,898	2,303,289	1,543,753
Social assistance	4,488,681	4,631,919	4,773,729
Self generated allocations	(6,396,416)	1,703,780	1,444,803
Social housing and housing administration	2,905,678	2,319,737	2,170,897
Other	4,805,806	1,913,352	3,661,072
Capital	-	965,569	1,629,997
Ontario F.N. Limited Partnership allocations	-	1,885,380	2,052,140
EPR and arena	1,202,537	679,364	873,945
Moose Cree Education Authority	12,475,211	11,146,204	10,256,249
Language and cultural projects	857,774	237,983	(28,857)
Youth programming	992,856	330,900	399,615
Amisk-OO-Skow Finance Corporation	-	6,691,521	7,101,341
	<b>39,330,823</b>	<b>45,752,981</b>	<b>46,480,267</b>
<b>Annual surplus before share in earnings of First Nation business enterprises</b>	10,120,745	11,374,257	7,091,072
<b>Share in earnings of First Nation business enterprises</b>	-	(1,159,309)	(1,900,454)
<b>Annual surplus</b>	10,120,745	10,214,948	5,190,618
<b>Accumulated surplus, beginning of year</b>	109,570,600	109,570,600	104,379,982
<b>Accumulated surplus, end of year</b>	\$119,691,345	\$119,785,548	\$ 109,570,600

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	2018	2017
<b>Annual surplus before share in earnings of First Nation business enterprises</b>	\$ 10,120,745	\$ 11,374,257	\$ 7,091,072
Acquisition and adjustments of tangible capital assets	(4,691,098)	(3,839,968)	(11,952,688)
Amortization of tangible capital assets	-	2,641,304	2,719,771
Share in earnings of government business enterprises	-	(1,159,309)	(1,900,454)
Prepaid expenses and inventory of supplies	-	85,633	(169,051)
<b>Net change in financial assets (debt)</b>	5,429,647	9,101,917	(4,211,350)
<b>Net financial assets, beginning of year</b>	50,288,653	50,288,653	54,500,003
<b>Net financial assets, end of year</b>	\$ 55,718,300	\$ 59,390,570	\$ 50,288,653

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

# Moose Cree First Nation

## Consolidated Statement of Cash Flows

For the year ended March 31	2018	2017
<b>Operating transactions</b>		
Annual surplus	\$ 10,214,948	\$ 5,190,618
Items not involving cash		
Share in (gain) loss of subsidiary operations	1,159,309	1,900,454
Amortization	2,641,304	2,719,771
	<b>14,015,561</b>	<b>9,810,843</b>
Changes in non-cash operating balances		
Accounts receivable	(851,130)	3,915,770
Prepaid expenses	85,633	(169,051)
Accounts payable and accrued liabilities	(2,537,861)	1,020,132
Due from government business enterprises	8,152,870	(118,959)
Deferred revenue	702,848	166,389
	<b>19,567,921</b>	<b>14,625,124</b>
<b>Capital transactions</b>		
Proceeds on disposition of assets	-	44,172
Purchase of capital assets	(3,839,968)	(11,952,688)
	<b>(3,839,968)</b>	<b>(11,908,516)</b>
<b>Financing activities</b>		
Investment in First Nation business enterprises	(7,558,000)	-
Long term debt issued	4,571,960	8,149,853
Principal payments on debt	(9,007,289)	(8,735,451)
Decrease in demand loans	-	(44,173)
	<b>(11,993,329)</b>	<b>(629,771)</b>
<b>Net change in cash and cash equivalents</b>	<b>3,734,624</b>	<b>2,086,837</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>8,359,273</b>	<b>6,272,436</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 12,093,897</b>	<b>\$ 8,359,273</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, 2018

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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>- Moose Cree Constructors Inc.</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. Tangible capital assets under construction and or development are not amortized until they are available to be put into service.</p> <p>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>Machinery and equipment</td><td>4-10 years</td></tr><tr><td>Furnishings and fixtures</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	Machinery and equipment	4-10 years	Furnishings and fixtures	10-15 years	Vehicles	3-5 years	Infrastructure	10-100 years
Land improvements	10-30 years												
Buildings	10-40 years												
Machinery and equipment	4-10 years												
Furnishings and fixtures	10-15 years												
Vehicles	3-5 years												
Infrastructure	10-100 years												

# Moose Cree First Nation

## Notes to Consolidated Financial Statements

March 31, 2018

### 1. Summary of significant accounting policies (continued)

<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.
<b>Revenue Recognition</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>Use of Estimates</b>	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.

### 2. Cash and short term deposits

	2018	2017
Cash	\$ 11,363,001	\$ 7,629,580
Short term deposits	730,896	729,693
	<b>\$ 12,093,897</b>	<b>\$ 8,359,273</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 May 2018 to April 2019 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.

### 3. Accounts receivable

The amount reflected in accounts receivable at March 31, 2018 is net of an allowance for doubtful accounts of \$4,936,403 (2017 - \$4,547,095).

# Moose Cree First Nation

## Notes to Consolidated Financial Statements

**March 31, 2018**

### 4. Portfolio investments

	2018	2017
Investment in Lower Mattagami Limited Partnership (LMLP)	\$ 140,908,261	\$ 140,908,261
Kimesskanemenow Limited Partnership	1	1
	<u>\$ 140,908,262</u>	<u>\$ 140,908,262</u>

The First Nation's subsidiary, Amisk-OO-Skow Finance Corporation, 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 First Nation has a 25% share ownership in Kimesskanemenow Limited Partnership, a partnership 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:

	2018	2017
INAC - Moose Cree Education Authority	\$ 416,190	\$ -
Health Canada - MCEA Choose Life Program	288,882	-
Health Transfer Agreement	320,162	212,274
Employment programs	-	110,112
	<u>\$ 1,025,234</u>	<u>\$ 322,386</u>

### 6. Long term debt

	2018	2017
Mortgages payable - Waskahegun property, in blended monthly payment ranging from \$667 to \$997 including interest at a rate of 2.99%, repaid during year	\$ -	\$ 34,445
Mortgages payable - receiving home, in blended monthly payments of \$607, including interest at a rate of 3.18%, due March, 2023	52,287	57,806
Mortgages payable - housing initiative #1, in blended monthly payments of \$16,379, including interest at a rate of 2.92%, due March, 2029	2,081,837	2,239,259
Mortgages payable - housing initiative #2, in blended monthly payments of \$18,742, including interest at a rate of 2.45%, due January, 2020	2,988,959	3,123,158

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

**March 31, 2018**

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

	<u>2018</u>	<u>2017</u>
NOHFC loan payable, monthly payments of \$1,389 maturing February 2030, interest free	<b>199,992</b>	215,271
Loan payable, in blended monthly payments of \$5,056, including interest of 2.96%, due July 2020	<b>136,594</b>	192,320
Loan payable, in blended monthly payments of \$1,322, including interest at 3.6%, repaid during year	-	12,960
Loan payable in blended monthly payments of \$1,807 including interest at 4.75%, due December 2019	<b>36,662</b>	56,481
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 2018 to 2022	<b>13,000,798</b>	14,077,013
Scotiabank construction loan, prime plus 1.5%, interest payable monthly, amount due in full on June 30, 2024	<b>12,305,316</b>	7,733,356
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>77,409,537</b>	84,988,242
Deferred financing fees related to loans	<b>(705,524)</b>	(788,524)
	<b>\$ 107,506,458</b>	<b>\$ 111,941,787</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
2019	\$ 9,048,418
2020	9,340,351
2021	9,672,871
2022	10,070,628
2023	10,484,219
Thereafter	<u>58,889,971</u>
	<b>\$ 107,506,458</b>

Interest expense on long term debt totalled \$3,472,070 for 2018 (2017 - \$3,787,453).

# Moose Cree First Nation

## Notes to Consolidated Financial Statements

**March 31, 2018**

### 7. Other revenues listing

The following is a listing of other revenues:

	2018	2017
User fees	\$ 213,234	\$ 294,278
Interest	5,660	6,108
Canada Revenue Agency	160,326	158,428
Rental revenue	60,531	127,868
Ontario Trillium Foundation	-	50,500
OPG	3,500	877
Mushkegowuk Council	199,483	219,847
Payukotayno	63,637	58,067
Paytaphun Fuels	2,000	2,675
MFIDSAB	37,183	75,580
Weeneebayko Area Health Authority	71,829	85,247
Tourism	128,368	89,396
Moose Cree Ticket Agency	7,910	74,670
ATM Commissions	52,323	58,050
Northern College	2,169	3,718
MNDM	286,770	365,105
Indian Association Coordinating Committee	-	2,228
NAN	499,800	519,808
Hydro One	25,336	11,100
Prosper Canada	20,000	10,000
DeBeers	11,170	11,620
Ontario Arts Council	14,000	-
MoCreebec Housing	-	20,892
Spenser Moore	7,111	-
Nishnawbe-Aski Police Services	-	159,396
Taykwa Tagamou Nation	5,940	-
Amisk Kodim	-	295,715
Donations	50,000	63,247
IESO	-	54,072
Kimesskanemenow Limited Partnership	50,947	152,676
Little NHL	491,956	339,668
Red Cross	6,540	-
Laurentian University	-	11,300
Nature Canada	-	4,500
Environment Canada	-	2,800
Waubetek Business Development Corp.	11,832	5,000
NOHFC	9,792	14,349
Other	1,259,088	143,445
Other - MCEA	1,144,694	1,391,034
	<b>\$ 4,903,129</b>	<b>\$ 4,883,264</b>

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

**March 31, 2018**

**8. Accumulated surplus**

Allocation of annual surplus:

	2018	2017
Equity in tangible capital assets	\$ (1,869,711)	\$ 2,638,192
Reserve and reserve funds	1,103,150	(1,883,534)
Equity in government business enterprises	6,398,690	(1,900,454)
General surplus in Amisk-OO-Skow Finance Corporation	7,736,824	7,087,728
General surplus/deficit Moose Cree Education Authority	103,533	263,781
General surplus/deficit Moose Cree First Nation	(3,257,538)	(1,015,095)
	<u>\$ 10,214,948</u>	<u>\$ 5,190,618</u>

	2018	2017
Reserves set aside for specific purposes by the First Nation		
Fire service	\$ 64,854	\$ 64,854
Water plant	32,537	32,537
Housing	1,366,167	1,196,811
Program reserves	(2,012,244)	(2,577,282)
Casino Rama	4,601,659	4,180,640
Self generated revenue fund - invested in LMLP	50,000,000	50,000,000
Moose Cree Education Authority	2,942,804	2,995,067
	<u>56,995,777</u>	<u>55,892,627</u>
Reserves	56,995,777	55,892,627
Equity in tangible capital assets	29,153,620	31,023,331
General surplus	(2,618,963)	535,042
Equity in government business enterprises	12,871,760	6,473,070
Equity in Amisk-OO-Skow Finance Corporation	23,383,354	15,646,530
	<u>\$119,785,548</u>	<u>\$ 109,570,600</u>

**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, 2018, the First Nation had a payable to Moose Cree Education Authority in the amount of \$2,445,303 (2017 - \$2,572,266), which has been eliminated upon consolidation.
- (iii) The First Nation converted amounts owing from Moose Cree Group of Companies Limited Partnership in amount of \$7,558,000 into contributed capital in the Limited Partnership resulting in an increase in investment in government business enterprises at March 31, 2018.

# Moose Cree First Nation

## Notes to Consolidated Financial Statements

**March 31, 2018**

### 9. Related party transactions (continued)

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

	2018	2017
Balance, end of year		
Due to (from) Moose Cree Constructors Inc	\$ 4,536	\$ -
Due to (from) Moose Cree Group of Companies LP	(21,310)	(8,169,344)
Due to (from) Kimesskanemenow Limited Partnership	(190,176)	(190,176)
	<u>\$ (206,950)</u>	<u>\$ (8,359,520)</u>
Transactions during the year by Moose Cree First Nation		
Rental expense with Complex RE Limited Partnership	\$ 478,828	\$ 366,743
Donations and receipts from Moose Cree Constructors Inc	\$ 3,475,140	\$ 1,639,800

### 10. Contingency liabilities

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

### 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 Consolidated Financial Statements

March 31, 2018

### 12. Investment in government business enterprises

The Moose Band Development Corporation ("MBDC"), 1929319 Ontario Inc, 1100076 Ontario Limited, Moose Cree Constructors Inc, 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, 2018:

	1100076 Ontario Limited	Moose Cree Constructors	1929319 Ontario Inc and MBDC	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd	2018 Total	2017 Total
<b>Financial position</b>							
Current assets	\$ 3,867,907	\$ 419,737	\$ -	\$ 5,322,000	\$ 10	\$ 9,609,654	\$ 11,943,667
Capital assets	-	-	-	11,979,000	-	11,979,000	11,276,000
Other assets	-	-	1,998	596,000	20	598,018	57,018
<b>Total assets</b>	<b>3,867,907</b>	<b>419,737</b>	<b>1,998</b>	<b>17,897,000</b>	<b>30</b>	<b>22,186,672</b>	<b>23,276,685</b>
Current liabilities	1,000	3,968,883	-	2,725,000	1,920	6,696,803	14,190,507
Long-term liabilities	-	-	-	2,618,000	-	2,618,000	2,613,000
<b>Total liabilities</b>	<b>1,000</b>	<b>3,968,883</b>	<b>-</b>	<b>5,343,000</b>	<b>1,920</b>	<b>9,314,803</b>	<b>16,803,507</b>
<b>Net assets (liabilities)</b>	<b>\$ 3,866,907</b>	<b>\$ (3,549,146)</b>	<b>\$ 1,998</b>	<b>\$ 12,554,000</b>	<b>\$ (1,890)</b>	<b>\$ 12,871,869</b>	<b>\$ 6,473,178</b>
<b>Results of operations</b>							
Revenue	\$ -	\$ 1,092,113	\$ -	\$ 18,068,000	\$ -	\$ 19,160,113	\$ 13,372,159
Operating expenses	-	(3,511,803)	-	(16,807,000)	(619)	(20,319,422)	(15,437,024)
Other	-	-	-	-	-	-	164,411
<b>Net earnings (loss)</b>	<b>\$ -</b>	<b>\$ (2,419,690)</b>	<b>\$ -</b>	<b>\$ 1,261,000</b>	<b>\$ (619)</b>	<b>\$ (1,159,309)</b>	<b>\$ (1,900,454)</b>

(b) The investment at March 31, 2018 consists of the following:

	1100076 Ontario Limited	Moose Cree Constructors	1929319 Ontario Inc and MBDC	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd	2018 Total	2017 Total
Balance, beginning of year	\$ 3,866,807	\$ 1,390,544	\$ 1,998	\$ 1,215,000	\$ (1,271)	\$ 6,473,078	\$ 8,373,532
First Nation's share of earnings (loss)	-	(2,419,690)	-	1,261,000	(619)	(1,159,309)	(1,900,454)
Contributed capital allocations	-	(2,520,000)	-	10,078,000	-	7,558,000	-
<b>Balance, end of year</b>	<b>\$ 3,866,807</b>	<b>\$ (3,549,146)</b>	<b>\$ 1,998</b>	<b>\$ 12,554,000</b>	<b>\$ (1,890)</b>	<b>\$ 12,871,769</b>	<b>\$ 6,473,078</b>



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## Moose Cree First Nation

### Notes to Consolidated Financial Statements

March 31, 2018

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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 2).

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

**March 31, 2018**

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

<b>Budget surplus for the year</b>	<b>\$ 5,237,523</b>
<b>Add:</b>	
Principal portion of long term debt	1,406,135
Capital asset additions	3,919,733
<b>Less:</b>	
Net inter-fund transfers from reserves	(442,646)
Amortization	<u>-</u>
<b>Budget surplus per statement of operations</b>	<b><u>\$ 10,120,745</u></b>

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

**For the year ended March 31, 2018**

	Land	Leasehold Improve- ments	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infra- structure	Construction in Progress	Total
Cost, beginning of year	\$ -	\$ 484,022	\$ 61,198,539	\$ 3,194,518	\$ 1,997,775	\$ 218,909	\$ 17,046,873	\$ 17,070,012	\$101,210,648
Additions	-	-	197,946	7,071	239,778	-	-	3,395,173	3,839,968
Cost, end of year	-	484,022	61,396,485	3,201,589	2,237,553	218,909	17,046,873	20,465,185	105,050,616
Accumulated amortization, beginning and end of year	-	378,196	29,333,714	2,357,221	1,484,262	108,784	8,783,070	-	42,445,247
Amortization	-	59,004	1,863,215	154,489	200,519	21,891	342,186	-	2,641,304
Accumulated amortization, end of year	-	437,200	31,196,929	2,511,710	1,684,781	130,675	9,125,256	-	45,086,551
Net carrying amount, end of year	\$ -	\$ 46,822	\$ 30,199,556	\$ 689,879	\$ 552,772	\$ 88,234	\$ 7,921,617	\$ 20,465,185	\$ 59,964,065

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$20,465,185 (2017 - \$17,070,012).

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

**For the year ended March 31, 2017 (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	\$ 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 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 (or development or have been removed from service) is \$17,070,012 (2016 - \$6,487,741).

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

For the year ended March 31, 2018

	Social Assistance	Admin-istration	Maintenance	Education	Medical	Housing	Economic Development	Other	Consolidated Total
INAC	\$ 254,900	\$ 1,408,447	\$ 836,686	\$ 9,214,688	\$ 5,000	\$ -	\$ 507,450	\$ 2,599,477	\$ 14,826,648
Canada	-	-	-	215,171	2,656,593	-	-	293,689	3,165,453
Ontario	4,653,816	-	205,953	653,678	680,947	-	-	259,659	6,454,053
Other Aboriginal organizations	-	-	-	-	-	-	267,873	14,509,023	14,776,896
OFNLP	-	-	-	-	-	-	-	2,286,125	2,286,125
Interest and other revenue	26,147	213,234	559,861	1,144,694	960,714	1,274,995	284,736	9,662,014	14,126,395
User fees, rental income, sales and fund raising	-	-	-	-	-	1,464,711	2,450	24,507	1,491,668
	4,934,863	1,621,681	1,602,500	11,228,231	4,303,254	2,739,706	1,062,509	29,634,494	57,127,238
<b>Expenses</b>									
Amortization	290	150,509	351,195	422,437	57,655	1,156,048	121,890	447,095	2,707,119
Salaries, wages and benefits	286,821	1,509,475	443,414	-	2,394,942	512,462	664,293	3,881,046	9,692,453
Materials and supplies	5,031	267,649	398,044	-	497,970	160,181	75,908	1,465,847	2,870,630
Professional services	-	209,856	787,216	-	298,091	1,445	222,087	2,920,706	4,439,401
Tuition	-	-	-	4,278,043	-	-	-	-	4,278,043
Interest expenses on LTD	-	-	-	-	-	321,319	2,083	3,751,521	4,074,923
Transfers between segments	(15,616)	(1,089,193)	229,623	(1,593,938)	52,783	(699,974)	(133,072)	3,249,387	-
Travel and training	6,867	36,679	10,655	231,040	155,029	-	37,350	1,240,741	1,718,361
Other	4,348,526	639,771	83,142	7,808,622	617,550	868,256	164,079	1,442,105	15,972,051
	4,631,919	1,724,746	2,303,289	11,146,204	4,074,020	2,319,737	1,154,618	18,398,448	45,752,981
<b>Excess (deficiency) of revenue over expenses</b>	\$ 302,944	\$ (103,065)	\$ (700,789)	\$ 82,027	\$ 229,234	\$ 419,969	\$ (92,109)	\$ 11,236,046	\$ 11,374,257

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, 2017 (comparative figures)

	Social Assistance	Admin- istration	Maintenance	Education	Medical	Housing	Economic Development	Other	Consolidated Total
Revenue									
INAC	\$ 498,900	\$ 1,308,791	\$ 777,034	\$ 8,986,566	\$ 5,000	\$ -	\$ 287,060	\$ 2,452,146	\$ 14,315,497
Canada	-	-	-	85,809	2,519,417	-	-	87,478	2,692,704
Ontario	4,604,025	-	495,853	649,786	542,812	-	-	173,073	6,465,549
Other Aboriginal organizations	-	-	-	-	-	-	173,510	17,210,191	17,383,701
OFNLP	-	-	-	-	-	-	-	2,252,035	2,252,035
Interest and other revenue	937	229,804	601,935	1,364,052	680,807	1,275,619	361,525	4,580,579	9,095,258
User fees, rental income, sales and fund raising	-	-	-	-	-	1,332,136	-	34,459	1,366,595
	5,103,862	1,538,595	1,874,822	11,086,213	3,748,036	2,607,755	822,095	26,789,961	53,571,339
Expenses									
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 expense 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
	4,784,479	1,804,144	1,688,408	10,256,249	3,586,249	1,739,202	1,315,932	21,305,604	46,480,267
Excess (deficiency) of revenue over expenses	\$ 319,383	\$ (265,549)	\$ 186,414	\$ 829,964	\$ 161,787	\$ 868,553	\$ (493,837)	\$ 5,484,357	\$ 7,091,072

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

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

<b>For the year ended March 31,</b>	<b>2018</b>	<b>2017</b>
<b>INAC</b>		
Revenue per financial statements	\$ 14,826,648	\$ 14,315,497
Revenue per confirmation	<u>15,032,041</u>	<u>14,402,614</u>
	<u>(205,393)</u>	<u>(87,117)</u>
<b>Difference represented by</b>		
INAC - Moose Cree Education Authority approved deferrals	416,190	-
Education funding adjustments	<u>(210,797)</u>	<u>87,117</u>
	<u>205,393</u>	<u>87,117</u>
	\$ -	\$ -
<b>Health Canada</b>		
Revenue per financial statements	\$ 3,284,038	\$ 2,449,891
Revenue per confirmation	<u>3,680,808</u>	<u>2,605,226</u>
	<u>(396,770)</u>	<u>(155,335)</u>
<b>Difference represented by</b>		
Change in Health Transfer agreement deferrals	107,888	155,335
Health Canada - MCEA Choose Life Program	<u>288,882</u>	<u>-</u>
	<u>396,770</u>	<u>155,335</u>
	\$ -	\$ -