

Moose Cree First Nation
Consolidated Financial Statements
For the year ended March 31, 2019

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Consolidated Financial Statements
For the year ended March 31, 2019

Contents

Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2
Consolidated Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets (Debt)	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Schedule 1 - Tangible Capital Assets	18
Schedule 2 - Segment Disclosure	20
Reconciliation of Funding	22

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


March 31, 2019


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.

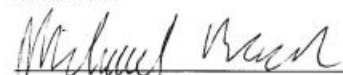
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary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


Deputy 
Chief



Councilor



Councilor


Councilor


Councilor


Councilor


Councilor


Councilor

Councilor

Councilor

Councilor

Councilor



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Sault Ste. Marie ON P6A 5N7 Canada

Independent Auditor's Report

To the Chief and Council of Moose Cree First Nation

Opinion

We have audited the consolidated financial statements of Moose Cree First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, change in net financial assets and cash flows, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
September 30, 2019

Moose Cree First Nation

Consolidated Statement of Financial Position

March 31 **2019** **2018**

Financial assets

Cash and short term deposits (Note 2)	\$ 12,046,043	\$ 12,093,897
Accounts receivable (Note 3)	9,013,563	7,678,627
Portfolio investments (Note 4)	140,908,262	140,908,262
Due from subsidiary companies (Note 9)	-	206,950
Investment in government business enterprises (Note 12)	15,677,660	12,871,769
	177,645,528	173,759,505

Liabilities

Accounts payable and accrued liabilities	6,337,267	5,837,243
Deferred revenue and advances (Note 5)	2,226,939	1,025,234
Due to subsidiary companies (Note 9)	409,903	-
Long term debt (Note 6)	98,014,168	107,506,458
	106,988,277	114,368,935

Net financial assets

70,657,251 **59,390,570**

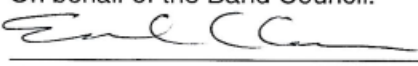
Non-financial assets

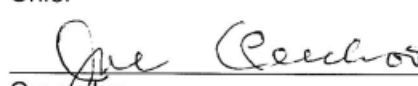
Tangible capital assets (Schedule 1)	57,266,053	59,964,065
Prepaid expenses and inventory of supplies	243,425	430,913
	57,509,478	60,394,978


Accumulated surplus (Note 8) **\$128,166,729** **\$ 119,785,548**

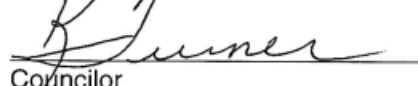
Funds held in trust with Government of Canada **\$ 30,640** **\$ 30,640**

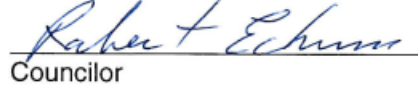
On behalf of the Band Council:


Deputy 
 Chief



 Councilor



 Councilor


 Councilor


 Councilor


 Councilor


 Councilor


 Councilor

 Councilor

 Councilor

 Councilor

 Councilor

Moose Cree First Nation

Consolidated Statement of Operations

For the year ended March 31	Budget (Note 14)	2019	2018
Revenue			
INAC		\$ 16,237,383	\$ 14,826,648
Health Canada		2,742,812	3,284,038
Canada Mortgage and Housing Corporation		1,198,973	1,274,995
Federal other		62,053	93,689
Province of Ontario		7,584,267	6,543,387
Mushkegowuk Council		211,527	377,985
Ontario First Nation Limited Partnership		2,904,987	2,286,125
Rental		1,395,105	1,494,118
Lower Mattagami LP distributions		14,050,776	14,427,901
Local services		251,114	349,478
Ontario Power Generation		544,183	675,921
DeBeers		491,813	971,675
Detour Gold		3,008,547	2,439,209
Moose Cree Constructors Inc		5,646	3,158,222
Other (Note 7)		5,480,982	4,903,129
Interest		74,536	20,718
		\$ 49,816,119	56,244,704
			57,127,238
Expenses			
Administration and communications	3,967,300	1,113,099	1,724,747
Land and resources	1,893,076	996,526	1,078,327
Fire protection services and projects	430,317	359,086	560,310
Economic development	2,593,090	2,163,774	1,154,618
Major agreements	3,369,194	3,304,340	2,351,961
Health	3,982,483	4,135,441	4,074,020
Public works	1,007,774	1,936,110	2,303,289
Social assistance	4,836,150	5,398,663	4,631,919
Self generated allocations	(4,508,110)	599,532	1,703,780
Social housing and housing administration	3,066,236	2,690,665	2,319,737
Other	5,757,108	5,421,916	1,913,352
Capital	-	1,178,704	965,569
Ontario F.N. Limited Partnership allocations	-	2,058,256	1,885,380
EPR and arena	1,284,272	712,708	679,364
Moose Cree Education Authority	12,972,760	11,885,485	11,146,204
Language and cultural projects	943,885	133,403	237,983
Youth programming	1,348,483	230,969	330,900
Amisk-OO-Skow Finance Corporation	-	6,350,737	6,691,521
	42,944,018	50,669,414	45,752,981
Annual surplus before share in earnings of First Nation business enterprises	6,872,101	5,575,290	11,374,257
Share in earnings of First Nation business enterprises	-	2,805,891	(1,159,309)
Annual surplus	6,872,101	8,381,181	10,214,948
Accumulated surplus, beginning of year	119,785,548	119,785,548	109,570,600
Accumulated surplus, end of year	\$126,657,649	\$128,166,729	\$ 119,785,548

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	2019	2018
Annual surplus before share in earnings of First Nation business enterprises	\$ 6,872,101	\$ 5,575,290	\$ 11,374,257
Acquisition and adjustments of tangible capital assets	(504,365)	(517,146)	(3,839,968)
Amortization of tangible capital assets	-	3,194,588	2,641,304
Proceeds on disposal of tangible capital assets	-	20,570	-
Share in earnings of government business enterprises	-	2,805,891	(1,159,309)
Prepaid expenses and inventory of supplies	-	187,488	85,633
Net change in financial assets	6,367,736	11,266,681	9,101,917
Net financial assets, beginning of year	59,390,570	59,390,570	50,288,653
Net financial assets, end of year	\$ 65,758,306	\$ 70,657,251	\$ 59,390,570

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	2019	2018
Operating transactions		
Annual surplus	\$ 8,381,181	\$ 10,214,948
Items not involving cash		
Share in (gain) loss of subsidiary operations	(2,805,891)	1,159,309
Amortization	3,194,588	2,641,304
	<u>8,769,878</u>	<u>14,015,561</u>
Changes in non-cash operating balances		
Accounts receivable	(1,334,936)	(851,130)
Prepaid expenses	187,488	85,633
Accounts payable and accrued liabilities	500,024	(2,537,861)
Due from government business enterprises	206,950	8,152,870
Due to government business enterprises	409,903	-
Deferred revenue	1,201,705	702,848
	<u>9,941,012</u>	<u>19,567,921</u>
Capital transactions		
Proceeds on disposition of assets	20,570	-
Purchase of capital assets	(517,146)	(3,839,968)
	<u>(496,576)</u>	<u>(3,839,968)</u>
Financing activities		
Investment in First Nation business enterprises	-	(7,558,000)
Long term debt issued	3,842,428	4,571,960
Principal payments on debt	(13,334,718)	(9,007,289)
	<u>(9,492,290)</u>	<u>(11,993,329)</u>
Net change in cash and cash equivalents	(47,854)	3,734,624
Cash and cash equivalents, beginning of year	12,093,897	8,359,273
Cash and cash equivalents, end of year	\$ 12,046,043	\$ 12,093,897

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2019

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.- Moose Cree Constructors 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. 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, 2019

1. Summary of significant accounting policies (continued)

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.
Revenue Recognition	<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>
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.

2. Cash and short term deposits

	2019	2018
Cash	\$ 11,315,147	\$ 11,364,204
Short term deposits	730,896	729,693
	\$ 12,046,043	\$ 12,093,897

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 2019 to April 2020 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, 2019 is net of an allowance for doubtful accounts of \$5,484,787 (2018 - \$4,936,403).

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2019

4. Portfolio investments

	2019	2018
Investment in Lower Mattagami Limited Partnership (LMLP)	\$140,908,261	\$140,908,261
Kimesskanemenow Limited Partnership	1	1
	\$140,908,262	\$ 140,908,262

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:

	2019	2018
INAC - Moose Cree Education Authority	\$ 1,130,624	\$ 416,190
Health Canada - MCEA	250,118	288,882
NAN - MCEA	8,338	-
Health Transfer Agreement	837,859	320,162
	\$ 2,226,939	\$ 1,025,234

6. Long term debt

	2019	2018
Mortgages payable - receiving home, in blended monthly payments of \$607, including interest at a rate of 3.18%, due March, 2023	\$ 46,937	\$ 52,287
Mortgages payable - housing initiative #1, in blended monthly payments of \$16,379, including interest at a rate of 2.92%, due March, 2029	1,919,755	2,081,837
Mortgages payable - housing initiative #2, in blended monthly payments of \$18,742, including interest at a rate of 2.45%, due January, 2020	2,843,515	2,988,959

Moose Cree First Nation
Notes to Consolidated Financial Statements

March 31, 2019

6. Long term debt (continued)

	2019	2018
NOHFC loan payable, monthly payments of \$1,389 maturing February 2030, interest free	183,324	199,992
Loan payable, in blended monthly payments of \$5,056, including interest of 2.96%, due July 2020	79,195	136,594
Loan payable in blended monthly payments of \$1,807 including interest at 4.75%, due December 2019	16,039	36,662
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 2019 to 2024	12,089,823	13,000,798
Scotiabank construction loan, prime plus 1.5%, interest payable monthly, amount due in full on June 30, 2024	11,956,351	12,305,316
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	69,501,753	77,409,537
Deferred financing fees related to loans	(622,524)	(705,524)
	\$ 98,014,168	\$ 107,506,458

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

Year	Amount
2020	\$ 9,440,801
2021	9,768,519
2022	10,158,924
2023	10,570,910
2024	10,969,261
Thereafter	<u>47,105,753</u>
	\$ 98,014,168

Interest expense on long term debt totalled \$3,448,326 for 2019 (2018 - \$3,472,070).

Moose Cree First Nation
Notes to Consolidated Financial Statements

March 31, 2019

7. Other revenues listing

The following is a listing of other revenues:

	2019	2018
User fees	\$ 77,915	\$ 213,234
Interest	-	5,660
Canada Revenue Agency	-	160,326
Rental revenue	-	60,531
Local Services Board	139,320	-
OPG	1,000	3,500
Mushkegowuk Council	276,406	199,483
Payukotayno	128,547	63,637
Paytaphun Fuels	2,000	2,000
MFIDSAB	50,306	37,183
Weeneebayko Area Health Authority	10,988	71,829
Tourism	-	128,368
Moose Cree Ticket Agency	-	7,910
ATM Commissions	58,710	52,323
OFNTSC	19,983	-
Northern College	-	2,169
MNDM	-	286,770
NIB Trust	36,000	-
NAN	582,980	499,800
Hydro One	34,900	25,336
Prosper Canada	10,000	20,000
DeBeers	200	11,170
University of Ottawa	6,500	-
Ontario Arts Council	30,000	14,000
MoCreebec Housing	8,350	-
Spenser Moore	-	7,111
Sales - Boats	253,825	-
Sales - Helicopter Service	132,034	-
Taykwa Tagamou Nation	-	5,940
Aramark Canada Ltd	14,365	-
Donations	-	50,000
Xylem	33,559	-
Kimesskanemenow Limited Partnership	6,957	50,947
Little NHL	361,047	491,956
Red Cross	-	6,540
Environment Canada	42,758	-
Waubetek Business Development Corp.	-	11,832
NOHFC	-	9,792
Other	1,911,945	1,259,088
Other - MCEA	1,250,387	1,144,694
	\$ 5,480,982	\$ 4,903,129

Moose Cree First Nation
Notes to Consolidated Financial Statements

March 31, 2019

8. Accumulated surplus

Allocation of annual surplus:

	2019	2018
Equity in tangible capital assets	\$ (1,033,638)	\$ (1,869,711)
Reserve and reserve funds	(2,119,881)	1,103,150
Equity in government business enterprises	2,805,899	6,398,690
General surplus in Amisk-OO-Skow Finance Corporation	7,701,452	7,736,824
General surplus/deficit Moose Cree Education Authority	(147,360)	103,533
General surplus/deficit Moose Cree First Nation	1,174,709	(3,257,538)
	\$ 8,381,181	\$ 10,214,948

	2019	2018
Reserves set aside for specific purposes by the First Nation		
Fire service	\$ 64,854	\$ 64,854
Water plant	32,537	32,537
Housing	1,463,557	1,366,167
Program reserves	(5,149,369)	(2,012,244)
Casino Rama	5,521,513	4,601,659
Self generated revenue fund - invested in LMLP	50,000,000	50,000,000
Moose Cree Education Authority	2,942,804	2,942,804
Reserves	54,875,896	56,995,777
Equity in tangible capital assets	28,119,982	29,153,620
General surplus	3,169,838	(2,618,963)
Equity in government business enterprises	15,677,659	12,871,760
Equity in Amisk-OO-Skow Finance Corporation	26,323,354	23,383,354
	\$128,166,729	\$ 119,785,548

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, 2019, the First Nation had a payable to Moose Cree Education Authority in the amount of \$1,593,201 (2018 - \$2,445,303), 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, 2019

9. Related party transactions (continued)

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

	<u>2019</u>	<u>2018</u>
Balance, end of year		
Due to (from) Moose Cree Constructors Inc	\$ 4,931	\$ 4,536
Due to (from) Moose Cree Group of Companies LP	595,149	(21,310)
Due to (from) Kimesskanemenow Limited Partnership	<u>(190,176)</u>	<u>(190,176)</u>
	<u>\$ 409,904</u>	<u>\$ (206,950)</u>
Transactions during the year by Moose Cree First Nation		
Rental expense with Complex RE Limited Partnership	\$ 460,489	\$ 478,828
Donations and receipts from Moose Cree Constructors Inc	\$ -	\$ 3,475,140

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, 2019

12. Investment in government business enterprises

The, 1929319 Ontario Inc., 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, 2019:

		Moose Cree Constructors	1929319 Ontario Inc	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd	2019 Total	2018 Total
Financial position							
Current assets	\$	- \$ 2,035,653	\$ -	\$ 8,235,000	\$ 10	\$ 10,270,663	\$ 9,609,654
Capital assets	-	-	-	11,630,000	-	11,630,000	11,979,000
Other assets	-	-	1,998	263,000	20	265,018	598,018
Total assets	-	2,035,653	1,998	20,128,000	30	22,165,681	22,186,672
Current liabilities	-	97,101	-	3,671,000	1,920	3,770,021	6,696,803
Long-term liabilities	-	-	-	2,646,000	-	2,646,000	2,618,000
Other	-	-	-	72,000	-	72,000	-
Total liabilities	-	97,101	-	6,389,000	1,920	6,488,021	9,314,803
Net assets (liabilities)	\$	- \$ 1,938,552	\$ 1,998	\$ 13,739,000	\$ (1,890)	\$ 15,677,660	\$ 12,871,869
Results of operations							
Revenue	\$	- \$ 1,640,498	\$ -	\$ 22,810,000	\$ -	\$ 24,450,498	\$ 19,160,113
Operating expenses	-	(30,711)	-	(21,737,000)	-	(21,767,711)	(20,319,422)
Other	-	11,104	-	112,000	-	123,104	-
Net earnings (loss)	\$	- \$ 1,620,891	\$ -	\$ 1,185,000	\$ -	\$ 2,805,891	\$ (1,159,309)

(b) The investment at March 31, 2019 consists of the following:

		Moose Cree Constructors	1929319 Ontario Inc	Moose Cree Group of Companies LP	Moose Cree Group GP Ltd	2019 Total	2018 Total
Balance, beginning of year	\$	- \$ 317,661	\$ 1,998	\$ 12,554,000	\$ (1,890)	\$ 12,871,769	\$ 6,473,078
First Nation's share of earnings (loss)	-	1,620,891	-	1,185,000	-	2,805,891	(1,159,309)
Contributed capital allocations	-	-	-	-	-	-	7,558,000
Balance, end of year	\$	- \$ 1,938,552	\$ 1,998	\$ 13,739,000	\$ (1,890)	\$ 15,677,660	\$ 12,871,769

Moose Cree First Nation

Notes to Consolidated Financial Statements

March 31, 2019

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).

Moose Cree First Nation
Notes to Consolidated Financial Statements

March 31, 2019

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:

Budget surplus for the year	\$ 5,871,797
Add:	
Principal portion of long term debt	1,184,238
Capital asset additions	504,365
Less:	
Net inter-fund transfers from reserves	(688,299)
Amortization	-
	<hr/>
Budget surplus per statement of operations	<u>\$ 6,872,101</u>

Moose Cree First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2019

		Land	Leasehold Improve- ments	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infra- structure	Construction in Progress	Total
Cost, beginning of year	\$	-	\$ 484,022	\$ 61,396,485	\$ 3,201,589	\$ 2,237,553	\$ 218,909	\$ 17,046,873	\$ 20,465,185	\$105,050,616
Additions		-	-	20,358,921	274,083	178,820	-	-	(20,294,678)	517,146
Disposals		-	-	-	-	(20,570)	-	-	-	(20,570)
Cost, end of year		-	484,022	81,755,406	3,475,672	2,395,803	218,909	17,046,873	170,507	105,547,192
Accumulated amortization, beginning and end of year		-	437,200	31,196,929	2,511,710	1,684,781	130,675	9,125,256	-	45,086,551
Amortization		-	19,381	2,382,521	205,530	223,079	21,891	342,186	-	3,194,588
Accumulated amortization, end of year		-	456,581	33,579,450	2,717,240	1,907,860	152,566	9,467,442	-	48,281,139
Net carrying amount, end of year	\$	-	\$ 27,441	\$ 48,175,956	\$ 758,432	\$ 487,943	\$ 66,343	\$ 7,579,431	\$ 170,507	\$ 57,266,053

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$170,507 (2018 - \$20,465,185).

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

For the year ended March 31, 2018 (comparative figures)

		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 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 (or development or have been removed from service) is \$20,465,185 (2017 - \$17,070,012).

Moose Cree First Nation

Schedule 2 - Consolidated Segment Disclosure

For the year ended March 31, 2019

	Social Assistance	Admin-istration	Maintenance	Education	Medical	Housing	Economic Development	Other	Consolidated Total
INAC	\$ 405,300	\$ 1,319,921	\$ 860,946	\$ 8,956,743	\$ 5,500	\$ -	\$ 242,645	\$ 4,446,328	\$ 16,237,383
Canada	-	-	10,000	450,794	2,209,965	-	-	72,053	2,742,812
Ontario	5,001,401	-	75,950	656,497	1,301,882	-	-	280,937	7,316,667
Other Aboriginal organizations	-	-	-	-	-	-	211,527	14,050,776	14,262,303
OFNLP	-	-	-	-	-	-	-	2,904,987	2,904,987
Interest and other revenue	2,415	69,498	622,511	1,071,279	775,957	1,219,032	893,816	6,733,389	11,387,897
User fees, rental income, sales and fund raising	-	-	-	-	-	1,354,224	1,885	36,546	1,392,655
	5,409,116	1,389,419	1,569,407	11,135,313	4,293,304	2,573,256	1,349,873	28,525,016	56,244,704
Expenses									
Amortization	-	120,452	351,195	426,166	63,799	1,132,502	113,951	986,522	3,194,587
Salaries, wages and benefits	345,439	1,499,093	532,620	-	2,218,519	421,397	790,459	3,866,129	9,673,656
Materials and supplies	31,164	319,370	282,395	-	511,187	3,354	458,137	1,175,408	2,781,015
Professional services	-	191,204	649,005	-	445,569	9,440	428,377	5,104,757	6,828,352
Tuition	-	-	-	4,192,782	-	-	-	-	4,192,782
Interest expenses on LTD	-	-	-	-	-	312,522	1,064	3,410,737	3,724,323
Transfers between segments	125,609	(1,653,810)	(152,790)	(1,199,511)	342,503	(493,808)	(371,102)	4,160,319	757,410
Travel and training	31,189	84,104	10,803	104,314	131,402	1,025	120,998	909,912	1,393,747
Other	4,865,262	552,686	262,882	8,361,734	422,462	1,304,233	621,890	1,732,393	18,123,542
	5,398,663	1,113,099	1,936,110	11,885,485	4,135,441	2,690,665	2,163,774	21,346,177	50,669,414
Excess (deficiency) of revenue over expenses	\$ 10,453	\$ 276,320	\$ (366,703)	\$ (750,172)	\$ 157,863	\$ (117,409)	\$ (813,901)	\$ 7,178,839	\$ 5,575,290

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, 2018 (comparative figures)

	Social Assistance	Admin- istration	Maintenance	Education	Medical	Housing	Economic Development	Other	Consolidated Total
Revenue									
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
Expenses									
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 expense 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
Excess (deficiency) of revenue over expenses	\$ 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 Reconciliation of Funding

For the year ended March 31,	2019	2018
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INAC

Revenue per financial statements	\$ 16,237,383	\$ 14,826,648
Revenue per confirmation	<u>16,875,953</u>	<u>15,032,041</u>
	<u>(638,570)</u>	<u>(205,393)</u>

Difference represented by

INAC - Moose Cree Education Authority approved deferrals	522,434	416,190
Education funding adjustments	<u>116,136</u>	<u>(210,797)</u>
	<u>638,570</u>	<u>205,393</u>
	\$ -	\$ -

Health Canada

Revenue per financial statements	\$ 2,742,812	\$ 3,284,038
Revenue per confirmation	<u>3,221,745</u>	<u>3,680,808</u>
	<u>(478,933)</u>	<u>(396,770)</u>

Difference represented by

Change in Health Transfer agreement deferrals	517,697	107,888
Health Canada - MCEA Choose Life Program	<u>(41,935)</u>	<u>288,882</u>
Health Canada - MCEA Aboriginal Head Start	<u>3,171</u>	<u>-</u>
	<u>478,933</u>	<u>396,770</u>
	\$ -	\$ -