

**Muskrat Dam First Nation**  
**Consolidated Financial Statements**  
*March 31, 2017*

# Muskrat Dam First Nation

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*For the year ended March 31, 2017*

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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 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 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 31, 2017

Original Signed By:  
STAN BEARDY

Chief

Original Signed By:  
CHARLIE SR. BEARDY

Councillor

Original Signed By:  
ROY FIDDLER

Deputy Chief

Original Signed By:  
BRAD MORRIS

Councillor

Original Signed By:  
GWEN DUNCAN

Councillor

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## 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, 2017, 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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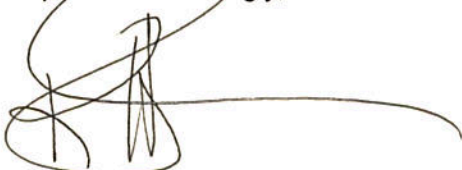
Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

*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.

A handwritten signature in dark ink, appearing to be 'K. Houghton', with a long horizontal flourish extending to the right.

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

Kenora, Ontario

July 31, 2017

**Muskrat Dam First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2017*

	2017	2016
<b>Financial assets</b>		
Cash resources - unrestricted (Note 3)	1,145,488	620,874
Cash resources - internally restricted (Note 3)	134,024	59,123
Accounts receivable (Note 4)	1,814,829	1,448,103
Investments in partnerships and business entities (Note 5)	1,137,684	1,137,684
Due from government and other government organizations (Note 6)	1,338,120	1,686,521
Funds held in Ottawa Trust Fund (Note 7)	38,032	34,076
<b>Total financial assets</b>	<b>5,608,177</b>	<b>4,986,381</b>
<b>Liabilities</b>		
Bank indebtedness	-	698,552
Accounts payable and accruals (Note 8)	2,000,084	2,964,494
Deferred revenue (Note 9)	2,391,979	369,417
Due to government and other government organizations (Note 10)	61,035	87,560
Term loans due on demand (Note 11)	2,810,836	2,406,732
CMHC mortgage (Note 11)	359,957	392,786
<b>Total liabilities</b>	<b>7,623,891</b>	<b>6,919,541</b>
<b>Net debt</b>	<b>(2,015,714)</b>	<b>(1,933,160)</b>
<b>Contingent liabilities (Note 12)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	26,609,363	26,967,204
Inventories of supplies (Note 13)	885,000	681,324
Prepaid expenses	102,653	-
<b>Total non-financial assets</b>	<b>27,597,016</b>	<b>27,648,528</b>
<b>Accumulated surplus (Note 17)</b>	<b>25,581,302</b>	<b>25,715,368</b>

**Approved on behalf of the Council**

Original Signed By:		Original Signed By:	
STAN BEARDY	Chief	ROY FIDDLER	Deputy Chief
Original Signed By:		Original Signed By:	
GWEN DUNCAN	Councillor	BRAD MORRIS	Councillor
Original Signed By:			
CHARLIE SR. BEARDY	Councillor		

# Muskrat Dam First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2017*

	<i>Schedules</i>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Grant		<b>370,119</b>	413,571
Fixed Contribution		<b>4,281,848</b>	1,867,450
Set Contribution		<b>3,746,565</b>	1,569,819
Flexible transfer payments		<b>497,000</b>	93,963
Canada Mortgage and Housing Corporation		<b>61,478</b>	34,340
Health Canada			
Flexible funding		<b>1,243,970</b>	1,171,444
Set funding		<b>302,045</b>	293,308
Other		<b>69,986</b>	-
Ontario First Nations (2008) Limited Partnership		<b>940,440</b>	833,414
Increase/(decrease) in Investments		-	21
Investment income		<b>4,026</b>	9,858
Ministry of Aboriginal Affairs		<b>90,000</b>	140,000
Ministry of Community and Social Services		<b>436,588</b>	288,588
Ministry of Health and Long Term Care		<b>92,555</b>	105,216
Ministry of Northern Development and Mines		<b>156,000</b>	151,476
Nishnawbe-Aski Nation		<b>263,952</b>	98,136
Northern Nishnawbe Education Council		<b>31,392</b>	34,785
Other revenue		<b>1,199,507</b>	558,888
Rent		<b>45,271</b>	(7,275)
S.L.A.A.M.B.		<b>177,615</b>	111,821
Sales		<b>1,633,145</b>	1,969,536
Deferred revenue - beginning of year (Note 9)		<b>369,417</b>	621,313
Deferred revenue - end of year (Note 9)		<b>(2,391,979)</b>	(369,417)
Repaid/repayable to funding agency		-	(54,394)
		<b>13,620,940</b>	9,935,861
<b>Segment expenses</b>			
BAND GOVERNMENT	3	<b>815,948</b>	1,199,810
COMMUNITY SERVICES	4	<b>683,392</b>	1,084,311
ECONOMIC DEVELOPMENT	5	<b>235,538</b>	147,361
EDUCATION	6	<b>765,217</b>	735,560
EMPLOYMENT PROGRAMS	7	<b>219,911</b>	101,261
HEALTH	8	<b>2,021,601</b>	1,846,114
HOUSING	9	<b>815,594</b>	487,721
PUBLIC WORKS - CAPITAL PROJECTS	10	<b>2,870,800</b>	1,105,155
PUBLIC WORKS - OPERATIONS	11	<b>4,722,446</b>	4,688,228
SOCIAL SERVICES	12	<b>604,559</b>	460,610
<b>Total expenses (Schedule 2)</b>		<b>13,755,006</b>	11,856,131
<b>Deficit</b>		<b>(134,066)</b>	(1,920,270)
<b>Accumulated surplus, beginning of year</b>		<b>25,715,368</b>	27,635,638
<b>Accumulated surplus, end of year</b>		<b>25,581,302</b>	25,715,368

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, 2017*

	<b>2017</b> <b>Actual</b>	<b>2016</b> <b>Actual</b>
<b>Surplus (deficit)</b>	<b>(134,066)</b>	<b>(1,920,270)</b>
Purchases of tangible capital assets	<b>(1,784,071)</b>	<b>(884,342)</b>
Amortization of tangible capital assets	<b>2,141,912</b>	<b>2,137,220</b>
	<b>357,841</b>	<b>1,252,878</b>
Acquisition of prepaid expenses	<b>(102,653)</b>	<b>-</b>
Use of prepaid expenses	<b>-</b>	<b>182,419</b>
Use (acquisition) of inventory of supplies	<b>(203,676)</b>	<b>410,021</b>
	<b>(306,329)</b>	<b>592,440</b>
<b>Increase in net debt</b>	<b>(82,554)</b>	<b>(74,952)</b>
<b>Net debt, beginning of year</b>	<b>(1,933,160)</b>	<b>(1,858,208)</b>
<b>Net debt, end of year</b>	<b>(2,015,714)</b>	<b>(1,933,160)</b>



**Muskrat Dam First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2017*

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Deficit	(134,066)	(1,920,270)
Non-cash items		
Amortization	2,141,912	2,137,220
Increase/decrease in investments	-	24,572
	<b>2,007,846</b>	241,522
Changes in working capital accounts		
Accounts receivable	(366,726)	(125,536)
Accounts payable and accruals	(964,410)	1,116,715
Deferred revenue	2,022,562	(251,896)
Due from government and other government organizations	348,401	(1,046,680)
Inventory of supplies	(203,675)	410,021
Prepaid expenses	(102,653)	182,419
Funds held in Ottawa Trust Fund	(3,957)	(3,942)
Due to government and other government organizations	(26,525)	82,919
	<b>2,710,863</b>	605,542
<b>Financing activities</b>		
Repayment of current portion of long-term debt	(32,829)	(32,252)
Advance of term loans due on demand	3,200,000	-
Repayment of term loans due on demand	(2,795,896)	(1,758,176)
	<b>371,275</b>	(1,790,428)
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,784,071)	(884,342)
<b>Increase (decrease) in cash resources (deficiency)</b>	<b>1,298,067</b>	(2,069,228)
<b>Cash resources (deficiency), beginning of year</b>	<b>(18,555)</b>	2,050,673
<b>Cash resources (deficiency), end of year</b>	<b>1,279,512</b>	(18,555)
<b>Cash resources (deficiency) are composed of:</b>		
Cash resources - unrestricted total	1,145,488	620,874
Cash resources - restricted	134,024	59,123
Bank indebtedness	-	(698,552)
	<b>1,279,512</b>	(18,555)
<b>Supplementary cash flow information</b>		
Interest paid	54,030	61,998

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, 2017*

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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.

**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, 2017.

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.

**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.

**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, 2017*

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

**PS 3430 Restructuring Transactions (New)**

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on restructuring transactions. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The standard is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

**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>2017</b>	<b>2016</b>
Administration accounts	<b>861,057</b>	411,985
CMHC Housing	<b>34,571</b>	15,382
Masenahega Shoonia	<b>4,541</b>	4,653
NAPS	<b>79,937</b>	57,537
Power Utility	<b>32,976</b>	59,925
Welfare	<b>132,406</b>	71,392
Unrestricted	<b>1,145,488</b>	620,874
	<b>2017</b>	<b>2016</b>
Internally restricted	<b>134,024</b>	59,123

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**4. Accounts receivable**

	<b>2017</b>	2016
Other First Nation organizations	<b>133,647</b>	133,647
Other accounts receivable	<b>1,681,182</b>	1,314,456
	<b>1,814,829</b>	1,448,103

**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>2017 Total investment</i>
Wasaya Airways Limited Partnership	<b>840,000</b>	-	<b>840,000</b>
The Wellington Leasing Corporation - 50% interest	<b>102,842</b>	-	<b>102,842</b>
The Wellington Limited Partnership - 50% interest	<b>133,269</b>	-	<b>133,269</b>
The Wellington General Partner Ltd. - 50% interest	<b>61,573</b>	-	<b>61,573</b>
	<b>1,137,684</b>	-	<b>1,137,684</b>

	<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
	1,162,252	(24,568)	1,137,684

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 for December 31, 2015 and 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, 2017*

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, 2017*

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

	<b>2017</b>	<b>2016</b>
Indigenous and Northern Affairs Canada	<b>1,024,048</b>	1,011,291
Health Canada	-	40,680
Province of Ontario	<b>126,065</b>	419,808
Canada Mortgage and Housing Corporation	<b>8,289</b>	2,862
Nishnawbe-Aski Nation	<b>55,184</b>	67,825
Federal government	<b>64,849</b>	85,490
SLAAMB	<b>59,685</b>	58,565
	<b>1,338,120</b>	1,686,521

**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>2017</b>	<b>2016</b>
<b>Capital Trust</b>		
Balance, beginning of year	<b>126</b>	126
Balance, end of year	<b>126</b>	126
<b>Revenue Trust</b>		
Balance, beginning of year	<b>33,950</b>	30,134
Interest	<b>631</b>	491
Bell fibre optic fees	<b>3,325</b>	3,325
Balance, end of year	<b>37,906</b>	33,950
	<b>38,032</b>	34,076

**8. Accounts payable and accruals**

	<b>2017</b>	<b>2016</b>
Trade payables	<b>2,000,084</b>	2,964,494

**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**9. 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>
Generator overhauls	-	31,574	-	31,574
Lot servicing	-	90,000	-	90,000
Housing governance tool	-	30,688	-	30,688
Housing management	-	50,634	-	50,634
Remediation project - ARJUP	369,417	1,243,918	369,417	1,243,918
Water treatability study	-	50,000	-	50,000
House maintenance	-	23,750	-	23,750
Housing authority	-	55,988	-	55,988
Severn River bridge design	-	237,000	-	237,000
Water plant upgrade	-	20,000	-	20,000
Sewer systems and facilities	-	25,000	-	25,000
School effectiveness	-	48,650	-	48,650
Incremental fuel relief	-	474,151	-	474,151
National Child Benefit	-	10,626	-	10,626
	<b>369,417</b>	<b>2,391,979</b>	<b>369,417</b>	<b>2,391,979</b>

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

	<i>2017</i>	<i>2016</i>
Federal government	2,710	29,235
Indigenous and Northern Affairs Canada	58,325	58,325
	<b>61,035</b>	<b>87,560</b>

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

	<i>2017</i>	<i>2016</i>
Canada Mortgage and Housing Corporation housing mortgage repayable in monthly instalments of \$3,221 including interest at 1.43%, secured by ministerial guarantee, due March 2027.	359,957	392,786
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), due on demand.	-	1,937
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), due on demand.	-	375,000
Bank of Montreal loan, no set repayment terms, bearing interest at bank prime rate plus 1.25% (3.95% March 31, 2016), due on demand.	-	52,000



**Muskrat Dam First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

	<b>2017</b>	<b>2016</b>
Bank of Montreal loan, no set repayment terms, bearing interest at bank prime rate plus 2.00% (4.70% March 31, 2016), due on demand	-	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), due on demand	-	480,000
Bank of Montreal loan repayable in monthly instalments of \$10,714 plus interest at bank prime plus 1.25% (3.95% March 31, 2016), due on demand	-	412,795
Bank of Montreal loan, no set repayment terms, bearing interest at bank prime rate plus 4% (6.7% March 31, 2017), due on demand.	<b>2,810,836</b>	-
	<b>3,170,793</b>	2,799,518
Less: term loans due on demand and current portion of CMHC loan	<b>2,844,535</b>	2,439,542
	<b>326,258</b>	359,976

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

	Principal
2018	2,844,535
2019	34,219
2020	34,701
2021	35,216
2022	35,713
Thereafter	186,409

Interest on long-term debt amounted to \$54,030 (2016 - \$61,998).

**12. 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 \$359,957 (2016 - \$392,786) 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.

**13. Inventories of supplies**

	<b>2017</b>	<b>2016</b>
Fuel inventory	<b>885,000</b>	681,324

The cost of inventories recognized as an expense and included in fuel amounted to \$681,324 (2016 - \$1,091,345).

**14. Economic dependence**

Muskrat Dam First Nation receives approximately 77% (2016 - 55%) 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.

**15. 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.

**16. 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, 2017*

**17. Accumulated surplus**

Accumulated surplus (deficit) consists of the following:

	2017	2016
Equity in Ottawa Trust Funds		
Balance, beginning of year	34,076	30,134
Contributions	3,956	3,942
	<b>38,032</b>	34,076
Equity in tangible capital assets		
Balance, beginning of year	26,967,204	28,220,082
Additions	1,784,071	884,342
Amortization	(2,141,912)	(2,137,220)
	<b>26,609,363</b>	26,967,204
Unrestricted surplus		
Balance, beginning of year	(1,285,912)	(614,578)
Net increase/(decrease)	219,819	(671,334)
	<b>(1,066,093)</b>	(1,285,912)
	<b>25,581,302</b>	25,715,368

**18. Government transfers**

	Set	Flexible	2017	2016
<b>Federal government transfers</b>				
Indigenous and Northern Affairs Canada	8,398,532	497,000	8,895,532	3,944,803
Health Canada	372,031	1,243,970	1,616,001	1,464,752
Canada Mortgage and Housing Corporation	61,478	-	61,478	34,340
Total federal government transfers	8,832,041	1,740,970	10,573,011	5,443,895
<b>Provincial government transfers</b>	775,143	-	775,143	685,280
<b>Total government transfers</b>	<b>9,607,184</b>	<b>1,740,970</b>	<b>11,348,154</b>	<b>6,129,175</b>

**19. 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, 2017*

	<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	2,830,741	8,655,891	11,554,814	1,223,453	39,098,098
Acquisition of tangible capital assets	-	216,000	-	-	-	216,000
Balance, end of year	14,833,199	3,046,741	8,655,891	11,554,814	1,223,453	39,314,098
<b>Accumulated amortization</b>						
Balance, beginning of year	6,627,969	2,342,704	2,469,141	5,797,745	745,020	17,982,579
Annual amortization	593,328	175,673	346,237	462,191	48,938	1,626,367
Balance, end of year	7,221,297	2,518,377	2,815,378	6,259,936	793,958	19,608,946
<b>Net book value of tangible capital assets</b>	<b>7,611,902</b>	<b>528,364</b>	<b>5,840,513</b>	<b>5,294,878</b>	<b>429,495</b>	<b>19,705,152</b>
2016 Net book value of tangible capital assets	8,205,230	488,037	6,186,750	5,757,069	478,433	21,115,519

**Muskrat Dam First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	<i>Subtotal</i>	<i>Housing</i>	<i>2017</i>	<i>2016</i>
<b>Cost</b>				
Balance, beginning of year	39,098,098	11,409,429	50,507,527	49,623,186
Acquisition of tangible capital assets	216,000	1,568,071	1,784,071	884,341
Balance, end of year	39,314,098	12,977,500	52,291,598	50,507,527
<b>Accumulated amortization</b>				
Balance, beginning of year	17,982,579	5,557,744	23,540,323	21,403,103
Annual amortization	1,626,367	515,545	2,141,912	2,137,220
Balance, end of year	19,608,946	6,073,289	25,682,235	23,540,323
<b>Net book value of tangible capital assets</b>	19,705,152	6,904,211	26,609,363	26,967,204
2016 Net book value of tangible capital assets	21,115,519	5,851,685	26,967,204	



**Muskrat Dam First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2017*

	2017	2016
<b>Expenses by object</b>		
Amortization	2,141,912	2,137,220
Bad debts	388,740	443,771
Bank charges and interest	278,067	185,853
Basic needs	178,411	217,673
Contracted services	2,991,319	1,491,293
Cultural program	32,323	19,197
Equipment rental	53,651	77,498
Fuel	756,728	1,158,778
Honoraria	70,718	27,069
Insurance	148,056	140,237
Interest on long term debt	54,030	61,998
Materials and supplies	1,902,352	2,183,211
Miscellaneous	6,074	2,835
Office supplies	50,111	45,019
Professional fees	42,930	55,675
Freight	309,434	-
Repairs and maintenance	217,188	92,571
Special events	19,333	6,000
Supplies	33,140	43,652
Telephone	88,408	138,992
Training	42,183	23,308
Travel	499,708	555,259
Utilities	523,091	576,976
Vehicle expenses	13,499	12,523
Wages and benefits	2,913,600	2,159,523
	<b>13,755,006</b>	<b>11,856,131</b>

**Muskrat Dam First Nation  
BAND GOVERNMENT**

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

*For the year ended March 31, 2017*

	2017	2016
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Grant	370,119	413,571
Fixed Contribution	110,000	35,000
Ministry of Aboriginal Affairs	90,000	140,000
Rent	875	-
Other revenue	19,633	73,294
	<b>590,627</b>	<b>661,865</b>
<b>Expenses</b>		
Administration overhead	(306,375)	(327,655)
Bad debts	1,536	17,000
Bank charges and interest	(3,318)	149,470
Contracted services	319,700	534,448
Equipment rental	13,344	21,871
Honoraria	69,343	25,669
Insurance	1,738	-
Interest on long term debt	40,667	15,246
Materials and supplies	162,809	192,164
Office supplies	19,114	39,016
Repairs and maintenance	2,116	13,777
Telephone	23,553	26,136
Training	5,950	20,163
Travel	165,788	295,043
Wages and benefits	299,983	177,462
	<b>815,948</b>	<b>1,199,810</b>
<b>Deficit before transfers</b>	<b>(225,321)</b>	<b>(537,945)</b>
<b>Transfers between programs</b>	<b>(42,631)</b>	<b>-</b>
<b>Deficit</b>	<b>(267,952)</b>	<b>(537,945)</b>

**Muskrat Dam First Nation  
COMMUNITY SERVICES**

**Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus  
(Deficit)**

*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Sales	562,230	820,061
Other revenue	-	21,520
	<b>562,230</b>	<b>841,581</b>
<b>Expenses</b>		
Bad debts	-	29,618
Bank charges and interest	75	585
Contracted services	2,218	-
Materials and supplies	652,190	1,024,634
Wages and benefits	28,909	29,474
	<b>683,392</b>	<b>1,084,311</b>
<b>Deficit before transfers</b>	<b>(121,162)</b>	<b>(242,730)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>120,202</b>
<b>Deficit</b>	<b>(121,162)</b>	<b>(122,528)</b>

**Muskrat Dam First Nation**  
**ECONOMIC DEVELOPMENT**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus**  
**(Deficit)**

*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	<b>50,000</b>	94,129
Ontario First Nations (2008) Limited Partnership	<b>940,440</b>	833,414
Investment income	-	5,916
Increase/(decrease) in Investments	-	21
Other revenue	<b>32,151</b>	55,059
Deferred revenue - beginning of year (Note 9)	-	31,132
	<b>1,022,591</b>	1,019,671
<b>Expenses</b>		
Bank charges and interest	-	330
Contracted services	<b>39,338</b>	43,120
Materials and supplies	<b>173,263</b>	13,671
Telephone	<b>2,145</b>	2,155
Travel	-	768
Wages and benefits	<b>20,792</b>	87,317
	<b>235,538</b>	147,361
<b>Surplus before transfers</b>	<b>787,053</b>	872,310
<b>Transfers between programs</b>	<b>(26,100)</b>	(801,184)
<b>Surplus</b>	<b>760,953</b>	71,126

**Muskrat Dam First Nation  
EDUCATION**

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

*For the year ended March 31, 2017*

	2017	2016
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	547,414	457,536
Set Contribution	518,793	221,896
Northern Nishnawbe Education Council	31,392	34,785
Other revenue	54,000	28,937
Deferred revenue - end of year (Note 9)	(48,650)	-
	<b>1,102,949</b>	<b>743,154</b>
<b>Expenses</b>		
Administration overhead	37,500	38,750
Contracted services	15,608	7,213
Cultural program	32,323	19,197
Equipment rental	149	-
Honoraria	300	-
Insurance	2,041	-
Interest on long term debt	715	951
Materials and supplies	4,853	14,167
Miscellaneous	5,999	1,235
Office supplies	374	897
Repairs and maintenance	838	7,358
Special events	17,836	6,000
Supplies	26,348	41,015
Telephone	10,542	17,385
Travel	28,631	76,539
Vehicle expenses	12,389	8,235
Wages and benefits	568,771	496,618
	<b>765,217</b>	<b>735,560</b>
<b>Surplus</b>	<b>337,732</b>	<b>7,594</b>

**Muskrat Dam First Nation  
EMPLOYMENT PROGRAMS**

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

*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada Set Contribution	<b>24,985</b>	23,000
Nishnawbe-Aski Nation	<b>12,405</b>	12,405
S.L.A.A.M.B.	<b>177,615</b>	111,821
Other revenue	-	4,500
	<b>215,005</b>	151,726
<b>Expenses</b>		
Administration overhead	<b>6,360</b>	2,301
Contracted services	-	2,100
Honoraria	-	1,400
Materials and supplies	<b>1,328</b>	3,255
Training	<b>11,022</b>	-
Travel	<b>3,724</b>	-
Wages and benefits	<b>197,477</b>	92,205
	<b>219,911</b>	101,261
<b>Surplus (deficit) before transfers</b>	<b>(4,906)</b>	50,465
<b>Transfers between programs</b>	<b>41,031</b>	37,477
<b>Surplus</b>	<b>36,125</b>	87,942

**Muskrat Dam First Nation  
HEALTH**

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

*For the year ended March 31, 2017*

	2017	2016
<b>Revenue</b>		
Health Canada		
Flexible funding	1,243,970	1,171,444
Set funding	302,045	293,308
Other	69,986	-
Nishnawbe-Aski Nation	251,547	85,731
	<b>1,867,548</b>	1,550,483
<b>Expenses</b>		
Administration overhead	147,586	141,689
Amortization	174,905	174,905
Bank charges and interest	-	5,229
Contracted services	91,946	201,122
Equipment rental	17,802	27,100
Honoraria	1,075	-
Insurance	10,461	10,315
Materials and supplies	455,626	395,994
Office supplies	8,302	5,106
Repairs and maintenance	17,121	1,247
Telephone	15,914	25,751
Training	13,816	-
Travel	84,670	80,914
Utilities	159,883	110,998
Wages and benefits	822,494	665,744
	<b>2,021,601</b>	1,846,114
<b>Deficit before transfers</b>	<b>(154,053)</b>	<b>(295,631)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>93,293</b>
<b>Deficit</b>	<b>(154,053)</b>	<b>(202,338)</b>

**Muskrat Dam First Nation  
HOUSING**

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

*For the year ended March 31, 2017*

	2017	2016
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	1,993,160	105,949
Set Contribution	90,000	-
Canada Mortgage and Housing Corporation	61,478	34,340
Investment income	69	-
Deferred revenue - end of year (Note 9)	(251,060)	-
	<b>1,893,647</b>	<b>140,289</b>
<b>Expenses</b>		
Administration overhead	34,829	3,500
Amortization	502,444	439,721
Bank charges and interest	58	122
Contracted services	42,125	15,540
Insurance	10,220	20,530
Interest on long term debt	6,181	6,888
Materials and supplies	117,571	1,100
Office supplies	22,320	-
Wages and benefits	79,846	320
	<b>815,594</b>	<b>487,721</b>
<b>Surplus (deficit) before transfers</b>	<b>1,078,053</b>	<b>(347,432)</b>
<b>Transfers between programs</b>	<b>26,100</b>	<b>538,932</b>
<b>Surplus</b>	<b>1,104,153</b>	<b>191,500</b>



**Muskrat Dam First Nation**  
**PUBLIC WORKS - CAPITAL PROJECTS**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses and Accumulated**  
**Surplus (Deficit)**

*For the year ended March 31, 2017*

	2017	2016
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	225,771	151,288
Set Contribution	2,637,393	845,291
Flexible transfer payments	497,000	93,963
Rent	44,396	(7,275)
Other revenue	993,007	241,023
Repaid/repayable to funding agency	-	(6,721)
Deferred revenue - beginning of year (Note 9)	369,417	541,408
Deferred revenue - end of year (Note 9)	(1,607,492)	(369,417)
	<b>3,159,492</b>	<b>1,489,560</b>
<b>Expenses</b>		
Administration overhead	30,750	64,365
Amortization	175,672	233,703
Bank charges and interest	-	91
Contracted services	2,404,899	571,086
Equipment rental	(119,447)	(152,815)
Insurance	9,395	15,373
Interest on long term debt	6,467	38,914
Materials and supplies	(40,420)	286,179
Repairs and maintenance	103,653	23,940
Travel	9,947	4,138
Utilities	1,670	-
Wages and benefits	288,214	20,181
	<b>2,870,800</b>	<b>1,105,155</b>
<b>Surplus before transfers</b>	<b>288,692</b>	<b>384,405</b>
<b>Transfers between programs</b>	<b>(48,834)</b>	<b>22,857</b>
<b>Surplus</b>	<b>239,858</b>	<b>407,262</b>

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

**Schedule 11 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)**

*For the year ended March 31, 2017*

	2017	2016
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	1,335,803	1,003,848
Set Contribution	429,394	426,932
Ministry of Northern Development and Mines	156,000	151,476
Other revenue	100,716	134,555
Sales	1,070,914	1,149,474
Deferred revenue - end of year (Note 9)	(474,151)	-
	<b>2,618,676</b>	<b>2,866,285</b>
<b>Expenses</b>		
Administration overhead	44,750	65,650
Amortization	1,288,891	1,288,891
Bad debts	387,204	397,153
Bank charges and interest	130,289	30,026
Contracted services	75,485	116,663
Equipment rental	141,802	181,342
Freight	309,434	-
Fuel	756,728	1,158,778
Insurance	114,201	94,019
Materials and supplies	370,358	235,326
Miscellaneous	75	1,600
Professional fees	42,930	55,675
Repairs and maintenance	93,460	46,250
Telephone	36,254	67,565
Training	-	750
Travel	70,064	12,816
Utilities	361,538	465,978
Vehicle expenses	1,110	4,288
Wages and benefits	497,873	465,458
	<b>4,722,446</b>	<b>4,688,228</b>
<b>Deficit before transfers</b>	<b>(2,103,770)</b>	<b>(1,821,943)</b>
<b>Transfers between programs</b>	<b>50,434</b>	<b>(11,577)</b>
<b>Deficit</b>	<b>(2,053,336)</b>	<b>(1,833,520)</b>

**Muskrat Dam First Nation  
SOCIAL SERVICES**

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

*For the year ended March 31, 2017*

	2017	2016
<b>Revenue</b>		
Indigenous and Northern Affairs Canada		
Fixed Contribution	19,700	19,700
Set Contribution	46,000	52,700
Ministry of Community and Social Services	436,588	288,588
Ministry of Health and Long Term Care	92,555	105,216
Repaid/repayable to funding agency	-	(47,673)
Deferred revenue - beginning of year (Note 9)	-	48,773
Deferred revenue - end of year (Note 9)	(10,626)	-
	<b>584,217</b>	<b>467,304</b>
<b>Expenses</b>		
Administration overhead	4,600	11,400
Bank charges and interest	150,963	-
Basic needs	178,411	217,673
Materials and supplies	4,774	16,720
Special events	1,497	-
Supplies	6,793	2,638
Training	11,395	2,395
Travel	136,885	85,041
Wages and benefits	109,241	124,743
	<b>604,559</b>	<b>460,610</b>
<b>Surplus (deficit)</b>	<b>(20,342)</b>	<b>6,694</b>