
MISIPAWISTIK CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

MISIPAWISTIK CREE NATION

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MARCH 31, 2015

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INDEPENDENT AUDITORS' REPORT

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To the Members
Misipawistik Cree Nation

We have audited the accompanying financial statements of Misipawistik Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, change in net debt and cash flows for the year ended March 31, 2015, 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 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

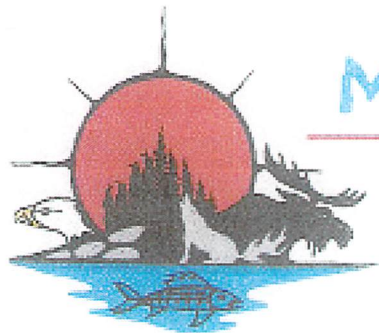
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly in all material respects the consolidated financial position of Misipawistik Cree Nation as at March 31, 2015 and the consolidated results of its operations, change in net debt and cash flows for the year ended March 31, 2015 in accordance with Canadian public sector accounting standards.

The Pas, Manitoba
July 28, 2015


CHARTERED ACCOUNTANTS



Misipawistik Cree Nation

P.O. Box 500, Grand Rapids, Manitoba R0C 1E0
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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimation and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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

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

Management reviews the Cree Nation's financial statements with Chief and Council and recommends their approval. The Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the annual report, the financial statements and the external auditors' report.

The consolidated financial statements have been audited by Collins Barrow HMA LLP in accordance with Canadian public sector accounting standards on behalf of the members. Collins Barrow HMA LLP have full and free access to Management and Chief and Council.

Chief

Councillor

Councillor

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2015

2014

FINANCIAL ASSETS

Cash (Note 2)	\$ 629,058	\$
Trust funds held by federal government (Note 3)	35,848	34,494
Accounts receivable (Note 4)	2,788,934	2,355,262
Long term investments (Note 5)	<u>7,740,647</u>	<u>8,488,768</u>
	<u>\$ 11,194,487</u>	<u>\$ 10,878,524</u>

LIABILITIES

Bank indebtedness (Note 2)	\$	\$ 247,357
Accounts payable and accrued liabilities (Note 6)	1,374,205	2,554,487
Deferred revenue (Note 7)	2,376,242	115,028
Long term debt (Note 8)	<u>13,006,018</u>	<u>13,895,932</u>
	<u>16,756,465</u>	<u>16,812,804</u>
NET FINANCIAL DEBT	<u>(5,561,978)</u>	<u>(5,934,280)</u>

NON - FINANCIAL ASSETS

Prepaid expenses and deferred charges	72,971	18,522
Inventory	4,337	4,023
Tangible capital assets (Note 9)	<u>28,595,365</u>	<u>28,081,136</u>
	<u>28,672,673</u>	<u>28,103,681</u>
ACCUMULATED SURPLUS	<u>\$ 23,110,695</u>	<u>\$ 22,169,401</u>

CONTINGENCIES (Note 10)

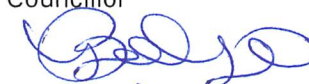
Approved on behalf of Council

Chief



Councillor

Councillor

MISIPAWISTIK CREE NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	2015	2014
REVENUE		
Aboriginal Affairs and Northern Development Canada	\$ 4,739,472	\$ 4,945,679
First Nations and Inuit Health	1,464,262	1,280,674
Canada Mortgage and Housing Corporation	361,261	365,509
Manitoba Keewatinowi Okimakanak	402,748	308,341
Manitoba Hydro	1,167,105	868,964
Parks Canada	40,000	100,000
Province of Manitoba	91,942	104,438
Solicitor General	32,820	33,626
Income (loss) from long term investments	213,358	(128,127)
Insurance	115,661	151,004
Gain (loss) on disposal of tangible capital assets	5,000	(19,367)
Investment income	175,540	190,656
Other	806,640	801,349
Rent	377,409	419,812
Sales	1,851	495
Swampy Cree Tribal Council	333,886	259,131
Tobacco Tax Rebates	404,375	419,614
	<u>10,733,330</u>	<u>10,101,798</u>
EXPENDITURES		
Administration	729,080	881,198
Capital	510,868	864,837
Community services	1,504,371	1,423,092
Economic Development	272,374	284,554
Education	1,161,803	1,120,510
Health	1,455,581	1,404,470
Housing	599,966	686,569
Policing	38,785	32,820
Public works	405,792	514,916
Social Services	1,795,100	1,944,088
Amortization	1,318,316	1,208,804
	<u>9,792,036</u>	<u>10,365,858</u>
ANNUAL SURPLUS (DEFICIT)	941,294	(264,060)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>22,169,401</u>	<u>22,433,461</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 23,110,695</u>	<u>\$ 22,169,401</u>

MISIPAWISTIK CREE NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	2 0 1 5	2 0 1 4
Annual surplus (deficit)	\$ <u>941,294</u>	\$ (<u>264,060</u>)
Acquisition of tangible capital assets	(<u>1,832,545</u>)	(4,496,559)
Proceeds on sale of tangible capital assets	<u>5,000</u>	
Amortization of tangible capital assets	<u>1,318,316</u>	<u>1,208,804</u>
Loss (gain) on sale of tangible capital assets	(<u>5,000</u>)	<u>19,367</u>
	(<u>514,229</u>)	(<u>3,268,388</u>)
Use (acquisition) of inventories	(<u>314</u>)	<u>323</u>
Use (acquisition) of prepaid expenses and deferred charges	(<u>54,449</u>)	<u>153</u>
	(<u>54,763</u>)	<u>476</u>
CHANGE IN NET DEBT FOR YEAR	<u>372,302</u>	(<u>3,531,972</u>)
NET DEBT, <i>beginning of year</i>	(<u>5,934,280</u>)	(<u>2,402,308</u>)
NET DEBT, <i>end of year</i>	\$ (<u>5,561,978</u>)	\$ (<u>5,934,280</u>)

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2015	2014
CASH FLOW FROM		
OPERATING TRANSACTIONS		
Cash receipts from Aboriginal Affairs and Northern Development Canada	\$ 5,922,494	\$ 3,764,236
Cash received from Manitoba Hydro	1,895,222	803,972
Cash received from other sources	5,495,253	6,139,198
Cash paid to suppliers and employees	(9,713,765)	(8,514,990)
	<u>3,599,204</u>	<u>2,192,416</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(1,832,545)	(4,496,559)
Proceeds of disposal of tangible capital assets	<u>5,000</u>	<u>-</u>
	<u>(1,827,545)</u>	<u>(4,496,559)</u>
INVESTING TRANSACTIONS		
Investment in government business enterprises	(5,330)	(296,616)
FINANCING TRANSACTIONS		
Repayment of long term debt	(7,776,594)	(3,120,498)
Advances from long term debt	<u>6,886,680</u>	<u>5,630,605</u>
	<u>(889,914)</u>	<u>2,510,107</u>
CHANGE IN CASH (BANK INDEBTEDNESS) DURING YEAR	876,415	(90,652)
BANK INDEBTEDNESS, beginning of year	(247,357)	(156,705)
CASH (BANK INDEBTEDNESS), end of year (Note 2)	\$ <u>629,058</u>	\$ <u>(247,357)</u>

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

REPORTING ENTITY

The Misipawistik Cree Nation reporting entity includes the Misipawistik Cree Nation (the Cree Nation) government and all related entities that are controlled by the Cree Nation.

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 government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Cree Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Cree Nation.

Organizations consolidated in the Cree Nation's financial statements include:

- Misipawistik Cree Nation Housing Authority
- Misipawistik Cree Nation Gaming Commission
- Grand Rapids First Nation Immediate Use Fund
- Misipawistik Cree Nation Health Authority Inc.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Organizations accounted for by the modified equity basis include:

- Grand Rapids First Nation Development Corporation
- Chus-Chug-U Gaming Trust
- Pinesiw Energy Limited Partnership (1/2 interest)
- Misipawistik Telecommunications Cooperative
- Aseneskak Casino (1/6 interest)
- Grand Rapids First Nation Development Trust

The Cree Nation reports and assesses these enterprises by major business line.

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.

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

INVENTORY

Inventories of goods available for resale are recorded at the lower of cost and net realizable value.

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisitions, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all of the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the Cree Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis, over the expected useful life of the assets in the table that follows.

Automotive	5 years
Buildings	25-40 years
Office equipment	4-10 years
Housing	20-40 years
Land Improvements	30 years
Roads	40 years
Water and Sewer	25 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Cree Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

REVENUE RECOGNITION

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulations are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

MEASUREMENT UNCERTAINTY

In preparing the consolidated financial statements for the Cree Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include the allowance for doubtful accounts and the remaining useful life of tangible capital assets.

FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities and long-term debt. Unless otherwise stated, it is management's opinion that the Cree Nation is not exposed to significant interest, currency or credit risk arising from the financial instruments. Unless indicated, the book value of the Cree Nation's financial instruments approximate their fair value.

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

2. CASH (BANK INDEBTEDNESS)

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Cree Nation must set aside funds for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the replacement and subsidy fund. Cash (bank indebtedness) is comprised of the following:

	2 0 1 5	2 0 1 4
Externally Restricted		
Housing replacement reserve	\$ 44,717	\$ 9,854
Unrestricted		
Operating	124,434	(212,757)
Social	(23,233)	(25,635)
Daycare	2,717	6,892
Brushclearing	4,034	4,092
Housing	172,008	3,239
Health operating and capital project	<u>304,381</u>	<u>(33,042)</u>
	<u>\$ 629,058</u>	<u>\$ (247,357)</u>

3. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	Opening Balance	Additions	Withdrawals	2 0 1 5	2 0 1 4
Revenue	\$ 31,308	\$ 1,354	\$ -	\$ 32,662	\$ 31,308
Capital	<u>3,186</u>	<u>-</u>	<u>-</u>	<u>3,186</u>	<u>3,186</u>
	<u>\$ 34,494</u>	<u>\$ 1,354</u>	<u>\$ -</u>	<u>\$ 35,848</u>	<u>\$ 34,494</u>

Trust fund 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 Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

4. ACCOUNTS RECEIVABLE

	2 0 1 5	2 0 1 4
Aboriginal Affairs and Northern Development Canada	\$ 33,778	\$ 1,149,321
Manitoba Hydro		728,117
Grand Rapids First Nation Development Corporation	334,987	301,712
Health Canada	2,040,419	
Rent	2,635,691	2,398,182
Tobacco Tax	33,055	39,781
Payroll advances	48,531	88,138
Other	<u>1,419,015</u>	<u>1,204,987</u>
	<u>6,545,476</u>	<u>5,910,238</u>
Allowance for doubtful accounts	<u>(3,756,542)</u>	<u>(3,554,976)</u>
	<u>\$ 2,788,934</u>	<u>\$ 2,355,262</u>

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

5. LONG TERM INVESTMENTS

The following table presents condensed financial information for the Cree Nation's long term investments.

	Retail Sales and Services	Entertainment Services	Portfolio Investments	2 0 1 5	2 0 1 4
Cash	\$ 684,861	\$ 435,830	\$ 47,107	\$ 1,167,798	\$ 1,206,744
Accounts Receivable	379,481	38,096		417,577	560,080
Inventory	269,460	5,504		274,964	385,556
Capital Assets	5,433,137	506,222		5,939,359	5,897,874
Other Assets	793,381	268,582	4,227,405	5,289,368	5,561,806
TOTAL ASSETS	\$ 7,560,320	\$ 1,254,234	\$ 4,274,512	\$ 13,089,066	\$ 13,612,060
Accounts Payable	\$ 1,247,384	\$ 132,170	\$	\$ 1,379,554	\$ 711,546
Long Term Debt	2,409,178	192,693		2,601,871	3,036,030
Other Liabilities	1,366,994	-	-	1,366,994	1,375,716
TOTAL LIABILITIES	5,023,556	324,863	-	5,348,419	5,123,292
EQUITY	2,536,764	929,371	4,274,512	7,740,647	8,488,768
TOTAL LIABILITIES AND EQUITY	\$ 7,560,320	\$ 1,254,234	\$ 4,274,512	\$ 13,089,066	\$ 13,612,060
REVENUE	\$ 12,426,573	\$ 2,865,110	\$ 169,807	\$ 15,461,490	\$ 16,224,099
EXPENDITURES	13,168,271	1,602,984	34,186	14,805,441	15,957,953
OTHER ITEMS	139,220	(1,243,341)	(175,540)	(1,279,661)	(864,853)
NET INCOME	\$ (602,478)	\$ 18,785	\$ (39,919)	\$ (623,612)	\$ (598,707)

Retail Sales and Services

Retail Sales and Services is comprised of the operations of Grand Rapids First Nation Development Corporation which operates a grocery store (MCN Foods), gas bar, confectionery and restaurant, the community's 1/2 interest in Pinesiw Energy Limited Partnership and Misipawistik Telecommunications Co-operative which provides high speed internet services to the Cree Nation.

Entertainment Services

Entertainment Services are comprised of Chus-Chug-U Gaming Trust which is a VLT lounge located in the Cree Nation and the community's 1/6 interest in Aseneskak Casino Limited Partnership.

Portfolio Investments

Portfolio Investments is comprised of Grand Rapids First Nation Development Trust which was settled upon the receipt of certain monies from Manitoba Hydro. Access to the assets of Grand Rapids First Nation Development Trust is restricted to certain permitted uses as described in the terms of the trust indenture. The fair value of the Grand Rapids First Nation Development Trust's assets at March 31, 2015 is \$4,940,295 (2014 - \$4,681,392).

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 5	2 0 1 4
Aboriginal Affairs and Northern Development Canada	\$ 256,655	\$ 187,453
Lagoon project	61,740	358,786
Trade payables, accruals and other	<u>1,055,810</u>	<u>2,008,248</u>
	<u>\$ 1,374,205</u>	<u>\$ 2,554,487</u>

7. DEFERRED REVENUE

	2 0 1 5	2 0 1 4
Brighter Futures Initiative	\$	\$ 11,994
Diabetes Program		7,245
Employment and Training	85,823	90,115
Health Authority Office Construction	<u>2,290,419</u>	
Home Care	<u>-</u>	<u>5,674</u>
	<u>\$ 2,376,242</u>	<u>\$ 115,028</u>

8. LONG TERM DEBT

	2 0 1 5	2 0 1 4
First Nations Bank of Canada loan, interest at prime + 2% payable monthly, annual principal payments of \$140,000, due April, 2017.	\$	\$ 562,378
First Nations Bank of Canada loan, interest at prime + 2% payable monthly, annual principal payments of \$100,000, due April, 2017.		401,699
First Nations Bank of Canada loan, interest at prime + 2% payable monthly, annual principal payments of \$150,000, due April, 2017.		602,548
First Nations Bank of Canada loan, interest at 5.33%, monthly blended payments of \$16,132, due September, 2033.		2,350,825
First Nations Bank of Canada loan, interest at 5.33%, monthly blended payments of \$6,069, due September, 2033.		884,459
First Nations Bank of Canada loan, interest at prime + 2% payable monthly, annual principal payments of \$70,000, due April, 2018		351,486
First Nations Bank of Canada loan, interest at 5.1% payable monthly, annual principal payments of \$650,000, due April 30, 2023.	5,665,000	

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

8. LONG TERM DEBT *(continued)*

	2 0 1 5	2 0 1 4
TD Canada Trust interim financing, interest at prime + 2%, repayable on demand or upon the receipt of specified AANDC funding, maturing March 31, 2016.	34,281	2,358,281
Mortgage payable, Peace Hills Trust, interest at 4.15%, repayable in monthly blended installments of \$685, maturing November 1, 2018.	28,028	34,969
Canada Mortgage and Housing Corporation loan, interest at 2.69%, payable in monthly blended installments of \$2,410, due August 1, 2015.	182,458	206,156
Canada Mortgage and Housing Corporation loan, interest at 1.92%, payable in monthly installments of \$3,773 (P&I), due April 1, 2019.	558,527	592,784
Canada Mortgage and Housing Corporation loan, interest at 2.63%, payable in monthly blended installments of \$548, due June 1, 2016.	86,674	90,927
Canada Mortgage and Housing Corporation loan, interest at 1.64%, payable in monthly blended installments of \$5,399, due February 1, 2017.	952,825	1,001,608
Canada Mortgage and Housing Corporation loan, interest at 1.62%, payable in monthly blended installments of \$3,179, due March 1, 2018.	595,561	623,844
Canada Mortgage and Housing Corporation loan, interest at 3.70%, payable in monthly installments of \$4,452, due June 1, 2018.	836,977	876,112
Canada Mortgage and Housing Corporation loan, interest at 1.85%, payable in monthly blended installments of \$5,507, due August 1, 2019.	1,070,208	1,115,349
Canada Mortgage and Housing Corporation loan, interest at 1.64%, payable in monthly blended installments of \$2,900, due December 1, 2016.	636,565	660,751
Canada Mortgage and Housing Corporation loan, interest at 1.8%, payable in monthly blended installments of \$5,203, due December 1, 2016.	1,140,540	1,181,756
Canada Mortgage and Housing Corporation loan, interest at 1.12%, payable in monthly blended installments of \$4,671, due February 1, 2020.	<u>1,218,374</u>	<u>-</u>
	<u>\$13,006,018</u>	<u>\$13,895,932</u>

Loans payable to Canada Mortgage and Housing Corporation are secured by the specific assets financed and a ministerial guarantee by the Government of Canada.

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

8. LONG TERM DEBT *(continued)*

Loans payable to First Nations Bank of Canada and Peace Hills Trust are secured by a general security agreement, the specific assets financed and various Band Council Resolutions authorizing the assignment of certain incoming funding for debt repayment purposes.


The loan payable to TD Canada Trust is secured by a commitment to redirect certain funds from Aboriginal Affairs and Northern Development Canada towards repayment of the loan.

The aggregate of payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2016	\$ 1,010,552
2017	982,842
2018	989,563
2019	993,817
2020	994,979

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. TANGIBLE CAPITAL ASSETS

 Collins Barrow

10. CONTINGENCIES

Government Funding

The Cree Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made.

For accounting purposes any amounts assessed or claims paid will be accounted for in the year of determination.

Loan Guarantees for Government Business Enterprises

The Cree Nation has guaranteed certain debts of Grand Rapids First Nation Development Corporation and Pinesiw Energy Limited Partnership. Aggregate guarantees are in excess of \$2,900,000 and are recorded as a liability of the individual enterprises not the Cree Nation.

If these enterprises become unable to repay these debts as they become due the Cree Nation may be contingently liable for the amounts.

11. BUDGET FIGURES

The Cree Nation has not completed a budget for the March 31, 2015 fiscal year. Accordingly budget figures are not presented in the financial statements.

12. COMMITMENTS

Canada Mortgage and Housing Corporation

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Cree Nation must set aside funds for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the replacement and subsidy fund.

As of March 31, 2015, the replacement reserve fund is underfunded by \$186,685. (2014 - underfunded by \$171,219)

13. ECONOMIC DEPENDENCE

The Cree Nation receives a majority of its revenue from and consequently is economically dependant on the Government of Canada.

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

14. GOVERNMENT TRANSFERS

	Operating	Capital	2 0 1 5	Operating	Capital	2 0 1 4
Aboriginal Affairs and Northern Development Canada	\$ 3,134,170	\$ 1,605,302	\$ 4,739,472	\$ 3,151,723	\$ 1,793,956	\$ 4,945,679
First Nations and Inuit Health	1,340,394	123,868	1,464,262	1,244,866	35,808	1,280,674
Canada Mortgage and Housing Corporation	361,261		361,261	365,509		365,509
Parks Canada	40,000		40,000	100,000		100,000
Solicitor General	<u>32,820</u>	<u>-</u>	<u>32,820</u>	<u>33,626</u>	<u>-</u>	<u>33,626</u>
Sub-total	4,908,645	1,729,170	6,637,815	4,895,724	1,829,764	6,725,488
Provincial	<u>91,942</u>	<u>-</u>	<u>91,942</u>	<u>104,438</u>	<u>-</u>	<u>104,438</u>
	<u>5,000,587</u>	<u>1,729,170</u>	<u>6,729,757</u>	<u>5,000,162</u>	<u>1,829,764</u>	<u>6,829,926</u>

15. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 1 5	2 0 1 4
Amortization	\$ 1,318,316	\$ 1,208,804
Donations	208,467	318,301
Economic assistance	1,499,143	1,602,650
Insurance	413,029	383,534
Interest and bank charges	500,141	469,846
Member distribution	300	500
Professional fees	113,766	182,211
Repairs and maintenance	480,960	915,397
Salaries and benefits	2,195,069	2,212,136
Student support	906,080	844,255
Supplies	155,047	115,348
Travel	321,365	334,016
Utilities	356,317	368,019
Other	<u>1,324,036</u>	<u>1,410,841</u>
	<u>\$ 9,792,036</u>	<u>\$ 10,365,858</u>

16. RELATED PARTY TRANSACTIONS

In the normal course of business the Cree Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the Cree Nation and related parties aggregate revenue and expenditures derived from related parties is not determinable.

Included within accounts payable and not separately disclosed elsewhere is \$34,292 (2014 - \$78,892) which is payable to the Cree Nation's government business enterprises for goods and services purchased in the ordinary course of business.

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

17. SUBSEQUENT EVENT

Subsequent to year end the Cree Nation obtained \$13,740,000 of new debt financing from BMO Bank of Montreal. (BMO) This new financing was used to provide an overdraft lending facility, consolidate a number of the existing loans in the Cree Nation and its Government Business Enterprises and fund housing. As security the Cree Nation has directed Aboriginal Affairs and Northern Development Canada funding to BMO and obtained a cross guarantee and general security agreement from both Chus-Chug-U Gaming Trust and Grand Rapids First Nation Development Trust.

MISIPAWISTIK CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

18. SEGMENT DISCLOSURE

Misipawistik Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Administration		Community Development		Community Services		Community Learning	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE								
AANDC	\$ 363,917	\$ 353,966	\$ 1,662,162	\$ 1,793,956	\$ 438,882	\$ 253,615	\$ 644,733	\$ 628,041
Solicitor General					32,820	33,626		
CMHC			361,261	365,509				
	363,917	353,966	2,023,423	2,159,465	471,702	287,241	644,733	628,041
Other	63,912	54,477	3,343,635	2,788,982	153,075	155,475	455,285	354,873
	427,829	408,443	5,367,058	4,948,447	624,777	442,716	1,100,018	982,914
EXPENDITURES								
Amortization			1,230,277	1,127,497	41,447	41,103	312	712
Salaries and benefits	444,673	452,036	293,994	342,087	320,259	323,025	252,671	227,619
Other	284,407	429,162	2,026,074	2,455,614	314,626	420,447	1,286,335	1,170,579
	729,080	881,198	3,550,345	3,925,198	676,332	784,575	1,539,318	1,398,910
SURPLUS (DEFICIT)	<u>\$ (301,251)</u>	<u>\$ (472,755)</u>	<u>\$ 1,816,713</u>	<u>\$ 1,023,249</u>	<u>\$ (51,555)</u>	<u>\$ (341,859)</u>	<u>\$ (439,300)</u>	<u>\$ (415,996)</u>

	Social Services		Health		TOTAL	
	2015	2014	2015	2014	2015	2014
REVENUE						
AANDC	\$ 1,629,778	\$ 1,916,101	\$ 1,464,262	\$ 1,280,674	\$ 4,739,472	\$ 4,945,679
FNHI					1,464,262	1,280,674
Solicitor General					32,820	33,626
CMHC					361,261	365,509
	1,629,778	1,916,101	1,464,262	1,280,674	6,597,815	6,625,488
Other			119,608	122,503	4,135,515	3,476,310
	1,629,778	1,916,101	1,583,870	1,403,177	10,733,330	10,101,798
EXPENDITURES						
Amortization			46,280	39,492	1,318,316	1,208,804
Salaries and benefits	87,540	76,184	795,932	791,185	2,195,069	2,212,136
Other	1,707,560	1,867,904	659,649	601,212	6,278,651	6,944,918
	1,795,100	1,944,088	1,501,861	1,431,889	9,792,036	10,365,858
SURPLUS (DEFICIT)	<u>\$ (165,322)</u>	<u>\$ (27,987)</u>	<u>\$ 82,009</u>	<u>\$ (28,712)</u>	<u>\$ 941,294</u>	<u>\$ (264,060)</u>