
MOSAKAHIKEN CREE NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

MOSAKAHIKEN CREE NATION

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MARCH 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Mosakahiken Cree Nation are the responsibility of management and have been approved by Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

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 financial statements and the external auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Mosakahiken Cree Nation and meet when required.

Chief



Councillor

Councillor

Councillor

Councillor

Councillor

INDEPENDENT AUDITOR'S REPORT

To the Members
Mosakahiken Cree Nation

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Disclaimer of Opinion

We have audited the accompanying consolidated financial statements of Mosakahiken Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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.

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

We have been unable to satisfy ourselves with the accuracy and completeness of cash 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, 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, 2021 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.

Long-term Investments

We have been unable to satisfy ourselves with the accuracy and completeness of long-term investments due to our verification being limited to the amounts recorded in the First Nation records. As a result, we were not able to determine whether any adjustments to assets, accumulated surplus and revenue were required, nor we were able to determine that amounts recorded in the First Nation records were accurate and complete.

(continued.....)

Tangible Capital Assets and Construction in Progress

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 and Deferred Revenue

We have been unable to satisfy ourselves with the classification, completeness and occurrence of revenue and deferred 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 payable or expenditures.

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

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

In preparing the consolidated financial statements, management is responsible for assessing Mosakahiken Cree Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mosakahiken Cree Nation or to cease operations, or has no realistic alternative but to do so.

(continued.....)

Those charged with governance are responsible for overseeing Mosakahiken Cree Nation's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our responsibility is to conduct an audit of Mosakahiken Cree Nation's consolidated financial statements in accordance with Canadian generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Mosakahiken Cree Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



Chartered Professional Accountants

The Pas, Manitoba
May 22, 2024

MOSAKAHIKEN CREE NATION

STATEMENT 1

STATEMENT OF FINANCIAL POSITION

MARCH 31

	2021	2020
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FINANCIAL ASSETS

Cash	\$ 1,901,479	\$ 167,165
Restricted cash (Note 2)	50,654	37,796
Accounts receivable (Note 3)	606,071	466,453
Long term investments (Note 4)	<u>5,877,679</u>	<u>5,806,911</u>
	<u>8,435,883</u>	<u>6,478,325</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 5)	4,396,489	4,381,367
Repayable advances - CMHC (Note 6)	1,361,676	936,107
Deferred revenue (Note 9)	3,019,634	1,235,581
Long term debt (Note 7)	<u>6,335,686</u>	<u>6,925,966</u>
	<u>15,113,485</u>	<u>13,479,021</u>
NET DEBT	<u>(6,677,602)</u>	<u>(7,000,696)</u>

NON-FINANCIAL ASSETS

Prepaid expenses	120,500	
Inventory	11,853	11,853
Tangible capital assets (Note 8)	44,006,512	46,380,682
Construction in progress (Note 6)	<u>1,355,589</u>	<u>930,020</u>
	<u>45,494,454</u>	<u>47,322,555</u>
ACCUMULATED SURPLUS	<u>\$ 38,816,852</u>	<u>\$ 40,321,859</u>

Approved by Chief and Council

Chief

Councillor

Councillor

Councillor

MOSAKAHIKEN CREE NATION

STATEMENT 2

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2 0 2 1	2 0 2 0
REVENUE		
Indigenous Services Canada	\$ 11,451,963	\$ 7,528,192
First Nations and Inuit Health Branch	1,835,860	1,334,577
Canada Mortgage and Housing Corporation	274,763	320,600
Manitoba Hydro	324,020	180,551
Manitoba Keewatinowi Okimakanak	245,841	255,620
Rental Income	309,261	298,962
Tobacco Tax Rebate	317,443	237,660
Other income	2,006,377	1,641,667
Deferred from previous year	1,235,581	495,346
Deferred to the following year	(3,019,634)	(1,235,581)
Funding Recoveries	<u>-</u>	<u>(37,715)</u>
	<u>14,981,475</u>	<u>11,019,879</u>
EXPENDITURES		
Administration	1,372,969	1,265,863
Social Services	4,925,021	4,033,262
Community Wellness	1,425,848	1,553,465
Community Services	896,583	731,473
Community Learning	727,064	514,509
Community Development	<u>7,138,997</u>	<u>4,990,558</u>
	<u>16,486,482</u>	<u>13,089,130</u>
ANNUAL DEFICIT		
	<u>(1,505,007)</u>	<u>(2,069,251)</u>
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>40,321,859</u>	<u>42,391,110</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>38,816,852</u>	<u>40,321,859</u>

MOSAKAHIKEN CREE NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	2 0 2 1	2 0 2 0
Annual deficit	<u><u>\$ (1,505,007)</u></u>	<u><u>\$ (2,069,251)</u></u>
Acquisition of tangible capital assets	(509,583)	(450,547)
Amortization of tangible capital assets	2,883,753	2,865,581
Acquisition of construction in progress	<u><u>(425,569)</u></u>	<u><u>(325,094)</u></u>
	<u><u>1,948,601</u></u>	<u><u>2,089,940</u></u>
Acquisition of prepaid expenses	<u><u>(120,500)</u></u>	<u><u>-</u></u>
CHANGE IN NET DEBT FOR YEAR	323,094	20,689
NET DEBT, <i>beginning of year</i>	<u><u>(7,000,696)</u></u>	<u><u>(7,021,385)</u></u>
NET DEBT, <i>end of year</i>	<u><u>\$ (6,677,602)</u></u>	<u><u>\$ (7,000,696)</u></u>

MOSAKAHIKEN CREE NATION

STATEMENT 4

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

2 0 2 1

2 0 2 0

CASH FLOW FROM

OPERATING ACTIVITIES

Cash received from funding agencies and other sources	\$ 16,555,142	\$ 10,986,266
Cash paid to suppliers	(9,527,575)	(7,418,602)
Cash paid to employees	(3,561,646)	(2,329,593)
Interest paid	(254,997)	(162,602)
Distributions to the community	<u>363,889</u>	<u>204,654</u>
	<u>2,847,035</u>	<u>870,815</u>

CAPITAL TRANSACTIONS

Acquisition of tangible capital assets	(509,583)	(450,547)
Acquisition of construction in progress	<u>(425,569)</u>	<u>(325,094)</u>
	<u>(935,152)</u>	<u>(775,641)</u>

FINANCING ACTIVITIES

Repayment of long term debt	(590,280)	(403,205)
Proceeds of long term debt	<u>425,569</u>	<u>325,094</u>
	<u>(164,711)</u>	<u>(78,111)</u>

NET CHANGE IN CASH DURING YEAR

1,747,172 17,063

CASH, *beginning of year*

204,961 187,898

CASH, *end of year*

\$ 1,952,133 \$ 204,961

CASH COMPRISED OF

Cash	\$ 1,901,479	\$ 167,165
Restricted cash	<u>50,654</u>	<u>37,796</u>
	<u>\$ 1,952,133</u>	<u>\$ 204,961</u>

MOSAKAHIKEN CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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
- MCN Business Centre LP
- MCN C-Store & Fuel LP
- MCN Cafe LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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

2021 2020

Ottawa Trust	\$ 34,229	\$ 31,288
Pitblado Trust	4,748	1,213
Replacement reserve	<u>11,677</u>	<u>5,295</u>
	\$ 50,654	\$ 37,796

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

3. ACCOUNTS RECEIVABLE

	2 0 2 1	2 0 2 0
Indigenous Services Canada	\$ 197,294	\$ 176,599
Canada Mortgage and Housing Corporation	22,897	179,905
Manitoba Keewatinowi Okimakanak	72,013	72,013
Manitoba Finance - taxation	30,764	17,500
Trade receivables	<u>2,586,351</u>	<u>2,303,530</u>
	2,909,319	2,749,547
Allowance for doubtful accounts	<u>(2,303,248)</u>	<u>(2,283,094)</u>
	<u>\$ 606,071</u>	<u>\$ 466,453</u>

4. LONG TERM INVESTMENTS

	2 0 2 1	2 0 2 0
Aseneskak Casino	\$ 616,729	\$ 708,536
Ininew Project Management	207,909	207,909
MCN Economic Development Corporation	(1,425)	(1,425)
4915110 Manitoba Limited	(292,437)	(292,437)
Moose Lake Indian Band Development Trust	5,090,475	4,927,900
MCN C-Store & Fuel LP	(142,652)	(142,652)
MCN Cafe LP	(132,305)	(132,305)
MCN Business Centre LP	<u>531,385</u>	<u>531,385</u>
	<u>\$ 5,877,679</u>	<u>\$ 5,806,911</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 1	2 0 2 0
Trade payables	\$ 1,267,995	\$ 1,241,518
Frontier School Division arrears settlement	499,839	499,839
Manitoba Hydro	22,019	33,374
First Nations and Inuit Health Branch	107,219	107,219
Indigenous Services Canada	<u>2,499,417</u>	<u>2,499,417</u>
	<u>\$ 4,396,489</u>	<u>\$ 4,381,367</u>

6. CONSTRUCTION IN PROGRESS AND REPAYABLE CMHC ADVANCES

During the year, the Cree Nation Housing Authority was involved in the construction of a Section 95 Housing Project. The total cost of \$1,355,589 incurred as at March 31, 2021, is deferred until the subsequent year, when the project will be completed.

As at March 31, 2021, Canada Mortgage and Housing Corporation advanced \$1,361,676 of the total mortgage proceeds of \$2,419,703 towards the construction of this project.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

7. LONG TERM DEBT

	2 0 2 1	2 0 2 0
C.M.H.C. mortgage payable, interest at 1.46%, due March 2022, repayable in monthly installments of \$4,505.	\$ 325,165	\$ 365,872
C.M.H.C. mortgage payable, interest at 1.19%, due May 2021, repayable in monthly installments of \$3,044.	442,385	491,817
C.M.H.C. mortgage payable, interest at 1.97%, due December 2022, repayable in monthly installments of \$4,987.	611,590	688,995
C.M.H.C. mortgage payable, interest at 2.21%, due February 2024, repayable in monthly installments of \$6,148.	805,459	897,938
C.M.H.C. mortgage payable, interest at 2.11%, due May 2021, repayable in monthly installments of \$4,247.	563,016	618,797
C.M.H.C. mortgage payable, interest at 1.21%, due May 2021, repayable in monthly installments of \$3,055.	655,925	696,806
Peace Hills Trust Loan payable, interest at 4.25%, due November, 2025, repayable in monthly installments of \$1,916	99,599	117,933
Peace Hills Trust Loan payable, including compounded monthly interest at 5.00% repayable in monthly installments of \$24,700.	<u>2,832,547</u>	<u>3,047,808</u>
	<u><u>\$ 6,335,686</u></u>	<u><u>\$ 6,925,966</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 ISC 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, 2022	\$ 431,686
2023	445,137
2024	459,122
2025	473,667
2026	484,095
Thereafter	<u>4,041,979</u>
	<u><u>\$ 6,335,686</u></u>

MOSAKAHIKEN CREE NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

8. 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	Total
									2 0 2 1	2 0 2 0
Automotive	\$ 2,098,803	\$ 246,021	\$	\$ 2,344,824	\$ 1,452,889	\$ 230,327	\$	\$ 1,683,216	\$ 661,608	\$ 645,914
Buildings	42,966,198	248,700		43,214,898	14,279,151	1,442,528		15,721,679	27,493,219	28,687,047
Equipment	223,017	14,862		237,879	109,922	25,437		135,359	102,520	113,095
Furniture and fixtures	144,330			144,330	125,665	4,002		129,667	14,663	18,665
Housing	13,334,616			13,334,616	6,342,686	511,474		6,854,160	6,480,456	6,991,930
Roads	565,475			565,475	233,399	27,179		260,578	304,897	332,076
Water and sewer	<u>16,070,139</u>	<u>—</u>	<u>—</u>	<u>16,070,139</u>	<u>6,478,184</u>	<u>642,806</u>	<u>—</u>	<u>7,120,990</u>	<u>8,949,149</u>	<u>9,591,955</u>
	<u>\$ 75,402,578</u>	<u>\$ 509,583</u>	<u>\$ —</u>	<u>\$ 75,912,161</u>	<u>\$ 29,021,896</u>	<u>\$ 2,883,753</u>	<u>\$ —</u>	<u>\$ 31,905,649</u>	<u>\$ 44,006,512</u>	<u>\$ 46,380,682</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

9. DEFERRED REVENUE

	2 0 2 1	2 0 2 0
Indigenous Services Canada:		
A&C Wastewater Systems - Lift Station Pumps	\$ 10,000	\$
A&C Water System Repairs - Repair Materials	31,401	
Awareness Raising (Asset Management)	5,734	17,500
Community Well Being Initiative	190,235	244,973
ICSF 3	62,616	
Local Roads and Bridges	90,986	
Manitoba Housing Cap Enhancement	70,000	
PIDP	25,582	59,528
Planning and Risk Management	30,700	
Post Secondary Student Support	415,349	193,013
Provincial/Private - 2nd Level	355,715	191,217
Provincial/Private - Student Support	139,663	53,068
Response (Covid 19)		59,294
Skills Link	143,983	96,313
Social Services - Basic Needs	25,680	177,678
Social Services - In Home Care	34,062	
Social Services - Service Delivery	76,432	
Social Services - Special Needs	87,716	142,997
Wastewater And Sewer Truck Repairs	73,457	
Water Operations And Maintenance	200,270	
First Nations and Inuit Health Branch:		
CDE Planning & Response	72,926	
Community Facilities O&M	139,602	
Mental Wellness (Covid 19)	139,936	
Other sources:		
Flora Martin Daycare	<u>597,589</u>	-
	<u>\$ 3,019,634</u>	<u>\$ 1,235,581</u>

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 Indigenous Services Canada (ISC) 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 ISC, the Cree Nation may be liable to repay all or a portion of this amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

11. ECONOMIC DEPENDENCE

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

12. COMPARATIVE FIGURES

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

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.

14. SUBSEQUENT EVENT

COVID-19

During our audit of the fiscal year under examination, and before the date of our report, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies around the world resulting in economic downturn. This outbreak may also cause staff shortages, increased government regulations or interventions, all of which may negatively impact the financial condition and/or results of operations of the Cree Nation. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and the severity of these developments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2021****15. EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	2 0 2 1	2 0 2 0
Amortization	\$ 2,883,753	\$ 2,865,581
Contributions to community	363,889	204,654
Debt retirement	237,660	
Insurance	385,459	343,767
Interest and bank charges	254,997	162,602
Other	649,525	722,483
Professional fees	764,408	327,516
Program supplies	991,235	175,919
Repairs and maintenance	477,567	483,216
Salaries and benefits	3,561,646	2,329,593
Social assistance	4,640,623	3,856,910
Student support	311,439	306,121
Travel	783,226	839,340
Utilities	363,726	191,025
Workshops and training	<u>54,989</u>	<u>42,743</u>
	<u>\$ 16,486,482</u>	<u>\$ 13,089,130</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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		Social Services		Community Learning		Community Wellness	
	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE								
ISC	\$ 744,147	\$ 731,706	\$ 4,993,294	\$ 4,081,804	\$ 650,281	\$ 530,331	\$ 301,404	\$ 246,139
FNIHB	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,835,860</u>	<u>1,334,577</u>
Subtotal	744,147	731,706	4,993,294	4,081,804	650,281	530,331	2,137,264	1,580,716
Other	<u>397,917</u>	<u>79,839</u>	<u>96,785</u>	<u>(40,525)</u>	<u>140,381</u>	<u>18,588</u>	<u>(185,021)</u>	<u>41,348</u>
Total revenue	<u>1,142,064</u>	<u>811,545</u>	<u>5,090,079</u>	<u>4,041,279</u>	<u>790,662</u>	<u>548,919</u>	<u>1,952,243</u>	<u>1,622,064</u>

EXPENDITURES

Amortization							78,609	71,178
Debt servicing	173,031	83,957					553	1,929
Salaries and benefits	246,552	365,106	159,255	132,480	303,611	175,021	762,033	729,409
Other	<u>953,386</u>	<u>816,800</u>	<u>4,765,766</u>	<u>3,900,782</u>	<u>422,900</u>	<u>337,559</u>	<u>579,264</u>	<u>748,986</u>
Total expenditures	<u>1,372,969</u>	<u>1,265,863</u>	<u>4,925,021</u>	<u>4,033,262</u>	<u>727,064</u>	<u>514,509</u>	<u>1,425,848</u>	<u>1,553,465</u>
SURPLUS (DEFICIT)	<u>\$ (230,905)</u>	<u>\$ (454,318)</u>	<u>\$ 165,058</u>	<u>\$ 8,017</u>	<u>\$ 63,598</u>	<u>\$ 34,410</u>	<u>\$ 526,395</u>	<u>\$ 68,599</u>

	Community Services		Community Development		TOTAL	
	2021	2020	2021	2020	2021	2020
REVENUE						
ISC	\$ 1,016,317	\$ 895,010	\$ 3,746,520	\$ 1,043,202	\$ 11,451,963	\$ 7,528,192
FNIHB	<u>-</u>	<u>-</u>	<u>274,763</u>	<u>320,600</u>	<u>1,835,860</u>	<u>1,334,577</u>
CMHC	<u>-</u>	<u>-</u>	<u>274,763</u>	<u>320,600</u>	<u>274,763</u>	<u>320,600</u>
Subtotal	<u>1,016,317</u>	<u>895,010</u>	<u>4,021,283</u>	<u>1,363,802</u>	<u>13,562,586</u>	<u>9,183,369</u>
Other	<u>-</u>	<u>-</u>	<u>968,827</u>	<u>1,737,260</u>	<u>1,418,889</u>	<u>1,836,510</u>
Total revenue	<u>1,016,317</u>	<u>895,010</u>	<u>4,990,110</u>	<u>3,101,062</u>	<u>14,981,475</u>	<u>11,019,879</u>
EXPENDITURES						
Amortization			2,805,144	2,794,403	2,883,753	2,865,581
Debt servicing			75,471	72,824	254,997	162,602
Salaries and benefits	489,870	339,855	1,600,325	587,722	3,561,646	2,329,593
Other	<u>406,713</u>	<u>391,618</u>	<u>2,658,057</u>	<u>1,535,609</u>	<u>9,786,086</u>	<u>7,731,354</u>
Total expenditures	<u>896,583</u>	<u>731,473</u>	<u>7,138,997</u>	<u>4,990,558</u>	<u>16,486,482</u>	<u>13,089,130</u>
SURPLUS (DEFICIT)	<u>\$ 119,734</u>	<u>\$ 163,537</u>	<u>\$ (2,148,887)</u>	<u>\$ (1,889,496)</u>	<u>\$ (1,505,007)</u>	<u>\$ (2,069,251)</u>