



**Ministikwan Lake Cree Nation**  
**Consolidated Financial Statements**  
*March 31, 2018*



# Ministikwan Lake Cree Nation

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*For the year ended March 31, 2018*

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To the Members of Ministikwan Lake Cree Nation:

Management is responsible for the preparation and presentation of the accompanying consolidated 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 consolidated financial statements, management is responsible for the design and maintenance of 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 consolidated financial statements.

The Ministikwan Lake Cree Nation Council is composed entirely of individuals who are neither management nor employees of the Cree Nation. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for appointing the Cree Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and report directly to the Members of Ministikwan Lake Cree 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.

May 17, 2019

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Management

## Independent Auditors' Report

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To the Members of Ministikwan Lake Cree Nation:

We were engaged to audit the accompanying consolidated financial statements of Ministikwan Lake Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated 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 conducting the audit in accordance with Canadian generally accepted auditing standards. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### *Basis for Disclaimer of Opinion*

Our audit indicated serious deficiencies in the accounting records and in the system of internal controls of Ministikwan Lake Cree Nation. As a consequence, we were unable to satisfy ourselves that all expenditures of Ministikwan Lake Cree Nation were proper and authorised and all revenues have been recorded and classified properly. As a result, we were unable to determine whether adjustments were required in respect of recorded or unrecorded assets and liabilities and the components making up the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows. The Nation's statement of operations and accumulated surplus and change in net debt do not present a comparison of the results of the accounting period with those originally planned (a budget) for all significant segments, which constitutes a departure from Canadian public sector accounting standards.

### *Disclaimer of Opinion*

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements.

Saskatoon, Saskatchewan

May 17, 2019

*MNP LLP*

Chartered Professional Accountants



# Ministikwan Lake Cree Nation

## Consolidated Statement of Financial Position

As at March 31, 2018

	2018	2017
<b>Financial assets</b>		
<b>Current</b>		
Cash	255,631	554,182
Restricted cash (Note 4)	4,063,882	722,730
Accounts receivable (Note 5)	1,086,416	516,960
	5,405,929	1,793,872
<b>Restricted deposits (Note 6)</b>	22,378	167,317
<b>Portfolio Investments (Note 7)</b>	942	942
<b>Funds held in trust (Note 8)</b>	94,180	260,026
<b>Total financial assets</b>	5,523,429	2,222,157
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 9)	658,826	158,981
Accounts payable and accruals (Note 10)	1,599,288	1,880,303
Deferred revenue (Note 11)	4,566,268	1,030,287
Current portion of long-term debt (Note 12)	460,303	455,720
	7,284,685	3,525,291
<b>Long-term debt (Note 12)</b>	4,023,599	4,448,714
<b>Total financial liabilities</b>	11,308,284	7,974,005
<b>Net debt</b>	(5,784,855)	(5,751,848)
<b>Commitment (Note 13)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	29,967,101	30,034,466
Prepaid expenses	-	71,060
<b>Total non-financial assets</b>	29,967,101	30,105,526
<b>Accumulated surplus (Note 14)</b>	24,182,246	24,353,678

### Approved on behalf of the Council

Signed by: Chief Leslie Crookedneck

Chief

Signed by: Gabe Alexan

Councillor

Signed by: Bryan Crookedneck

Signed by: Rose Ahenakew



# Ministikwan Lake Cree Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2018*

	<i>Schedules</i>	<b>2018 Budget (Note 16)</b>	<b>2018 Actual</b>	<i>2017 Actual</i>
<b>Revenue</b>				
Indigenous Services Canada (Note 17)		-	6,354,767	8,234,491
MLTC Program Services Inc.		-	3,142,053	3,923,272
Meadow Lake Health and Social Development Authority Inc.		-	1,104,523	1,062,190
Health Canada (Note 18)		-	256,702	669,072
Canada Mortgage and Housing Corporation		-	454,772	381,461
Meadow Lake Child and Family Services Inc.		-	268,555	268,555
First Nations Trust		-	436,565	430,431
Other		-	498,808	175,230
Northern Lights Community Development Corporation		-	26,500	127,482
Insurance income		-	89,510	-
Revenue trust funds		-	24,053	16,195
Rental income		-	8,931	57,121
		-	12,665,739	15,345,500
<b>Program expenses</b>				
Administration	3	-	1,066,409	1,098,741
Capital	4	-	1,034,278	1,465,336
Community Infrastructure	5	-	2,343,954	1,931,810
Economic Development	6	-	86,641	158,056
Education	7	-	3,373,201	3,370,401
Health	8	-	1,673,197	1,887,253
Other Programs	9	-	210,808	835,045
Reserves and Trusts	10	-	9,759	9,618
Social Assistance	11	-	3,038,924	3,498,534
		-	12,837,171	14,254,794
<b>Annual surplus (deficit)</b>		-	(171,432)	1,090,706
<b>Accumulated surplus, beginning of year</b>		24,353,678	24,353,678	23,262,972
<b>Accumulated surplus, end of year (Note 14)</b>		24,353,678	24,182,246	24,353,678

The accompanying notes are an integral part of these financial statements



# Ministikwan Lake Cree Nation

## Consolidated Statement of Changes in Net Debt

*For the year ended March 31, 2018*

	<b>2018 Budget (Note 16)</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>Annual surplus (deficit)</b>	-	<b>(171,432)</b>	1,090,706
Purchases of tangible capital assets	-	<b>(1,362,236)</b>	(2,874,455)
Amortization of tangible capital assets	-	<b>1,429,601</b>	1,390,776
Acquisition of prepaid expenses	-	-	(71,060)
Use of prepaid expenses	-	<b>71,060</b>	-
<b>Increase in net debt</b>	-	<b>(33,007)</b>	(464,033)
<b>Net debt, beginning of year</b>	<b>(5,751,848)</b>	<b>(5,751,848)</b>	(5,287,815)
<b>Net debt, end of year</b>	<b>(5,751,848)</b>	<b>(5,784,855)</b>	(5,751,848)

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



# Ministikwan Lake Cree Nation

## Consolidated Statement of Cash Flows

For the year ended March 31, 2018

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	(171,432)	1,090,706
Non-cash items		
Amortization	1,429,601	1,390,776
	<b>1,258,169</b>	<b>2,481,482</b>
Changes in working capital accounts		
Accounts receivable	(569,456)	121,952
Prepaid expenses	71,060	(71,060)
Accounts payable and accruals	(281,015)	808,302
Deferred revenue	3,535,981	399,427
	<b>4,014,739</b>	<b>3,740,103</b>
<b>Financing activities</b>		
Repayment of long-term debt	(420,532)	(632,742)
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,362,236)	(2,874,455)
<b>Investing activities</b>		
Increase in restricted cash	(3,341,152)	(83,252)
Decrease in restricted deposits	144,939	202,241
Change in funds held in trust	165,846	113,805
	<b>(3,030,367)</b>	<b>232,794</b>
<b>Increase (decrease) in cash resources</b>	<b>(798,396)</b>	<b>465,700</b>
<b>Cash resources (deficiency), beginning of year</b>	<b>395,201</b>	<b>(70,499)</b>
<b>Cash resources (deficiency), end of year</b>	<b>(403,195)</b>	<b>395,201</b>
<b>Cash resources are composed of:</b>		
Cash	255,631	554,182
Bank indebtedness	(658,826)	(158,981)
	<b>(403,195)</b>	<b>395,201</b>





# Ministikwan Lake Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2018*

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### 1. Operations

The Ministikwan Lake Cree Nation (the "Cree Nation") is located in the Province of Saskatchewan, and provides various services to its members. The Ministikwan Lake Cree Nation financial reporting entity includes the Cree Nation's operations and all related entities that are accountable to the Nation and are either owned or controlled by the Cree Nation.

### 2. Change in accounting policies

Effective April 1, 2017, the Cree Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights
- PS 3420 Inter-entity 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 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 consolidated***

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

The Cree Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- |   |               |
|---|---------------|
| • Ministikwan Lake Cree Nation CMHC Housing Authority | 100% interest |
| • Island Lake Development Corporation                 | 100% interest |

#### ***Other economic interests***

The Cree Nation is a member of Meadow Lake Tribal Council (MLTC). The Tribal Council is an organization of nine Nations. The Cree Nation does not either share in the control or the profit or loss of MLTC. As a result, the financial statements of MLTC have not been included in the financial statements of Ministikwan Lake Cree Nation.

#### ***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes 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.

#### ***Cash resources***

Cash include balances with banks less outstanding cheques. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### ***Portfolio investments***

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



## Ministikwan Lake Cree Nation

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

#### **Funds held in Trust**

Funds held in trust on behalf of Cree Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position. Trust moneys consist of:

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

#### **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.

#### **Amortization**

Tangible capital assets are amortized annually 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>
Buildings	straight-line	40 years
Houses	straight-line	40 years
Equipment	straight-line	10 years
Computers	straight-line	10 years
Vehicles and machinery	straight-line	4 years
Infrastructure	straight-line	50 years
Roads	straight-line	25 years
Trailers	straight-line	10 years

Construction in progress is not amortized until put into use. Land is not amortized.

#### **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.

#### **Net debt**

The Cree Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Cree Nation is determined by its 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 are reflected as deferred revenue on the statement of financial position in the year of receipt.

##### Government transfers

The Cree 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 Cree Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.



## Ministikwan Lake Cree Nation

### Notes to the Consolidated Financial Statements

*For the year ended March 31, 2018*

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

##### Rental income

Income associated with the rental of homes to members is recorded monthly when rental amounts are measurable and collection is reasonably assured.

##### Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when received. These moneys are reported on by the Government of Canada.

##### Investment income

Investment income is recognized when earned and collection is reasonably assured.

##### **Segments**

The Cree Nation conducts its business through 9 reportable segments:

- Administration - includes administration and governance activities.
- Capital - includes capital projects and the operations and maintenance of all on-reserve housing.
- Community Infrastructure - includes the operations and maintenance of the Cree Nation's buildings and infrastructure.
- Economic Development - includes the activities of the Cree Nation's economic development initiatives and its business entities.
- Education - includes the operations of education programs.
- Health - includes the operations of health and community wellness programming.
- Other Programs - includes all other band activities of the Cree Nation.
- Reserves and Trusts - includes the activities for the Cree Nations's membership and land development.
- Social Assistance - includes all activities relating to income assistance for membership.

For each reported segment, revenue 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. Inter program administration fees have been recorded based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the significant accounting policies.

##### **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 revenue and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after an assessment as to their collectability has been made and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful life of the tangible capital assets.



# Ministikwan Lake Cree Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

#### Liability for contaminated sites

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 Cree 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, 2018.

At each financial reporting date, the Cree Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Cree Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. No liability has been recorded at March 31, 2018.

### 4. Restricted cash

Restricted cash represents cash managed by project managers for the purpose of paying costs associated with the capital projects for the Cree Nation.

### 5. Accounts receivable

	2018	2017
Indigenous Services Canada	692,883	4,231
Canada Mortgage and Housing Corporation	284,260	29,301
Members	280,550	287,610
AFN Insurance Brokers Inc.	89,510	-
Meadow Lake Tribal Council	17,000	347,276
Health Canada	-	8,747
AIG Insurance Company of Canada	-	68,423
Northern Lights Community Development Corporation	-	49,159
	<b>1,364,203</b>	<b>794,747</b>
Provision for uncollectible amounts	<b>(277,787)</b>	<b>(277,787)</b>
	<b>1,086,416</b>	<b>516,960</b>

### 6. Restricted deposits

The restricted deposits consist of guaranteed investment certificates held for the purpose of funding the CMHC replacement and operating reserves.

	2018	2017
Replacement reserve	22,378	99,233
Operating reserve	-	68,084
	<b>22,378</b>	<b>167,317</b>



# Ministikwan Lake Cree Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

### 7. Portfolio investments

	2018	2017
First Nations Bank	940	940
MLTC Resource Development Inc.	1	1
MLTC Resource Development LP	1	1
	<b>942</b>	<b>942</b>

### 8. Funds held in trust

Capital and revenue trust monies are transferred to the Cree Nation on the authorization of the Minister of Indigenous Services Canada, upon request of the Cree Nation's Council.

	2018	2017
<b>Capital Trust</b>		
Balance, beginning of year	195,552	325,552
Less: Transfers to the Cree Nation	(134,899)	(130,000)
Balance, end of year	<b>60,653</b>	<b>195,552</b>
<b>Revenue Trust</b>		
Balance, beginning of year	64,474	48,279
Interest and lease income	24,053	16,195
Less: Transfers to Cree Nation	(55,000)	-
Balance, end of year	<b>33,527</b>	<b>64,474</b>
	<b>94,180</b>	<b>260,026</b>

Disbursements from the Trust are as follows:

	BCR Number	Purpose	Amount	Details
Revenue	2017-2018 # 18	Audit fees	55,000	Administration - professional fees
Capital	2017-2018 #18	Gravel	125,665	Unexpended
	2017-2018 #18	Grader repairs	9,234	Community infrastructure - repairs & maintenance
			<b>134,899</b>	

### 9. Bank indebtedness

Bank indebtedness is bank balance less outstanding cheques. At March 31, 2018 the Nation was overdrawn \$367,000 in its operating account. The Cree Nation does not have an operating line of credit agreement.



# Ministikwan Lake Cree Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

### 10. Accounts payable and accruals

	2018	2017
Trade payables	1,159,689	993,328
Government remittances	419,928	692,250
Employee benefits	19,671	102,869
Meadow Lake Tribal Council	-	84,147
Health Canada	-	7,709
	<b>1,599,288</b>	<b>1,880,303</b>

### 11. Deferred revenue

Deferred revenues represent the amount of funds received by the Cree Nation that relate to future fiscal periods or that must be spent on certain projects that are incomplete at year-end.

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

	Balance, beginning of year	Amounts received	Amount expended in current year	Balance, end of year
ISC (NTF5 & NTF9) - Water Treatment Plant Upgrade	311,902	3,500,000	647,283	3,164,619
ISC (NTHC) - School Renovations	411,175	914,700	282,389	1,043,486
ISC (NTFW) - New Lagoon	204,748	-	74,342	130,406
ISC (NTVE) - Landfill	-	100,000	10,000	90,000
Health Canada - Headstart Building	102,462	-	102,462	-
MLTC - FNSSP	-	425,701	287,944	137,757
	<b>1,030,287</b>	<b>4,940,401</b>	<b>1,404,420</b>	<b>4,566,268</b>

Project	Amount expended to date	Budget for the project
Water Treatment Plant Upgrade	\$1,790,731	\$8,464,000
New Lagoon	\$194,243	\$2,922,943
School Renovations	\$374,334	\$1,590,700
Landfill	\$10,000	\$1,020,000

### 12. Long-term debt

	2018	2017
CMHC phase 1 mortgage bearing interest at 1.82%, matures August 2024, and repayable in blended monthly principal and interest payments of \$1,182. Secured by a ministerial guarantee.	85,874	98,374
CMHC phase 2 mortgage bearing interest at 1.31%, matures January 2027, and repayable in blended monthly principal and interest payments of \$1,598. Secured by a ministerial guarantee.	159,913	176,869
CMHC phase 3 mortgage bearing interest at 1.31%, matures July 2030, and repayable in blended monthly principal and interest payments of \$4,443. Secured by a ministerial guarantee.	614,542	650,605
CMHC phase 4 mortgage bearing interest at 1.31%, matures September 2030, and repayable in blended monthly principal and interest payments of \$4,382. Secured by a ministerial guarantee.	614,942	650,494



# Ministikwan Lake Cree Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

### 12. Long term debt (Continued from previous page)

	2018	2017
CMHC phase 5 mortgage bearing interest at 1.31%, matures July 2030, and repayable in blended monthly principal and interest payments of \$3,544. Secured by a ministerial guarantee.	484,189	520,107
CMHC phase 6 mortgage bearing interest at 1.31%, matures December 2036, and repayable in blended monthly principal and interest payments of \$1,967. Secured by a ministerial guarantee.	396,235	410,637
CMHC phase 7 mortgage bearing interest at 1.44%, matures January 2037, and repayable in blended monthly principal and interest payments of \$991. Secured by a ministerial guarantee.	196,173	205,174
CMHC phase 8 mortgage bearing interest at 1.80%, matures May 2037, and repayable in blended monthly principal and interest payments of \$3,104. Secured by a ministerial guarantee.	602,504	629,643
CMHC phase 9 mortgage bearing interest at 2.11%, matures December 2028, and repayable in blended monthly principal and interest payments of \$7,292. Secured by a ministerial guarantee.	855,960	910,317
First Nations Bank loan to fund the construction of band housing units; bearing interest at 4.35%, matures January 2019, and repayable in quarterly principal payments of \$21,947 plus quarterly interest payments. Secured by First Nations Trust funding.	87,435	175,223
First Nations Bank loan to fund the construction of a community fire hall; bearing interest at 6.95%, matures April 2022, and repayable in quarterly principal payments of \$22,714, plus monthly interest payments. Secured by Northern Lights Development Corporation funding and First Nations Trust funding.	386,135	476,991
	<b>4,483,902</b>	<b>4,904,434</b>
Less: current portion	<b>460,303</b>	<b>455,720</b>
	<b>4,023,599</b>	<b>4,448,714</b>

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

2019	460,303
2020	459,785
2021	376,842
2022	381,408
2023	386,053

### 13. Commitment

In 2017, the Cree Nation received funding from Indigenous Services Canada for the construction of certain capital projects in the community. The Cree Nation is responsible to advance money received on account of capital to the capital project bank account; to be administered by an independent project manager. At March 31, 2018 the Cree Nation operating account owes \$466,852 (\$466,219 - 2017) to the capital construction account.



# Ministikwan Lake Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2018*

### 14. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Equity in Ottawa Trust Funds	94,180	260,026
Equity in investments	942	942
Equity in CMHC reserves	1,078,763	965,743
Equity in tangible capital assets	25,483,199	24,976,862
Unexpended Ottawa Trust Funds	255,665	130,000
Operating deficit	(2,730,503)	(1,979,895)
	<b>24,182,246</b>	<b>24,353,678</b>

### 15. Canada Mortgage and Housing Corporation Reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

- A replacement reserve, established by an annual allocation of \$70,680 (2017 - \$70,680), to ensure replacement of equipment and for major repairs to the housing units. At March 31, 2018, \$22,378 (2017 - \$99,233) has been set aside to fund this reserve. The unfunded portion at March 31, 2018 was \$615,642 (2017 - \$ 468,107).
- Any surplus generated in the Post - 1997 Housing Program are to be retained to offset any future deficits incurred in the Post 1997 Housing Program. As at March 31, 2018, \$nil (2017 - \$68,084) has been set aside to fund this reserve. The unfunded portion at March 31, 2018 was \$440,743 (2017 - \$330,319).

### 16. Budget information

No budget information was approved by the Chief and Council of Ministikwan Lake Cree Nation for the 2018 fiscal year.





# Ministikwan Lake Cree Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2018*

### 17. Reconciliation of funding from Indigenous Services Canada (ISC)

Per funding confirmation	\$ 9,859,683
Add:	
Earned new lagoon revenue from prior year	204,748
Earned water treatment plant revenue from prior year	311,902
Earned school renovation revenue from prior year	411,175
Less:	
Band employee benefit reconciliation 2017	(4,231)
Unearned new lagoon revenue in current year	(130,405)
Unearned school renovation revenue in current year	(1,043,486)
Unearned landfill revenue in current year	(90,000)
Unearned water treatment plant revenue in current year	<u>(3,164,619)</u>
	<u>\$ 6,354,767</u>

### 18. Health Canada Funding

Per funding agreement 1617-SK-000006	\$ 154,240
Add:	
Earned Headstart Building funding	<u>102,462</u>
	<u>\$ 256,702</u>

### 19. Economic dependence

Ministikwan Lake Cree Nation receives substantially all of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Cree Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Due to certain deficiencies in its cumulative deficit position, the Cree Nation is also party to a Management Action Plan with ISC. Under the terms of the agreement, funding from the Management Action Plan can be suspended if the Cree Nation does not comply with the terms of the agreement.

### 20. Compliance with authorities

The First Nations Financial Transparency Act requires First Nations to make their financial statements publicly available and submit their consolidated financial statements to Indigenous Services Canada by July 29, 2018. As the audit is dated after July 29, 2018, the Cree Nation is in breach of this requirement.



**Ministikwan Lake Cree Nation**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<i>Buildings</i>	<i>Houses</i>	<i>Equipment</i>	<i>Vehicles and machinery</i>	<i>Trailers</i>	<i>Computers</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	21,258,317	16,909,959	413,684	1,962,114	203,500	6,657	40,754,231
Acquisition of tangible capital assets	102,438	154,060	-	91,699	-	-	348,197
Balance, end of year	21,360,755	17,064,019	413,684	2,053,813	203,500	6,657	41,102,428
<b>Accumulated amortization</b>							
Balance, beginning of year	8,341,444	9,535,207	413,684	1,738,272	71,225	6,657	20,106,489
Annual amortization	443,759	422,748	-	113,135	20,350	-	999,992
Balance, end of year	8,785,203	9,957,955	413,684	1,851,407	91,575	6,657	21,106,481
<b>Net book value of tangible capital assets</b>	12,575,552	7,106,064	-	202,406	111,925	-	19,995,947
2017 Net book value of tangible capital assets	12,916,873	7,374,752	-	223,842	132,275	-	20,647,742



**Ministikwan Lake Cree Nation**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<i>Subtotal</i>	<i>Roads</i>	<i>Infrastructure</i>	<i>Land</i>	<i>Construction in progress</i>	<i>2018</i>	<i>2017</i>
<b>Cost</b>							
Balance, beginning of year	40,754,231	7,831,514	5,817,442	220,000	2,458,002	57,081,189	54,206,734
Acquisition of tangible capital assets	348,197	-	-	-	1,014,039	1,362,236	2,874,455
Balance, end of year	41,102,428	7,831,514	5,817,442	220,000	3,472,041	58,443,425	57,081,189
<b>Accumulated amortization</b>							
Balance, beginning of year	20,106,489	4,479,660	2,460,574	-	-	27,046,723	25,655,947
Annual amortization	999,992	313,261	116,348	-	-	1,429,601	1,390,776
Balance, end of year	21,106,481	4,792,921	2,576,922	-	-	28,476,324	27,046,723
<b>Net book value of tangible capital assets</b>	19,995,947	3,038,593	3,240,520	220,000	3,472,041	29,967,101	30,034,466
2017 Net book value of tangible capital assets	20,647,742	3,351,854	3,356,868	220,000	2,458,002	30,034,466	



# Ministikwan Lake Cree Nation

## Schedule 2 - Consolidated Schedule of Expenses by Object

For the year ended March 31, 2018

	<b>2018 Budget (Note 16)</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
Amortization	-	1,429,601	1,390,776
Band member assistance	-	190,277	530,675
Bank charges, interest and penalties	-	91,063	238,292
Community events	-	162,890	242,806
Contracted services	-	1,177,445	572,096
Equipment rental	-	65,466	51,555
Fuel	-	12,403	60,309
Honouraria	-	496,916	553,085
Insurance	-	141,957	281,200
Interest on long-term debt	-	110,271	141,873
Materials	-	-	24,783
Meetings	-	30,458	14,685
Miscellaneous	-	-	62,581
Office supplies	-	13,491	22,161
Professional development	-	1,353	27,392
Professional fees	-	215,126	128,467
Registration fees	-	-	36,193
Rent	-	18,841	11,562
Repairs and maintenance	-	265,958	351,407
Salaries and benefits	-	4,273,360	4,651,215
Slashing project	-	-	36,000
Social assistance	-	2,377,700	2,327,345
Student expenses	-	333,200	397,969
Supplies	-	404,437	751,919
Telephone	-	35,209	64,821
Training	-	340,609	635,060
Travel	-	441,052	384,773
Utilities	-	186,472	167,798
Vehicle	-	21,616	95,996
	-	12,837,171	14,254,794



# Ministikwan Lake Cree Nation Administration

## Schedule 3 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Actual	2017 Actual
<b>Revenues</b>		
Indigenous Services Canada	625,225	497,878
MLTC Program Services Inc.	-	2,499
Other	451,553	87,442
	<b>1,076,778</b>	<b>587,819</b>
<b>Expenses</b>		
Administration	(408,235)	(174,156)
Band member assistance	41,330	-
Bank charges, interest and penalties	91,063	234,823
Community events	-	24,183
Contracted services	105,750	91,300
Equipment rental	44,253	1,063
Honouraria	496,916	455,036
Interest on long-term debt	5,276	3,230
Meetings	24,538	6,124
Miscellaneous	-	62,581
Office supplies	2,770	14,166
Professional fees	197,602	117,215
Salaries and benefits	166,467	101,075
Student expenses	500	-
Supplies	650	150
Telephone	11,119	12,787
Training	25,827	617
Travel	260,583	148,547
	<b>1,066,409</b>	<b>1,098,741</b>
<b>Surplus (deficit)</b>	<b>10,369</b>	<b>(510,922)</b>



# Ministikwan Lake Cree Nation Capital

## Schedule 4 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Actual	2017 Actual
<b>Revenues</b>		
Indigenous Services Canada	1,283,736	3,236,557
Health Canada	102,462	522,541
Canada Mortgage and Housing Corporation	454,772	381,461
Other	-	70,006
Rental income	-	35,704
	<b>1,840,970</b>	<b>4,246,269</b>
<b>Expenses</b>		
Amortization	424,675	422,749
Bank charges, interest and penalties	-	2,325
Contracted services	139,293	295,183
Fuel	839	450
Insurance	66,490	151,567
Interest on long-term debt	80,567	102,568
Meetings	322	-
Professional fees	8,720	4,495
Repairs and maintenance	156,019	189,678
Salaries and benefits	132,786	113,089
Supplies	16,525	160,521
Training	1,974	-
Travel	2,373	15,325
Utilities	3,695	7,386
	<b>1,034,278</b>	<b>1,465,336</b>
<b>Surplus</b>	<b>806,692</b>	<b>2,780,933</b>



**Ministikwan Lake Cree Nation**  
**Community Infrastructure**

**Schedule 5 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2018*

	<b>2018</b> <b>Actual</b>	<b>2017</b> <b>Actual</b>
<b>Revenues</b>		
Indigenous Services Canada	<b>690,007</b>	718,746
Rental income	<b>8,931</b>	20,147
Other	-	18
Insurance income	<b>89,510</b>	-
	<b>788,448</b>	738,911
<b>Expenses</b>		
Amortization	<b>966,182</b>	929,283
Contracted services	<b>508,997</b>	8,377
Equipment rental	<b>18,568</b>	-
Fuel	<b>3,672</b>	43,958
Insurance	<b>66,790</b>	129,633
Interest on long-term debt	<b>24,428</b>	19,227
Office supplies	<b>3,000</b>	2,736
Repairs and maintenance	<b>70,333</b>	112,292
Salaries and benefits	<b>397,749</b>	402,713
Supplies	<b>87,487</b>	122,221
Telephone	<b>14,169</b>	-
Travel	<b>8,956</b>	6,205
Utilities	<b>173,623</b>	154,944
Vehicle	-	221
	<b>2,343,954</b>	1,931,810
<b>Deficit</b>	<b>(1,555,506)</b>	(1,192,899)



**Ministikwan Lake Cree Nation**  
**Economic Development**

**Schedule 6 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2018*

	<b>2018</b> <b>Actual</b>	<b>2017</b> <b>Actual</b>
<b>Revenues</b>		
MLTC Program Services Inc.	<b>57,054</b>	55,548
Indigenous Services Canada	-	6,200
	<b>57,054</b>	61,748
<b>Expenses</b>		
Band member assistance	-	9,019
Contracted services	<b>2,500</b>	-
Meetings	<b>200</b>	609
Professional fees	<b>8,803</b>	6,200
Salaries and benefits	<b>68,854</b>	80,493
Slashing project	-	36,000
Training	-	7,621
Travel	<b>6,284</b>	18,114
	<b>86,641</b>	158,056
<b>Deficit</b>	<b>(29,587)</b>	(96,308)





# Ministikwan Lake Cree Nation Education

## Schedule 7 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Actual	2017 Actual
<b>Revenues</b>		
Indigenous Services Canada	3,403,559	3,421,830
MLTC Program Services Inc.	287,944	430,059
Other	63	1,092
	<b>3,691,566</b>	<b>3,852,981</b>
<b>Expenses</b>		
Administration	189,105	-
Community events	49,799	88,043
Equipment rental	2,645	50,492
Fuel	7,792	-
Honouraria	-	68,373
Insurance	7,799	-
Meetings	5,397	3,317
Office supplies	7,626	1,445
Professional development	-	13,539
Rent	14,505	9,242
Repairs and maintenance	9,431	-
Salaries and benefits	2,459,578	2,477,978
Student expenses	332,700	397,969
Supplies	199,777	146,522
Telephone	3,979	38,169
Training	16,524	407
Travel	66,544	74,905
	<b>3,373,201</b>	<b>3,370,401</b>
<b>Surplus</b>	<b>318,365</b>	<b>482,580</b>



# Ministikwan Lake Cree Nation Health

## Schedule 8 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Actual	2017 Actual
<b>Revenues</b>		
Meadow Lake Health and Social Development Authority Inc.	1,104,523	1,062,190
Meadow Lake Child and Family Services Inc.	268,555	268,555
Health Canada	154,240	146,531
MLTC Program Services Inc.	12,000	12,000
Rental income	-	1,269
Other	47,193	16,234
	<b>1,586,511</b>	<b>1,506,779</b>
<b>Expenses</b>		
Administration	138,507	147,861
Amortization	38,744	38,744
Band member assistance	40,483	179,418
Bank charges, interest and penalties	-	1,143
Community events	84,808	66,238
Contracted services	283,569	177,236
Fuel	100	13,840
Insurance	878	-
Meetings	-	4,335
Office supplies	96	3,111
Professional development	1,353	12,481
Professional fees	-	557
Registration fees	-	36,193
Rent	4,337	2,320
Repairs and maintenance	30,175	28,142
Salaries and benefits	774,998	776,330
Supplies	84,447	133,777
Telephone	4,142	13,865
Training	85,743	82,088
Travel	70,045	68,328
Utilities	9,154	5,469
Vehicle	21,618	95,777
	<b>1,673,197</b>	<b>1,887,253</b>
<b>Deficit</b>	<b>(86,686)</b>	<b>(380,474)</b>



**Ministikwan Lake Cree Nation**  
**Other Programs**

**Schedule 9 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2018*

	<b>2018</b> <b>Actual</b>	<b>2017</b> <b>Actual</b>
<b>Revenues</b>		
MLTC Program Services Inc.	<b>98,595</b>	378,914
First Nations Trust	<b>436,565</b>	430,431
Northern Lights Community Development Corporation	<b>26,500</b>	127,482
	<b>561,660</b>	936,827
<b>Expenses</b>		
Administration	<b>1,000</b>	-
Band member assistance	<b>108,465</b>	338,369
Fuel	-	1,900
Interest on long-term debt	-	16,848
Meetings	-	300
Professional development	-	1,372
Repairs and maintenance	-	17,910
Salaries and benefits	<b>95,560</b>	441,861
Supplies	<b>1,525</b>	1,595
Training	<b>222</b>	4,451
Travel	<b>4,036</b>	10,439
	<b>210,808</b>	835,045
<b>Surplus</b>	<b>350,852</b>	101,782



**Ministikwan Lake Cree Nation**  
**Reserves and Trusts**

**Schedule 10 - Schedule of Segment Revenue and Expenses and Surplus**

*For the year ended March 31, 2018*

	<b>2018</b> <b>Actual</b>	<b>2017</b> <b>Actual</b>
<b>Revenues</b>		
Indigenous Services Canada	<b>9,759</b>	9,618
Revenue trust funds	<b>24,053</b>	16,195
	<b>33,812</b>	25,813
<b>Expenses</b>		
Salaries and benefits	<b>785</b>	9,618
Contracted services	<b>8,974</b>	-
	<b>9,759</b>	9,618
<b>Surplus</b>	<b>24,053</b>	16,195



# Ministikwan Lake Cree Nation Social Assistance

## Schedule 11 - Schedule of Segment Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Actual	2017 Actual
<b>Revenues</b>		
MLTC Program Services Inc.	2,686,460	3,044,252
Indigenous Services Canada	342,480	343,662
Other	-	437
	<b>3,028,940</b>	<b>3,388,351</b>
<b>Expenses</b>		
Administration	79,622	26,295
Band member assistance	-	3,868
Community events	28,282	64,342
Contracted services	128,361	-
Fuel	-	160
Honouraria	-	29,676
Materials	-	24,783
Office supplies	-	702
Repairs and maintenance	-	3,385
Salaries and benefits	176,584	248,059
Social assistance	2,377,700	2,327,345
Supplies	14,027	187,133
Telephone	1,800	-
Training	210,318	539,875
Travel	22,230	42,911
	<b>3,038,924</b>	<b>3,498,534</b>
<b>Deficit</b>	<b>(9,984)</b>	<b>(110,183)</b>