
MOSAKAHIKEN CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

MOSAKAHIKEN CREE NATION

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MARCH 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Members
Mosakahiken Cree Nation

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We have audited the accompanying financial statements of Mosakahiken Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of operations, change in net debt and cash flows for the year ended March 31, 2014, 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.

Basis for Disclaimer of Opinion

The systems of accounting and internal control that were in place throughout the year were inadequate and as a result revenue and expenditures were not subject to satisfactory audit verification. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary to revenue, expenditures, net debt or accumulated surplus.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Collins Barrow HMA LLP
CHARTERED ACCOUNTANTS

The Pas, Manitoba
November 25, 2014

Mosakahiken

Moose Lake
Manitoba ROB 0Y0



Cree Nation

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

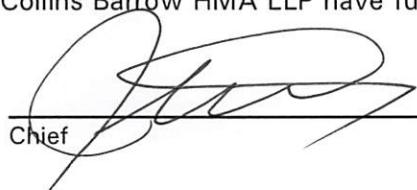
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimation and judgments. When alternative accounting methods exist, management has chosen 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

MOSAKAHIKEN CREE NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2014 2013

FINANCIAL ASSETS

Cash <i>(Note 2)</i>	\$ 86,578	\$
Trust funds held by federal government <i>(Note 3)</i>	4,591	2,509
Accounts receivable <i>(Note 4)</i>	1,078,620	2,157,248
Long term investments <i>(Note 5)</i>	<u>4,760,405</u>	<u>4,751,059</u>
	<u>\$ 5,930,194</u>	<u>\$ 6,910,816</u>

LIABILITIES

Bank indebtedness <i>(Note 2)</i>	\$	\$ 509,786
Accounts payable and accrued liabilities <i>(Note 6)</i>	2,828,643	2,578,136
Deferred revenue <i>(Note 7)</i>	66,177	544,306
Long term debt <i>(Note 8)</i>	<u>4,509,616</u>	<u>4,791,742</u>
	<u>7,404,436</u>	<u>8,423,970</u>
NET FINANCIAL DEBT	(<u>1,474,242</u>)	(<u>1,513,154</u>)

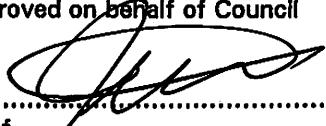
NON-FINANCIAL ASSETS

Tangible capital assets <i>(Note 9)</i>	<u>50,667,637</u>	<u>52,831,459</u>
ACCUMULATED SURPLUS	<u>\$ 49,193,395</u>	<u>\$ 51,318,305</u>

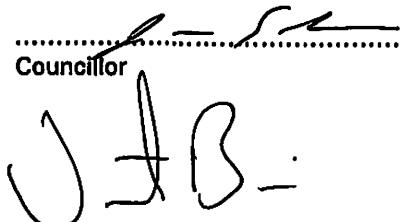
CONTINGENCIES *(Note 10)*

Approved on behalf of Council

Chief



Councillor



 Collins Barrow

MOSAKAHIKEN CREE NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	2014	2013
REVENUE		
Aboriginal Affairs and Northern Development Canada	\$ 5,718,058	\$ 5,485,927
Canada Mortgage and Housing Corporation	285,321	326,379
Contributions	64,636	171,491
Cree Nation Tribal Health Centre		146,806
First Nations and Inuit Health Branch	1,052,837	991,246
Frontier School Division		109,891
Investment income	331,442	373,701
Manitoba Hydro	703,482	670,560
Manitoba Keewatinowi Okimakanak	420,652	420,652
Rent	252,575	226,865
Swampy Cree Tribal Council	113,353	111,589
Solicitor General	8,208	46,635
Tobacco tax rebates	220,555	161,067
Other	431,159	424,595
Deferred revenue	476,343	(438,145)
Funding recoveries	(22,666)	(252,852)
	<u>10,055,955</u>	<u>8,976,407</u>
EXPENDITURES		
Administration	1,150,149	1,156,607
Daycare	150,255	176,477
Education	491,705	415,580
Employment and Training	331,913	293,786
Health Authority	1,029,804	1,199,281
Housing Authority	796,625	873,301
Moose Lake Indian Band Development Trust	222,015	200,901
Operations and maintenance	756,950	662,203
Policing	32,291	49,947
Social Services	3,672,714	3,444,147
Other Programs	900,562	604,500
Amortization	2,645,882	2,605,700
	<u>12,180,865</u>	<u>11,682,430</u>
ANNUAL DEFICIT	(2,124,910)	(2,706,023)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>51,318,305</u>	<u>54,024,328</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 49,193,395</u>	<u>\$ 51,318,305</u>

MOSAKAHIKEN CREE NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

2014 2013

Annual deficit	<u>\$ (2,124,910)</u>	<u>\$ (2,706,023)</u>
Acquisition of tangible capital assets	(482,060)	(613,837)
Amortization of tangible capital assets	<u>2,645,882</u>	<u>2,605,700</u>
	<u>2,163,822</u>	<u>1,991,863</u>
CHANGE IN NET DEBT FOR YEAR	38,912	(714,160)
NET DEBT, <i>beginning of year</i>	<u>(1,513,154)</u>	<u>(798,994)</u>
NET DEBT, <i>end of year</i>	<u>\$ (1,474,242)</u>	<u>\$ (1,513,154)</u>

MOSAKAHIKEN CREE NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

2014

2013

CASH FLOW FROM

OPERATING ACTIVITIES

Cash received for AANDC and other sources	\$ 10,900,811	\$ 8,765,646
Cash paid to suppliers and employees	(9,284,476)	(8,758,439)
Interest paid	(255,785)	(330,160)
	<u>1,360,550</u>	<u>(322,953)</u>

CAPITAL TRANSACTIONS

Acquisition of tangible capital assets	(482,060)	(613,836)
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FINANCING ACTIVITY

Repayment of long term debt	(282,126)	(217,457)
NET CHANGE IN CASH (BANK INDEBTEDNESS) DURING YEAR	596,364	(1,154,246)
CASH (BANK INDEBTEDNESS), <i>beginning of year</i>	<u>509,786</u>	<u>644,460</u>
CASH (BANK INDEBTEDNESS), <i>end of year (Note 2)</i>	<u>\$ 86,578</u>	<u>\$ (509,786)</u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

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 Mosakahiken Cree Nation reporting entity includes the Mosakahiken 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:

- Mosakahiken Cree Nation Housing Authority
- Mosakahiken Cree Nation Health Authority
- Mosakahiken Cree Nation Employment and Training
- Flora Martin Memorial Daycare
- Mosakahiken Development Trust
- Moose Lake Indian Band Development Trust

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:

- Mosakahiken Cree Nation Economic Development Corporation
- Aseneskak Casino (1/6 interest)
- 4915110 Manitoba Limited
- Ininew Project Management

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.

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

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

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 using the following rates and methods:

Automotive	30%	declining balance method
Buildings	4 - 5%	declining balance method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method
Housing	2 - 5%	declining balance method
Roads	25 years	straight-line method
Water and Sewer	25 years	straight-line method

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.

REVENUErecognition

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.

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

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

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, bank indebtedness, 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.

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. Bank indebtedness is comprised of the following:

	2014	2013
Externally Restricted		
Housing replacement reserve	\$ 227	
Unrestricted		
Operating	183,635	(463,272)
Social	(61,966)	(53,774)
Daycare	175	(1,949)
Employment and Training	(7,950)	
Housing	8,971	33,227
Health	(44,237)	(16,295)
	<u>\$ 86,578</u>	<u>\$ (509,786)</u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

3. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	Opening Balance	Additions	Withdrawals	2 0 1 4	2 0 1 3
Revenue	\$ 2,447	\$ 2,082	\$ -	\$ 4,529	\$ 2,447
Capital	<u>62</u>	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
	<u>\$ 2,509</u>	<u>\$ 2,082</u>	<u>\$ -</u>	<u>\$ 4,591</u>	<u>\$ 2,509</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 4	2 0 1 3
Aboriginal Affairs and Northern Development Canada	\$ 105,027	\$ 230,149
Manitoba Hydro	<u>686,510</u>	<u>670,560</u>
Canada Mortgage and Housing Corporation		10,468
Manitoba Keewatinowi Otimakinak	16,132	19,831
April 2013 Social Advances		201,209
Other	2,911,182	3,135,875
First Nations and Inuit Health Branch	<u>86,884</u>	<u>44,041</u>
	<u>3,805,735</u>	<u>4,312,133</u>
Allowance for doubtful accounts	<u>(2,727,115)</u>	<u>(2,154,885)</u>
	<u>\$ 1,078,620</u>	<u>\$ 2,157,248</u>

5. LONG TERM INVESTMENTS

	2 0 1 4	2 0 1 3
Aseneskak Casino	\$ 890,829	\$ 982,776
Inninen Project Management	<u>211,990</u>	<u>212,139</u>
Mosakahiken Cree Nation Economic Development Corporation	<u>(1,425)</u>	<u>1,425</u>
4915110 Manitoba Ltd.	<u>(172,883)</u>	<u>(122,208)</u>
Moose Lake Indian Band Development Trust	<u>3,831,894</u>	<u>3,676,927</u>
	<u>\$ 4,760,405</u>	<u>\$ 4,751,059</u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 4	2 0 1 3
Aboriginal Affairs and Northern Development Canada	\$ 520,437	\$ 518,708
Frontier School Division arrears settlement	692,187	711,652
Manitoba Hydro	197,787	208,836
First Nation and Inuit Health Branch	187,408	252,852
Other	<u>1,230,824</u>	<u>886,088</u>
	<u><u>\$ 2,828,643</u></u>	<u><u>\$ 2,578,136</u></u>

7. DEFERRED REVENUE

	2 0 1 4	2 0 1 3
Aboriginal Affairs and Northern Development Canada		
Community Buildings	\$ 20,765	
Major Renovations	26,177	393,226
Tuition		75,000
Water Tanks and Pumps	40,000	40,000
MKO - Employment and training	-	<u>15,315</u>
	<u><u>\$ 66,177</u></u>	<u><u>\$ 544,306</u></u>

8. LONG TERM DEBT

	2 0 1 4	2 0 1 3
Moose Lake Indian Band Development Trust, demand loan payable, interest at 5%, repayable in monthly installments of \$1,658 (P&I), due September 15, 2015	\$ 28,826	\$ 46,599
Peace Hills Trust Mortgage Payable, 5.09%, due December 1, 2016, repayable in monthly installments of \$4,569 (P&I)	274,422	314,551
C.M.H.C. mortgage payable, interest at 1.64%, due February 1, 2017, repayable in monthly installments of \$4,544 (P&I)	624,264	672,817
C.M.H.C. mortgage payable, interest at 2.86%, due August 1, 2014, repayable in monthly installments of \$4,516 (P&I)	665,657	705,039
C.M.H.C. mortgage payable, interest at 1.71%, due September 1, 2017, repayable in monthly installments of \$4,897 (P&I)	929,625	977,142
C.M.H.C. mortgage payable, interest at 2.35%, due September 1, 2018, repayable in monthly installments of \$6,208 (P&I)	1,167,791	1,220,039
C.M.H.C. mortgage payable, interest at 2.11%, due January 1, 2019, repayable in monthly installments of \$4,247 (P&I)	<u>819,031</u>	<u>855,555</u>
	<u><u>\$ 4,509,616</u></u>	<u><u>\$ 4,791,742</u></u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

8. LONG TERM DEBT *(continued)*

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

Loans payable to Peace Hills Trust are secured by Band Council Resolutions assigning 50% of investment income from Moose Lake Indian Band Development Trust and redirecting all AANDC funding to Peace Hills Trust.

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

March 31, 2015	\$ 265,732
2016	263,339
2017	260,155
2018	267,133
2019	274,338

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Adjustments	Opening Balance	Amortization	Disposals, Write-offs & Adjustments	Closing Balance	
Automotive	\$ 1,347,638	\$ 79,010	\$ 1,426,648	\$ 996,373	\$ 117,231	\$ 1,113,604	\$ 313,044	\$ 351,265
Buildings	33,893,000		33,893,000	4,216,870	1,487,434	5,704,304	28,188,696	29,676,130
Computer equipment	14,099		14,099	12,435	783	13,218	881	1,664
Furniture and fixtures	93,042		93,042	87,724	1,428	89,152	3,890	5,318
Housing	11,761,129	403,050	12,164,179	3,346,796	380,876	3,727,672	8,436,507	8,414,333
Roads	383,099		383,099	91,944	15,324	107,268	275,831	291,155
Water and sewer	<u>16,070,140</u>	<u>—</u>	<u>16,070,140</u>	<u>1,978,546</u>	<u>642,806</u>	<u>2,621,352</u>	<u>13,448,788</u>	<u>14,091,594</u>
	<u>\$ 63,562,147</u>	<u>\$ 482,060</u>	<u>\$ 64,044,207</u>	<u>\$ 10,730,688</u>	<u>\$ 2,645,882</u>	<u>\$ 13,376,570</u>	<u>\$ 50,667,637</u>	<u>\$ 52,831,459</u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

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.

In a previous fiscal year AANDC identified recoverable amounts totalling \$470,277 from March 31, 2001 and earlier. The Cree Nation contends that repayment should not be necessary. Subject to negotiations with AANDC, the Cree Nation may be liable to repay all of a portion of this amount.

11. COMMITMENTS

Manitoba Hydro Relationship Agreement

In a previous fiscal year the Cree Nation entered into a relationship agreement with Manitoba Hydro. This relationship agreement provides annual funding amounts to the Cree Nation. The Cree Nation is obligated under the agreement to retain and invest a portion of the amounts received from Manitoba Hydro for long-term purposes however it did not set up the appropriate vehicle to do so until the current period.

On July 30, 2014, Manitoba Hydro notified the Cree Nation that the amount outstanding from prior years to be invested on behalf of the Cree Nation was \$266,612. The Cree Nation has agreed to annual payments to be withheld from the agreement of \$53,322 for years 2015 through 2019 to rectify the issue.

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, 2014, the replacement reserve fund is underfunded by \$530,163.

12. ECONOMIC DEPENDENCE

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

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

14. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 1 4	2 0 1 3
Amortization	\$ 2,645,882	\$ 2,605,700
Donations	334,370	227,183
Economic assistance	3,624,999	3,325,876
Insurance	141,546	108,860
Interest and bank charges	291,834	334,544
Professional fees	27,688	193,563
Repairs and maintenance	96,499	272,754
Salaries and benefits	2,341,874	2,315,140
Student support	420,159	391,838
Supplies	44,227	70,045
Travel	1,006,151	936,751
Utilities	198,371	116,314
Other	<u>1,007,265</u>	<u>783,862</u>
	<u>\$ 12,180,865</u>	<u>\$ 11,682,430</u>

15. 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.

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. SEGMENT DISCLOSURE

Mosakahiken 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	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE								
AANDC	\$ 502,114	\$ 483,297	\$ 323,956	\$ 473,991	\$ 727,598	\$ 566,784	\$ 382,998	\$ 429,709
Solicitor General								
CMIHC								
	<u>502,114</u>	<u>483,297</u>	<u>285,321</u>	<u>326,379</u>	<u>800,370</u>	<u>735,806</u>	<u>613,419</u>	<u>382,998</u>
	<u>1,639,716</u>	<u>1,579,265</u>	<u>875,035</u>	<u>254,805</u>	<u>436,754</u>	<u>423,372</u>	<u>—</u>	<u>75,000</u>
	<u>2,141,830</u>	<u>2,062,562</u>	<u>1,484,312</u>	<u>1,055,175</u>	<u>1,172,560</u>	<u>1,036,791</u>	<u>382,998</u>	<u>354,709</u>
EXPENDITURES								
Amortization	696,670	767,666	2,586,229	2,571,078	674,557	640,449	89,014	25,317
Salaries and benefits	<u>1,576,056</u>	<u>1,194,342</u>	<u>348,054</u>	<u>247,248</u>	<u>596,852</u>	<u>541,964</u>	<u>402,691</u>	<u>390,263</u>
Other								
	<u>2,272,726</u>	<u>1,962,008</u>	<u>3,382,854</u>	<u>3,444,379</u>	<u>1,271,409</u>	<u>1,182,413</u>	<u>491,705</u>	<u>415,580</u>
	<u>\$ 130,896</u>	<u>\$ 100,554</u>	<u>\$ 1,198,542</u>	<u>\$ 2,389,204</u>	<u>\$ 98,849</u>	<u>\$ 145,622</u>	<u>\$ 108,707</u>	<u>\$ 60,871</u>
	Social Services		Health		TOTAL		2013	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE								
AANDC	\$ 3,781,392	\$ 3,532,146	\$ 1,052,863	\$ 991,246	\$ 5,718,058	\$ 5,485,927		
FNIIH								
Solicitor General								
CMIHC								
	<u>3,781,392</u>	<u>3,532,146</u>	<u>1,052,863</u>	<u>991,246</u>	<u>1,052,863</u>	<u>991,246</u>		
	<u>1,28,489</u>	<u>40,000</u>	<u>—</u>	<u>27,733</u>	<u>285,321</u>	<u>326,379</u>		
	<u>3,781,392</u>	<u>3,503,657</u>	<u>1,092,863</u>	<u>963,513</u>	<u>10,055,955</u>	<u>6,850,187</u>		
EXPENDITURES								
Amortization	59,194	97,151	59,653	34,622	2,645,882	2,605,700		
Salaries and benefits	<u>3,613,520</u>	<u>3,346,996</u>	<u>474,385</u>	<u>537,309</u>	<u>2,341,874</u>	<u>2,315,140</u>		
Other								
	<u>3,672,714</u>	<u>3,444,147</u>	<u>1,089,457</u>	<u>661,972</u>	<u>7,193,109</u>	<u>6,761,590</u>		
	<u>\$ 108,678</u>	<u>\$ 59,510</u>	<u>\$ 3,406</u>	<u>\$ 270,390</u>	<u>\$ 12,180,865</u>	<u>11,682,430</u>		
	SURPLUS (DEFICIT)				\$ (2,124,910)		\$ (2,706,023)	



Collins Barrow