

MOOSOMIN FIRST NATION

Cochin, Saskatchewan

March 31, 2014

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## **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of Moosomin First 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.

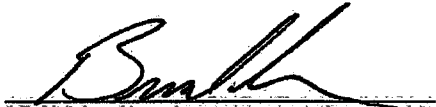
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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.

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, Swanson Gryba & Company, 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 Moosomin First Nation and meet when required.

On behalf of Moosomin First Nation:



Bradley Swiftwolfe  
Chief

# Swanson Gryba & Company

CHARTERED ACCOUNTANTS

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## Partners

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## INDEPENDENT AUDITORS' REPORT

To Council and Members of Moosomin First Nation:

### Report on the Financial Statements

We were engaged to audit the accompanying consolidated financial statements of Moosomin First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of operations and 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 financial statements are free from 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 judgement, 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 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 the Moosomin First Nation as at March 31, 2014 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Emphasis of Matter

We draw attention to Note 18 to the financial statements which describes that as of December 1, 2010 AANDC funding was administered by a regulatory imposed third party management firm who reported directly to AANDC. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

The supplementary information contained in the accompanying schedules is presented for purposes of additional information to the membership and AANDC and does not form part of the consolidated financial statements. The schedules have not been audited other than in the course of our audit of the consolidated financial statements to the extent necessary to allow us to render an opinion thereon.

North Battleford, Saskatchewan  
October 22, 2014

*Swanson Gryba & Company*  
Chartered Accountants

MOOSOMIN FIRST NATIONConsolidated Statement of Financial Position  
March 31, 2014

	<u>2014</u>	<u>2013</u> (Note 12)
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 897,112	\$ 384,417
Accounts receivable (Note 3)	397,304	192,481
Due from government and government organizations (Note 4)	31,121	248,807
Ottawa Trust (Note 5)	722,104	475,527
Portfolio investments (Note 6)	99,147	1
Investment in government business enterprise and partnerships (Note 7)	9,370	9,370
	<u>2,156,158</u>	<u>1,310,603</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	1,948,445	1,377,646
Deferred revenue (Note 9)	870,284	1,185,989
Long-term debt (Note 10)	2,820,480	3,095,555
	<u>5,639,209</u>	<u>5,659,190</u>
<b>NET DEBT</b>	(3,483,051)	(4,348,587)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 11)	<u>27,012,816</u>	<u>25,523,302</u>
<b>ACCUMULATED SURPLUS</b>	\$ <u>23,529,765</u>	\$ <u>21,174,715</u>

Approved on behalf of the Council:

 Chief

 Councillor

The accompanying notes are an integral part of these financial statements

**MOOSOMIN FIRST NATION**  
**Consolidated Statement of Operations**  
**for the year ended March 31, 2014**

	Budget 2014	2014	2013 (Note 12)
<b>REVENUE</b>			
Federal Government:			
Aboriginal Affairs and Northern Development Canada	\$ 4,137,007	\$ 6,437,938	\$ 4,583,687
Health Canada		124,254	106,609
CMHC Subsidy/Rent		357,266	357,266
Tribal Council:			
Battlefords Agency Tribal Chiefs		286,374	155,487
Battlefords Tribal Council		183,555	154,995
Other:			
Treaty Land Entitlement Trust			1,968,157
Land leases (Note 14)		98,009	96,507
Saskatchewan Indian Training Group		99,654	143,822
Specific Land Claims Trust		972,026	1,297,632
Government of Canada / Saskatchewan		22,000	
Ottawa Trust		246,577	542,311
First Nations Trust		646,486	629,087
Other	58,000	430,696	334,042
Oil and gas			12,667
Administration Revenue		25,076	
	<u>4,195,007</u>	<u>9,929,911</u>	<u>10,382,269</u>
<b>EXPENSES</b>			
Education	2,671,324	2,636,604	2,548,276
Community Infrastructure	519,104	638,699	532,439
Band Government	580,900	704,942	740,117
Capital	441,200	1,031,636	915,331
Other		1,513,292	1,146,826
Treaty Land Entitlement		14,668	80,000
Specific Land Claims		1,035,020	1,639,775
	<u>4,212,528</u>	<u>7,574,861</u>	<u>7,602,764</u>
<b>CURRENT SURPLUS</b>	<u>\$ (17,521)</u>	2,355,050	2,779,505
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>		21,174,715	18,395,210
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>		<u>\$ 23,529,765</u>	<u>\$ 21,174,715</u>

The accompanying notes are an integral part of these financial statements

MOOSOMIN FIRST NATIONConsolidated Statement of Changes in Net Debt  
for the year ended March 31, 2014

	<u>2014</u>	<u>2013</u> (Note 12)
CURRENT SURPLUS (DEFICIT)	\$ 2,355,050	\$ 2,779,505
Acquisition of tangible capital assets	(2,388,160)	(2,386,970)
Amortization of tangible capital assets	<u>898,646</u>	<u>860,929</u>
CHANGE IN NET DEBT	865,536	1,253,464
NET DEBT AT BEGINNING OF YEAR	<u>(4,348,587)</u>	<u>(5,602,051)</u>
NET DEBT AT END OF YEAR	<u>\$ (3,483,051)</u>	<u>\$ (4,348,587)</u>

The accompanying notes are an integral part of these financial statements

MOOSOMIN FIRST NATIONConsolidated Statement of Cash Flows  
for the year ended March 31, 2014

	<u>2014</u>	<u>2013</u> (Note 12)
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Current surplus (deficit)	\$ 2,355,050	\$ 2,779,505
Add (deduct) items not affecting cash		
Tangible capital asset amortization	898,646	860,929
Net change in non-cash working capital balances related to operations*	267,957	60,005
Adjustment for capital/investing transactions in operations		
Ottawa Trust revenue	(246,577)	(542,311)
	<u>3,275,076</u>	<u>3,158,128</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(2,388,160)	(2,386,970)
<b>CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES</b>		
Transfer from Ottawa Trust fund		262,918
Purchase of investments	(99,146)	
	<u>(99,146)</u>	<u>262,918</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	139,549	180,000
Retirement of long-term debt	(414,624)	(706,730)
	<u>(275,075)</u>	<u>(526,730)</u>
<b>CASH PROVIDED (USED) IN THE YEAR</b>	512,695	507,346
<b>CASH (BANK INDEBTEDNESS) AT BEGINNING OF YEAR</b>	<u>384,417</u>	<u>(122,929)</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 897,112</u>	<u>\$ 384,417</u>
<b>* NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS</b>		
Decrease (increase) in accounts receivable	\$ (204,823)	\$ 73,351
Decrease (increase) in due from government and government organization	217,686	
Increase (decrease) in accounts payable	570,799	(208,243)
Increase (decrease) in deferred revenue	(315,705)	194,897
	<u>\$ 267,957</u>	<u>\$ 60,005</u>

The accompanying notes are an integral part of these financial statements

**MOOSOMIN FIRST NATION**

**Notes to the Consolidated Financial Statements**  
**March 31, 2014**

**1. Summary of Significant Accounting Policies****(a) Basis of Accounting**

The financial statements have been prepared by management in accordance with the Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**(b) First Nation reporting entity**

The Moosomin First Nation reporting entity includes all related entities that are either owned or controlled by the First Nation. The following entities are included in the reporting entity:

ENTITY	CLASSIFICATION	METHOD OF REPORTING
Twelve Nations Construction Limited Partnership	Government business partnership	Modified equity method
Battlefords Agency Tribal Chiefs Inc.	Portfolio investment	Cost
BATC Investments Limited Partnership	Government business partnership	Modified equity method
BATC Investments Ltd.	Government business enterprise	Modified equity method
BATC Land Holdings Ltd.	Government business enterprise	Modified equity method

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment and market value.

**(c) Principles of Consolidation**

All controlled entities are fully consolidated on a line-by-line basis except for government business enterprises and government business partnerships, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Moosomin First Nation's investment in the government business enterprise or government business partnership and the enterprise's or partnership's net income and other changes to equity are recorded. No adjustment is made for accounting policies of the enterprise or partnership that are different from those of Moosomin First Nation.

**(d) 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.



MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2014

## (e) 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.

## (f) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services. Tangible capital assets are reported at net book value.

Leases that transfer substantially all 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 Moosomin First Nation's incremental cost of borrowing.

Certain assets 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.

Amortization is calculated on the reducing balance basis at 25% on equipment and 5% on buildings, community infrastructure and social housing.

Tangible capital assets are written down when conditions indicate that they no longer contribute to Moosomin First 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 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 a fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

## (g) Net Debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

## (h) Revenue Recognition

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

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2014

## (h) Revenue Recognition (continued)

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. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities 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 is performed is deferred and recognized when the fee is earned or service performed.

## (i) Expense Recognition

Expenses are recognized in the period the goods and services are acquired and a liability is incurred. They also include grants and contributions made where no direct goods and services were received directly in return.

Expenses represent the amount of resources acquired in the period that need to be financed either from current or future revenues. Expenses include amounts for interest on debt outstanding but do not include principal debt repayments or transfer to other funds.

Expenses represent the amount of resources acquired in the period that need to be financed either from current or future revenues. Expenses include amounts for interest on debt outstanding but do not include principle debt repayments or transfers to other funds.

## (j) Trust Funds - non-consolidated

The Treaty Land Entitlement Trust was established to receive entitlement monies relating to the settlement of land claims of the Moosomin First Nation. The trust consists of entitlement monies which may be used to acquire the first nation's shortfall acres. Shortfall acres were achieved on August 23, 2000. Trust capital may now be used for first nation development purposes and recognized as revenue upon transfer. Income earned on the trust capital is transferred to the first nation and recorded as income when received or receivable. Revenue earned on Entitlement Land, which has not yet been transferred to reserve status, is considered to be revenue of the first nation when received or receivable. The terms and conditions governing the trust transactions are contained in various trust agreements.

The Specific Land Claims Trust was established to receive settlement monies relating to the settlement of first nation's 1909 surrender claim. The trust consists of settlement monies which may be used for certain first nation's development purposes. Income realized on trust capital is transferred to the first nation. The terms and conditions governing the trust transactions are contained in various trust agreements.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2014(k) Measurement Uncertainty

In preparing the financial statements for the government of Moosomin First Nation, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. The main estimates used in preparing these financial statements include allowance for doubtful accounts in amount of \$348,624 (2013 - \$340,227) and amortization of tangible capital assets in amount of \$898,647 (2013 - \$860,929). Actual results could differ significantly from these estimates.

2. Cash and Cash Equivalents

	<u>2014</u>	<u>2013</u>
Externally restricted (Canada Mortgage and Housing Corporation)	\$ 441	\$ 461
Internally restricted	654,933	477,534
Unrestricted	241,738	(93,578)
	<u>\$ 897,112</u>	<u>\$ 384,417</u>

3. Accounts Receivable

	<u>2014</u>	<u>2013</u>
Band members	\$ 202,459	\$ 192,677
Moosomin Specific Land Claims Trust	141,797	56,811
Land Leases	151,185	147,200
Battlefords Agency Tribal Chiefs	98,332	88,053
Battle River Treaty 6 Health Centre Inc	89,741	15,272
Saskatchewan Indian Training Assessment Group Inc.	35,575	
Moosomin Daycare	22,393	22,393
Other	4,446	10,302
Less allowance for doubtful accounts	(348,624)	(340,227)
	<u>\$ 397,304</u>	<u>\$ 192,481</u>

Accounts receivable includes advances to Chief and Council in the amount of \$13,061 (2013 - \$6,654).

4. Due from Government and Government Organizations

	<u>2014</u>	<u>2013</u>
AANDC	\$	\$ 61,909
Canada Mortgage and Housing Corporation	16,867	186,898
Health Canada	14,254	
	<u>\$ 31,121</u>	<u>\$ 248,807</u>

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2014

## 5. Ottawa Trust Fund (Capital and Revenue)

The Ottawa Trust accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in the Consolidated Revenue Fund of the Government of Canada. The amounts on deposit with the Government of Canada are not audited by the Auditor General of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

	Opening			2014	2013
	Balance	Additions	Withdrawals	Balance	Balance
Capital	\$ 275,776			\$ 275,776	\$ 275,776
Revenue	199,751	\$ 246,577		446,328	199,751
Fund Total	\$ 475,527	\$ 246,577	\$ NIL	\$ 722,104	\$ 475,527

## 6. Portfolio Investments

	2014	2013
Battlefords Agency Tribal Chiefs Inc. - 1/5th membership	\$ 1	\$ 1
Western Alliance Tubulars Ltd. - advances	99,146	
	\$ 99,147	\$ 1

The first nation advanced funds during the year to Western Alliance Tubulars Ltd. as part of its commitment to a business arrangement. The advances are non-interest bearing and unsecured, with no set repayment terms. The first nation has no equity ownership or voting rights in Western Alliance Tubulars Ltd. or its affiliated companies.

## 7. Investments in Government Business Enterprise and Partnerships

	2014	2013
Twelve Nations Construction Limited Partnership - 8,335 units	\$ 8,335	\$ 8,335
BATC Investments Limited Partnership - 1,000 units	1,000	1,000
BATC Investments Ltd. - 10 Class A Common shares	10	10
BATC Land Holdings Ltd. - 25 Class A Common shares	25	25
	\$ 9,370	\$ 9,370

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2014

## 8. Accounts Payable and Accrued Liabilities

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 824,087	\$ 464,787
Accrued salaries and benefits payable	1,747	52,195
Moosomin Specific Land Claims Trust	682,643	600,588
Moosomin Treaty Land Entitlement Trust	195,910	
Other accrued liabilities	244,058	260,076
	<u>\$1,948,445</u>	<u>\$1,377,646</u>

## 9. Deferred Revenue

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>2014 Total</u>	<u>2013 Total</u>
AANDC:					
Major Renovations	\$ 23,400		\$ 23,400		\$ 23,400
Advances on Furnaces	32,000		32,000		32,000
Lagoon	195			\$ 195	195
WTP feasibility	29,334		29,334		29,334
School roof repairs	62,605		62,605		62,605
WTP Upgrade	268,621	\$2,308,500	2,161,632	415,489	268,621
OTHER:					
Specific land claims	483,490		47,040	436,450	483,490
Ottawa Trust	116,763		116,763		116,763
BATC CDC	86,089	128,000	202,344	11,745	86,089
Hall Insurance	83,492		83,492		83,492
Land Lease		6,405		6,405	
	<u>\$1,185,989</u>	<u>\$2,442,905</u>	<u>\$2,758,610</u>	<u>\$ 870,284</u>	<u>\$1,185,989</u>

## 10. Long-Term Debt

	<u>2014</u>	<u>2013</u>
FNH Development Corporation advances	\$ 180,000	\$ 180,000
Bank loan #1		204,074
Bank loan #2		22,671
Caterpillar Finance Lease	53,382	
CMHC RRAP	23,993	
CMHC #1	242,898	260,279
CMHC #2	231,371	244,839
CMHC #3	546,003	584,172
CMHC #4	432,295	455,836
CMHC #5	1,110,538	1,143,684
	<u>\$2,820,480</u>	<u>\$3,095,555</u>

MOOSOMIN FIRST NATION

## Notes to the Consolidated Financial Statements

March 31, 2014

## 10. Long-Term Debt (continued)

FNH Development Corporation is owned by Battlefords Tribal Council and its affiliates, through NTC Executive Council Inc.. The debt is secured by a mortgage on Treaty Land Entitlement land that has not yet achieved reserve status. (Note 16)

Caterpillar Finance Lease contract is secured by an assignment of a backhoe. The contract is repaid in monthly instalments of \$1,201.94 including interest. Interest on the contract is at 6.55 %.

CMHC RRAP loans 125 and 133 are forgivable over the next five and four years at a rate of \$248.05 and \$224.50 per month.

CMHC loan #1 is secured by a mortgage on rental houses. The loan is repayable at \$2,005 per month including interest. Interest on the loan is at 2.65%. The loan is guaranteed by Aboriginal Affairs and Northern Development Canada.

CMHC loan #2 is secured by a mortgage on rental houses. The loan is repayable at \$1,494 per month including interest. Interest on the loan is at 1.92%. The loan is guaranteed by Aboriginal Affairs and Northern Development Canada.

CMHC loan #3 is secured by a mortgage on rental houses. The loan is repayable at \$3,956 per month including interest. Interest on the loan is at 1.64%. The loan is guaranteed by Aboriginal Affairs and Northern Affairs Canada.

CMHC loan #4 is secured by a mortgage on rental houses. The loan is repayable at \$2,788 per month including interest. Interest on the loan is at 2.23%. The loan is guaranteed by Aboriginal Affairs and Northern Affairs Canada.

CMHC loan #5 is secured by a mortgage on rental houses. The loan is repayable at \$6,767 per month including interest. Interest on the loan is at 2.75%. The loan is guaranteed by Aboriginal Affairs and Northern Affairs Canada.

The total principal repayment due on long-term debt in each of the next five years is as follows:

2015	162,604
2016	166,750
2017	170,997
2018	171,121
2019	161,603

**MOOSOMIN FIRST NATION**Notes to the Consolidated Financial Statements  
March 31, 2014**11. Tangible Capital Assets**

	Beginning	Additions/	End	Beg	Current	End	2014	2013
	Cost	Disposals	Cost	Accum	Amort/	Accum	Net	Net
				Amort	Disposals	Amort		
Arena	\$ 2,655,571		\$ 2,655,571	\$ 1,572,981	\$ 54,129	\$ 1,627,110	\$ 1,028,461	\$ 1,082,590
Equipment	1,751,579	\$ 103,525	1,855,104	1,580,989	33,088	1,614,077	241,027	170,590
Housing -CMHC	4,399,844		4,399,844	1,043,457	167,819	1,211,276	3,188,568	3,356,387
-Other	5,391,355		5,391,355	2,367,281	151,204	2,518,485	2,872,870	3,024,074
Land	9,768,870		9,768,870				9,768,870	9,768,870
Community Infrastructure	13,287,519	2,254,635	15,542,154	5,166,728	462,406	5,629,134	9,913,020	8,120,791
	<u>\$ 37,254,738</u>	<u>\$ 2,358,160</u>	<u>\$ 39,612,898</u>	<u>\$ 11,731,436</u>	<u>\$ 868,646</u>	<u>\$ 12,600,082</u>	<u>\$ 27,012,816</u>	<u>\$ 25,523,302</u>

**12. Prior Period Error Corrections**

A compliance audit was conducted by AANDC during the year, resulting in a number of adjustments to the 2013 fiscal year. As a result of the changes, the opening (April 1, 2013) balance of accumulated surplus has increased by \$57,153, with an offsetting decrease of \$56,953 in accounts payable and accrued liabilities and an increase of \$200 in accounts receivable. The 2013 comparative income and expense figures have been restated accordingly.

The December 31, 2012 audited financial statements for the Moosomin Specific Land Claims Trust were received during the year. During the process of reconciling balances with those for the first nation, an error was noted relating to the 2012 trust income. As a result of the changes, the opening (April 1, 2013) balance of accumulated surplus has decreased by \$514,584, with an offsetting decrease of \$466,131 in accounts receivable and increase of \$48,453 in accounts payable. The 2013 comparative income figure has been restated accordingly.

**13. Canada Mortgage and Housing Corporation Reserves**

Under the terms of agreements with Canada Mortgage and housing Corporation, Moosomin First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund.

Under the terms of agreements with Canada Mortgage and Housing Corporation, Moosomin First Nation must set aside operating surpluses. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Operating Surplus Fund.

As of March 31, 2014, the accounts were underfunded by \$642,559 (2013 - \$544,285).

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2014

## 14. Related Party Transactions

As detailed in Note 1(j), Entitlement Land owned by the Moosomin Treaty Land Entitlement Trust has always been considered to be under the control of Chief and Council and the related revenue has been recorded in the consolidated audit. The majority of the land is covered by annual lease agreements. Approximately 3,720 acres of land, however, are being utilized on a no charge basis by various members of Council and unelected senior officials.

## 15. Moosomin Specific Land Claims Trust

The year end of the trust is December 31 and is summarized as follows:

	<u>2013</u> <u>(unaudited)</u>	<u>2012</u> <u>(unaudited)</u>
<b>General Fund</b>		
Balance at beginning of year	\$ 22,169,448	\$ 22,169,448
Surplus for the year	778,389	
Annual distributions to Moosomin First Nation	(696,625)	
Land contributed to Moosomin Treaty Land Entitlement Trust	(175,270)	
Balance at end of year	<u>\$ 22,075,942</u>	<u>\$ 22,169,448</u>
<b>Advancement of Education Fund</b>		
Balance at beginning and end of year	\$ 8,164,516	\$ 8,164,516
Surplus for the year	49,532	
Annual distributions to Moosomin First Nation	(228,361)	
Balance at end of year	<u>\$ 7,985,687</u>	<u>\$ 8,164,516</u>
<b>Revenue Fund</b>		
Balance at beginning of year	\$ NIL	\$ NIL
Net income for the year		1,764,675
Realized capital gains (losses) for the year	(97,065)	
Distributions to Moosomin First Nation		(1,764,675)
Balance at end of year	<u>\$ (97,065)</u>	<u>\$ NIL</u>

Moosomin Specific Land Claims Trust is audited by another firm of Chartered Accountants, and the December 31, 2013 audit was awaiting final management approval at the time of finalizing this consolidated audit.



MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
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## 16. Treaty Land Entitlement Trust

The year end of the trust is March 31 and is summarized as follows:

	<u>2014</u>	<u>2013</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>
Capital Fund		
Balance at beginning of year	\$ 6,863,045	\$ 6,863,045
Gain on sale of land	128,285	NIL
Balance at end of year	<u>\$ 6,991,330</u>	<u>\$ 6,863,045</u>
Revenue Fund		
Balance at beginning of year	\$ NIL	\$ NIL
Interest revenue earned for the year	<u>                    </u>	<u>                    </u>
Balance at end of year	<u>\$ NIL</u>	<u>\$ NIL</u>

The Capital Fund balance includes \$6,990,323 in Entitlement Land and Acquisition Costs, less \$113,672 in property taxes owing on the land. Mortgages are also placed on titles, as security for a loan of \$180,000 from FNH Development Corporation (Note 10).

Before the land can be turned to reserve status, property taxes must be paid and titles cleared of all third party interests, unless prior written approval of such interests has been obtained from the Government of Canada.

## 17. Contingent Liabilities

Moosomin First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Moosomin First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Moosomin First Nation's financial statements.

**MOOSOMIN FIRST NATION****Notes to the Consolidated Financial Statements  
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Moosomin First Nation receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada ("AANDC"). The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue. Since December 1, 2010, AANDC funding has been administered by a regulatory imposed third party management firm who reports directly to AANDC. Effective April 1, 2014, AANDC began flowing its funding directly to Moosomin First Nation, based on their commitment to working with an approved Band Manager.

**19. Financial Instruments**

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and deferred revenue approximates fair value due to the relatively short-term maturities of these instruments.

**Credit Risk**

The First Nation in the normal course of operations derives revenues from the rental of farmland and certain residential housing. It is exposed to credit risk from its tenants.

**Line of Credit**

The First Nation has an authorized line of credit with the Royal Bank of \$450,000 at a rate of prime plus 2%. The terms of the loan facility agreement are negotiated annually.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
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## 20. Expenses by Type

	<u>2014</u>	<u>2013</u>
Administration fees	\$ 42,800	\$ 22,140
Amortization	898,646	860,929
Bad debts	35,149	46,261
Band member assistance	454,806	634,319
Capital asset purchases		4,903
Honorarium and travel	275,547	283,003
Insurance	133,788	110,349
Interest and bank charges	54,652	90,831
Interest on long-term debt	63,549	64,916
Materials, labour and sub-trades	436,575	260,096
Meetings		140,868
Office supplies	133,176	102,944
Professional fees	459,825	466,552
Repairs and maintenance	245,194	183,799
Transfer to tangible capital assets	(30,035)	
Telephone	47,109	56,169
Training	69,975	24,614
Tuition, student and living allowances	497,215	469,687
Utilities	113,337	109,873
Wages and employee benefits	3,531,303	3,379,822
Other	112,250	290,689
	<u>\$ 7,574,861</u>	<u>\$ 7,602,764</u>

## 21. Budgeted Figures

Unaudited budget figures have been provided for comparison purposes and are for the AANDC funded programs only, as administered by the Third Party Manager.

MOOSOMIN FIRST NATION

## Notes to the Consolidated Financial Statements

March 31, 2014

## 22. Segment Disclosure

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 following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

	Education			Social Development			Community Infrastructure		
	Budget	2014	2013	Budget	2014	2013	Budget	2014	2013
Federal Government	\$2,601,953	\$2,599,432	\$2,620,614	\$	\$	\$	\$ 447,074	\$ 512,844	\$ 450,544
Tribal Council									
Other	28,000	28,445					30,000	36,819	27,946
Total Revenues	<u>2,629,953</u>	<u>2,627,877</u>	<u>2,620,614</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>477,074</u>	<u>549,663</u>	<u>478,490</u>
Administration	4,270	49,770	50,740						
Amortization		13,408	13,389					49,680	37,402
Bad debts									
Band member assistance	10,400	10,523	9,406						
Basic/special needs									
Capital asset purchases									
Honorarium & travel	9,042	6,372	18,162						
Insurance									
Interest & bank charges								2,507	
Material, labour & sub-trades									1,856
Meetings									
Office supplies	71,001	69,756	60,261				32,400	38,226	23,648
Professional fees		100	1,910						
Repairs & maintenance							65,422	142,915	44,586
Transfer to tangible capital assets		(8,498)							
Telephone	7,200	7,727	9,070				1,320	1,309	1,316
Training		410					332	332	2,627
Tuition, student & living allowances	492,298	469,772	430,785						
Utilities							115,812	103,695	102,995
Wages & employee benefits	2,077,113	2,017,264	1,949,571				295,818	288,559	318,009
Other			4,982				8,000	11,475	
Total Expenses	<u>2,671,324</u>	<u>2,636,604</u>	<u>2,548,276</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>519,104</u>	<u>638,698</u>	<u>532,439</u>
Annual Surplus (Deficit)	<u>\$ (41,371)</u>	<u>\$ (8,727)</u>	<u>\$ 72,338</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ (42,030)</u>	<u>\$ (89,035)</u>	<u>\$ (53,949)</u>

## MOOSOMIN FIRST NATION

## Notes to the Consolidated Financial Statements

March 31, 2014

## 22. Segment Disclosure (continued)

	Band Governance			Capital			National Child Benefit		
	Budget	2014	2013	Budget	2014	2013	Budget	2014	2013
Federal Government	\$ 678,780	\$ 678,780	\$ 695,384	\$ 385,200	\$2,640,557	\$ 737,145	\$	\$	\$
Tribal Council									
Other		102,556	2,123,803	24,000	1,067	903			
Total Revenues	<u>678,780</u>	<u>781,336</u>	<u>2,819,187</u>	<u>409,200</u>	<u>2,641,624</u>	<u>738,048</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
Administration	6,004	(49,170)	(48,000)		17,000				
Amortization					613,609	576,508			
Capital asset purchases		(4,537)							
Honorarium & travel	32,757	43,252	44,074						
Insurance			32,735	76,117	78,502	61,440			
Interest & bank charges	4,013	4,573	5,084						
Material, labour & sub-trades		46,749		325,083	282,525	237,383			
Meetings			225						
Office supplies	18,153	20,217	14,914						
Professional fees	42,490	44,204	57,722						
Repairs & maintenance		25,540	61,032						
Telephone	11,628	9,485	13,589						
Wages & employee benefits	465,855	555,898	506,684	40,000	40,000	40,000			
Other		8,731	52,058						
Total Expenses	<u>580,900</u>	<u>704,942</u>	<u>740,117</u>	<u>441,200</u>	<u>1,031,636</u>	<u>915,331</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
Annual Surplus (Deficit)	<u>\$ 97,880</u>	<u>\$ 76,394</u>	<u>\$2,079,070</u>	<u>\$ (32,000)</u>	<u>\$1,609,988</u>	<u>\$ (177,283)</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ NIL</u>

MOOSOMIN FIRST NATION

## Notes to the Consolidated Financial Statements

March 31, 2014

## 22. Segment Disclosure (continued)

	Other		Treaty Land Entitlement			Specific Land Claims			
	Budget	2014	2013	Budget	2014	2013	Budget	2014	2013
Federal Government	\$	\$ 348,660	\$ 309,016	\$	\$ 6,325	\$ 80,000	\$	\$	\$
Tribal Council		469,929	290,482						
Other		1,500,577	1,720,185					1,003,921	1,326,247
Total Revenues	<u>NIL</u>	<u>2,319,166</u>	<u>2,319,683</u>	<u>NIL</u>	<u>6,325</u>	<u>80,000</u>	<u>NIL</u>	<u>1,003,921</u>	<u>1,326,247</u>
Administration		25,200	19,400						
Amortization		221,949	233,630						
Bad debts		8,398	47,743					26,751	(1,482)
Band member assistance		384,031	256,191					86,712	380,120
Capital asset purchases			4,903						
Honorarium & travel		103,059	59,090		12,330			110,534	161,674
Insurance		19,742	14,974					35,544	1,200
Interest & bank charges		10,700	32,337		146			39,233	53,412
Interest on long-term debt		61,043	64,916						
Material,labour & sub-trades		90,301	20,858						
Meetings			66,687						73,956
Office supplies					292			4,685	4,122
Professional fees		187,283	74,850			80,000		228,238	252,070
Repairs & maintenance		44,321	6,503					32,418	71,678
Telephone								28,588	32,193
Training		68,079	13,148					1,154	8,839
Tuition, student & living allowances								27,443	38,902
Utilities		9,029	5,253					613	1,627
Wages & employee benefits		251,148	195,388		1,900			376,533	370,170
Other		29,009	30,955					36,574	191,294
Total Expenses	<u>NIL</u>	<u>1,513,292</u>	<u>1,146,826</u>	<u>NIL</u>	<u>14,668</u>	<u>80,000</u>	<u>NIL</u>	<u>1,035,020</u>	<u>1,639,775</u>
Annual Surplus (Deficit)	<u>\$ NIL</u>	<u>\$ 805,874</u>	<u>\$1,172,857</u>	<u>\$ NIL</u>	<u>\$ (8,343)</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ (31,099)</u>	<u>\$ (313,528)</u>