

MOOSOMIN FIRST NATION

Cochin, Saskatchewan

March 31, 2015

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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 PROFESSIONAL ACCOUNTANTS



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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, 2015, 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, 2015 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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.

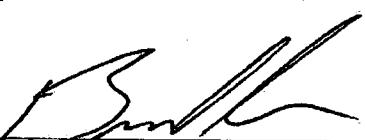
North Battleford, Saskatchewan
July 27, 2015

Swanson Gryba & Company
Chartered Professional Accountants

MOOSOMIN FIRST NATIONConsolidated Statement of Financial Position
March 31, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash (Note 2)	\$ 2,185,332	\$ 897,112
Accounts receivable (Note 3)	124,534	397,304
Due from government and government organizations (Note 4)	76,625	31,121
Ottawa Trust (Note 5)	329,446	722,104
Advances receivable (Note 6)	99,147	99,147
Investment in government business enterprises and partnerships (Note 7)	1,011	9,370
	<u>2,816,095</u>	<u>2,156,158</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	403,113	1,948,445
Deferred revenue (Note 9)	984,420	870,284
Long-term debt (Note 10)	2,477,131	2,820,480
	<u>3,864,664</u>	<u>5,639,209</u>
NET DEBT	(1,048,569)	(3,483,051)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	<u>29,756,674</u>	<u>27,012,816</u>
ACCUMULATED SURPLUS	\$ 28,708,105	\$ 23,529,765

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, 2015

	Budget 2015	2015	2014
REVENUE			
Federal Government:			
Aboriginal Affairs and			
Northern Development Canada	\$ 4,253,314	\$ 6,945,858	\$ 6,437,938
Health Canada		129,799	124,254
CMHC Subsidy/Rent	366,715	310,638	298,444
Tribal Council:			
Battlefords Agency Tribal Chiefs	47,976	210,013	286,374
Battlefords Tribal Council		154,601	183,555
Other:			
Treaty Land Entitlement Trust		657,014	
Land leases (Note 14)		112,046	98,009
Saskatchewan Indian Training Group		136,997	99,654
Specific Land Claims Trust		3,981,206	972,026
Government of Canada / Saskatchewan		11,000	22,000
Ottawa Trust		565,518	246,577
First Nations Trust		610,541	646,486
Other	321,421	624,882	430,696
Administration Revenue			25,076
	<hr/> 4,989,426	<hr/> 14,450,113	<hr/> 9,871,089
EXPENSES			
Education	2,616,115	2,555,542	2,636,604
Community Infrastructure	544,534	623,500	638,699
Band Government	773,802	812,193	704,942
Capital	389,984	1,566,467	1,031,636
Other	579,796	1,925,962	1,454,470
Treaty Land Entitlement			14,668
Specific Land Claims		1,788,109	1,035,020
	<hr/> 4,904,231	<hr/> 9,271,773	<hr/> 7,516,039
CURRENT SURPLUS	<hr/> \$ 85,195	<hr/> 5,178,340	<hr/> 2,355,050
ACCUMULATED SURPLUS AT BEGINNING OF YEAR		<hr/> 23,529,765	<hr/> 21,174,715
ACCUMULATED SURPLUS AT END OF YEAR		<hr/> \$ 28,708,105	<hr/> \$ 23,529,765

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, 2015

	Budget <u>2015</u>	<u>2015</u>	<u>2014</u>
CURRENT SURPLUS (DEFICIT)	\$ 85,195	\$ 5,178,340	\$ 2,355,050
Acquisition of tangible capital assets		(3,778,872)	(2,388,160)
Amortization of tangible capital assets		1,035,014	898,646
CHANGE IN NET DEBT	85,195	2,434,482	865,536
NET DEBT AT BEGINNING OF YEAR	(3,483,051)	(3,483,051)	(4,348,587)
NET DEBT AT END OF YEAR	\$ <u>(3,397,856)</u>	\$ <u>(1,048,569)</u>	\$ <u>(3,483,051)</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, 2015

	<u>2015</u>	<u>2014</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Current surplus (deficit)	\$ 5,178,340	\$ 2,355,050
Add (deduct) items not affecting cash		
Tangible capital asset amortization	1,035,014	898,646
Net change in non-cash working capital balances related to operations*	(1,203,930)	267,957
Adjustment for capital/investing transactions in operations		
Ottawa Trust revenue	(565,518)	(246,577)
	<u>4,443,906</u>	<u>3,275,076</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Purchase of tangible capital assets	<u>(3,778,872)</u>	<u>(2,388,160)</u>
CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES		
Transfer from Ottawa Trust fund	958,176	
Purchase of investments	8,359	(99,146)
	<u>966,535</u>	<u>(99,146)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from long-term debt	139,549	
Retirement of long-term debt	(343,349)	(414,624)
	<u>(343,349)</u>	<u>(275,075)</u>
CASH PROVIDED (USED) IN THE YEAR	1,288,220	512,695
CASH (BANK INDEBTEDNESS) AT BEGINNING OF YEAR	897,112	384,417
CASH AT END OF YEAR	\$ 2,185,332	\$ 897,112
 * NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS		
Decrease (increase) in accounts receivable	\$ 272,770	\$ (204,823)
Decrease (increase) in due from government and government organization	(45,504)	217,686
Increase (decrease) in accounts payable	(1,545,332)	570,799
Increase (decrease) in deferred revenue	114,136	(315,705)
	<u>\$ (1,203,930)</u>	<u>\$ 267,957</u>

The accompanying notes are an integral part of these financial statements

MOOSOMIN FIRST NATION**Notes to the Consolidated Financial Statements**
March 31, 2015**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
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

(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, 2015

(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, 2015

(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, 2015

(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 \$352,109 (2014 - \$348,624) and amortization of tangible capital assets in amount of \$1,035,012 (2014 - \$898,647). Actual results could differ significantly from these estimates.

2. Cash and Cash Equivalents

	<u>2015</u>	<u>2014</u>
Externally restricted (Canada Mortgage and Housing Corporation)	\$ 422	\$ 441
Internally restricted		654,933
Unrestricted	<u>2,184,910</u>	<u>241,738</u>
	<u><u>\$2,185,332</u></u>	<u><u>\$ 897,112</u></u>

3. Accounts Receivable

	<u>2015</u>	<u>2014</u>
Band members	\$ 216,374	\$ 202,459
Moosomin Specific Land Claims Trust		141,797
Land Leases	152,760	151,185
Battlefords Agency Tribal Chiefs	19,907	98,332
Battle River Treaty 6 Health Centre Inc	64,086	89,741
Saskatchewan Indian Training Assessment Group Inc.		35,575
Moosomin Daycare	22,691	22,393
Other	825	4,446
Less allowance for doubtful accounts	<u>(352,109)</u>	<u>(348,624)</u>
	<u><u>\$ 124,534</u></u>	<u><u>\$ 397,304</u></u>

Accounts receivable includes advances to Chief and Council in the amount of \$16,941 (2014 - \$13,061).

4. Due from Government and Government Organizations

	<u>2015</u>	<u>2014</u>
Canada Mortgage and Housing Corporation	\$ 16,650	\$ 16,867
Health Canada	<u>59,975</u>	<u>14,254</u>
	<u><u>\$ 76,625</u></u>	<u><u>\$ 31,121</u></u>

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

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			2015		2014
	<u>Balance</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Balance</u>		<u>Balance</u>
Capital	\$ 275,776	253,240	466,000	\$ 63,016	\$ 275,776	
Revenue	446,328	\$ 312,278	492,176	266,430	446,328	
Fund Total	<u>\$ 722,104</u>	<u>\$ 565,518</u>	<u>\$ 958,176</u>	<u>\$ 329,446</u>	<u>\$ 722,104</u>	

6. Advances receivable

		2015	2014
Western Alliance Tubulars Ltd. - advances		<u>\$ 99,147</u>	<u>\$ 99,147</u>

The first nation advanced funds during the prior fiscal 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

	2015	2014
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	1	25
	<u>\$ 1,011</u>	<u>\$ 9,370</u>

Moosmin First Nation owns 20% of BATC Investments Ltd. and 20% (1,000 of 5,001 units) of BATC Investments Limited Partnership. BATC Investments Limited Partnership owns 100% of the shares of Twelve Nations Construction Ltd. (general partner), which owns 100% of the shares of First Alliance Construction Solutions Inc. (general partner). BATC Investments Limited Partnership and the above general partner corporations also own 100% of the units of Twelve Nations Construction Limited Partnership and First Alliance Construction Solutions Limited Partnership.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

7. Investments in Government Business Enterprise and Partnerships (continued)

Financial statements are not available for any of these enterprises or partnerships. As a result, management is unable to disclose any summarized financial statements, or record its share of any profits or losses for the fiscal year. Based on the March 31, 2014 audited financial statements of BATC Inc., reported on by another firm of Chartered Professional Accountants, BATC Inc. was owed \$805,869 by BATC Investments Ltd., for unsecured advances provided.

Moosomin First Nation owns 20% of the shares of BATC Land Holdings Ltd., which is an investment company created to maintain ownership and operations of properties utilized by BATC Inc. The year end of BATC Land Holdings Ltd. is December 31. Summarized financial information, based on unaudited financial statements compiled by another firm of Chartered Professional Accountants, is as follows:

	<u>2014</u>	<u>2013</u>
Current assets	\$ 38,164	\$ 140,045
Land and building	<u>485,117</u>	<u>504,271</u>
Total assets	<u>\$ 523,281</u>	<u>\$ 644,316</u>
Accounts payable	\$ 11,469	\$ 137,272
Long-term debt	<u>220,549</u>	<u>240,172</u>
Due to BATC Inc.	<u>322,478</u>	<u>267,881</u>
Total Liabilities	<u>554,496</u>	<u>645,325</u>
Deficit	<u>(31,215)</u>	<u>(1,009)</u>
Total Liabilities and Equity	<u>\$ 523,281</u>	<u>\$ 644,316</u>
Rental income	\$ 60,000	\$ 60,000
Expenses	<u>90,206</u>	<u>60,661</u>
Net Loss for the year	<u>\$ (30,206)</u>	<u>\$ (661)</u>

8. Accounts Payable and Accrued Liabilities

	<u>2015</u>	<u>2014</u>
Trade payables	\$ 299,340	\$ 824,087
Accrued salaries and benefits payable	<u>17,754</u>	<u>1,747</u>
Moosomin Specific Land Claims Trust	<u>682,643</u>	<u> </u>
Moosomin Treaty Land Entitlement Trust	<u>(8,622)</u>	<u>195,910</u>
Other accrued liabilities	<u>94,641</u>	<u>244,058</u>
	<u>\$ 403,113</u>	<u>\$1,948,445</u>

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

9. Deferred Revenue

	Opening Balance	Funding Received	Revenue Recognized	2015 <u>Total</u>	2014 <u>Total</u>
AANDC:					
Lagoon	\$ 195			\$ 195	\$ 195
WTP Upgrade	415,489	2,800,000	2,656,233	559,256	415,489
OTHER:					
Specific land claims	436,450		41,340	395,110	436,450
BATC CDC	11,745	77,966	59,852	29,859	11,745
Land Lease	6,405		6,405		6,405
	\$ 870,284	\$2,877,966	\$2,763,830	\$ 984,420	\$ 870,284

10. Long-Term Debt

		2015	2014
FNH Development Corporation advances		\$ 180,000	\$ 180,000
Caterpillar Finance Lease		42,121	53,382
CMHC RRAP		18,323	23,993
CMHC #1		224,911	242,898
CMHC #2		217,741	231,371
CMHC #3		507,167	546,003
CMHC #4		407,799	432,295
CMHC #5		1,059,069	1,110,538
		\$2,477,131	\$2,820,480

FNH Development Corporation is owned by Battlefords Tribal Council and its affiliates, through NTC Executive Council Inc.. The debt was repaid during the current fiscal year.

Caterpillar Finance capital lease contract relates to a backhoe. Monthly lease payments are \$1,202, including interest 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 \$1,851 per month including interest. Interest on the loan is at 1.12%. 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.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

10. Long-Term Debt (continued)

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 Development Canada.

CMHC loan #4 is secured by a mortgage on rental houses. The loan is repayable at \$2,714 per month including interest. Interest on the loan is at 1.85%. The loan is guaranteed by Aboriginal Affairs and Northern Development 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 Development Canada.

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

	2016	151,094
	2017	154,177
	2018	157,328
	2019	160,549
	2020	163,842

11. Tangible Capital Assets

	Beginning <u>Cost</u>	Additions/ <u>Disposals</u>	End <u>Cost</u>	Beg <u>Accum Amort</u>	Current <u>Amort/ Disposals</u>	End <u>Accum Amort</u>	2015 <u>Net</u>	2014 <u>Net</u>
Arena	\$ 2,655,571		\$ 2,655,571	\$ 1,627,110	\$ 51,423	\$ 1,678,533	\$ 977,038	\$ 1,028,461
Equipment	1,855,104	\$ 465,625	2,320,729	1,614,077	118,461	1,732,538	588,191	241,027
Housing	4,399,844		4,399,844	1,211,276	159,429	1,370,705	3,029,139	3,188,568
-CMHC								
-Other	5,391,355		5,391,355	2,518,485	143,644	2,662,129	2,729,226	2,872,870
Land	9,768,870	657,014	10,425,884				10,425,884	9,768,870
Community								
Infrastructure	15,542,154	2,656,233	18,198,387	5,629,134	562,057	6,191,191	12,007,196	9,913,020
	<u>\$ 39,612,898</u>	<u>\$ 3,778,872</u>	<u>\$ 43,391,770</u>	<u>\$ 12,600,082</u>	<u>\$ 1,035,014</u>	<u>\$ 13,635,096</u>	<u>\$ 29,756,674</u>	<u>\$ 27,012,816</u>

MOOSOMIN FIRST NATION

Notes to the Consolidated Financial Statements
March 31, 2015

12. 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, 2015, the accounts were underfunded by \$735,650 (2014 - \$642,559).

13. 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, is being utilized on a no charge basis by various members of Council and unelected senior officials. See note 21.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

14. Moosomin Specific Land Claims Trust

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

	2014	2013
General Fund		
Balance at beginning of year	\$ 22,075,942	\$ 22,169,448
Surplus for the year	3,497,734	778,389
Annual distributions to Moosomin First Nation	(3,497,734)	(696,625)
Land contributed to Moosomin Treaty Land Entitlement Trust		(175,270)
Capital gains overpayment recovery	483,436	NIL
Balance at end of year	\$ 22,559,378	\$ 22,075,942
Advancement of Education Fund		
Balance at beginning and end of year	\$ 7,985,687	\$ 8,164,516
Surplus for the year	442,132	49,532
Annual distributions to Moosomin First Nation	(442,132)	(228,361)
Capital gains overpayment recovery	26,861	
Balance at end of year	\$ 8,012,548	\$ 7,985,687
Revenue Fund		
Balance at beginning of year	\$ (97,065)	\$ NIL
Net income for the year		
Realized capital gains (losses) for the year		(97,065)
Balance at end of year	\$ (97,065)	\$ (97,065)

Moosomin Specific Land Claims Trust is audited by another firm of Chartered Professional Accountants.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

15. Treaty Land Entitlement Trust

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

	<u>2015</u>	<u>2014</u>
Capital Fund		
Balance at beginning of year	\$ 6,991,330	\$ 6,863,045
Transfer of land to reserve status	(657,014)	
Gain on sale of land	NIL	128,285
Balance at end of year	<u>\$ 6,334,316</u>	<u>\$ 6,991,330</u>
Revenue Fund		
Balance at beginning of year	\$ NIL	\$ NIL
Interest revenue earned for the year	NIL	NIL
Balance at end of year	<u>\$ NIL</u>	<u>\$ NIL</u>

The Capital Fund balance includes \$6,355,391 in Entitlement Land and Acquisition Costs, less \$12,454 in property taxes owing on the land.

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.

16. 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.

17. Subsequent Events

Subsequent to year-end, the first nation obtained a loan of \$1,540,000 from Innovation Credit Union, and used \$735,650 to fully fund the CMHC reserves. The loan is secured by a general security agreement and an assignment of AANDC funding, gaming funding and funds held in the Ottawa Trust account. The loan is repayable at \$87,505 per quarter including interest at 5.40%.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015**18. Economic Dependence**

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.

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.

20. Expenses by Type

	<u>2015</u>	<u>2014</u>
Administration fees	\$ 96,227	\$ 42,800
Amortization	1,035,014	898,646
Bad debts	6,992	35,149
Band member assistance	765,001	395,984
Capital asset purchases	19,837	
Honorarium and travel	426,096	275,547
Insurance	166,582	133,788
Interest and bank charges	81,742	54,652
Interest on long-term debt	59,499	63,549
Materials, labour and sub-trades		406,540
Meetings	1,374	
Office supplies	140,935	133,176
Professional fees	404,650	459,825
Repairs and maintenance	565,096	245,194
Telephone	39,775	47,109
Training	143,465	69,975
Tuition, student and living allowances	459,643	497,215
Utilities	145,884	113,337
Wages and employee benefits	4,027,174	3,531,303
Other	686,787	112,250
	<hr/>	<hr/>
	\$ 9,271,773	\$ 7,516,039
	<hr/>	<hr/>

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

21. Budgeted Figures

Unaudited budget figures have been provided for comparison purposes and are primarily for the AANDC and CMHC funded programs only.

22. Segment Disclosure

The First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by segment. The segments of the First Nation and the services they provide by each are as follows:

- Education - provides a variety of services for students from nursery school to a complete grade 12 that meets all provincial criteria with a cultural influence that reflects the First Nation's identity. Services also include access to post secondary level opportunities, nutrition program, student counselling, Cree language and cultural program and a community school program.
- Community Infrastructure - provides for operating and maintaining basic community facilities and services such as waste water systems, roads, fire prevention, etc. Services also include ensuring community facilities and services meet recognized standards and are comparable to services in nearby communities.
- Band Government - handles the finances and administration of the First Nation including support to Chief and Council and all other departments to ensure the efficient and effective operations of the First Nation.
- Capital - Capital projects include new housing, infrastructure upgrades, and is responsible for larger maintenance projects that are non-recurring in nature and require both capital funding and Band funding.
- Other - a variety of different programs that vary based on own source revenue or specific criteria as determined by the funding agency.
- Treaty Land Entitlement - provides for the management of Treaty Land Entitlement Trust until lands achieve reserve status.
- Specific Land Claims - provides for the management of a specific land claims trust and the annual income allocation to the First Nation.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as those described in Note 1. Inter-segment transfers are recorded at their exchange amount.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

22. Segment Disclosure (continued)

	Education			Community Infrastructure			Band Government		
	Budget	2015	2014	Budget	2015	2014	Budget	2015	2014
Federal Government	\$2,564,797	\$2,532,446	\$2,599,432	\$ 492,256	\$ 492,255	\$ 512,844	\$ 728,779	\$ 728,779	\$ 678,780
Tribal Council	47,976	47,981							
Other	89,028	16,523	28,445	45,125	11,333	36,819	159,518	774,707	102,556
Total Revenues	2,701,801	2,596,950	2,627,877	537,381	503,588	549,663	888,297	1,503,486	781,336
Administration	32,740	54,000	49,770					6,000	(49,170)
Amortization		20,545	13,408		97,915	49,680			
Bad debts								3,985	
Band member assistance								9,162	
Capital asset purchases				(8,498)				11,525	
Honorarium & travel	8,377	5,251	6,372		1,046		49,160	73,264	43,252
Interest & bank charges							3,066	17,267	4,573
Interest on long-term debt					3,163	2,507			
Material,labour & sub-trades	110,000	106,919		15,000	17,182				46,749
Office supplies	88,600	77,519	22,462	26,071	15,049	38,226	139,915	24,406	15,680
Professional fees		940	510				123,500	116,580	44,204
Repairs & maintenance				68,139	77,390	142,915		54,170	25,540
Telephone			7,727	6,114	6,140	1,309	13,589	12,188	9,485
Training					4,130	332	4,228		3,646
Tuition, student & living allowances	467,423	459,643	527,589						
Utilities				133,565	127,481	103,695			
Wages & employee benefits	1,908,975	1,830,725	2,017,264	289,150	273,502	300,034	440,344	480,000	555,898
Other				6,495	502				8,731
Total Expenses	2,616,115	2,555,542	2,636,604	544,534	623,500	638,698	773,802	812,193	704,942
Annual Surplus (Deficit)	\$ 85,686	\$ 41,408	\$ (8,727)	\$ (7,153)	\$ (119,912)	\$ (89,035)	\$ 114,495	\$ 691,293	\$ 76,394

MOOSOMIN FIRST NATION

Notes to the Consolidated Financial Statements
March 31, 2015

22. Segment Disclosure (continued)

	Capital			Other			Treaty Land Entitlement		
	Budget	2015	2014	Budget	2015	2014	Budget	2015	2014
Federal Government	\$ 292,732	\$3,017,628	\$2,640,557	\$ 386,605	\$ 522,187	\$ 348,660	\$	\$	\$ 6,325
Tribal Council					316,633	469,929			
Other	27,750	236,163	1,067	154,860	1,647,607	1,441,755			
Total Revenues	320,482	3,253,791	2,641,624	541,465	2,486,427	2,260,344	NIL	NIL	6,325
Administration		17,000		21,960	36,227	40,659			
Amortization		705,701	613,609		210,853	221,949			
Bad debts						8,398			
Band member assistance					318,701	325,211			
Honorarium & travel		375			295,232	103,059			12,330
Insurance	86,702	145,785	78,502	60,000	20,347	19,742			
Interest & bank charges		161		120	1,541	10,700			146
Interest on long-term debt				203,436	56,336	61,043			
Material,labour & sub-trades			282,525			90,301			
Meetings				1,200	1,374				
Office supplies					1,989				292
Professional fees				223,750	228,286	187,283			
Repairs & maintenance	246,290	265,467		12,000	15,262	44,321			
Training					122,391	68,079			
Utilities		3,079			10,532	9,029			
Wages & employee benefits	56,992	445,599	40,000	11,250	595,129	251,148			1,900
Other		300		46,080	11,762	13,548			
Total Expenses	389,984	1,566,467	1,031,636	579,796	1,925,962	1,454,470	NIL	NIL	14,668
Annual Surplus (Deficit)	\$ (69,502)	\$1,687,324	\$1,609,988	\$ (38,331)	\$ 560,465	\$ 805,874	\$ NIL	\$ NIL	\$ (8,343)

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements
March 31, 2015

22. Segment Disclosure (continued)

	Specific Land Claims			Totals		
	Budget	2015	2014	Budget	2015	2014
Federal Government	\$	\$	\$	\$4,465,169	\$ 7,293,295	\$6,786,597
Tribal Council				47,976	364,614	469,929
Other		4,105,871	1,003,921	476,281	6,792,204	2,614,563
Total Revenues	NIL	4,105,871	1,003,921	4,989,426	14,450,113	9,871,089
Administration				54,700	96,227	58,259
Amortization					1,035,014	898,646
Bad debts		3,007	26,751		6,992	35,149
Band member assistance		437,138	86,712		765,001	411,923
Capital asset purchases		8,312			19,837	(25,498)
Honorarium & travel		61,202	110,534	57,537	436,371	275,547
Insurance		450	35,544	146,702	166,582	133,788
Interest & bank charges		62,773	39,233	3,186	81,742	54,652
Interest on long-term debt				203,436	59,499	63,549
Material,labour & sub-trades				125,000	124,100	148,908
Meetings			1,154	1,200	1,374	1,154
Office supplies		21,974	4,685	254,586	140,935	80,857
Professional fees		58,844	228,238	347,250	404,650	460,235
Repairs & maintenance		152,805	21,020	326,429	565,096	304,433
Telephone		21,447	28,588	19,703	39,775	47,109
Training		13,298		4,228	143,465	68,411
Tuition, student & living allowances			27,443	467,423	459,643	555,032
Utilities		4,792	613	133,565	145,884	113,337
Wages & employee benefits		267,844	383,479	2,706,711	3,892,799	3,767,243
Other		674,223	41,026	52,575	686,787	63,305
Total Expenses	NIL	1,788,109	1,035,020	4,904,231	9,271,773	7,516,039
Annual Surplus (Deficit)	\$ NIL	\$ 2,317,762	\$ (31,099)	\$ 85,195	\$ 5,178,340	\$ 2,355,050