

## Consolidated Financial Statements

Tataskweyak Cree Nation

March 31, 2016

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## Management's Responsibility for Financial Reporting

The accompanying March 31, 2016 consolidated financial statements of Tataskweyak Cree Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of Tataskweyak Cree Nation.

The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains an appropriate system of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.





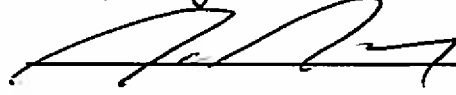
The Tataskweyak Cree Nation Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.

  
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Chief

Split Lake, Manitoba

**Council**

  
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# Independent Auditors' Report

To the Chief and Council of  
Tataskweyak Cree Nation

We have audited the accompanying consolidated financial statements of Tataskweyak Cree Nation, which comprise the consolidated financial position as at March 31, 2016, and the consolidated results of operations, changes in accumulated surplus, changes 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### Basis for qualified opinion

The First Nation has equity investments in government business enterprises, portfolio investments and other government organizations for which audited financial statements have not been prepared. We were not able to satisfy ourselves concerning the existence and valuation of the recorded amounts of the business enterprise equity and the other government organizations net assets. Accordingly, we were not able to determine whether any adjustments might be necessary to business enterprise equity, gain (loss) on equity in business enterprises, annual (deficit) surplus and accumulated surplus.

#### Opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tataskweyak Cree Nation as at March 31, 2016, and the consolidated results of its operations, changes in accumulated surplus, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba  
October 28, 2016

*Grant Thornton LLP*  
Chartered Professional Accountants

# Tataskweyak Cree Nation

## Consolidated Statement of Operations

Year Ended March 31	Budget (Note 19)	2016	2015 (Note 16)
<b>Revenues</b>			
Indigenous and Northern Affairs			
Canada (Note 6)	\$ 16,593,547	\$ 16,649,130	\$ 17,074,687
Manitoba Hydro	8,715,353	19,946,450	10,188,249
CMHC Housing Projects Subsidies and interest	430,515	433,354	390,843
Video Lottery Terminal Operation	-	1,848,516	1,482,386
Health Canada	2,791,892	2,653,881	2,608,470
Gas Bar	625,080	772,008	213,570
Smoke Shop	-	137,674	338,108
Rental	920,556	789,608	789,293
Manitoba Keewatinowi Okimakanak	-	1,058,464	950,776
Province of Manitoba	871,467	861,735	944,487
Tataskweyak Trust	50,000	70,000	220,000
National Crime Prevention Centre	-	-	132,628
Other (Note 7)	708,153	797,187	788,789
Other Government Organizations	12,287,586	12,287,585	5,086,494
Gain on equity from business enterprises	3,186,797	3,186,797	1,649,364
	<u>47,180,946</u>	<u>61,492,389</u>	<u>42,858,144</u>
<b>Expenses</b>			
Band Support	3,440,856	4,060,750	3,126,209
Community Fund	4,192,707	3,566,969	1,704,190
Job Seeker Manitoba	42,408	38,777	39,611
Policing	850,979	840,024	713,133
Operations and Maintenance	447,270	376,732	201,268
Public Works	1,249,883	1,108,675	951,745
Stephens Lake	-	168,057	147,578
Health Services	3,254,868	2,858,560	2,890,385
Pathways	-	1,053,424	978,467
Social Development	5,046,641	4,313,076	5,229,468
Elderly Person's Homecare	805,937	644,282	910,805
Tataskweyak Education Authority	8,462,869	8,114,252	8,358,860
Minor Capital	-	1,023	1,026
Ooskahtisuk Youth Club Project	-	3,465	139,089
CMHC Housing Projects	1,235,229	996,165	1,026,781
Housing Authority	3,636,101	3,118,064	2,498,076
Economic Development	150,724	134,830	140,191
Video Lottery Terminal Operation	-	1,538,367	1,387,691
Gaming Commission (Bingo)	-	6,169	15,653
Kistepinanik Hotel	367,004	326,109	342,330
On Going Jobs	-	578,305	485,603
Future Development	-	2,104,822	2,657,421
Adverse Effects	-	632,990	120,142
Access Program	-	378,462	507,087
Bipole III	-	226,157	114,171
Conawapa	-	429,399	299,226
Environmental Services	-	401,494	445,838
Gas Bar	635,075	1,763,741	1,760,808
Other Government Organizations	8,349,703	8,348,149	4,721,194
	<u>42,168,254</u>	<u>48,131,289</u>	<u>41,914,046</u>
Annual surplus	\$ 5,012,692	\$ 13,361,100	\$ 944,098

# Tataskweyak Cree Nation

## Consolidated Statement of Financial Position

March 31

2016

2015

### Financial assets

Cash and cash equivalents (Note 17)	\$ 5,754,568	\$ 4,188,667
Marketable securities	4,754,681	-
Accounts receivable (Note 3)	4,045,551	4,594,867
Inventory	21,852	64,251
Portfolio investments (Note 4)	41,933	41,953
Business enterprise equity (Note 5)	6,674,389	5,670,096
Trust assets	84,728	84,728

### Total financial assets

21,377,702 14,644,562

### Liabilities

Bank indebtedness	52,645	135,940
Accounts payable and accruals	6,394,610	4,949,605
Demand loans (Note 9)	459,575	1,311,178
Long-term debt (Note 10)	10,090,245	11,153,559
Deferred revenue (Note 11)	15,952,498	19,516,117

### Total liabilities

32,949,573 37,066,399

### Net debt

(11,571,871) (22,421,837)

### Non-financial assets

Tangible capital assets (Note 8)	67,678,447	65,185,569
Prepays	208,068	189,812

### Total non-financial assets






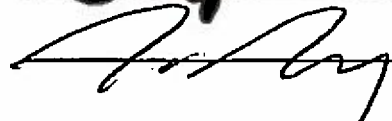
67,886,515 65,375,381

### Accumulated surplus

\$ 56,314,644 \$42,953,544

### Commitments and contingencies (Note 14)

Approved on behalf of the Council:

	Chief		Councillor
	Councillor		Councillor
	Councillor		Councillor
_____	Councillor		



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**Tataskweyak Cree Nation**  
**Consolidated Statement of Change in Accumulated Surplus**  
Year Ended March 31 2016 2015

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Accumulated surplus, beginning of the year	<b>\$ 42,953,544</b>	\$ 42,009,446
Annual surplus	<u><b>13,361,100</b></u>	<u>944,098</u>
Accumulated surplus, end of year	<u><b>\$ 56,314,644</b></u>	<u>\$ 42,953,544</u>

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# Tataskweyak Cree Nation

## Consolidated Statement of Change in Net Debt

Year Ended March 31	Budget (Note 19)	2016	2015
Annual surplus	<u>\$ 5,012,692</u>	<u>\$ 13,361,100</u>	<u>\$ 944,098</u>
Capital assets acquired	(4,940,122)	(7,375,320)	(10,052,062)
Capital assets disposed – cost	636,903	636,903	371,484
Capital assets disposed – accumulated depreciation	(248,630)	(248,630)	(135,818)
Amortization	<u>3,216,778</u>	<u>4,494,169</u>	<u>3,543,758</u>
	<u>(1,335,071)</u>	<u>(2,492,878)</u>	<u>(5,328,540)</u>
Use of prepaid expenses	189,812	189,812	142,720
Acquisition of prepaid expenses	<u>(208,068)</u>	<u>(208,068)</u>	<u>(189,812)</u>
	<u>(18,256)</u>	<u>(18,256)</u>	<u>(47,092)</u>
Change in net debt	3,659,365	10,849,966	(5,375,632)
Net debt, beginning of year	<u>(22,421,837)</u>	<u>(22,421,837)</u>	<u>(17,046,205)</u>
Net debt, end of year	<u>\$ (18,762,472)</u>	<u>\$ (11,571,871)</u>	<u>\$ (22,421,837)</u>

# Tataskweyak Cree Nation

## Consolidated Statement of Cash Flow

Year Ended March 31

2016

2015

Increase (decrease) in cash and cash equivalents

### Operating

Annual surplus	\$ 13,361,100	\$ 944,098
Adjustments for non-cash items		
Gain of equity from business enterprises	(3,186,797)	(1,649,364)
Adjustment to equity	-	284,252
Amortization	4,494,169	3,543,758
Gain (loss) on sale of tangible capital assets	(246,727)	63,090
	<u>14,421,745</u>	<u>3,185,834</u>
Changes in non-cash working capital balances		
Accounts receivable	549,316	(840,485)
Marketable securities	(4,754,681)	-
Inventory	42,399	26,217
Prepays	(18,256)	(47,092)
Accounts payables and accruals	1,445,005	(648,573)
Deferred revenue	(3,563,619)	738,809
	<u>8,121,909</u>	<u>2,414,710</u>

### Capital transactions

Proceeds on disposition of capital assets	635,000	172,576
Purchase/construction of capital assets	(7,375,320)	(10,052,062)
	<u>(6,740,320)</u>	<u>(9,879,486)</u>

### Financing

Long-term debt proceeds	2,202,685	6,699,573
Long-term debt repayments	(3,265,999)	(1,508,484)
Demand loan proceeds	116,699	516,063
Demand loan repayments	(968,302)	(1,071,836)
Bank indebtedness (repayments) advances	(83,295)	37,025
	<u>(1,998,212)</u>	<u>4,672,341</u>

### Investing

Contributions to business enterprises (Note 5)	-	(1,247,779)
Drawings from business enterprises (Note 5)	2,182,524	1,470,944
	<u>2,182,524</u>	<u>223,165</u>

Net increase (decrease) in cash and cash equivalents 1,565,901 (2,569,270)

### Cash and cash equivalents

Beginning of year	4,273,395	6,842,665
End of year	<u>\$ 5,839,296</u>	<u>\$ 4,273,395</u>

### Represented by

Trust assets	\$ 84,728	\$ 84,728
Cash and cash equivalents	<u>5,754,568</u>	<u>4,188,667</u>
	<u>\$ 5,839,296</u>	<u>\$ 4,273,395</u>

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# **Tataskweyak Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2016

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### **1. Nature of entity**

Tataskweyak Cree Nation (TCN) is a non-profit, non-taxable entity and is engaged in the social, cultural, educational and economic development of the First Nation citizens of Tataskweyak Cree Nation at Split Lake, Manitoba.

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### **2. Summary of significant accounting policies**

#### **Basis of accounting**

These financial statements were prepared in accordance with Canadian public sector accounting standards. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### **Reporting entity**

The TCN reporting entity includes the TCN government and all related entities that are either owned or controlled by TCN. Control is defined as the power to govern the financial and operating policies of another with expected benefits or the risk of loss to the government from the other organizations' activities. Control exists regardless of whether the government chooses to exercise its power to govern so long as it has the ability to govern. Control must exist at the financial statement date, without the need to amend agreements.

#### **Principles of consolidation**

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise. These business enterprises are included in the consolidated financial statements on a modified equity basis.

#### *Consolidation method*

This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization. The other government organizations that were consolidated are the following:

Northstream Communications Ltd.  
Northstream Communications Limited Partnership  
6089951 Manitoba Ltd.  
Iron North Limited Partnership  
4915110 Manitoba Ltd.  
Ininew Limited Partnership  
4209088 Manitoba Ltd.  
TC Building Materials Limited Partnership

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# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

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

#### Principles of consolidation (continued)

##### *Modified equity method*

This method is used for commercial enterprises which meet the definition of government business enterprises. This definition is provided in Note 5 to these financial statements. The modified equity method reports a commercial enterprise's net assets as an investment on the consolidated statement of financial position. The net income of the commercial enterprises is reported as investment income on the consolidated statement of operations. Inter-organizational transactions and balances are not eliminated. All gains or losses arising from inter-organizational transactions between commercial enterprises and other government organizations are eliminated. The accounting policies of commercial organizations are not adjusted to conform to those of other government organizations.

The corporations that have been included through modified equity accounting are:

336/344 Thompson Drive Corporation	100% owned
5872066 Manitoba Ltd.	92.50% owned
5925640 Manitoba Ltd.	92.50% owned
6354671 Manitoba Ltd.	92.5% owned

The limited partnerships that have been included through modified equity accounting are:

336/344 Thompson Drive Limited Partnership	99.99% voting units
Cree Nation Partners Limited Partnership #1	92.50% voting units
Cree Nation Partners Limited Partnership #2	92.50% voting units
Cree Nation Partners Limited Partnership #3	92.50% voting units

#### Portfolio Investments

All non controlled investment entities are considered to be portfolio investments. They are reported at cost less any write-downs associated with a loss in value that is other than a temporary decline.

The corporations that have been included as portfolio investments are:

6407102 Manitoba Ltd.	20% owned
Keewatin Railway Company Ltd.	44% owned
Ininew Project Management Ltd.	38% owned

The limited partnerships that have been included as portfolio investments are:

Aboriginal Strategies Limited Partnership	20.00% voting units
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# **Tataskweyak Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2016

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### **2. Summary of significant accounting policies (continued)**

#### **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.

#### **Program surpluses**

Programs funded by government agencies (Education, Health, and Social Services) may be subject to recovery by the contributing agencies in accordance with funding arrangements.

#### **Revenue recognition**

TCN follows the deferral method of accounting for restricted revenues. Revenues restricted by legislation, regulation or agreement and not available for general government purposes are deferred on the consolidated statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other income, primarily including sales of gas, tobacco and fees for service, are recognized upon transfer of title of the product or upon performance of the service and when collectability is reasonably assured.

Transfers (revenues from non-exchange transactions) are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

Consolidated contribution agreement funding is funding approved by Health Canada for specific programs. Any operating surpluses related to consolidated contribution agreement funding are recorded on the consolidated statement of financial position as a payable to Health Canada until such time as Health Canada reviews the financial statements. At that time, Health Canada determines what portion of the approved surplus may be retained by TCN, or repaid to Health Canada. Any unapproved costs not paid by Health Canada are absorbed by TCN. Any adjustments will be reflected in the year the final statement of recommended costs is received from Health Canada.

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

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

#### Tangible capital assets

Tangible capital assets are non-financial assets having physical substance whose ownership and control are with the First Nation, are used in the First Nation's operations, have useful lives extending beyond one year, and are not held for resale.

To be classified as tangible capital assets each asset must meet the capitalization threshold as stated below and will depreciate using the straight-line method using the following rates:

<u>Classification</u>	<u>Capitalization Threshold</u>	<u>Amortization Rate</u>	<u>Useful Life</u>
Buildings			
Housing CMHC	\$ 10,000	4.00 %	25 years
Housing Band built	10,000	6.67 %	15 years
Non-residence – brick/steel beam construction	10,000	2.50 %	40 years
Non-residence – wood frame construction	10,000	5.00 %	20 years
Heavy equipment	10,000	20.00 %	5 years
Water and sewer systems	25,000	5.00 %	20 years
Roads	25,000	5.00 %	20 years
Vehicles			
General purpose	10,000	33.34 %	3 years
School bus	10,000	20.00 %	5 years
Betterments			
General/housing	25,000	20.00 %	5 years
Equipment	25,000	33.34 %	3 years
Capital leases	10,000	Based upon lease	Based upon lease
Site development	25,000	Based upon structure	Based upon structure

All amortization is straight-line and will commence in the year after acquisition or completion of construction. Land within the First Nation will not be capitalized or amortized.

Furniture and fixtures, computer and software costs and all hand tools purchased individually or in bulk are expensed in the year purchased.

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# **Tataskweyak Cree Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2016

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### **2. Summary of significant accounting policies (continued)**

#### **Tangible capital assets (continued)**

Capital leases are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of Tataskweyak Cree Nation's rate for incremental borrowing or the interest rate implicit in the lease.

Purchased assets are valued at cost, including installation, legal, transportation, insurance, and any other costs directly attributable to the purchase.

All assets acquired prior to April 1, 2009 are valued at historical cost when possible. If historical costs were not available for these assets, the valuation method utilized was as follows: used the current values and discounted to the date of purchase, appraisal, or insurance records and values.

New constructions are valued at cost including construction, architectural, other professional fees, insurance, and other cost required for the completion of the asset.

Interest costs are to be capitalized as soon as the expenditures are incurred.

Site improvements such as roadside brush clearing, house lot development, and construction site improvements will not be capitalized, unless the improvements costs are included in the construction contracts.

Soil remediation completed by the First Nation or by contractors will not be capitalized.

#### **Financial instruments**

Financial instruments are classified into one of the two measurement categories: (a) fair value; or (b) cost or amortized cost.

TCN records its financial assets at cost, which include cash and cash equivalents, trust assets, accounts receivable, portfolio investments and inventory. TCN also records its financial liabilities at cost, which include bank indebtedness, accounts payable and accruals, demand loans and long term debt.

#### **Net debt**

TCN's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of TCN is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.



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# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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

#### Measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### Inventories

Inventories of gasoline and other confectionary items including cigarettes and cigars are valued at the lower of cost or net realizable value determined by the first-in, first-out method.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short term cash commitments.

#### Marketable securities

Marketable securities include Guaranteed Investment Certificates held at cost for the acquisition of future Hydro-electric dam investments.

#### Pension plans

TCN maintains defined contribution pension plans for its personnel. Expenditures for this plan are equal to TCN's required contribution for the year.

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<b>3. Accounts receivable</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Manitoba Hydro	\$ 1,146,610	\$ 1,398,543
Province of Manitoba	163,668	101,559
Canada Mortgage and Housing Corporation	-	32,306
Indigenous and Northern Affairs Canada	227,397	771,000
Manitoba Keewatinowi Okimakanak	204,264	187,315
Health Canada	56,732	185,808
Government Business Enterprises	9,945	55,382
Other Government Organization	(1,879,777)	(1,749,381)
Portfolio Investments	(128,134)	(134,601)
Other	4,244,846	3,746,936
	<u>\$ 4,045,551</u>	<u>\$ 4,594,867</u>

Other receivables include trade receivables and receivables due from Tataskweyak members. The amounts due from Government Business Enterprises and due to Portfolio Investments are due to the entities listed in Note 4 and 5 respectively.

The balance due to other government organizations (OGO) represents timing differences due to draws received or advances paid after the year end of the OGO but before the year end of TCN. In the current year \$1,987,493 (2015: \$1,511,826) relates to draws received from Iron North Limited Partnership.

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 4. Portfolio Investments

TCN invests in Aboriginal Strategies Inc., 6407102 Manitoba Ltd., Ininew Project Management Ltd., Keewatin Railway Company Ltd., and Aboriginal Strategies Limited Partnership. They are reported at cost less any write downs associated with a loss in value that is other than a temporary decline. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments.

#### Corporations

- Aboriginal Strategies Inc. was a 20% owned corporation that dissolved during the year.
- 6407102 Manitoba Ltd. is a 20% owned corporation that became the general partner of Aboriginal Strategies Limited Partnership as of January 1, 2014.
- Ininew Project Management Ltd. is a 38% owned corporation that is the general partner of Ininew Limited Partnership.
- Keewatin Railway Company Ltd. is a 44% owned corporation.

#### Limited Partnership

- Aboriginal Strategies Limited Partnership provides financial management and consulting services primarily to First Nation communities.

	<u>2016</u>	<u>2015</u>
<u>Corporations</u>		
Aboriginal Strategies Inc.	\$ -	\$ 20
6407102 Manitoba Ltd.	2	2
Ininew Project Management Ltd.	39,887	39,887
Keewatin Railway Company Ltd.	<u>44</u>	<u>44</u>
	39,933	39,953
<u>Limited Partnership</u>		
Aboriginal Strategies Limited Partnership	<u>2,000</u>	<u>2,000</u>
	<u>\$ 41,933</u>	<u>\$ 41,953</u>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 5. Business enterprise equity

Business enterprises have the power to contract in their own name, have financial and operating authority to carry on a business, sell goods and services to customers other than TCN as their principle activity, and in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the TCN government.

The investment balance reported represents the modified equity balance of the following businesses. The operating results of these businesses are included to December 31, 2015. All loans are non-interest bearing and have no set terms of repayment.

	<u>Loans</u>	<u>Equity (deficit)</u>	<u>2016</u>	<u>2015</u>
<u>Corporations</u>				
336/344 Thompson Drive Corporation	\$ -	\$ 54,440	\$ 54,440	\$ 49,861
5872066 Manitoba Ltd.	-	(3,227)	(3,227)	(2,392)
5925640 Manitoba Ltd.	-	4,696	4,696	3,651
6354671 Manitoba Ltd.	-	(4,326)	(4,326)	(3,692)
<u>Limited Partnerships</u>				
336/344 Thompson Drive LP	-	3,683,800	3,683,800	3,330,535
Cree Nation Partners Limited Partnership # 1	-	1,240,279	1,240,279	1,244,483
Cree Nation Partners Limited Partnership #2	-	984,554	984,554	377,554
Cree Nation Partners Limited Partnership #3	-	714,173	714,173	670,096
	<u>\$ -</u>	<u>\$ 6,674,389</u>	<u>\$ 6,674,389</u>	<u>\$ 5,670,096</u>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 5. Business enterprise equity (continued)

Summarized partner cash drawings from business enterprises are as follows:

	<u>2016</u>	<u>2015</u>
<u>Limited Partnerships</u>		
Cree Nation Partners Limited Partnership #2 – draw	\$ 1,710,699	\$ 877,431
Cree Nation Partners Limited Partnership # 3 – draw	471,827	451,663
336/344 Thompson Drive Limited Partnership – draw in kind for a community house	<u>-</u>	<u>141,850</u>
	<u>\$ 2,182,526</u>	<u>\$ 1,470,944</u>

Summarized partner contributions to business enterprises are as follows:

	<u>2016</u>	<u>2015</u>
<u>Limited Partnerships</u>		
Cree Nation Partners Limited Partnership #1 - contribution	<u>\$ -</u>	<u>\$ 1,247,779</u>

#### Corporations

- 336/344 Thompson Drive Corporation is a wholly owned corporation that is the general partner of 336/344 Thompson Drive Limited Partnership.
- 5872066 Manitoba Ltd. is a 92.50% owned corporation that is the general partner of Cree Nation Partners Limited Partnership.
- 5925640 Manitoba Ltd. is a 92.50% owned corporation that is the general partner of Cree Nation Partners Limited Partnership #2.
- 6354671 Manitoba Ltd. is a 92.50% owned corporation that is the general partner of Cree Nation Partners Limited Partnership #3.

Summarized corporate financial information is as follows:

	<u>336/344</u>	<u>5872066</u>	<u>5925640</u>	<u>6354671</u>
Current assets	\$ -	\$ -	\$ 7,163	\$ 328
Long-term assets	<u>58,980</u>	<u>-</u>	<u>9</u>	<u>-</u>
Total assets	<u>58,980</u>	<u>-</u>	<u>7,172</u>	<u>328</u>
Current liabilities	4,540	3,505	2,078	5005
Long-term liabilities	-	-	-	-
Equity (deficit)	<u>54,440</u>	<u>(3,505)</u>	<u>5,094</u>	<u>(4,677)</u>
Total equity and liabilities	<u>\$ 58,980</u>	<u>\$ -</u>	<u>\$ 7,172</u>	<u>\$ 328</u>
Expenses	\$ 5,456	\$ 919	\$ 1,383	\$ 1,244
Other income	<u>10,035</u>	<u>-</u>	<u>2,508</u>	<u>558</u>
Net earnings (loss)	<u>\$ 4,579</u>	<u>\$ (919)</u>	<u>\$ 1,125</u>	<u>\$ (686)</u>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 5. Business enterprise equity (continued)

#### Partnerships

- 336/344 Thompson Drive Limited Partnership operates a receiving home under the auspice of Wawatay Inn.
- Cree Nation Partners Limited Partnership #1 has an investment in the Keeyask Hydropower Limited Partnership under the Joint Keeyask Development Agreement.
- Cree Nation Partners Limited Partnership #2 has an investment in the Amisk joint venture.
- Cree Nation Partners Limited Partnership #3 has an investment in Crite Care joint venture and an investment in Newton Mechanical joint venture.

Summarized partnership financial information is as follows:

	336/344 Thompson Drive LP	Cree Nation Partnership LP #1	Cree Nation Partnership LP #2	Cree Nation Partnership LP #3
Current assets	\$ 1,610,421	\$ 794	\$ 1,685,322	\$ 839,864
Long-term assets	<u>2,675,489</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,285,910</u>	<u>1,350,794</u>	<u>1,685,322</u>	<u>839,864</u>
Current liabilities	260,746	9,985	64,087	69,888
Long-term liabilities	282,384	-	-	-
Equity (deficit)	<u>3,742,780</u>	<u>1,340,809</u>	<u>1,621,235</u>	<u>769,976</u>
Total equity and liabilities	<u>\$ 4,285,910</u>	<u>\$ 1,350,794</u>	<u>\$ 1,685,322</u>	<u>\$ 839,864</u>
Revenue	\$ 732,958	\$ -	\$ 2,515,967	\$ 569,333
Expenses	369,658	4,577	7,635	10,996
Other Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net earnings (loss)	<u>\$ 363,300</u>	<u>\$ (4,577)</u>	<u>\$ 2,508,332</u>	<u>\$ 558,337</u>

# **Tataskweyak Cree Nation**

## **Notes to Consolidated Financial Statements**

March 31, 2016

### **6. Indigenous and Northern Affairs Canada (INAC) revenue reconciliation**

	<u>2016</u>	<u>2015</u>
Gross INAC revenue (including prior year deferred)	<b>\$ 25,948,978</b>	\$ 26,361,135
Deferred revenue (Note 11)	<b><u>(9,299,848)</u></b>	<u>(9,286,448)</u>
Total INAC revenue reported	<b><u>\$ 16,649,130</u></b>	<b><u>\$ 17,074,687</u></b>

### **7. Other revenue**

	<u>2016</u>	<u>2015</u>
Band Support - other	<b>\$ 175,683</b>	\$ 120,970
Community Fund – other	<b>34,591</b>	35,776
Future Development - other	<b>40,527</b>	-
Aboriginal Policing Directorate	<b>32,937</b>	66,114
Housing Authority – other	<b>154,439</b>	197,828
Kistepinanik Hotel – other	<b>28,318</b>	28,516
Health Services – other	<b>-</b>	10,742
Video Lottery Terminal Operations – other	<b>121,977</b>	92,968
Other	<b><u>208,715</u></b>	<u>235,875</u>
	<b><u>\$ 797,187</u></b>	<b><u>\$ 788,789</u></b>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 8. Tangible capital assets

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Construction in-Progress</u>	<u>Infrastructure</u>	<u>Total 2016</u>	<u>Total 2015</u>
<b>Cost</b>								
Opening costs	\$ 192,850	\$ 101,343,015	\$ 6,346,055	\$ 2,917,669	\$ 18,359,730	\$ 8,010,200	\$ 137,169,519	\$ 127,488,941
Additions	-	8,506,135	1,234,556	969,869	4,663,916	-	15,374,476	10,052,062
Transfers	-	-	-	-	(7,999,156)	-	(7,999,156)	-
Disposals	<u>(117,000)</u>	<u>-</u>	<u>(400,422)</u>	<u>(119,481)</u>	<u>-</u>	<u>-</u>	<u>(636,903)</u>	<u>(371,484)</u>
Closing costs	<u>75,850</u>	<u>109,849,150</u>	<u>7,180,189</u>	<u>3,768,057</u>	<u>15,024,490</u>	<u>8,010,200</u>	<u>143,907,936</u>	<u>137,169,519</u>
<b>Accumulated Amortization</b>								
Opening accumulated amortization	-	(60,557,166)	(2,066,939)	(2,016,681)	-	(7,343,164)	(71,983,950)	(68,576,010)
Disposals	-	-	131,897	116,733	-	-	248,630	135,818
Amortization expense	<u>-</u>	<u>(3,138,150)</u>	<u>(883,727)</u>	<u>(373,587)</u>	<u>-</u>	<u>(98,705)</u>	<u>(4,494,169)</u>	<u>(3,543,758)</u>
Closing accumulated amortization	<u>-</u>	<u>(63,695,316)</u>	<u>(2,818,769)</u>	<u>(2,273,535)</u>	<u>-</u>	<u>(7,441,869)</u>	<u>(76,229,489)</u>	<u>(71,983,950)</u>
<b>Net book value</b>								
Opening balance	192,850	40,785,849	4,279,116	900,988	18,359,730	667,036	65,185,569	58,912,931
Closing balance	<u>75,850</u>	<u>46,153,834</u>	<u>4,361,420</u>	<u>1,494,522</u>	<u>15,024,490</u>	<u>568,331</u>	<u>67,678,447</u>	<u>65,185,569</u>
Increase (decrease) in net book value	<u>\$ (117,000)</u>	<u>\$ 5,367,985</u>	<u>\$ 82,304</u>	<u>\$ 593,534</u>	<u>\$ (3,335,240)</u>	<u>\$ (98,705)</u>	<u>\$ 2,492,878</u>	<u>\$ 6,272,638</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 8. Tangible capital assets (continued)

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Construction in-Progress</u>	<u>Infrastructure</u>	<u>Total 2016</u>	<u>Total 2015</u>
<b>Additions by entity</b>								
Band Support	\$ -	\$ -	\$ 10,000	\$ 232,575	\$ -	\$ -	\$ 242,575	\$ 101,393
Community Fund	-	-	-	-	111,150	-	111,150	3,389,387
Health Services	-	-	-	121,549	-	-	121,549	110,067
Gas Bar	-	-	-	-	-	-	-	82,500
Tataskweyak Education Authority	-	1,975,024	-	-	-	-	1,975,024	413,109
Video Lottery Terminal Operations	-	-	561,000	-	-	-	561,000	150,672
Ininew Project Management assets put in use	-	-	-	-	-	-	-	-
Ininew Project Management CMHC Housing Projects	-	-	-	-	20,632	-	20,632	1,880,217
Housing Authority	-	1,442,266	-	-	-	-	1,442,266	-
Adverse Effects	-	-	-	412,601	4,532,134	-	4,944,735	559,900
Other Government Organizations	-	5,088,845	-	-	-	-	5,088,845	-
	<u>-</u>	<u>-</u>	<u>663,556</u>	<u>203,144</u>	<u>-</u>	<u>-</u>	<u>866,700</u>	<u>3,364,817</u>
<b>Total additions</b>	<b>\$ -</b>	<b>\$ 8,506,135</b>	<b>\$ 1,234,556</b>	<b>\$ 969,869</b>	<b>\$ 4,663,916</b>	<b>\$ -</b>	<b>\$ 15,374,476</b>	<b>\$ 10,052,062</b>



# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 8. Tangible capital assets (continued)

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Construction in-Progress</u>	<u>Infrastructure</u>	<u>Total 2016</u>	<u>Total 2015</u>
<b>Disposals by entity</b>								
Band Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Bar	-	-	-	-	-	-	-	4,600
Tataskweyak Education Authority	-	-	-	-	-	-	-	29,861
Video Lottery Terminal Operations	-	-	-	-	-	-	-	95,238
CMHC Housing Projects Housing Authority	-	-	-	-	-	-	-	-
Other Government Organizations	<u>(117,000)</u>	<u>-</u>	<u>(400,422)</u>	<u>(119,481)</u>	<u>-</u>	<u>-</u>	<u>(636,903)</u>	<u>241,755</u>
<b>Total disposals</b>	<b><u>\$ (117,000)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (400,422)</u></b>	<b><u>\$ (119,481)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (636,903)</u></b>	<b><u>\$ 371,484</u></b>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

9. Demand loans	<u>2016</u>	<u>2015</u>
<b>Band Support:</b>		
Operating loan payable at prime plus 2.0%, repayable on demand.	\$ 50,000	\$ 95,000
<b>Education Authority:</b>		
Operating loan payable at prime plus 2.0%, repayable on demand.	115,000	70,000
<b>Housing Authority:</b>		
Royal Bank (Section 10 – 45 Unit) demand loan payable at 6.25%, in annual instalments of \$313,000 plus interest due April 1, 2017. The loan is secured by assignment of fire insurance.	208,105	521,105
Royal Bank (Section 10 – 15 Unit) demand loan payable at 6.25%, in annual instalments of \$96,344 plus interest due April 1, 2016. The loan was secured by assignment of fire insurance. The loan was repaid during the year.	-	94,239
<b>Ininew Limited Partnership:</b>		
Royal Bank operating loan payable at (prime plus 2.0%, repayable on demand). The loan is secured by an assignment of cash collateral in the amount of \$100,000 that is guaranteed by the partners.	86,470	14,771
<b>TC Building Materials Limited Partnership</b>		
Operating loan payable at prime plus 2.0%, repayable on demand. The loan was repaid during the year.	-	275,000
Royal Bank operating loan payable at prime plus 2.5%, repayable on November 1, 2015. The loan was repaid during the year.	-	241,063
	<u>\$ 459,575</u>	<u>\$ 1,311,178</u>

Demand loans are secured by Band Council Resolutions, signed by a quorum of Chief and Council, authorizing the demand loans.

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

<b>10. Long-term debt</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>CMHC:</b>		
CMHC (Section 95) mortgage payable (Phase 1) at 1.87%, due March 1, 2018, repayable in monthly instalments of \$9,550 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and assignment of fire insurance.	<b>\$ 224,810</b>	<b>\$ 334,099</b>
CMHC (Section 95) mortgage payable (Phase 2) at 1.71%, due September 1, 2017, repayable in monthly instalments of \$5,448 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<b>170,287</b>	<b>232,174</b>
TD Canada Trust (Section 95) mortgage payable (Phase 4) at 3.63%, due September 1, 2016, repayable in monthly instalments of \$5,445 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<b>135,964</b>	<b>195,226</b>
CMHC (Section 95) mortgage payable (Phase 5) at 1.92%, due March 1, 2019, repayable in monthly instalments of \$4,383 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<b>153,250</b>	<b>202,401</b>
CMHC (Section 95) mortgage payable (Phase 6) at 1.53% due December 1, 2017, repayable in monthly instalments of \$6,718 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	<b><u>866,679</u></b>	<b><u>933,489</u></b>
Carry forward	<b><u>\$ 1,550,990</u></b>	<b><u>\$ 1,897,389</u></b>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

<b>10. Long-term debt (continued)</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Carried forward	\$ 1,550,990	\$ 1,897,389
CMHC (Section 95) mortgage payable (Phase 7) at 1.92%, due April 1, 2019, repayable in monthly instalments of \$4,150 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	579,283	617,580
CMHC (Section 95) mortgage payable (Phase 8) at 1.92% due April 1, 2019, repayable in monthly instalments of \$2,326 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	324,643	346,106
CMHC (Section 95) mortgage payable (Phase 9) at 2.65%, due April 1, 2016, repayable in monthly instalments of \$3,831 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	571,650	602,080
CMHC (Section 95) mortgage payable (Phase 10) at 2.04%, due March 1, 2019, repayable in monthly instalments of \$3,195 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	573,212	599,588
CMHC (Section 95) mortgage payable (Phase 11) at 2.04%, due March 1, 2019, repayable in monthly instalments of \$4,483 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	804,265	841,274
CMHC (Section 95) mortgage payable (Phase 12) at 1.23%, due May 1, 2020, repayable in monthly instalments of \$4,449 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	1,116,097	-
<b>Community Fund</b>		
Royal Bank (Teacherages project) term loan payable at prime plus 2%, due March 31, 2016. Renewed subsequent to year end for similar terms.	1,444,140	1,570,000
CMHC mortgage payable (Phase 12) at 1.23%, due May 1, 2020, repayable in monthly instalments of \$4,449 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance. Transferred to CMHC during the year.	-	812,840
Carry forward	<u>\$ 6,964,280</u>	<u>\$ 7,286,857</u>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

10. Long-term debt (continued)	<u>2016</u>	<u>2015</u>
Carried forward	\$ 6,964,280	\$ 7,286,857
<b>Video Lottery Operation:</b>		
Manitoba Liquor and Lotteries capital lease repayable at 2.35%, due August 3, 2022. The loan is repayable at \$1,672 per week principal and interest and is secured by the equipment.	513,857	-
Northland Ford Sales Ltd. vehicle loan repayable at 3.99%, due April 4, 2019. The loan is repayable at \$1,198 per month principal and interest and secured by the purchased vehicle.	40,580	53,064
Northland Ford Sales Ltd. vehicle loan repayable at 3.99%, due April 4, 2019. The loan is repayable at \$1,006 per month principal and interest and secured by the purchased vehicle.	34,077	44,561
<b>Tataskweyak Education Authority:</b>		
RBC vehicle lease was repaid during the year.	-	13,792
RBC vehicle capital lease repayable at 4.35% due October 28, 2017. The capital lease is repayable at \$5,709 per month principal and interest and is secured by the related school buses.	102,758	170,413
Xerox Canada Limited equipment loan repayable at 7% variable interest, due December 24, 2019. The loan is repayable at \$941 per quarter principal and interest.	12,365	15,165
Xerox Canada Limited equipment loan, repayable at 7% variable interest, due December 26, 2019. The loan is repayable at \$7,366 per quarter principal and interest.	<u>96,763</u>	<u>118,682</u>
Carry forward	<u>\$ 7,764,680</u>	<u>\$ 7,702,534</u>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

10. Long-term debt (continued)	<u>2016</u>	<u>2015</u>
Carried forward	\$ 7,764,680	\$ 7,702,534
<b>Iron North Limited Partnership:</b>		
SMS Equipment – HAMM 3412 S/N H1802667 - heavy equipment loan repayable at 5.25%, with monthly principal and interest payments of \$2,663.	65,311	119,797
SMS Equipment - Komatsu PC360LC-10 S/N AA33254 - heavy equipment loan repayable at 2.5%, with monthly principal and interest payments of \$8,000.	161,559	316,912
SMS Equipment - Komatsu D65PX-17 S/N 1733 – heavy equipment loan repayable at 2.5%, with monthly principal and interest payments of \$8,000.	205,690	403,478
SMS Equipment Komatsu D65PX-17 S/N 1734 – heavy equipment loan repayable at 2.5%, with monthly principal and interest payments of \$8,000.	201,138	394,548
SMS Equipment - Komatsu D65PX-17 A/N 1886 – heavy equipment loan repayable at 2.5%, with monthly principal and interest payments of \$8,000.	203,251	398,694
SMS Equipment - Komatsu D65PX-17 S/N 2020 – heavy equipment loan repayable at 2.5%, with monthly principal and interest payments of \$8,000.	200,209	392,725
SMS Equipment - Komatsu D65PX-17 S/N 2041 – heavy equipment loan repayable at 2.5%, with monthly principal and interest payments of \$8,000.	208,430	408,852
SMS Equipment - Komatsu D65PX-17 S/N 500013 – heavy equipment loan repayable interest-free, with monthly principal payments of \$4,332.	190,628	-
SMS Equipment - Komatsu D65PX-17 S/N 50070 – heavy equipment loan repayable interest-free, with monthly principal payments of \$4,332.	190,628	-
<b>Ininew Limited Partnership:</b>		
HP Invent computer equipment lease repayable at 6.6%, in monthly installments of \$285 principal and interest.	<u>2,696</u>	<u>4,568</u>
Carry forward	<u>\$ 9,394,220</u>	<u>\$ 10,142,108</u>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

10. Long-term debt (continued)	<u>2016</u>	<u>2015</u>
Carried forward	\$ 9,394,220	\$ 10,142,108
<b>Band Support:</b>		
Wells Fargo vehicle loan was repaid during the year.	-	25,992
Wells Fargo vehicle loan repayable at 5.54%, due June 5, 2018, repayable in monthly instalments of \$4,792 principal and interest and secured by the purchased vehicles.	121,391	-
RBC loan repayable at 4.70%, due July 15, 2017, repayable in monthly instalments of \$37,232 principal and interest secured by a general security agreement over all of TCN's assets.	<u>574,634</u>	<u>985,459</u>
	<u>\$ 10,090,245</u>	<u>\$ 11,153,559</u>

During the year TCN paid \$198,121 (2015: \$172,963) in interest charges on long-term debt.

Principal repayments on demand loans and long-term debt in each of the next five years, based on the anticipated renewals at consistent interest rates, are due as follows:

2017	\$ 3,972,106
2018	1,564,864
2019	634,217
2020	430,282
2021	369,367
2022 and thereafter	<u>3,578,984</u>
	<u>\$ 10,549,820</u>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 11. Deferred revenue 2016 2015

Deferred revenue consists of the following:

Manitoba Hydro		
Access Program	\$ 433,109	\$ 160,167
Adverse Effects	1,435,135	1,415,072
Bipole III Settlement	1,081,524	-
Future development	120,000	80,000
Keeyask Centre	291,866	5,039,203
Water and Sewer	<u>3,257,460</u>	<u>3,257,460</u>
	<u>\$ 6,619,094</u>	<u>\$ 9,951,902</u>
Indigenous and Northern Affairs Canada		
– Water and Sewer (IPM)	\$ 8,935,191	\$ 8,921,791
Indigenous and Northern Affairs Canada		
– Water and Wastewater Training	351,008	351,008
Indigenous and Northern Affairs Canada		
– Band Support	<u>13,649</u>	<u>13,649</u>
	<u>9,299,848</u>	<u>9,286,448</u>
Province of Manitoba - Bipole III	-	13,131
Health Canada	-	16,025
Keeyask Centre	-	75,009
Manitoba Keewatinowi Okimakanak - Pathways	<u>33,556</u>	<u>173,602</u>
	<u>\$ 15,952,498</u>	<u>\$ 19,516,117</u>



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## **Tataskweyak Cree Nation**

### **Notes to Consolidated Financial Statements**

March 31, 2016

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#### **12. Related party transactions**

The following summarizes TCN's related party transactions for the year:

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>General and administrative expenditures</b>		
Aboriginal Strategies LP cost reimbursements	\$ <b>327,265</b>	\$ 216,139
Aboriginal Strategies LP fees, rentals and software costs	<b>429,816</b>	453,352

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for sale of products or provision of services.

At the end of the year, the amounts due (to) from related parties, all of which are reported as accounts receivable, are as follows:

	<u><b>2016</b></u>	<u><b>2015</b></u>
Aboriginal Strategies LP	\$ <b>(130,627)</b>	\$ (134,599)
Cree Nation Partners Limited Partnership # 2	<b>(68,795)</b>	(68,795)
6407102 Manitoba Ltd.	<b>(2)</b>	(2)
336/334 Thompson Drive LP	<b>(23,786)</b>	(290)
Tataskweyak Trust	<b>99,959</b>	80,632

These balances are interest-free, payable on demand and have arisen from the sale of products and provision of services referred to above. All parties are related by common ownership.

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#### **13. Economic dependence**

TCN is economically dependent on funding from the Department of Indigenous and Northern Affairs Canada and the Government of Canada, Manitoba Hydro and the Province of Manitoba. TCN is attempting to develop alternative sources of revenue in order to become self-sufficient.

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# **Tataskweyak Cree Nation**

## **Notes to Consolidated Financial Statements**

March 31, 2016

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### **14. Commitments and contingencies**

A statement of claim has been filed against TCN by the Cree Construction and Development Company Ltd. (CCDC) for \$2.7 million for unpaid work and materials together with an unspecified claim for damages arising out of the related contract. TCN has filed a counterclaim and statement of defence regarding the matter. Management has recorded progress billings received from CCDC in the amount of \$1.025 million. The additional amount in the claim is for other costs not billed to TCN and therefore not recorded in the records. All costs recorded to date are included in the construction in progress balance (Note 8) and have had no impact on the operating results of TCN for the year. In addition, TCN has filed a statement of claim against the insurer for the project for a performance bond in the amount of \$7.3 million to complete the outstanding work on the project. This claim is ongoing and the outcome is currently undeterminable and therefore no additional construction in progress has been recorded.

In 2010 TCN signed a Revenue Advance Agreement with the Manitoba Hydro Electric Board (Hydro) that superceded and replaced the previous TCN Advance Agreements. Pursuant to the TCN Advance Agreement, Hydro had advanced \$1,475,000 to TCN through March 31, 2010 that constituted charges against TCN's income from its anticipated interest in the Gull Rapids project. Should TCN not acquire an equity interest in the Gull Rapids project, Hydro may apply these contributions toward any obligation or liability of Hydro to TCN under Articles 18.4 or 18.5 of the Northern Flood Agreement or against any other obligations as may be agreed to by Hydro and TCN. This amount has been previously recognized as revenue as it is not likely that TCN will need to repay these funds in the future.

TCN has guaranteed loans for certain of its business enterprises (see Note 5). It is not possible at this time to determine whether any liability will result from these guarantees. As the loan facilities are not currently in default, a provision has not been reflected in the financial statements.

TCN has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if TCN fails to comply with the terms and conditions of the agreements.

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### **15. Defined contribution pension plan**

The expense for TCN's pension plan for the year was \$199,734 (2015: \$208,533). The plan is funded equally by TCN and TCN's employees at rates of 3.0% to 7.6% of the employees' salaries. The funds are invested in mutual funds as directed by TCN's individual employees' investment directives.

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### **16. Comparative figures**

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.

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# **Tataskweyak Cree Nation**

## **Notes to Consolidated Financial Statements**

March 31, 2016

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### **17. Restricted cash**

Certain cash balances totalling \$1,579,440 (2015: \$1,576,371) are based on specific capital project contribution agreements (\$573,542) and replacement reserves (\$1,005,898). This cash is only available for use in completing the specific terms of the contribution agreements or eligible replacement reserve expenses and is kept in segregated bank accounts.

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### **18. Financial instrument risk management**

Tataskweyak Cree Nation is susceptible to credit risk due to the large balances of accounts receivable and significant overdue accounts. Credit risk is the risk of financial loss if a debtor fails to make payments of interest and principal when due. Accounts receivable from federal and provincial governments pose minimal credit risk. Miscellaneous receivables from various other individuals and entities are monitored on a regular basis. Tataskweyak Cree Nation measures its exposure to credit risk base on how long the amounts have been outstanding. An impairment allowance is set up based on Tataskweyak Cree Nation's historical experience regarding collections.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and price risk. Unless otherwise noted, it's management's opinion that Tataskweyak Cree Nation is not exposed to significant currency, interest and price risk.

Liquidity risk is the risk that Tataskweyak Cree Nation will not be able to meet all cash outflow obligations as they become due. TCN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 19. Budgeted figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal budget in the statement of change in net debt and statement of operations has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal budget to the budget per the financial statements:

#### Statement of Change in Net Debt

	<u>Approved Fiscal Budget</u>	<u>Adjustments</u>	<u>Fiscal Budget per Financial Statements</u>
Annual deficit	<u>\$ (6,571,278)</u>	<u>\$ 11,583,970</u>	<u>\$ 5,012,692</u>
Capital assets acquired	(4,940,122)	-	(4,940,122)
Capital assets disposed – cost	-	636,903	636,903
Capital assets disposed – accumulated amortization	-	(248,630)	(248,630)
Amortization	<u>3,216,778</u>	<u>-</u>	<u>3,216,778</u>
	<u>(1,723,344)</u>	<u>388,273</u>	<u>(1,335,071)</u>
Use of prepaid expenses	-	189,812	189,812
Acquisition of prepaids	<u>-</u>	<u>(208,068)</u>	<u>(208,068)</u>
	<u>-</u>	<u>(18,256)</u>	<u>(18,256)</u>
Change in net debt	(8,294,622)	11,953,987	3,659,365
Net debt, beginning of the year	<u>(22,421,837)</u>	<u>-</u>	<u>(22,421,837)</u>
Net debt, end of the year	<u><b>\$(30,716,459)</b></u>	<u><b>\$ 11,953,987</b></u>	<u><b>\$(18,762,472)</b></u>

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 19. Budgeted figures (continued)

#### Statement of Operations

	Approved Fiscal Budget	Adjustments	Fiscal Budget per Financial Statements
Revenue			
Indigenous and Northern Affairs Canada	\$ 16,593,547	\$ -	\$ 16,593,547
Manitoba Hydro	8,715,353	-	8,715,353
CMHC Housing Projects Subsidies and interest	430,515	-	430,515
Health Canada	2,791,892	-	2,791,892
Gas Bar	625,080	-	625,080
Rental	920,556	-	920,556
Province of Manitoba	871,467	-	871,467
Tataskweyak Trust	50,000	-	50,000
Other	708,153	-	708,153
Other Government Organizations	-	12,287,586	12,287,586
Gain on Equity from Business Enterprises	-	3,186,797	3,186,797
	<u>31,706,563</u>	<u>15,474,383</u>	<u>47,180,946</u>
Expenses			
Band Support	3,478,433	(37,577)	3,440,856
Community Fund	4,192,707	-	4,192,707
Policing	874,979	(24,000)	850,979
Operations and Maintenance	447,270	-	447,270
Public Works	1,249,883	-	1,249,883
Job Seeker Manitoba	42,408	-	42,408
Health Services	3,308,590	(53,722)	3,254,868
Social Development	5,046,641	-	5,046,641
Elderly Person's Homecare	814,721	(8,784)	805,937
Tataskweyak Education Authority	7,840,175	622,694	8,462,869
CMHC Housing Projects	1,235,229	-	1,235,229
Housing Authority	8,498,501	(4,862,400)	3,636,101
Economic Development	246,225	(95,501)	150,724
Video Lottery Terminal Operation	-	-	-
Kistepinanik Hotel	367,004	-	367,004
Gas Bar	635,075	-	635,075
Other Government Organizations	-	8,349,703	8,349,703
	<u>38,277,841</u>	<u>3,890,413</u>	<u>42,168,254</u>
Annual surplus (deficit)	<u>\$ (6,571,278)</u>	<u>\$ 11,583,970</u>	<u>\$ 5,012,692</u>

The adjustments include the addition of gain on equity from business enterprises and other government organizations and removal of principal payments on debt and capital asset additions.

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 20. Segment Disclosure

	Education			Health			Economic Development			Housing			Community Services		
	<u>Budget</u>			<u>Budget</u>			<u>Budget</u>			<u>Budget</u>			<u>Budget</u>		
	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
Revenues															
Federal Government	\$ 7,528,135	\$ 7,583,724	\$ 7,496,029	\$ 2,622,457	\$ 2,653,880	\$ 2,608,470	\$ 246,225	\$ 246,225	\$ 1,012,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,126
Provincial Government	-	-	-	-	-	-	102,000	11,824,334	4,272,892	346,272	393,662	312,840	-	1,618,252	1,457,154
Economic activities	279,584	170,500	245,011	-	-	-	718,780	3,693,391	3,019,665	-	-	-	-	-	-
Gain (loss) of equity on business enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	46,210	43,570	23,450	4,211	176,311	240,931	12,560,476	12,724,483	5,734,972	668,515	662,193	858,871	-	4,800	22,805
Total revenue	7,853,929	7,797,794	7,764,490	2,796,103	2,830,191	2,849,401	13,687,481	28,488,433	14,039,855	1,014,787	1,055,855	1,171,711	-	1,623,052	1,513,175
Expenses															
Salaries and benefits	4,649,303	4,633,695	4,891,261	1,308,823	1,287,889	1,310,814	2,310,960	3,773,758	3,336,394	704,021	624,008	360,262	-	574,534	553,192
Amortization	747,705	954,730	744,387	510,673	547,311	510,673	785,577	845,393	256,969	1,076,904	968,056	1,086,821	-	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	206,510	113,322	125,592	-	-	-
Travel	189,537	184,365	181,233	179,225	206,192	569,134	585,709	1,246,892	737,269	70,716	67,533	70,134	-	184,065	248,276
Other	2,756,329	2,401,078	2,734,198	1,309,869	1,240,378	1,029,555	5,929,841	10,664,929	8,516,193	7,675,344	2,674,949	1,985,384	-	878,348	708,748
Total expenses	8,342,874	8,173,868	8,551,079	3,373,611	3,281,770	3,420,176	9,612,087	16,530,972	12,846,825	9,733,495	4,447,868	3,628,193	-	1,636,947	1,510,216
Annual surplus (deficit)	\$ (488,945)	\$ (376,074)	\$ (786,589)	\$ (577,508)	\$ (451,580)	\$ (570,775)	\$ 4,075,394	\$ 12,398,803	\$ 1,193,030	\$ (8,818,708)	\$ (3,392,013)	\$ (2,456,482)	\$ -	\$ (13,895)	\$ 2,959

# Tataskweyak Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 20. Segment Disclosure (continued)

	Social Services			Band Government			Inter-segment Eliminations			Consolidated Totals		
	<u>Budget</u>			<u>Budget</u>			<u>Budget</u>			<u>Budget</u>		
	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
Revenues												
Federal Government	\$ 5,269,076	\$ 5,269,076	\$ 5,164,241	\$ 3,550,111	\$ 3,550,105	\$ 3,501,503	\$ -	\$ -	\$ -	\$ 19,385,439	\$ 19,303,009	\$ 19,815,785
Provincial Government	-	-	-	9,484,820	8,463,435	6,392,589	-	-	39,123	9,586,820	21,906,021	12,083,512
Economic Activities	99,000	106,021	102,264	-	8,550	-	-	-	-	1,503,636	4,372,124	3,679,780
Gain (loss) of equity on business enterprises	-	-	-	3,186,797	3,186,797	1,649,364	-	-	-	3,186,797	3,186,797	1,649,364
Other revenue	-	-	3,911	238,842	413,271	380,334	-	1,300,187	1,635,571	13,518,254	12,724,441	5,629,703
Total Revenue	<u>5,368,076</u>	<u>5,375,097</u>	<u>5,270,416</u>	<u>16,460,570</u>	<u>15,622,158</u>	<u>11,923,790</u>	<u>-</u>	<u>1,300,187</u>	<u>1,674,694</u>	<u>47,180,946</u>	<u>61,492,392</u>	<u>42,858,144</u>
Expenses												
Salaries and benefits	694,484	563,314	808,189	1,482,119	1,666,839	1,533,474	-	-	-	11,149,710	13,124,037	12,793,586
Amortization	-	-	-	954,825	1,179,677	944,908	-	-	-	4,075,684	4,495,167	3,543,758
Interest on long term debt	-	-	-	33,352	105,675	47,371	-	-	-	239,862	291,952	172,963
Travel	84,929	32,690	56,932	563,283	628,609	396,835	-	730,392	-	1,673,399	1,980,551	2,259,813
Other	5,081,949	4,362,415	5,277,562	7,252,151	6,820,834	4,566,980	-	569,795	1,674,694	25,029,599	28,239,585	23,143,926
Total Expenses	<u>5,861,362</u>	<u>4,958,419</u>	<u>6,142,683</u>	<u>10,285,730</u>	<u>10,401,634</u>	<u>7,489,568</u>	<u>-</u>	<u>1,300,187</u>	<u>1,674,694</u>	<u>42,168,254</u>	<u>48,131,292</u>	<u>41,914,046</u>
Annual Surplus (Deficit)	<u>\$ (493,286)</u>	<u>\$ 416,678</u>	<u>\$ (872,267)</u>	<u>\$ 6,174,840</u>	<u>\$ 5,220,524</u>	<u>\$ 4,434,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,012,692</u>	<u>\$ 13,361,100</u>	<u>\$ 944,098</u>

# **Tataskweyak Cree Nation**

## **Notes to Consolidated Financial Statements**

March 31, 2016

### **21. Expenses by Object**

The following is a summary of expenses by object.

	<b>2016</b>	<b>2015</b> <b>(Note 16)</b>
	<u>          </u>	<u>          </u>
Expenditures		
Administration fees	\$ 37,723	\$ 66,153
Allowances	726,925	896,394
Amortization	4,494,169	3,543,758
Audit fees	279,926	282,857
Bad debt	191,976	11,759
Basic needs (Welfare)	3,600,068	4,190,454
Commission expense	218,736	222,747
Community services	911,699	670,516
Consultant fees	3,859,157	2,889,239
Contribution to trust	3,354,882	1,142,302
Destitute payments	480,184	517,117
Equipment rentals	117,920	377,325
Insurance	1,078,061	1,106,655
Interest on long term debt	182,617	172,963
Materials and supplies	221,613	468,585
Office and general	551,725	394,594
Other	3,721,786	3,378,211
Professional fees	400,502	397,640
Program costs	369,024	453,247
Purchases	1,275,926	1,406,070
Rent	242,392	184,385
Repairs and maintenance	3,475,983	2,498,367
Salaries and benefits	13,618,829	12,169,059
Supplies	723,453	796,145
Travel	1,819,954	1,542,362
Tuition costs	487,878	454,238
Utilities	1,215,224	1,475,273
Vehicle	472,957	195,631
	<u>\$ 48,131,289</u>	<u>\$ 41,914,046</u>