

Mosakahiken

*Moose Lake
Manitoba R0B 0Y0*



Cree Nation

*Telephone: (204) 678-2113
Fax: (204) 678-2292*

October 5, 2015

Mr. Dana Smith
Funding Service Officer
Aboriginal Affairs & Northern Dev. Canada
365 Hargrave Street, Room 200
Winnipeg, Manitoba
R3B 3A3

Dear Dana:

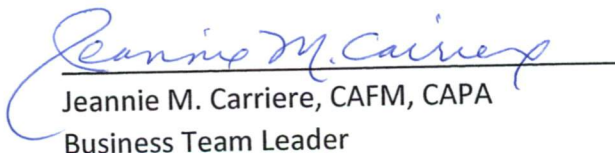
RE: MARCH 31, 2015 CONSOLIDATED AUDITED FINANCIAL STATEMENTS

Please accept the attached Consolidated Audited Financial Statements for the period ending March 31, 2015 for the Mosakahiken Cree Nation.

Sorry for the delay in submitting the Consolidated Audited Financial Statement.

Should you require further information, please feel free to contact me @ 204-623-3423.

Sincerely,


Jeannie M. Carriere, CAFM, CAPA
Business Team Leader

Cc: Chief Jim Tobacco
Vincent Bercier, Finance Portfolio

MOSAKAHIKEN CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

MOSAKAHIKEN CREE NATION

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MARCH 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Members
Mosakahiken Cree Nation

We have audited the accompanying financial statements of Mosakahiken 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 qualified audit opinion.

Basis for Qualified Opinion

Due to significant weaknesses in the Cree Nation's systems of accounting and internal controls, we were not able to gain satisfactory audit evidence in the following areas:

Opening Balances

The audit of the Cree Nation's financial statements for the year ended March 31, 2014 resulted in a Disclaimer of Opinion. As opening balances affect the determination of the current year results of operations we were unable to determine whether adjustments might be necessary for 2015 pertaining to prior period amounts. Further we were unable to determine if adjustments are required to the corresponding figures for 2014.

Collins Barrow HMA LLP
334 Ross Avenue, Box 1200
The Pas, Manitoba
R9A 1L2 Canada

T. 204.623.5437
F. 204.623.6390
TF. 1.800.663.2679

Accounts Payable and Accrued Liabilities

www.collinsbarrow.com

We have been unable to satisfy ourselves with the completeness of the recorded accounts payable, due to insufficient financial records being maintained for the Cree Nation's operations. As a result we were not able to assess whether potentially material adjustments were required to accounts payable and accrued liabilities and expenses.

Tangible Capital Assets

We have been unable to satisfy ourselves over the completeness, existence and valuation of tangible capital assets as well as the accuracy of the amounts recorded in the accumulated amortization. The accounting records relating to the Cree Nation's tangible capital assets were incomplete and as a result we were unable to determine if any adjustments might be necessary to tangible capital assets, amortization expense and accumulated surplus.

Expenditures

The Cree Nation's systems of accounting and control in place during the year were inadequate and consequently we were unable to satisfy ourselves regarding the completeness or classification of expenditures. Accordingly our verification of these amounts was limited and we were unable to determine if any adjustments might be necessary to expenditures, net debt or accumulated surplus.

Qualified Opinion

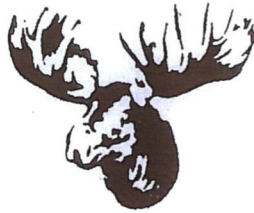
In our opinion, except for possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Mosakahiken Cree Nation as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The Pas, Manitoba
October 6, 2015

Collins Barrow HMA LLP
CHARTERED ACCOUNTANTS

Mosakahiken

*Moose Lake
Manitoba ROBOYO*



Cree Nation

*Telephone: (204)678-2113
Fax: (204)678-2292*

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.

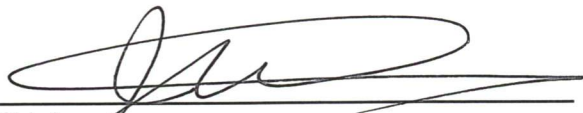

The Cree Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Cree Nation's assets are appropriately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

	2015	2014 (restated)
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FINANCIAL ASSETS

Cash (Note 3)	\$	\$	86,578
Trust funds held by federal government (Note 4)		6,963	4,591
Accounts receivable (Note 5)		2,185,937	1,155,592
Long term investments (Note 6)		<u>4,850,868</u>	<u>4,760,405</u>
	\$	<u>7,043,768</u>	\$ <u>6,007,166</u>

LIABILITIES

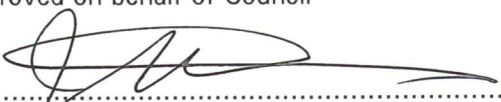

Bank indebtedness (Note 3)	\$	363,654	\$
Accounts payable and accrued liabilities (Note 7)		2,609,418	2,828,643
Deferred revenue (Note 8)		1,354,897	297,376
Long term debt (Note 9)		<u>4,253,017</u>	<u>4,509,616</u>
		<u>8,580,986</u>	<u>7,635,635</u>
NET FINANCIAL DEBT	(<u>1,537,218</u>)	(<u>1,628,469</u>)

NON-FINANCIAL ASSETS



Prepaid expenses		42,325	
Inventory		18,966	
Tangible capital assets (Note 10)		<u>48,395,513</u>	<u>50,667,637</u>
ACCUMULATED SURPLUS	\$	<u>46,919,586</u>	\$ <u>49,039,168</u>

CONTINGENCIES (Note 11)

Approved on behalf of Council


.....
Chief



.....
Councillor


 Collins Barrow

MOSAKAHIKEN CREE NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	2015	2014 (restated)
REVENUE		
Aboriginal Affairs and Northern Development Canada	\$ 6,068,280	\$ 5,718,058
Canada Mortgage and Housing Corporation	314,384	285,321
Contributions	19,469	69,636
First Nations and Inuit Health Branch	1,118,989	1,052,837
Investment income	233,446	331,442
Manitoba Hydro	1,820,129	703,482
Manitoba Keewatinowi Okimakanak	420,652	420,652
Rent	344,570	252,575
Swampy Cree Tribal Council	115,433	113,353
Solicitor General	45,143	8,208
Tobacco tax rebates	212,919	220,555
Other	788,491	460,979
Deferred revenue	(1,057,521)	298,169
Funding recoveries	-	(22,666)
	<u>10,444,384</u>	<u>9,912,601</u>
EXPENDITURES		
Administration	1,041,612	1,150,149
Daycare	167,158	150,255
Education	570,345	491,705
Employment and Training	230,862	331,913
Health Authority	1,163,620	1,029,804
Band Capital and Housing	1,056,178	796,625
Moose Lake Indian Band Development Trust	194,376	222,015
Operations and Maintenance	694,549	786,770
Policing	43,797	32,291
Social Services	4,126,808	3,672,714
Other Programs	660,727	903,590
Amortization	2,613,934	2,645,882
	<u>12,563,966</u>	<u>12,213,713</u>
ANNUAL DEFICIT	(2,119,582)	(2,301,112)
ACCUMULATED SURPLUS, <i>beginning of year as restated (Note 2)</i>	<u>49,039,168</u>	<u>51,340,280</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 46,919,586</u>	<u>\$ 49,039,168</u>

MOSAKAHIKEN CREE NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	2015	2014 (restated)
Annual deficit	\$(2,119,582)	\$(2,301,112)
Acquisition of tangible capital assets	(341,810)	(482,060)
Amortization of tangible capital assets	<u>2,613,934</u>	<u>2,645,882</u>
	<u>2,272,124</u>	<u>2,163,822</u>
Acquisition of inventories	(18,966)	
Acquisition of prepaid expenses	(42,325)	-
	<u>(61,291)</u>	<u>-</u>
CHANGE IN NET DEBT FOR YEAR	91,251	(137,290)
NET DEBT, <i>beginning of year as restated (Note 2)</i>	<u>(1,628,469)</u>	<u>(1,491,179)</u>
NET DEBT, <i>end of year</i>	<u>\$(1,537,218)</u>	<u>\$(1,628,469)</u>

MOSAKAHIKEN CREE NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 1 5	2 0 1 4 (restated)
CASH FLOW FROM		
OPERATING ACTIVITIES		
Cash received for AANDC and other sources	\$ 10,612,726	\$ 10,900,811
Cash paid to suppliers and employees	(10,230,548)	(9,284,476)
Interest paid	(234,001)	(255,785)
	<u>148,177</u>	<u>1,360,550</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(341,810)	(482,060)
FINANCING ACTIVITY		
Repayment of long term debt	(256,599)	(282,126)
NET CHANGE IN CASH (BANK INDEBTEDNESS) DURING YEAR	(450,232)	596,364
CASH (BANK INDEBTEDNESS), <i>beginning of year</i>	<u>86,578</u>	(509,786)
CASH (BANK INDEBTEDNESS), <i>end of year (Note 3)</i>	<u>\$ (363,654)</u>	<u>\$ 86,578</u>

MOSAKAHIKEN 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 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, 2015

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.

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.

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

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. RESTATEMENT OF PRIOR YEAR FIGURES

Mosakahiken Cree Nation has applied changes to amounts reported in the prior period as a result of additional information that has arisen since the preparation of the prior year's financial statements. This change has had the following impact on amounts previously presented for the year ending March 31, 2014.

	As previously reported	Increase (Decrease)	Restated
<u>Consolidated Statement of Financial Position</u>			
Accounts receivable	\$ 1,078,620	\$ 76,972	\$ 1,155,592
Deferred revenue	66,177	231,199	297,376
Net Debt	(1,474,242)	(154,227)	(1,628,469)
Accumulated Surplus	49,193,395	(154,227)	49,039,168
<u>Consolidated Statement of Operations</u>			
Total revenue	10,055,955	(143,354)	9,912,601
Total expenditures	12,180,865	32,848	12,213,713
Annual deficit	(2,124,910)	(176,202)	(2,301,112)
Accumulated Surplus, <i>beginning of year</i>	51,318,305	21,975	51,340,280
Accumulated Surplus, <i>end of year</i>	49,193,395	(154,227)	49,039,168
<u>Consolidated Statement of Change in Net Debt</u>			
Annual deficit	(2,124,910)	(176,202)	(2,301,112)
Change in net debt for year	38,912	(176,202)	(137,290)
Net Debt, <i>beginning of year</i>	(1,513,154)	21,975	(1,491,179)
Net Debt, <i>end of year</i>	(1,474,242)	(154,227)	(1,628,469)

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

3. 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:

	2015	2014
Externally Restricted		
Unrestricted		
Operating	\$(206,006)	\$ 183,635
Social	(155,234)	(61,966)
Daycare	2,894	175
Housing	(3,053)	8,971
Health	(2,255)	(44,237)
	<u>\$(363,654)</u>	<u>\$ 86,578</u>

4. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	Opening Balance	Additions	Withdrawals	2015	2014
Revenue	\$ 4,529	\$ 2,372	\$ -	\$ 6,901	\$ 4,529
Capital	<u>62</u>	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
	<u>\$ 4,591</u>	<u>\$ 2,372</u>	<u>\$ -</u>	<u>\$ 6,963</u>	<u>\$ 4,591</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.

5. ACCOUNTS RECEIVABLE

	2015	2014 (restated)
Aboriginal Affairs and Northern Development Canada	\$ 64,405	\$ 180,027
Manitoba Hydro	1,700,129	686,510
Manitoba Keewatinowi Okimakanak	53,702	16,132
Other	3,116,013	2,913,154
First Nations and Inuit Health Branch	<u>-</u>	<u>86,884</u>
	<u>4,934,249</u>	<u>3,882,707</u>
Allowance for doubtful accounts	<u>(2,748,312)</u>	<u>(2,727,115)</u>
	<u>\$ 2,185,937</u>	<u>\$ 1,155,592</u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

6. LONG TERM INVESTMENTS

	2015	2014
Aseneskak Casino	\$ 842,206	\$ 890,829
Inniew Project Management	211,662	211,990
Mosakahiken Cree Nation Economic Development Corporation	(1,425)	(1,425)
4915110 Manitoba Ltd.	(175,651)	(172,883)
Moose Lake Indian Band Development Trust	<u>3,974,076</u>	<u>3,831,894</u>
	<u>\$ 4,850,868</u>	<u>\$ 4,760,405</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Aboriginal Affairs and Northern Development Canada	\$ 312,828	\$ 520,437
Frontier School Division arrears settlement	661,671	692,187
Manitoba Hydro	297,176	197,787
First Nations and Inuit Health Branch	165,343	187,408
Other	<u>1,172,400</u>	<u>1,230,824</u>
	<u>\$ 2,609,418</u>	<u>\$ 2,828,643</u>

8. DEFERRED REVENUE

	2015	2014 (restated)
Aboriginal Affairs and Northern Development Canada		
Tuition	\$ 18,794	\$ 75,000
Water Tanks and Pumps		40,000
Contributions equipment		182,376
Manitoba Hydro	<u>1,336,103</u>	<u>-</u>
	<u>\$ 1,354,897</u>	<u>\$ 297,376</u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

9. LONG TERM DEBT

	2 0 1 5	2 0 1 4
Moose Lake Indian Band Development Trust, demand loan payable, interest at 5%, due September 15, 2015, repayable in monthly installments of \$1,658 (P&I)	\$ 9,847	\$ 28,826
Peace Hills Trust Mortgage Payable, 5.09%, due December 1, 2016, repayable in monthly installments of \$4,569 (P&I)	232,221	274,422
C.M.H.C. mortgage payable, interest at 1.64%, due February 1, 2017, repayable in monthly installments of \$4,544 (P&I)	579,534	624,264
C.M.H.C. mortgage payable, interest at 2.86%, due August 1, 2015, repayable in monthly installments of \$4,516 (P&I)	629,807	665,657
C.M.H.C. mortgage payable, interest at 1.71%, due September 1, 2017, repayable in monthly installments of \$4,897 (P&I)	886,279	929,625
C.M.H.C. mortgage payable, interest at 2.35%, due September 1, 2018, repayable in monthly installments of \$6,208 (P&I)	1,126,187	1,167,791
C.M.H.C. mortgage payable, interest at 2.11%, due January 1, 2019, repayable in monthly installments of \$4,247 (P&I)	<u>789,142</u>	<u>819,031</u>
	<u>\$ 4,253,017</u>	<u>\$ 4,509,616</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.

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, 2016	\$ 263,042
2017	259,950
2018	266,923
2019	274,124
2020	269,488

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

10. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Adjustments	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Adjustments	Closing Balance	Total 2 0 1 5	Total 2 0 1 4
Automotive	\$ 1,426,648	\$ 271,097	\$	\$ 1,697,745	\$ 1,113,604	\$ 134,578	\$	\$ 1,248,182	\$ 449,563	\$ 313,044
Buildings	33,893,000			33,893,000	5,704,304	1,412,699		7,117,003	26,775,997	28,188,696
Computer equipment	14,099	19,433		33,532	13,218	3,947		17,165	16,367	881
Furniture and fixtures	93,042	3,000		96,042	89,152	566		89,718	6,324	3,890
Housing	12,164,179	48,280		12,212,459	3,727,672	404,014		4,131,686	8,080,773	8,436,507
Roads	383,099			383,099	107,268	15,324		122,592	260,507	275,831
Water and sewer	16,070,140	-	-	16,070,140	2,621,352	642,806	-	3,264,158	12,805,982	13,448,788
	<u>\$ 64,044,207</u>	<u>\$ 341,810</u>	<u>\$ -</u>	<u>\$ 64,386,017</u>	<u>\$ 13,376,570</u>	<u>\$ 2,613,934</u>	<u>\$ -</u>	<u>\$ 15,990,504</u>	<u>\$ 48,395,513</u>	<u>\$ 50,667,637</u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

11. 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 or a portion of this amount.

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 \$553,138 (2014 - \$530,163).

13. ECONOMIC DEPENDENCE

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

14. 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, 2015

15. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 1 5	2 0 1 4
Amortization	\$ 2,613,934	\$ 2,645,882
Donations	178,346	334,370
Economic assistance	3,337,980	3,057,184
Insurance	144,518	141,792
Interest and bank charges	234,001	291,834
Professional fees	493,885	27,573
Repairs and maintenance	498,861	96,152
Salaries and benefits	2,302,629	2,363,031
Student support	464,898	420,159
Supplies	49,978	45,727
Travel	870,290	1,056,068
Utilities	594,998	198,371
Other	<u>779,648</u>	<u>1,535,570</u>
	<u>\$ 12,563,966</u>	<u>\$ 12,213,713</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.

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

17. 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	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE								
AANDC	\$ 497,795	\$ 502,114	\$ 377,200	\$ 323,956	\$ 598,641	\$ 727,598	\$ 371,930	\$ 382,998
Solicitor General					45,143	8,208		
CMHC	-	-	314,384	285,321	-	-	-	-
	<u>497,795</u>	<u>502,114</u>	<u>691,584</u>	<u>609,277</u>	<u>643,784</u>	<u>735,806</u>	<u>371,930</u>	<u>382,998</u>
Other	<u>1,739,944</u>	<u>1,659,716</u>	<u>632,028</u>	<u>681,861</u>	<u>421,561</u>	<u>466,574</u>	-	-
	<u>2,237,739</u>	<u>2,161,830</u>	<u>1,323,612</u>	<u>1,291,138</u>	<u>1,065,345</u>	<u>1,202,380</u>	<u>371,930</u>	<u>382,998</u>
EXPENDITURES								
Amortization			2,544,400	2,586,229				
Salaries and benefits	737,414	717,827	196,423	348,054	659,163	674,557	82,599	89,014
Other	<u>1,168,541</u>	<u>1,560,014</u>	<u>850,515</u>	<u>446,599</u>	<u>477,203</u>	<u>626,672</u>	<u>487,746</u>	<u>402,691</u>
	<u>1,905,955</u>	<u>2,277,841</u>	<u>3,591,338</u>	<u>3,380,882</u>	<u>1,136,366</u>	<u>1,301,229</u>	<u>570,345</u>	<u>491,705</u>
SURPLUS (DEFICIT)	\$ <u>331,784</u>	\$ <u>(116,011)</u>	\$ <u>(2,267,726)</u>	\$ <u>(2,089,744)</u>	\$ <u>(71,021)</u>	\$ <u>(98,849)</u>	\$ <u>(198,415)</u>	\$ <u>(108,707)</u>

	Social Services		Health		TOTAL	
	2015	2014	2015	2014	2015	2014
REVENUE						
AANDC	\$ 4,222,714	\$ 3,781,392	\$	\$	\$ 6,068,280	\$ 5,718,058
FNIHB			1,118,989	1,052,837	1,118,989	1,052,837
Solicitor General					45,143	8,208
CMHC	-	-	-	-	314,384	285,321
	<u>4,222,714</u>	<u>3,781,392</u>	<u>1,118,989</u>	<u>1,052,837</u>	<u>7,546,796</u>	<u>7,064,424</u>
Other			104,055	40,026	2,897,588	2,848,177
	<u>4,222,714</u>	<u>3,781,392</u>	<u>1,223,044</u>	<u>1,092,863</u>	<u>10,444,384</u>	<u>9,912,601</u>
EXPENDITURES						
Amortization			69,534	59,653	2,613,934	2,645,882
Salaries and benefits	88,174	59,194	538,856	474,385	2,302,629	2,363,031
Other	<u>4,038,634</u>	<u>3,613,520</u>	<u>624,764</u>	<u>555,304</u>	<u>7,647,403</u>	<u>7,204,800</u>
	<u>4,126,808</u>	<u>3,672,714</u>	<u>1,233,154</u>	<u>1,089,342</u>	<u>12,563,966</u>	<u>12,213,713</u>
SURPLUS (DEFICIT)	\$ <u>95,906</u>	\$ <u>108,678</u>	\$ <u>(10,110)</u>	\$ <u>3,521</u>	\$ <u>(2,119,582)</u>	\$ <u>(2,301,112)</u>