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# MOSAKAHIKEN CREE NATION

## CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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# MOSAKAHIKEN CREE NATION

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**MARCH 31, 2022**

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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

**Baker Tilly HMA LLP**  
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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, 2022, 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, 2022 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.

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 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  
April 22, 2025

# MOSAKAHIKEN CREE NATION

STATEMENT 1

## STATEMENT OF FINANCIAL POSITION

MARCH 31

	2 0 2 2	2 0 2 1
<b>FINANCIAL ASSETS</b>		
Cash	\$ 2,511,678	\$ 1,882,227
Restricted cash (Note 2)	805,970	50,654
Accounts receivable (Note 3)	1,546,762	580,031
Long term investments (Note 4)	<u>5,809,226</u>	<u>5,877,679</u>
	<u>10,673,636</u>	<u>8,390,591</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	4,881,827	4,384,873
Repayable advances - CMHC (Note 6)	1,666,609	1,361,676
Deferred revenue (Note 7)	4,119,618	3,019,634
Long term debt (Note 8)	<u>5,759,131</u>	<u>6,335,686</u>
	<u>16,427,185</u>	<u>15,101,869</u>
NET DEBT	<u>( 5,753,549)</u>	<u>( 6,711,278)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	30,000	120,500
Inventory		11,853
Tangible capital assets (Note 9)	41,925,203	44,006,512
Construction in progress (Note 10)	<u>1,988,193</u>	<u>1,355,589</u>
	<u>43,943,396</u>	<u>45,494,454</u>
ACCUMULATED SURPLUS	<u>\$ 38,189,847</u>	<u>\$ 38,783,176</u>

Approved by Chief and Council

Chief



Councillor

Councillor

Councillor

Councillor

Councillor

# MOSAKAHIKEN CREE NATION

STATEMENT 2

## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
<b>REVENUE</b>		
Indigenous Services Canada	\$ 11,327,955	\$ 11,451,963
First Nations and Inuit Health Branch	2,795,631	1,835,860
Canada Mortgage and Housing Corporation	771,978	274,763
Employment and Social Development Canada	654,159	245,841
Assembly of Manitoba Chiefs	304,289	707,397
Province of Manitoba - tobacco tax rebate	322,599	317,443
Manitoba Hydro	892,364	324,020
Investment Income	138,200	188,662
VLT revenue	887,593	599,373
Other income	707,284	427,013
Funding recoveries	( 58,641)	
Deferred from previous year	3,019,634	1,235,581
Deferred to the following year	( 4,119,618)	( 3,019,634)
	<b><u>17,643,427</u></b>	<b><u>14,588,282</u></b>
<b>EXPENDITURES</b>		
Administration	1,107,909	1,372,969
Social Services	4,889,575	4,648,188
Community Learning	1,178,929	727,064
Community Wellness	2,556,175	1,328,740
Community Services	1,347,500	896,583
Community Development	7,156,668	7,153,421
	<b><u>18,236,756</u></b>	<b><u>16,126,965</u></b>
ANNUAL DEFICIT	( 593,329)	( 1,538,683)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<b><u>38,783,176</u></b>	<b><u>40,321,859</u></b>
ACCUMULATED SURPLUS, <i>end of year</i>	<b><u>\$ 38,189,847</u></b>	<b><u>\$ 38,783,176</u></b>

# MOSAKAHIKEN CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
Annual deficit	<u><u>\$ ( 593,329 )</u></u>	<u><u>\$ ( 1,538,683 )</u></u>
Acquisition of tangible capital assets	( 789,046 )	( 509,583 )
Amortization of tangible capital assets	2,870,355	2,883,753
Acquisition of construction in progress	<u><u>( 632,604 )</u></u>	<u><u>( 425,569 )</u></u>
	<u><u>1,448,705</u></u>	<u><u>1,948,601</u></u>
Acquisition of prepaid expenses	( 30,000 )	( 120,500 )
Use of supplies and inventories	11,853	
Use of prepaid assets	<u><u>120,500</u></u>	-
CHANGE IN NET DEBT FOR YEAR	957,729	289,418
NET DEBT, <i>beginning of year</i>	<u><u>( 6,711,278 )</u></u>	<u><u>( 7,000,696 )</u></u>
NET DEBT, <i>end of year</i>	<u><u>\$ ( 5,753,549 )</u></u>	<u><u>\$ ( 6,711,278 )</u></u>

# MOSAKAHIKEN CREE NATION

STATEMENT 4

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

2 0 2 2

2 0 2 1

### CASH FLOW FROM

#### *OPERATING ACTIVITIES*

Cash received from funding agencies and other sources	\$ 7,845,133	\$ 16,561,929
Cash paid to suppliers	(9,870,554)	( 9,774,240)
Cash paid to employees	(4,233,638)	( 3,462,920)
Interest paid	( 231,288)	( 254,997)
Contributions to community	<u>( 126,681)</u>	<u>( 241,989)</u>
	<u>3,382,972</u>	<u>2,827,783</u>

#### *CAPITAL TRANSACTIONS*

Acquisition of tangible capital assets	( 789,046)	( 509,583)
Acquisition of construction in progress	<u>( 632,604)</u>	<u>( 425,569)</u>
	<u>(1,421,650)</u>	<u>( 935,152)</u>

#### *FINANCING ACTIVITIES*

Repayment of long term debt	( 576,555)	( 590,280)
Proceeds of long term debt	<u>-</u>	<u>425,569</u>
	<u>( 576,555)</u>	<u>( 164,711)</u>

#### NET CHANGE IN CASH DURING YEAR

CASH, <i>beginning of year</i>	<u>1,932,881</u>	<u>204,961</u>
CASH, <i>end of year</i>	<u>\$ 3,317,648</u>	<u>\$ 1,932,881</u>

#### CASH COMPRISED OF

Cash	\$ 2,511,678	\$ 1,882,227
Restricted cash	<u>805,970</u>	<u>50,654</u>
	<u>\$ 3,317,648</u>	<u>\$ 1,932,881</u>

# MOSAKAHIKEN CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2022**

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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 Limited Partnership (1/7 interest)
- Ininew Project Management
- Mahikan Bus Lines Limited Partnership (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, 2022****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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2022****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******REVENUErecognition***

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

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

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

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

***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 2 2****2 0 2 1**

Ottawa Trust	\$ 37,237	\$ 34,229
Pitblado Trust	507,365	4,748
Replacement reserve	<u>261,368</u>	<u>11,677</u>
	<u>\$ 805,970</u>	<u>\$ 50,654</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 3. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada	\$ 349,161	\$ 197,294
Canada Mortgage and Housing Corporation	523,638	22,897
Manitoba Keewatinowi Okimakanak	72,013	72,013
Province of Manitoba - tobacco tax rebate	58,627	30,764
Accounts receivable	<u>2,883,649</u>	<u>2,572,751</u>
	3,887,088	2,895,719
Allowance for doubtful accounts	<u>(2,340,326)</u>	<u>(2,315,688)</u>
	<u>\$ 1,546,762</u>	<u>\$ 580,031</u>

### 4. LONG TERM INVESTMENTS

	2 0 2 2	2 0 2 1
Aseneskak Casino	\$ 499,296	\$ 616,729
Ininew Project Management	207,112	207,909
MCN Economic Development Corporation	( 1,425)	
Mahihkan Bus Lines LP	( 343,796)	
4915110 Manitoba Limited	( 287,992)	( 292,437)
Moose Lake Indian Band Development Trust	5,129,017	5,090,475
MCN C-Store & Fuel LP	87,824	( 142,652)
MCN Cafe LP	694	( 132,305)
MCN Business Centre LP	<u>517,071</u>	<u>531,385</u>
	<u>\$ 5,809,226</u>	<u>\$ 5,877,679</u>

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 2	2 0 2 1
Indigenous Services Canada	\$ 2,621,361	\$ 2,499,417
First Nations and Inuit Health Branch	126,906	107,219
Frontier School Division arrears settlement	499,839	499,839
Payroll accrual	48,447	33,563
Trade payables	<u>1,585,274</u>	<u>1,244,835</u>
	<u>\$ 4,881,827</u>	<u>\$ 4,384,873</u>

### 6. REPAYABLE ADVANCES - CMHC

During the year, the Cree Nation Housing Authority was involved in the construction of a Section 95 Housing Project. The total cost of \$1,660,522 incurred as at March 31, 2022, is deferred until the subsequent year, when the project will be completed.

As at March 31, 2022, Canada Mortgage and Housing Corporation advanced \$1,666,609 of the total mortgage proceeds of \$2,419,703 towards the construction of this project.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 7. DEFERRED REVENUE

	2 0 2 2	2 0 2 1
Indigenous Services Canada:		
Planning and Risk Management	\$ 30,700	
Social Services - Basic Needs	105,428	25,680
Social Services - Basic Needs (Covid)	325,115	
Social Services - Special Needs	87,716	87,716
Social Services - Service Delivery	233,824	76,432
Social Services - In-Home Care	122,124	34,062
Education - Post-Secondary Student Support	736,377	415,349
Skills Link Program	180,252	143,983
Reg Education Agreements	73,095	
Water Operations And Maintenance		200,270
Roads And Bridges	65,201	
Wastewater And Sewer Truck Repairs		73,457
A&C Water Systems - Water Treatment Plant	3,015	31,401
Local Roads and Bridges	4,726	90,986
Community Building - Garage / Firehall	19,180	
Solid Waste Garbage Bins	14,369	
A&C Wastewater Systems - Lift Station Pumps	10,000	10,000
Contributions - Equipment	39,237	
Manitoba Housing Cap Enhancement	96,531	70,000
Awareness Raising (Asset Management)		5,734
Provincial/Private - 2nd Level	360,105	355,715
Provincial/Private - Student Support	129,800	139,663
Capacity Building - EMAP	11,739	
ICSF - DIR ALL EMAP	3,000	
ICSF3		62,616
Leadership Training	16,035	
Software & Hardware	20,000	
By-Laws	19,810	
Basic Administration	9,591	
Ec Dev Funds (SCTC) - 2019 IT Deferral		25,582
First Nations and Inuit Health Branch:		
Community Based Initiative	186,348	190,235
Health Administration		139,602
CDE Planning & Response	522,000	72,926
Mental Wellness (Covid)		139,936
Other sources:		
Flora Martin Daycare	<u>725,000</u>	<u>597,589</u>
	<u><b>\$ 4,119,618</b></u>	<u><b>\$ 3,019,634</b></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2022**

### 8. LONG TERM DEBT

	2 0 2 2	2 0 2 1
C.M.H.C. mortgage payable, interest at 2.02%, due November 2026, repayable in monthly installments of \$4,564.	\$ 243,759	\$ 325,165
C.M.H.C. mortgage payable, interest at 1.88%, due April 2029, repayable in monthly installments of \$2,836.	367,722	442,385
C.M.H.C. mortgage payable, interest at 1.97%, due August 2032, repayable in monthly installments of \$4,987.	563,319	611,590
C.M.H.C. mortgage payable, interest at 2.21%, due September 2033, repayable in monthly installments of \$6,148.	748,844	805,459
C.M.H.C. mortgage payable, interest at 1.88%, due October 2033, repayable in monthly installments of \$4,175.	521,244	563,016
C.M.H.C. mortgage payable, interest at 1.22%, due May 2041, repayable in monthly installments of \$3,058.	627,046	655,925
Peace Hills Trust Loan payable, interest at 4.25%, due November, 2025, repayable in monthly installments of \$1,916	80,470	99,599
Peace Hills Trust Loan payable, including compounded monthly interest at 5.00% repayable in monthly installments of \$24,700.	<u>2,606,727</u>	<u>2,832,547</u>
	<u><b>\$ 5,759,131</b></u>	<u><b>\$ 6,335,686</b></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, 2023	\$ 444,389
2024	458,889
2025	473,970
2026	484,955
2027	464,081
Thereafter	<u>3,432,847</u>
	<u><b>\$ 5,759,131</b></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 9. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals,	Write-offs & Adjustments	Opening Balance	Amortization	Disposals,	Write-offs & Adjustments	Total	Total
Automotive	\$ 2,344,824	\$ 769,260	\$	\$ 3,114,084	\$ 1,683,216	\$ 313,381	\$	\$ 1,996,597	\$ 1,117,487	\$ 661,608
Buildings	43,214,897	10,700		43,225,597	15,721,679	1,376,958		17,098,637	26,126,960	27,493,219
Equipment	237,879	7,286		245,166	135,359	23,272		158,631	86,535	102,520
Furniture and fixtures	144,330	1,800		146,130	129,667	3,404		133,071	13,059	14,663
Housing	13,334,616			13,334,616	6,854,160	484,303		7,338,463	5,996,153	6,480,456
Roads	565,475			565,475	260,578	26,231		286,809	278,666	304,897
Water and sewer	<u>16,070,139</u>	<u>—</u>	<u>—</u>	<u>16,070,139</u>	<u>7,120,990</u>	<u>642,806</u>	<u>—</u>	<u>7,763,796</u>	<u>8,306,343</u>	<u>8,949,149</u>
	<u>\$ 75,912,160</u>	<u>\$ 789,046</u>	<u>\$ —</u>	<u>\$ 76,701,207</u>	<u>\$ 31,905,649</u>	<u>\$ 2,870,355</u>	<u>\$ —</u>	<u>\$ 34,776,004</u>	<u>\$ 41,925,203</u>	<u>\$ 44,006,512</u>

### 10. CONSTRUCTION IN PROGRESS

	2022	2021
Section 95 Housing Project - Phase 8	\$ 1,660,522	\$ 1,355,589
Healing Center Project (JP)	<u>327,671</u>	<u>—</u>
	<u>\$ 1,988,193</u>	<u>\$ 1,355,589</u>

The costs of construction in progress will be transferred to capital assets upon completion and subsequently amortized accordingly.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2022**

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### 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 2024/25 a recipient audit was initiated of the federal transfer payments allocated to the Cree Nation in 2021/22 and 2022/23 to deliver projects, programs, and/or services. There were concerns identified in the audit and a potential funding recovery of \$11,789,992 was identified. The Cree Nation and Indigenous Services Canada are currently in the process of evaluating the audit findings and the Cree Nation is gathering additional information with the objective of reducing the potential recovery. As of the date of preparation, no recovery has been initiated.

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.

### 12. ECONOMIC DEPENDENCE

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

### 13. COMPARATIVE FIGURES

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

### 14. 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2022****15. EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	2 0 2 2	2 0 2 1
Amortization	\$ 2,870,355	\$ 2,883,753
Bad debts (recovery)	66,038	( 14,707)
Contributions to community	126,681	241,989
Cultural activities	78,625	32,237
Community events	169,830	34,000
Community members assistance	188,846	101,500
Economic assistance	4,258,989	4,363,790
Insurance	392,931	367,699
Interest and bank charges	231,288	254,997
Office and general	91,616	33,693
Other	519,595	742,553
Professional fees	986,595	771,408
Program supplies	943,117	761,862
Repair and maintenance	366,012	459,967
Salaries, wages, and benefits	4,233,638	3,462,920
Student support	458,688	311,438
Supplies	182,509	77,099
Travel	953,948	534,096
Utilities	707,659	364,133
Vehicle expenses	182,054	287,549
Workshops and training	<u>227,742</u>	<u>54,989</u>
	<u><u>\$ 18,236,756</u></u>	<u><u>\$ 16,126,965</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2022**

### 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	
	2 0 2 2	2 0 2 1	2 0 2 2	2 0 2 1	2 0 2 2	2 0 2 1	2 0 2 2	2 0 2 1
<b>REVENUE</b>								
ISC	\$ 682,686	\$ 744,147	\$ 5,527,317	\$ 4,993,294	\$ 814,411	\$ 650,281	\$ 318,709	\$ 301,404
FNIHB	-	-	-	-	-	-	2,795,631	1,835,860
Subtotal	<b>682,686</b>	<b>744,147</b>	<b>5,527,317</b>	<b>4,993,294</b>	<b>814,411</b>	<b>650,281</b>	<b>3,114,340</b>	<b>2,137,264</b>
Other	<b>136,148</b>	<b>397,917</b>	<b>( 650,317)</b>	<b>96,785</b>	<b>473,140</b>	<b>140,381</b>	<b>( 121,294)</b>	<b>( 282,129)</b>
Total revenue	<b>818,834</b>	<b>1,142,064</b>	<b>4,877,000</b>	<b>5,090,079</b>	<b>1,287,551</b>	<b>790,662</b>	<b>2,993,046</b>	<b>1,855,135</b>
<b>EXPENDITURES</b>								
Amortization							<b>87,683</b>	<b>78,609</b>
Debt servicing	<b>15,537</b>	<b>173,031</b>	<b>10,699</b>		<b>851</b>	<b>553</b>	<b>5,977</b>	<b>5,942</b>
Salaries and benefits	<b>159,794</b>	<b>246,551</b>	<b>229,764</b>	<b>159,255</b>	<b>699,734</b>	<b>330,611</b>	<b>1,166,544</b>	<b>758,966</b>
Other	<b>932,578</b>	<b>953,387</b>	<b>4,649,112</b>	<b>4,488,933</b>	<b>478,344</b>	<b>395,900</b>	<b>1,295,971</b>	<b>485,223</b>
Total expenditures	<b>1,107,909</b>	<b>1,372,969</b>	<b>4,889,575</b>	<b>4,648,188</b>	<b>1,178,929</b>	<b>727,064</b>	<b>2,556,175</b>	<b>1,328,740</b>
SURPLUS (DEFICIT)	<b>\$ ( 289,075)</b>	<b>\$ ( 230,905)</b>	<b>\$ ( 12,575)</b>	<b>\$ 441,891</b>	<b>\$ 108,622</b>	<b>\$ 63,598</b>	<b>\$ 436,871</b>	<b>\$ 526,395</b>

	Community Services		Community Development		TOTAL	
	2 0 2 2	2 0 2 1	2 0 2 2	2 0 2 1	2 0 2 2	2 0 2 1
<b>REVENUE</b>						
ISC	\$ 1,407,623	\$ 1,016,317	\$ 2,577,209	\$ 3,746,520	\$ 11,327,955	\$ 11,451,963
FNIHB	-	-	<b>771,978</b>	<b>274,763</b>	<b>2,795,631</b>	<b>1,835,860</b>
CMHC					<b>771,978</b>	<b>274,763</b>
Subtotal	<b>1,407,623</b>	<b>1,016,317</b>	<b>3,349,187</b>	<b>4,021,283</b>	<b>14,895,564</b>	<b>13,562,586</b>
Other	<b>91,059</b>	-	<b>2,819,127</b>	<b>672,742</b>	<b>2,747,863</b>	<b>1,025,696</b>
Total revenue	<b>1,498,682</b>	<b>1,016,317</b>	<b>6,168,314</b>	<b>4,694,025</b>	<b>17,643,427</b>	<b>14,588,282</b>
<b>EXPENDITURES</b>						
Amortization			<b>2,782,672</b>	<b>2,805,144</b>	<b>2,870,355</b>	<b>2,883,753</b>
Debt servicing			<b>198,224</b>	<b>75,471</b>	<b>231,288</b>	<b>254,997</b>
Salaries and benefits	<b>669,003</b>	<b>489,870</b>	<b>1,308,799</b>	<b>1,477,667</b>	<b>4,233,638</b>	<b>3,462,920</b>
Other	<b>678,497</b>	<b>406,713</b>	<b>2,866,973</b>	<b>2,795,139</b>	<b>10,901,475</b>	<b>9,525,295</b>
Total expenditures	<b>1,347,500</b>	<b>896,583</b>	<b>7,156,668</b>	<b>7,153,421</b>	<b>18,236,756</b>	<b>16,126,965</b>
SURPLUS (DEFICIT)	<b>\$ 151,182</b>	<b>\$ 119,734</b>	<b>\$ ( 988,354)</b>	<b>\$ ( 2,459,396)</b>	<b>\$ ( 593,329)</b>	<b>\$ ( 1,538,683)</b>