

**Muskrat Dam First Nation  
Consolidated Financial Statements**  
*March 31, 2016*

# Muskrat Dam First Nation

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For the year ended March 31, 2016

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# MUSKRAT DAM FIRST NATION

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## Management's Responsibility for the Financial Statements

To the Members of Muskrat Dam First Nation:

The accompanying consolidated financial statements of Muskrat Dam First Nation are the responsibility of management and have been approved by the Chief and Council.

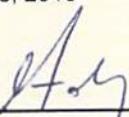
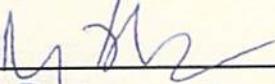
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 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 consolidated financial statements.

The Muskrat Dam First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfills 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 recommending the appointment of the First Nation's external auditors.

Kevin Houghton Professional Corporation is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; 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.

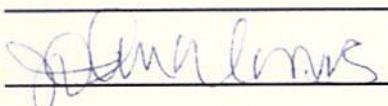
July 26, 2016

  
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Chief

Deputy Chief

Councillor

  
\_\_\_\_\_  
\_\_\_\_\_

Councillor

Councillor

## INDEPENDENT AUDITORS' REPORT

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**To the Chief and Council of  
MUSKRAT DAM FIRST NATION**

We have audited the accompanying financial statements of Muskrat Dam First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statement of operations, consolidated statement of changes in net debt, and consolidated statement of cash flow 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 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 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 judgment, 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.

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## INDEPENDENT AUDITORS' REPORT (continued)

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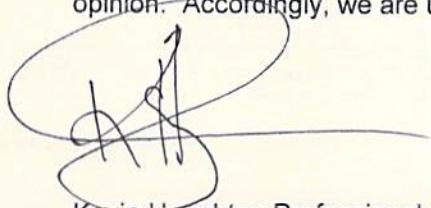
Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

*Basis for Disclaimer of Opinion*

Detailed program records have not been maintained and certain supporting data was not available for our audit. The absence of proper records does not permit the application of the necessary audit procedures to satisfy ourselves that the financial statements are not materially misstated. As a result, we were unable to determine whether adjustments were required in respect of all financial position and operations accounts.

*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 are unable to express an opinion on the financial statements.



Kevin Houghton Professional Corporation, authorized to practice public accounting by the Chartered Professional Accountants of Ontario

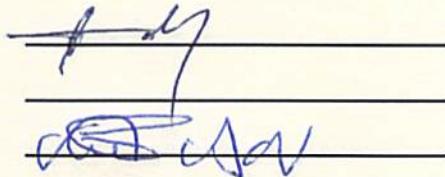
Kenora, Ontario

July 26, 2016

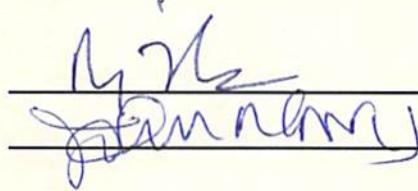
**Muskrat Dam First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2016*

	2016	2015
<b>Financial assets</b>		
Cash resources - unrestricted (Note 3)	620,874	1,765,414
Cash resources - internally restricted (Note 3)	59,123	285,259
Accounts receivable (Note 4)	1,448,103	1,322,567
Investments in partnerships and business entities (Note 5)	1,137,684	1,162,252
Due from government and other government organizations (Note 6)	1,686,521	639,841
Funds held in Ottawa Trust Fund (Note 7)	34,076	30,134
<b>Total financial assets</b>	<b>4,986,381</b>	<b>5,205,467</b>
<b>Liabilities</b>		
Bank indebtedness (Note 8)	698,552	-
Accounts payable and accruals (Note 9)	2,964,496	1,847,777
Deferred revenue (Note 10)	369,417	621,313
Due to government and other government organizations (Note 11)	87,560	4,641
Term loans due on demand (Note 12)	2,406,732	4,164,908
Long-term debt (Note 12)	392,786	425,038
<b>Total liabilities</b>	<b>6,919,543</b>	<b>7,063,677</b>
<b>Net debt</b>	<b>(1,933,162)</b>	<b>(1,858,210)</b>
<b>Contingent liabilities (Note 13)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	26,967,204	28,220,082
Inventories of supplies (Note 14)	681,324	1,091,345
Prepaid expenses	-	182,419
<b>Total non-financial assets</b>	<b>27,648,528</b>	<b>29,493,846</b>
<b>Accumulated surplus (Note 18)</b>	<b>25,715,366</b>	<b>27,635,636</b>

Approved on behalf of the Council

  
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Chief  
 Councillor  
 Councillor

  
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Deputy Chief  
 Councillor

**Muskrat Dam First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2016*

	<i>Schedules</i>	<i>2016</i>	<i>2015</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Grant	413,571	388,441	
Fixed Contribution	1,847,569	1,680,985	
Set Contribution	1,589,700	2,270,567	
Flexible transfer payments	93,963	772,015	
Canada Mortgage and Housing Corporation	34,340	63,968	
Health Canada			
Flexible funding	1,171,444	1,127,873	
Set funding	293,308	1,272,537	
Ontario First Nations (2008) Limited Partnership	833,414	802,935	
Ontario First Nations Limited Partnership	-	29,039	
Increase/(decrease) in Investments	21	125	
Investment income	9,858	50,107	
Ministry of Aboriginal Affairs	140,000	87,901	
Ministry of Community and Social Services	288,588	203,732	
Ministry of Health and Long Term Care	105,216	85,160	
Ministry of Northern Development and Mines	151,476	151,476	
Nishnawbe-Aski Nation	98,136	85,865	
Northern Nishnawbe Education Council	34,785	37,323	
Other revenue	558,888	433,240	
Rent	(7,275)	99,401	
S.L.A.A.M.B.	111,821	115,108	
Sales	1,969,536	2,086,860	
Deferred revenue - beginning of year (Note 10)	621,313	521,021	
Deferred revenue - end of year (Note 10)	(369,417)	(621,313)	
Repaid/repayable to funding agency	(54,394)	(3,805)	
	<b>9,935,861</b>	<b>11,740,561</b>	
<b>Segment expenses</b>			
BAND GOVERNMENT	3	1,199,810	1,021,350
COMMUNITY SERVICES	4	1,084,311	1,216,688
ECONOMIC DEVELOPMENT	5	147,361	193,370
EDUCATION	6	735,560	803,181
EMPLOYMENT PROGRAMS	7	101,261	182,990
HEALTH	8	1,846,114	1,531,111
HOUSING	9	487,721	476,999
PUBLIC WORKS - CAPITAL PROJECTS	10	1,105,155	274,853
PUBLIC WORKS - OPERATIONS	11	4,688,228	4,327,208
SOCIAL SERVICES	12	460,610	446,541
<b>Total expenses (Schedule 2)</b>		<b>11,856,131</b>	<b>10,474,291</b>
<b>Surplus (deficit)</b>		<b>(1,920,270)</b>	<b>1,266,270</b>
Accumulated surplus, beginning of year		27,635,636	26,369,366
<b>Accumulated surplus, end of year</b>		<b>25,715,366</b>	<b>27,635,636</b>

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

**Muskrat Dam First Nation**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2016*

	<b>2016</b> <i>Actual</i>	<b>2015</b> <i>Actual</i>
<b>Surplus (deficit)</b>	<b>(1,920,270)</b>	1,266,270
Purchases of tangible capital assets	(884,342)	(3,725,236)
Amortization of tangible capital assets	2,137,220	2,081,687
	1,252,878	(1,643,549)
Use (acquisition) of inventory of supplies	410,021	(31,347)
Use of prepaid expenses	182,419	67,424
	592,440	36,077
<b>Increase in net debt</b>	<b>(74,952)</b>	(341,202)
<b>Net debt, beginning of year</b>	<b>(1,858,210)</b>	(1,517,008)
<b>Net debt, end of year</b>	<b>(1,933,162)</b>	(1,858,210)

**Muskrat Dam First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus (deficit)	(1,920,270)	1,266,270
Non-cash items		
Amortization	2,137,220	2,081,687
Increase/decrease in investments	24,572	(124)
	<b>241,522</b>	3,347,833
Changes in working capital accounts		
Accounts receivable	(125,536)	69,479
Accounts payable and accruals	1,116,715	(755,438)
Deferred revenue	(251,896)	100,292
Due from government and other government organizations	(1,046,680)	1,915,162
Inventory of supplies	410,021	(31,345)
Prepaid expenses	182,419	67,424
Funds held in Ottawa Trust Fund	(3,942)	(15,659)
Due to government and other government organizations	82,919	(10,293)
	<b>605,542</b>	4,687,455
<b>Financing activities</b>		
Repayment of current portion of long-term debt	(32,252)	(67,840)
Advance of term loans due on demand	-	3,614,345
Repayment of term loans due on demand	(1,758,176)	(2,449,106)
	<b>(1,790,428)</b>	1,097,399
<b>Capital activities</b>		
Purchases of tangible capital assets	(884,342)	(3,725,236)
<b>Increase (decrease) in cash resources (deficiency)</b>	<b>(2,069,228)</b>	2,059,618
<b>Cash resources (deficiency), beginning of year</b>	<b>2,050,673</b>	(8,945)
<b>Cash resources (deficiency), end of year</b>	<b>(18,555)</b>	2,050,673
<b>Cash resources (deficiency) are composed of:</b>		
Cash resources - unrestricted total	620,874	1,765,414
Cash resources - restricted	59,123	285,259
Bank indebtedness	(698,552)	-
	<b>(18,555)</b>	2,050,673
<b>Supplementary cash flow information</b>		
Interest paid	61,998	123,629

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

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**1. Operations**

The Muskrat Dam First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members.

**2. Summary of significant accounting policies**

**Basis of accounting**

These financial statements are the representations of management and have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada.

***Reporting entity***

The First Nation has included the assets, liabilities, revenue and expenses of the following entities and departments:

- Muskrat Dam First Nation
- Muskrat Dam Power Utility and Propane

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

Incorporated business enterprises that are non-controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the 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.

***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.

***Funds held in Ottawa Trust***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in revenue on the statement of operations and accumulated surplus. Trust monies consist of:

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

***Cash and cash equivalents***

Cash includes cash on hand and balances with banks.

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**2. Summary of significant accounting policies** *(Continued from previous page)*

***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, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. The First 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.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the 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 net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed tangible assets are recorded into revenue at their fair value at the date of contribution.

***Amortization***

Tangible capital assets are amortized annually using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives as follows:

	Rate
Buildings	25 years
Equipment	5 years
Electrical	25 years
Sewer and Water	25 years
Soil Remediation/Roads	25 years
Housing	20 years

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value.

***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, inventories of supplies and prepaid expenses.

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**2. Summary of significant accounting policies** *(Continued from previous page)*

***Inventory held for use***

Inventory of fuel held for consumption is valued at the lower of cost and replacement cost.

***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 financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus (deficit).

***Revenue recognition***

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

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 transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Rental revenue is recognized over the rental term. Other revenues are earned from other services provided by the First Nation and are recognized when the service has been provided and collection is reasonably assured.

Fuel and other sales are recognized when the sale is made and the customer takes possession of the merchandise or receives the services provided and collection is reasonably assured.

Investment income is recorded as the First Nation's annual proportionate share of earnings or losses.

***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. The 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 evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of the tangible capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year end.

***Measurement uncertainty***

In preparing the financial statements for Muskrat Dam First Nation, management is required 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 financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**2. Summary of significant accounting policies** *(Continued from previous page)*

***Recent accounting pronouncements***

**PS 3210 Assets (New)**

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**PS 3320 Contingent Assets (New)**

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**PS 3380 Contractual Rights (New)**

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**2. Summary of significant accounting policies** *(Continued from previous page)*

**Segments**

The First Nation conducts its business through eleven reportable segments. 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, 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.

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.

**3. Cash resources**

	<b>2016</b>	<b>2015</b>
Administration accounts	411,985	1,574,798
CMHC Housing	15,382	6,834
Masenahega Shoonia	4,653	(1,421)
NAPS	57,537	52,937
Power Utility	59,925	10,534
Welfare	71,392	121,732
 Unrestricted	 620,874	 1,765,414
 Internally restricted	 59,123	 285,259

**4. Accounts receivable**

	<b>2016</b>	<b>2015</b>
Other First Nation organizations	133,647	140,642
Other accounts receivable	1,314,456	1,181,925
 	 1,448,103	 1,322,567

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**5. Investments in partnerships and business entities**

The First Nation has investments in the following entities:

	<i>Opening</i>	<i>Increase/ (decrease) in investments for the year</i>	<i>2016 Total investment</i>
Wasaya Airways Limited Partnership	840,000	-	840,000
The Wellington Leasing Corporation - 50% interest	103,126	(284)	102,842
The Wellington Limited Partnership - 50% interest	164,564	(31,295)	133,269
The Wellington General Partner Ltd. - 50% interest	54,562	7,011	61,573
	<b>1,162,252</b>	<b>(24,568)</b>	<b>1,137,684</b>
	<i>Opening</i>	<i>Increase/ (decrease) in investments for the year</i>	<i>2015 Total investment</i>
Wasaya Airways Limited Partnership	840,000	-	840,000
The Wellington Leasing Corporation - 50% interest	100,197	2,929	103,126
The Wellington Limited Partnership - 50% interest	171,580	(7,016)	164,564
The Wellington General Partner Ltd. - 50% interest	50,351	4,211	54,562
	<b>1,162,128</b>	<b>124</b>	<b>1,162,252</b>

The Wellington group of entities have a December year end. They operate a convenience store, motel, restaurant and gas bar in Sioux Lookout, Ontario. The most recent financial information provided for these entities is on the following page.

Wasaya Airways Limited Partnership provides passenger and cargo air services. No financial information is available for this entity.

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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5. Investment in partnerships and business entities *(Continued from previous page)*

	<i>Wellington Leasing Corporation As at December 31, 2015</i>	<i>Wellington Limited Partnership As at December 31, 2015</i>	<i>Wellington General Partner Ltd. As at December 31, 2015</i>	<i>Total As at December 31, 2015</i>	<i>Total As at December 31, 2014</i>
<b>Assets</b>					
Cash	41,590	167,733	35,695	245,018	225,009
Accounts receivable	9,696	45,227	-	54,923	45,878
Inventory and prepaid expenses	18,219	142,350	-	160,569	202,602
Investments	200	-	100	300	300
Due from (to) related parties	(149,218)	45,489	103,729	-	-
Property, plant and equipment	152,023	149,133	-	301,156	316,193
<b>Total assets</b>	<b>72,510</b>	<b>549,932</b>	<b>139,524</b>	<b>761,966</b>	<b>789,982</b>
<b>Liabilities</b>					
Accounts payable and accruals	30,126	168,360	16,029	214,515	173,826
Income taxes payable	-	-	150	150	838
Due to shareholders	9,100	-	-	9,100	9,100
Long-term debt	-	114,933	-	114,933	133,813
<b>Total liabilities</b>	<b>39,226</b>	<b>283,293</b>	<b>16,179</b>	<b>338,698</b>	<b>317,577</b>
<b>Equity</b>	<b>33,284</b>	<b>266,639</b>	<b>123,345</b>	<b>423,268</b>	<b>472,405</b>
<b>Total revenue</b>	<b>99,930</b>	<b>5,021,756</b>	<b>96,015</b>	<b>5,217,701</b>	<b>5,217,130</b>
<b>Total expenses</b>	<b>100,497</b>	<b>5,034,347</b>	<b>79,431</b>	<b>5,214,275</b>	<b>5,210,269</b>
	(567)	(12,591)	16,584	3,426	6,861
<b>Provision for taxes</b>	<b>-</b>	<b>-</b>	<b>(2,564)</b>	<b>(2,564)</b>	<b>(6,612)</b>
<b>Income/(loss)</b>	<b>(567)</b>	<b>(12,591)</b>	<b>14,020</b>	<b>862</b>	<b>249</b>

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**6. Due from government and other government organizations**

	<b>2016</b>	<b>2015</b>
Indigenous and Northern Affairs Canada	1,011,291	459,130
Health Canada	40,680	13,782
Province of Ontario	419,808	122,948
Canada Mortgage and Housing Corporation	2,862	2,862
Nishnawbe-Aski Nation	67,825	34,163
Federal government	85,490	6,956
SLAAMB	58,565	-
	<b>1,686,521</b>	<b>639,841</b>

**7. Funds held in Ottawa Trust Fund**

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. The funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	<b>2016</b>	<b>2015</b>
<b>Capital Trust</b>		
Balance, beginning of year	126	126
Balance, end of year	126	126
<b>Revenue Trust</b>		
Balance, beginning of year	30,134	14,349
Interest	491	659
Bell fibre optic fees	3,325	15,000
Balance, end of year	33,950	30,008
	<b>34,076</b>	<b>30,134</b>

**8. Bank indebtedness**

At March 31, 2016, the First Nation had a temporary line of credit totalling \$700,000 bearing interest at bank prime rate plus 0.75% (3.45% - March 31, 2016). At March 31, 2016, \$698,552 (\$nil March 31, 2015) was drawn on this line of credit. The line of credit is secured by a general security agreement.

**9. Accounts payable and accruals**

	<b>2016</b>	<b>2015</b>
Trade payables	2,964,496	1,847,777

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**10. Deferred revenue**

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

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue Recognized</i>	<i>Balance, end of year</i>
School restoration	385,368	-	385,368	-
Diesel engine overhaul - ARJWC	6,700	-	6,700	-
Remediation project - ARJUP	17,050	654,919	302,552	369,417
SATF - Harvesting and Roads	18,086	-	18,086	-
SATF - Housing and Renovations	15,545	-	15,545	-
SATF - Sawmill	10,740	-	10,740	-
SATF - Winter Road	4,402	-	4,402	-
Small business centre	31,132	-	31,132	-
Discretionary	132,290	-	132,290	-
	<b>621,313</b>	<b>654,919</b>	<b>906,815</b>	<b>369,417</b>

**11. Due to government and other government organizations**

	<i>2016</i>	<i>2015</i>
Federal government	29,235	710
Indigenous and Northern Affairs Canada	58,325	3,931
	<b>87,560</b>	<b>4,641</b>

**12. Long-term debt and term loans due on demand**

	<i>2016</i>	<i>2015</i>
Canada Mortgage and Housing Corporation housing mortgage repayable in monthly instalments of \$3,258 including interest at 1.67%, secured by ministerial guarantee, due March 2027.	392,786	425,038
Bank of Montreal building loan repayable in monthly instalments of \$2,296 including interest at bank prime rate plus 2.5% (5.20% March 31, 2016; 5.35% March 31, 2015), due on demand.	-	6,093
Bank of Montreal vehicle loan repayable in monthly instalments of \$646 plus interest at bank prime rate plus 2.5% (5.20% March 31, 2016; 5.35% March 31, 2015), due on demand.	1,937	9,042
Bank of Montreal building loan repayable in monthly instalments of \$10,714 plus interest at bank prime rate plus 1.25% (3.95% March 31, 2016; 4.10% March 31, 2015), due on demand.	375,000	471,428
Bank of Montreal loan, no set repayment terms, bearing interest at bank prime rate plus 1.25% (3.95% March 31, 2016; 4.10% March 31, 2015), due on demand.	52,000	64,000

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**12. Long-term debt and term loans due on demand** *(Continued from previous page)*

	<b>2016</b>	<b>2015</b>
Bank of Montreal loan, no set repayment terms, bearing interest at bank prime rate plus 2.00% (4.70% March 31, 2016; 4.85% March 31, 2015), due on demand	-	780,000
Bank of Montreal loan, no set repayment terms, bearing interest at bank prime rate plus 2.00% (4.70% March 31, 2016; 4.85% March 31, 2015), due on demand	1,085,000	1,085,000
Bank of Montreal loan repayable in monthly instalments of \$160,000 plus interest at bank prime plus 2% (4.70% March 31, 2016; 4.85% March 31, 2015), due on demand	480,000	1,280,000
Bank of Montreal loan repayable in monthly instalments of \$10,714 plus interest at bank prime plus 1.25% (3.95% March 31, 2016; 4.10% March 31, 2015), due on demand	412,795	469,345
	2,799,518	4,589,946
Less: term loans due on demand and current portion of CMHC loan	2,439,542	4,197,160
	359,976	392,786

Principal repayments on long-term debt are estimated as follows:

	Principal
2017	2,439,542
2018	33,360
2019	33,920
2020	34,477
2021	35,067
Thereafter	223,152

Interest on long-term debt amounted to \$61,998 (2015 - \$123,629).

**13. Contingent liabilities**

The First Nation has agreements with INAC and other government bodies for each restricted fund which state that the First Nation may be required to return any surpluses which may arise. The First Nation is solely responsible for any deficits. 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.

The First Nation has signed ministerial guarantees relating to a CMHC housing loan. The balance of the CMHC loan was \$392,786 (2015 - \$425,038) at year-end.

These financial statements are subject to review by the First Nation's funding agencies. It is possible that adjustments could be made based on the result of their reviews.

**14. Inventories of supplies**

	<b>2016</b>	<b>2015</b>
Fuel inventory	681,324	1,091,345

The cost of inventories recognized as an expense and included in fuel amounted to \$ 1,091,345 (2015 - \$881,699).

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**15. Economic dependence**

Muskrat Dam First Nation receives approximately 55% (2015 - 65%) of its revenue from the Government of Canada as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC 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.

Due to certain deficiencies in its system of internal control, the First Nation is also party to a Remedial Management Plan agreement with INAC. Under the terms of the agreement, funding from the Remedial Management Plan can be suspended if the First Nation does not comply with the terms of the agreement.

**16. Segments**

The First Nation has eleven 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.

**Community services** - activities include delivering community support programs.

**Economic development** - includes activities for the maintenance of the community and its infrastructure.

**Education** - includes the operations of education programs.

**Employment programs** - activities include delivering employment opportunities to members of the community.

**Health** - reports on the First Nation's Health Canada funding.

**Housing** - includes development of housing and maintenance.

**Public works (Capital)** - includes capital projects and maintenance.

**Public works (Operations)** - includes Band programs and maintenance.

**Social Services** - activities include delivering social programs.

**INAC Trust Funds** - includes interest earned on funds held in Ottawa Trust.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 2.

**17. Comparative figures**

Certain comparative figures have been reclassified to conform with the current year's presentation.

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**18. Accumulated surplus**

Accumulated surplus (deficit) consists of the following:

	<b>2016</b>	<b>2015</b>
Equity in Ottawa Trust Funds		
Balance, beginning of year	30,134	14,475
Contributions	3,942	15,659
	<hr/> 34,076	30,134
Equity in tangible capital assets		
Balance, beginning of year	28,220,082	26,576,533
Additions	884,342	3,725,236
Amortization	(2,137,220)	(2,081,687)
	<hr/> 26,967,204	28,220,082
Unrestricted surplus		
Balance, beginning of year	(614,580)	(221,644)
Net increase/(decrease)	(671,334)	(392,936)
	<hr/> (1,285,914)	(614,580)
	<hr/> 25,715,366	27,635,636

**19. Government transfers**

	Set	Flexible	2016	2015
<b>Federal government transfers</b>				
Indigenous and Northern Affairs Canada	3,850,840	93,963	3,944,803	5,112,008
Health Canada	293,308	1,171,444	1,464,752	2,400,410
Canada Mortgage and Housing Corporation	34,340	-	34,340	63,968
Total federal government transfers	4,178,488	1,265,407	5,443,895	7,576,386
<b>Provincial government transfers</b>				
685,280	-	-	685,280	528,269
Total government transfers	4,863,768	1,265,407	6,129,175	8,104,655

**20. Budget information**

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The budgeted revenue and expenses, and deficit have not been reported in these financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSA standards.

**Muskrat Dam First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2016*

	<i>Buildings</i>	<i>Equipment</i>	<i>Electrical</i>	<i>Sewer and Water</i>	<i>Soil Remediation/Roads</i>	<i>Subtotal</i>
<b>Cost</b>						
Balance, beginning of year	14,833,199	2,704,741	8,556,891	11,554,814	1,223,453	38,873,098
Acquisition of tangible capital assets	-	126,000	99,000	-	-	225,000
<b>Balance, end of year</b>	<b>14,833,199</b>	<b>2,830,741</b>	<b>8,655,891</b>	<b>11,554,814</b>	<b>1,223,453</b>	<b>39,098,098</b>
<b>Accumulated amortization</b>						
Balance, beginning of year	6,034,641	2,109,001	2,122,906	5,335,552	696,082	16,298,182
Annual amortization	593,328	233,703	346,235	462,193	48,938	1,684,397
<b>Balance, end of year</b>	<b>6,627,969</b>	<b>2,342,704</b>	<b>2,469,141</b>	<b>5,797,745</b>	<b>745,020</b>	<b>17,982,579</b>
<b>Net book value of tangible capital assets</b>	<b>8,205,230</b>	<b>488,037</b>	<b>6,186,750</b>	<b>5,757,069</b>	<b>478,433</b>	<b>21,115,519</b>
<b>2015 Net book value of tangible capital assets</b>	<b>8,798,557</b>	<b>595,740</b>	<b>6,433,985</b>	<b>6,219,262</b>	<b>527,371</b>	<b>22,574,915</b>

**Muskrat Dam First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2016*

	<i>Subtotal</i>	<i>Housing</i>	<i>2016</i>	<i>2015</i>
<b>Cost</b>				
Balance, beginning of year	38,873,098	10,750,088	49,623,186	45,897,952
Acquisition of tangible capital assets	225,000	659,341	884,341	3,725,235
Balance, end of year	<b>39,098,098</b>	<b>11,409,429</b>	<b>50,507,527</b>	<b>49,623,187</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	16,298,182	5,104,921	21,403,103	19,321,418
Annual amortization	1,684,397	452,823	2,137,220	2,081,687
Balance, end of year	<b>17,982,579</b>	<b>5,557,744</b>	<b>23,540,323</b>	<b>21,403,105</b>
<b>Net book value of tangible capital assets</b>	<b>21,115,519</b>	<b>5,851,685</b>	<b>26,967,204</b>	<b>28,220,082</b>
2015 Net book value of tangible capital assets	22,574,915	5,645,167	28,220,082	

**Muskrat Dam First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Expenses by object</b>		
Administration overhead	-	(22,119)
Amortization	2,137,220	2,081,687
Bad debts	443,771	548,700
Bank charges and interest	185,853	12,903
Basic needs	217,673	231,624
Contracted services	1,491,293	621,608
Cultural program	19,197	9,547
Equipment rental	77,498	18,834
Fuel	1,158,778	879,507
Honouraria	27,069	9,400
Insurance	140,237	91,185
Interest on long term debt	61,998	123,629
Materials and supplies	2,183,211	1,899,546
Miscellaneous	2,835	-
Office supplies	45,019	28,691
Professional fees	55,675	96,985
Repairs and maintenance	92,571	105,497
Special events	6,000	3,723
Supplies	43,652	16,850
Telephone	138,992	135,010
Training	23,308	19,535
Travel	555,259	541,421
Utilities	576,976	446,840
Vehicle expenses	12,523	28,267
Wages and benefits	2,159,523	2,545,421
	<b>11,856,131</b>	<b>10,474,291</b>

**Muskrat Dam First Nation  
BAND GOVERNMENT**

**Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2016*

	2016	2015
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Grant	413,571	388,441
Fixed Contribution	35,000	35,000
Ministry of Aboriginal Affairs		
Deferred revenue - beginning of year (Note 10)	140,000	87,901
Other revenue	-	7,762
	73,294	103,485
	<b>661,865</b>	622,589
<b>Expenses</b>		
Administration overhead	(327,655)	(210,909)
Bad debts	17,000	-
Bank charges and interest	149,470	8,298
Contracted services	534,448	177,380
Equipment rental	21,871	1,025
Honouraria	25,669	2,900
Insurance	-	6,442
Interest on long term debt	15,246	92,869
Materials and supplies	192,164	163,540
Office supplies	39,016	22,459
Repairs and maintenance	13,777	23,984
Telephone	26,136	37,905
Training	20,163	9,005
Travel	295,043	373,925
Wages and benefits	177,462	312,527
	<b>1,199,810</b>	1,021,350
<b>Deficit before transfers</b>	<b>(537,945)</b>	(398,761)
<b>Transfers between programs</b>	<b>-</b>	102,403
<b>Deficit</b>	<b>(537,945)</b>	(296,358)

**Muskrat Dam First Nation  
COMMUNITY SERVICES**

**Schedule 4 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Other revenue	21,520	42,965
Sales	820,061	1,085,214
	<b>841,581</b>	<b>1,128,179</b>
<b>Expenses</b>		
Bad debts	29,618	-
Bank charges and interest	585	1,053
Contracted services	-	24,063
Equipment rental	-	675
Materials and supplies	1,024,634	1,050,994
Telephone	-	1,443
Travel	-	1,895
Wages and benefits	29,474	136,565
	<b>1,084,311</b>	<b>1,216,688</b>
<b>Deficit before transfers</b>	<b>(242,730)</b>	<b>(88,509)</b>
<b>Transfers between programs</b>	<b>120,202</b>	<b>52,941</b>
<b>Deficit</b>	<b>(122,528)</b>	<b>(35,568)</b>

**Muskrat Dam First Nation  
ECONOMIC DEVELOPMENT**

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

*For the year ended March 31, 2016*

	2016	2015
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	94,129	133,835
Ontario First Nations (2008) Limited Partnership	833,414	802,935
Investment income	5,916	34,449
Increase/(decrease) in Investments	21	125
Other revenue	55,059	51,700
Ontario First Nations Limited Partnership	-	29,039
Deferred revenue - end of year (Note 10)	-	(31,132)
Deferred revenue - beginning of year	31,132	-
	1,019,671	1,020,951
<b>Expenses</b>		
Administration overhead	-	(3,450)
Bad debts	-	5,229
Bank charges and interest	330	291
Contracted services	43,120	94,655
Equipment rental	-	375
Insurance	-	3,775
Materials and supplies	13,671	7,300
Supplies	-	30
Telephone	2,155	5,578
Training	-	6,432
Travel	768	770
Utilities	-	7,015
Wages and benefits	87,317	65,370
	147,361	193,370
<b>Surplus before transfers</b>	872,310	827,581
<b>Transfers between programs</b>	(801,184)	(455,344)
<b>Surplus</b>	<b>71,126</b>	<b>372,237</b>

**Muskrat Dam First Nation  
EDUCATION**

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

*For the year ended March 31, 2016*

	2016	2015
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	457,536	427,180
Set Contribution	221,896	187,694
Northern Nishnawbe Education Council	34,785	37,323
Other revenue	28,937	63,820
	<b>743,154</b>	716,017
<b>Expenses</b>		
Administration overhead	38,750	60,200
Contracted services	7,213	-
Cultural program	19,197	9,547
Honouraria	-	900
Interest on long term debt	951	458
Materials and supplies	14,167	77,709
Miscellaneous	1,235	-
Office supplies	897	666
Professional fees	-	10,000
Repairs and maintenance	7,358	1,455
Special events	6,000	3,723
Supplies	41,015	9,260
Telephone	17,385	23,650
Travel	76,539	55,238
Vehicle expenses	8,235	7,114
Wages and benefits	496,618	543,261
	<b>735,560</b>	803,181
<b>Surplus (deficit)</b>	<b>7,594</b>	(87,164)

**Muskrat Dam First Nation  
EMPLOYMENT PROGRAMS**

**Schedule 7 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Set Contribution	23,000	26,000
Nishnawbe-Aski Nation	12,405	12,800
S.L.A.A.M.B.	111,821	115,108
Other revenue	4,500	4,000
	<b>151,726</b>	157,908
<b>Expenses</b>		
Administration overhead	2,301	-
Contracted services	2,100	13,675
Honouraria	1,400	600
Materials and supplies	3,255	12,349
Office supplies	-	1,646
Telephone	-	4,014
Utilities	-	8,816
Wages and benefits	92,205	141,890
	<b>101,261</b>	182,990
<b>Surplus (deficit) before transfers</b>	<b>50,465</b>	(25,082)
<b>Transfers between programs</b>	<b>37,477</b>	-
<b>Surplus (deficit)</b>	<b>87,942</b>	(25,082)

**Muskrat Dam First Nation**

**HEALTH**

**Schedule 8 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Health Canada		
Flexible funding	1,171,444	1,127,873
Set funding	293,308	1,272,537
Nishnawbe-Aski Nation		
Deferred revenue - beginning of year (Note 10)	85,731	73,065
	-	-
	1,550,483	140,885
	2,614,360	
<b>Expenses</b>		
Administration overhead	141,689	125,040
Amortization	174,905	174,904
Bank charges and interest	5,229	-
Contracted services	201,122	18,284
Equipment rental	27,100	32,569
Honouraria	-	5,000
Insurance	10,315	10,118
Materials and supplies	395,994	292,799
Office supplies	5,106	3,921
Repairs and maintenance	1,247	6,661
Telephone	25,751	41,746
Training	-	2,298
Travel	80,914	74,235
Utilities	110,998	103,819
Wages and benefits	665,744	639,717
	1,846,114	1,531,111
<b>Surplus (deficit) before transfers</b>	<b>(295,631)</b>	1,083,249
<b>Transfers between programs</b>	<b>93,293</b>	-
<b>Surplus (deficit)</b>	<b>(202,338)</b>	1,083,249

**Muskrat Dam First Nation  
HOUSING**

**Schedule 9 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	105,949	108,011
Canada Mortgage and Housing Corporation	34,340	63,968
Rent	-	52,200
	<b>140,289</b>	<b>224,179</b>
<b>Expenses</b>		
Administration overhead	3,500	7,000
Amortization	439,721	413,347
Bad debts	-	52,200
Bank charges and interest	122	120
Contracted services	15,540	9,726
Insurance	20,530	19,950
Interest on long term debt	6,888	7,352
Materials and supplies	1,100	1,870
Wages and benefits	320	(34,566)
	<b>487,721</b>	<b>476,999</b>
<b>Deficit before transfers</b>	<b>(347,432)</b>	<b>(252,820)</b>
<b>Transfers between programs</b>	<b>538,932</b>	<b>11,232</b>
<b>Surplus (deficit)</b>	<b>191,500</b>	<b>(241,588)</b>

**Muskrat Dam First Nation**  
**PUBLIC WORKS - CAPITAL PROJECTS**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	131,407	132,290
Set Contribution	865,172	961,059
Flexible transfer payments	93,963	772,015
Rent	(7,275)	47,201
Deferred revenue - end of year (Note 10)	(369,417)	(541,408)
Deferred revenue - beginning of year (Note 10)	541,408	372,374
Other revenue	241,023	81,823
Repaid/repayable to funding agency	(6,721)	-
	<b>1,489,560</b>	<b>1,825,354</b>
<b>Expenses</b>		
Administration overhead	64,365	-
Amortization	233,703	208,503
Bank charges and interest	91	470
Contracted services	571,086	220,982
Equipment rental	(152,815)	(237,000)
Insurance	15,373	-
Interest on long term debt	38,914	22,949
Materials and supplies	286,179	49,059
Repairs and maintenance	23,940	4,157
Travel	4,138	5,733
Wages and benefits	20,181	-
	<b>1,105,155</b>	<b>274,853</b>
<b>Surplus before transfers</b>	<b>384,405</b>	<b>1,550,501</b>
<b>Transfers between programs</b>	<b>22,857</b>	<b>288,768</b>
<b>Surplus</b>	<b>407,262</b>	<b>1,839,269</b>

**Muskrat Dam First Nation  
PUBLIC WORKS - OPERATIONS**

**Schedule 11 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	1,003,848	824,969
Set Contribution	426,932	913,583
Ministry of Northern Development and Mines		
Sales	151,476	151,476
Other revenue	1,149,474	1,001,645
	134,555	85,447
	<b>2,866,285</b>	<b>2,977,120</b>
<b>Expenses</b>		
Administration overhead	65,650	-
Amortization	1,288,891	1,284,933
Bad debts	397,153	491,271
Bank charges and interest	30,026	2,339
Contracted services	116,663	62,843
Equipment rental	181,342	220,855
Fuel	1,158,778	879,507
Insurance	94,019	50,900
Materials and supplies	235,326	228,526
Miscellaneous	1,600	-
Professional fees	55,675	86,985
Repairs and maintenance	46,250	69,240
Telephone	67,565	20,674
Training	750	-
Travel	12,816	21,984
Utilities	465,978	326,911
Vehicle expenses	4,288	21,153
Wages and benefits	465,458	559,087
	<b>4,688,228</b>	<b>4,327,208</b>
<b>Deficit before transfers</b>	<b>(1,821,943)</b>	<b>(1,350,088)</b>
<b>Transfers between programs</b>	<b>(11,577)</b>	<b>-</b>
<b>Deficit</b>	<b>(1,833,520)</b>	<b>(1,350,088)</b>

**Muskrat Dam First Nation  
SOCIAL SERVICES**

**Schedule 12 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2016*

	2016	2015
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	19,700	19,700
Set Contribution	52,700	182,231
Ministry of Health and Long Term Care	105,216	85,160
Ministry of Community and Social Services	288,588	203,732
Repaid/repayable to funding agency	(47,673)	(3,805)
Deferred revenue - end of year (Note 10)	-	(48,773)
Deferred revenue - beginning of year	48,773	-
	<b>467,304</b>	438,245
<b>Expenses</b>		
Administration overhead	11,400	-
Bank charges and interest	-	332
Basic needs	217,673	231,624
Equipment rental	-	335
Materials and supplies	16,720	15,400
Supplies	2,638	7,560
Training	2,395	1,800
Travel	85,041	7,641
Utilities	-	280
Wages and benefits	124,743	181,569
	<b>460,610</b>	446,541
<b>Surplus (deficit)</b>	<b>6,694</b>	(8,296)