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# OPASKWAYAK CREE NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

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# OPASKWAYAK CREE NATION

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MARCH 31, 2015

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

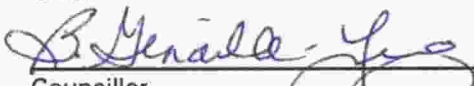

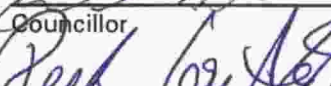
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are 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 consolidated 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 consolidated financial statements and the external auditors' report.

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

  
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Chief  
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Councillor  
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Councillor

## INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership  
Opaskwayak Cree Nation

We have audited the accompanying consolidated financial statements of Opaskwayak Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, 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 misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Opaskwayak Cree Nation as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Collins Barrow HMA LLP*  
CHARTERED ACCOUNTANTS

The Pas, Manitoba  
September 14, 2015

# OPASKWAYAK CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2015 2014

### FINANCIAL ASSETS

Cash (Note 2)	\$ 3,332,358	\$ 3,214,491
Restricted cash (Note 3)	6,117,718	521,699
Accounts receivable (Note 4)	4,201,363	3,481,372
Investments (Note 5)	11,619,570	11,658,350
Other assets (Note 6)	<u>50,000</u>	<u>50,000</u>
Total financial assets	<u>25,321,009</u>	<u>18,925,912</u>

### LIABILITIES

Bank indebtedness (Note 7)	5,104,066	3,801,187
Accounts payable and accrued liabilities (Note 8)	3,093,095	2,932,472
Deferred revenue (Note 9)	7,756,382	4,295,635
Long term debt (Note 10)	<u>13,133,011</u>	<u>14,130,138</u>
Total liabilities	<u>29,086,554</u>	<u>25,159,432</u>
Net debt	<u>( 3,765,545)</u>	<u>( 6,233,520)</u>

### NON-FINANCIAL ASSETS

Tangible capital assets (Note 11)	61,053,807	63,574,611
Construction in progress (Note 12)		852,844
Prepaid expenses	<u>142,662</u>	<u>323,832</u>
Total non-financial assets	<u>61,196,469</u>	<u>64,751,287</u>
Accumulated surplus	<u>\$ 57,430,924</u>	<u>\$ 58,517,767</u>

Contingent liabilities (Note 13)

Approved on behalf of Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor



# OPASKWAYAK CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 5	2 0 1 4
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada	\$ 30,174,603	\$ 30,320,297	\$ 30,631,227
First Nation and Inuit Health	6,112,368	5,881,502	5,582,392
Employment and Social Development Canada	1,305,986	1,305,987	1,302,087
Canada Mortgage and Housing Corporation	564,108	841,627	664,331
Fisheries and Oceans Canada		6,544	58,892
Solicitor General			44,440
Natural Resources Canada			35,000
Province of Manitoba	2,125,885	3,521,372	2,543,299
Band generated revenue	6,023,270	6,129,229	7,479,009
Rental and user fees	3,177,669	2,908,904	2,930,757
Other	2,323,036	3,004,324	2,346,810
Eliminations	-	( 1,728,552)	( 2,321,241)
	<u>51,806,925</u>	<u>52,191,234</u>	<u>51,297,003</u>
<b>EXPENDITURES</b>			
Governance and administration	3,099,325	3,673,905	3,564,672
Hydro funds		386,137	
Band funds	1,310,063	2,345,251	2,198,780
Band development authority	547,291	476,188	507,827
Land and leases	637,496	809,429	775,294
Capital and capital projects	974,150	529,723	881,447
Employment and training	1,798,548	1,864,900	1,694,517
Social services	6,172,274	6,154,369	6,165,098
Child care	706,758	710,491	815,172
Public works, water and sewer	2,012,245	2,808,963	2,933,354
Recreation	746,870	792,850	866,158
Fire department	354,480	354,457	298,860
Community buildings	1,811,402	1,767,757	1,929,274
Special projects	5,802,529	3,737,187	5,909,278
Education	11,713,984	13,216,878	13,297,324
Care home	3,162,146	4,112,667	4,034,306
Health	6,649,264	6,293,075	6,194,606
Housing	3,719,848	4,372,744	4,128,062
Land tax	582,672	118,628	478,169
Economic development	303,045	481,030	297,584
Eliminations	-	( 1,728,552)	( 2,321,241)
	<u>52,104,390</u>	<u>53,278,077</u>	<u>54,648,541</u>
ANNUAL DEFICIT	( 297,465)	( 1,086,843)	( 3,351,538)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>58,517,767</u>	<u>58,517,767</u>	<u>61,869,305</u>
ACCUMULATED SURPLUS, <i>end of year</i>	\$ <u>58,220,302</u>	\$ <u>57,430,924</u>	\$ <u>58,517,767</u>

# OPASKWAYAK CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 5	2 0 1 4
Annual deficit	\$( 297,465)	\$( 1,086,843)	\$( 3,351,538)
Acquisition of tangible capital assets and construction in progress		( 1,063,600)	( 2,173,057)
Amortization of tangible capital assets	-	4,437,248	4,534,841
	-	3,373,648	2,361,784
Acquisition of prepaid expenses		( 142,662)	( 323,832)
Use of prepaid expenses	-	323,832	104,082
	-	181,170	( 219,750)
CHANGE IN NET DEBT FOR YEAR	( 297,465)	2,467,975	( 1,209,504)
NET DEBT, <i>beginning of year</i>	( 6,233,520)	( 6,233,520)	( 5,024,016)
NET DEBT, <i>end of year</i>	\$( 6,530,985)	\$( 3,765,545)	\$( 6,233,520)

# OPASKWAYAK CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2015	2014
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding and other sources	\$ 55,016,119	\$ 49,895,336
Cash paid to suppliers and employees	( 47,692,916)	( 49,686,471)
	<u>7,323,203</u>	<u>208,865</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	( 1,063,600)	( 2,173,057)
<i>INVESTING ACTIVITIES</i>		
Long term investments	( 806,120)	( 517,891)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	90,786	1,403,157
Repayment of long term debt	( 1,087,913)	( 1,613,157)
Advances from (to) related parties - net	( 45,349)	426,537
	<u>( 1,042,476)</u>	<u>216,537</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	4,411,007	( 2,265,546)
CASH, <i>beginning of year</i>	( 64,997)	2,200,549
CASH, <i>end of year</i>	<u>\$ 4,346,010</u>	<u>\$ ( 64,997)</u>
CASH COMPRISED OF		
Cash	\$ 3,332,358	\$ 3,214,491
Restricted cash	6,117,718	521,699
Bank indebtedness	( 5,104,066)	( 3,801,187)
	<u>\$ 4,346,010</u>	<u>\$ ( 64,997)</u>



# OPASKWAYAK CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

#### *REPORTING ENTITY*

The Opaskwayak Cree Nation reporting entity includes the Opaskwayak Cree Nation (the Cree Nation) government and all related entities which are accountable to the Cree Nation and are either owned or controlled by the Cree Nation.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

#### O.C.N. Programs:

- Opaskwayak Cree Nation Operating Fund
- Opaskwayak Cree Nation Housing Authority Ltd.
- Rod McGillivray Memorial Care Home
- Opaskwayak Educational Authority Inc.
- Opaskwayak Cree Nation Land Tax
- Opaskwayak Health Authority
- Nakow Mining and Supply Ltd.

Incorporated and unincorporated business entities which are owned and controlled by the Cree Nation but which are not dependent on the First Nation for their continuing operations are included in the consolidated financial statements using the modified equity method. These include:

- Paskwayak Business Development Corporation Ltd.
- Neso Corporation Ltd. (o/a The Pas I.G.A.)
- Otineka Development Corporation Ltd.
- 3327770 Manitoba Ltd. (o/a Kikiwak Inn)
- 3557040 Manitoba Ltd. (o/a OCN Shell)
- 4799578 Manitoba Ltd. (o/a Your Dollar Store With More)
- 5110301 Manitoba Ltd. (o/a Sports Traders/Atawawen Mart)
- Aseneskak Casino
- Pinesiw Energy Limited Partnership
- Paskwayak Limited Partnership
- 7005571 Manitoba Ltd.

With the exception of the Aseneskak Casino which has been included in these financial statements using a March 31, 2015 year end, the financial information for the above incorporated entities included in these financial statements is for the year ended December 31, 2014.

- OCN Blizzard Junior "A" Hockey Club

The financial information for the above unincorporated entity included in these financial statements is for the year ended May 31, 2014.

- Opaskwayak Cree Nation VLT Centre
- Opaskwayak Cree Nation Communiplex

The financial information for the above unincorporated entities included in these financial statements is for the year ended March 31, 2015.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**ASSET CLASSIFICATION*

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, construction in progress and prepaid expenses.

*CASH AND CASH EQUIVALENTS*

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

*SHORT TERM INVESTMENTS*

Short term investments are recorded at lower of cost and market value.

*INVESTMENTS*

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. OCN's investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for OCN's share of the commercial enterprises' income or loss less dividends.

*OTHER ASSETS*

Franchise Fees - Franchise fees for the OCN Blizzard Junior "A" Hockey Club are recorded at cost. No provision has been made for amortization of franchise fees.

*NET DEBT*

The Cree Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Cree Nation is determined by its liabilities less its financial assets. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

*TANGIBLE CAPITAL ASSETS*

Tangible capital assets are stated at cost and recorded in the capital assets. Social housing assets acquired under Canada Mortgage and Housing Corporation ("C.M.H.C.") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Buildings	2.5 - 4%
Computers	20 - 50%
Equipment	2.5 - 20%
Roads	2.5 - 8%
Vehicles	10 - 30%
Water and sewer	4%

Amortization is computed at one-half of the annual amortization in the year of acquisition.  Collins Barrow

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**SEGMENTS**

The Cree Nation conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Cree Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

**REVENUE RECOGNITION**

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

**FINANCIAL INSTRUMENTS**

Financial instruments include cash, 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 risks arising from these financial instruments. Unless otherwise stated, the carrying value of Cree Nation's financial assets and liabilities approximates their fair value.

**FAIR VALUE**

Due to the short term nature of all financial instruments other than long term debt and long term investments, the carrying value as presented in financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

**2. CASH**

Cash is comprised of the following:

	2 0 1 5	2 0 1 4
Unrestricted		
Opaskwayak Cree Nation	\$ 907,531	\$ 962,764
Opaskwayak Cree Nation Land Tax	132,666	208,013
Opaskwayak Educational Authority Inc.	( 223,101)	54,363
Opaskwayak Health Authority	1,431,677	913,322
Opaskwayak Housing Authority	199,291	172,224
Rod McGillivray Memorial Care Home	<u>884,294</u>	<u>903,805</u>
	<u>\$ 3,332,358</u>	<u>\$ 3,214,491</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

### 3. RESTRICTED CASH

#### CMHC Replacement Reserve

As required as part of the Cree Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2015, \$613,277 (2014 - \$459,826) had been deposited into separate accounts leaving an unfunded balance of \$550,887 (2014 - \$710,972).

#### Ottawa Trust Fund

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the Cree Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Cree Nation's Council.

	2 0 1 5	2 0 1 4
CMHC Replacement Reserve		
Rod McGillivray Memorial Care Home	\$ 211,035	\$ 210,895
Opaskwayak Housing Authority	402,242	248,931
Ottawa Trust Fund	6	6
Internally Restricted Reserves and Funds		
Opaskwayak Cree Nation	5,191,873	7,958
Opaskwayak Educational Authority Inc.	26,330	26,094
Opaskwayak Health Authority	256,250	
Health Moveable Assets Reserve	<u>29,982</u>	<u>27,815</u>
	<u>\$ 6,117,718</u>	<u>\$ 521,699</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

### 4. ACCOUNTS RECEIVABLE

	2015	2014
A.A.N.D.C.		
Business development	\$	\$ 24,000
Flood response	1,013,583	978,555
Infrastructure	272,800	
Lands and resource development	74,124	
Planning housing		9,997
Advances receivable	265,165	231,607
Goods and services tax	11,726	16,038
Housing rents	4,497,707	4,514,600
Related entities	154,820	184,101
Trade and other	4,807,115	3,961,333
Subtotal	11,097,040	9,920,231
Less: Allowance for doubtful accounts		
Trade and other	( 2,922,462)	( 2,580,425)
Housing rents	( 3,973,215)	( 3,858,434)
	\$ <u>4,201,363</u>	\$ <u>3,481,372</u>

### 5. INVESTMENTS

	2015	2014
Investments in enterprises	\$ 4,668,541	\$ 3,924,721
Share of income to date	<u>6,951,029</u>	<u>7,733,629</u>
	\$ <u>11,619,570</u>	\$ <u>11,658,350</u>

### 6. OTHER ASSETS

	2015	2014
Franchise fees	\$ <u>50,000</u>	\$ <u>50,000</u>

### 7. BANK INDEBTEDNESS

Bank indebtedness includes operating bridge loans totaling \$5,104,066, bearing interest at prime plus 1% to be repaid in full subsequent to year end, secured by a general security agreement.

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Accrued liabilities	\$ 760,907	\$ 790,759
First Nations and Inuit Health		38,525
Goods and services tax	53,160	64,979
Payroll remittances and deductions	309,372	359,167
Retail sales tax	67,831	83,563
Trade and other	1,867,760	1,550,817
Trust payables	<u>34,065</u>	<u>44,662</u>
	\$ <u>3,093,095</u>	\$ <u>2,932,472</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

### 9. DEFERRED REVENUE

	2 0 1 5	2 0 1 4
A.A.N.D.C.		
CEOP - Resource		236,365
High School project	1,775	52,826
Rod McGillivray Memorial Care Home	692,352	740,737
Land Management		9,800
RMMCH Addition	-	5,015
	<u>694,127</u>	<u>1,044,743</u>
Other Programs		
Opaskwayak Cree Nation	6,065,981	2,912,656
Opaskwayak Educational Authority	14,118	
Opaskwayak Health Authority	<u>982,156</u>	<u>338,236</u>
	<u>\$ 7,756,382</u>	<u>\$ 4,295,635</u>

### 10. LONG TERM DEBT

	2 0 1 5	2 0 1 4
Bank of Nova Scotia mortgage, 6.85%, repayable in monthly installments of \$9,579 (P & I), due September 2018, secured by assignment of all risks insurance.	\$ 1,021,397	\$ 1,059,242
Bank of Nova Scotia mortgage, interest at 4%, repayable in monthly installments of \$7,500 (P & I), due August 2018, secured by assignment of all risks insurance.	1,608,148	1,698,148
Aboriginal Affairs and Northern Development Canada flood advance, non-interest bearing, repayable in annual first charges on band based capital of \$375,000, due April 2019.	1,500,000	1,500,000
C.M.H.C. mortgage, 1.8%, repayable in monthly installments of \$7,595 (P & I), due October 2016, secured by Ministerial Guarantee and assignment of all risks insurance.	1,300,898	1,368,055
C.M.H.C. mortgage, 2.4%, repayable in monthly installments of \$7,792 (P & I), due September 2015, secured by Ministerial Guarantee and assignment of all risks insurance.	46,428	137,635
Bank of Nova Scotia mortgage, 4.19%, repayable in monthly installments of \$6,524 (P & I), due November 2015, secured by Ministerial Guarantee and assignment of all risks insurance.	603,968	647,637
Bank of Nova Scotia mortgage, 3.59%, repayable in monthly installments of \$7,976 (P & I), due January 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	78,530	169,679
Royal Bank of Canada mortgage, 2.62%, repayable in monthly installments of \$8,410 (P & I), due December 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	264,443	357,134
Royal Bank of Canada mortgage, 2.61%, repayable in monthly installments of \$8,061 (P & I), due February 2018, secured by Ministerial Guarantee and assignment of all risks insurance.	270,380	358,821
First Nations Bank mortgage, 3.04%, repayable in monthly installments of \$7,016 (P & I), due November 2019, secured by Ministerial Guarantee and assignment of all risks insurance.	365,775	439,278

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

### 10. LONG TERM DEBT (continued)

	2 0 1 5	2 0 1 4
Bank of Nova Scotia mortgage, 3.79%, repayable in monthly installments of \$7,263 (P & I), due April 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	174,425	253,359
C.M.H.C. mortgage, 2.76%, repayable in monthly installments of \$4,385 (P & I), due June 2015, secured by Ministerial Guarantee and assignment of all risks insurance.	459,666	499,085
Bank of Nova Scotia mortgage, 3.99%, repayable in monthly installments of \$5,216 (P & I), due April 2015, secured by Ministerial Guarantee and assignment of all risks insurance.	287,855	337,980
C.M.H.C. mortgage, 1.62%, repayable in monthly installments of \$4,372 (P & I), due March 2018, secured by Ministerial Guarantee and assignment of all risks insurance.	614,851	657,016
C.M.H.C. mortgage, 1.71%, repayable in monthly installments of \$2,801 (P & I), due September 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	504,045	528,834
C.M.H.C. mortgage, 2.08%, repayable in monthly installments of \$4,383 (P & I), due February 2019, secured by Ministerial Guarantee and assignment of all risks insurance.	842,151	878,155
C.M.H.C. mortgage, 2.75%, repayable in monthly installments of \$5,166 (P&I), due February 2016, secured by Ministerial Guarantee and assignment of all risks insurance.	986,219	1,020,724
C.M.H.C. mortgage, 2.26%, repayable in monthly installments of \$5,841 (P & I), due August 2016, secured by Ministerial Guarantee and assignment of all risks insurance.	1,190,000	1,232,794
C.M.H.C. mortgage, 4.54%, repayable in monthly installments of \$6,401, (P & I), due October 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	186,978	253,731
C.M.H.C. mortgage, 2.01%, repayable in monthly installments of \$3,521 (P & I), due October 2019, secured by Ministerial Guarantee and assignment of all risks insurance.	<u>826,854</u>	<u>732,831</u>
	<u>\$ 13,133,011</u>	<u>\$ 14,130,138</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2016	\$ 1,399,845
2017	1,303,662
2018	1,182,564
2019	991,684
2020	608,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

11. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2 0 1 5	Total 2 0 1 4
Buildings	\$ 75,204,545	\$ 919,375	\$ 76,123,920	\$ 23,057,498	\$ 2,412,200	\$ 25,469,698	\$ 50,654,222	\$ 52,147,047
Computers	741,047	167,996	909,043	546,828	92,242	639,070	269,973	194,219
Equipment	6,351,971	90,590	6,442,561	4,827,635	954,911	5,782,546	660,015	1,524,336
Land	663,742		663,742				663,742	663,742
Roads	6,492,319		6,492,319	4,420,146	5,172	4,425,318	2,067,001	2,072,173
Vehicles	3,559,369	542,053	4,101,422	2,333,063	389,949	2,723,012	1,378,410	1,226,306
Water and sewer	8,717,701	196,430	8,914,131	2,970,913	582,774	3,553,687	5,360,444	5,746,788
	<u>\$ 101,730,694</u>	<u>\$ 1,916,444</u>	<u>\$ 103,647,138</u>	<u>\$ 38,156,083</u>	<u>\$ 4,437,248</u>	<u>\$ 42,593,331</u>	<u>\$ 61,053,807</u>	<u>\$ 63,574,611</u>

12. CONSTRUCTION IN PROGRESS

	2 0 1 5	2 0 1 4
C.M.H.C. Post-1996 6 Unit Housing Project	\$ <u>-</u>	\$ <u>852,844</u>

The 6 unit project was completed during the current fiscal year and the associated costs were transferred to tangible capital assets.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**13. CONTINGENT LIABILITIES**

The individual incorporated entities have not made any provision for corporation capital taxes in the financial statements. Entities maintain they are exempt from corporation capital taxes because their beneficial shareholder, the Opaskwayak Cree Nation, is recognized as a Canadian Municipality under certain sections of the Income Tax Act, Canada, which exempts wholly-owned corporations of Canadian Municipalities from taxation.

Otineka Development Corporation Ltd. has won its appeal before the Tax Court of Canada which reaffirmed its status as a Canadian Municipality for Income Tax purposes. The decision applied only to corporation income taxes and not to Manitoba Corporation Capital Tax.

If the individual incorporated entities are found to be taxable for corporation capital tax purposes, payment of any taxes and interest owing will be accounted for as a prior period adjustment.

- a) OCN is contingently liable for certain amounts owing by Neso Corporation Ltd., a related entity, to its major supplier up to \$300,000.
- b) OCN has guaranteed certain loans of Pinesiw Energy Limited Partnership. Aggregate guarantees are in excess of \$1,100,000 and are recorded as a liability of Pinesiw Energy Limited Partnership not the Cree Nation. If Pinesiw Energy Limited Partnership becomes unable to repay these debts as they become due the Cree Nation may be contingently liable for the amounts.
- c) OCN is contingently liable as guarantor of certain loans for OCN members totaling \$510,273 (2014 - \$541,444).
- d) OCN is disputing A.A.N.D.C.'s identification of \$967,862 in unexpended income assistance funding for the fiscal year ending March 31, 2014. At this time the likelihood of loss is not determinable. If any amount should become repayable, it will be accounted for in the year of determination.
- e) OCN has signed agreements with various government bodies for funding of programs which may require that surpluses be returned. If any amounts become repayable, they will be accounted for in the year of determination.

**14. RECONCILIATION OF ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA REVENUE**

	2 0 1 5	2 0 1 4
Agreement: #315-0315	\$ 29,821,433	\$ 30,743,757
Plus: Revenue deferred from previous years	1,044,743	4,454,421
Nakow Mining and Supplies Ltd. funding through separate A.A.N.D.C. agreement	148,248	
Less: Revenue deferred to subsequent year	( 694,127)	( 1,044,743)
Birch River Claim funds transferred to other revenue		( 2,897,527)
Agency Grounds Claim funds transferred to other revenue		( 515,489)
Recovery of Environmental Management funds		( 19,754)
Recovery of Human Resource Management funds		( 65,438)
Recovery of Business Development funds	-	( 24,000)
<b>TOTAL A.A.N.D.C. REVENUE PER FINANCIAL STATEMENTS</b>	<b>\$ 30,320,297</b>	<b>\$ 30,631,227</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

### 15. ECONOMIC DEPENDENCE

Opaskwayak Cree Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

### 16. RELATED PARTY TRANSACTIONS

In the normal course of business the Cree Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the Cree Nation and related parties aggregate revenue and expenditures derived from related parties is not determinable.

### 17. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2015	2014
Amortization	\$ 4,437,248	\$ 4,534,841
Community initiatives and contributions	2,434,937	4,237,185
Flood	2,981,111	4,535,943
Insurance	543,143	484,317
Interest	407,792	391,907
Non-insured health benefits	2,368,901	1,864,277
Other	5,106,482	4,089,161
Professional fees	1,489,036	1,027,562
Repairs and maintenance	1,947,818	2,308,177
Rent	392,387	370,686
Salaries and benefits	21,233,395	21,064,249
Social assistance	5,123,951	5,153,214
Student support	2,707,050	2,889,409
Supplies	1,320,816	1,460,264
Telephone	371,398	458,072
Travel	978,540	954,302
Training	187,572	278,866
Utilities	975,052	867,350
Eliminations	( 1,728,552)	( 2,321,241)
	<u>\$ 53,278,077</u>	<u>\$ 54,648,541</u>



# OPASKWAYAK CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

### 18. SEGMENT DISCLOSURE

Opaskwayak Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. 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:

	Government and Administration		Hydro and Band Funds		Band Development Authority		Land and Leases		Capital and Capital Projects	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues										
Federal Government										
AANDC	\$ 1,563,608	\$ 1,290,495	\$ -	\$ -	\$ 54,396	\$ 42,325	\$ 329,516	\$ 426,170	\$ 823,966	\$ 1,267,910
CMHC										
ESDC										
Other	<u>-</u>	<u>44,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	1,563,608	1,334,935			54,396	42,325	329,516	426,170	823,966	1,267,910
Other revenue	<u>1,040,132</u>	<u>1,623,910</u>	<u>6,301,892</u>	<u>4,032,258</u>	<u>46,248</u>	<u>462,599</u>	<u>363,574</u>	<u>320,722</u>	<u>-</u>	<u>-</u>
Total revenue	<u>2,603,740</u>	<u>2,958,845</u>	<u>6,301,892</u>	<u>4,032,258</u>	<u>100,644</u>	<u>504,924</u>	<u>693,090</u>	<u>746,892</u>	<u>823,966</u>	<u>1,267,910</u>
Expenses										
Amortization	96,968	80,703							76,137	163,034
Debt servicing	68,812	68,638								
Other	1,539,610	1,575,225	2,731,388	2,198,780	121,604	124,790	468,567	442,942	453,586	718,413
Salaries and benefits	<u>1,968,515</u>	<u>1,840,106</u>	<u>-</u>	<u>-</u>	<u>354,584</u>	<u>383,037</u>	<u>340,862</u>	<u>332,352</u>	<u>-</u>	<u>-</u>
Total expenses	<u>3,673,905</u>	<u>3,564,672</u>	<u>2,731,388</u>	<u>2,198,780</u>	<u>476,188</u>	<u>507,827</u>	<u>809,429</u>	<u>775,294</u>	<u>529,723</u>	<u>881,447</u>
Surplus (Deficit)	<u>\$( 1,070,165)</u>	<u>\$( 605,827)</u>	<u>\$ 3,570,504</u>	<u>\$ 1,833,478</u>	<u>\$( 375,544)</u>	<u>\$( 2,903)</u>	<u>\$( 116,339)</u>	<u>\$( 28,402)</u>	<u>\$ 294,243</u>	<u>\$ 386,463</u>

# OPASKWAYAK CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

### 18. SEGMENT DISCLOSURE (continued)

	Employment and Training		Social Services		Child Care		Economic Development		Public Works, Water and Sewer	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues										
Federal Government										
AANDC	\$ 384,928	\$ 109,081	\$ 6,158,717	\$ 6,119,774	\$ -	\$ -	\$ 551,293	\$ 297,584	\$ 584,039	\$ 574,153
FNIHB					314,250	252,700				
CMHC										
ESDC	997,525	993,625			308,462	308,462				
Other	-	-	-	-	-	-	-	-	-	-
Subtotal	1,382,453	1,102,706	6,158,717	6,119,774	622,712	561,162	551,293	297,584	584,039	574,153
Other revenue	288,810	451,299	-	-	103,215	137,058	-	-	741,341	1,382,277
Total revenue	1,671,263	1,554,005	6,158,717	6,119,774	725,927	698,220	551,293	297,584	1,325,380	1,956,430
Expenses										
Amortization	9,629	9,629	6,899	6,430	20,489	20,489	14,053		684,229	710,483
Debt servicing			13,229	12,121						
Other	931,185	975,438	5,704,945	5,741,334	150,963	204,297	466,977	297,584	1,165,606	1,307,698
Salaries and benefits	924,086	709,450	429,296	405,213	539,039	590,386			959,128	915,173
Total expenses	1,864,900	1,694,517	6,154,369	6,165,098	710,491	815,172	481,030	297,584	2,808,963	2,933,354
Surplus (Deficit)	\$( 193,637)	\$( 140,512)	\$ 4,348	\$( 45,324)	\$ 15,436	\$( 116,952)	\$ 70,263	\$ -	\$( 1,483,583)	\$( 976,924)

# OPASKWAYAK CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

### 18. SEGMENT DISCLOSURE (continued)

	Recreation		Fire Department		Community Buildings		Special Projects		Education	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues										
Federal Government										
AANDC	\$	\$	\$ 112,944	\$ 107,231	\$ 114,542	\$ 113,368	\$ 3,151,978	\$ 4,549,301	\$ 10,656,825	\$ 10,891,652
FNIHB										
CMHC										
ESDC										
Other	-	-	-	-	-	-	-	-	6,544	58,892
Subtotal	-	-	112,944	107,231	114,542	113,368	3,151,978	4,549,301	10,663,369	10,950,544
Other revenue	252,204	724,691	73,510	155,703	953,833	1,390,761	2,193,480	1,070,759	538,373	413,812
Total revenue	252,204	724,691	186,454	262,934	1,068,375	1,504,129	5,345,458	5,620,060	11,201,742	11,364,356
Expenses										
Amortization	25,279	14,618	36,988	35,926	288,066	183,331	1,284	4,530	1,660,190	1,639,912
Debt servicing					141,165	139,327				
Other	377,599	468,496	256,343	196,720	837,349	1,102,538	2,662,677	3,255,643	3,991,498	4,151,225
Salaries and benefits	389,972	383,044	61,126	66,214	501,177	504,078	1,073,226	2,649,105	7,565,190	7,506,187
Total expenses	792,850	866,158	354,457	298,860	1,767,757	1,929,274	3,737,187	5,909,278	13,216,878	13,297,324
Surplus (Deficit)	\$ ( 540,646)	\$ ( 141,467)	\$ ( 168,003)	\$ ( 35,926)	\$ ( 699,382)	\$ ( 425,145)	\$ 1,608,271	\$ ( 289,218)	\$ ( 2,015,136)	\$ ( 1,932,968)

# OPASKWAYAK CREE NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

### 18. SEGMENT DISCLOSURE (continued)

	RMMCH		Health		Housing		Land Tax		Elimination		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues												
Federal Government												
AANDC	\$ 3,686,971	\$ 3,307,133	\$ 646,574	\$ 515,050	\$ 1,500,000	\$ 1,020,000	\$ -	\$ -	\$ -	\$ -	\$ 30,320,297	\$ 30,631,227
FNIHB			5,567,252	5,329,692							5,881,502	5,582,392
CMHC	34,679	36,974			806,948	627,357					841,627	664,331
ESDC											1,305,987	1,302,087
Other	-	-	-	-	-	35,000	-	-	-	-	6,544	138,332
Subtotal	3,721,650	3,344,107	6,213,826	5,844,742	2,306,948	1,682,357	-	-	-	-	38,355,957	38,318,369
Other revenue	350,677	381,234	60,156	740,326	1,745,220	1,555,626	511,164	456,840	(1,728,552)	(2,321,241)	13,835,277	12,978,634
Total revenue	4,072,327	3,725,341	6,273,982	6,585,068	4,052,168	3,237,983	511,164	456,840	(1,728,552)	(2,321,241)	52,191,234	51,297,003
Expenses												
Amortization	279,738	435,047	326,915	321,633	909,084	909,076	1,300				4,437,248	4,534,841
Debt servicing	9,802	16,530	7,663	9,583	229,982	235,752					470,653	481,951
Other	1,139,392	1,121,311	3,416,415	3,302,833	2,400,987	2,105,653	48,642	402,819	(1,728,552)	(2,321,241)	27,136,781	27,372,498
Salaries and benefits	2,683,735	2,461,418	2,542,082	2,560,557	832,691	877,581	68,686	75,350			21,233,395	22,259,251
Total expenses	4,112,667	4,034,306	6,293,075	6,194,606	4,372,744	4,128,062	118,628	478,169	(1,728,552)	(2,321,241)	53,278,077	54,648,541
Surplus (Deficit)	\$ (40,340)	\$ (308,965)	\$ (19,093)	\$ 390,462	\$ (320,576)	\$ (890,079)	\$ 392,536	\$ (21,329)	\$ -	\$ -	\$ (1,086,843)	\$ (3,351,538)