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MANTO SIDI CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2019

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# MANTO SIPI CREE NATION

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MARCH 31, 2019

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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, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted 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.

  
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Chief

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Councillor

  
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Councillor

  
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Councillor

  
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Councillor

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Councillor

**INDEPENDENT AUDITORS' REPORT**

To the Chief, Council and Membership  
Manto Sipi Cree Nation

**Opinion**

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, 2019, and the consolidated statements of operations, change in net debt, 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 Manto Sipi Cree Nation as at March 31, 2019, and its consolidated financial performance 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 Financial Statements section of our report. We are independent of Manto Sipi Cree Nation in accordance with the ethical requirements that are relevant to our audit of the 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 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 Manto Sipi Cree 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 Manto Sipi Cree Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Manto Sipi Cree Nation's financial reporting process.

*(continued.....)*

## **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Manto Sipi Cree 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 Manto Sipi Cree 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 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 Manto Sipi Cree Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

*Baker Tilly HMA LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
December 18, 2019

# MANTO SIPI CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2019	2018
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### FINANCIAL ASSETS

Cash	\$ 5,519,717	\$ 5,186,576
Restricted cash (Note 2)	4,470	2,959
Accounts receivable (Note 3)	3,978,727	1,812,029
Due from related entities (Note 4)	510,231	514,481
Investments (Note 5)	( 181,235)	( 149,431)
Total financial assets	<u>9,831,910</u>	<u>7,366,614</u>

### LIABILITIES


Bank indebtedness (Note 6)	1,086,184	
Accounts payable and accrued liabilities (Note 7)	9,988,166	7,129,898
Deferred revenue (Note 8)	2,047,976	4,134,285
Long term debt (Note 9)	<u>9,714,184</u>	<u>9,079,173</u>
Total liabilities	<u>22,836,510</u>	<u>20,343,356</u>
Net debt	<u>( 13,004,600)</u>	<u>( 12,976,742)</u>

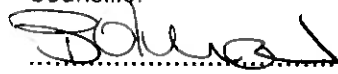
### NON-FINANCIAL ASSETS


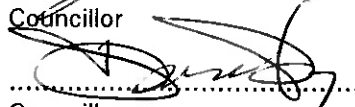

Tangible capital assets (Note 10)	34,980,831	16,673,473
Construction in progress (Note 6, 11)	18,130,153	15,510,275
Prepaid expenses (Note 12)	<u>402,810</u>	<u>464,556</u>
Total non-financial assets	<u>53,513,794</u>	<u>32,648,304</u>
Accumulated surplus	<u>\$ 40,509,194</u>	<u>\$ 19,671,562</u>

Contingent liabilities (Note 13)

Approved on behalf of Council

  
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Chief

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Councillor  
  
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Councillor

  
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Councillor  
  
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Councillor  
  
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Councillor

# MANTO SIPI CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 9	2 0 1 8
<b>REVENUE</b>			
Indigenous Services Canada	\$ 8,025,272	\$ 32,678,739	\$ 16,697,750
First Nations and Inuit Health Branch	1,882,834	2,365,184	2,327,191
Canada Mortgage and Housing Corporation	33,073	759,814	613,192
Transport Canada		10,000	
Employment and Social Development Canada	251,417	259,164	332,200
Administration	202,908	782,849	312,605
Joint venture income		561,965	
Other	96,761	754,187	827,194
Province of Manitoba	449,768	700,818	411,186
Rental	255,070	695,867	663,786
Treaty Land Entitlement	43,225	60,140	31,634
User fees	54,200	28,247	27,017
Eliminations	-	( 1,249,931)	( 694,193)
	<u>11,294,528</u>	<u>38,407,043</u>	<u>21,549,562</u>
<b>EXPENDITURES</b>			
Governance and administration	1,307,833	2,372,951	1,965,772
Economic development	62,322	333,842	257,791
Community services	443,691	1,653,287	840,722
Capital and construction	524,168	3,186,109	2,042,774
Social services	2,460,469	3,503,124	2,839,335
Training and employment	160,582	320,514	245,915
Health	1,123,282	2,248,746	2,420,397
Child care	90,766	86,377	78,285
Education	4,651,725	4,319,893	3,999,068
Housing authority		794,499	681,141
Eliminations	-	( 1,249,931)	( 694,193)
	<u>10,824,838</u>	<u>17,569,411</u>	<u>14,677,007</u>
ANNUAL SURPLUS	469,690	20,837,632	6,872,555
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>19,671,562</u>	<u>19,671,562</u>	<u>12,799,007</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 20,141,252</u>	<u>\$ 40,509,194</u>	<u>\$ 19,671,562</u>

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 9	2 0 1 8
Annual surplus	\$ <u>469,690</u>	\$ <u>20,837,632</u>	\$ <u>6,872,555</u>
Acquisition of tangible capital assets and construction in progress		( <u>23,116,327</u> )	( <u>7,887,953</u> )
Amortization of tangible capital assets		<u>2,189,091</u>	<u>1,465,864</u>
Opening net book value of MSCN Construction's tangible capital assets	<u>-</u>	<u>-</u>	( <u>433,446</u> )
	<u>-</u>	( <u>20,927,236</u> )	( <u>6,855,535</u> )
Acquisition of prepaid expenses		( <u>402,810</u> )	( <u>464,556</u> )
Use of prepaid expenses	<u>-</u>	<u>464,556</u>	<u>126,583</u>
	<u>-</u>	<u>61,746</u>	( <u>337,973</u> )
CHANGE IN NET DEBT FOR YEAR	469,690	( <u>27,858</u> )	( <u>320,953</u> )
NET DEBT, <i>beginning of year</i>	( <u>12,976,742</u> )	( <u>12,976,742</u> )	( <u>12,655,789</u> )
NET DEBT, <i>end of year</i>	<u><u>\$ ( 12,507,052)</u></u>	<u><u>\$ ( 13,004,600)</u></u>	<u><u>\$ ( 12,976,742)</u></u>



# MANTO SIPI CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2019	2018
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from I.S.C.	\$ 28,632,513	\$ 20,829,279
Cash received from other sources	5,521,523	5,268,543
Cash paid to suppliers and employees	( 12,428,502)	( 19,684,837)
	<u>21,725,534</u>	<u>6,412,985</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	( 23,116,327)	( 7,887,953)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	1,454,290	1,891,802
Repayment of long term debt	( 819,279)	( 1,017,166)
Advances to related parties - net	<u>4,250</u>	<u>98,395</u>
	<u>639,261</u>	<u>973,031</u>
NET DECREASE IN CASH DURING YEAR	( 751,532)	( 501,937)
CASH, <i>beginning of year</i>	<u>5,189,535</u>	<u>5,691,472</u>
CASH, <i>end of year</i>	<u>\$ 4,438,003</u>	<u>\$ 5,189,535</u>
 CASH COMPRISED OF		
Cash	\$ 5,519,717	\$ 5,186,576
Restricted cash	4,470	2,959
Bank indebtedness	( 1,086,184)	-
	<u>\$ 4,438,003</u>	<u>\$ 5,189,535</u>

# MANTO SIPI CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

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### 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.
- Manto Sipi Cree Nation Construction Ltd.

There was a change in the accounting treatment for the consolidation of Manto Sipi Cree Nation Construction Ltd. into the consolidated financial statements as of April 1, 2017. This entity no longer met the characteristics of a government business enterprise as it could no longer meet its liabilities from its operations. As a result, the method of consolidation for this entity has changed from modified equity method as of March 31, 2017 to full consolidation for the fiscal year ending March 31, 2018.

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)

The financial information for the God's River Development Corporation entity included in these financial statements is for the year ended October 31, 2018.

#### *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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

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

*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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2019**

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

***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 \$51,100 (2018 - \$51,100). 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, 2019 an accumulated balance of \$133,320 (2018 - \$110,226) for this reserve remains unfunded and due from the operating fund.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

2. RESTRICTED CASH *(continued)**I.S.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.

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

	2 0 1 9	2 0 1 8
<b>I.S.C. Trust</b>		
BALANCE, <i>beginning of year</i>	\$ 3,118	\$ 3,051
Add interest earned	<u>72</u>	<u>67</u>
BALANCE, <i>end of year</i>	<u>3,190</u>	<u>3,118</u>
<b>C.M.H.C. Replacement Reserve</b>		
BALANCE, <i>beginning of year</i>	( 159)	3
Allocation	1,439	
Expenditures	<u>-</u>	<u>( 162)</u>
BALANCE, <i>end of year</i>	<u>1,280</u>	<u>( 159)</u>
<b>TOTAL</b>	<b>\$ <u>4,470</u></b>	<b>\$ <u>2,959</u></b>

## 3. ACCOUNTS RECEIVABLE

	2 0 1 9	2 0 1 8
Indigenous Services Canada		
Capacity Innovation	20,000	
Capital Housing Insurance	40,000	
Capital Repairs & Renovation	103,522	
Basic Needs	408,542	
Design - Construction	266,823	28,667
Fire Protection	400,750	
FNWWAP Water - Lift Station		941,200
Economic Development Quarry		336,672
Landfill Construction	587,455	
Regional Implementation	4,000	
School Bundling	8,775	
Road Construction	17,278	
School Renovations	142,250	
School Project - Initiative Capital Planning	1,412,313	209,569
Tuition	24,163	901
M.K.O. Employment, training and child care	125,797	149,356
Province of Manitoba	42,698	83,648
Trade and other	<u>465,536</u>	<u>150,102</u>
	<b>4,069,902</b>	<b>1,900,115</b>
Less: Allowance for doubtful accounts	<u>( 91,175)</u>	<u>( 88,086)</u>
	<b>\$ <u>3,978,727</u></b>	<b>\$ <u>1,812,029</u></b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

## 4. DUE FROM RELATED ENTITIES

	2 0 1 9	2 0 1 8
God's River Development Corporation (o/a God's River Lodge)	\$ <u>510,231</u>	\$ <u>514,481</u>

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

## 5. INVESTMENTS

	2 0 1 9	2 0 1 8
God's River Development Corporation (o/a God's River Lodge)	\$ ( <u>181,235</u> )	\$ ( <u>149,431</u> )

## 6. BANK INDEBTEDNESS

M.S.C.N. has an operating line of credit with the Me-Dian Credit Union to a maximum of \$200,000 bearing interest at 8.95% and is secured by a general security agreement, unlimited guarantee from Manto Sipi Cree Nation with Band Council Resolution. As of March 31, 2019, the balance on this line of credit was \$83,627 (2018 - nil).

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 9	2 0 1 8
Indigenous Services Canada		
Basic Needs	\$ 5,458	\$ 94,482
First Nations and Inuit Health		
HCC Service delivery	39,014	
Accrued liabilities	199,757	210,485
Payroll remittances payable	313,512	409,784
School project payables	5,395,429	
Trade and other	3,299,707	4,163,155
WTP & WWTP project payables	<u>735,289</u>	<u>2,251,992</u>
	\$ <u>9,988,166</u>	\$ <u>7,129,898</u>

## 8. DEFERRED REVENUE

	2 0 1 9	2 0 1 8
Indigenous Services Canada		
5-Unit Duplex Housing	\$	\$ 709,023
ISC Climate Change		30,000
Landfill Construction	325,526	
Lift Station Repairs	162,024	941,200
School Project	935,911	
Renovations	177,681	
Teacherage Construction Management Plan	8,775	
WTP Project		2,057,058
Health Canada		
Jordan's Principle	266,738	47,004
Operations and Maintenance	50,000	350,000
K.T.C. Childcare	109,599	
MKO Training and Youth Projects	<u>11,722</u>	<u>-</u>
	\$ <u>2,047,976</u>	\$ <u>4,134,285</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

## 9. LONG TERM DEBT

	2 0 1 9	2 0 1 8
Loan payable to Me-Dian Credit Union, prime plus 3%, repayable in monthly installments of \$46,649 (P&I), due March 2018.	\$	\$ 414,187
Demand loan payable to Kitayan Community Futures Development Corporation Inc., 7%, repayable in monthly installments of \$2,873 (P&I), due March 2020.	66,390	67,309
Section 10 mortgage payable to Me-Dian Credit Union, 5.47%, repayable in monthly installments of \$5,787 (P&I), due January 2022.	111,880	173,438
Commercial loan payable to Me-Dian Credit Union, 8.95%, repayable in monthly installments of \$46,957 (P&I), due November 2019.	274,000	
Loan payable C.M.H.C., 2.06%, repayable in monthly installments of \$10,509 (P & I), due November 2022.	1,501,788	1,596,039
Loan payable C.M.H.C., 1.67%, repayable in monthly installments of \$602 (P&I), due June 2022.	53,384	59,746
Loan payable C.M.H.C., 1.67%, repayable in monthly installments of \$11,032 (P & I), due June 2022.	1,610,878	1,721,595
Loan payable C.M.H.C., 1.98%, repayable in monthly installments of \$2,770 (P&I), due May 2019.	435,458	459,852
Loan payable C.M.H.C., 1.08%, repayable in monthly installments of \$6,179 (P&I), due August 2020.	1,094,478	1,156,470
Loan payable C.M.H.C., 1.30%, repayable in monthly installments of \$5,943 (P&I), due June 2022.	1,158,338	1,214,236
Loan payable C.M.H.C., 2.50%, repayable in monthly installments of \$5,546 (P&I), due June 2023.	1,010,239	1,052,054
Loan payable C.M.H.C., 1.17%, repayable in monthly installments of \$3,749 (P&I), due January 2021.	866,740	901,397
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Phase 11, 4 unit housing project.	967,243	
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Phase 12, 4 unit housing project.	366,047	
Demand loan payable to First People Economic Growth Fund Inc. 0%, repayable in monthly installments of \$3,571 (P&I).	160,746	203,603
Communities Economic Development Fund loan, 6.036%, repayable in monthly installments of \$2,129 (P&I).	36,575	59,247
	<u>\$ 9,714,184</u>	<u>\$ 9,079,173</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

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9. 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, 2020	\$	875,721
2021		577,784
2022		497,667
2023		491,307
2024		466,083



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

### 10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2019	Total 2018
Equipment	\$ 1,044,900	\$ 62,487	\$ 1,107,387	\$ 711,302	\$ 170,117	\$ 881,419	\$ 225,968	\$ 333,598
Facilities	33,606,308	2,920,438	36,526,746	21,072,974	1,141,407	22,214,381	14,312,365	12,533,334
Land	220,000		220,000				220,000	220,000
Roads	1,921,966		1,921,966	1,311,502	48,049	1,359,551	562,415	610,464
Sewer systems	4,272,638	8,308,877	12,581,515	3,249,546	254,226	3,503,772	9,077,743	1,023,092
Vehicles	2,857,375	895,770	3,753,145	2,457,639	244,057	2,701,696	1,051,449	399,736
Water systems	5,929,976	8,308,877	14,238,853	4,376,727	331,235	4,707,962	9,530,891	1,553,249
	<u>\$ 49,853,163</u>	<u>\$ 20,496,449</u>	<u>\$ 70,349,612</u>	<u>\$ 33,179,690</u>	<u>\$ 2,189,091</u>	<u>\$ 35,368,781</u>	<u>\$ 34,980,831</u>	<u>\$ 16,673,473</u>

### 11. CONSTRUCTION IN PROGRESS

	2019	2018
I.S.C. - Water and Wastewater Project	\$	\$ 14,159,142
I.S.C. - 5 Unit Duplex Housing		998,817
I.S.C. - Landfill	138,693	
C.M.H.C Housing	1,045,905	352,316
Site Preparation - School Project	905,037	
School Project	15,740,518	
Mobile Homes	300,000	-
	<u>\$ 18,130,153</u>	<u>\$ 15,510,275</u>

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

### 12. PREPAID EXPENSES

	2019	2018
Materials and supplies	\$ 313,212	\$ 373,349
Social assistance	89,598	91,207
	<u>\$ 402,810</u>	<u>\$ 464,556</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

## 13. 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 Gods River Economic Development Corp. in the aggregate amount of \$444,226 (2018 - \$516,664).

## 14. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 1 9	2 0 1 8
Agreement: #302-302	\$ 30,551,375	\$ 20,628,538
Plus: Revenue deferred from previous years		
WTP & WWTP Project	2,057,058	
Lift Station Repairs	941,200	
5 Unit Duplex Housing	709,023	
ISC Climate Change	30,000	
Lot Servicing		160,363
Portable Housing		150,000
Skills Link		135,865
Less: Revenue deferred to subsequent year		
School Project	( 935,911)	
5 Duplex Project		( 709,023)
Landfill Construction	( 325,526)	
Lift Station Repairs	( 162,025)	( 941,200)
Renovation	( 177,680)	
Teacherage Construction Management Plan	( 8,775)	
Water Treatment Project		( 2,057,058)
Winter Road Freight		( 30,000)
Accounts Receivable - WTP & WTP Project		( 614,735)
Environmental Remediation ISC recovery	-	( 25,000)
<b>TOTAL I.S.C. REVENUE PER FINANCIAL STATEMENTS</b>	<b>\$ <u>32,678,739</u></b>	<b>\$ <u>16,697,750</u></b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

## 15. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 1 9	2 0 1 8
Administration	\$ 371,899	\$ 276,147
Amortization of capital assets	2,189,091	1,465,864
Community events and program activities	141,107	61,317
Donations	445,305	391,674
Fuel and oil	80,297	95,679
Insurance	380,375	263,378
Interest	257,230	278,556
Loss on investment	31,804	124,526
Office and overhead	325,371	244,019
Other	1,041,308	575,587
Professional fees	655,632	873,155
Repairs and maintenance	1,849,038	1,308,821
Salaries and benefits	5,565,674	4,869,518
Social assistance	3,236,313	2,611,700
Student support	261,132	314,699
Supplies	679,261	596,748
Training	259,916	166,349
Travel	803,444	639,907
Utilities	245,145	213,556
Eliminations	( 1,249,931)	( 694,193)
	<u>\$ 17,569,411</u>	<u>\$ 14,677,007</u>

## 16. ECONOMIC DEPENDENCE

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

## 17. COMPARATIVE FIGURES

Certain prior year's comparative amounts have been reclassified where necessary to conform to the presentation adopted for the current year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

### 18. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues								
Federal Government								
ISC	\$ 865,808	\$ 935,623	\$ 162,865	\$ 213,022	\$ 711,786	\$ 270,312	\$ 6,418,289	\$ 8,265,609
FNIHB								
CMHC							226,380	121,888
ESDC								
Other	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	875,808	935,623	162,865	213,022	711,786	270,312	6,644,669	8,387,497
Other revenue	<u>1,737,105</u>	<u>1,191,271</u>	<u>561,965</u>	<u>9,000</u>	<u>28,246</u>	<u>27,017</u>	<u>709,751</u>	<u>610,483</u>
Total revenue	<u>2,612,913</u>	<u>2,126,894</u>	<u>724,830</u>	<u>222,022</u>	<u>740,032</u>	<u>297,329</u>	<u>7,354,420</u>	<u>8,997,980</u>
Expenditures								
Amortization	45,113	44,849	48,118	34,158	752,666	323,317	586,004	415,732
Debt servicing	115,479	147,270					11,002	15,506
Other	1,333,692	1,187,662	249,486	160,355	537,350	318,463	1,996,858	1,140,097
Salaries and benefits	<u>878,667</u>	<u>585,991</u>	<u>36,238</u>	<u>63,278</u>	<u>363,271</u>	<u>198,942</u>	<u>592,245</u>	<u>471,439</u>
Total expenses	<u>2,372,951</u>	<u>1,965,772</u>	<u>333,842</u>	<u>257,791</u>	<u>1,653,287</u>	<u>840,722</u>	<u>3,186,109</u>	<u>2,042,774</u>
Surplus (Deficit)	\$ <u>239,962</u>	\$ <u>161,122</u>	\$ <u>390,988</u>	\$ <u>(35,769)</u>	\$ <u>(913,255)</u>	\$ <u>(543,393)</u>	\$ <u>4,168,311</u>	\$ <u>6,955,206</u>

# MANTO SIPI CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

### 18. SEGMENT DISCLOSURE (continued)

	Social Services		Training and Employment		Health		Child Care	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues								
Federal Government								
ISC	\$ 3,130,136	\$ 2,791,344	\$ 23,354	\$ 12,159	\$ 14,000	\$ 14,000	\$	\$
FNIHB					2,365,184	2,327,191		
CMHC								
ESDC			188,656	232,197			70,508	100,003
Other	-	-	-	-	-	-	-	-
Subtotal	3,130,136	2,791,344	212,010	244,356	2,379,184	2,341,191	70,508	100,003
Other revenue	-	-	100,000	-	3,213	-	-	-
Total revenue	<u>3,130,136</u>	<u>2,791,344</u>	<u>312,010</u>	<u>244,356</u>	<u>2,382,397</u>	<u>2,341,191</u>	<u>70,508</u>	<u>100,003</u>
Expenses								
Amortization					147,690	144,621		
Debt servicing	1,689	1,270				147		
Other	3,255,199	2,641,198	168,292	164,559	1,173,049	1,193,054	39,485	26,537
Salaries and benefits	<u>246,236</u>	<u>196,868</u>	<u>152,222</u>	<u>81,356</u>	<u>928,007</u>	<u>1,082,575</u>	<u>46,892</u>	<u>51,748</u>
Total expenses	<u>3,503,124</u>	<u>2,839,336</u>	<u>320,514</u>	<u>245,915</u>	<u>2,248,746</u>	<u>2,420,397</u>	<u>86,377</u>	<u>78,285</u>
Surplus (Deficit)	<u>\$ ( 372,988)</u>	<u>\$ ( 47,992)</u>	<u>\$ ( 8,504)</u>	<u>\$ ( 1,559)</u>	<u>\$ 133,651</u>	<u>\$ ( 79,206)</u>	<u>\$ ( 15,869)</u>	<u>\$ 21,718</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2019**

18. SEGMENT DISCLOSURE *(continued)*

	Education		Housing		Eliminations		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues								
Federal Government								
ISC	\$ 21,352,501	\$ 4,195,681	\$ -	\$ -	\$ -	\$ -	\$ 32,678,739	\$ 16,697,750
FNIHB							2,365,184	2,327,191
CMHC			533,434	491,304			759,814	613,192
ESDC							259,164	332,200
Other	-	-	-	-	-	-	10,000	-
Subtotal	21,352,501	4,195,681	533,434	491,304			36,072,901	19,970,333
Other revenue	176,631	114,117	267,162	321,534	( 1,249,931)	( 694,193)	2,334,142	1,579,229
Total revenue	21,529,132	4,309,798	800,596	812,838	( 1,249,931)	( 694,193)	38,407,043	21,549,562
Expenses								
Amortization	179,414	165,686	430,086	337,501			2,189,091	1,465,864
Debt servicing	3,040	5,484	126,020	108,879			257,230	278,556
Other	1,815,543	1,690,576	238,393	234,761	( 1,249,931)	( 694,193)	9,557,416	8,063,069
Salaries and benefits	2,321,896	2,137,321	-	-	-	-	5,565,674	4,869,518
Total expenses	4,319,893	3,999,067	794,499	681,141	( 1,249,931)	( 694,193)	17,569,411	14,677,007
Surplus (Deficit)	\$ 17,209,239	\$ 310,731	\$ 6,097	\$ 131,697	\$ -	\$ -	\$ 20,837,632	\$ 6,872,555