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MANTO SIFI CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2017

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# MANTO SIPI CREE NATION

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MARCH 31, 2017

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Manto Sipi Cree Nation are the responsibility of management and have been approved by 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 of the Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and 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.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

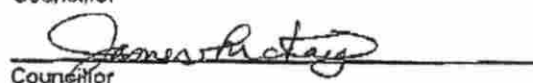
The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Manto Sipi Cree Nation and meet when required.

  
Chief

  
Councillor

\_\_\_\_\_  
Councillor

  
Councillor

  
Councillor

\_\_\_\_\_  
Councillor



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## INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership  
Manto Sipi Cree Nation

We have audited the accompanying consolidated financial statements of Manto Sipi Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, change in net debt 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 Manto Sipi Cree Nation as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba  
January 26, 2018

*Collins Barrow HMA LLP*  
Chartered Professional Accountants



# MANTO SIPI CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2017

2016

### FINANCIAL ASSETS

Cash	\$ 5,688,418	\$
Restricted cash (Note 2)	3,054	3,021
Accounts receivable (Note 3)	2,742,939	527,977
Due from related entities (Note 4)	612,876	531,344
Investments (Note 5)	<u>50,530</u>	<u>3,084</u>
Total financial assets	<u>9,097,817</u>	<u>1,065,426</u>

### LIABILITIES

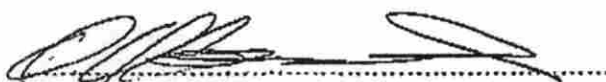
Bank indebtedness		635,784
Accounts payable and accrued liabilities (Note 6)	13,032,134	4,034,607
Deferred revenue (Note 7)	516,935	54,234
Long term debt (Note 8)	<u>8,204,537</u>	<u>7,525,411</u>
Total liabilities	<u>21,753,606</u>	<u>12,250,036</u>
Net debt	<u>(12,655,789)</u>	<u>(11,184,610)</u>


### NON-FINANCIAL ASSETS

Tangible capital assets (Note 9)	12,649,705	13,500,554
Construction in progress (Note 10)	12,678,508	
Prepaid expenses (Note 11)	<u>126,583</u>	<u>1,974,299</u>
Total non-financial assets	<u>25,454,796</u>	<u>15,474,853</u>
Accumulated surplus	\$ <u>12,799,007</u>	\$ <u>4,290,243</u>


Contingent liabilities (Note 12)


Approved on behalf of Council

  
Chief

  
Councillor

Councillor

  
Councillor

  
Councillor

Councillor

# MANTO SIPI CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 7	2 0 1 6
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 7,290,712	\$ 17,965,073	\$ 7,966,773
First Nation and Inuit Health Branch	1,091,106	1,592,046	1,185,531
Canada Mortgage and Housing Corporation		448,521	399,700
Employment and Social Development Canada	251,417	257,786	251,417
Solicitor General	42,726	42,198	34,181
Administration	214,627	316,361	275,028
Gain on investment		47,446	2,065
Other	164,261	278,392	254,227
Province of Manitoba	379,944	443,141	415,314
Rental	395,897	695,030	676,118
Treaty Land Entitlement	43,225	41,572	31,842
User fees	54,200	26,282	29,041
Eliminations	-	( 650,485)	( 606,320)
	<u>9,928,115</u>	<u>21,503,363</u>	<u>10,914,917</u>
<b>EXPENDITURES</b>			
Governance and administration	1,263,141	1,605,919	1,395,377
Economic development	62,322	148,888	81,438
Community services	280,746	1,177,695	973,544
Capital and construction	762,696	1,459,485	1,173,275
Social services	2,505,412	3,015,111	2,918,939
Training and employment	160,582	206,165	192,516
Health	1,136,214	1,695,532	1,377,602
Child care	90,766	85,484	86,204
Education	3,484,187	3,554,835	3,681,135
Housing authority		695,970	592,016
Eliminations	-	( 650,485)	( 606,320)
	<u>9,746,066</u>	<u>12,994,599</u>	<u>11,865,726</u>
ANNUAL SURPLUS (DEFICIT)	182,049	8,508,764	( 950,809)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>4,290,243</u>	<u>4,290,243</u>	<u>5,241,052</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 4,472,292</u>	<u>\$ 12,799,007</u>	<u>\$ 4,290,243</u>

# MANTO SIPI CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 7	2 0 1 6
Annual surplus	\$ 182,049	\$ 8,508,764	\$ ( 950,809)
Acquisition of tangible capital assets and construction in progress		(13,031,928)	( 881,587)
Amortization of tangible capital assets	-	1,204,269	1,189,641
	-	(11,827,659)	308,054
Acquisition of prepaid expenses		( 126,583)	( 1,974,299)
Use of prepaid expenses	-	1,974,299	171,455
	-	1,847,716	( 1,802,844)
CHANGE IN NET DEBT FOR YEAR	182,049	( 1,471,179)	( 2,445,599)
NET DEBT, <i>beginning of year</i>	(11,184,610)	(11,184,610)	( 8,739,011)
NET DEBT, <i>end of year</i>	<u>\$(11,002,561)</u>	<u>\$(12,655,789)</u>	<u>\$(11,184,610)</u>

# MANTO SIPI CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2017	2016
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from I.N.A.C.	\$ 16,318,919	\$ 7,860,138
Cash received from other sources	3,432,183	2,836,991
Cash paid to suppliers and employees	( 9,633,965)	(10,256,493)
	<u>10,117,137</u>	<u>440,636</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	( 4,390,496)	( 881,587)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	1,866,190	1,293,568
Repayment of long term debt	( 1,187,064)	( 1,345,051)
Advances to related parties - net	( 81,532)	( 13,055)
	<u>597,594</u>	<u>( 64,538)</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	6,324,235	( 505,489)
CASH, <i>beginning of year</i>	( 632,763)	( 127,274)
CASH, <i>end of year</i>	<u>\$ 5,691,472</u>	<u>\$ ( 632,763)</u>
CASH COMPRISED OF		
Restricted cash	\$ 3,054	\$ 3,021
Bank indebtedness	<u>5,688,418</u>	<u>( 635,784)</u>
	<u>\$ 5,691,472</u>	<u>\$ ( 632,763)</u>

# MANTO SIPI CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### *REPORTING ENTITY*

The Manto Sipi Cree Nation (M.S.C.N.) reporting entity includes the Manto Sipi Cree Nation government and all related entities which are accountable to M.S.C.N. and are either owned or controlled by M.S.C.N..

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

M.S.C.N. Programs:

- Manto Sipi Cree Nation
- Manto Sipi Cree Nation Housing Authority
- Amos Okemow Memorial Education Authority Inc.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Business entities owned or controlled by M.S.C.N. but not dependent on M.S.C.N. for their continuing operations are included in the financial statements using the modified equity method. Under the modified equity method, the business entity accounting principles are not adjusted to conform to those of M.S.C.N. Thus, M.S.C.N.'s investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- God's River Development Corporation (o/a God's River Lodge)
- Manto Sipi Construction Ltd.

The financial information for the God's River Development Corporation entity included in these financial statements is for the year ended October 31, 2016.

#### *ASSET CLASSIFICATION*

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

#### *NET DEBT*

M.S.C.N.'s financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of M.S.C.N. is determined by its liabilities less its financial assets. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**TANGIBLE CAPITAL ASSETS*

Tangible capital assets include acquired, built, developed and improved capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets acquired are stated at cost, with the exception of land which is recorded at the value assigned to it under the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.). Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Equipment	20 - 50%
Facility	2.5 - 5%
Roads	2.5%
Sewer Systems	2.5 - 6.66%
Vehicles	20 - 30%
Water Systems	2.5 - 6.66%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

*INVESTMENTS*

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. M.S.C.N.'s investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for M.S.C.N.'s share of the commercial enterprises' income or loss less dividends.

*SEGMENTS*

M.S.C.N. conducts its business through a number of reportable segments. These operating segments are established by management to facilitate the achievement of M.S.C.N.'s long-term objectives to aid in resource allocation decisions, and to assess operational performance.

*REVENUE RECOGNITION*

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

*INCOME TAXES*

These consolidated financial statements do not reflect any provisions for corporation income and capital taxes as the individual incorporated enterprises consider themselves exempt from tax under Section 149(1)(d) of the Income Tax Act, Canada.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2017****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES** *(continued)**FINANCIAL INSTRUMENTS*

Financial instruments include cash, accounts receivable, due from related entities, accounts payable and accrued liabilities and long-term debt. Unless otherwise stated, it is management's opinion that M.S.C.N. is not exposed to significant interest, currency or credit risk arising from the financial instruments. Unless indicated, the book value of M.S.C.N.'s financial instruments approximate their fair value.

*FAIR VALUE*

Due to the short term nature of all financial instruments other than long term debt and long term investments, the carrying values as presented in the financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

*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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. M.S.C.N. estimates the net book value of tangible capital assets based upon the amortization period and the estimated useful lives of the tangible capital assets. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

**2. RESTRICTED CASH***REPLACEMENT RESERVE*

Under the terms of the operating agreements with C.M.H.C., the Replacement Reserve is to be credited with an annual allocation of \$48,075 (2016 - \$43,125). These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. The funds in the account may only be used as approved by C.M.H.C. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2017 an accumulated balance of \$77,995 (2016 - \$73,940) for this reserve remains unfunded and due from the operating fund.

*I.N.A.C. TRUST*

Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other band tangible capital assets. Capital trust monies are expended on the authorization of the Minister, with the consent of the First Nation Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended by the bands under the provisions of the Indian Act.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

## 2. RESTRICTED CASH (continued)

At the end of the year, the restricted cash consisted of the following balances:

	2 0 1 7	2 0 1 6
<b>I.N.A.C. Trust</b>		
BALANCE, beginning of year	\$ 2,994	\$ 2,933
Add interest earned	<u>57</u>	<u>61</u>
BALANCE, end of year	<u>3,051</u>	<u>2,994</u>
<b>C.M.H.C. Replacement Reserve</b>		
BALANCE, beginning of year	27	61,954
Expenditures	<u>( 24)</u>	<u>(61,927)</u>
BALANCE, end of year	<u>3</u>	<u>27</u>
<b>TOTAL</b>	<u>\$ 3,054</u>	<u>\$ 3,021</u>

## 3. ACCOUNTS RECEIVABLE

	2 0 1 7	2 0 1 6
Indigenous and Northern Affairs Canada		
A&C Wastewater	\$ 1,583,922	\$
Basic Needs		100,096
Environmental Remediation	84,879	
FNWWAP Wastewater	649,385	
Fuel Assistance		30,000
School Design and Construction		95,480
School Project - Education Planning Design and Construction		32,752
School Project - Design - Construction	28,667	36,580
Tuition Agreements	10,632	19,779
First Nations and Inuit Health Branch		
Capital	70,000	
Community Facilities - O&M	780	
Community Facilities - Security	5,249	
Health Planning Management	4,333	
Home and Community Care	36,324	36,324
Transportation	66,546	16,800
Canada Mortgage and Housing Corporation		47,622
Goods and services tax	35,711	84,360
M.K.O. Employment, training and child care	94,092	40,380
Province of Manitoba	47,714	30,623
Trade and other	<u>98,451</u>	<u>27,328</u>
	2,816,685	598,124
Less: Allowance for doubtful accounts	<u>( 73,746)</u>	<u>( 70,147)</u>
	<u>\$ 2,742,939</u>	<u>\$ 527,977</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 4. DUE FROM RELATED ENTITIES

	2017	2016
God's River Development Corporation (o/a God's River Lodge)	\$ 505,971	\$ 502,917
Manto Sipi Construction Ltd.	<u>106,905</u>	<u>28,427</u>
	<u>\$ 612,876</u>	<u>\$ 531,344</u>

The amounts due from related entities are non-interest bearing and have no set repayment terms.

### 5. INVESTMENTS

	2017	2016
God's River Development Corporation (o/a God's River Lodge)	\$ ( 24,904)	\$ ( 25,632)
Manto Sipi Construction Ltd.	<u>75,434</u>	<u>28,716</u>
	<u>\$ 50,530</u>	<u>\$ 3,084</u>

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Indigenous and Northern Affairs Canada		
Basic Needs	\$ 94,482	\$ 178,950
In-Home Care		1
Accrued liabilities	119,776	40,843
Payroll remittances payable	357,519	285,972
Trade and other	4,216,093	3,528,841
WTP & WWTP project payables	<u>8,244,264</u>	<u>-</u>
	<u>\$ 13,032,134</u>	<u>\$ 4,034,607</u>

### 7. DEFERRED REVENUE

	2017	2016
Indigenous and Northern Affairs Canada		
Construction of multi-units	\$ 160,363	\$
Lot Servicing	150,000	
School Drainage Project		9,566
School Effectiveness		29,000
Special Education	135,865	
Tuition		15,668
Health Canada		
Capital	9,267	
Employment and Social Development Canada	<u>61,440</u>	<u>-</u>
	<u>\$ 516,935</u>	<u>\$ 54,234</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

## 8. LONG TERM DEBT

	2017	2016
Loan payable to Me-Dian Credit Union, prime plus 3%, repayable in monthly installments of \$46,649 (P&I), plus annual payments on October 1st of \$87,500, plus annual payments on April 1, 2016 for \$110,000 and April 1, 2017 for \$112,275, due March 2018.	\$ 935,184	\$ 1,610,427
Demand loan payable to Kitayan Community Futures Development Corporation Inc., 7%, repayable in monthly installments of \$2,023 (P&I).	10,194	34,466
Demand loan payable to Kitayan Community Futures Development Corporation Inc., 7%, repayable in monthly installments of \$2,873 (P&I), due March 1, 2020.	93,251	120,867
Loan payable to Me-Dian Credit Union, prime plus 4.30%, repayable with interest only payments and one lump sum payment due June 2016.		22,402
Loan payable to Me-Dian Credit Union, prime plus 4.30%, repayable with interest only payments and one lump sum payment due June 2016.		138,800
Section 10 mortgage payable to Me-Dian Credit Union, 5.42%, repayable in monthly installments of \$5,787 (P&I), due January 2022.	231,754	282,437
Loan payable Me-Dian Credit Union, 6.11%, repayable in monthly installments of \$3,301 (P&I), due November 1, 2016.		20,686
Loan payable C.M.H.C., 1.67%, repayable in monthly installments of \$602 (P&I), due April 1, 2017.	65,995	72,069
Loan payable C.M.H.C., 1.98%, repayable in monthly installments of \$2,770 (P&I), due May 1, 2019.	483,765	507,237
Loan payable C.M.H.C., 1.08%, repayable in monthly installments of \$6,179 (P&I), due April 1, 2020.	1,217,797	1,278,498
Loan payable C.M.H.C., 1.65%, repayable in monthly installments of \$6,164 (P&I), due June 1, 2017.	1,268,970	1,321,646
Loan payable C.M.H.C., 1.68%, repayable in monthly installments of \$5,146 (P&I), due April 1, 2018.	1,095,788	1,138,843
Loan payable C.M.H.C., 1.17%, repayable in monthly installments of \$3,749 (P&I), due January 1, 2021	935,649	977,033
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Phase 9, 8 unit housing project.	1,052,599	
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Phase 10, 7 unit housing project.	813,591	-
	<u>\$ 8,204,537</u>	<u>\$ 7,525,411</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

8. LONG TERM DEBT *(continued)*

Loans payable to Canada Mortgage and Housing Corporation are secured by the specific assets financed and a ministerial guarantee by the Government of Canada.

Loans payable to Me-Dian Credit Union are secured by a general security agreement, the specific assets financed and various Band Council Resolutions authorizing the assignment of certain incoming funding for debt repayment purposes.

Loans payable to Kitayan Community Futures Development Corporation Inc. are secured by a general security agreement on the specific assets financed.

The estimated annual principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2018	\$ 2,905,832
2019	533,862
2020	327,396
2021	280,096
2022	236,100

# MANTO SIPI CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2017	Total 2016
C.M.H.C. Housing	\$ 7,510,958		\$ 7,510,958	\$ 1,578,845	\$ 248,047	\$ 1,826,892	\$ 5,684,066	\$ 5,932,113
Equipment	244,599	49,281	293,880	219,236	21,596	240,832	53,048	25,363
Facilities	11,056,563		11,056,563	7,788,449	546,772	8,335,221	2,721,342	3,268,114
Land	220,000		220,000				220,000	220,000
Roads	1,921,967		1,921,967	1,215,403	48,049	1,263,452	658,515	706,564
Sewer systems	4,272,639		4,272,639	3,156,540	46,504	3,203,044	1,069,595	1,116,099
Vehicles	2,535,836	304,139	2,839,975	2,122,529	169,788	2,292,317	547,658	413,307
Water systems	5,948,697	-	5,948,697	4,129,703	123,513	4,253,216	1,695,481	1,818,994
	<u>\$ 33,711,259</u>	<u>\$ 353,420</u>	<u>\$ 34,064,679</u>	<u>\$ 20,210,705</u>	<u>\$ 1,204,269</u>	<u>\$ 21,414,974</u>	<u>\$ 12,649,705</u>	<u>\$ 13,500,554</u>

### 10. CONSTRUCTION IN PROGRESS

	2017	2016
I.N.A.C. - Housing Project	\$ 700,181	\$ -
I.N.A.C. - Water and Wastewater Project	8,721,635	-
C.M.H.C. - Post-1996 8 Unit Project	1,721,724	-
C.M.H.C. - Post-1996 7 Unit Project	1,534,968	-
	<u>\$ 12,678,508</u>	<u>\$ -</u>

Construction in progress will be transferred to tangible capital assets upon completion and will be amortized accordingly.

### 11. PREPAID EXPENSES

	2017	2016
Building materials	\$ -	\$ 1,773,431
Social assistance	81,188	73,789
Student allowances	11,663	-
Supplies	33,732	127,079
	<u>\$ 126,583</u>	<u>\$ 1,974,299</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**MARCH 31, 2017**
**12. CONTINGENT LIABILITIES**

- (a) M.S.C.N. receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. For accounting purposes any amounts assessed or claims paid will be accounted for in the year of determination.
- (b) M.S.C.N. is contingently liable as guarantor of loans for Manto Sipi Construction Ltd. in the aggregate amount of \$327,066 (2016 - \$390,158).
- (c) M.S.C.N. is contingently liable as guarantor of loans for Gods River Economic Development Corp. in the aggregate amount of \$361,452 (2016 - \$300,000).

**13. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE**

	2 0 1 7	2 0 1 6
Agreement: #302-302	\$ 17,842,428	\$ 7,844,699
Plus: Revenue deferred from previous years		
Tuition	15,668	47,212
School Effectiveness	29,000	29,000
School Design and Construction	9,566	
Additional Basic Needs funding 15/16		100,096
Additional Wastewater funding from 17/18	614,735	
Less: Revenue deferred to subsequent year		
Construction of multi-units	( 160,363)	
Lot Servicing	( 150,000)	
Special Education	( 135,865)	
School Design and Construction		( 9,566)
Tuition		( 15,668)
School Effectiveness		( 29,000)
Basic Needs funding recorded in prior year	( 100,096)	-
<b>TOTAL I.N.A.C. REVENUE PER FINANCIAL STATEMENTS</b>	<b>\$ 17,965,073</b>	<b>\$ 7,966,773</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2017****14. EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	2 0 1 7	2 0 1 6
Amortization	\$ 1,204,269	\$ 1,189,641
Band support	296,385	108,940
Insurance	251,007	186,650
Interest	246,362	304,618
Other	1,762,907	1,376,858
Professional fees	527,019	384,432
Repairs and maintenance	385,138	416,527
Salaries and benefits	4,757,080	4,020,339
Social assistance	2,485,171	2,785,667
Student support	520,350	746,227
Supplies	458,542	339,598
Travel	508,807	409,860
Utilities	242,047	202,689
Eliminations	( 650,485)	( 606,320)
	<u>\$ 12,994,599</u>	<u>\$ 11,865,726</u>

**15. ECONOMIC DEPENDENCE**

M.S.C.N. receives a major portion of its revenues pursuant to a funding arrangement with I.N.A.C. and Health Canada.

# MANTO Sipi CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 16. SEGMENT DISCLOSURE

Manto Sipi Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Governance and Administration		Economic Development		Community Services		Capital and Construction	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues								
Federal Government								
INAC	\$ 576,554	\$ 579,829	\$ 90,262	\$ 62,322	\$ 404,850	\$ 426,834	\$ 10,027,028	\$ 627,614
FNIHB								
CMHC							76,986	130,551
ESDC								
Other	<u>42,198</u>	<u>34,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	618,752	614,010	90,262	62,322	404,850	426,834	10,104,014	758,165
Other revenue	<u>1,042,998</u>	<u>879,075</u>	<u>-</u>	<u>-</u>	<u>26,282</u>	<u>29,041</u>	<u>474,031</u>	<u>473,867</u>
Total revenue	<u>1,661,750</u>	<u>1,493,085</u>	<u>90,262</u>	<u>62,322</u>	<u>431,132</u>	<u>455,875</u>	<u>10,578,045</u>	<u>1,232,032</u>
Expenditures								
Amortization	44,849	44,849	28,475	17,251	363,914	388,937	200,477	313,896
Debt servicing	152,005	110,634					19,026	18,881
Other	815,333	733,863	86,191	64,187	300,380	209,998	798,748	645,994
Salaries and benefits	<u>593,732</u>	<u>506,031</u>	<u>34,222</u>	<u>-</u>	<u>483,401</u>	<u>374,609</u>	<u>471,234</u>	<u>194,504</u>
Total expenses	<u>1,605,919</u>	<u>1,395,377</u>	<u>148,888</u>	<u>81,438</u>	<u>1,147,695</u>	<u>973,544</u>	<u>1,489,485</u>	<u>1,173,275</u>
Surplus (Deficit)	\$ <u>55,831</u>	\$ <u>97,708</u>	\$ <u>( 58,626)</u>	\$ <u>( 19,116)</u>	\$ <u>( 716,563)</u>	\$ <u>( 517,669)</u>	\$ <u>9,088,560</u>	\$ <u>58,757</u>

# MANTO SIPI CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 16. SEGMENT DISCLOSURE (continued)

	Social Services		Training and Employment		Health		Child Care	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues								
Federal Government								
INAC	\$ 2,825,854	\$ 2,689,643	\$ 33,916	\$ 11,969	\$ 14,000	\$	\$	
FNIHB					1,592,046	1,185,531		
CMHC								
ESDC			172,021	165,651			85,765	85,766
Other	-	-	-	-	-	-	-	-
Subtotal	2,825,854	2,689,643	205,937	177,620	1,606,046	1,185,531	85,765	85,766
Other revenue	-	-	-	6,500	-	-	-	-
Total revenue	<u>2,825,854</u>	<u>2,689,643</u>	<u>205,937</u>	<u>184,120</u>	<u>1,606,046</u>	<u>1,185,531</u>	<u>85,765</u>	<u>85,766</u>
Expenses								
Amortization				2,233	140,400	130,080		
Debt servicing	947				2			
Other	2,846,003	2,785,031	81,221	45,080	871,112	547,856	29,470	25,082
Salaries and benefits	<u>168,161</u>	<u>133,908</u>	<u>124,944</u>	<u>145,203</u>	<u>684,018</u>	<u>699,666</u>	<u>56,014</u>	<u>61,122</u>
Total expenses	<u>3,015,111</u>	<u>2,918,939</u>	<u>206,165</u>	<u>192,516</u>	<u>1,695,532</u>	<u>1,377,602</u>	<u>85,484</u>	<u>86,204</u>
Surplus (Deficit)	<u>\$ ( 189,257)</u>	<u>\$ ( 229,296)</u>	<u>\$ ( 228)</u>	<u>\$ ( 8,396)</u>	<u>\$ ( 89,486)</u>	<u>\$ ( 192,071)</u>	<u>\$ 281</u>	<u>\$ ( 438)</u>

# MANTO SIPI CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 16. SEGMENT DISCLOSURE (continued)

	Education		Housing		Eliminations		TOTAL	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues								
Federal Government								
INAC	\$ 3,992,609	\$ 3,568,562	\$	\$	\$	\$	\$ 17,965,073	\$ 7,966,773
FNIHB							1,592,046	1,185,531
CMHC			371,535	269,149			448,521	399,700
ESDC							257,786	251,417
Other	-	-	-	-	-	-	42,198	34,181
Subtotal	3,992,609	3,568,562	371,535	269,149	-	-	20,305,624	9,837,602
Other revenue	67,648	64,664	237,265	230,488	( 650,485)	( 606,320)	1,197,739	1,077,315
Total revenue	<u>4,060,257</u>	<u>3,633,226</u>	<u>608,800</u>	<u>499,637</u>	<u>( 650,485)</u>	<u>( 606,320)</u>	<u>21,503,363</u>	<u>10,914,917</u>
Expenses								
Amortization	178,107	76,632	248,047	215,763			1,204,269	1,189,641
Debt servicing	6,211		68,171	78,191			246,362	207,706
Other	1,256,392	1,699,207	352,525	298,062	( 650,485)	( 606,320)	6,786,890	6,448,040
Salaries and benefits	<u>2,114,125</u>	<u>1,905,296</u>	<u>27,227</u>	-	-	-	<u>4,757,078</u>	<u>4,020,339</u>
Total expenses	<u>3,554,835</u>	<u>3,681,135</u>	<u>695,970</u>	<u>592,016</u>	<u>( 650,485)</u>	<u>( 606,320)</u>	<u>12,994,599</u>	<u>11,865,726</u>
Surplus (Deficit)	<u>\$ 505,422</u>	<u>\$ ( 47,909)</u>	<u>\$ ( 87,170)</u>	<u>\$ ( 92,379)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,508,764</u>	<u>\$ ( 950,809)</u>