

MATHIAS COLOMB CREE NATION
Consolidated Financial Statements
Year Ended March 31, 2019

Thornton & Co.

MATHIAS COLOMB CREE NATION
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Year Ended March 31, 2019

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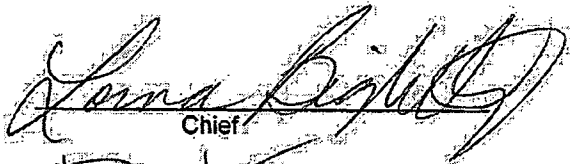
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Mathias Colomb Cree Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Mathias Colomb Cree Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Council and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Thornton & Co., in accordance with Canadian public sector accounting standards.



Chief

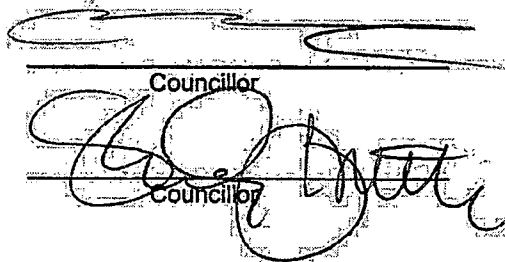


Councillor

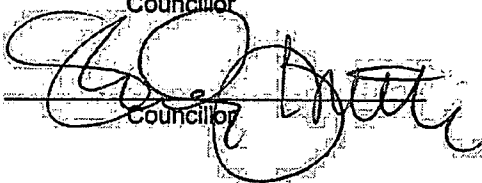


Councillor

Pukatawagan, MB
September 19, 2019



Councillor



Councillor



CHARTERED PROFESSIONAL ACCOUNTANTS
PROFESSIONAL CORPORATION

720 A St. Mary's Road, Winnipeg, Manitoba R2M 3N2
Telephone: 204.284.3717 Fax: 204.284.3746

INDEPENDENT AUDITOR'S REPORT

To the Members of Mathias Colomb Cree Nation

Opinion

We have audited the consolidated financial statements of Mathias Colomb Cree Nation (the Organization), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate

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Independent Auditor's Report to the Members of Mathias Colomb Cree Nation (continued)

the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

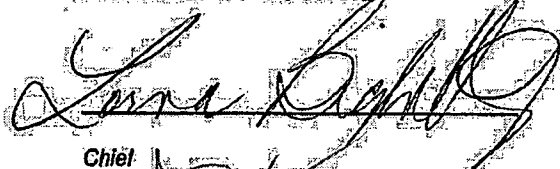
Winnipeg, MB
February 27, 2020


CHARTERED PROFESSIONAL ACCOUNTANTS

MATHIAS COLOMB CREE NATION
Consolidated Statement of Financial Position
March 31, 2019

	2019	2018
FINANCIAL ASSETS:		
Unrestricted Cash	\$ -	\$ 2,988,664
Restricted cash (Note 3)	468,429	553,427
Accounts receivable (Note 4)	3,965,335	3,381,186
Loans and notes receivable (Note 5)	-	5,666,840
Long term Investments (Note 6)	9,731,281	4,825,411
Land Entitlement Trust	397,867	397,867
	<u>14,562,912</u>	<u>17,813,395</u>
LIABILITIES		
Bank indebtedness	752,852	-
Accounts payable and accrued liabilities (Note 8)	3,176,376	5,551,889
Unexpended funding (Note 9)	1,665,982	2,480,130
Long Term Debt (Note 10)	11,860,058	11,400,106
	<u>17,455,268</u>	<u>19,432,125</u>
NET FINANCIAL DEBT	<u>(2,892,356)</u>	<u>(1,618,730)</u>
NON-FINANCIAL ASSETS		
Inventory	215,092	162,378
Prepaid expenses	65,052	198,637
Tangible capital assets (Note 7)	68,078,114	63,212,733
Deferred capital contribution (Note 11)	(25,182,932)	(18,906,770)
	<u>43,175,326</u>	<u>44,666,978</u>
ACCUMULATED SURPLUS	<u>\$ 40,282,970</u>	<u>\$ 43,048,248</u>

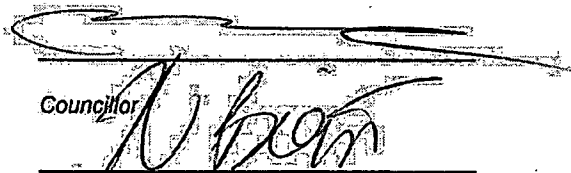
ON BEHALF OF COUNCIL



Chief

Councillor

Councillor



Councillor

Councillor

See notes to financial statements

MATHIAS COLOMB CREE NATION

Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2019

	2019	2018
REVENUES		
Indigenous Services Canada	\$ 19,136,107	\$ 19,806,841
Health Canada	4,483,057	4,189,335
Construction income	1,892,496	3,682,296
Other income	1,531,496	1,473,140
Community Bingo and Gaming Commission	730,113	982,525
Aboriginal Skills & Employment Training	772,219	711,550
Province of Manitoba	500,207	515,030
Revenue from deferred Capital contributions	495,059	235,286
Aboriginal Human Resource Development Strategy	402,087	440,978
Canadian Mortgage and Housing Corporation	379,482	230,821
Tobacco tax rebates	326,155	301,546
Rental revenue	49,863	65,990
Equity income on business investments	(155,420)	(158,697)
	30,542,921	32,476,641
EXPENSES		
Band employee benefits	182,821	231,787
Band support and administration	4,970,041	4,444,977
Capacity development	1,008,734	439,098
Capital programs	1,258,368	1,265,038
Community bingo	665,975	774,818
Economic development capacity	196,720	200,934
Education student services	7,377,105	7,772,096
Employment and training	668,819	712,297
Flood recovery and response	-	7,614
Gaming commission	39,991	43,585
Health Authority	4,870,782	4,245,480
Housing Authority	588,378	693,257
IM/IT capacity development	-	18,284
Indian registry	43,351	28,001
Justice and policing	98,622	158,552
Mamawehetowin Crisis Centre Inc	646,178	646,134
Marilyn Braveheart Day Care	480,885	596,102
Mississippi Construction Co. Ltd.	1,614,587	1,286,470
Operations and maintenance	827,681	928,087
Pension plan administration	60,615	60,971
Pukatawagan Development Corporation	24,769	26,413
Renovations	-	4,393
Social services and development	7,339,096	6,884,893
Soil remediation	79,956	128,504
Summer work experience	170,278	112,242
Third party interest	66,273	72,019
Tides Canada	28,174	16,136
	33,308,199	31,798,182
ANNUAL SURPLUS (DEFICIT)	(2,765,278)	678,459

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See notes to financial statements

MATHIAS COLOMB CREE NATION

Consolidated Statement of Operations and Accumulated Surplus *(continued)*

Year Ended March 31, 2019

	2019	2018
ACCUMULATED SURPLUS - BEGINNING OF YEAR	<u>43,048,248</u>	<u>42,369,789</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 40,282,970</u>	<u>\$ 43,048,248</u>

See notes to financial statements

MATHIAS COLOMB CREE NATION
Consolidated Statement of Changes in Net Debt
Year Ended March 31, 2019

	2019	2018
ANNUAL SURPLUS (DEFICIT)	\$ (2,765,278)	\$ 678,459
Amortization of tangible capital assets	3,359,673	3,475,025
Purchase of tangible capital assets	(8,222,366)	(22,311,091)
Proceeds on disposal of tangible capital assets	-	134,519
Decrease (increase) in prepaid expenses	133,586	(184,965)
Decrease (increase) in inventory	(52,714)	56
Capitalized interest	-	-
Deferred capital contribution on tangible capital assets (Note 11)	6,273,473	18,906,770
Capitalized overhead	-	-
	<u>1,491,652</u>	<u>20,314</u>
DECREASE (INCREASE) IN NET FINANCIAL DEBT	(1,273,626)	698,773
NET FINANCIAL DEBT - BEGINNING OF YEAR	(1,618,730)	(2,317,503)
NET FINANCIAL DEBT - END OF YEAR	\$ (2,892,356)	\$ (1,618,730)

See notes to financial statements

MATHIAS COLOMB CREE NATION
Consolidated Statement of Cash Flows
Year Ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Surplus (deficit)	\$ (2,765,278)	\$ 678,459
Items not affecting cash:		
Amortization of tangible capital assets	3,359,673	3,475,025
Equity income on business investments	155,420	158,697
Revenue from deferred Capital contributions	(495,059)	(235,286)
Prior period adjustment	-	140,703
	<u>254,756</u>	<u>4,217,598</u>
Changes in non-cash working capital:		
Accounts receivable	(584,149)	2,748,672
Inventory	(52,714)	60
Accounts payable and accrued liabilities	(2,375,510)	(4,749,124)
Unexpended funding	(814,148)	2,178,719
Prepaid expenses	133,585	(184,966)
Deferred capital contribution	6,276,162	18,906,770
	<u>2,583,226</u>	<u>18,900,131</u>
Cash flow from operating activities	<u>2,837,982</u>	<u>23,117,729</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(8,222,366)	(22,311,091)
Proceeds on disposal of tangible capital assets	-	134,519
Long term Investments	(4,568,921)	-
Loans and notes receivable	5,666,840	-
	<u>(7,124,447)</u>	<u>(22,176,572)</u>
Cash flow used by investing activities		
FINANCING ACTIVITIES		
Proceeds from long term financing	1,407,261	2,310,536
Repayment of long term debt	(947,310)	(530,224)
	<u>459,951</u>	<u>1,780,312</u>
Cash flow from financing activities		
INCREASE (DECREASE) IN CASH FLOW	<u>(3,826,514)</u>	<u>2,721,469</u>
Cash - beginning of year	<u>3,542,091</u>	<u>820,622</u>
CASH (DEFICIENCY) - END OF YEAR	<u>(284,423)</u>	<u>3,542,091</u>
CASH CONSISTS OF:		
Unrestricted Cash	\$ -	\$ 2,988,664
Restricted cash	468,429	553,427
Bank indebtedness	(752,852)	-
	<u>\$ (284,423)</u>	<u>\$ 3,542,091</u>

See notes to financial statements

MATHIAS COLOMB CRÉE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

1. NATURE OF ENTITY

The Cree Nation is a non-profit, non-taxable entity and is engaged in the social, cultural and economic development of Cree Nation citizens of Mathias Colomb Cree Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards.

Basis of consolidation

The Mathias Colomb Cree Nation reporting entity includes the Mathias Colomb Cree Nation government and all related entities which are accountable to the Cree Nation and are either owned or controlled by Mathias Colomb Cree Nation Council

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.

These financial statements consolidate the assets, liabilities and results of operations for the Cree Nation and use accounting principles that lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation.

The following entities' results of operations are included in these financial statements:

Subsidiary	Ownership %	Year end
Pukatawagan Aboriginal Education Authority Inc.	100.00	March 31, 2019
Mathias Colomb Cree Nation Health Authority Inc.	100.00	March 31, 2019
Mamawehetowin Crisis Centre Inc.	100.00	March 31, 2019
Marilyn Braveheart Day Care	100.00	March 31, 2019
Mathias Colomb Cree Nation Housing Authority Inc.	100.00	March 31, 2019
Missinippi Construction Co. Ltd.	100.00	March 31, 2019
Unincorporated departments	-	
Mathias Colomb Cree Nation Community Bingo and Gaming Operations	-	
Mathias Colomb Cree Nation Employment and Training	-	
Organizations accounted for on a modified equity basis include:	-	
Beaver Air Services Limited Partnership	100.00	December 31, 2018
Keewatin Railway Company Ltd.	44.00	December 31, 2018

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.

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MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

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

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Land		non-amortizable
Buildings	20-40 years	straight-line method
Equipment	10-20 years	straight-line method
Motor vehicles	10 years	straight-line method
Infrastructure	20-50 years	straight-line method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Employee future benefits

The organization has a contributory defined benefit plan for its employees which is accounted for using the immediate recognition approach. Under this method, the accrued pension benefits are based on actuarial estimates used for purposes of funding the plan. The accrued benefit obligation and fair value of plan assets are reported, and actuarial gains and losses and past service costs are recognized as part of net income in the year they occur.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

Mathias Colomb Cree Nation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(*continues*)

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Interest income is accrued on loans receivable to the extent it is deemed collectible.

Restricted Cash

Restricted cash balances represent assets segregated for use for replacement reserves with CMHC operating agreements. Restricted cash also includes trust funds held by Indigenous Services Canada.

Liability for Contaminated Sites

Liabilities for remediation of a contaminated site are recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Cree Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. At each financial reporting date, the Cree Nation reviews the carrying amount of any liability.

Inventories held for use

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

3. RESTRICTED CASH

	2019	2018
<u>Externally Restricted Funds</u>		
Peace Hills Trust GIC at 2.5% held as collateral for long-term debt	\$ 441,555	\$ 430,785
Indigenous Services Canada Trust	26,703	26,105
CMHC Operating reserve	171	96,537
CMHC Replacement reserve	-	-
	<u>\$ 468,429</u>	<u>\$ 553,427</u>
<u>Indigenous Services Canada Funds Held in Trust</u>		
Trust balance, beginning of year	\$ 26,105	\$ 25,489
Interest and fees earned	598	616
	<u>\$ 26,703</u>	<u>\$ 26,105</u>

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

4. ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Trade and accrued receivables	\$ 3,888,938	\$ 1,843,041
Allowance for doubtful accounts	-	-
	<u>3,888,938</u>	<u>1,843,041</u>
Indigenous Services Canada Receivable outstanding	<u>69,131</u>	<u>1,538,137</u>
	<u>\$ 3,958,069</u>	<u>\$ 3,381,178</u>

5. LOAN RECEIVABLE

As a result of a settlement agreement with the Government of Canada, funds have been invested with various community organizations. These amounts have arisen from loans and advances in the normal course of operations and are measured at the exchange amount (the amount of consideration agreed to by the related parties). Consolidated entities' balances have been eliminated on consolidation with the exception of the following:

	<u>2019</u>	<u>2018</u>
Beaver Air Services LP o/a Missinippi Airways, interest at 5% per annum, unsecured, repayable \$92,086 monthly. This loan matured March 1, 2018.	\$ -	\$ 5,666,840

The Cree Nation transferred the loan to the Beaver Air Services Trust in the 18/19 fiscal year resulting in an increase to the MCCN investment in the airline.

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

6. LONG TERM INVESTMENTS

The investment balance reported represents the following holdings:

	<u>2019</u>	<u>2018</u>
Beaver Air Services LP o/a Missinippi Airways (100% ownership as sole limited partner)	\$ 9,192,868	\$ 4,132,025
Missinippi Management Ltd.	50	50
Keewatin Railway Co. Ltd. (44% equity ownership)	<u>738,363</u>	<u>693,336</u>
	<u>\$ 9,931,281</u>	<u>\$ 4,825,411</u>

The Cree Nation owns 100% of the issued capital of Missinippi Management Ltd (the general partner) and the Cree Nation members are the beneficiaries of Beaver Air Services Trust (the Limited Partner). These entities own Beaver Air Services Limited Partnership which operates as Missinippi Airways. Summarized financial information for Missinippi Airways as at and for the year ended December 31 is as follows:

	<u>2019</u>	<u>2018</u>
Current assets	\$ 2,958,103	\$ 4,175,284
Long-term assets	<u>8,326,303</u>	<u>7,500,819</u>
Total assets	<u>11,284,406</u>	<u>11,676,103</u>
Current liabilities	1,840,207	1,360,879
Long-term liabilities	251,965	5,872,703
Equity	<u>9,192,234</u>	<u>4,442,521</u>
Total equity and liabilities	<u>11,284,406</u>	<u>11,676,103</u>
Revenues	13,963,975	13,234,547
Expenses	<u>14,472,032</u>	<u>12,867,561</u>
Net income	<u>(508,057)</u>	<u>366,986</u>

Summarized financial information for Keewatin Railway Co. Ltd. as at and for the year ended December 31 is as follows:

	<u>2019</u>	<u>2018</u>
Current assets	\$ 1,396,464	\$ 1,263,581
Long-term assets	<u>674,737</u>	<u>639,763</u>
Total assets	<u>2,071,201</u>	<u>1,903,344</u>
Current liabilities	714,293	995,548
Long-term liabilities	381,734	34,956
Equity	<u>975,174</u>	<u>872,840</u>
Total equity and liabilities	<u>2,071,201</u>	<u>1,903,344</u>
Revenues	4,997,738	5,062,995
Expenses	<u>4,895,404</u>	<u>4,794,691</u>

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

6. LONG TERM INVESTMENTS (continued)

	2019	2018
Net income (loss)	<u>102,334</u>	<u>268,304</u>

The following transactions occurred between its investments and the Cree Nation. These transactions are measured at the amount of consideration established and agreed to by the related parties:

The Cree Nation paid \$256,542 (\$643,737 in 2018) in kind to Beaver Air Services LP for air services.

7. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2018 Balance	Additions	Disposals	2019 Balance
Buildings	\$ 67,318,513	\$ 5,379,634	\$ -	\$ 72,698,147
Equipment	6,863,981	139,404	-	7,003,384
Motor vehicles	8,933,971	173,779	-	9,107,750
Infrastructure	35,505,640	2,529,550	-	38,035,190
	<u>\$ 118,622,105</u>	<u>\$ 8,222,367</u>	<u>\$ -</u>	<u>\$ 126,844,471</u>

<u>Accumulated Amortization</u>	2018 Balance	Amortization	Accumulated Amortization on Disposals	2019 Balance
Buildings	\$ 34,171,969	\$ 1,551,306	\$ -	\$ 35,701,942
Equipment	6,451,649	450,545	-	6,940,011
Motor vehicles	6,587,688	751,468	-	7,190,930
Infrastructure	8,198,066	735,408	-	8,933,474
	<u>\$ 55,409,372</u>	<u>\$ 3,488,727</u>	<u>\$ -</u>	<u>\$ 58,766,357</u>

<u>Net book value</u>	2019	2018
Buildings	\$ 36,996,205	\$ 33,146,544
Equipment	63,373	412,332
Motor vehicles	1,916,820	2,346,283
Infrastructure	<u>29,101,716</u>	<u>27,307,574</u>
	<u>\$ 68,078,114</u>	<u>\$ 63,212,733</u>

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Trade and other	\$ 2,731,893	\$ 4,970,831
Northern Financial Services (i)	<u>444,484</u>	<u>581,050</u>
	<u>\$ 3,176,377</u>	<u>\$ 5,551,881</u>

(i) Accounts payable include advances from Northern Financial Services (The Northwest Company) payable under a band bridge plan bearing interest at 24% per annum. This debt is unsecured and due on demand.

9. UNEXPENDED FUNDING

This balance represents unspent program funds provided to Cree Nation by the Department of Indigenous Services Canada and the Government of Canada (ISC).

	<u>ISC</u>	<u>2019</u>	<u>2018</u>
Deferred revenue - opening	\$ 1,635,840	\$ 2,480,130	\$ 301,411
Add: Current year monies unspent	440,443	1,665,982	2,480,130
Less: Previous year revenue recognized	<u>(1,635,840)</u>	<u>(2,480,130)</u>	<u>(301,411)</u>
	<u>\$ 440,443</u>	<u>\$ 1,665,982</u>	<u>\$ 2,480,130</u>

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

10. LONG TERM DEBT

	<u>2019</u>	<u>2018</u>
Peace Hills Trust loan bearing interest at 3.5% per annum, repayable in monthly blended payments of \$29,933. The loan matures on March 1, 2023 and is secured by an INAC Ministerial Guarantee.	\$ 5,516,349	\$ 5,916,554
CMHC loan bearing interest at 1.19% per annum, repayable in monthly blended payments of \$10,411. The loan matures on May 1, 2035 and is secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	1,836,800	1,939,265
Peace Hills Trust loan bearing interest at 3.5% per annum, repayable in monthly blended payments of \$7,049. The loan matures on December 1, 2039 and is secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	1,027,933	1,076,132
CMHC loan bearing interest at 1.61% per annum, repayable in monthly blended payments of \$4,456. The loan matures on November 1, 2037 and is secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	862,397	900,287
CMHC loan bearing interest at 1.82% per annum, repayable in monthly blended payments of \$3,428. The loan matures on September 1, 2039 and is secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	703,879	731,977
CMHC loan. The loan was an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	1,124,431	-
Peace Hills Trust loan bearing interest at 3.7% per annum, repayable in monthly blended payments of \$8,272. The loan matures on January 1, 2020 and is secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	81,602	176,285
Peace Hills Trust loan bearing interest at 4.5% per annum, repayable in monthly blended payments of \$2,300. The loan matures on January 1, 2020 and is secured by guaranteed investment certificate of \$400,000, general security agreement and demand promissory note.	400,000	400,000
		(continues)

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

10. LONG TERM DEBT (continued)

	<u>2019</u>	<u>2018</u>
Peace Hills Trust loan bearing interest at 5.5% per annum, repayable in monthly blended payments of \$7,640. The loan matures on May 1, 2022 and is secured by general security agreement, demand promissory note and assignment of tobacco tax rebates.	306,667	160,720
Peace Hills Trust loan bearing interest at 8% per annum. The loan matures on June 1, 2018.	-	98,886
	11,860,058	11,400,106
Amounts payable within one year	<u>(1,030,803)</u>	<u>(659,005)</u>
	<u>\$ 10,829,255</u>	<u>\$ 10,741,101</u>

Principal repayment terms are approximately:

2020	\$ 1,030,803
2021	564,447
2022	579,689
2023	492,911
2024	69,000
Thereafter	<u>9,123,208</u>
	<u>\$ 11,860,058</u>

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

11. RECONCILIATION OF CAPITAL CONTRIBUTIONS

	<u>2019</u>
<u>Funding received and expenditures incurred</u>	
Indigenous Services Canada	\$ 5,596,722
Aboriginal Human Resource Development Strategy	33,750
Indigenous Services Canada	<u>989,020</u>
	<u>6,619,492</u>
 Water and sewer plant	 (2,263,973)
Roads	-
Causeway	(265,570)
Crow Rock Subdivision	(340,779)
Indoor Arena	-
5 Duplex Housing	(2,726,400)
Daycare	(33,750)
Education Authority asset additions	<u>(989,020)</u>
	<u>(6,619,492)</u>
 <u>Recognized in Current year operations</u>	
Revenue from deferred capital contributions - ISC	493,372
Revenue from deferred capital contributions - AHRDS	1,687
 Amortization expense	 (495,059)
 Net effect on operations	 <u>\$ -</u>

12. INDIGENOUS SERVICES CANADA (ISC) REVENUE RECONCILIATION

	<u>2019</u>	<u>2018</u>
ISC cash release confirmation	\$ 24,809,670	\$ 40,343,384
Less: current year deferred revenue	(440,443)	(1,635,840)
Less: deferred capital contributions	(6,737,471)	(18,458,307)
Add: revenue recognized from deferred capital contributions	493,372	224,868
Add: deferred from prior year/adjustments	1,635,840	207,604
Less: Set off from prior over payments	(146,008)	-
Add: Net receivable	14,519	-
	<u>\$ 19,629,479</u>	<u>\$ 20,681,709</u>

13. REPLACEMENT RESERVES

(continues)

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

13. REPLACEMENT RESERVES (continued)

	CMHC	MAR	2019	2018
	CMHC	MAR	2019	2018
Balance, beginning of year	\$ 258,147	\$ 47,813	\$ 305,960	\$ 422,354
Allocations	41,157	4,233	45,390	44,927
Expenses	(97,605)	-	(97,605)	-
Adjustments	-	-	-	(161,321)
	201,699	52,046	253,745	305,960
	\$ 201,699	\$ 52,046	\$ 253,745	\$ 305,960

MATHIAS COLOMB CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2019

14. SEGMENTED INFORMATION

The Cree Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Mathias Colomb Cree Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

The services are provided by the several entities of Mathias Colomb Cree Nation. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Training and Development

Training and Development contains activities that provide financial support or support by other means to band members and organizations situated on the Cree Nation reserve that is aimed at developing personal skills and businesses.

Housing

Housing contains activities that provide housing and repairs and maintenance to band members' housing.

Health Services

Health Services contains activities that provide medical services to band members.

Education Services

Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Social Development

Social Development contains activities that provide financial support or support by other means to band members that is aimed at developing both the individual as well as the community.

Public Works

Public Works contains all activities that relate to the maintenance of buildings and land of the Cree Nation.

Business Enterprise

Business Enterprise contains activities that provide business services to the Mathias Colomb Cree Nation organization.

Gaming and Bingo

Gaming and Bingo contains activities that provide gaming services to both band members and non-band members.

Band Administration

Band Administration contains activities that are needed to run the Mathias Colomb Cree Nation organization.

Mathias Colomb Cree Nation
Notes to Consolidated Financial Statements
Year Ended March 31, 2019
Schedule of segmented information

	Day Care	Training and development	Housing	Health services	Education services	Social Development	Public works	Business Enterprises	Gaming and Bingo	Administration	Eliminations	Total 2019
Revenue												
Federal	\$ 402,088	\$ 1,241,946	\$ 379,482	\$ 5,129,184	\$ 6,572,367	\$ 7,107,967	\$ 2,295,891	\$ -	\$ -	\$ 1,765,180	\$ -	\$ 24,894,105
Sundry	27,536	815,605	453,947	120,402	83,117	28,214	196,266	6,869,908	730,113	976,536	(4,652,827)	5,648,816
Total revenue	429,624	2,057,551	833,429	5,249,586	6,655,484	7,136,181	2,492,157	6,869,908	730,113	2,741,716	(4,652,827)	30,542,921

Expenses												
Operating expenses	175,817	1,380,416	477,969	2,449,677	2,848,754	7,032,951	1,611,242	4,567,195	665,975	4,428,442	(4,652,827)	20,985,611
Salaries	305,068	688,904	110,409	3,067,283	4,528,350	334,318	719,657	1,700,219	39,991	828,389	-	12,321,588
Total expenses	480,885	2,069,320	588,378	5,516,960	7,377,105	7,367,269	2,330,899	6,267,414	705,966	5,256,831	(4,652,827)	33,306,199

Annual surplus (deficit) \$ (51,261) \$ (11,769) \$ 245,051 \$ (267,374) \$ (721,621) \$ (231,089) \$ 161,258 \$ 602,494 \$ 24,147 \$ (2,515,115) \$ - \$ (2,765,278)

	Day Care	Training and development	Housing	Health services	Education services	Social Development	Public works	Business Enterprises	Gaming and Bingo	Administration	Eliminations	Total 2018
Revenue												
Federal	\$ 441,822	\$ 795,131	\$ 230,821	\$ 4,189,335	\$ 7,838,356	\$ 6,802,633	\$ 2,309,182	\$ -	\$ -	\$ 1,650,698	\$ -	\$ 24,257,978
Sundry	32,163	766,579	416,721	159,620	57,544	16,000	200,622	8,743,016	982,525	892,375	(4,048,502)	8,218,663
Total revenue	473,985	1,561,710	647,542	4,348,955	7,895,900	6,818,633	2,509,804	8,743,016	982,525	2,543,073	(4,048,502)	32,476,641

Expenses												
Operating expenses	271,325	976,948	550,342	2,139,434	3,761,640	6,564,346	1,931,482	3,965,538	774,961	3,873,081	(4,048,502)	20,760,595
Salaries	324,778	532,319	142,915	2,106,046	3,993,713	336,683	632,723	2,091,313	43,441	833,656	-	11,037,587
Total expenses	596,103	1,509,267	693,257	4,245,480	7,755,353	6,901,029	2,564,205	6,056,851	818,402	4,706,737	(4,048,502)	31,798,182

Annual surplus (deficit) \$ (122,118) \$ 52,443 \$ (45,715) \$ 103,475 \$ 140,547 \$ (82,396) \$ (54,401) \$ 2,686,165 \$ 164,123 \$ (2,163,664) \$ - \$ 678,459