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MOSAKAHIKEN CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS

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MARCH 31, 2018

# MOSAKAHIKEN CREE NATION

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MARCH 31, 2018

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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.

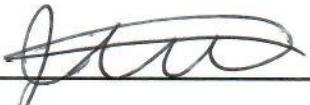
The Cree Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Cree Nation's assets are appropriately 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 Baker Tilly HMA LLP in accordance with Canadian public sector accounting standards on behalf of the members. Baker Tilly HMA LLP have full and free access to Management and Chief and Council.

Chief

  
V. Umpherville

Councillor

Councillor

Councillor

  
A. Morgan

Councillor

## INDEPENDENT AUDITORS' REPORT

To the Members  
Mosakahiken Cree Nation

We were engaged to audit the accompanying financial statements of Mosakahiken Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2018 and the consolidated statements of operations, change in net debt and cash flows for the year ended March 31, 2018, 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 conducting the audit in accordance with Canadian generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion

During the year the Cree Nation demonstrated significant weaknesses in internal controls, as a result we were not able to gain satisfactory audit evidence in the following areas:

#### Cash / Bank Indebtedness

We have been unable to satisfy ourselves with the accuracy and completeness of cash / bank indebtedness due to the cash accounts not being properly maintained and reconciled in the general ledger. As a result, we were not able to assess whether potentially material adjustments were required to cash / bank indebtedness, revenue and related expenditures.

#### Accounts Receivable

We have been unable to satisfy ourselves with the completeness, and existence of accounts receivable due to the receivables not being properly maintained in the receivable sub-ledger. As a result, we were not able to assess whether potentially material adjustments were required to accounts receivable, amounts due from band members and related revenues.

#### Inventory

We were unable to observe the physical count of inventory as at March 31, 2018 or satisfy ourselves concerning those inventory quantities by alternative means. Since opening and closing inventories enter into the determination of the results of operations and cash flows, we were unable to determine whether potentially material adjustments to inventory and related accounts payable, expenses, annual surplus (deficit) and cash provided by the operating activities might be necessary.

#### Tangible Capital Assets

We have been unable to satisfy ourselves with the completeness, existence, and valuation of tangible capital assets as well as the accuracy of the amounts recorded in the accumulated amortization. There is a lack of documentation to support the additions and disposals during the year, specifically on the community buildings and infrastructure. As a result, we were not able to assess whether potentially material adjustments were required to tangible capital assets, accumulated amortization, and expenses.

### **Accounts Payable and Accrued Liabilities**

We have been unable to satisfy ourselves with the existence and completeness of the recorded payables, due to invoices not being entered or retained, and the sub-ledgers not being properly maintained. As a result, we were not able to assess whether potentially material adjustments were required to accounts payable, accrued liabilities and expenses.

### **Contingencies and Commitments**

We have been unable to satisfy ourselves with the completeness of contingencies for or against the First Nation. We have not been able to make the necessary enquiries nor were we able to obtain or review applicable documents. As a result, we were not able to assess whether potentially material adjustments were required to record the accruals and disclosures of contingencies and commitments.

### **Payroll**

We have been unable to satisfy ourselves with the completeness, occurrence and accuracy of payroll expenses, and completeness of vacation and source deduction payables, due to lack of documentation related to payroll records. As a result, we were not able to assess whether potentially material adjustments were required for accrued payroll and source deductions and payroll expenditures.

### **Revenue**

We have been unable to satisfy ourselves with the classification, completeness and occurrence of revenue due to incomplete supporting documentation. As a result, we were not able to assess whether potentially material adjustments were required to revenue.

### **Expenditures**

We have been unable to satisfy ourselves with the classification, completeness and occurrence of expenditures due to incomplete supporting documentation. As a result, we were not able to assess whether potentially material adjustments were required to expenditures.

### **Capital Projects**

We were unable to obtain complete information about the financial activity on the community's capital projects nor were we able to obtain sufficient supporting documentation related to the information that we did obtain. As a result, we were not able to assess whether potentially material adjustments were required to construction in progress, accounts receivable or expenditures.

### **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.



Chartered Professional Accountants

The Pas, Manitoba  
August 9, 2019

## MOSAKAHIKEN CREE NATION

### STATEMENT 1

## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**MARCH 31**

2018

2017

## FINANCIAL ASSETS

Cash	\$ 285,856	\$
Restricted cash (Note 2)	80,088	687,424
Accounts receivable (Note 3)	344,045	502,013
Long term investments (Note 4)	<u>5,383,771</u>	<u>5,196,969</u>
	\$ 6,093,760	\$ 6,386,406

## LIABILITIES

Bank indebtedness	\$	\$	318,125
Accounts payable and accrued liabilities <i>(Note 5)</i>		4,183,935	2,347,895
Deferred revenue <i>(Note 6)</i>		204,782	343,393
Long term debt <i>(Note 7)</i>		<u>7,753,339</u>	<u>7,092,815</u>
		<u>12,142,056</u>	<u>10,102,228</u>
NET DEBT		( 6,048,296)	( 3,715,822)

## NON-FINANCIAL ASSETS

Inventory	11,853	11,853
Tangible capital assets ( <i>Note 8</i> )	51,570,746	44,652,951
Construction in progress	-	<u>6,987,629</u>
	<u>51,582,599</u>	<u>51,652,433</u>
ACCUMULATED SURPLUS	\$ 45,534,303	\$ 47,936,611

## CONTINGENCIES (Note 9)

Approved on behalf of Council

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Chief

W. Umpherston

### Councillor

## ~~Council~~

Mary and Anto

## Councilor

# MOSAKAHIKEN CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	2 0 1 8	2 0 1 7
<b>REVENUE</b>		
Indigenous and Northern Affairs Canada	\$ 8,310,761	\$ 6,641,499
Canada Mortgage and Housing Corporation	303,974	863,375
First Nations and Inuit Health Branch	1,215,893	1,261,390
Investment Income	263,214	192,661
Manitoba Hydro	1,191,843	5,234,810
Manitoba Keewatinowi Okimakanak	599,881	431,965
Rental Income	280,090	329,002
Swampy Cree Tribal Council	122,393	120,372
Solicitor General	52,205	28,487
Tobacco Tax Rebate	251,697	178,669
Other Income	1,881,920	2,253,442
Deferred from previous year	343,393	18,793
Deferred to the following year	( 204,782)	( 343,393)
Funding Recoveries	<u>( 2,424,071)</u>	<u>( 68,372)</u>
	<u><b>12,188,411</b></u>	<u><b>17,142,700</b></u>
<b>EXPENDITURES</b>		
Administration	1,035,778	1,193,024
Community Development	6,540,603	6,042,751
Community Services	797,561	969,261
Community Learning	1,151,905	952,931
Social Services	3,892,171	4,256,801
Community Wellness	1,172,701	1,278,949
	<u><b>14,590,719</b></u>	<u><b>14,693,717</b></u>
ANNUAL SURPLUS (DEFICIT)	( 2,402,308)	2,448,983
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u><b>47,936,611</b></u>	<u><b>45,487,628</b></u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u><b>\$ 45,534,303</b></u>	<u><b>\$ 47,936,611</b></u>

# MOSAKAHIKEN CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	2018	2017
Annual surplus (deficit)	<u>\$(_ 2,402,308)</u>	<u>\$ 2,448,983</u>
Acquisition of tangible capital assets	( 9,616,662)	( 230,301)
Amortization of tangible capital assets	<u>2,698,867</u>	<u>2,465,997</u>
Use of construction in progress - net	<u>6,987,629</u>	<u>( 6,520,276)</u>
	<u>69,834</u>	<u>( 4,284,580)</u>
CHANGE IN NET DEBT FOR YEAR	( 2,332,474)	( 1,835,597)
NET DEBT, <i>beginning of year</i>	<u>( 3,715,822)</u>	<u>( 1,880,225)</u>
NET DEBT, <i>end of year</i>	<u>\$(_ 6,048,296)</u>	<u>\$(_ 3,715,822)</u>

# MOSAKAHIKEN CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 1 8	2 0 1 7
<b>CASH FLOW FROM</b>		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding agencies and other sources		
Cash paid to suppliers and employees	\$ 14,439,714	\$ 17,290,865
Interest paid	( 12,296,414)	( 11,823,931)
	<u>( 178,146)</u>	<u>( 237,127)</u>
	<u><u>1,965,154</u></u>	<u><u>5,229,807</u></u>
<i>CAPITAL TRANSACTIONS</i>		
Acquisition of tangible capital assets	<u>( 2,629,033)</u>	<u>( 6,750,576)</u>
<i>FINANCING ACTIVITIES</i>		
Repayment of long term debt	<u>( 308,501)</u>	<u>( 168,308)</u>
Proceeds of long term debt	<u>969,025</u>	<u>2,362,607</u>
	<u><u>660,524</u></u>	<u><u>2,194,299</u></u>
NET CHANGE IN CASH DURING YEAR	<u>( 3,355)</u>	<u>673,530</u>
CASH (BANK INDEBTEDNESS), <i>beginning of year</i>	<u>369,299</u>	<u>( 304,231)</u>
CASH, <i>end of year</i>	<u><u>\$ 365,944</u></u>	<u><u>\$ 369,299</u></u>

### CASH (BANK INDEBTEDNESS) COMPRISED OF

Restricted cash	\$ 80,088	\$ 687,424
Cash (indebtedness)	<u>285,856</u>	<u>( 318,125)</u>
	<u><u>\$ 365,944</u></u>	<u><u>\$ 369,299</u></u>

# MOSAKAHIKEN CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2018**

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### 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.

#### *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
- Mosakahiken Cree Nation VLT Program

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
- Okimaw Tipanimisowin Inc.
- 7580852 Manitoba Limited
- 7580844 Manitoba Limited

# MOSAKAHIKEN CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

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

#### *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

#### *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.

# MOSAKAHIKEN CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

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

#### *REVENUE RECOGNITION*

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

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

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

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

#### *MEASUREMENT UNCERTAINTY*

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

#### *FINANCIAL INSTRUMENTS*

Financial instruments include cash, 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. RESTRICTED CASH

	2 0 1 8	2 0 1 7
Ottawa Trust	\$ 13,944	\$ 11,533
Pitblado Trust	10,560	8,452
Duboff Edwards Trust		163,548
Peace Hills Trust - capital projects	39,641	368,294
Replacement reserve	<u>15,943</u>	<u>135,597</u>
	<u><u>\$ 80,088</u></u>	<u><u>\$ 687,424</u></u>

**MOSAKAHIKEN CREE NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**3. ACCOUNTS RECEIVABLE**

	<b>2 0 1 8</b>	<b>2 0 1 7</b>
Indigenous and Northern Affairs Canada	\$ 211,975	\$ 138,896
Manitoba Keewatinowi Okimakanak	28,426	37,450
Manitoba Finance - taxation	74,010	25,402
Other	<u>2,902,361</u>	<u>3,238,141</u>
	3,216,772	3,439,889
Allowance for doubtful accounts	<u>( 2,872,727)</u>	<u>( 2,937,876)</u>
	<u>\$ 344,045</u>	<u>\$ 502,013</u>

**4. LONG TERM INVESTMENTS**

	<b>2 0 1 8</b>	<b>2 0 1 7</b>
Aseneskak Casino	\$ 866,533	\$ 808,310
Ininew Project Management	208,629	209,503
MCN Economic Development Corporation	( 1,425)	( 1,425)
4915110 Manitoba Limited	( 247,901)	( 206,207)
Moose Lake Indian Band Development Trust	4,471,158	4,386,788
7580852 Manitoba Limited	( 17,444)	
7580844 Manitoba Limited	( 26,144)	
Okimaw Tipanimisowin Inc.	<u>130,365</u>	-
	<u>\$ 5,383,771</u>	<u>\$ 5,196,969</u>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2 0 1 8</b>	<b>2 0 1 7</b>
Trade payables	\$ 1,201,824	\$ 1,593,517
Frontier School Division arrears settlement	361,671	361,671
Manitoba Hydro	24,667	218,516
First Nations and Inuit Health Branch	89,928	
Indigenous and Northern Affairs Canada	<u>2,505,845</u>	<u>174,191</u>
	<u>\$ 4,183,935</u>	<u>\$ 2,347,895</u>

**6. DEFERRED REVENUE**

	<b>2 0 1 8</b>	<b>2 0 1 7</b>
Indigenous and Northern Affairs Canada		
Unexpended capital funding	\$ 204,782	\$ 343,393

**MOSAKAHIKEN CREE NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**7. LONG TERM DEBT**

	<b>2 0 1 8</b>	<b>2 0 1 7</b>
C.M.H.C. mortgage payable, interest at 1.46%, due March, 2022, repayable in monthly installments of \$4,505	\$ 439,900	\$ 487,781
C.M.H.C. mortgage payable, interest at 1.19%, due November, 2020, repayable in monthly installments of \$3,044	534,507	565,062
C.M.H.C. mortgage payable, interest at 1.97%, due December, 2022, repayable in monthly installments of \$4,987	750,852	797,342
C.M.H.C. mortgage payable, interest at 2.35%, due September, 2018, repayable in monthly installments of \$6,208	967,481	1,020,716
C.M.H.C. mortgage payable, interest at 2.11%, due January, 2019, repayable in monthly installments of \$4,247	676,696	714,298
C.M.H.C. mortgage payable, interest at 1.21%, due May, 2021, repayable in monthly installments of \$3,055	740,570	768,898
Peace Hills Trust Mortgage payable, 3.75%, due December, 2019, repayable in monthly installments of \$4,484	90,985	140,571
Peace Hills Trust Loan payable, interest at 4.25%, due November, 2025, repayable in monthly installments of \$1,916	152,348	167,172
Peace Hills Trust Loan payable, including compounded monthly interest at 5.00% repayable in monthly installments of \$24,700.	<u>3,400,000</u>	<u>2,430,975</u>
	<u><u>\$ 7,753,339</u></u>	<u><u>\$ 7,092,815</u></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 investment income from Moose Lake Indian Band Development Trust, Tobacco tax rebates and redirecting all INAC 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, 2019	\$ 503,420
2020	503,552
2021	475,981
2022	488,597
2023	501,709

**MOSAKAHIKEN CREE NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**8. TANGIBLE CAPITAL ASSETS**

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals,	Write-offs & Adjustments	Opening Balance	Amortization	Disposals,	Write-offs & Adjustments	Total 2018	Total 2017
Automotive	\$ 1,655,223	\$ 280,000	\$	\$ 1,935,223	\$ 1,416,173	\$ 113,715	\$	\$ 1,529,888	\$ 405,335	\$ 239,050
Buildings	34,016,826	8,949,372		42,966,198	9,734,505	1,440,536		11,175,041	31,791,157	24,282,321
Equipment	32,858	186,126		218,984	25,895	22,584		48,479	170,505	6,963
Furniture and fixtures	142,637			142,637	104,161	7,589		111,750	30,887	38,476
Housing	13,315,828	18,788		13,334,616	4,979,916	449,019		5,428,935	7,905,681	8,335,912
Roads	383,099	182,376		565,475	153,240	22,619		175,859	389,616	229,859
Water and sewer	<u>16,070,140</u>	<u>—</u>	<u>—</u>	<u>16,070,140</u>	<u>4,549,770</u>	<u>642,805</u>	<u>—</u>	<u>5,192,575</u>	<u>10,877,565</u>	<u>11,520,370</u>
	<u>\$ 65,616,611</u>	<u>\$ 9,616,662</u>	<u>\$ —</u>	<u>\$ 75,233,273</u>	<u>\$ 20,963,660</u>	<u>\$ 2,698,867</u>	<u>\$ —</u>	<u>\$ 23,662,527</u>	<u>\$ 51,570,746</u>	<u>\$ 44,652,951</u>

# MOSAKAHIKEN CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2018**

### 9. 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 INAC identified recoverable amounts totaling \$470,277 from March 31, 2001 and earlier. The Cree Nation contends that repayment should not be necessary. Subject to negotiations with INAC, the Cree Nation may be liable to repay all or a portion of this amount.

### 10. ECONOMIC DEPENDENCE

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

### 11. COMPARATIVE FIGURES

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

### 12. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 1 8	2 0 1 7
Amortization	\$ 2,698,867	\$ 2,465,997
Contributions to community	128,997	174,070
Insurance	204,861	242,365
Interest and bank charges	178,146	237,127
Professional fees	583,796	246,731
Repairs and maintenance	950,469	2,329,362
Salaries and benefits	2,419,957	2,578,462
Social assistance	3,892,173	4,256,801
Student support	402,755	430,200
Supplies	59,294	75,077
Transfer to vendor	1,364,000	
Travel	647,998	795,163
Utilities	115,056	162,555
Other	<u>944,350</u>	<u>699,807</u>
	<u><u>\$ 14,590,719</u></u>	<u><u>\$ 14,693,717</u></u>

# **MOSAKAHIKEN CREE NATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2018**

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### **13. 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, 2018

### 14. 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	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>								
INAC	\$ 532,642	\$ 504,859	\$ 2,545,226	\$ 746,701	\$ 833,790	\$ 775,236	\$ 510,883	\$ 486,490
Solicitor General					52,205	28,487		
CMHC	<u>532,642</u>	<u>504,859</u>	<u>2,849,200</u>	<u>1,610,076</u>	<u>885,995</u>	<u>803,723</u>	<u>510,883</u>	<u>486,490</u>
Other	<u>8,101</u>	<u>2,863,799</u>	<u>1,652,530</u>	<u>4,927,184</u>	<u>3,000</u>	<u>-</u>	<u>599,202</u>	<u>429,713</u>
	<u>540,743</u>	<u>3,368,658</u>	<u>4,501,730</u>	<u>6,537,260</u>	<u>888,995</u>	<u>803,723</u>	<u>1,110,085</u>	<u>916,203</u>
<b>EXPENDITURES</b>								
Amortization			2,633,874	2,398,905				
Debt servicing			91,068	87,824				
Salaries and benefits	420,403	663,240	519,878	445,149	355,435	456,361	331,984	356,026
Other	<u>615,375</u>	<u>529,784</u>	<u>3,295,783</u>	<u>3,110,873</u>	<u>442,126</u>	<u>512,900</u>	<u>744,764</u>	<u>454,954</u>
	<u>1,035,778</u>	<u>1,193,024</u>	<u>6,540,603</u>	<u>6,042,751</u>	<u>797,561</u>	<u>969,261</u>	<u>1,151,905</u>	<u>952,931</u>
<b>SURPLUS (DEFICIT)</b>	<b><u>\$( 495,035)</u></b>	<b><u>\$ 2,175,634</u></b>	<b><u>\$( 2,038,873)</u></b>	<b><u>\$ 494,509</u></b>	<b><u>\$ 91,434</u></b>	<b><u>\$( 165,538)</u></b>	<b><u>\$( 41,820)</u></b>	<b><u>\$( 36,728)</u></b>

	Social Services		Community Wellness		TOTAL	
	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>						
INAC	\$ 3,874,220	\$ 4,114,213	\$ 14,000	\$ 14,000	\$ 8,310,761	\$ 6,641,499
FNIHB			1,215,893	1,261,390	1,215,893	1,261,390
Solicitor General					52,205	28,487
CMHC	<u>3,874,220</u>	<u>4,114,213</u>	<u>1,229,893</u>	<u>1,275,390</u>	<u>9,882,833</u>	<u>8,794,751</u>
Other	<u>-</u>	<u>-</u>	<u>42,745</u>	<u>127,253</u>	<u>2,305,578</u>	<u>8,347,949</u>
	<u>3,874,220</u>	<u>4,114,213</u>	<u>1,272,638</u>	<u>1,402,643</u>	<u>12,188,411</u>	<u>17,142,700</u>
<b>EXPENDITURES</b>						
Amortization			64,993	67,092	2,698,867	2,465,997
Debt servicing	7,407		4,514	7,352	178,146	237,127
Salaries and benefits	63,880	65,232	728,377	592,454	2,419,957	2,578,462
Other	<u>3,820,884</u>	<u>4,191,569</u>	<u>374,817</u>	<u>612,051</u>	<u>9,293,749</u>	<u>9,412,131</u>
	<u>3,892,171</u>	<u>4,256,801</u>	<u>1,172,701</u>	<u>1,278,949</u>	<u>14,590,719</u>	<u>14,693,717</u>
<b>SURPLUS (DEFICIT)</b>	<b><u>\$( 17,951)</u></b>	<b><u>\$( 142,588)</u></b>	<b><u>\$ 99,937</u></b>	<b><u>\$ 123,694</u></b>	<b><u>\$( 2,402,308)</u></b>	<b><u>\$ 2,448,983</u></b>