



Grant Thornton

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Consolidated Financial Statements

Tataskweyak Cree Nation

March 31, 2018



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Management's Responsibility for Financial Reporting

The accompanying March 31, 2018 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.

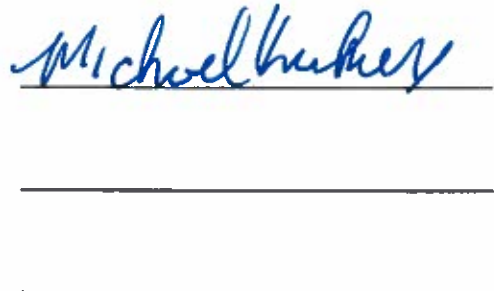
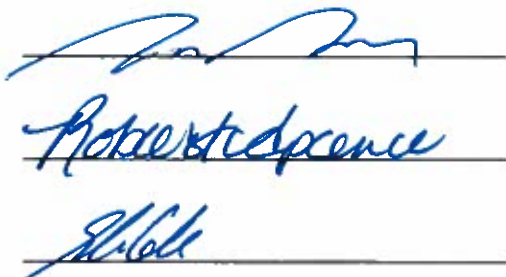
The consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.

Chief



Split Lake, Manitoba

Council



Independent Auditors' Report

To the Chief and Council of
Tataskweyak Cree Nation

We have audited the accompanying consolidated financial statements of Tataskweyak Cree Nation (TCN), which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements 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

Included in TCN's government business enterprises accounted for using the modified equity method are investments in Cree Nation Partners Limited Partnership #1, Cree Nation Partners Limited Partnership #2, and Cree Nation Partners Limited Partnership #3. As at March 31, 2018 these three investments are recorded as investment in government business enterprises and carried at \$3,551,475. TCN's share of the net earnings from these equity investments of \$3,437,641 is included in equity earnings from government business enterprises for the year ended March 31, 2018. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of TCN's investment in these entities as at March 31, 2018 and TCN's share of earnings from these investments for the year then ended because audited financial information was not prepared and provided by management of these entities. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Included in TCN's consolidated financial statement is Iron North Limited Partnership. As at March 31, 2018 financial assets included in TCN's consolidated statement of financial position related to Iron North Limited Partnership were carried at \$2,503,226, tangible capital assets carried at \$3,742,560 and liabilities carried at \$5,116,702. For the year ended March 31, 2018 TCN's consolidated statement of operations included revenue from other government organizations related to Iron North Limited Partnership of \$11,057,587 and expenses from other government organizations related to Iron North Limited Partnership of \$9,971,889 resulting in net surplus of \$1,085,698 related to Iron North Limited Partnership. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of financial assets, tangible capital assets and liabilities as at March 31, 2018 or TCN's share of revenues and expenses related to Iron North Limited Partnership for the year then ended because audited financial information was not prepared and provided by management. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

TCN recorded \$718,416 of destitute and bereavement payments in the Video Lotto Terminal Operation line on the consolidated statement of operations. We were unable to obtain sufficient appropriate audit evidence over the occurrence, accuracy and authorization of these payments as supporting documentation was either not created or maintained. Accordingly, we were not able to determine whether any adjustments might be necessary to the recorded amount of Video Lotto Terminal expense.

Qualified Opinion

In our opinion, except for the possible effects of the matters 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, 2018, 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 2 to the consolidated financial statements, which explains that certain comparative information presented for the year ended March 31, 2017 has been restated. Our opinion is not modified in respect of this matter.



Winnipeg, Canada
June 7, 2019

Chartered Professional Accountants

Tataskweyak Cree Nation

Consolidated Statements of Operations

Year Ended March 31	Budget	2018	2017
	(Note 18)		(Restated - Note 2) (Note 16)
Revenues			
Indigenous Services Canada (Note 7)	\$ 20,354,428	\$ 19,443,840	\$ 19,571,441
Manitoba Hydro	11,544,239	9,134,156	6,833,192
Health Canada	4,580,741	3,782,373	2,959,153
Video Lottery Terminal Operation	1,440,000	1,995,952	1,835,067
Province of Manitoba	597,910	809,270	838,241
Manitoba Keewatinowi Okimakanak	-	803,586	826,911
Rental	306,424	758,129	729,245
Gas Bar	1,469,500	641,407	833,118
CMHC	509,265	439,688	984,905
Smoke Shop	-	116,358	169,304
Tataskweyak Trust	238,500	48,080	-
Other (Note 8)	6,084,187	1,031,530	480,098
Other Government Organizations	12,107,994	11,509,328	13,233,948
Equity earnings from government business enterprises (Note 6)	3,967,736	3,967,736	5,722,895
	<u>63,200,924</u>	<u>54,481,433</u>	<u>55,017,518</u>
Expenses			
Band Support	4,131,906	3,544,659	4,360,756
Community Fund	5,910,735	4,294,561	1,648,161
Policing	1,015,278	1,008,483	922,942
Operations and Maintenance	375,108	297,645	276,660
Public Works	1,732,511	1,302,235	1,679,484
Stephen's Lake	155,400	167,593	161,891
Health Services	5,486,601	3,821,239	3,156,530
ASETS	-	864,626	862,429
Social Development	4,310,033	4,209,974	4,252,665
Elderly Person's Home/Assisted Living	903,393	902,720	758,266
Tataskweyak Education Authority	11,494,780	10,532,507	9,919,962
Minor Capital	-	2,912	1,262
CMHC Housing Projects	1,107,193	1,147,732	1,197,721
Housing Authority	3,504,628	2,952,255	3,316,090
Economic Development	191,368	203,899	148,491
Video Lottery Terminal Operation	1,276,790	1,931,714	1,761,542
Gaming Commission (Bingo)	-	3,642	8,274
Kistepinanik Hotel	-	870,994	167,163
On-Going Jobs	-	548,764	637,457
Future Development	1,619,832	703,516	1,465,241
Adverse Effects	4,987,428	1,753,983	1,533,634
Conawapa	-	-	835,043
Environmental Services	-	438,983	251,566
Gas Bar	1,586,236	1,330,062	1,618,850
Job Seeker Manitoba	42,408	39,067	43,666
Other Government Organizations	10,529,674	10,495,883	10,886,287
	<u>60,361,302</u>	<u>53,369,648</u>	<u>51,872,033</u>
Annual surplus	<u>\$ 2,839,622</u>	<u>\$ 1,111,785</u>	<u>\$ 3,145,485</u>

See accompanying notes to the consolidated financial statements.

Tataskweyak Cree Nation

Consolidated Statement of Change in Accumulated Surplus

Year Ended March 31

2018

2017

(Restated - Note 2)

(Note 16)

Accumulated surplus, beginning of year previously reported	\$ 59,735,771	\$ 56,314,644
Prior period adjustment (Note 2)	(2,091,571)	(1,815,929)
Accumulated surplus, beginning of year as restated	57,644,200	54,498,715
Annual surplus	1,111,785	3,145,485
Accumulated surplus, end of year	\$ 58,755,985	\$ 57,644,200

Tataskweyak Cree Nation

Consolidated Statement of Financial Position

March 31

2018

2017
(Restated - Note 2)
(Note 16)

Financial assets

Cash and cash equivalents	\$ 7,980,807	\$ 2,732,393
Restricted cash (Note 17)	2,522,085	2,129,212
Marketable securities	6,278,730	6,200,328
Accounts receivable (Note 4)	8,892,919	3,043,866
Inventory	21,030	21,030
Portfolio investments (Note 5)	41,953	41,953
Investment in government business enterprises (Note 6)	8,217,181	7,078,804

Total financial assets	33,954,705	21,247,586
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Liabilities

Accounts payable and accruals	7,083,713	5,411,326
Demand loans (Note 10)	233,355	139,509
Obligations under capital lease (Note 12)	700,433	876,453
Long-term debt (Note 11)	8,784,803	8,684,936
Deferred revenue (Note 13)	34,757,104	17,747,827

Total liabilities	51,559,408	32,860,051
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Net debt	(17,604,703)	(11,612,465)
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Non-financial assets

Tangible capital assets (Note 9)	76,034,485	68,932,422
Prepays	326,203	324,243

Total non-financial assets	76,360,688	69,256,665
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Accumulated surplus	\$ 58,755,985	\$ 57,644,200
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Commitments and contingencies (Note 14)

Approved on behalf of the Council:

 Chief

 Councillor

 Councillor

_____ Councillor

 Councillor

_____ Councillor

 Councillor

See accompanying notes to the consolidated financial statements.

Tataskweyak Cree Nation

Consolidated Statement of Change in Net Debt

Year Ended March 31

Budget

2018

2017
(Restated - Note 2)
(Note 16)

	(Note 18)		
Annual surplus	<u>\$ 2,839,622</u>	<u>\$ 1,111,785</u>	<u>\$ 3,145,485</u>
Capital assets acquired (Note 9)	(13,593,116)	(13,593,116)	(8,211,333)
Capital assets disposed - cost (Note 9)	1,593,905	1,593,905	332,135
Capital assets disposed - accumulated depreciation (Note 9)	(609,376)	(609,376)	(331,492)
Amortization (Note 9)	<u>5,506,524</u>	<u>5,506,524</u>	<u>5,060,788</u>
	<u>(7,102,063)</u>	<u>(7,102,063)</u>	<u>(3,149,902)</u>
Use of prepaid expenses	324,243	324,243	208,068
Acquisition of prepaid expenses	<u>(326,203)</u>	<u>(326,203)</u>	<u>(324,243)</u>
	<u>(1,960)</u>	<u>(1,960)</u>	<u>(116,175)</u>
Change in net debt	(4,264,401)	(5,992,238)	(120,592)
Net debt, beginning of year as restated per Note 2	<u>(19,504,002)</u>	<u>(11,612,465)</u>	<u>(11,491,873)</u>
Net debt, end of year	<u>\$ (23,768,403)</u>	<u>\$ (17,604,703)</u>	<u>\$ (11,612,465)</u>

Tataskweyak Cree Nation

Consolidated Statement of Cash Flow

Year Ended March 31

2018

2017
(Restated - Note 2)
(Note 16)

Increase (decrease) in cash and cash equivalents

Operating

Annual surplus	\$ 1,111,785	\$ 3,145,485
Adjustments for non-cash items		
Gain of equity from government business enterprises	(3,967,736)	(5,722,895)
Amortization	5,506,524	5,060,788
Loss (gain) on sale of tangible capital assets	328,063	(5,053)
	<u>2,978,636</u>	<u>2,478,325</u>

Changes in non-cash working capital balances

Accounts receivable	(5,849,053)	1,001,685
Inventory	-	822
Prepays	(1,960)	(116,175)
Accounts payable and accruals	1,672,387	(983,284)
Deferred revenue	17,009,277	1,875,327
	<u>15,809,287</u>	<u>4,256,700</u>

Capital transactions

Proceeds on disposition of tangible capital assets	656,466	5,696
Purchase/construction of tangible capital assets (Note 9)	(13,150,982)	(7,850,970)
	<u>(12,494,516)</u>	<u>(7,845,274)</u>

Financing

Long-term debt proceeds	1,507,907	1,282,919
Long-term debt repayments	(1,408,037)	(1,947,354)
Capital lease repayments	(356,269)	(224,784)
Demand loan proceeds	3,814,055	68,247
Demand loan repayments	(3,720,209)	(388,313)
Bank indebtedness repayments	-	(52,645)
	<u>(162,553)</u>	<u>(1,261,930)</u>

Investing

Purchase of marketable securities	(78,402)	(1,445,647)
Purchase of portfolio investment	-	(20)
Distributions from investments in government business enterprises (Note 6)	2,567,471	5,318,480
(Increase) decrease in restricted cash	(392,873)	538,726
	<u>2,096,196</u>	<u>4,411,539</u>

Net increase (decrease) in cash and cash equivalents 5,248,414 (438,965)

Cash and cash equivalents

Beginning of year	<u>2,732,393</u>	<u>3,171,358</u>
End of year	<u>\$ 7,980,807</u>	<u>\$ 2,732,393</u>

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

1. Nature of entity

Tataskweyak Cree Nation (TCN) is a government, 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.

2. Prior period adjustment

During the year, an accounting policy change related to basis for estimating annual amortization was enacted. The previous accounting policy stipulated that amortization expense on tangible capital asset will commence in the year subsequent to acquisition. The new accounting policy states that amortization expense will commence in the year of acquisition, or the year the asset is put into use, with the application of the half year rule. The prior year comparative figures have been restated to reflect the retrospective application of the new accounting policy

	March 31, 2017 as previously stated	Adjustment	March 31, 2017 as revised
Consolidated Statements of Operations and Change in Accumulated Surplus:			
Revenue - Manitoba Hydro	6,796,008	37,184	6,833,192
Expenses - Band Support	4,333,368	27,388	4,360,756
Expenses - Health Services	3,119,595	36,935	3,156,530
Expenses - Tataskweyak Education Authority	9,873,680	46,282	9,919,962
Expenses - Housing Authority	3,151,053	165,037	3,316,090
Expenses - Adverse Effects	1,496,450	37,184	1,533,634
Annual surplus	3,421,127	(275,642)	3,145,485
Accumulated surplus, beginning of the year	56,314,644	(1,815,929)	54,498,715
Consolidated Statement of Financial Position:			
Deferred revenue	17,865,009	(117,182)	17,747,827
Net debt	(11,729,647)	117,182	(11,612,465)
Tangible capital assets	71,141,175	(2,208,753)	68,932,422

3. Summary of significant accounting policies

Basis of accounting

These consolidated 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.

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

3. Summary of significant accounting policies (continued)

Reporting entity

The TCN reporting entity comprises TCN and all entities that are 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.

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 which are accounted for using the modified equity method.

Principles of consolidation

Consolidation conforms the accounting policies of controlled entities to those of TCN and eliminates all inter-organizational balances and transactions. This method reports the organizations as if they were one organization. The entities that were consolidated into TCN are as follows:

Northstream Communications Ltd.
Northstream Communications Limited Partnership
6089951 Manitoba Ltd.
Iron North Limited Partnership
4915110 Manitoba Ltd.
Ininew Limited Partnership

Modified equity method

Government business enterprises are separate legal entities that have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers other than TCN as their principal activity, and in the normal course of operations, can maintain their operations and meet their liabilities from revenues received outside revenue received from TCN. TCN accounts for its investments using the equity method of accounting, which is modified only to the extent that the business enterprises' accounting principles are not adjusted to conform with those of TCN. Thus TCN aggregates the business enterprise's net assets and net income as an investment on the consolidated statement of financial position. The net income of the business enterprises is reported as a separate investment income line on the consolidated statement of operations. Inter-organizational transactions are not eliminated unless the transaction arises from the sale or transfer of an asset or liability that is remaining within the government reporting entity.

The corporations that have been accounted for using the modified equity method include:

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

The limited partnerships that qualify as government business enterprises and have been accounted for using the modified equity method include:

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

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

3. Summary of significant accounting policies (continued)

Portfolio investments

All investments in entities that are not controlled 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. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

The corporations that have been included as portfolio investments are:

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

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

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

Government transfers

Government transfers (revenue from non-exchange transactions with governments) are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made, except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

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.

Revenue recognition

Resources, other than government transfers, that are externally restricted through stipulations imposed by an agreement with an external party, legislation, or regulation that specify the purpose or purposes for which the resources are to be used 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.

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

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

3. 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>Amortization Rate</u>	<u>Useful Life</u>
Buildings		
Housing CMHC	4.00 %	25 years
Housing Band built	6.67 %	15 years
Non-residence-brick/steel beam construction	2.50 %	40 years
Non-residence-wood frame construction construction	5.00 %	20 years
Heavy equipment	20.00 %	5 years
Water and sewer systems	5.00 %	20 years
Roads	5.00 %	20 years
Plane	5.00 %	20 years
Vehicles		
General purpose	33.34 %	3 years
School bus	20.00 %	5 years
Betterments		
General/housing	20.00 %	5 years
Equipment	33.34 %	3 years
Capital leases, with the exception of school buses		3-5 years

All amortization is straight-line and will commence in the year of acquisition or completion of construction with the application of the half year rule. This policy was adopted in current year and applied retrospectively to previous years as disclosed in Note 2.

Tangible capital assets are subsequently measured at cost less accumulated amortization less impairment, if any.

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

3. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

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

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 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 and is rather expensed because the related land is not legally owned by the First Nation.

Tangible capital assets are written down when conditions indicate that a tangible capital asset no longer contributes to TCN's ability to provide goods and services, or the value of the future economic benefits associated with the tangible capital asset is less than net book value.

Capital leases

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 TCN's rate for incremental borrowing or the interest rate implicit in the lease.

Use of estimates

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. These amounts are held for sale in the normal course of operations.

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

3. Summary of significant accounting policies (continued)

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 and are recognized as earned by eligible employees.

Segmented disclosure

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The revenues and expenses and equity in government business enterprises that are directly attributable to a particular segment are allocated to that segment. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis.

The segments are as follows:

Band Government

Revenues and expenses that relate to the operations of the Band itself and governance activities of the Chief and Council.

Community Services

Provides services meant to improve the health and development of TCN's members.

Economic Development

Manages the development of economic opportunities for TCN.

Education

Provides elementary and secondary education instructional services and provides financial support to post-secondary students.

Health

Services are comprised of a variety of health care programs which work to improve the overall health of the population and provides support to TCN members.

Housing

Provides affordable housing to qualifying members under various programs.

Social Services

Administers the provision of social assistance to qualifying members.

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

4. Accounts receivable	2018	2017
Manitoba Hydro	\$ 683,089	\$ 339,157
Province of Manitoba	251,216	168,106
Indigenous Services Canada	3,378,608	444,178
Manitoba Keewatinowi Okimakanak	-	211,930
Health Canada	26,505	36,360
Government Business Enterprises	(137)	(1,016)
Other Government Organizations	(781,195)	(1,010,244)
Payable to portfolio investees	(164,591)	(180,410)
Other	5,499,424	3,035,805
	\$ 8,892,919	\$ 3,043,866

Other receivables include trade receivables and receivables due from Tataskweyak members. The amounts payable to portfolio investees and due to government business enterprises are due to the entities listed in Note 5 and Note 6, 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 \$nil (2017: \$367,192) relates to draws received from Iron North Limited Partnership.

5. Portfolio investments

	2018	2017
<u>Corporations</u>		
6407102 Manitoba Ltd.	\$ 2	\$ 2
Ininew Project Management Ltd.	39,887	39,887
Keewatin Railway Company Ltd.	44	44
	39,933	39,933
<u>Limited Partnership</u>		
Aboriginal Strategies Limited Partnership	2,000	2,000
Ozhi LP	20	20
	\$ 41,953	\$ 41,953

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

6. Government business enterprises

The investment balance reported represents the modified equity balance of the following businesses. The operating results of these businesses are included to December 31, 2017. All loans are non-interest bearing and have no set terms of repayment.

Equity (deficit)

	<u>2018</u>	<u>2017</u>
<u>Corporations</u>		
336/344 Thompson Drive Corporation	\$ 65,903	\$ 60,328
5872066 Manitoba Ltd.	(4,954)	(3,985)
5925640 Manitoba Ltd.	8,184	7,269
6354671 Manitoba Ltd.	(4,406)	(4,468)
<u>Limited Partnerships</u>		
336/344 Thompson Drive Limited Partnership	4,599,803	4,337,171
Cree Nation Partners Limited Partnership #1	1,232,918	1,236,614
Cree Nation Partners Limited Partnership #2	590,849	656,805
Cree Nation Partners Limited Partnership #3	1,728,884	789,070
	<u>\$ 8,217,181</u>	<u>\$ 7,078,804</u>

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

6. Business enterprise equity (continued)

Summarized partner cash drawings from business enterprises are as follows:

	2018	2017
<u>Limited Partnership</u>		
Cree Nation Partners Limited Partnership #2 - draw	\$ 2,271,363	\$ 4,378,647
Cree Nation Partners Limited Partnership #3 - draw	296,108	939,833
	<u>\$ 2,567,471</u>	<u>\$ 5,318,480</u>

Summarized corporate financial information is as follows:

	336/344 Thompson Drive Corporation	5872066 Manitoba Ltd.	5925640 Manitoba Ltd.	6354671 Manitoba Ltd.
Current assets	\$ -	\$ -	\$ 11,422	\$ 236
Long-term assets	70,998	-	-	-
Total assets	<u>\$ 70,998</u>	<u>\$ -</u>	<u>\$ 11,422</u>	<u>\$ 236</u>
Current liabilities	5,095	5,356	2,526	4,999
Long-term liabilities	-	-	-	-
Equity (deficit)	<u>65,903</u>	<u>(5,356)</u>	<u>8,896</u>	<u>(4,763)</u>
Total equity and liabilities	<u>\$ 70,998</u>	<u>\$ -</u>	<u>\$ 11,422</u>	<u>\$ 236</u>
Expenses	\$ 4,478	\$ 1,032	\$ 1,388	\$ 1,271
Other income	10,052	-	2,387	1,338
Net earnings (loss)	<u>\$ 5,574</u>	<u>\$ (1,032)</u>	<u>\$ 999</u>	<u>\$ 67</u>

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

6. Business enterprise equity (continued)

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	\$ 2,889,985	\$ 1,350,722	\$ 726,704	\$ 1,870,793
Long-term assets	2,554,214	-	-	-
Total assets	\$ 5,444,199	\$ 1,350,722	\$ 726,704	\$ 1,870,793
Current liabilities	263,766	17,838	19,267	10,421
Long-term liabilities	247,744	-	-	-
Equity (deficit)	4,932,689	1,332,884	707,437	1,860,372
Total equity and liabilities	\$ 5,444,199	\$ 1,350,722	\$ 726,704	\$ 1,870,793
Revenue	\$ 703,817	\$ -	\$ 2,394,781	\$ 1,344,692
Expenses	169,245	3,963	7,976	7,115
Other income	-	-	-	-
Net earnings (loss)	\$ 534,572	\$ (3,963)	\$ 2,386,805	\$ 1,337,577

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

7. Indigenous Services Canada (ISC) revenue reconciliation

	<u>2018</u>	<u>2017</u>
Gross ISC revenue (including prior year deferred)	\$ 45,181,171	\$ 33,278,828
Deferred revenue (Note 13)	<u>(25,737,331)</u>	<u>(13,707,387)</u>
Total ISC revenue reported	<u>\$ 19,443,840</u>	<u>\$ 19,571,441</u>

8. Other revenue

	<u>2018</u>	<u>2017</u>
Band Support - other	\$ 209,310	\$ 193,203
Community fund - other	346,163	100,958
Aboriginal Policing Directorate	31,368	10,825
Housing Authority - other	6,039	22,057
Kistepinanik Hotel - other	179,948	5,817
Health Services - other	49,474	26,794
Video Lottery Terminal Operations - other	6,811	45,760
Other	<u>202,417</u>	<u>74,684</u>
	<u>\$ 1,031,530</u>	<u>\$ 480,098</u>

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

9. Tangible capital assets

	Land	Buildings	Equipment	Vehicles	Plane	Construction in-progress	Infrastructure	Total 2018	Total 2017 (Restated - Note 2)
Cost									
Opening costs	\$ 75,850	\$ 115,041,324	\$ 7,490,729	\$ 4,666,225	\$ -	\$ 16,502,806	\$ 8,010,200	\$ 151,787,134	\$ 143,907,936
Additions	-	1,764,317	2,036,755	616,468	434,891	8,721,121	19,564	13,593,116	8,211,333
Transfers	-	1,699,007	-	-	-	(1,699,007)	-	-	-
Disposals	-	-	(1,575,512)	(18,393)	-	-	-	(1,593,905)	(332,135)
Adjustment	-	(296,488)	378,626	(261,824)	-	-	-	(179,686)	-
Closing costs	75,850	118,208,160	8,330,598	5,002,476	434,891	23,524,920	8,029,764	163,606,659	151,787,134
Accumulated Amortization									
Opening accumulated amortization as restated per Note 2	-	(68,761,259)	(3,603,746)	(2,927,044)	-	-	(7,562,663)	(82,854,712)	(78,125,416)
Disposals	-	-	602,127	7,249	-	-	-	609,376	331,492
Adjustment	-	298,179	(69,554)	(29,106)	-	-	(19,833)	179,686	-
Amortization expense	-	(3,655,050)	(1,082,042)	(725,148)	(10,872)	-	(33,412)	(5,506,524)	(5,060,788)
Closing accumulated amortization	-	(72,118,130)	(4,153,215)	(3,674,049)	(10,872)	-	(7,615,908)	(87,572,174)	(82,854,712)
Net book value									
Opening balance	75,850	46,280,065	3,886,983	1,739,181	-	16,502,806	447,537	68,932,422	67,678,447
Closing balance	75,850	46,090,030	4,177,383	1,328,427	424,019	23,524,920	413,856	76,034,485	68,932,422
Increase (decrease) in net book value	\$ -	\$ (190,035)	\$ 290,400	\$ (410,754)	\$ 424,019	\$ 7,022,114	\$ (33,681)	\$ 7,102,063	\$ 1,253,975

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

9. Tangible capital assets (continued)

	Land	Buildings	Equipment	Vehicles	Plane	Construction in-progress	Infrastructure	Total 2018	Total 2017
Additions by entity/program									
Band Support	\$ -	\$ 261,637	\$ 251	\$ -	-	\$ 136,313	\$ 19,564	\$ 417,765	\$ 224,298
Community Fund	-	-	-	-	-	744,600	-	744,600	1,540,764
Health Services	-	-	-	308,304	-	664,315	-	972,619	221,566
Tataskweyak Education Authority	-	-	270,364	-	-	-	-	270,364	439,637
Video Lottery Terminal Operations	-	782,980	-	-	-	-	-	782,980	-
Kistepinanik Hotel	-	269,949	-	-	-	-	-	269,949	-
Capital Projects	-	-	-	-	-	6,663,341	-	6,663,341	4,107,593
Housing Authority	-	449,751	-	-	-	469,277	-	919,028	671,501
Adverse Effects	-	-	-	-	434,891	43,275	-	478,166	346,427
Other Government Organizations	-	-	1,766,140	308,164	-	-	-	2,074,304	659,547
Total additions	\$ -	\$ 1,764,317	\$ 2,036,755	\$ 616,468	434,891	\$ 8,721,121	\$ 19,564	\$ 13,593,116	\$ 8,211,333

During the current year, Tataskweyak Education Authority acquired equipment in the amount of \$180,245 by means of a capital lease and Band Support was gifted camp trailers and camp equipment from a government business enterprise in the amount of \$261,888.

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

9. 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 2018</u>	<u>Total 2017</u>
Disposals by entity/program								
Band Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (119,307)
Community Fund	-	-	-	-	-	-	-	(491)
Tataskweyak Education Authority	-	-	(145,592)	-	-	-	(145,592)	-
Other Government Organizations	-	-	(1,429,920)	(18,393)	-	-	(1,448,313)	(212,337)
Total disposals	\$ -	\$ -	\$ (1,575,512)	\$ (18,393)	\$ -	\$ -	\$ (1,593,905)	\$ (332,135)

Tataskweyak Cree Nation
Notes to the Consolidated Financial Statements
March 31, 2018

10. Demand loans	<u>2018</u>	<u>2017</u>
Band Support:		
Royal Bank operating line of credit payable at prime plus 2.0%, repayable on demand.	\$ 115,000	\$ -
Royal Bank demand loan payable at 0.0%, repayable on demand.	7,605	22,814
Ininew Limited Partnership:		
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 TCN.	110,750	116,695
	<u>\$ 233,355</u>	<u>\$ 139,509</u>

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

11. Long-term debt	2018	2017 (Note 16)
CMHC:		
CMHC (Section 95) mortgage payable (Phase 1) at 1.87%, came due March 1, 2018, and was repaid in full.	\$ -	\$ 113,450
CMHC (Section 95) mortgage payable (Phase 2) at 1.84%, due November 1, 2018, repayable in monthly instalments of \$5,451 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	43,304	107,325
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 ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance. This mortgage has subsequently been repaid in full.	10,984	74,596
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 ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	52,065	103,138
CMHC (Section 95) mortgage payable (Phase 6) at 1.53% due May 1, 2018, repayable in monthly instalments of \$6,718 principal and interest, secured by an ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, an assignment of fire insurance.	729,873	798,783
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 ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	500,380	540,196
Carry forward	\$ 1,336,606	\$ 1,737,488

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

11. Long-term debt (continued)	2018	2017 (Note 16)
Carried forward	\$ 1,336,606	\$ 1,737,488
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 ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	280,424	302,738
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 ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	501,513	536,940
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 ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	518,744	546,241
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 ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	727,843	766,423
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 ISC Ministerial Guarantee, supported by CMHC insurance and loan agreement, and an assignment of fire insurance.	1,035,735	1,076,147
Community Fund		
Royal Bank (Teacherages project) term loan payable at prime plus 2%, due April 1, 2018, repayable in monthly instalments of \$13,083 plus interest, secured by a general security agreement and Band Council Resolution. Renewed subsequent to year end for similar terms.	1,130,140	1,287,140
Carry forward	\$ 5,531,005	\$ 6,253,117

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

11. Long-term debt (continued)	2018	2017 (Note 16)
Carried forward	\$ 5,531,005	\$ 6,253,117
Video Lottery Operation:		
First Peoples Economic Growth Fund (Gaming Centre) term loan is interest-free, unsecured and repayable at \$3,125 per month, commencing six months after disbursement of proceeds until repaid in full.	265,625	300,000
Royal bank (Gaming Centre) term loan payable at 4.63%, due December 19, 2022, repayable in monthly instalments of \$19,604 principal and interest, secured by a general security agreement and Band Council Resolution.	1,839,847	982,919
Northland Ford Sales Ltd. vehicle loan is 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.	12,778	23,167
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.	15,216	27,588
Carryforward	\$ 7,664,471	\$ 7,586,791

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

11. Long-term debt (continued)	2018	2017 (Note 16)
Carried forward	\$ 7,664,471	\$ 7,586,791
Iron North Limited Partnership:		
SMS Equipment - HAMM 3412 S/N H1802667 - heavy equipment loan repayable at 2.5%, with monthly principal and interest payments repaid in full during the year.	-	36,087
SMS Equipment - Komatsu PC360LC-10 S/N AA33254 - heavy equipment loan repayable at 1.5%, repaid in full during the year.	-	87,645
SMS equipment - Komatsu D65PX-17 S/N 1733 - heavy equipment loan repayable at 1.5%, repaid in full during the year.	-	111,586
SMS Equipment Komatsu D65PX-17 S/N 1734 - heavy equipment loan repayable at 1.5%, repaid in full during the year.	-	109,116
SMS Equipment - Komatsu D65PX-17 A/N 1886 - heavy equipment loan repayable at 1.5%, repaid in full during the year.	-	110,263
SMS Equipment - Komatsu D65PX-17 S/N 2020 - heavy equipment loan repayable at 1.5%, repaid in full during the year.	-	108,612
SMS Equipment - Komatsu D65PX-17 S/N 2041 - heavy equipment loan repayable at 1.5%, repaid in full during the year.	-	113,072
SMS Equipment - Komatsu D65PX-17 S/N 500013 - heavy equipment loan repayable interest-free, with monthly principal payments of \$4,332 due August 15, 2019. Secured by the equipment.	86,650	138,639
Carry forward	\$ 7,751,121	\$ 8,401,811

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

11. Long-term debt (continued)	2018	2017 (Note 16)
Carried forward	\$ 7,751,121	\$ 8,401,811
SMS Equipment - Komatsu D65PX-17 S/N 50070 - heavy equipment loan repayable interest-free, with monthly principal payments of \$4,332 due August 15, 2019. Secured by the equipment.	86,650	138,639
SMS Equipment- Komatsu S/N 10382 heavy equipment loan repayable at 4.239% with monthly principal payments of \$6,158 due December 1, 2022 Secured by the equipment.	333,562	-
Daimler truck financial repayable at 5%, with monthly principal and interest payments for \$5,197 due December 31, 2018. Secured by the equipment.	63,984	-
SMS Equipment-Komatsu S/N 10357 heavy equipment loan repayable at 4.239% with monthly principal payments of \$5,741 due December 1, 2022. Secured by the equipment.	310,962	-
SMS Equipment- Komatsu S/N A11320 heavy equipment loan repayable interest-free, with monthly principal payments of \$4,969 due December 1, 2021. Secured by the equipment.	238,524	-
Band Support: RBC (CNPLP #1 investment loan) unsecured loan repayable at 4.70%, repaid in full during the year.	-	144,486
	\$ 8,784,803	\$ 8,684,936

During the year TCN paid \$134,980 (2017: 125,598) in interest charges on long-term debt.

Principal repayments in each of the next five years are due as follows:

2019	\$ 6,343,961
2020	1,216,810
2021	795,107
2022	239,928
2023 and thereafter	188,997
	\$ 8,784,803

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

12. Obligations under capital lease	2018	2017 (Note 16)
Video Lottery Operation:		
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.	360,603	438,130
Tataskweyak Education Authority:		
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.	145,339	251,397
Xerox Canada Limited equipment capital lease, repayable at 7% variable interest, due January 1, 2023. The capital lease is repayable at \$10,691 per quarter principal and interest. Secured by the equipment.	180,246	-
Xerox Canada Limited equipment capital lease, terminated during the year is repayable at \$7,366 per quarter, principal and interest.	-	73,310
RBC vehicle capital lease repayable at 4.25%, repaid in full during the year.	-	34,253
Xerox Canada Limited equipment capital lease terminated during the year.	-	9,368
Ininew Limited Partnership:		
HP Invent computer equipment lease repayable at 6.6%, repaid in full during the year.	-	696
Band Support:		
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 vehicles.	14,245	69,299
	\$ 700,433	\$ 876,453

During the year TCN paid \$20,603 (2017: 25,764) in interest charges on obligations under capital lease

Principal repayments in each of the next five years are due as follows:

2019	\$ 231,812
2020	153,097
2021	120,591
2022	123,493
2023 and thereafter	71,440
	\$ 700,433

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

13. Deferred revenue	2018	2017 (Restated - Note 2) (Note 16)
Deferred revenue consists of the following:		
Manitoba Hydro		
Adverse Effects	\$ 3,652,772	\$ 32,294
Future Development	94,898	33,148
Keeyask Centre (IPM)	291,866	291,866
Water and Sewer (IPM)	3,257,460	3,257,460
	7,296,996	3,614,768
Indigenous Services Canada		
Band Corporate Business Planning	13,649	13,649
Duplex Housing	2,332,000	-
Lagoon & Forcemain Project (IPM)	11,888,540	4,390,540
Skate Park	280,100	-
Special Education (TEA)	220,044	-
Water and Sewer (IPM)	8,952,190	8,952,190
Water and Sewer Part B Phase 2 (IPM)	1,699,800	-
Water and Wastewater Training	351,008	351,008
	25,737,331	13,707,387
Health Canada	1,183,113	280,383
Manitoba Keewatinowi Okimakanak - ASETS	-	145,289
Other	539,664	-
	\$ 34,757,104	\$ 17,747,827

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

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 a liability to 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 6). 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.

15. Defined contribution pension plan

The expenses for TCN's pension plan for the year was \$ 236,156 (2017: \$197,212). 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.

16. Comparative figures

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

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

17. Restricted cash	2018	2017 (Note 16)
Replacement reserve	\$ 944,864	\$ 1,003,770
Capital project contributions	1,483,529	1,035,503
Ottawa Trust Funds	93,692	89,939
	\$ 2,522,085	\$ 2,129,212

The replacement reserve, is required to be maintained under the terms of the agreement with CMHC, the accounts are to be funded annually through operations. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation.

The capital project contributions are only available for use in completing specific terms of the contribution agreements.

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. TCN is permitted to use its revenue for any purpose that will promote the general progress and welfare of TCN and its members. The expenditures of capital funds require the consent of Indigenous Services Canada and generally must be for projects of capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

18. 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:

Consolidated statement of change in net debt

	Approved fiscal budget	Adjustments	Fiscal budget per financial statements
Annual deficit	\$ (2,905,834)	\$ 5,745,456	\$ 2,839,622
Capital assets acquired (Note 9)	(4,237,421)	(9,355,695)	(13,593,116)
Capital assets disposed - cost (Note 9)	-	1,593,905	1,593,905
Capital assets disposed - accumulated amortization (Note 9)	-	(609,376)	(609,376)
Amortization	-	5,506,524	5,506,524
	<u>(4,237,421)</u>	<u>(2,864,642)</u>	<u>(7,102,063)</u>
Use of prepaid expenses	-	324,243	324,243
Acquisition of prepaid	-	(326,203)	(326,203)
	<u>-</u>	<u>(1,960)</u>	<u>(1,960)</u>
Change in net debt	(7,143,255)	2,878,854	(4,264,401)
Net debt, beginning of the year	<u>(19,504,002)</u>	<u>-</u>	<u>(19,504,002)</u>
Net debt, end of the year	<u>\$ (26,647,257)</u>	<u>\$ 2,878,854</u>	<u>\$ (23,768,403)</u>

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

18. Budgeted figures (continued)

Consolidated statement of operations

	Approved fiscal budget	Adjustments	Fiscal budget per financial statements
Revenue			
Indigenous Services Canada	\$ 20,354,428	\$ -	\$ 20,354,428
Manitoba Hydro	11,544,239	-	11,544,239
Health Canada	4,580,741	-	4,580,741
Video Lottery Terminal Operation	1,440,000	-	1,440,000
Province of Manitoba	597,910	-	597,910
Rental	306,424	-	306,424
Gas Bar	1,469,500	-	1,469,500
CMHC	509,265	-	509,265
Tataskweyak Trust	238,500	-	238,500
Other	6,084,187	-	6,084,187
Other Government Organizations	-	12,107,994	12,107,994
Gain on equity from business enterprises	-	3,967,736	3,967,736
	<u>47,125,194</u>	<u>16,075,730</u>	<u>63,200,924</u>
Expenses			
Band Support	4,131,906		4,131,906
Community Fund	5,910,735	-	5,910,735
Job Seeker Manitoba	42,408	-	42,408
Policing	1,015,278	-	1,015,278
Operations and Maintenance	375,108	-	375,108
Public Works	1,732,511	-	1,732,511
Health Services	5,486,601	-	5,486,601
Social Development	4,310,033	-	4,310,033
Elderly Person's Home/Assisted Living	903,393	-	903,393
Tataskweyak Education Authority	11,694,180	(199,400)	11,494,780
CMHC Housing Projects	1,107,193	-	1,107,193
Housing Authority	3,504,628	-	3,504,628
Economic Development	191,368	-	191,368
Future Development	1,619,832	-	1,619,832
Stephen's Lake	155,400	-	155,400
Adverse Effects	4,987,428	-	4,987,428
Gas Bar	1,586,236	-	1,586,236
Video Lottery Terminal Operations	1,276,790	-	1,276,790
Other Government Organizations	-	10,529,674	10,529,674
	<u>50,031,028</u>	<u>10,330,274</u>	<u>60,361,302</u>
Annual surplus (deficit)	<u>\$ (2,905,834)</u>	<u>\$ 5,745,456</u>	<u>\$ 2,839,622</u>

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, 2018

19. Segmented disclosure

	Education		Health		Economic Development		Housing		Community Services		Subtotal	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues												
Federal government	\$ 9,697,181	\$ 9,391,840	\$ 3,834,593	\$ -	\$ 255,877	\$ 577,139	\$ -	\$ 475,000	\$ 61,039	\$ 35,518	\$ 13,848,690	\$ 10,479,497
Provincial government	-	-	-	-	3,525,743	4,478,408	-	-	1,324,971	1,417,326	4,850,714	5,895,734
Economic activities	153,989	168,357	-	-	3,138,074	3,348,083	414,333	446,745	-	-	3,706,396	3,963,185
Gain of equity on business enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	226,881	32,672	419,417	3,208,312	12,312,265	13,309,284	520,127	1,081,362	3,200	3,600	13,481,890	17,635,230
Total revenue	10,078,051	9,592,869	4,254,010	3,208,312	19,231,959	21,712,914	934,460	2,003,107	1,389,210	1,456,444	35,887,690	37,973,646
Expenses												
Salaries and benefits	5,871,171	5,430,950	2,061,722	1,424,056	6,602,490	6,390,700	801,146	554,878	457,013	523,529	15,793,542	14,324,113
Amortization	948,026	1,001,012	575,148	495,738	1,506,783	1,163,120	1,398,303	1,218,304	-	-	4,428,260	3,878,174
Interest on long term debt	8,741	9,142	-	-	48,438	30,251	76,781	87,573	-	-	133,960	126,966
Travel	230,514	218,081	221,830	199,787	907,620	1,100,582	162,789	123,564	201,572	181,670	1,724,325	1,823,684
Other	3,516,676	3,320,654	1,471,434	1,419,422	8,755,278	8,443,571	1,777,786	2,659,801	754,803	794,687	16,275,977	16,638,135
Total expenses	10,575,128	9,979,839	4,330,134	3,539,003	17,820,609	17,128,224	4,216,805	4,644,120	1,413,388	1,499,886	38,356,064	36,791,072
Annual surplus (deficit)	\$ (497,077)	\$ (386,970)	\$ (76,124)	\$ (330,691)	\$ 1,411,350	\$ 4,584,690	\$ (3,282,345)	\$ (2,641,013)	\$ (24,178)	\$ (43,442)	\$ (2,468,374)	\$ 1,182,574

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

19. Segmented disclosure (continued)

	Carryforward subtotal		Social Services		Band Government		Inter-segment eliminations		Consolidated totals	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues										
Federal government	\$ 13,848,690	\$ 10,479,497	\$ 5,475,628	\$ 5,385,210	\$ 3,940,114	\$ 3,706,737	\$ -	\$ -	\$ 23,264,432	\$ 19,571,444
Provincial government	4,850,714	5,895,734	-	-	5,862,222	2,559,133	-	-	10,712,936	8,454,867
Economic activities	3,706,396	3,963,185	65,850	84,333	12,980	7,650	(280,715)	(481,948)	3,504,511	3,573,220
Gain of equity on business enterprises	-	-	-	-	3,967,736	5,722,895	-	-	3,967,736	5,722,895
Other revenue	13,481,890	17,635,230	48	2,105	684,238	411,178	(1,134,358)	(353,421)	13,031,818	17,695,092
Total revenue	\$ 35,887,690	\$ 37,973,646	5,541,526	5,471,648	14,467,290	12,407,593	(1,415,073)	(835,369)	54,481,433	55,017,518
Expenses										
Salaries and benefits	15,793,542	14,324,113	852,204	705,835	1,713,801	2,261,655	479,772	-	17,879,775	17,291,603
Amortization	4,428,260	3,878,174	-	-	1,078,264	1,182,614	-	-	5,506,524	5,060,788
Interest on long term debt	133,960	126,966	-	-	21,623	24,396	-	-	155,583	151,362
Travel	1,724,325	1,823,684	58,354	54,584	625,266	527,065	45,639	67,901	2,362,306	2,473,234
Other	16,275,977	16,638,135	4,206,336	4,501,006	7,872,809	4,988,437	889,662	767,468	27,465,460	26,895,046
Total expenses	\$ 38,356,064	\$ 36,791,072	5,116,894	5,261,425	11,311,763	8,984,167	1,415,073	835,369	53,369,648	51,872,033
Annual surplus (deficit)	\$ (2,468,374)	\$ 1,182,574	\$ 424,632	\$ 210,223	\$ 3,155,527	\$ 3,423,426	\$ -	\$ -	\$ 1,111,785	\$ 3,145,485

Tataskweyak Cree Nation

Notes to the Consolidated Financial Statements

March 31, 2018

20. Expenses by object

	2018	2017 (Note 16)
Expenditures		
Administration fees	\$ 103,300	\$ 317,741
Advertising and promotion	168,100	270,309
Allowances - students	807,744	660,424
Amortization	5,506,524	5,060,788
Audit fees	402,924	406,158
Bad debt	85,571	126,034
Bank charges and interest	365,411	170,286
Basic needs (welfare)	3,534,714	3,585,431
Commission expense	290,099	210,222
Community distributions - contribution to Tataskweyak Trust	72,715	172,000
Community distributions - fisherman allocation	91,044	-
Community distributions - fishermen payout	-	489,673
Community distributions - per capita	3,368,638	-
Community distributions - shoreline restoration	502,348	372,059
Community distributions - retired trappers	45,000	101,000
Community services	802,041	766,249
Consultant fees	652,595	2,124,986
Destitute payments	718,416	623,385
Equipment rentals	1,408,872	1,699,538
Honoraria	426,915	501,966
Insurance	795,275	807,654
Interest on long term debt	155,583	151,362
Loss (gain) on disposal of tangible capital assets	328,063	(5,053)
Materials and supplies	750,555	372,195
Office and general	633,533	935,830
Professional development	250,965	214,894
Professional fees	818,006	637,053
Program costs	1,689,739	1,413,290
Purchases	1,056,219	1,359,887
Rent for Ininew Limited Partnership	35,493	39,197
Repairs and maintenance	3,691,139	5,136,637
Salaries and benefits	17,879,775	17,047,893
Supplies	957,143	1,145,008
Travel	2,362,306	2,504,041
Tuition costs	559,541	447,770
Utilities	1,464,519	1,413,624
Vehicle	588,823	592,502
	\$ 53,369,648	\$ 51,872,033