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# OPASKWAYAK CREE NATION

## CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

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# OPASKWAYAK CREE NATION

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

AUDITORS' REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....STATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONS .....STATEMENT 2

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT .....STATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWS .....STATEMENT 4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 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 Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

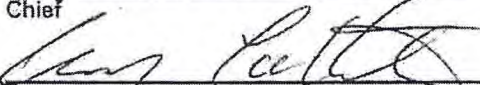
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.


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.

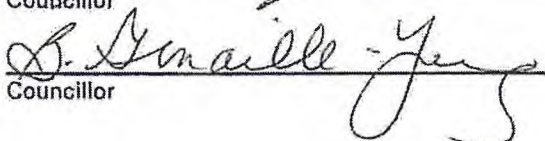
Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

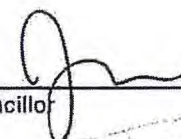
The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Opaskwayak Cree Nation and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


  
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Chief

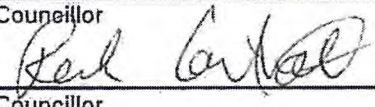
  
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Councillor

  
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Councillor





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## 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, 2016, 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, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The Pas, Manitoba  
September 14, 2016

*Collins Barrow HMA LLP*  
Chartered Professional Accountants



# OPASKWAYAK CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

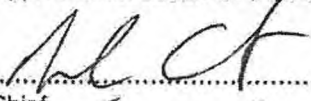
MARCH 31

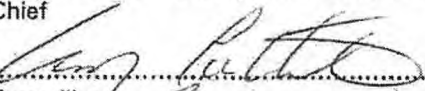
	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 1,903,871	\$ 3,332,358
Restricted cash (Note 3)	4,646,775	6,117,718
Accounts receivable (Note 4)	4,874,759	4,201,363
Investments (Note 5)	12,005,349	11,619,570
Other assets (Note 6)	<u>50,000</u>	<u>50,000</u>
Total financial assets	<u>23,480,754</u>	<u>25,321,009</u>


<b>LIABILITIES</b>		
Bank indebtedness (Note 7)	3,000,000	5,104,066
Accounts payable (Note 8)	8,105,808	4,593,095
Deferred revenue (Note 9)	5,902,972	7,756,382
Long term debt (Note 10)	<u>10,622,304</u>	<u>11,633,011</u>
Total liabilities	<u>27,631,084</u>	<u>29,086,554</u>
Net debt	<u>( 4,150,330)</u>	<u>( 3,765,545)</u>

<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 11)	57,406,523	61,053,807
Prepaid expenses	<u>122,762</u>	<u>142,662</u>
Total non-financial assets	<u>57,529,285</u>	<u>61,196,469</u>
Accumulated surplus	\$ <u>53,378,955</u>	\$ <u>57,430,924</u>
Contingent liabilities (Note 12)		

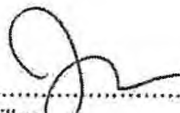
Approved on behalf of Council

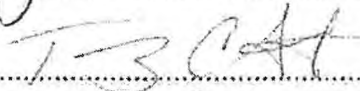
  
Chief


  
Councillor

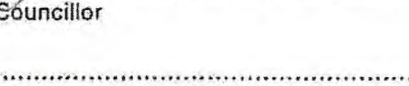
  
Councillor

  
Councillor

  
Councillor

  
Councillor

  
Councillor

  
Councillor



# OPASKWAYAK CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2016	2015
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 27,635,177	\$ 27,055,588	\$ 30,320,297
First Nation and Inuit Health	5,527,806	6,178,563	5,625,252
Employment and Social Development Canada	1,418,053	1,336,971	1,305,987
Canada Mortgage and Housing Corporation	1,321,995	813,678	841,627
Canadian Heritage			6,544
Province of Manitoba	4,246,342	5,245,660	3,521,372
Band generated revenue	3,564,472	6,059,577	6,129,229
Rental and user fees	3,330,828	2,739,440	2,908,904
Other	1,834,709	1,743,174	3,260,574
Eliminations	-	( 2,344,462)	( 1,728,552)
	<u>48,879,382</u>	<u>48,828,189</u>	<u>52,191,234</u>
<b>EXPENDITURES</b>			
Governance and administration	3,037,310	4,053,038	3,673,905
Hydro funds	1,051,844	2,057,374	386,137
Band funds	1,629,412	2,665,432	2,345,251
Band development authority	511,617	543,271	476,188
Land and leases	673,113	748,001	809,429
Capital and capital projects	993,577	662,366	529,723
Employment and training	1,736,564	1,497,871	1,864,900
Social services	6,325,372	5,948,061	6,154,369
Child care	691,657	777,922	710,491
Public works, water and sewer	2,137,770	2,637,172	2,808,963
Recreation	692,993	651,384	792,850
Fire department	281,366	340,384	354,457
Community buildings	1,694,230	1,672,934	1,767,757
Special projects	1,093,528	1,133,864	3,737,187
Education	12,049,389	13,793,159	13,216,878
Care home	3,230,078	4,466,617	4,112,667
Health	6,890,792	7,100,239	6,293,075
Housing	3,822,586	4,022,369	4,372,744
Land tax		115,860	118,628
Economic development		337,302	481,030
Eliminations	-	( 2,344,462)	( 1,728,552)
	<u>48,543,198</u>	<u>52,880,158</u>	<u>53,278,077</u>
<b>ANNUAL DEFICIT</b>	336,184	( 4,051,969)	( 1,086,843)
<b>ACCUMULATED SURPLUS, beginning of year</b>	<u>57,430,924</u>	<u>57,430,924</u>	<u>58,517,767</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$ 57,767,108</u>	<u>\$ 53,378,955</u>	<u>\$ 57,430,924</u>

# OPASKWAYAK CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2016	2015
Annual deficit	\$ 336,184	\$( 4,051,969)	\$( 1,086,843)
Acquisition of tangible capital assets and construction in progress		( 922,278)	( 1,063,600)
Amortization of tangible capital assets	-	4,569,562	4,437,248
	-	3,647,284	3,373,648
Acquisition of prepaid expenses		( 122,762)	( 142,662)
Use of prepaid expenses	-	142,662	323,832
	-	19,900	181,170
CHANGE IN NET DEBT FOR YEAR	336,184	( 384,785)	2,467,975
NET DEBT, <i>beginning of year</i>	( 3,765,545)	( 3,765,545)	( 6,233,520)
NET DEBT, <i>end of year</i>	\$( 3,429,361)	\$( 4,150,330)	\$( 3,765,545)



# OPASKWAYAK CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2016	2015
CASH FLOW FROM		
OPERATING ACTIVITIES		
Cash received from funding and other sources	\$ 45,199,819	\$ 55,016,119
Cash paid to suppliers and employees	(42,640,790)	(47,692,916)
	<u>2,559,029</u>	<u>7,323,203</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets and construction in progress	( 922,278)	( 1,063,600)
INVESTING ACTIVITIES		
Long term investments	( 467,837)	( 806,120)
FINANCING ACTIVITIES		
Proceeds from long term debt	159,565	90,786
Repayment of long term debt	( 1,170,272)	( 1,087,913)
Advances to related parties - net	( 953,571)	( 45,349)
	<u>( 1,964,278)</u>	<u>( 1,042,476)</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	( 795,364)	4,411,007
CASH, beginning of year	<u>4,346,010</u>	( 64,997)
CASH, end of year	<u>\$ 3,550,646</u>	<u>\$ 4,346,010</u>
CASH COMPRISED OF		
Cash	\$ 1,903,871	\$ 3,332,358
Restricted cash	4,646,775	6,117,718
Bank Indebtedness	( 3,000,000)	( 5,104,066)
	<u>\$ 3,550,646</u>	<u>\$ 4,346,010</u>



# OPASKWAYAK CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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 Chartered Professional Accountants of Canada.

#### 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)
- 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, 2016 year end, the financial information for the above incorporated entities included in these financial statements is for the year ended December 31, 2015.

- 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, 2015.

- 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, 2016.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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:

	2016	2015
Unrestricted		
Opaskwayak Cree Nation	\$ 762,779	\$ 907,531
Opaskwayak Cree Nation Land Tax	107,250	132,666
Opaskwayak Educational Authority Inc.	( 607,178)	( 223,101)
Opaskwayak Health Authority	662,975	1,431,677
Opaskwayak Housing Authority	101,197	199,291
Rod McGillivray Memorial Care Home	<u>876,848</u>	<u>884,294</u>
	<u>\$ 1,903,871</u>	<u>\$ 3,332,358</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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, 2016, \$716,428 (2015 - \$613,277) had been deposited into separate accounts leaving an unfunded balance of \$403,395 (2015 - \$550,887).

#### 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 Indigenous and Northern Affairs Canada, with the consent of the Cree Nation's Council.

	2016	2015
CMHC Replacement Reserve		
Rod McGillivray Memorial Care Home	\$ 211,132	\$ 211,035
Opaskwayak Housing Authority	505,296	402,242
Ottawa Trust Fund	6	6
Internally Restricted Reserves and Funds		
Opaskwayak Cree Nation	3,616,262	5,191,873
Opaskwayak Educational Authority Inc.	26,568	26,330
Opaskwayak Health Authority	248,215	256,250
Health Moveable Assets Reserve	39,296	29,982
	<u>\$ 4,646,775</u>	<u>\$ 6,117,718</u>



# OPASKWAYAK CREE NATION

PAGE 5

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 4. ACCOUNTS RECEIVABLE

	2016	2015
I.N.A.C.		
Environmental	\$ 3,813	\$
Flood response	67,860	1,013,583
Site remediation	185,445	
Infrastructure		272,800
Lands and resource development		74,124
Advances receivable	336,587	265,165
Goods and services tax	12,250	11,726
Housing rents	4,871,714	4,497,707
Related entities	824,419	154,820
Trade and other	6,444,206	4,807,115
Subtotal	12,746,294	11,097,040
Less: Allowance for doubtful accounts		
Trade and other	( 3,411,501)	( 2,922,462)
Housing rents	( 4,460,034)	( 3,973,215)
	\$ <u>4,874,759</u>	\$ <u>4,201,363</u>

### 5. INVESTMENTS

	2016	2015
Investments in enterprises	\$ 5,136,377	\$ 4,668,541
Share of income to date	<u>6,868,972</u>	<u>6,951,029</u>
	\$ <u>12,005,349</u>	\$ <u>11,619,570</u>

### 6. OTHER ASSETS

	2016	2015
Franchise fees	\$ <u>50,000</u>	\$ <u>50,000</u>

### 7. BANK INDEBTEDNESS

Bank indebtedness includes operating bridge loans totaling \$3,000,000, 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

	2016	2015
I.N.A.C.		
Flood recovery	\$ 1,963,575	\$
Accrued liabilities	692,517	760,907
Goods and services tax	52,878	53,160
Payroll remittances and deductions	311,427	309,372
Related entities	2,637,530	1,500,000
Retail sales tax	67,831	67,831
Trade and other	2,334,359	1,867,760
Trust payables	45,691	34,065
	\$ <u>8,105,808</u>	\$ <u>4,593,095</u>



# OPASKWAYAK CREE NATION

PAGE 6

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 9. DEFERRED REVENUE

	2016	2015
I.N.A.C.		
High School project	\$	\$ 1,775
Income Assistance	390,752	
Rod McGillivray Memorial Care Home	<u>572,366</u>	<u>692,352</u>
	963,118	694,127
Other Programs		
Opaskwayak Cree Nation	4,249,049	6,065,981
Opaskwayak Educational Authority	14,118	14,118
Opaskwayak Health Authority	<u>676,687</u>	<u>982,156</u>
	<u>\$ 5,902,972</u>	<u>\$ 7,756,382</u>

### 10. LONG TERM DEBT

	2016	2015
Caterpillar Financial Services Limited financing payable, interest at 5.09%, repayable in monthly installments of \$4,428 (P&I), due April 2018, secured by assignment of title.	\$ 104,836	\$
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.	956,895	1,021,397
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.	1,518,147	1,608,148
C.M.H.C. mortgage, 1.80%, repayable in monthly installments of \$7,595 (P & I), due October 2016, secured by Ministerial Guarantee and assignment of all risks insurance.	1,232,578	1,300,898
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
Bank of Nova Scotia mortgage, 2.85%, repayable in monthly installments of \$5,426 (P & I), due November 2020, secured by Ministerial Guarantee and assignment of all risks insurance.	558,218	603,968
Bank of Nova Scotia mortgage, 3.59%, repayable in monthly installments of \$7,976 (P & I), due January 2016, secured by Ministerial Guarantee and assignment of all risks insurance.		78,530
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.	169,321	264,443
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.	179,629	270,380
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.	291,649	365,775



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 10. LONG TERM DEBT (continued)

	2016	2015
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.	92,428	174,425
C.M.H.C. mortgage, 1.19%, repayable in monthly installments of \$4,085 (P & I), due June 2020, secured by Ministerial Guarantee and assignment of all risks insurance.	418,181	459,666
Bank of Nova Scotia mortgage, 2.94%, repayable in monthly installments of \$5,028 (P & I), due April 2020, secured by Ministerial Guarantee and assignment of all risks insurance.	236,554	287,855
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.	572,021	614,851
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.	478,850	504,045
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.	805,433	842,151
C.M.H.C. mortgage, 1.01%, repayable in monthly installments of \$4,390 (P&I), due February 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	950,288	986,219
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.	1,146,294	1,190,000
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.	117,172	186,978
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>793,810</u>	<u>826,854</u>
	<u>\$ 10,622,304</u>	<u>\$ 11,633,011</u>

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

March 31, 2017	\$ 992,609
2018	871,786
2019	631,583
2020	615,952
2021	525,188

# OPASKWAYAK CREE NATION

PAGE 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 11. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2016	Total 2015
Buildings	\$ 76,123,920	\$ 133,934	\$ 76,257,854	\$ 25,469,698	\$ 3,057,682	\$ 28,527,380	\$ 47,730,474	\$ 50,654,222
Computers	909,043	21,392	930,435	639,070	82,246	721,316	209,119	269,973
Equipment	6,442,561	396,156	6,838,717	5,782,546	529,497	6,312,043	526,674	660,015
Land	663,742		663,742				663,742	663,742
Roads	6,492,319		6,492,319	4,425,318	169,345	4,594,663	1,897,656	2,067,001
Vehicles	4,101,422	370,796	4,472,218	2,723,012	376,387	3,099,399	1,372,819	1,378,410
Water and sewer	8,914,131	-	8,914,131	3,553,687	354,405	3,908,092	5,006,039	5,360,444
	<u>\$ 103,647,138</u>	<u>\$ 922,278</u>	<u>\$ 104,569,416</u>	<u>\$ 42,593,331</u>	<u>\$ 4,569,562</u>	<u>\$ 47,162,893</u>	<u>\$ 57,406,523</u>	<u>\$ 61,053,807</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**12. 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 is contingently liable as guarantor of certain loans for OCN members totaling \$593,467 (2015 - \$510,273).
- c) 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.

**13. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE**

	2 0 1 6	2 0 1 5
Agreement: #315-0315	\$ 27,326,719	\$ 29,821,433
Plus: Revenue deferred from previous years	694,128	1,044,743
Nakow Mining and Supplies Ltd. funding through separate I.N.A.C. agreement		148,248
Less: Revenue deferred to subsequent year	( 963,118)	( 694,127)
Environmental Site Assessment funding recovery	( 2,141)	-
<b>TOTAL I.N.A.C. REVENUE PER FINANCIAL STATEMENTS</b>	<b>\$ 27,055,588</b>	<b>\$ 30,320,297</b>

**14. ECONOMIC DEPENDENCE**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 15. 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.

### 16. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2016	2015
Amortization	\$ 4,569,562	\$ 4,437,248
Community initiatives and contributions	3,238,050	2,434,937
Dividends	1,036,200	3,900
Flood	9,576	2,981,111
Insurance	556,096	543,143
Interest	327,891	407,792
Non-insured health benefits	2,580,047	2,368,901
Other	6,633,770	5,102,582
Professional fees	1,349,079	1,489,036
Rent	395,592	392,387
Repairs and maintenance	2,107,686	1,947,818
Salaries and benefits	20,523,771	21,233,395
Social assistance	4,854,248	5,123,951
Student support	3,233,027	2,707,050
Supplies	1,496,568	1,320,816
Telephone	367,616	371,398
Training	210,691	187,572
Travel	899,619	978,540
Utilities	835,531	975,052
Eliminations	( 2,344,462)	( 1,728,552)
	<u>\$ 52,880,158</u>	<u>\$ 53,278,077</u>



# OPASKWAYAK CREE NATION

PAGE 11

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

### 17. 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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenues</b>										
Federal Government										
INAC	\$ 1,620,675	\$ 1,563,608	\$	\$	55,214	54,396	317,386	329,516	714,387	823,966
CMHC										
ESDC										
Other										
Subtotal	1,620,675	1,563,608			55,214	54,396	317,386	329,516	714,387	823,966
Other revenue	999,796	1,040,132	7,946,187	6,301,892	60,125	46,248	365,875	363,574	-	-
Total revenue	2,620,471	2,603,740	7,946,187	6,301,892	115,339	100,644	683,261	693,090	714,387	823,966
<b>Expenses</b>										
Amortization	79,451	96,968							252,881	76,137
Debt servicing	86,110	68,812								
Other	1,794,223	1,539,610	4,722,806	2,731,388	168,851	121,604	385,628	468,567	409,485	453,586
Salaries and benefits	2,093,254	1,968,515	-	-	374,420	354,584	362,373	340,862	-	-
Total expenses	4,053,038	3,673,905	4,722,806	2,731,388	543,271	476,188	748,001	809,429	662,366	529,723
Surplus (Deficit)	\$( 1,432,567)	\$( 1,070,165)	\$ 3,223,381	\$ 3,570,504	\$( 427,932)	\$( 375,544)	\$( 64,740)	\$( 116,339)	\$ 52,021	\$ 294,243

# OPASKWAYAK CREE NATION

PAGE 12

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

### 17. SEGMENT DISCLOSURE (continued)

	Employment and Training		Social Services		Child Care		Economic Development		Public Works, Water and Sewer	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenues</b>										
Federal Government										
INAC	\$ 98,138	\$ 384,928	\$ 5,939,812	\$ 6,158,717	\$ 311,787	\$ 314,250	\$ 309,197	\$ 551,293	\$ 595,297	\$ 584,039
FNIH										
CMHC										
ESDC	1,028,508	997,525			308,463	308,462				
Other										
Subtotal	1,126,646	1,382,453	5,939,812	6,158,717	620,250	622,712	309,197	551,293	595,297	584,039
Other revenue	228,225	288,810	-	-	97,317	103,215	-	-	753,300	741,341
Total revenue	1,354,871	1,671,263	5,939,812	6,158,717	717,567	725,927	309,197	551,293	1,348,597	1,325,380
<b>Expenses</b>										
Amortization	3,997	9,629	7,368	6,899	20,178	20,489	28,105	14,053	646,643	684,229
Debt servicing			11,545	13,229					5,983	
Other	925,027	931,185	5,416,449	5,704,945	243,658	150,963	309,197	466,977	1,071,296	1,165,606
Salaries and benefits	568,847	924,086	512,699	429,296	514,086	539,039			913,250	959,128
Total expenses	1,497,871	1,864,900	5,948,061	6,154,369	777,922	710,491	337,302	481,030	2,637,172	2,808,963
Surplus (Deficit)	\$( 143,000)	\$( 193,637)	\$( 8,249)	\$ 4,348	\$( 60,355)	\$ 15,436	\$( 28,105)	\$ 70,263	\$( 1,288,575)	\$( 1,483,583)



# OPASKWAYAK CREE NATION

PAGE 13

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

### 17. SEGMENT DISCLOSURE (continued)

	Recreation		Fire Department		Community Buildings		Special Projects		Education	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues										
Federal Government										
INAC	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FNIH			115,162	112,944	115,744	114,542	389,217	3,151,978	10,950,516	10,656,825
CMHC										
ESDC										
Other	-	-	-	-	-	-	-	-	-	6,544
Subtotal	-	-	115,162	112,944	115,744	114,542	389,217	3,151,978	10,950,516	10,663,369
Other revenue	212,578	252,204	-	73,510	1,023,216	953,833	717,945	2,193,480	593,873	538,373
Total revenue	212,578	252,204	115,162	186,454	1,138,960	1,068,375	1,107,162	5,345,458	11,544,389	11,201,742
Expenses										
Amortization	25,319	25,279	36,656	36,988	102,265	288,066		1,284	1,671,031	1,660,190
Debt servicing					113,698	141,165				
Other	289,838	377,599	242,539	256,343	992,430	837,349	857,192	2,662,677	4,407,623	3,991,498
Salaries and benefits	336,227	389,972	61,189	61,126	464,541	501,177	276,672	1,073,226	7,714,505	7,565,190
Total expenses	651,384	792,850	340,384	354,457	1,672,934	1,767,757	1,133,864	3,737,187	13,793,159	13,216,878
Surplus (Deficit)	\$( 438,806)	\$( 540,646)	\$( 225,222)	\$( 168,003)	\$( 533,974)	\$( 699,382)	\$( 26,702)	\$ 1,608,271	\$( 2,248,770)	\$( 2,015,136)

# OPASKWAYAK CREE NATION

PAGE 14

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

### 17. SEGMENT DISCLOSURE (continued)

	RMMCH		Health		Housing		Land Tax		Elimination		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues												
Federal Government												
INAC	\$ 3,828,824	\$ 3,686,971	\$ 506,019	\$ 646,574	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 27,055,588	\$ 30,320,297
FNHI			5,866,776	5,567,252							6,178,563	5,881,502
CMHC	34,679	34,679			778,999	806,948					813,678	841,627
ESDC											1,336,971	1,305,987
Other	-	-	-	-	-	-	-	-	-	-	-	6,544
Subtotal	3,863,503	3,721,650	6,372,795	6,213,826	2,278,999	2,306,948	-	-	-	-	35,384,800	38,355,957
Other revenue	355,016	350,677	428,671	60,156	1,489,409	1,745,220	516,318	511,164	(2,344,462)	(1,728,552)	13,443,389	13,835,277
Total revenue	4,218,519	4,072,327	6,801,466	6,273,982	3,768,408	4,052,168	516,318	511,164	(2,344,462)	(1,728,552)	48,828,189	52,191,234
Expenses												
Amortization	395,788	279,738	360,877	326,915	936,402	909,084	2,601	1,300			4,569,562	4,437,248
Debt servicing	6,737	9,802	9,728	7,663	188,524	229,982					422,325	470,653
Other	1,188,972	1,139,392	4,244,131	3,416,415	1,990,747	2,400,987	48,870	48,642	(2,344,462)	(1,728,552)	27,364,500	27,136,781
Salaries and benefits	2,875,120	2,683,735	2,485,503	2,542,082	906,696	832,691	64,389	68,686	-	-	20,523,771	21,233,395
Total expenses	4,466,617	4,112,667	7,100,239	6,293,075	4,022,369	4,372,744	115,860	118,628	(2,344,462)	(1,728,552)	52,880,158	53,278,077
Surplus (Deficit)	\$( 248,098)	\$( 40,340)	\$( 298,773)	\$( 19,093)	\$( 253,961)	\$( 320,576)	\$ 400,458	\$ 392,536	\$ -	\$ -	\$( 4,051,969)	\$( 1,086,843)