
MANTO SIDI CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020

MANTO SIPI CREE NATION

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MARCH 31, 2020

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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.

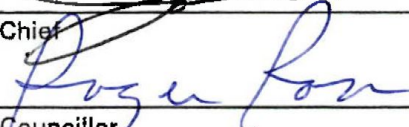
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

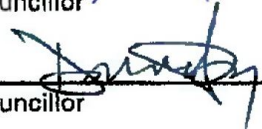
Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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.



Chief


Councillor


Councillor



Councillor

Councillor

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, 2020, 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, 2020, 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
February 22, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2020	2019
FINANCIAL ASSETS		
Cash	\$ 11,791,914	\$ 5,519,717
Restricted cash (Note 2)	59,489	4,470
Accounts receivable (Note 3)	3,364,539	3,978,727
Due from related entities (Note 4)	512,151	510,231
Investments (Note 5)	<u>105,231</u>	<u>(181,235)</u>
Total financial assets	<u>15,833,324</u>	<u>9,831,910</u>

LIABILITIES		
Bank indebtedness (Note 6)	187,153	1,086,184
Accounts payable and accrued liabilities (Note 7)	9,103,037	9,988,166
Deferred revenue (Note 8)	7,895,941	2,047,976
Long term debt (Note 9)	<u>9,930,307</u>	<u>9,714,184</u>
Total liabilities	<u>27,116,438</u>	<u>22,836,510</u>
Net debt	<u>(11,283,114)</u>	<u>(13,004,600)</u>

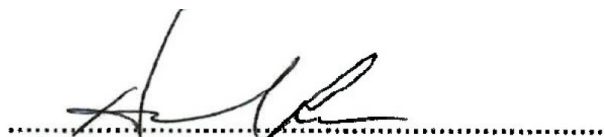


NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	34,263,844	34,980,831
Construction in progress (Note 11)	39,475,751	18,130,153
Prepaid expenses (Note 12)	<u>53,205</u>	<u>402,810</u>
Total non-financial assets	<u>73,792,800</u>	<u>53,513,794</u>
Accumulated surplus	\$ <u>62,509,686</u>	\$ <u>40,509,194</u>
Contingent liabilities (Note 13)		

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 2 0	2 0 1 9
REVENUE			
Indigenous Services Canada	\$ 6,932,007	\$ 31,533,544	\$ 32,678,739
First Nations and Inuit Health Branch	2,211,475	2,779,950	2,365,184
Canada Mortgage and Housing Corporation	22,000	648,577	759,814
Transport Canada			10,000
Employment and Social Development Canada	278,257	708,048	259,164
Administration	166,435	980,486	782,849
Joint venture income	360,000	649,892	561,965
Gain on investment		286,466	
Keewatin Tribal Council		70,000	
Other	178,249	775,985	666,739
Province of Manitoba	488,073	596,778	700,818
Rental	745,020	1,179,061	783,315
Treaty Land Entitlement	43,225	50,979	60,140
User fees	66,200	24,180	28,247
Eliminations	-	(1,461,984)	(1,249,931)
	<u>11,490,941</u>	<u>38,821,962</u>	<u>38,407,043</u>
EXPENDITURES			
Governance and administration	2,282,735	2,001,995	2,372,951
Economic development	112,390	247,080	333,842
Community services	978,674	844,198	1,653,287
Capital and construction	859,803	3,441,065	3,186,109
Social services	2,296,031	3,226,997	3,503,124
Training and employment	360,572	310,798	320,514
Health	2,011,351	2,441,588	2,248,746
Child care	82,712	509,433	86,377
Education	4,140,023	4,325,819	4,319,893
Housing authority		934,481	794,499
Eliminations	-	(1,461,984)	(1,249,931)
	<u>13,124,291</u>	<u>16,821,470</u>	<u>17,569,411</u>
ANNUAL SURPLUS	(1,633,350)	22,000,492	20,837,632
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>40,509,194</u>	<u>40,509,194</u>	<u>19,671,562</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 38,875,844</u>	<u>\$ 62,509,686</u>	<u>\$ 40,509,194</u>

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 0	2 0 1 9
Annual surplus	\$ (1,633,350)	\$ <u>22,000,492</u>	\$ <u>20,837,632</u>
Acquisition of tangible capital assets and construction in progress		(<u>23,455,941</u>)	(23,116,327)
Amortization of tangible capital assets	<u>-</u>	<u>2,827,330</u>	<u>2,189,091</u>
	<u>-</u>	(<u>20,628,611</u>)	(<u>20,927,236</u>)
Acquisition of prepaid expenses		(<u>53,205</u>)	(402,810)
Use of prepaid expenses	<u>-</u>	<u>402,810</u>	<u>464,556</u>
	<u>-</u>	<u>349,605</u>	<u>61,746</u>
CHANGE IN NET DEBT FOR YEAR	(1,633,350)	1,721,486	(27,858)
NET DEBT, <i>beginning of year</i>	(<u>13,004,600</u>)	(<u>13,004,600</u>)	(<u>12,976,742</u>)
NET DEBT, <i>end of year</i>	\$ (<u>14,637,950</u>)	\$ (<u>11,283,114</u>)	\$ (<u>13,004,600</u>)

MANTO SIPI CREE NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2020	2019
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from I.S.C.	\$ 39,647,553	\$ 28,632,513
Cash received from other sources	5,636,562	5,521,523
Cash paid to suppliers and employees	(14,816,130)	(12,428,502)
	<u>30,467,985</u>	<u>21,725,534</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(23,455,941)	(23,116,327)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	1,125,560	1,454,290
Repayment of long term debt	(909,437)	(819,279)
Advances to (from) related parties - net	(1,920)	4,250
	<u>214,203</u>	<u>639,261</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	7,226,247	(751,532)
CASH, <i>beginning of year</i>	<u>4,438,003</u>	<u>5,189,535</u>
CASH, <i>end of year</i>	<u>\$ 11,664,250</u>	<u>\$ 4,438,003</u>
 CASH COMPRISED OF		
Cash	\$ 11,791,914	\$ 5,519,717
Restricted cash	59,489	4,470
Bank indebtedness	(187,153)	(1,086,184)
	<u>\$ 11,664,250</u>	<u>\$ 4,438,003</u>

MANTO SIPI CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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.

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, 2019.

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, 2020

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, 2020**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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 \$55,100 (2019 - \$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, 2020 an accumulated balance of \$66,975 (2019 - \$133,320) for this reserve remains unfunded and due from the operating fund.

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 2 0	2 0 1 9
I.S.C. Trust		
BALANCE, <i>beginning of year</i>	\$ 3,190	\$ 3,118
Add interest earned	<u>51</u>	<u>72</u>
BALANCE, <i>end of year</i>	<u>3,241</u>	<u>3,190</u>
C.M.H.C. Replacement Reserve		
BALANCE, <i>beginning of year</i>	1,280	(159)
Allocation	<u>54,968</u>	<u>1,439</u>
BALANCE, <i>end of year</i>	<u>56,248</u>	<u>1,280</u>
TOTAL	<u>\$ 59,489</u>	<u>\$ 4,470</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

3. ACCOUNTS RECEIVABLE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
A&C Water - MSI Professional Housing Units	\$ 250,000	\$
Capacity Building	15,500	
Capacity Innovation		20,000
Capital Housing Insurance		40,000
Capital Repairs & Renovation		103,522
Basic Needs	73,159	408,542
Design - Construction	27,667	266,823
Fire Protection		400,750
Fit Up of Education Facilities - MSI Teacherages	111,603	
FN School Formula	381,782	
FN School Second Level	52,061	
Landfill Construction		587,455
Low-Cost Special Education	20,190	
Major Renos, Extensions and Repair - Housing Renovations	21,538	
Regional Implementation		4,000
Response - COVID-19 Household Supplies	27,400	
Response - COVID-19 General Support	26,565	
Roads and Bridges Repairs	35,923	
Roads and Bridges - MSI Professional Units	296,600	
School Bundling		8,775
Road Construction		17,278
School Renovations		142,250
School Project - Initiative Capital Planning		1,412,313
Tuition	24,613	24,163
Wastewater Systems - Septic Truck Purchase	75,000	
Water Systems - Water Truck Purchase	75,000	
Canada Mortgage and Housing Corporation	716,002	
Assembly of Manitoba	231,515	
M.K.O. Employment, training and child care	28,612	125,797
Province of Manitoba	16,210	42,698
Trade and other	962,701	465,536
	<u>3,469,641</u>	<u>4,069,902</u>
Less: Allowance for doubtful accounts	(105,102)	(91,175)
	<u>\$ 3,364,539</u>	<u>\$ 3,978,727</u>

4. DUE FROM RELATED ENTITIES

	2 0 2 0	2 0 1 9
God's River Development Corporation (o/a God's River Lodge)	\$ <u>512,151</u>	\$ <u>510,231</u>

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

5. INVESTMENTS

	2 0 2 0	2 0 1 9
God's River Development Corporation (o/a God's River Lodge)	\$ <u>105,231</u>	\$ <u>(181,235)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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 8.15% and is secured by a general security agreement, unlimited guarantee from Manto Sipi Cree Nation with Band Council Resolution. As of March 31, 2020, the balance on this line of credit was \$17,312 (2019 - \$83,672).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
Basic Needs	\$ 45,715	\$ 5,458
Special Needs	537	
First Nations and Inuit Health		
HCC Service delivery	39,014	39,014
Accrued liabilities	144,001	199,757
Payroll remittances payable	182,774	313,512
School project payables	4,454,368	5,395,429
Trade and other	4,236,628	3,299,707
WTP & WWTP project payables	-	735,289
	<u>\$ 9,103,037</u>	<u>\$ 9,988,166</u>

8. DEFERRED REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
Landfill Construction	917,734	325,526
Lift Station Repairs		162,024
School Project	5,678,257	935,911
Renovations	603,540	177,681
Teacherage Construction Management Plan		8,775
MSI Teacherages Project	230,340	
Community Opportunity Readiness	93,280	
New Housing Project	204,505	
Education Innovation	18,490	
Tuition Agreements	3,479	-
Total Indigenous Services Canada	<u>7,749,625</u>	<u>1,609,917</u>
First Nations and Inuit Health		
Jordan's Principle	87,750	266,738
Operations and Maintenance	-	50,000
Total First Nations and Inuit Health	<u>87,750</u>	<u>316,738</u>
K.T.C. Childcare		109,599
K.T.C. Communicable Disease Health	15,280	
MKO Training and Youth Projects	43,286	11,722
	<u>\$ 7,895,941</u>	<u>\$ 2,047,976</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. LONG TERM DEBT

	2 0 2 0	2 0 1 9
Demand loan payable to Kitayan Community Futures Development Corporation Inc., 7%, repayable in monthly installments of \$2,873 (P&I), due March 2020.	\$ 35,598	\$ 66,390
Section 10 mortgage payable to Me-Dian Credit Union, 5.47%, repayable in monthly installments of \$5,787 (P&I), due January 2022.	46,911	111,880
Commercial loan payable to Me-Dian Credit Union, 8.95%, repayable in monthly installments of \$46,957 (P&I), due November 2019.		274,000
Commercial loan payable to Me-Dian Credit Union, 8.15%, repayable in monthly installments of \$5,615 (P&I).	266,784	
Demand loan payable to First Peoples Economic Growth Fund Inc.	120,092	
Loan payable C.M.H.C., 2.06%, repayable in monthly installments of \$10,509 (P & I), due November 2022.	1,405,652	1,501,788
Loan payable C.M.H.C., 1.67%, repayable in monthly installments of \$602 (P&I), due June 2022.	46,940	53,384
Loan payable C.M.H.C., 1.67%, repayable in monthly installments of \$11,032 (P & I), due June 2022.	1,498,762	1,610,878
Loan payable C.M.H.C., 1.87%, repayable in monthly installments of \$2,749 (P&I), due May 1, 2024.	410,428	435,458
Loan payable C.M.H.C., 1.08%, repayable in monthly installments of \$6,179 (P&I), due August 2020.	1,031,841	1,094,478
Loan payable C.M.H.C., 1.30%, repayable in monthly installments of \$5,943 (P&I), due June 2022.	1,101,744	1,158,338
Loan payable C.M.H.C., 2.50%, repayable in monthly installments of \$5,546 (P&I), due June 2023.	968,401	1,010,239
Loan payable C.M.H.C., 1.17%, repayable in monthly installments of \$3,749 (P&I), due January 2021.	831,700	866,740
Loan payable C.M.H.C., 2.14%, repayable in monthly installments of \$4,250 (P&I), due March 1, 2024.	957,700	
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.	650,347	366,047
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Phase 13, 3 unit housing project.	431,703	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. LONG TERM DEBT *(continued)*

	2 0 2 0	2 0 1 9
Demand loan payable to First People Economic Growth Fund Inc. 0%, repayable in monthly installments of \$3,571 (P&I).	113,168	160,746
Communities Economic Development Fund loan, 6.036%, repayable in monthly installments of \$2,129 (P&I).	<u>12,536</u>	<u>36,575</u>
	<u>\$ 9,930,307</u>	<u>\$ 9,714,184</u>

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, 2021	\$ 776,250
2022	577,952
2023	572,173
2024	557,396
2025	556,872

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2020	Total 2019
Equipment	\$ 1,107,387	\$ 271,871	\$ 1,379,258	\$ 881,419	\$ 187,043	\$ 1,068,462	\$ 310,796	\$ 225,968
Facilities	36,526,746	1,333,047	37,859,793	22,214,381	1,224,730	23,439,111	14,420,682	14,312,365
Land	220,000		220,000				220,000	220,000
Roads	1,921,966		1,921,966	1,359,551	48,049	1,407,600	514,366	562,415
Sewer systems	12,581,515		12,523,753	3,503,772	459,060	3,962,832	8,560,921	9,077,743
Vehicles	3,753,145	620,949	4,374,094	2,701,696	372,379	3,074,075	1,300,019	1,051,449
Water systems	14,238,853	-	14,181,091	4,707,962	536,069	5,244,031	8,937,060	9,530,891
	<u>\$ 70,349,612</u>	<u>\$ 2,225,867</u>	<u>\$ 72,459,955</u>	<u>\$ 35,368,781</u>	<u>\$ 2,827,330</u>	<u>\$ 38,196,111</u>	<u>\$ 34,263,844</u>	<u>\$ 34,980,831</u>

11. CONSTRUCTION IN PROGRESS

	2020	2019
I.S.C. - Landfill	\$ 566,484	\$ 138,693
I.S.C. - New housing	956,657	
I.S.C. - School Project	34,145,046	15,740,518
I.S.C. - School Project Site Preparation		905,037
I.S.C. - Teacherages project	850,000	
I.S.C. - Teacherages water and sewer facilities	391,848	
I.S.C. - Teacherages access roads and driveways	752,479	
F.N.I.H. - Jordan's Principle building	516,480	
F.N.I.H. - Nursing Residence	317,345	300,000
C.M.H.C Housing	979,412	1,045,905
	<u>\$ 39,475,751</u>	<u>\$ 18,130,153</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

12. PREPAID EXPENSES

	2 0 2 0	2 0 1 9
Materials and supplies	\$	\$ 313,212
Social assistance		89,598
Utilities	<u>53,205</u>	<u>-</u>
	<u>\$ 53,205</u>	<u>\$ 402,810</u>

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 \$362,149 (2019 - \$444,226).

14. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 0	2 0 1 9
Agreement: #302-302	\$ 37,673,252	\$ 30,551,375
Plus: Revenue deferred from previous years	1,609,917	3,737,281
Less: Revenue deferred to subsequent year	(7,749,625)	(1,609,917)
TOTAL I.S.C. REVENUE PER FINANCIAL STATEMENTS	<u>\$ 31,533,544</u>	<u>\$ 32,678,739</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

15. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 0	2 0 1 9
Administration	\$ 985,457	\$ 371,899
Amortization of capital assets	2,827,330	2,189,091
Community events and program activities	133,524	141,107
Donations	585,968	445,305
Fuel and oil	76,240	80,297
Insurance	558,097	380,375
Interest	268,153	257,230
Loss on investment		31,804
Office and overhead	279,753	325,371
Other	662,499	1,041,308
Professional fees	770,761	655,632
Repairs and maintenance	675,888	1,849,038
Salaries and benefits	5,747,155	5,565,674
Social assistance	2,802,362	3,236,313
Student support	173,661	261,132
Supplies	654,062	679,261
Training	118,117	259,916
Travel	724,353	803,444
Utilities	240,074	245,145
Eliminations	(1,461,984)	(1,249,931)
	<u>\$ 16,821,470</u>	<u>\$ 17,569,411</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. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in economic downturn. This outbreak may also cause staff shortages, reduced demand, increased government regulations or interventions, all of which may negatively impact the financial condition or results of operations of the Cree Nation. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

18. 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, 2020

19. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues								
Federal Government								
ISC	\$ 1,148,544	\$ 865,808	\$ 286,182	\$ 162,865	\$ 968,112	\$ 711,786	\$ 2,906,266	\$ 6,418,289
FNIHB								
CMHC							64,728	226,380
ESDC								
Other	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	1,148,544	875,808	286,182	162,865	968,112	711,786	2,970,994	6,644,669
Other revenue	<u>2,738,563</u>	<u>1,737,105</u>	<u>688,369</u>	<u>561,965</u>	<u>24,926</u>	<u>28,246</u>	<u>650,277</u>	<u>709,751</u>
Total revenue	<u>3,887,107</u>	<u>2,612,913</u>	<u>974,551</u>	<u>724,830</u>	<u>993,038</u>	<u>740,032</u>	<u>3,621,271</u>	<u>7,354,420</u>
Expenditures								
Amortization		45,113		48,118		752,666	2,191,072	586,004
Debt servicing	110,257	115,479	1,173				6,954	11,002
Other	1,151,097	1,333,692	242,469	249,486	454,448	537,350	776,532	1,996,858
Salaries and benefits	<u>740,641</u>	<u>878,667</u>	<u>3,438</u>	<u>36,238</u>	<u>389,750</u>	<u>363,271</u>	<u>466,507</u>	<u>592,245</u>
Total expenses	<u>2,001,995</u>	<u>2,372,951</u>	<u>247,080</u>	<u>333,842</u>	<u>844,198</u>	<u>1,653,287</u>	<u>3,441,065</u>	<u>3,186,109</u>
Surplus (Deficit)	\$ <u>1,885,112</u>	\$ <u>239,962</u>	\$ <u>727,471</u>	\$ <u>390,988</u>	\$ <u>148,840</u>	\$ <u>(913,255)</u>	\$ <u>180,206</u>	\$ <u>4,168,311</u>

MANTO SIPI CREE NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

19. SEGMENT DISCLOSURE (continued)

	Social Services		Training and Employment		Health		Child Care	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Federal Government								
ISC	\$ 2,978,905	\$ 3,130,136	\$ 67,548	\$ 23,354	\$ 67,965	\$ 14,000	\$	\$
FNIHB					2,779,950	2,365,184		
CMHC								
ESDC			238,408	188,656			469,640	70,508
Other	-	-	-	-	-	-	-	-
Subtotal	2,978,905	3,130,136	305,956	212,010	2,847,915	2,379,184	469,640	70,508
Other revenue	-	-	-	100,000	600	3,213	-	-
Total revenue	<u>2,978,905</u>	<u>3,130,136</u>	<u>305,956</u>	<u>312,010</u>	<u>2,848,515</u>	<u>2,382,397</u>	<u>469,640</u>	<u>70,508</u>
Expenses								
Amortization						147,690		
Debt servicing	1,616	1,689						
Other	2,981,646	3,255,199	206,511	168,292	1,200,860	1,173,049	260,566	39,485
Salaries and benefits	<u>243,735</u>	<u>246,236</u>	<u>104,287</u>	<u>152,222</u>	<u>1,240,728</u>	<u>928,007</u>	<u>248,867</u>	<u>46,892</u>
Total expenses	<u>3,226,997</u>	<u>3,503,124</u>	<u>310,798</u>	<u>320,514</u>	<u>2,441,588</u>	<u>2,248,746</u>	<u>509,433</u>	<u>86,377</u>
Surplus (Deficit)	<u>\$ (248,092)</u>	<u>\$ (372,988)</u>	<u>\$ (4,842)</u>	<u>\$ (8,504)</u>	<u>\$ 406,927</u>	<u>\$ 133,651</u>	<u>\$ (39,793)</u>	<u>\$ (15,869)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

19. SEGMENT DISCLOSURE (continued)

	Education		Housing		Eliminations		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Federal Government								
ISC	\$ 23,110,022	\$ 21,352,501	\$ -	\$ -	\$ -	\$ -	\$ 31,533,544	\$ 32,678,739
FNIHB							2,779,950	2,365,184
CMHC			583,849	533,434			648,577	759,814
ESDC							708,048	259,164
Other	-	-	-	-	-	-	-	10,000
Subtotal	23,110,022	21,352,501	583,849	533,434			35,670,119	36,072,901
Other revenue	97,239	176,631	413,853	267,162	(1,461,984)	(1,249,931)	3,151,843	2,334,142
Total revenue	23,207,261	21,529,132	997,702	800,596	(1,461,984)	(1,249,931)	38,821,962	38,407,043
Expenses								
Amortization	170,223	179,414	466,035	430,086			2,827,330	2,189,091
Debt servicing	6,419	3,040	141,734	126,020			268,153	257,230
Other	1,839,975	1,815,543	326,712	238,393	(1,461,984)	(1,249,931)	7,978,832	9,557,416
Salaries and benefits	2,309,202	2,321,896	-	-	-	-	5,747,155	5,565,674
Total expenses	4,325,819	4,319,893	934,481	794,499	(1,461,984)	(1,249,931)	16,821,470	17,569,411
Surplus (Deficit)	\$ 18,881,442	\$ 17,209,239	\$ 63,221	\$ 6,097	\$ -	\$ -	\$ 22,000,492	\$ 20,837,632