

# Consolidated Financial Statements

Tataskweyak Cree Nation

March 31, 2017

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## Management's Responsibility for Financial Reporting

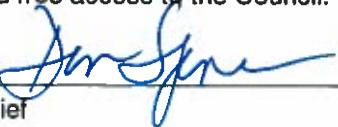
The accompanying March 31, 2017 financial statements of Tataskweyak Cree Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of Tataskweyak Cree Nation.

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.

  
Chief

Split Lake, Manitoba

  
Council

  
Robert J. Dene

  
Shelley

# 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 statement of financial position as at March 31, 2017, 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.

## **Auditors' 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 to 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, 2017, 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, Canada

February 7, 2018

Chartered Professional Accountants

# **Tataskweyak Cree Nation**

## **Consolidated Statement of Operations**

Year Ended March 31	<b>Budget (Note 19)</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>			
Indigenous and Northern Affairs			
Canada (Note 6)	\$ 19,210,438	\$ 19,571,441	\$ 16,649,130
Manitoba Hydro	3,029,224	6,796,008	19,946,450
CMHC	971,910	984,905	433,354
Video Lottery Terminal Operation	-	1,835,067	1,848,516
Health Canada	3,111,061	2,959,153	2,653,881
Gas Bar	525,880	833,118	772,008
Smoke Shop	-	169,304	137,674
Rental	1,039,723	729,245	789,608
Manitoba Keewatinowi Okimakanak	-	826,911	1,058,464
Province of Manitoba	785,816	838,241	861,735
Tataskweyak Trust	-	-	70,000
Other (Note 7)	1,013,499	480,098	797,187
Other Government Organizations	13,233,948	13,233,948	12,287,585
Gain on equity from business enterprises	5,722,896	5,722,895	3,186,797
	<b>48,644,395</b>	<b>54,980,334</b>	<b>61,492,389</b>
<b>Expenses</b>			
Band Support	3,743,381	4,333,368	4,060,750
Community Fund	1,919,773	1,648,161	3,566,969
Policing	1,090,478	922,942	840,024
Operations and Maintenance	312,935	276,660	376,732
Public Works	1,748,616	1,679,484	1,108,675
Stephen's Lake	-	161,891	168,057
Health Services	3,994,046	3,119,595	2,858,560
ASETS	-	862,429	1,053,424
Social Development	5,210,280	4,252,665	4,313,076
Elderly Person's Home/Assisted Living	913,425	758,266	644,282
Tataskweyak Education Authority	10,357,900	9,873,680	8,114,252
Minor Capital	-	1,262	1,023
Ooskahtisuk Youth Club Project	-	-	3,465
CMHC Housing Projects	1,173,278	1,197,721	996,165
Housing Authority	6,228,239	3,151,053	3,118,064
Economic Development	275,274	148,491	134,830
Video Lottery Terminal Operation	-	1,761,542	1,538,367
Gaming Commission (Bingo)	-	8,274	6,169
Kistepinaniak Hotel	367,004	167,163	326,109
On-Going Jobs	-	637,457	578,305
Future Development	-	1,465,241	2,104,822
Adverse Effects	-	1,029,268	632,990
Access Program	-	467,182	378,462
Bipole III	-	-	226,157
Conawapa	-	835,043	429,399
Environmental Services	-	251,566	401,494
Gas Bar	635,076	1,618,850	1,763,741
Job Seeker Manitoba	49,534	43,666	38,777
Other Government Organizations	<b>10,901,628</b>	<b>10,886,287</b>	<b>8,348,149</b>
	<b>48,920,867</b>	<b>51,559,207</b>	<b>48,131,289</b>
<b>Annual surplus</b>	<b>\$ (276,472)</b>	<b>\$ 3,421,127</b>	<b>\$ 13,361,100</b>

See accompanying notes to the consolidated financial statements.

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**Tataskweyak Cree Nation**  
**Consolidated Statement of Change in Accumulated Surplus**

Year Ended March 31

**2017**

**2016**

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Accumulated surplus, beginning of year	\$ 56,314,644	\$ 42,953,544
Annual surplus	<u>3,421,127</u>	13,361,100
Accumulated surplus, end of year	<u>\$ 59,735,771</u>	\$ 56,314,644

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# Tataskweyak Cree Nation

## Consolidated Statement of Financial Position

March 31

2017

2016

<b>Financial assets</b>			
Cash and cash equivalents (Note 17)	\$ 4,771,666	\$ 5,754,568	
Marketable securities	6,200,328	4,754,681	
Accounts receivable (Note 3)	3,043,866	4,045,551	
Inventory	21,030	21,852	
Portfolio investments (Note 4)	41,953	41,933	
Business enterprise equity (Note 5)	7,078,804	6,674,389	
Ottawa Trust Funds	89,939	84,728	
<b>Total financial assets</b>	<b>21,247,586</b>	<b>21,377,702</b>	
<b>Liabilities</b>			
Bank indebtedness	-	52,645	
Accounts payable and accruals	5,411,326	6,394,610	
Demand loans (Note 9)	139,509	459,575	
Long-term debt (Note 10)	9,561,389	10,090,245	
Deferred revenue (Note 11)	17,865,009	15,952,498	
<b>Total liabilities</b>	<b>32,977,233</b>	<b>32,949,573</b>	
<b>Net debt</b>	<b>(11,729,647)</b>	<b>(11,571,871)</b>	
<b>Non-financial assets</b>			
Tangible capital assets (Note 8)	71,141,175	67,678,447	
Prepays	324,243	208,068	
<b>Total non-financial assets</b>	<b>71,465,418</b>	<b>67,886,515</b>	
<b>Accumulated surplus</b>	<b>\$ 59,735,771</b>	<b>\$ 56,314,644</b>	

Commitments and contingencies (Note 14)

Approved on behalf of the Council:

 Chief

 Councillor

 Councillor

 Councillor

 Councillor

 Councillor

 Councillor

# **Tataskweyak Cree Nation**

## **Consolidated Statement of Change in Net Debt**

Year Ended March 31

	<b>Budget (Note 19)</b>	<b>2017</b>	<b>2016</b>
Annual surplus	<b>\$ (276,472)</b>	<b>\$ 3,421,127</b>	<b>\$ 13,361,100</b>
Capital assets acquired (Note 8)	<b>(8,211,333)</b>	<b>(8,211,333)</b>	<b>(7,375,320)</b>
Capital assets disposed - cost (Note 8)	<b>332,135</b>	<b>332,135</b>	<b>636,903</b>
Capital assets disposed - accumulated depreciation (Note 8)	<b>(331,492)</b>	<b>(331,492)</b>	<b>(248,630)</b>
Amortization	<b>4,009,970</b>	<b>4,747,962</b>	<b>4,494,169</b>
	<b>(4,200,720)</b>	<b>(3,462,728)</b>	<b>(2,492,878)</b>
Use of prepaid expenses	<b>208,068</b>	<b>208,068</b>	<b>189,812</b>
Acquisition of prepaid expenses	<b>(324,243)</b>	<b>(324,243)</b>	<b>(208,068)</b>
	<b>(116,175)</b>	<b>(116,175)</b>	<b>(18,256)</b>
Change in net debt	<b>(4,593,367)</b>	<b>(157,776)</b>	<b>10,849,966</b>
Net debt, beginning of year	<b>(18,762,472)</b>	<b>(11,571,871)</b>	<b>(22,421,837)</b>
Net debt, end of year	<b>\$ (23,355,839)</b>	<b>\$ (11,729,647)</b>	<b>\$ (11,571,871)</b>

# Tataskwewak Cree Nation

## Consolidated Statement of Cash Flow

Year Ended March 31

2017

2016

Increase (decrease) in cash and cash equivalents

<b>Operating</b>			
Annual surplus	\$ 3,421,127	\$ 13,361,100	
Adjustments for non-cash items			
Gain of equity from business enterprises	(5,722,895)	(3,186,797)	
Amortization	4,747,962	4,494,169	
Loss on sale of tangible capital assets	(5,053)	(246,727)	
	<u>2,441,141</u>	<u>14,421,745</u>	
Changes in non-cash working capital balances			
Accounts receivable	1,001,685	549,316	
Marketable securities	(1,445,647)	(4,754,681)	
Inventory	822	42,399	
Prepays	(116,175)	(18,256)	
Accounts payable and accruals	(983,284)	1,445,005	
Deferred revenue	1,912,511	(3,563,619)	
	<u>2,811,053</u>	<u>8,121,909</u>	
<b>Capital transactions</b>			
Proceeds on disposition of capital assets	5,696	635,000	
Purchase/construction of capital assets (Note 8)	(7,850,970)	(7,375,320)	
	<u>(7,845,274)</u>	<u>(6,740,320)</u>	
<b>Financing</b>			
Long-term debt proceeds	1,282,919	2,202,685	
Long-term debt repayments	(2,172,138)	(3,265,999)	
Demand loan proceeds	68,247	116,699	
Demand loan repayments	(388,313)	(968,302)	
Bank indebtedness (repayments) advances	(52,645)	(83,295)	
	<u>(1,261,930)</u>	<u>(1,998,212)</u>	
<b>Investing</b>			
Purchase of portfolio investment	(20)	-	
Drawings from business enterprises (Note 5)	5,318,480	2,182,524	
	<u>5,318,460</u>	<u>2,182,524</u>	
Net (decrease) increase in cash and cash equivalents	(977,691)	1,565,901	
<b>Cash and cash equivalents</b>			
Beginning of year	<u>5,839,296</u>	<u>4,273,395</u>	
End of year	<u>\$ 4,861,605</u>	<u>\$ 5,839,296</u>	
<b>Represented by</b>			
Ottawa Trust Funds	\$ 89,939	\$ 84,728	
Cash and cash equivalents	<u>4,771,666</u>	<u>5,754,568</u>	
	<u>\$ 4,861,605</u>	<u>\$ 5,839,296</u>	

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# **Tataskweyak Cree Nation**

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

March 31, 2017

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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

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# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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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 between commercial enterprises and other government organizations are eliminated. The accounting policies of commercial organizations are not adjusted to conform to those 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.	92.50 % owned

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

336/344 Thompson Drive Limited Partnership	99.90 % 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 partnership that has been included as a portfolio investment is:

Aboriginal Strategies Limited Partnership	20 % voting units
Ozhi LP	33 % owned

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# **Tataskweyak Cree Nation**

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

March 31, 2017

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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 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.

#### **Funds held in Ottawa Trust Fund**

Funds held in trust on behalf of the Band members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Band tangible capital assets; and

Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 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 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, with the exception of school buses		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, 2017

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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 in the year they

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

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

#### **Financial instruments**

TCN considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. TCN accounts for the following as financial instruments:

- cash and cash equivalents	- Ottawa Trust funds
- marketable securities	- accounts payable and accruals
- accounts receivable	- demand loans
- portfolio investments	- long term debt
- business enterprise equity	

A financial asset or liability is recognized when TCN become party to contractual provisions of the instrument.

TCN initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or partnership whose sole relationship with TCN is in the capacity of management in which case they are accounted for in accordance with financial instruments.

TCN removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

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# **Tataskwewak Cree Nation**

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

March 31, 2017

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

#### **Financial instruments (continued)**

Financial assets measured at cost are tested for impairment when there are indications of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in annual surplus.

#### **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.

#### **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

#### **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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# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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3. Accounts receivable	2017	2016
		(Note 16)
Manitoba Hydro	\$ 339,157	\$ 1,146,610
Province of Manitoba	168,106	163,668
Indigenous and Northern Affairs Canada	444,178	227,397
Manitoba Keewatinowi Okimakanak	211,930	204,264
Health Canada	36,360	56,732
Government Business Enterprises (Note 12)	(1,016)	(85,981)
Other Government Organizations	(1,010,244)	(1,879,777)
Portfolio investments (Note 12)	(180,410)	(134,629)
Other	<u>3,035,805</u>	<u>4,347,267</u>
	<u>\$ 3,043,866</u>	<u>\$ 4,045,551</u>

Other receivables include trade receivables and receivables due from Tataskweyak members. The amounts due to Portfolio Investments and due from Government Business Enterprises are due to the entities listed in Note 4 and Note 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 \$367,192 (2016: \$1,987,493) relates to draws received from Iron North Limited Partnership.

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#### 4. Portfolio investments

TCN invests in 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

- 6407102 Manitoba Ltd. is a 20% owned corporation that is the general partner of Aboriginal Strategies Limited Partnership.
- 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.
- Ozhi Limited Partnership is 33% owned by Ininew Limited Partnership.

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 4. Portfolio investments (continued)

		2017	2016
<u>Corporations</u>			
6407102 Manitoba Ltd.		\$ 2	\$ 2
Ininew Project Management Ltd.		39,887	39,887
Keewatin Railway Company Ltd.		44	44
		<hr/> 39,933	39,933
<u>Limited Partnership</u>			
Aboriginal Strategies Limited Partnership		2,000	2,000
Ozhi LP		20	-
		<hr/> \$ 41,953	\$ 41,933

### 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, 2016. All loans are non-interest bearing and have no set terms of repayment.

	Loans	Equity (deficit)	2017	2016
<u>Corporations</u>				
336/344 Thompson Drive Corporation	\$ -	\$ 60,328	\$ 60,328	\$ 54,440
5872066 Manitoba Ltd.	-	(3,985)	(3,985)	(3,227)
5925640 Manitoba Ltd.	-	7,269	7,269	4,696
6354671 Manitoba Ltd.	-	(4,468)	(4,468)	(4,326)
<u>Limited Partnerships</u>				
336/344 Thompson Drive LP	-	4,337,171	4,337,171	3,683,800
Cree Nation Partners Limited Partnership #1	-	1,236,614	1,236,614	1,240,279
Cree Nation Partners Limited Partnership #2	-	656,805	656,805	984,554
Cree Nation Partners Limited Partnership #3	<hr/> \$ -	<hr/> 789,070	<hr/> 789,070	<hr/> 714,173
	<hr/> \$ -	<hr/> \$ 7,078,804	<hr/> \$ 7,078,804	<hr/> \$ 6,674,389

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 5. Business enterprise equity

Summarized partner cash drawings from business enterprises are as follows:

	2017	2016
<u>Limited Partnership</u>		
Cree Nation Partners Limited Partnership #2 - draw	\$ 4,378,647	\$ 1,710,699
Cree Nation Partners Limited Partnership #3 - draw	<u>939,833</u>	<u>471,217</u>
	<b><u>\$ 5,318,480</u></b>	<b><u>\$ 2,182,524</u></b>

### 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	\$ -	\$ -	\$ 10,306	\$ 292
Long-term assets	<u>66,719</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>66,719</u>	<u>-</u>	<u>10,306</u>	<u>292</u>
Current liabilities	6,390	4,324	2,409	5,122
Long-term liabilities	-	-	-	-
Equity (deficit)	<u>60,329</u>	<u>(4,324)</u>	<u>7,897</u>	<u>(4,830)</u>
Total equity and liabilities	<u>\$ 66,719</u>	<u>\$ -</u>	<u>\$ 10,306</u>	<u>\$ 292</u>
Expenses	\$ 4,176	\$ 819	\$ 1,580	\$ 1,251
Other income	<u>10,065</u>	<u>-</u>	<u>4,384</u>	<u>1,098</u>
Net earnings (loss)	<u>\$ 5,889</u>	<u>\$ (819)</u>	<u>\$ 2,804</u>	<u>\$ (153)</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 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 Criti 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	\$ 2,358,762	\$ 1,350,759	\$ 1,325,082	\$ 962,952
Long-term assets	<u>2,484,345</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,843,107</u>	<u>1,350,759</u>	<u>1,325,082</u>	<u>962,952</u>
Current liabilities	174,153	13,912	59,945	10,422
Long-term liabilities	<u>265,064</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity (deficit)	<u>4,403,890</u>	<u>1,336,847</u>	<u>1,265,137</u>	<u>952,530</u>
Total equity and liabilities	<u>\$ 4,843,107</u>	<u>\$ 1,350,759</u>	<u>\$ 1,325,082</u>	<u>\$ 962,952</u>
Revenue	\$ 788,192	\$ -	\$ 4,391,203	\$ 1,104,822
Expenses	<u>124,756</u>	<u>3,962</u>	<u>7,115</u>	<u>6,629</u>
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net earnings (loss)	<u>\$ 663,436</u>	<u>\$ (3,962)</u>	<u>\$ 4,384,088</u>	<u>\$ 1,098,193</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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

	2017	2016
Gross INAC revenue (including prior year deferred)	\$ 33,278,828	\$ 25,948,978
Deferred revenue (Note 11)	<u>(13,707,387)</u>	<u>(9,299,848)</u>
Total INAC revenue reported	<u>\$ 19,571,441</u>	<u>\$ 16,649,130</u>

### 7. Other revenue

	2017	2016
Band Support - other	\$ 193,203	\$ 175,683
Community fund - other	100,958	34,591
Future Development - other	-	40,527
Aboriginal Policing Directorate	10,825	32,937
Housing Authority - other	22,057	154,439
Kistepinanik Hotel - other	5,817	28,318
Health Services - other	26,794	-
Video Lottery Terminal Operations - other	45,760	121,977
Other	<u>74,684</u>	<u>208,715</u>
	<u><b>\$ 480,098</b></u>	<u><b>\$ 797,187</b></u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 8. Tangible capital assets

	Land	Buildings	Equipment	Vehicles	Construction in-progress	Infrastructure	Total 2017	Total 2016
<b>Cost</b>								
Opening costs	\$ 75,850	\$ 109,849,150	\$ 7,180,189	\$ 3,768,057	\$ 15,024,490	\$ 8,010,200	\$ 143,907,936	\$ 137,169,519
Additions	-	243,539	522,877	1,017,475	6,427,442	-	8,211,333	15,374,476
Transfers	-	4,948,635	-	-	(4,948,635)	-	-	(7,999,156)
Disposals	-	-	(212,337)	(119,307)	(491)	-	(332,135)	(636,903)
Closing costs	<b>75,850</b>	<b>115,041,324</b>	<b>7,490,729</b>	<b>4,666,225</b>	<b>16,502,806</b>	<b>8,010,200</b>	<b>151,787,134</b>	<b>143,907,936</b>
<b>Accumulated Amortization</b>								
Opening accumulated amortization	-	(63,695,316)	(2,818,769)	(2,273,535)	-	(7,441,869)	(76,229,489)	(71,983,950)
Disposals	-	212,185	119,307	-	-	-	331,492	248,630
Amortization expense	-	(3,303,788)	(883,711)	(493,980)	-	(66,483)	(4,747,962)	(4,494,169)
Closing accumulated amortization	-	<b>(66,999,104)</b>	<b>(3,490,295)</b>	<b>(2,648,208)</b>	<b>-</b>	<b>(7,508,352)</b>	<b>(80,645,959)</b>	<b>(76,229,489)</b>
<b>Net book value</b>								
Opening balance	<b>75,850</b>	<b>46,153,834</b>	<b>4,361,420</b>	<b>1,494,522</b>	<b>15,024,490</b>	<b>568,331</b>	<b>67,678,447</b>	<b>65,185,569</b>
Closing balance	<b>75,850</b>	<b>48,042,220</b>	<b>4,000,434</b>	<b>2,018,017</b>	<b>16,502,806</b>	<b>501,848</b>	<b>71,141,175</b>	<b>67,678,447</b>
Increase (decrease) in net book value	<b>\$ -</b>	<b>\$ 1,888,386</b>	<b>\$ (360,986)</b>	<b>\$ 523,495</b>	<b>\$ 1,478,316</b>	<b>\$ (66,483)</b>	<b>\$ 3,462,728</b>	<b>\$ 2,492,878</b>

During the current year vehicles in the amount of \$360,363 were acquired by means of a capital lease.

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 8. Tangible capital assets (continued)

	Land	Buildings	Equipment	Vehicles	Construction in-progress	Infrastructure	Total 2017	Total 2016
<b>Additions by entity</b>								
Band Support	\$ -	\$ -	\$ -	\$ 164,298	\$ 60,000	\$ -	\$ 224,298	\$ 242,575
Community Fund	-	-	-	-	1,540,764	-	1,540,764	111,150
Health Services	-	-	-	221,566	-	-	221,566	121,549
Tataskweyak Education Authority	-	-	-	-	-	-	-	1,975,024
Video Lottery Terminal Operations	-	-	44,512	395,125	-	-	439,637	561,000
Ininew Project Management	-	-	-	-	4,107,593	-	4,107,593	20,632
CMHC housing projects	-	-	-	-	-	-	-	1,442,266
Housing Authority	-	-	-	-	671,501	-	671,501	4,944,735
Adverse Effects	-	208,320	87,287	50,820	-	-	346,427	5,088,845
Other Government Organizations	-	35,219	391,078	185,666	47,584	-	659,547	866,700
<b>Total additions</b>	<b>\$ -</b>	<b>\$ 243,539</b>	<b>\$ 522,877</b>	<b>\$ 1,017,475</b>	<b>\$ 6,427,442</b>	<b>\$ -</b>	<b>\$ 8,211,333</b>	<b>\$ 15,374,476</b>

During the current year, in the Tataskweyak Education Authority, vehicles in the amount of \$360,363 were acquired by means of a capital lease.

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 8. Tangible capital assets (continued)

	Land	Buildings	Equipment	Vehicles	Construction in-progress	Infrastructure	Total 2017	Total 2016
<b>Disposals by entity</b>								
Band Support	\$ -	\$ -	\$ -	\$ (119,307)	\$ -	\$ -	\$ (119,307)	\$ -
Community Fund	-	-	-	-	(491)	-	(491)	-
Other Government Organizations			(212,337)	-	-	-	(212,337)	(636,903)
Total disposals	\$ -	\$ -	\$ (212,337)	\$ (119,307)	\$ (491)	\$ -	\$ (332,135)	\$ (636,903)

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# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

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March 31, 2017

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9. Demand loans	2017	2016
<b>Band Support:</b> Royal Bank operating loan payable at prime plus 2.0%, repaid during the year.	\$ -	\$ 50,000
Royal Bank demand loan payable at 0.0%, repayable on demand.	<b>22,814</b>	-
<b>Education Authority:</b> Operating loan payable at prime plus 2.0%, repaid during the year.	-	115,000
<b>Housing Authority:</b> Royal Bank demand loan, repaid during the year.	-	208,105
<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.	<b>116,695</b>	86,470
	<b>\$ 139,509</b>	<b>\$ 459,575</b>

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 the Consolidated Financial Statements

March 31, 2017

10. Long-term debt	2017	2016
<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.	\$ 113,450	\$ 224,810
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 agreement, and an assignment of fire insurance.	107,325	170,287
TD Canada Trust (Section 95) mortgage payable (Phase 4) at 3.01%, May 1, 2018, repayable in monthly instalments of \$5,415 principal and interest, secured by INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	74,596	135,964
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 an assignment of fire insurance.	103,138	153,250
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, an assignment of fire insurance.	798,783	866,679
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.	540,196	579,283
Carry forward	\$ 1,737,488	\$ 2,130,273

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

10. Long-term debt (continued)	2017	2016
Carried forward	\$ 1,737,488	\$ 2,130,273
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.	302,738	324,643
CMHC (Section 95) mortgage payable (Phase 9) at 1.11%, due April 1, 2021, repayable in monthly instalments of \$3,433 principal and interest, secured by an INAC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	536,940	571,650
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.	546,241	573,212
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.	766,423	804,265
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.	1,076,147	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.	1,287,140	1,444,140
Royal bank (Gaming Centre) term loan payable at prime plus 2%, April 1, 2017, repayable in monthly instalments of \$13,083 principal and interest.	982,919	-
Carry forward	<u>7,236,036</u>	<u>6,964,280</u>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

10. Long-term debt (continued)	2017	2016
Carried forward	\$ 7,236,036	\$ 6,964,280
First Peoples Economic Growth Fund (Gaming Centre) term loan repayable at 0% plus other fees. This loan is repayable at \$3,125 per month, commencing six months after disbursement of proceeds until repaid in full.	300,000	-
<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 per week, principal and interest and is secured by the equipment.	438,130	513,867
Northland Ford Sales Ltd. vehicle loan is repayable at 3.99%, due April 4, 2017. The loan is repayable at \$1,198 per month, principal and interest and secured by the purchased vehicle.	23,167	34,077
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.	27,588	40,580
<b>Tataskweyak Education Authority:</b> Royal Bank vehicle capital lease repayable at 2.49%, due August 15, 2019. The capital lease is repayable at \$8,978 per month, principal and interest, and is secured by the related school buses.	251,397	-
Xerox Canada Limited equipment capital lease, repayable at 7% variable interest, due December 26, 2019. The capital lease is repayable at \$7,366 per quarter, principal and interest.	73,310	96,763
RBC vehicle capital lease repayable at 4.25% 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.	34,253	102,758
Xerox Canada Limited equipment capital lease repayable at 7% variable interest, due December 24, 2019. The capital lease is repayable at \$941 per quarter, principal and interest.	9,368	12,365
Carryforward	<u>8,393,249</u>	<u>7,764,690</u>

# **Tataskweyak Cree Nation**

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

March 31, 2017

10. Long-term debt (continued)	2017	2016
Carried forward	\$ 8,393,249	\$ 7,764,690
<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 until repaid in full.	<b>36,087</b>	65,311
SMS Equipment - Komatsu PC360LC-10 S/N AA33254 - heavy equipment loan repayable at 1.5%, with monthly principal and interest payments of \$8,000 until repaid in full.	<b>87,645</b>	161,559
SMS equipment - Komatsu D65PX-17 S/N 1733 - heavy equipment loan repayable at 1.5%, with monthly principal and interest payments of \$8,000 until repaid in full.	<b>111,586</b>	205,690
SMS Equipment Komatsu D65PX-17 S/N 1734 - heavy equipment loan repayable at 1.5%, with monthly principal and interest payments of \$8,000 until repaid in full.	<b>109,116</b>	201,138
SMS Equipment - Komatsu D65PX-17 A/N 1886 - heavy equipment loan repayable at 1.5%, with monthly principal and interest payments of \$8,000 until repaid in full.	<b>110,263</b>	203,251
SMS Equipment - Komatsu D65PX-17 S/N 2020 - heavy equipment loan repayable at 1.5%, with monthly principal and interest payments of \$8,000 until repaid in full.	<b>108,612</b>	200,209
SMS Equipment - Komatsu D65PX-17 S/N 2041 - heavy equipment loan repayable at 1.5%, with monthly principal and interest payments of \$8,000 until repaid in full.	<b>113,072</b>	208,430
SMS Equipment - Komatsu D65PX-17 S/N 500013 - heavy equipment loan repayable interest-free, with monthly principal payments of \$4,332 until repaid in full.	<b>138,639</b>	190,628
Carry forward	<b><u>9,208,269</u></b>	<b><u>9,200,906</u></b>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

10. Long-term debt (continued)	2017	2016
Carried forward	\$ 9,208,269	\$ 9,200,906
SMS Equipment - Komatsu D65PX-17 S/N 50070 - heavy equipment loan repayable interest-free, with monthly principal payments of \$4,332 until repaid in full.	138,639	190,628
<b>Ininew Limited Partnership:</b>		
HP Invent computer equipment lease repayable at 6.6%, in monthly instalments of \$285 principal and interest until repaid in full.	696	2,696
<b>Band Support:</b>		
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.	69,299	121,391
RBC (CNPLP #1 investment loan) 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.	144,486	574,634
	<b>\$ 9,561,389</b>	<b>\$ 10,090,255</b>

During the year TCN paid \$151,362 (2016: \$210,626) in interest charges on long-term debt.

Principal repayments in each of the next five years, based on the anticipated renewals at consistent interest rates, are due as follows:

2018	\$ 4,148,106
2019	781,709
2020	508,598
2021	408,807
2022 and thereafter	3,714,169
	<b>\$ 9,561,389</b>

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

11. Deferred revenue	2017	2016
Deferred revenue consists of the following:		
Manitoba Hydro		
Access Program	\$ -	\$ 433,109
Adverse Effects	149,476	1,435,135
Bipole III Settlement	-	1,081,524
Future Development	33,148	120,000
Keeyask Centre	291,866	291,866
Water and Sewer (IPM)	3,257,460	3,257,460
	<u>\$ 3,731,950</u>	<u>\$ 6,619,094</u>
Indigenous and Northern Affairs Canada		
Water and Sewer (IPM)	8,952,190	8,935,191
Indigenous and Northern Affairs Canada		
Lagoon & Forcemain Project (IPM)	4,390,540	-
Indigenous and Northern Affairs Canada		
Water and Wastewater Training	351,008	351,008
Indigenous and Northern Affairs Canada		
Band Support	13,649	13,649
	<u>13,707,387</u>	<u>9,299,848</u>
Health Canada		
Manitoba Keewatinowi Okimakanak - ASETS	280,383	-
	<u>145,289</u>	<u>33,556</u>
	<u>\$ 17,865,009</u>	<u>\$ 15,952,498</u>

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# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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### 12. Related party transactions

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

	2017	2016
<b>General and administrative expenditures</b>		
Aboriginal Strategies LP cost reimbursements	\$ 358,921	\$ 327,265
Aboriginal Strategies LP fees, rentals and software costs	461,465	429,816

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 provisions 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:

	2017	2016 (Note 16)
Portfolio investments		
Aboriginal Strategies LP	\$ (185,952)	\$ (130,627)
Ininew Project Management Ltd.	-	-
Keewatin Railway Company Ltd.	5,544	-
6407102 Manitoba Ltd.	(2)	(2)
	<hr/> <b>\$ (180,410)</b>	<hr/> <b>\$ (130,629)</b>
Government Business Enterprises		
Cree Nation Partners Limited Partnership #2	-	(68,795)
336/334 Thompson Drive LP	<hr/> <b>(1,016)</b>	<hr/> <b>-</b>
	<hr/> <b>\$ (1,016)</b>	<hr/> <b>\$ (68,795)</b>

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 the Consolidated Financial Statements**

March 31, 2017

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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 defense 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 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. The 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 superseded 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 expenses for TCN's pension plan for the year was \$197,212 (2016: \$199,734). The plan is funded equally by TCN and TCN's employees at rates of 3.0% to 7.6% of the employee's 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 the Consolidated Financial Statements**

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March 31, 2017

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### **17. Restricted cash**

Certain cash balances totaling \$2,039,273 (2016: \$1,579,440) are based on specific capital project contribution agreements (\$1,035,503) and replacement reserves (\$1,003,770). 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 based 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 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.

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as cash flow risk, or on the fair value of other financial instruments known as interest rate price risk. The Band is exposed to interest rate cash flow risk due to the fact that they have long-term debt and demand loans. They are limited to interest rate cash flow risk on their mortgages as they are subject to fixed interest rates. The Band does not trade in financial instruments and is not exposed to interest rate price risk.

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.

# Tataskwewak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 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:

#### Statements of change in net debt

	Approved fiscal budget	Adjustments	Fiscal budget per financial statements
Annual deficit	\$ 63,165	\$ (339,637)	\$ (276,472)
Capital assets acquired (Note 8)	(2,737,634)	(5,473,699)	(8,211,333)
Capital assets disposed - cost (Note 8)	-	332,135	332,135
Capital assets disposed - accumulated amortization (Note 8)	-	(331,492)	(331,492)
Amortization	1,932,939	2,077,031	4,009,970
	<hr/>	<hr/>	<hr/>
	(804,695)	(3,396,025)	(4,200,720)
Use of prepaid expenses	-	208,068	208,068
Acquisition of prepaid	-	(324,243)	(324,243)
	<hr/>	<hr/>	<hr/>
	-	(116,175)	(116,175)
Change in net debt	(741,530)	(3,851,837)	(4,593,367)
Net debt, beginning of the year	(18,762,472)	-	(18,762,472)
Net debt, end of the year	\$ (19,504,002)	\$ (3,851,837)	\$ (23,355,839)

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 19. Budgeted figures (continued)

#### Statements of operations

	Approved fiscal budget	Adjustments	Fiscal budget per financial statements
Revenue			
Indigenous and Northern Affairs			
Canada	\$ 19,210,438	\$ -	\$ 19,210,438
Manitoba Hydro	3,029,224	-	3,029,224
CMHC	971,910	-	971,910
Health Canada	3,111,061	-	3,111,061
Gas Bar	525,880	-	525,880
Rental	1,039,723	-	1,039,723
Province of Manitoba	785,816	-	785,816
Other	1,013,499	-	1,013,499
Other Government Organizations	-	13,233,948	13,233,948
Proceeds from loans	2,336,403	(2,336,403)	-
Profit sharing from investments	8,346,732	(8,346,732)	-
Gain on equity from business enterprises	-	5,722,896	5,722,896
	<b>40,370,686</b>	<b>8,273,709</b>	<b>48,644,395</b>
Expenses			
Band Support	3,743,381	-	3,743,381
Community Fund	4,208,055	(2,288,282)	1,919,773
Job Seeker Manitoba	49,534	-	49,534
Policing	1,090,478	-	1,090,478
Operations and Maintenance	312,935	-	312,935
Public Works	1,748,616	-	1,748,616
Health Services	3,994,046	-	3,994,046
Social Development	5,210,280	-	5,210,280
Elderly Person's Home/Assisted Living	913,425	-	913,425
Tataskweyak Education Authority	10,357,900	-	10,357,900
CMHC Housing Projects	1,173,278	-	1,173,278
Housing Authority	6,228,239	-	6,228,239
Economic Development	275,274	-	275,274
Kistepinanik Hotel	367,004	-	367,004
Gas Bar	635,076	-	635,076
Other Government Organizations	-	10,901,628	10,901,628
	<b>40,307,521</b>	<b>8,613,346</b>	<b>48,920,867</b>
Annual surplus (deficit)	<b>\$ 63,165</b>	<b>\$ (339,637)</b>	<b>\$ (276,472)</b>

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

**Tataskweyak Cree Nation**  
**Notes to the Consolidated Financial Statements**

March 31, 2017

**20. Segmented disclosure**

	Education			Health			Economic Development			Housing			Community Services			Subtotal	
	Budget		2017	Budget		2017	Budget		2017	Budget		2017	Budget		2016	Budget	
	2017	2017		2017	2017		2017	2017		2017	2017		2017	2017		2017	2017
Revenues																	
Federal government	\$ 9,391,840	\$ 9,391,840	\$ 7,583,724	\$ -	\$ 2,639,738	\$ 251,652	\$ 577,139	\$ 246,225	\$ 475,000	\$ 475,000	\$ -	\$ -	\$ 35,518	\$ -	\$ 10,118,492	\$ 10,479,497	
Provincial government	-	-	-	-	-	102,000	4,441,224	11,824,334	-	-	393,662	-	1,417,326	393,662	102,000	5,858,550	
Economic activities	205,551	168,357	170,500	-	-	781,580	3,348,083	3,693,391	525,072	446,745	-	-	-	-	1,512,203	3,963,185	
Gain (loss) of equity on business enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other revenue	46,210	32,672	43,570	3,340,176	3,208,312	176,973	13,263,948	13,309,284	12,724,483	983,790	1,081,362	662,193	-	3,600	662,193	17,634,124	17,635,230
Total revenue	<b>9,643,601</b>	<b>9,592,869</b>	<b>7,797,794</b>	<b>3,340,176</b>	<b>3,208,312</b>	<b>2,816,711</b>	<b>14,399,180</b>	<b>21,675,730</b>	<b>28,488,433</b>	<b>1,983,862</b>	<b>2,003,107</b>	<b>1,055,855</b>	<b>-</b>	<b>1,456,444</b>	<b>1,055,855</b>	<b>29,366,819</b>	<b>37,936,462</b>
Expenses																	
Salaries and benefits	5,510,850	5,430,950	4,633,695	1,492,448	1,424,056	1,287,889	5,246,172	6,390,700	3,773,758	615,154	554,878	624,008	-	523,529	574,534	12,864,624	14,324,113
Amortization	828,300	954,730	954,730	510,673	458,803	547,311	826,661	1,125,936	845,393	1,076,904	1,053,267	968,056	-	-	-	3,242,538	3,592,736
Interest on long term debt	-	9,142	-	-	-	-	30,251	30,251	-	115,522	87,573	113,322	-	-	-	145,773	126,966
Travel	242,402	218,081	184,365	226,755	199,787	206,192	559,671	1,236,384	1,246,892	110,912	123,564	67,533	-	181,670	184,065	1,139,740	1,959,486
Other	3,776,348	3,320,654	2,401,078	1,764,170	1,419,422	1,240,379	5,515,930	9,978,507	10,664,929	5,483,025	2,659,801	2,674,979	-	794,687	878,348	16,539,473	18,173,071
Total expenses	<b>10,357,900</b>	<b>9,933,557</b>	<b>8,173,868</b>	<b>3,994,046</b>	<b>3,502,068</b>	<b>3,281,771</b>	<b>12,178,685</b>	<b>18,761,778</b>	<b>16,530,972</b>	<b>7,401,517</b>	<b>4,479,083</b>	<b>4,447,898</b>	<b>-</b>	<b>1,499,886</b>	<b>1,636,947</b>	<b>33,932,148</b>	<b>38,176,372</b>
Annual surplus (deficit)	<b>\$ (714,299)</b>	<b>\$ (340,688)</b>	<b>\$ (376,074)</b>	<b>\$ (653,870)</b>	<b>\$ (293,756)</b>	<b>\$ (465,060)</b>	<b>\$ 2,220,495</b>	<b>\$ 2,913,952</b>	<b>\$ 11,957,461</b>	<b>\$ (5,417,655)</b>	<b>\$ (2,475,976)</b>	<b>\$ (3,392,043)</b>	<b>\$ -</b>	<b>\$ (43,442)</b>	<b>\$ (13,895)</b>	<b>\$ (4,565,329)</b>	<b>\$ (239,910)</b>

**Tataskweyak Cree Nation**  
**Notes to the Consolidated Financial Statements**

March 31, 2017

**20. Segmented disclosure**

	Carryforward subtotal			Social Services			Band Government			Inter-segment eliminations			Consolidated totals		
	Budget			Budget			Budget			Budget			Budget		
	2017	2017		2017	2017	2016	2017	2017	2016	2017	2017	2016	2017	2017	2016
Revenues															
Federal government	\$ 10,118,492	\$ 10,479,497	\$ 5,385,210	\$ 5,385,210	\$ 5,269,076	\$ 3,706,737	\$ 3,706,737	\$ 3,550,105	\$ -	\$ -	\$ -	\$ -	\$ 19,210,439	\$ 19,571,444	\$ 19,303,009
Provincial government	102,000	5,858,550	-	-	-	3,713,040	2,559,133	8,463,435	-	-	-	-	3,815,040	8,417,683	21,906,021
Economic activities	1,512,203	3,963,185	99,000	84,333	106,021	-	7,650	8,550	-	(481,948)	-	-	1,611,203	3,573,220	4,372,124
Gain (loss) of equity on business enterprises	-	-	-	-	-	5,722,895	5,722,895	3,186,797	-	-	-	-	5,722,895	5,722,895	3,186,797
Other revenue	17,634,124	17,635,230	-	2,105	-	650,694	411,178	413,271	-	(353,421)	1,300,187	18,284,818	17,695,092	12,724,441	
Total revenue	\$ 29,366,819	\$ 37,936,462	5,484,210	5,471,648	5,375,097	13,793,366	12,407,593	15,622,158	-	(835,369)	1,300,187	48,644,395	54,980,334	61,492,392	
Expenses															
Salaries and benefits	12,864,624	14,324,113	799,934	705,835	563,314	1,823,952	2,261,655	1,666,839	-	-	-	15,488,510	17,291,603	13,124,037	
Amortization	3,242,538	3,592,736	-	-	-	954,825	1,155,226	1,179,677	-	-	-	4,197,363	4,747,962	4,495,167	
Interest on long term debt	145,773	126,966	-	-	-	6,600	24,396	105,675	-	-	-	152,373	151,362	291,952	
Travel	1,139,740	1,959,486	30,495	54,584	32,690	483,906	527,065	628,609	-	67,901	(730,392)	1,654,141	2,473,234	1,980,551	
Other	16,539,473	18,173,071	5,293,276	4,501,006	4,362,415	5,595,434	4,988,437	6,820,834	-	767,468	(569,795)	27,428,183	26,895,046	28,239,585	
Total expenses	\$ 33,932,148	\$ 38,176,372	6,123,705	5,261,425	4,958,419	8,864,717	8,956,779	10,401,634	-	835,369	(1,300,187)	48,920,570	51,559,207	48,131,292	
Annual surplus (deficit)	\$ (4,565,329)	\$ (239,910)	\$ (639,495)	\$ 210,223	\$ 416,678	\$ 4,928,649	\$ 3,450,814	\$ 5,220,524	\$ -	\$ -	\$ -	\$ (276,175)	\$ 3,421,127	\$ 13,361,100	

# Tataskweyak Cree Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 21 Expenses by object

The following is a summary by object:

	2017	2016 (Note 16)
Expenditures		
Administration fees	\$ 105,289	\$ 37,723
Allowances	660,424	726,925
Amortization	4,747,962	4,494,169
Audit fees	391,340	279,926
Bad debt	126,034	191,976
Basic needs (Welfare)	3,502,338	3,600,068
Commission expense	210,222	218,736
Community services	766,249	911,699
Consultant fees	2,785,893	3,859,157
Contribution to trust	372,059	3,354,882
Destitute payments	623,385	480,184
Equipment rentals	1,549,897	2,125,540
Insurance	789,374	1,078,061
Interest on long term debt	151,362	210,626
Materials and supplies	264,705	221,613
Office and general	349,248	551,725
Other	4,623,409	1,686,127
Professional fees	613,006	400,502
Program costs	407,103	369,024
Purchases	1,262,340	1,275,926
Rent	185,688	242,392
Repairs and maintenance	3,898,392	3,472,983
Salaries and benefits	17,291,603	13,618,829
Supplies	1,145,008	723,453
Travel	2,473,234	1,819,954
Tuition costs	359,615	487,878
Utilities	1,353,557	1,215,224
Vehicle	550,471	472,957
	<hr/> <b>\$ 51,559,207</b>	<hr/> <b>\$ 48,131,289</b>