

**MOOSOMIN FIRST NATION**

**Cochin, Saskatchewan**

**March 31, 2016**

**INDEX**

Page 2	Management's Responsibility for the Consolidated Financial Statements
Page 3	Auditors' Report
Page 4	Statement of Financial Position
Page 5	Statement of Operations
Page 6	Statement of Changes in Net Debt
Page 7	Statement of Cash Flows
Page 8 - 24	Notes to the Financial Statements
Page 25 - 94	Supplementary Schedules
Page 95	Management Approval of Schedules of Revenue and Expenses

## **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 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

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

A handwritten signature in black ink, appearing to read 'Bradley Swiftwolfe', is written over a horizontal line.

Bradley Swiftwolfe  
Chief

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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 2016 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 2016 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 29, 2016

  
Chartered Professional Accountants

**MOOSOMIN FIRST NATION**Consolidated Statement of Financial Position  
March 31, 2016

	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 4 069,684	\$ 2 185 332
Accounts receivable (Note 3)	212,267	124,534
Due from government and government organizations (Note 4)	101,271	76 625
Ottawa Trust (Note 5)	252,089	329,446
Advances receivable (Note 6)	99 147	99,147
Investment in government business enterprises and partnerships (Note 7)	1 111	1,011
	<u>4 735,569</u>	<u>2 816 095</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	817,602	403 113
Deferred revenue (Note 9)	1 458,991	984 420
Long-term debt (Note 10)	4 765,616	2 477 131
	<u>7,042 209</u>	<u>3,864,664</u>
<b>NET DEBT</b>	<u>(2 306 640)</u>	<u>(1,048 569)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	24 865	NIL
Tangible capital assets (Note 11)	31,375,404	29 756 674
	<u>31,400,269</u>	<u>29,756,674</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 29,093,629</u>	<u>\$ 28,708,105</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, 2016**

	<b><u>Budget</u></b> <b><u>2016</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>REVENUE</b>			
Federal Government			
Aboriginal Affairs and			
Northern Development Canada	\$ 4,108,108	\$ 5,592,209	\$ 6,945,858
Health Canada		129,800	129,799
CMHC Subsidy/Rent	32,000	369,020	310,638
Tribal Council			
Battlefords Agency Tribal Chiefs	63,882	214,612	210,013
Battle River Treaty 6		320,764	154,601
Other			
Treaty Land Entitlement Trust			657,014
Land leases (Note 14)		188,472	112,046
Saskatchewan Indian Training Group		124,023	136,997
Specific Land Claims Trust		1,403,473	3,981,206
Government of Canada / Saskatchewan			11,000
Ottawa Trust		285,659	565,518
First Nations Trust		663,014	610,541
Other	68,600	699,176	624,882
	<u>4,272,590</u>	<u>9,990,222</u>	<u>14,450,113</u>
<b>EXPENSES</b>			
Education	2,564,924	2,596,529	2,555,542
Community Infrastructure	560,300	1,641,914	623,500
Band Government	584,463	901,398	812,193
Capital	340,744	1,048,553	1,566,467
Other	83,682	1,444,036	1,925,962
Specific Land Claims		1,972,268	1,788,109
	<u>4 134,113</u>	<u>9,604,698</u>	<u>9,271,773</u>
CURRENT SURPLUS	\$ <u>138,477</u>	385,524	5 178,340
ACCUMULATED SURPLUS AT BEGINNING OF YEAR		28,708,105	23,529,765
ACCUMULATED SURPLUS AT END OF YEAR		<u>\$ 29,093,629</u>	<u>\$ 28,708,105</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, 2016

	Budget <u>2016</u>	<u>2016</u>	<u>2015</u>
CURRENT SURPLUS (DEFICIT)	\$ 138,477	\$ 385,524	\$ 5,178,340
Acquisition of tangible capital assets		(2,760,544)	(3,778,872)
Proceeds on disposal of equipment		15,995	
Gain on disposal of tangible capital assets		(3,747)	
Amortization of tangible capital assets		1,129,566	1,035,014
Prepaid expenses		(24,865)	
	<u>138,477</u>	<u>(1,258,071)</u>	<u>2,434,482</u>
CHANGE IN NET DEBT			
NET DEBT AT BEGINNING OF YEAR	<u>(1,048,569)</u>	<u>(1,048,569)</u>	<u>(3,483,051)</u>
NET DEBT AT END OF YEAR	<u>\$ (910,092)</u>	<u>\$ (2,306,640)</u>	<u>\$ (1,048,569)</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, 2016

	<u>2016</u>	<u>2015</u>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Current surplus (deficit)	\$ 385,524	\$ 5,178,340
Add (deduct) items not affecting cash		
Tangible capital asset amortization	1,129,566	1,035,014
Gain on disposal of tangible capital assets	(3,747)	
Net change in non-cash working capital balances related to operations*	751,816	(1,203,930)
Adjustment for capital/investing transactions in operations		
Ottawa Trust revenue	(285,659)	(565,518)
	<u>1,977,500</u>	<u>4,443,906</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(2,760,544)	(3,778,872)
Proceeds on disposal of equipment	15,995	
	<u></u>	<u></u>
<b>CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES</b>		
Transfer from Ottawa Trust fund	363,016	958,176
Sale (purchase) of investments	(100)	8,359
	<u>362,916</u>	<u>966,535</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	2,672,653	
Retirement of long-term debt	(384,168)	(343,349)
	<u>2,288,485</u>	<u>(343,349)</u>
<b>CASH PROVIDED (USED) IN THE YEAR</b>	<u>1,884,352</u>	<u>1,288,220</u>
<b>CASH (BANK INDEBTEDNESS) AT BEGINNING OF YEAR</b>	<u>2,185,332</u>	<u>897 112</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 4,069,684</u>	<u>\$ 2,185,332</u>
<b>* NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS</b>		
Decrease (increase) in accounts receivable and prepaid expenses	\$ (112,598)	\$ 272,770
Decrease (increase) in due from government and government organization	(24,646)	(45,504)
Increase (decrease) in accounts payable	414,489	(1,545,332)
Increase (decrease) in deferred revenue	474,571	114,136
	<u>\$ 751,816</u>	<u>\$ (1,203,930)</u>

The accompanying notes are an integral part of these financial statements

**MOOSOMIN FIRST NATION**

Notes to the Consolidated Financial Statements  
March 31, 2016

**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
Moosomin First Nation Economic Development Company 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 and prepaid expenses.



MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2016

## (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. Interest rates on funds held on deposit range from 0% to 1%.

## (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 NATION****Notes to the Consolidated Financial Statements  
March 31, 2016****(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, 2016

## (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 \$399,064 (2015 - \$352,109) and amortization of tangible capital assets in amount of \$151,212 (2015 - \$1,035,012). Actual results could differ significantly from these estimates.

## 2 Cash and Cash Equivalents

	<u>2016</u>	<u>2015</u>
Externally restricted (Canada Mortgage and Housing Corporation)	\$ 734,884	\$ 422
Unrestricted	<u>3,334,800</u>	<u>2,184,910</u>
	<u>\$4,069,684</u>	<u>\$2,185,332</u>

## 3 Accounts Receivable

	<u>2016</u>	<u>2015</u>
Band members	\$ 228,742	\$ 216,374
Land leases	158,936	152,760
Battlefords Agency Tribal Chiefs	70,419	19,907
Battle River Treaty 6 Health Centre Inc	59,635	64,086
Moosomin Daycare	31,204	22,691
Other	62,395	825
Less allowance for doubtful accounts	<u>(399,064)</u>	<u>(352,109)</u>
	<u>\$ 212,267</u>	<u>\$ 124,534</u>

Accounts receivable includes advances to Chief and Council in the amount of \$22,194 (2015 - \$16,941).

## 4 Due from Government and Government Organizations

	<u>2016</u>	<u>2015</u>
AANDC	\$ 55,000	
Canada Mortgage and Housing Corporation	34,607	\$ 16,650
Health Canada	<u>11,664</u>	<u>59,975</u>
	<u>\$ 101,271</u>	<u>\$ 76,625</u>

**MOOSOMIN FIRST NATION**Notes to the Consolidated Financial Statements  
March 31, 2016**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 Balance	Additions	Withdrawals	2016 Balance	2015 Balance
Capital	\$ 63,016		63,016	\$	\$ 63,016
Revenue	266,430	\$ 285,659	300,000	252,089	266,430
Fund Total	<u>\$ 329,446</u>	<u>\$ 285,659</u>	<u>\$ 363,016</u>	<u>\$ 252,089</u>	<u>\$ 329,446</u>

**6 Advances receivable**

	2016	2015
Western Alliance Tubulars Ltd - advances	<u>\$ 99,147</u>	<u>\$ 99,147</u>

The first nation advanced funds during the 2014 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 had no equity ownership or voting rights in Western Alliance Tubulars Ltd., or its affiliated companies, at year end (Note 17).

**7 Investments**

	2016	2015
Government Business Partnerships		
BATC Investments Limited Partnership - 1,000 units	<u>\$ 1,000</u>	<u>1,000</u>
Government Business Enterprises		
BATC Investments Ltd - 10 Class A common shares	10	10
BATC Land Holdings Ltd. - 25 Class A common shares	1	1
Moosomin First Nation Economic Development Company Ltd - 100 Class A common shares	<u>100</u>	<u></u>
	<u>111</u>	<u>11</u>
	<u>\$ 1,111</u>	<u>\$ 1,011</u>

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2016

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

Moosomin 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 Nation also 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.

Financial statements have not yet been finalized or made available to us for these BATC enterprises/partnerships, which are accounted for on the modified equity basis. As a result, management was unable to record its share of any profits or losses for the fiscal year, or to determine whether any changes to the carrying value of these investments were necessary, or to disclose summarized financial information for the entities.

Moosomin First Nation owns 100% of the shares of Moosomin First Nation Economic Development Company Ltd. Summarized unaudited financial information, compiled by Swanson Gryba & Company, is as follows:

	<u>2016</u>	<u>2015</u>
Cash	\$ 100	
Investment - 50% of Western Alliance Tubulars Ltd.	250,000	
	<u>\$ 250,100</u>	<u>\$ NIL</u>
Share subscription payable	\$ 250,000	
Share capital	100	
	<u>\$ 250,100</u>	<u>\$ NIL</u>

The company had no business transactions other than its 50% share subscription in Western Alliance Tubulars Ltd., on February 4, 2016. That company's fiscal year end is September 30, and no share of earnings or losses have been recognized, accordingly.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2016

## 8 Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Trade payables	\$ 359,355	\$ 299,340
Accrued salaries and benefits payable	1,006	17,754
Moosomin Treaty Land Entitlement Trust	(63,869)	(8,622)
Other accrued liabilities	521,110	94,641
	<u>\$ 817,602</u>	<u>\$ 403,113</u>

## 9 Deferred Revenue

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>2016 Total</u>	<u>2015 Total</u>
AANDC					
Lagoon	\$ 195			\$ 195	\$ 195
School Flood Damage		\$ 500,000	301,486	198,514	
Sewage Pumping System		500,000	182,197	317,803	
Saulteaux Lagoon		900,000	430,520	469,480	
WTP Upgrade	559,256		502,995	56,261	559,256
OTHER.					
Specific land claims	395,110		46,550	348,560	395,110
BATC CDC	29,859	13,500	42,125	1,234	29,859
Enbridge		78,300	15,929	62,371	
Land Lease		4,573		4,573	
	<u>\$ 984,420</u>	<u>\$1,996,373</u>	<u>\$1,521,802</u>	<u>\$1,458,991</u>	<u>\$ 984,420</u>

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2016

## 10 Long-Term Debt

	<u>2016</u>	<u>2015</u>
ICU loan #1	\$1,092,314	
Caterpillar Finance Lease	30,100	\$ 42,121
CMHC RRAP	12,562	18,323
CMHC #1	205,114	224,911
CMHC #2	203,867	217,741
CMHC #3	467,709	507,167
CMHC #4	382,557	407,799
CMHC #5	1,006,229	1,059,069
CMHC #6	1,365,164	
	<u>\$4,765,616</u>	<u>\$2,477,131</u>

Innovation Credit Union loan is secured by all present and after-acquired property, excluding real property. The loan is secured with assignment of Gaming Revenue from First Nations Trust, assignment of Land Lease Revenue and funding from Aboriginal Affairs and Northern Development Canada. The loan is repayable at \$87,505 per quarter including interest. Interest on the loan is at 5.40%.

Caterpillar Finance capital lease contract relates to a backhoe. Monthly lease payments are \$1,202, including interest at 6.55%.

CMHC RRAP loans are forgivable over the next two and three years at a rate of \$473 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, 2016

## 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.

CMHC loan #6 has not been fully advanced. Additional proceeds of \$28,556 are anticipated during the 2016 - 2017 fiscal year. Loan payments will commence after project completion. 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

2017	464,012
2018	480,886
2019	498,261
2020	314,849
2021	167,211



**MOOSOMIN FIRST NATION**

**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

**11 Tangible Capital Assets**

	Beginning	Additions/	End	Beg	Current	End	2016	2015
	<u>Cost</u>	<u>Disposals</u>	<u>Cost</u>	<u>Accum</u>	<u>Amort/</u>	<u>Accum</u>	<u>Net</u>	<u>Net</u>
				<u>Amort</u>	<u>Disposals</u>	<u>Amort</u>		
Arena	\$ 2,655,571		\$ 2 655 571	\$ 1 678,533	\$ 48,852	\$ 1 727,385	\$ 928 186	\$ 977 038
Equipment	2 320 729	\$ 260,573	2 581 302	1 732,538	176 121	1 908 659	672 643	588 191
Housing -CMHC	4,399 844		4 399 844	1,370 705	151 459	1,522,164	2 877 680	3 029 139
-Other	5,391,355	1,376 882	6 768,237	2,662,129	136 461	2,798,590	3 969 647	2,729,226
Land	10 425 884		10 425 884				10 425 884	10 425 884
Community Infrastructure	18 198,387	1 107 094	19,305 481	6 191 191	612,926	6 804 117	12 501,364	12 007 196
	<u>\$ 43,391 770</u>	<u>\$ 2,744,549</u>	<u>\$ 46 136,319</u>	<u>\$ 13 635 096</u>	<u>\$ 1 125 819</u>	<u>\$ 14 760 915</u>	<u>\$ 31,375 404</u>	<u>\$ 29 756,674</u>

**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, 2016, the accounts were underfunded by \$87,580 (2015 - \$735,650).

**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.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2016

## 14 Moosomin Specific Land Claims Trust

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

	<u>2015</u>	<u>2014</u>
<b>General Fund</b>		
Balance at beginning of year	\$ 22,559,378	\$ 22,075,942
Surplus for the year	1,070,234	3,497,734
Annual distributions to Moosomin First Nation	(1,070,234)	(3,497,734)
Capital gains overpayment recovery		483,436
	<u>                    </u>	<u>                    </u>
Balance at end of year	<u>\$ 22,559,378</u>	<u>\$ 22,559,378</u>
 <b>Advancement of Education Fund</b>		
Balance at beginning and end of year	\$ 8,012,548	\$ 7,985,687
Surplus for the year	333,239	442,132
Annual distributions to Moosomin First Nation	(333,239)	(442,132)
Capital gains overpayment recovery		26,861
	<u>                    </u>	<u>                    </u>
Balance at end of year	<u>\$ 8,012,548</u>	<u>\$ 8,012,548</u>
 <b>Revenue Fund</b>		
Balance at beginning of year	\$ (97,065)	\$ (97,065)
Net income for the year		
Realized capital gains (losses) for the year		
	<u>                    </u>	<u>                    </u>
Balance at end of year	<u>\$ (97,065)</u>	<u>\$ (97,065)</u>

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

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2016

## 15 Treaty Land Entitlement Trust

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

	<u>2016</u> (unaudited)	<u>2015</u> (unaudited)
<b>Capital Fund</b>		
Balance at beginning of year	\$ 6,334,316	\$ 6,991,330
Transfer of land to reserve status	NIL	(657,014)
Balance at end of year	<u>\$ 6,334,316</u>	<u>\$ 6,334,316</u>
<b>Revenue Fund</b>		
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>

Swanson Gryba & Company provided bookkeeping and income tax services for the TLE Trust, but external financial statements have not been prepared or reported on

The Capital Fund balance includes \$6,398,185 in Entitlement Land and Acquisition Costs, less \$13,256 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

On April 13, 2016, the first nation obtained a loan of \$250,000 from Innovation Credit Union. An unsecured, non-interest bearing advance of \$250,000 was given to Moosomin First Nation Economic Development Company Ltd., to fund its 50% share subscription payable to Western Alliance Tubulars Ltd. Western Alliance Tubulars Ltd. subsequently repaid its advances owed to Moosomin First Nation.

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2016

## 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, most of whom are in the business of farming.

## Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its long-term debt and its accounts payable.

## 20 Expenses by Type

	<u>2016</u>	<u>2015</u>
Administration fees	\$ 40,200	\$ 108,227
Amortization	1,129,566	1,035,014
Bad debts	54,105	6,992
Band member assistance	694,151	765,001
Honorarium and travel	490,179	426,096
Insurance	192,787	166,582
Interest and bank charges	36,378	81,742
Interest on long-term debt	99,647	59,499
Meetings		1,374
Office supplies	207,290	140,935
Professional fees	406,711	404,650
Repairs and maintenance	930,405	584,933
Telephone	36,285	39,775
Training	169,380	143,465
Tuition, student and living allowances	408,364	459,643
Utilities	182,735	145,884
Wages and employee benefits	4,134,491	4,015,174
Other	392,024	686,787
	<u>\$ 9,604,698</u>	<u>\$ 9,271,773</u>

MOOSOMIN FIRST NATIONNotes to the Consolidated Financial Statements  
March 31, 2016**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 NATION**

**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

**22 Segment Disclosure (continued)**

	<b>Education</b>			<b>Community Infrastructure</b>			<b>Band Government</b>		
	Budget	2016	2015	Budget	2016	2015	Budget	2016	2015
Federal Government	\$2,542,079	\$2,561,907	\$2,532,446	\$ 612,456	\$ 598,531	\$ 492,255	\$ 627,178	\$ 653,178	\$ 728,779
Tribal Council	63,882	131,524	47,981		10,000				
Other		18,444	16,523	68,600	37,705	11,333		192,171	774,707
<b>Total Revenues</b>	<b>2,605,961</b>	<b>2,711,875</b>	<b>2,596,950</b>	<b>681,056</b>	<b>646,236</b>	<b>503,588</b>	<b>627,178</b>	<b>845,349</b>	<b>1,503,486</b>
Administration	84,000	66,000	66,000				(60,000)	(66,000)	6,000
Amortization			20,545		978,109	97,915			
Bad debts								7,751	3,985
Band member assistance								939	9,162
Capital asset purchases									11,525
Honorarium & travel	9,000	15,645	5,251		1,783	1,046	20,400	53,686	73,264
Interest & bank charges							16,800	12,523	17,267
Interest on long term debt					2,402	3,163			
Material labour & sub trades	117,530	122,832	106,919	30,000	58,350	17,182			
Office supplies	97,622	122,509	77,519	37,980	18,570	15,049	75,124	44,962	24,406
Professional fees		5,127	940				70,000	170,830	116,580
Repairs & maintenance		175		72,600	115,302	77,390		54,659	54,170
Telephone				7,260	5,529	6,140	12,000	9,601	12,188
Training	1,000					4,130	5,000	18,473	3,646
Tuition student & living allowances	472,870	408,364	459,643						
Utilities				138,160	117,525	127,481		11,792	
Wages & employee benefits	1,782,902	1,855,877	1,818,725	274,300	332,098	273,502	445,139	574,989	480,000
Other					12,246	502		7,193	
<b>Total Expenses</b>	<b>2,564,924</b>	<b>2,596,529</b>	<b>2,555,542</b>	<b>560,300</b>	<b>1,641,914</b>	<b>623,500</b>	<b>584,463</b>	<b>901,398</b>	<b>812,193</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 41,037</b>	<b>\$ 115,346</b>	<b>\$ 41,408</b>	<b>\$ 120,756</b>	<b>\$ (995,678)</b>	<b>\$ (119,912)</b>	<b>\$ 42,715</b>	<b>\$ (56,049)</b>	<b>\$ 691,293</b>

**MOOSOMIN FIRST NATION**

**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

**22 Segment Disclosure (continued)**

	<u>Capital</u>			<u>Other</u>			<u>Treaty Land Entitlement</u>		
	<u>Budget</u>	<u>2016</u>	<u>2015</u>	<u>Budget</u>	<u>2016</u>	<u>2015</u>	<u>Budget</u>	<u>2016</u>	<u>2015</u>
Federal Government	\$ 358,395	\$1,778,592	\$3 017,628	\$	\$ 329 596	\$ 522,187	\$	\$	\$
Tribal Council		44,720			349 132	316 633			
Other		187,683	236,163		1,472,678	1,647,607			
<b>Total Revenues</b>	<b>358,395</b>	<b>2,010,995</b>	<b>3,253,791</b>	<b>NIL</b>	<b>2 151,406</b>	<b>2 486,427</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Administration		5 000			35 200	36,227			
Amortization			705,701		151,457	210,853			
Band member assistance					305,555	318,701			
Capital asset purchases		(196,815)							
Honorarium & travel		1,576	375		55,821	295,232			
Insurance	84 000	119 990	145 785		26 689	20,347			
Interest & bank charges		525	161		3,170	1 541			
Interest on long-term debt					97,245	56,336			
Material,labour & sub trades					120,686				
Meetings						1,374			
Office supplies		841			12,078	1,989			
Professional fees		101 683		83 682	12,441	228,286			
Repairs & maintenance	191 744	676 643	265 467		12,617	15,262			
Telephone					150				
Training					117,225	122,391			
Utilities		2,226	3 079		47,425	10,532			
Wages & employee benefits	65,000	327 884	445,599		391,429	595,129			
Other		9 000	300		54,848	11,762			
<b>Total Expenses</b>	<b>340 744</b>	<b>1 048,553</b>	<b>1,566,467</b>	<b>83,682</b>	<b>1 444 036</b>	<b>1,925 962</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 17,651</b>	<b>\$ 962 442</b>	<b>\$1,687,324</b>	<b>\$ (83,682)</b>	<b>\$ 707,370</b>	<b>\$ 560,465</b>	<b>\$ NIL</b>	<b>\$ NIL</b>	<b>\$ NIL</b>

**MOOSOMIN FIRST NATION**

Notes to the Consolidated Financial Statements  
March 31, 2016

**22 Segment Disclosure (continued)**

	<u>Specific Land Claims</u>			<u>Totals</u>		
	<u>Budget</u>	<u>2016</u>	<u>2015</u>	<u>Budget</u>	<u>2016</u>	<u>2015</u>
Federal Government	\$	\$	\$	\$4 140,108	\$ 5,921,804	\$ 7,293,295
Tribal Council				63 882	535 376	364 614
Other		1 624 361	4 105 871	68 600	3,533,042	6,792,204
Total Revenues	<u>NIL</u>	<u>1 624,361</u>	<u>4,105,871</u>	<u>4,272,590</u>	<u>9,990,222</u>	<u>14 450,113</u>
Administration				24,000	40,200	108,227
Amortization					1,129,566	1,035,014
Bad debts		46 354	3 007		54 105	6,992
Band member assistance		387,657	437,138		694,151	765,001
Capital asset purchases			8,312		(196,815)	19 837
Honorarium & travel		371,043	61,202	29 400	499,554	436,371
Insurance		46,108	450	84,000	192,787	166,582
Interest & bank charges		20 160	62,773	16,800	36,378	81,742
Interest on long term debt					99,647	59,499
Material labour & sub trades				147 530	301,868	124 100
Meetings						1 374
Office supplies		8 330	21 974	210 726	207,290	140,935
Professional fees		116 630	58,844	153 682	406,711	404,650
Repairs & maintenance		147,138	152,805	264,344	1,006,534	565 096
Telephone		21 005	21 447	19 260	36,285	39,775
Training		33,682	13,298	6,000	169 380	143 465
Tuition student & living allowances				472 870	408 364	459,643
Utilities		3 767	4,792	138 160	182,735	145,884
Wages & employee benefits		461,657	267,844	2 567,341	3 943 934	3,880 799
Other		308,737	674,223		392 024	686 787
Total Expenses	<u>NIL</u>	<u>1,972,268</u>	<u>1,788,109</u>	<u>4,134,113</u>	<u>9,604,698</u>	<u>9,271,773</u>
Annual Surplus (Deficit)	<u>\$ NIL</u>	<u>\$ (347,907)</u>	<u>\$2,317,762</u>	<u>\$ 138,477</u>	<u>\$ 385,524</u>	<u>\$ 5 178,340</u>