



**Moosomin First Nation**  
**Consolidated Financial Statements**  
*March 31, 2019*



# Moosomin First Nation

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*For the year ended March 31, 2019*

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## Management's Responsibility

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To the Members of Moosomin First Nation:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council are responsible for appointing of the Nation's external auditors.

MNP LLP is appointed by Chief and Council to audit the financial statements and report directly to the Members of Moosomin First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 19, 2019

Signed by: Chief Bradley Swiftwolfe

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Management

To the Members of Moosomin First Nation:

### **Opinion**

We have audited the consolidated financial statements of Moosomin First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter - Investment in Nation Business Entity**

We draw attention to Note 7 of the consolidated financial statements, which describes that a government business entity owned by the First Nation has made significant advances to an investee in which it holds a 50% interest. As addressed in the note, there is significant measurement uncertainty associated with these advances, which in turn creates measurement uncertainty concerning the valuation of the First Nation's investment in its government business entity. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

# Independent Auditor's Report

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## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan

July 19, 2019

*MNP* **LLP**  
Chartered Professional Accountants



**Moosomin First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2019*

	2019	2018
<b>Financial assets</b>		
<b>Current</b>		
Cash and cash equivalents	460,684	1,250,787
Restricted cash (Note 4)	9,641,454	5,902,745
Accounts receivable (Note 5)	456,193	292,775
Portfolio investments (Note 6)	1,011	1,011
Advances to business entity (Note 7)	72,824	72,824
<b>Subtotal of current assets</b>	<b>10,632,166</b>	<b>7,520,142</b>
<b>Investment in Nation business entity (Note 7)</b>	<b>4,509,609</b>	<b>1,400,651</b>
<b>Funds held in Ottawa Trust Fund (Note 8)</b>	<b>208,027</b>	<b>24,100</b>
<b>Total financial assets</b>	<b>15,349,802</b>	<b>8,944,893</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	1,982,719	1,308,359
Deferred revenue (Note 9)	9,210,551	4,917,797
Current portion of long-term debt (Note 10)	1,002,795	764,817
<b>Subtotal of current liabilities</b>	<b>12,196,065</b>	<b>6,990,973</b>
<b>Long-term debt (Note 10)</b>	<b>9,251,600</b>	<b>6,293,539</b>
<b>Total financial liabilities</b>	<b>21,447,665</b>	<b>13,284,512</b>
<b>Net debt</b>	<b>(6,097,863)</b>	<b>(4,339,619)</b>
<b>Contingent liabilities (Note 15)</b>		
<b>Subsequent events (Note 19)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 11)	53,582,167	49,870,325
Prepaid expenses	36,425	37,825
<b>Total non-financial assets</b>	<b>53,618,592</b>	<b>49,908,150</b>
<b>Accumulated surplus (Note 12)</b>	<b>47,520,729</b>	<b>45,568,531</b>
<b>Approved on behalf of Chief and Council</b>		
Signed by: Chief Bradley Swiftwolfe	Signed by: Tommy Lightfoot	
_____ Chief	_____ Councillor	



# Moosomin First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2019*

	2019 Budget (Note 13)	2019 Actual	2018 Actual
<b>Revenues</b>			
Indigenous Services Canada (Note 18)			
Flex	361,395	8,907,571	7,441,395
Fixed	4,411,320	4,651,217	4,140,993
Grant	514,664	514,664	515,221
Set	85,722	85,722	78,491
Funding recovered	-	(5,022)	-
Deferred revenue	250,000	(5,335,315)	(2,747,870)
	5,623,101	8,818,837	9,428,230
Other	486,946	1,034,839	816,595
Specific Land Claims Trust	846,000	758,592	851,147
Rental	312,440	619,262	575,045
First Nations Trust	580,000	583,313	586,048
Canada Mortgage and Housing Corporation	-	562,994	372,400
Revenue trust funds (Note 8)	425,000	443,927	279,260
Treaty 6 Education	347,706	348,746	360,296
Earnings (loss) from investment in Nation business entity (Note 7)	-	272,693	(48,850)
Battlefords Agency Tribal Chiefs Inc.	219,194	177,197	213,619
Battle River Treaty 6 Health Centre Inc.	164,020	162,321	161,703
Health Canada	160,050	160,050	191,674
SITAG	-	143,326	119,101
Contribution 10 new housing units (ISC)	-	-	2,250,000
CMHC RRAP	-	-	125,000
Gain on disposal of tangible capital assets	-	-	34,512
	9,164,457	14,086,097	16,315,780
<b>Program expenses</b>			
Band Government	743,175	852,678	948,338
Band Based Capital	611,395	748,612	516,124
Major Capital	-	101,046	98,733
Community Infrastructure	697,398	1,785,827	1,661,893
Education	3,353,246	3,660,201	3,296,501
Other	1,444,030	1,469,363	1,332,714
CMHC Rental Housing	-	973,394	862,383
Specific Land Claim	1,987,086	2,542,778	2,305,862
<b>Total expenses</b>	8,836,330	12,133,899	11,022,548
<b>Annual surplus</b>	328,127	1,952,198	5,293,232
<b>Accumulated surplus, beginning of year</b>	45,568,531	45,568,531	40,275,299
<b>Accumulated surplus, end of year</b>	45,896,658	47,520,729	45,568,531

The accompanying notes are an integral part of these consolidated financial statements



**Moosomin First Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 13)</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Annual surplus</b>	<b>328,127</b>	<b>1,952,198</b>	5,293,232
Purchases of tangible capital assets	-	<b>(5,343,379)</b>	(8,272,047)
Amortization of tangible capital assets	-	<b>1,631,537</b>	1,462,227
Gain on disposal of tangible capital assets	-	-	(34,512)
Proceeds on disposal of tangible capital assets	-	-	47,104
	-	<b>(3,711,842)</b>	(6,797,228)
Use of prepaid expenses	-	<b>1,400</b>	2,425
<b>Change in net debt</b>	<b>328,127</b>	<b>(1,758,244)</b>	(1,501,571)
<b>Net debt, beginning of year</b>	<b>(4,339,619)</b>	<b>(4,339,619)</b>	(2,838,048)
<b>Net debt, end of year</b>	<b>(4,011,492)</b>	<b>(6,097,863)</b>	(4,339,619)



**Moosomin First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2019*

	2019	2018
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	1,952,198	5,293,232
Non-cash items		
Amortization of tangible capital assets	1,631,537	1,462,227
Gain on disposal of tangible capital assets	-	(34,512)
Loss (earnings) from investment in Nation business entity	(272,693)	48,850
	3,311,042	6,769,797
Changes in working capital accounts		
Accounts receivable	(163,418)	(105,638)
Prepaid expenses	1,400	2,425
Funds held in Ottawa Trust Fund	(183,927)	159,740
Accounts payable and accruals	674,360	(499,083)
Deferred revenue	4,292,754	2,588,999
	7,932,211	8,916,240
<b>Financing activities</b>		
Advances of long-term debt	6,635,235	2,901,472
Repayment of long-term debt	(3,439,196)	(799,414)
	3,196,039	2,102,058
<b>Capital activities</b>		
Purchases of tangible capital assets	(5,343,379)	(8,272,047)
Proceeds on disposal of tangible capital assets	-	47,104
	(5,343,379)	(8,224,943)
<b>Investing activities</b>		
Advances to business entity	-	(72,824)
Contribution to business entity	(2,836,265)	(1,220,950)
	(2,836,265)	(1,293,774)
<b>Increase in cash resources</b>	2,948,606	1,499,581
<b>Cash resources, beginning of year</b>	7,153,532	5,653,951
<b>Cash resources, end of year</b>	10,102,138	7,153,532
<b>Cash resources are composed of:</b>		
Cash and cash equivalents	460,684	1,250,787
Restricted cash	9,641,454	5,902,745
	10,102,138	7,153,532
<b>Supplementary cash flow information</b>		
Interest paid	284,746	159,775



# Moosomin First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

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### 1. Operations

The Moosomin First Nation (the "First Nation") is located in Treaty 6 Territory, Canada, and provides various services to its Members. Moosomin First Nation includes the First Nation and all entities that are accountable to and are controlled by the First Nation.

### 2. Change in accounting policies

Effective April 1, 2018, the First Nation adopted the recommendations relating to the following Section, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 3430 Restructuring Transactions

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

### 3. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

#### **Reporting entity**

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Moosomin First Nation
- Moosomin First Nation C.M.H.C. Housing Projects

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in the segment schedules in order to present the results of operations for each specific segment.

Moosomin First Nation's business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Moosomin First Nation Economic Development Company Limited Partnership

#### **Basis of presentation**

Sources of revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

#### **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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.



# Moosomin First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

### 3. Significant accounting policies (Continued from previous page)

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for general operations is included in restricted cash. Restricted cash consists of CMHC Operating Reserve, CMHC Replacement Reserve, and capital project bank accounts.

#### **Portfolio investments**

Long-term investments in entities that are not owned or controlled by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

#### **Tangible capital assets**

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

The First Nation's original reserve land is not recognized in the consolidated financial statements.

#### **Amortization**

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<b>Method</b>	<b>Rate</b>
Arena	declining balance	5 %
Equipment	declining balance	25 %
Housing	declining balance	5 %
Housing (CMHC)	straight-line	20-25 years
Infrastructure	declining balance	5 %

Land and assets under construction are not amortized.

#### **Funds held in trust**

Funds held in trust on behalf of the First Nation's Members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

#### **Liability for contaminated site**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2019.

There are no known liabilities at March 31, 2019.



# Moosomin First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

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### 3. Significant accounting policies *(Continued from previous page)*

#### **Net debt**

The First Nation's consolidated 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 financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

#### **Revenue recognition**

##### *Funding*

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

##### *Government Transfers*

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

##### *Contributed tangible capital assets*

Contributions of tangible capital assets are recognized at fair value at the date of contribution. Fair value is estimated using market or appraisal values.

##### *Other revenues*

Rental and lease revenue is recognized over the rental term. Other revenue is recognized as it becomes receivable or when it is earned. Revenues from Specific Land Claims Trust are recognized when they become receivable based on the terms of the Trust Agreement.

#### **Use of estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

##### *Investment in government business entity*

The First Nation has made significant contributions to a Nation business entity. The valuation of the First Nation's investment in this business entity is subject to measurement uncertainty due to advances made by this entity to another company in which it holds a 50% interest. See Note 7.

#### **Segments**

The First Nation conducts its business through 8 reportable segments (Note 16). These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

#### **Other economic interests**

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been included in these consolidated financial statements.



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

**4. Restricted cash**

	<b>2019</b>	<b>2018</b>
New school project	<b>8,459,641</b>	1,733,494
CMHC replacement reserve	<b>432,154</b>	418,942
CMHC operating reserve	<b>411,522</b>	431,487
Lagoon upgrade project	<b>233,352</b>	1,811,910
Sewage pump project	<b>55,090</b>	103,401
Band development	<b>46,196</b>	23,545
Wind energy project	<b>3,499</b>	31,265
Green house project	-	1,000,000
School flood damage project	-	348,701
	<b>9,641,454</b>	5,902,745

**5. Accounts receivable**

	<b>2019</b>	<b>2018</b>
Members	<b>242,783</b>	203,241
1909 Surrender Trust - 2018 income	<b>180,266</b>	-
Other	<b>100,332</b>	148,990
Battlefords Agency Tribal Chiefs Inc.	<b>82,775</b>	8,215
Canada Mortgage and Housing Corporation	<b>44,047</b>	47,051
Health Canada	<b>35,000</b>	35,000
SITAG	<b>16,848</b>	53,069
	<b>702,051</b>	495,566
Less: Allowance for doubtful accounts	<b>245,858</b>	202,791
	<b>456,193</b>	292,775

**6. Portfolio investments**

	<b>2019</b>	<b>2018</b>
BATC Investments Ltd. - 10 Class A common shares - 20% ownership	<b>10</b>	10
BATC Investments Limited Partnership - 1,000 units - 20% ownership	<b>1,000</b>	1,000
BATC Land Holdings Ltd. - 25 Class A common shares - 20% ownership	<b>1</b>	1
	<b>1,011</b>	1,011



# Moosomin First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 7. Investment in Nation business entity

The First Nation has an investment in the following entity:

	<i>Beginning of year</i>	<i>Contributions</i>	<i>Share of earnings (loss)</i>	<i>2019 Total investment</i>
<b>Moosomin First Nation Economic Development Company Limited Partnership</b>	<b>1,400,651</b>	<b>2,836,265</b>	<b>272,693</b>	<b>4,509,609</b>

Summary financial information for the First Nation business entity, accounted for using the modified equity method, for its December 31, 2018 year-end is as follows:

	<i>As at December 31, 2018</i>
<b>Assets</b>	
Current	83,799
Investments	306,245
Loans receivable from Western Alliance Tubulars Inc.	3,969,280
Dividends and interest receivable from Western Alliance Tubulars	236,979
Property, plant and equipment	10,120
<b>Total assets</b>	<b>4,606,423</b>
<b>Liabilities</b>	
Current	96,814
<b>Total liabilities</b>	<b>96,814</b>
<b>Net assets</b>	<b>4,509,609</b>
<b>Total revenue</b>	<b>1,793,621</b>
<b>Total expenses</b>	<b>1,520,928</b>
<b>Net income</b>	<b>272,693</b>

During the year Moosomin First Nation contributed \$2,836,265 (2018 - \$1,220,950) to its business entity. These contributions were financed through a revolving loan (see Note 10).

The business entity advanced the majority of these contributions to Western Alliance Tubulars Inc. (the "Company"), an investee in which it holds a 50% interest. The advances were to assist the Company to finance its accounts receivables and inventory. The advances are unsecured, with no fixed terms for repayment. Although there are no agreed formal terms for interest on the advances, the Company has accrued interest payable at Bank of Canada prime interest rate plus 2.5%.

At December 31, 2018 the balances due to the Nation's business entity from the Company were \$3,969,280 of loans receivable and \$236,979 of dividends and interest receivable.

The Company supplies and manufactures products for the oil and gas industry. The assessment of the collectability of the advances to the Company requires management of the Nation's business entity to make a number of significant estimates and assumptions, taking into consideration the information available to them about the Company's collections of outstanding receivables and its expected future sales based on orders in hand. These estimates and assumptions include expected future economic performance in the Company's markets and its effect on demand, foreign exchange rates, and collectability of the Company's accounts receivables; the potential for tariffs to affect sources of supply and markets for finished products; the potential impact of environmental activism on the oil and gas industry, etc. If it is determined that the Nation business entity is unlikely to recover the full amount of advances made, an appropriate allowance for uncollectable amounts will be recorded. At March 31, 2019 no allowance has been made.

Included in current liabilities are advances of \$72,824 due to Moosomin First Nation.



# Moosomin First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

### 8. Funds held in Ottawa Trust Fund

Revenue Trust monies are transferred to the First Nation on the authorization of Chief and Council, with the consent of the Minister of Indigenous Services Canada.

	2019	2018
<b>Revenue Trust</b>		
Balance, beginning of year	24,100	183,840
Interest	1,897	1,187
Land leases	442,030	278,073
	<b>468,027</b>	463,100
Less: Transfers to Nation	260,000	439,000
Balance, end of year	208,027	24,100

### 9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Beginning balance</i>	<i>Contributions received (transfers to other projects)</i>	<i>Contributions utilized (repaid)</i>	<i>Ending balance</i>
ISC - New school	1,733,494	8,330,764	1,605,146	8,459,112
ISC - 10 units 18-19	-	400,000	129,374	270,626
Specific Claims - minors	272,750	-	42,561	230,189
ISC - Moosomin Saulteaux Lagoon	1,219,144	11,251	1,038,361	192,034
ISC - Sewage Pumping Station	42,892	(9,201)	2,659	31,032
ISC - Fire Truck and Fire Hall	47,715	-	23,655	24,060
ISC - Wind Energy	31,265	20,362	48,129	3,498
ISC - Greenhouse project	1,000,000	-	1,000,000	-
ISC - School Flood	320,537	(315,537)	5,000	-
ISC - Repairs 10 units 17-18	250,000	-	250,000	-
	<b>4,917,797</b>	<b>8,437,639</b>	<b>4,144,885</b>	<b>9,210,551</b>

Amounts deferred in the previous year for ISC - Greenhouse project were repaid to the funder during the year and have not been utilized.



# Moosomin First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

### 10. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

Phase	Monthly payment including interest	Interest rate	Renewal date	2019	2018
I	1,851	1.12%	1-Feb-2020	144,357	164,834
II	1,494	1.92%	1-May-2019	160,580	175,283
III	3,893	1.31%	1-Dec-2021	344,110	386,030
IV	2,714	1.85%	1-Aug-2019	303,915	330,608
V	6,033	1.14%	1-Jun-2021	822,171	884,825
VI	8,420	1.13%	1-Jul-2021	1,162,815	1,250,204
VII	3,442	1.86%	1-Aug-2022	490,257	522,150
VIII	7,021	1.97%	1-Dec-2022	1,014,544	1,078,206
IX	8,916	2.22%	1-Jan-2024	1,352,032	-
				<b>5,794,781</b>	<b>4,792,140</b>
Innovation Credit Union revolving loan (up to \$4,000,000 authorized), repayable in quarterly instalments of \$136,470 including interest at Innovation Credit Union Prime (3.95%) plus 2.5%, maturing December 2028, secured by general security agreement, assignment of gaming revenue, funding agreement advances and Ottawa Revenue Trust land revenue				<b>3,866,886</b>	-
Innovation Credit Union consolidation loan, repayable in quarterly instalments of \$73,290 including interest at 5.4%, due July 2020, secured by property and assignment of specified revenues				<b>333,898</b>	664,362
Catholic Diocese unsecured loan, repayable in yearly payments of \$39,800 including interest at 3%, maturing June 2021				<b>113,489</b>	148,824
Innovation Credit Union Western Alliance loan, repayable in quarterly instalments of \$14,151 including interest at Innovation Credit Union Prime (3.95%) plus 2.70%, due April 2021, secured by property and assignment of specified revenues				<b>112,119</b>	171,179
Ford Finance loan, repayable in monthly instalments of \$944 including interest at 6.29%, maturing June 2022, secured by a garbage truck with net book value of \$31,805				<b>33,222</b>	42,153
Innovation Credit Union revolving loan - refinanced during the year				-	1,218,497
Innovation Credit Union mulcher loan - repaid during the year				-	16,979
Caterpillar Finance loan - repaid during the year				-	4,222
				<b>10,254,395</b>	<b>7,058,356</b>
Less: current portion				<b>1,002,795</b>	<b>764,817</b>
				<b>9,251,600</b>	<b>6,293,539</b>



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**10. Long-term debt** *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed at similar terms and rates, are estimated as follows:

2020	1,002,795
2021	975,314
2022	861,034
2023	836,804
2024	878,710



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

**11. Tangible capital assets**

**For the year ended March 31, 2019**

	Cost				Accumulated Amortization				2019
	Opening	Disposals	Ending		Opening	Current	Ending		
	balance	Additions and Transfers	balance		balance	amortization	Disposals	balance	Net book value
Arena	2,655,571	-	-	2,655,571	1,817,883	41,884	-	1,859,767	795,804
Equipment	2,815,088	-	-	2,815,088	2,268,330	136,689	-	2,405,019	410,069
Housing	15,140,669	1,375,220	-	16,515,889	5,429,158	788,315	-	6,217,473	10,298,416
Infrastructure	19,488,300	-	1,805,223	21,293,523	8,000,536	664,649	-	8,665,185	12,628,338
Assets under construction	10,266,755	3,968,159	(1,805,223)	12,429,691	-	-	-	-	12,429,691
Purchased land	17,019,849	-	-	17,019,849	-	-	-	-	17,019,849
	67,386,232	5,343,379	-	72,729,611	17,515,907	1,631,537	-	19,147,444	53,582,167

**For the year ended March 31, 2018**

	Cost				Accumulated Amortization				2018
	Opening		Disposals	Ending	Opening	Current	Ending		
	balance	Additions	and Transfers	balance	balance	amortization	Disposals	balance	Net book value
Arena	2,655,571	-	-	2,655,571	1,773,794	44,089	-	1,817,883	837,688
Equipment	2,746,623	68,465	-	2,815,088	2,097,484	170,846	-	2,268,330	546,758
Housing	11,184,919	3,989,446	(33,696)	15,140,669	4,804,553	645,709	(21,104)	5,429,158	9,711,511
Infrastructure	18,701,054	123,612	663,634	19,488,300	7,398,953	601,583	-	8,000,536	11,487,764
Assets under construction	6,893,565	4,036,824	(663,634)	10,266,755	-	-	-	-	10,266,755
Purchased land	16,966,149	53,700	-	17,019,849	-	-	-	-	17,019,849
	59,147,881	8,272,047	(33,696)	67,386,232	16,074,784	1,462,227	(21,104)	17,515,907	49,870,325



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

**12. Accumulated surplus**

Accumulated surplus consists of the following:

	2019	2018
Operating	(1,812,624)	(243,200)
Capital assets	47,640,675	44,866,051
Commercial	530,604	10,975
CMHC operating reserve	385,888	410,566
CMHC replacement reserve	568,159	500,039
Ottawa Trust Fund	208,027	24,100
	<b>47,520,729</b>	<b>45,568,531</b>

**13. Budget information**

The disclosed budget information was approved by Chief and Council in June 2018. The First Nation did not budget for SITAG, CMHC or capital projects. Budgets for capital projects are prepared as applications for funding are submitted.

**14. Funds and reserves**

The Moosomin First Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration.
- Capital Asset Fund reports on the capital assets and projects of the First Nation.
- Commercial Fund reports on commercial business operations owned by the First Nation.
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under the Program.
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses.
- Ottawa Trust Fund reports on trust moneys owned by the First Nation and held by the Government of Canada.

**15. Contingent liabilities**

- a) The First Nation has obtained legal counsel to represent them in various claims against the Government of Canada. Fees relating to these claims have not been invoiced. It is expected that any fees relating to these claims will be invoiced when the claim is resolved and will be paid from settlement proceeds.
- b) These consolidated financial statements are subject to review by the First Nation's funders. It is possible that adjustments could be made based on the results of their reviews.
- c) The First Nation has been named as a defendant in lawsuits on behalf of former employees concerning alleged wrongful dismissal. As litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or estimate the loss, if any, which may result.



# Moosomin First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2019*

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### 16. Segments

The First Nation has 8 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

- Band Government - includes administration and governance activities.
- Band Based Capital - reports on repairs and maintenance of infrastructure.
- Major Capital - reports on major capital projects.
- Community Infrastructure - includes operations for the maintenance of the Nation's buildings and infrastructure.
- Education - includes the operations of education programs.
- Other - reports on operations of other programs.
- CMHC Rental Housing - reports on Canada Mortgage and Housing Corporation rental housing.
- Specific Land Claims - provides for the management of a specific land claims trust and the annual income allocation to the First Nation.

### 17. Economic dependence

Moosomin First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with Her Majesty the Queen. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

### 18. Indigenous Services Canada Reconciliation

ISC funding per confirmation	14,159,174
Add: Deferred revenue, beginning	4,645,047
Deduct: Deferred revenue, ending	(8,980,362)
Deduct: Green house funding repaid - not recognized as revenue	(1,000,000)
Deduct: Funding recovered	(5,022)
	<hr/>
	8,818,837

### 19. Subsequent events

During the year, the First Nation entered into a 10 year grant funding agreement with Indigenous Services Canada. The agreement took effect April 1, 2019 and reduces the amount of reporting to Indigenous Services Canada.

The First Nation also created an education authority and withdrew from membership of Treaty Six Education Council effective April 1, 2019.



**Moosomin First Nation**  
**Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
Salaries and benefits	<b>3,719,032</b>	3,443,462
Amortization of tangible capital assets	<b>1,631,537</b>	1,462,227
Repairs and maintenance	<b>1,308,692</b>	1,147,345
Contracted services	<b>996,266</b>	934,501
Student allowance	<b>831,293</b>	653,061
Member assistance	<b>820,236</b>	844,634
Travel, meetings and honoraria	<b>616,804</b>	630,494
Professional fees	<b>370,587</b>	360,382
Interest on long-term debt	<b>307,499</b>	160,351
Supplies	<b>279,982</b>	334,976
Other	<b>246,664</b>	291,488
Utilities	<b>244,236</b>	221,207
Insurance	<b>222,326</b>	239,901
Workshops and training	<b>188,001</b>	122,700
Pow wow	<b>115,000</b>	-
Band contribution for CMHC rent	<b>109,000</b>	97,909
Administration	<b>64,338</b>	53,889
Bad debts	<b>40,000</b>	-
Bank charges and interest	<b>22,406</b>	24,021
	<b>12,133,899</b>	11,022,548



**Moosomin First Nation  
Band Government**

**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Indigenous Services Canada	<b>1,099,906</b>	951,447
Other	<b>29,887</b>	8,973
	<b>1,129,793</b>	960,420
<b>Expenses</b>		
Salaries and benefits	<b>420,719</b>	498,157
Professional fees	<b>249,088</b>	264,767
Travel, meetings and honoraria	<b>50,253</b>	53,417
Contracted services	<b>52,093</b>	74,609
Supplies	<b>35,694</b>	41,407
Workshops and training	<b>11,166</b>	848
Utilities	<b>12,895</b>	12,928
Administration	<b>11,200</b>	(66,000)
Bank charges and interest	<b>8,020</b>	10,817
Repairs and maintenance	<b>1,550</b>	57,388
	<b>852,678</b>	948,338
<b>Annual surplus before transfers</b>	<b>277,115</b>	12,082
<b>Transfers between programs</b>	<b>(10,000)</b>	4,500
<b>Annual surplus</b>	<b>267,115</b>	16,582



**Moosomin First Nation**  
**Band Based Capital**

**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Indigenous Services Canada	<b>746,942</b>	487,151
Other	-	28,000
	<b>746,942</b>	515,151
<b>Expenses</b>		
Repairs and maintenance	<b>651,436</b>	354,951
Insurance	<b>97,176</b>	120,218
Salaries and benefits	-	40,000
Travel, meetings and honoraria	-	478
Utilities	-	477
	<b>748,612</b>	516,124
<b>Annual deficit</b>	<b>(1,670)</b>	(973)



**Moosomin First Nation**  
**Major Capital**

**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Indigenous Services Canada	<b>2,685,311</b>	4,192,799
Other	<b>72,523</b>	84,491
Contribution 10 new housing units (ISC)	-	2,250,000
	<b>2,757,834</b>	6,527,290
<b>Expenses</b>		
Repairs and maintenance	<b>79,443</b>	71,068
Travel, meetings and honoraria	<b>11,457</b>	-
Professional fees	<b>8,302</b>	27,665
Workshops and training	<b>1,844</b>	-
	<b>101,046</b>	98,733
<b>Annual surplus before transfers</b>	<b>2,656,788</b>	6,428,557
<b>Transfers between programs</b>	<b>10,000</b>	-
<b>Annual surplus</b>	<b>2,666,788</b>	6,428,557



**Moosomin First Nation  
Community Infrastructure**

**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Indigenous Services Canada	<b>639,668</b>	555,585
Other	<b>10,000</b>	-
Battlefords Agency Tribal Chiefs Inc.	<b>3,515</b>	12,028
	<b>653,183</b>	567,613
<b>Expenses</b>		
Amortization of tangible capital assets	<b>1,053,137</b>	955,128
Contracted services	<b>165,443</b>	209,531
Salaries and benefits	<b>190,388</b>	178,845
Utilities	<b>183,674</b>	147,610
Repairs and maintenance	<b>153,651</b>	132,116
Supplies	<b>31,862</b>	36,376
Travel, meetings and honoraria	<b>7,075</b>	2,287
Workshops and training	<b>597</b>	-
	<b>1,785,827</b>	1,661,893
<b>Annual deficit</b>	<b>(1,132,644)</b>	(1,094,280)



# Moosomin First Nation Education

## Schedule of Segment Revenues and Expenses and Surplus (Deficit)

*For the year ended March 31, 2019*

	2019	2018
<b>Revenues</b>		
Indigenous Services Canada	3,647,010	3,234,248
Treaty 6 Education	348,746	360,296
Other	5,100	16,615
	<b>4,000,856</b>	<b>3,611,159</b>
<b>Expenses</b>		
Salaries and benefits	2,418,225	2,041,658
Student allowance	605,517	512,005
Contracted services	357,683	340,730
Supplies	178,249	241,433
Travel, meetings and honoraria	56,546	50,524
Workshops and training	24,775	5,798
Professional fees	19,206	1,556
Repairs and maintenance	-	16,417
Administration	-	66,000
Amortization of tangible capital assets	-	20,380
	<b>3,660,201</b>	<b>3,296,501</b>
<b>Annual surplus</b>	<b>340,655</b>	<b>314,658</b>



# Moosomin First Nation Other

## Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019	2018
<b>Revenues</b>		
Indigenous Services Canada	-	7,000
Other	644,886	484,329
First Nations Trust	583,313	586,048
Revenue trust funds	443,927	279,260
Rental	375,977	362,045
Earnings (loss) from investment in Nation business entity	272,693	(48,850)
Battle River Treaty 6 Health Centre Inc.	162,321	161,703
Battlefords Agency Tribal Chiefs Inc.	160,688	201,591
Health Canada	160,050	191,674
SITAG	143,326	119,101
Canada Mortgage and Housing Corporation	-	25,000
Gain on disposal of tangible capital assets	-	34,512
	<b>2,947,181</b>	<b>2,403,413</b>
<b>Expenses</b>		
Contracted services	296,642	220,833
Other	246,664	192,090
Interest on long-term debt	186,833	72,315
Salaries and benefits	173,549	241,993
Workshops and training	142,528	116,054
Pow wow	115,000	-
Repairs and maintenance	114,076	102,237
Member assistance	75,702	194,823
Travel, meetings and honoraria	73,164	118,150
Utilities	12,309	13,032
Administration	11,573	18,109
Insurance	7,869	27,335
Professional fees	7,702	10,500
Supplies	4,819	4,625
Bank charges and interest	933	618
	<b>1,469,363</b>	<b>1,332,714</b>
<b>Annual surplus before transfers</b>	<b>1,477,818</b>	<b>1,070,699</b>
<b>Transfers between programs</b>	<b>(652,336)</b>	<b>(1,061,971)</b>
<b>Annual surplus</b>	<b>825,482</b>	<b>8,728</b>



**Moosomin First Nation**  
**CMHC Rental Housing**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Canada Mortgage and Housing Corporation	<b>562,994</b>	347,400
Rental	<b>243,285</b>	213,000
CMHC RRAP	-	125,000
	<b>806,279</b>	685,400
<b>Expenses</b>		
Amortization of tangible capital assets	<b>578,400</b>	486,719
Repairs and maintenance	<b>121,342</b>	233,659
Interest on long-term debt	<b>115,321</b>	59,435
Insurance	<b>52,768</b>	37,570
Administration	<b>41,565</b>	35,780
Professional fees	<b>10,597</b>	9,220
Salaries and benefits	<b>49,475</b>	-
Travel, meetings and honoraria	<b>3,476</b>	-
Utilities	<b>450</b>	-
	<b>973,394</b>	862,383
<b>Annual deficit</b>	<b>(167,115)</b>	(176,983)



**Moosomin First Nation**  
**Specific Land Claim**

**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2019*

	2019	2018
<b>Revenues</b>		
Specific Land Claims Trust	758,592	851,147
Other	272,443	194,187
Battlefords Agency Tribal Chiefs Inc.	12,994	-
	<b>1,044,029</b>	<b>1,045,334</b>
<b>Expenses</b>		
Member assistance	744,534	649,811
Salaries and benefits	466,676	442,809
Travel, meetings and honoraria	414,833	405,638
Student allowance	225,776	141,056
Repairs and maintenance	187,194	179,509
Contracted services	124,405	88,798
Band contribution for CMHC rent	109,000	97,909
Professional fees	75,692	46,674
Insurance	64,513	54,778
Bad debts	40,000	-
Utilities	34,908	47,160
Supplies	29,358	11,135
Bank charges and interest	13,453	12,586
Workshops and training	7,091	-
Interest on long-term debt	5,345	28,601
Other	-	99,398
	<b>2,542,778</b>	<b>2,305,862</b>
<b>Annual deficit before transfers</b>	<b>(1,498,749)</b>	<b>(1,260,528)</b>
<b>Transfers between programs</b>	<b>652,336</b>	<b>1,057,471</b>
<b>Annual deficit</b>	<b>(846,413)</b>	<b>(203,057)</b>