

Muskrat Dam First Nation
Consolidated Financial Statements
March 31, 2018

Muskrat Dam First Nation

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For the year ended March 31, 2018

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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 18, 2018

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

INDEPENDENT AUDITORS' REPORT

To the Chief and Council of Muskrat Dam First Nation

I was engaged to audit the accompanying financial statements of Muskrat Dam First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, 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

My responsibility is to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

INDEPENDENT AUDITORS' REPORT (continued)

Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, I was 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 my audit. The absence of proper records does not permit the application of the necessary audit procedures to satisfy myself that the financial statements are not materially misstated. As a result, I was 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, I was not not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion for the years ending March 31, 2018 and March 31, 2017. The audit opinion on the financial statements for the year ended March 31, 2017 was a disclaimer of opinion accordingly based on no change from the prior to current year on the above basis for Disclaimer of Opinion and the possible effect of this matter on the comparability of the current period's figures and corresponding figures. Accordingly, I was 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 31, 2018

Muskrat Dam First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

| | 2018 | 2017 |
|---|--------------------|------------------------------------|
| Financial assets | | |
| Cash resources - unrestricted (Note 3) | 3,614,629 | 1,145,488 |
| Cash resources - internally restricted (Note 3) | 132,959 | 134,024 |
| Accounts receivable (Note 4) | 2,321,372 | 1,814,829 |
| Investments in partnerships and business entities (Note 5) | 1,086,538 | 1,137,684 |
| Due from government and other government organizations (Note 6) | 1,239,136 | 1,338,120 |
| Funds held in Ottawa Trust Fund (Note 7) | 42,142 | 38,032 |
| Total financial assets | 8,436,776 | 5,608,177 |
| Liabilities | | |
| Accounts payable and accruals (Note 8) | 5,761,731 | 2,000,080 |
| Deferred revenue (Note 9) | 2,839,245 | 2,391,979 |
| Due to government and other government organizations (Note 10) | 1,358 | 61,035 |
| Term loans due on demand (Note 11) | 2,426,121 | 2,810,836 |
| CMHC mortgage (Note 11) | 326,258 | 359,957 |
| Total liabilities | 11,354,713 | 7,623,887 |
| Net debt | (2,917,937) | (2,015,710) |
| Contingent liabilities (Note 12) | | |
| Non-financial assets | | |
| Tangible capital assets (Schedule 1) | 27,000,223 | 26,609,363 |
| Inventories of supplies (Note 13) | 922,500 | 885,000 |
| Prepaid expenses | 1,937,868 | 102,653 |
| Total non-financial assets | 29,860,591 | 27,597,016 |
| Accumulated surplus (Note 17) | 26,942,654 | 25,581,306 |
| Approved on behalf of the Council | | |
| Original Signed By: STAN BEARDY | Chief | Original Signed By: ROY FIDDLER |
| Original Signed By: BRAD MORRIS | Councillor | Original Signed By: GWEN DUNCAN |
| Original Signed By: CHARLIE SR. BEARDY | Councillor | Deputy Chief Councillor |

Muskrat Dam First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

| | <i>Schedules</i> | 2018 | 2017 |
|--|------------------|-------------------|-------------------|
| Revenue | | | |
| Indigenous and Northern Affairs Canada | | | |
| Grant | | 551,888 | 370,119 |
| Fixed Contribution | | 4,531,540 | 4,281,848 |
| Set Contribution | | 25,100 | 3,746,565 |
| Flexible transfer payments | | 4,706,671 | 497,000 |
| Canada Mortgage and Housing Corporation | | 237,755 | 61,478 |
| Health Canada | | | |
| Flexible funding | | 1,750,186 | 1,243,970 |
| Set funding | | 823,782 | 302,045 |
| Other | | - | 69,986 |
| Ontario First Nations (2008) Limited Partnership | | 950,156 | 940,440 |
| Increase/(decrease) in Investments | | (51,166) | - |
| Investment income | | 4,348 | 4,026 |
| Ministry of Aboriginal Affairs | | 90,000 | 90,000 |
| Ministry of Community and Social Services | | 360,128 | 436,588 |
| Ministry of Education | | 6,962 | - |
| Ministry of Health and Long Term Care | | 112,695 | 92,555 |
| Ministry of Northern Development and Mines | | 160,680 | 156,000 |
| Ministry of the Attorney General | | 86,075 | - |
| Canada Post Corporation | | (42,847) | - |
| Nishnawbe-Aski Nation | | 259,437 | 263,952 |
| Northern Nishnawbe Education Council | | 73,548 | 31,392 |
| Ontario Arts Council | | 27,120 | - |
| Other revenue | | 1,786,168 | 1,199,507 |
| Rent | | 26,345 | 45,271 |
| S.L.A.A.M.B. | | 126,056 | 177,615 |
| Sales | | 2,822,444 | 1,633,145 |
| Deferred revenue - beginning of year (Note 9) | | 2,391,979 | 369,417 |
| Deferred revenue - end of year (Note 9) | | (2,796,398) | (2,391,979) |
| Repaid/repayable to funding agency | | (844,349) | - |
| | | 18,176,303 | 13,620,940 |
| Segment expenses | | | |
| BAND GOVERNMENT | 3 | 699,059 | 815,948 |
| COMMUNITY SERVICES | 4 | 2,092,194 | 683,392 |
| ECONOMIC DEVELOPMENT | 5 | 409,213 | 235,538 |
| EDUCATION | 6 | 772,325 | 765,217 |
| EMPLOYMENT PROGRAMS | 7 | 170,517 | 219,911 |
| HEALTH | 8 | 2,588,041 | 2,021,601 |
| HOUSING | 9 | 932,189 | 815,594 |
| PUBLIC WORKS - CAPITAL PROJECTS | 10 | 4,281,256 | 2,870,800 |
| PUBLIC WORKS - OPERATIONS | 11 | 4,369,432 | 4,722,446 |
| SOCIAL SERVICES | 12 | 500,714 | 604,559 |
| Total expenses (Schedule 2) | | 16,814,940 | 13,755,006 |
| Surplus (deficit) | | 1,361,363 | (134,066) |
| Accumulated surplus, beginning of year | | 25,581,291 | 25,715,372 |
| Accumulated surplus, end of year | | 26,942,654 | 25,581,306 |

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, 2018

| | 2018 <i>Actual</i> | 2017 <i>Actual</i> |
|--|------------------------------|------------------------------|
| Surplus (deficit) | 1,361,363 | (134,066) |
| Purchases of tangible capital assets | (2,743,845) | (1,784,071) |
| Amortization of tangible capital assets | 2,352,985 | 2,141,912 |
| | (390,860) | 357,841 |
| Use (acquisition) of inventory of supplies | (1,835,215) | (203,676) |
| Use (acquisition) of prepaid expenses | (37,500) | (102,653) |
| | (1,872,715) | (306,329) |
| Increase in net debt | (902,212) | (82,554) |
| Net debt, beginning of year | (2,015,710) | (1,933,156) |
| Net debt, end of year | (2,917,922) | (2,015,710) |

Muskrat Dam First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

| | 2018 | 2017 |
|---|-------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Surplus (deficit) | 1,361,363 | (134,066) |
| Non-cash items | | |
| Amortization | 2,352,985 | 2,141,912 |
| Increase/decrease in investments | 51,146 | - |
| | 3,765,494 | 2,007,846 |
| Changes in working capital accounts | | |
| Accounts receivable | (800,950) | (366,726) |
| Accounts payable and accruals | 3,761,636 | (964,409) |
| Due from government and other government organizations | 393,391 | 348,401 |
| Deferred revenue | 447,266 | 2,022,562 |
| Inventory of supplies | (37,500) | (203,675) |
| Prepaid expenses | (1,835,215) | (102,653) |
| Funds held in Ottawa Trust Fund | (4,110) | (3,957) |
| Due to government and other government organizations | (59,677) | (26,525) |
| | 5,630,335 | 2,710,864 |
| Financing activities | | |
| Repayment of current portion of long-term debt | (33,699) | (32,829) |
| Advance of term loans due on demand | - | 3,200,000 |
| Repayment of term loans due on demand | (384,715) | (2,795,896) |
| | (418,414) | 371,275 |
| Capital activities | | |
| Purchases of tangible capital assets | (2,743,845) | (1,784,071) |
| Increase in cash resources | 2,468,076 | 1,298,068 |
| Cash resources (deficiency), beginning of year | 1,279,512 | (18,556) |
| Cash resources, end of year | 3,747,588 | 1,279,512 |
| Cash resources are composed of: | | |
| Cash resources - unrestricted total | 3,614,629 | 1,145,488 |
| Cash resources - restricted | 132,959 | 134,024 |
| | 3,747,588 | 1,279,512 |
| Supplementary cash flow information | | |
| Interest paid | 190,417 | 54,030 |

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, 2018

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, 2018.

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.

Muskrat Dam First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Recent accounting pronouncements

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

| | 2018 | 2017 |
|------------------------------|------------------|-------------|
| Administration accounts | 3,278,527 | 861,057 |
| CMHC Housing | 68,119 | 34,571 |
| Masenahega Shoonia | 5,220 | 4,541 |
| NAPS | 50,000 | 79,937 |
| Power Utility | 142,840 | 32,976 |
| Welfare | 69,923 | 132,406 |
| Unrestricted | 3,614,629 | 1,145,488 |
| | 2018 | 2017 |
| Internally restricted | 132,959 | 134,024 |

Muskrat Dam First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Accounts receivable

| | 2018 | 2017 |
|----------------------------------|------------------|-----------|
| Other First Nation organizations | - | 133,647 |
| Other accounts receivable | 2,321,372 | 1,681,182 |
| | 2,321,372 | 1,814,829 |

5. Investments in First Nation partnerships and business entities

The First Nation has investments in the following entities:

| | Opening | Purchases | Increase/ (decrease) in investments for the year | 2018 Total investment |
|--|------------------|-----------|---|-----------------------------|
| Wasaya Airways Limited Partnership | 840,000 | - | - | 840,000 |
| The Wellington Leasing Corporation - 50% interest | 102,842 | - | 976 | 103,818 |
| The Wellington Limited Partnership - 50% interest | 133,269 | - | (80,671) | 52,598 |
| The Wellington General Partner Ltd. - 50% interest | 61,573 | - | 28,529 | 90,102 |
| 24723881 Ontario Inc. | - | 10 | - | 10 |
| First Nation LP | - | 10 | - | 10 |
| | 1,137,684 | 20 | (51,166) | 1,086,538 |

| | Opening | Purchases | Increase/ (decrease) in investments for the year | 2017 Total investment |
|--|------------------|-----------|---|-----------------------------|
| Wasaya Airways Limited Partnership | 840,000 | - | - | 840,000 |
| The Wellington Leasing Corporation - 50% interest | 102,842 | - | - | 102,842 |
| The Wellington Limited Partnership - 50% interest | 133,269 | - | - | 133,269 |
| The Wellington General Partner Ltd. - 50% interest | 61,573 | - | - | 61,573 |
| | 1,137,684 | - | - | 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, 2017 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, 2018

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

| | <i>Wellington Leasing Corporation As at December 31, 2017</i> | <i>Wellington Limited Partnership As at December 31, 2017</i> | <i>Wellington General Partner Ltd. As at December 31, 2017</i> | <i>Total As at December 31, 2017</i> | <i>Total As at December 31, 2016</i> |
|-----------------------------------|---|---|--|--|--|
| Assets | | | | | |
| Cash | 11,806 | 94,283 | 87,080 | 193,169 | 206,966 |
| Accounts receivable | - | 56,971 | - | 56,971 | 50,510 |
| Inventory | - | 167,369 | - | 167,369 | 168,717 |
| Investments | 200 | - | 100 | 300 | 300 |
| Due from (to) related parties | (132,770) | 20,001 | 112,769 | - | - |
| Property, plant and equipment | 177,716 | 162,541 | - | 340,257 | 392,098 |
| Total assets | 56,952 | 501,165 | 199,949 | 758,066 | 818,591 |
| Liabilities | | | | | |
| Accounts payable and accruals | 11,895 | 345,037 | 17,080 | 374,012 | 444,470 |
| Income taxes payable | 721 | - | 2,466 | 3,187 | 4,997 |
| Due to shareholders | 9,100 | - | - | 9,100 | 9,100 |
| Long-term debt | - | 75,834 | - | 75,834 | 95,392 |
| Total liabilities | 21,716 | 420,871 | 19,546 | 462,133 | 553,959 |
| Equity | 35,236 | 80,294 | 180,403 | 295,933 | 264,632 |
| Total revenue | 99,908 | 5,859,468 | 96,077 | 6,055,453 | 5,283,872 |
| Total expenses | 98,030 | 5,861,099 | 58,701 | 6,017,830 | 5,412,464 |
| | 1,878 | (1,631) | 37,376 | 37,623 | (128,592) |
| Provision for income taxes | (721) | - | (5,604) | (6,325) | (5,043) |
| Income/(loss) | 1,157 | (1,631) | 31,772 | 31,298 | (133,635) |

Muskrat Dam First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

6. Due from government and other government organizations

| | 2018 | 2017 |
|---|------------------|-------------|
| Indigenous and Northern Affairs Canada | 449,562 | 1,024,048 |
| Health Canada | 142,585 | - |
| Province of Ontario | 336,663 | 126,065 |
| Canada Mortgage and Housing Corporation | 63,133 | 8,289 |
| Nishnawbe-Aski Nation | 151,134 | 55,184 |
| Federal government | 75,089 | 64,849 |
| SLAAMB | 20,970 | 59,685 |
| | 1,239,136 | 1,338,120 |

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.

| | 2018 | 2017 |
|----------------------------|---------------|-------------|
| Capital Trust | | |
| Balance, beginning of year | 126 | 126 |
| Balance, end of year | 126 | 126 |
| Revenue Trust | | |
| Balance, beginning of year | 37,906 | 33,950 |
| Interest | 785 | 631 |
| Bell fibre optic fees | 3,325 | 3,325 |
| Balance, end of year | 42,016 | 37,906 |
| | 42,142 | 38,032 |

8. Accounts payable and accruals

| | 2018 | 2017 |
|----------------|------------------|-------------|
| Trade payables | 5,761,731 | 2,000,080 |

Muskrat Dam First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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> |
|-------------------------------------|---|-----------------------------------|-------------------------------|---------------------------------|
| Arts council | - | 22,120 | - | 22,120 |
| Capital water O & M | - | 26,369 | - | 26,369 |
| Child protection | - | 60,100 | - | 60,100 |
| Climate change | - | 150,000 | - | 150,000 |
| CMHC housing renovations | - | 60,751 | 44,922 | 15,829 |
| Generator overhauls | 31,574 | - | 31,574 | - |
| Guidance and counselling | - | 105,000 | - | 105,000 |
| Health Canada flexible funding | - | 108,909 | - | 108,909 |
| Incremental fuel relief | 474,151 | 443,045 | 474,151 | 443,045 |
| Jordan's Principle | - | 260,578 | - | 260,578 |
| Lot servicing | 90,000 | - | 90,000 | - |
| LEDSP economic development capacity | - | 48,357 | - | 48,357 |
| House maintenance | 23,750 | - | 23,750 | - |
| Housing authority | 55,988 | - | 55,988 | - |
| Housing governance tool | 30,688 | - | 30,688 | - |
| Housing management | 50,634 | - | 50,634 | - |
| National Child Benefit | 10,626 | - | 10,626 | - |
| Remediation project - ARJUP | 1,243,918 | - | 743,286 | 500,632 |
| School effectiveness | 48,650 | - | - | 48,650 |
| Severn River bridge design | 237,000 | - | - | 237,000 |
| Sewer systems and facilities | 25,000 | 46,804 | 25,000 | 46,804 |
| Solid waste management equipment | - | 48,921 | - | 48,921 |
| Switchgear upgrade | - | 716,931 | - | 716,931 |
| Water plant upgrade | 20,000 | - | 20,000 | - |
| Water treatability study | 50,000 | - | 50,000 | - |
| | 2,391,979 | 2,097,885 | 1,650,619 | 2,839,245 |

10. Due to government and other government organizations

| | <i>2018</i> | <i>2017</i> |
|--|--------------|---------------|
| Federal government | 1,232 | 2,710 |
| Indigenous and Northern Affairs Canada | 126 | 58,325 |
| | 1,358 | 61,035 |

Muskrat Dam First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

11. Long-term debt

| | 2018 | 2017 |
|---|-----------------|---------|
| 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. | 326,258 | 359,957 |
| Less: current portion of CMHC loan | (34,219) | 33,699 |
| | 360,477 | 326,258 |

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

| | Principal |
|------------|-----------|
| 2019 | 34,219 |
| 2020 | 34,701 |
| 2021 | 35,216 |
| 2022 | 35,713 |
| 2023 | 36,227 |
| Thereafter | 150,182 |

Interest on long-term debt amounted to \$4,873 (2017 - \$6,226).

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 \$326,258 (2017 - \$359,957) 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

| | 2018 | 2017 |
|----------------|----------------|---------|
| Fuel inventory | 922,500 | 885,000 |

The cost of inventories recognized as an expense and included in fuel amounted to \$885,000 (2017 - \$681,324).

14. Economic dependence

Muskrat Dam First Nation receives approximately 45% (2017 - 77%) 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, 2018

17. Accumulated surplus

Accumulated surplus (deficit) consists of the following:

| | 2018 | 2017 |
|-----------------------------------|-------------------|--------------------|
| Equity in Ottawa Trust Funds | | |
| Balance, beginning of year | 38,032 | 34,076 |
| Contributions | 4,110 | 3,956 |
| | 42,142 | 38,032 |
| Equity in tangible capital assets | | |
| Balance, beginning of year | 26,609,363 | 26,967,204 |
| Additions | 2,743,845 | 1,784,071 |
| Amortization | (2,352,985) | (2,141,912) |
| | 27,000,223 | 26,609,363 |
| Unrestricted surplus | | |
| Balance, beginning of year | (1,066,089) | (1,285,908) |
| Net increase/(decrease) | 966,393 | 219,819 |
| | (99,696) | (1,066,089) |
| | 26,942,669 | 25,581,306 |

18. Government transfers

| | Set | Flexible | 2018 | 2017 |
|---|------------------|------------------|-------------------|-------------------|
| Federal government transfers | | | | |
| Indigenous and Northern Affairs Canada | 5,108,528 | 4,706,671 | 9,815,199 | 8,895,532 |
| Health Canada | 823,782 | 1,750,186 | 2,573,968 | 1,616,001 |
| Canada Mortgage and Housing Corporation | 237,755 | - | 237,755 | 61,478 |
| Total federal government transfers | 6,170,065 | 6,456,857 | 12,626,922 | 10,573,011 |
| Provincial government transfers | 846,540 | - | 846,540 | 775,143 |
| Total government transfers | 7,016,605 | 6,456,857 | 13,473,462 | 11,348,154 |

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, 2018

| | <i>Buildings</i> | <i>Equipment</i> | <i>Electrical</i> | <i>Sewer and Water</i> | <i>Soil Remediation/ Roads</i> | <i>Subtotal</i> |
|--|------------------|------------------|-------------------|----------------------------|--|-------------------|
| Cost | | | | | | |
| Balance, beginning of year | 14,833,199 | 3,046,741 | 8,655,891 | 11,554,814 | 1,223,453 | 39,314,098 |
| Acquisition of tangible capital assets | - | 633,250 | - | 1,869,500 | - | 2,502,750 |
| Balance, end of year | 14,833,199 | 3,679,991 | 8,655,891 | 13,424,314 | 1,223,453 | 41,816,848 |
| Accumulated amortization | | | | | | |
| Balance, beginning of year | 7,221,297 | 2,518,377 | 2,815,378 | 6,259,936 | 793,958 | 19,608,946 |
| Annual amortization | 593,328 | 302,322 | 346,235 | 536,973 | 48,938 | 1,827,796 |
| Balance, end of year | 7,814,625 | 2,820,699 | 3,161,613 | 6,796,909 | 842,896 | 21,436,742 |
| Net book value of tangible capital assets | 7,018,574 | 859,292 | 5,494,278 | 6,627,405 | 380,557 | 20,380,106 |
| 2017 Net book value of tangible capital assets | 7,611,902 | 528,364 | 5,840,513 | 5,294,878 | 429,495 | 19,705,152 |

Muskrat Dam First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

| | <i>Subtotal</i> | <i>Housing</i> | <i>2018</i> | <i>2017</i> |
|--|-------------------|------------------|-------------------|-------------------|
| <hr/> | | | | |
| Cost | | | | |
| Balance, beginning of year | 39,314,098 | 12,977,500 | 52,291,598 | 50,507,527 |
| Acquisition of tangible capital assets | 2,502,750 | 241,095 | 2,743,845 | 1,784,071 |
| <hr/> | | | | |
| Balance, end of year | 41,816,848 | 13,218,595 | 55,035,443 | 52,291,598 |
| <hr/> | | | | |
| Accumulated amortization | | | | |
| Balance, beginning of year | 19,608,946 | 6,073,289 | 25,682,235 | 23,540,323 |
| Annual amortization | 1,827,796 | 525,189 | 2,352,985 | 2,141,912 |
| <hr/> | | | | |
| Balance, end of year | 21,436,742 | 6,598,478 | 28,035,220 | 25,682,235 |
| <hr/> | | | | |
| Net book value of tangible capital assets | 20,380,106 | 6,620,117 | 27,000,223 | 26,609,363 |
| <hr/> | | | | |
| 2017 Net book value of tangible capital assets | 19,705,152 | 6,904,211 | 26,609,363 | |
| <hr/> | | | | |

Muskrat Dam First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

| | 2018 | 2017 |
|--|-------------------|-------------------|
| Expenses by object | | |
| Administration overhead | (81,905) | - |
| Amortization | 2,352,985 | 2,141,912 |
| Bad debts | 1,206 | 388,740 |
| Bank charges and interest | 141,495 | 278,067 |
| Basic needs | 250,534 | 178,411 |
| Contracted services | 4,277,571 | 2,991,319 |
| Cultural program | 22,174 | 32,323 |
| Equipment rental | 60,321 | 53,651 |
| First Nation Project Coordination Services | 26,719 | - |
| Freight | 226,965 | 309,434 |
| Fuel | 866,958 | 756,728 |
| Honoraria | 56,800 | 70,718 |
| Insurance | 138,624 | 148,056 |
| Interest on long term debt | 51,304 | 54,030 |
| Materials and supplies | 3,342,484 | 1,902,352 |
| Miscellaneous | 27,016 | 6,074 |
| Office supplies | 65,328 | 50,111 |
| Professional fees | 31,248 | 42,930 |
| Repairs and maintenance | 522,532 | 217,188 |
| Special events | 14,572 | 19,333 |
| Supplies | 21,717 | 33,140 |
| Telephone | 87,125 | 88,408 |
| Training | 12,399 | 42,183 |
| Travel | 467,773 | 499,708 |
| Utilities | 801,009 | 523,091 |
| Vehicle expenses | 3,246 | 13,499 |
| Wages and benefits | 3,026,740 | 2,913,600 |
| | 16,814,940 | 13,755,006 |

Muskkrat Dam First Nation
BAND GOVERNMENT

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

For the year ended March 31, 2018

| | 2018 | 2017 |
|---|----------------|------------------|
| Revenue | | |
| Indigenous and Northern Affairs Canada | | |
| Grant | 551,888 | 370,119 |
| Fixed Contribution | 35,000 | 110,000 |
| Ministry of Aboriginal Affairs | 90,000 | 90,000 |
| Ministry of the Attorney General | 86,075 | - |
| Rent | - | 875 |
| Other revenue | 19,281 | 19,633 |
| | 782,244 | 590,627 |
| Expenses | | |
| Administration overhead | (454,540) | (306,375) |
| Bad debts | - | 1,536 |
| Bank charges and interest | 455 | (3,318) |
| Contracted services | 473,445 | 319,700 |
| Equipment rental | 6,950 | 13,344 |
| Honoraria | 55,500 | 69,343 |
| Insurance | 9,405 | 1,738 |
| Interest on long term debt | 46,430 | 40,667 |
| Materials and supplies | 104,403 | 162,809 |
| Office supplies | 19,254 | 19,114 |
| Repairs and maintenance | 2,405 | 2,116 |
| Telephone | 53,513 | 23,553 |
| Training | 552 | 5,950 |
| Travel | 155,572 | 165,788 |
| Utilities | 13,750 | - |
| Wages and benefits | 211,965 | 299,983 |
| | 699,059 | 815,948 |
| Surplus (deficit) before transfers | 83,185 | (225,321) |
| Transfers between programs | - | (42,631) |
| Surplus (deficit) | 83,185 | (267,952) |

**Muskrat Dam First Nation
COMMUNITY SERVICES**

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

For the year ended March 31, 2018

| | 2018 | 2017 |
|---------------------------|------------------|-------------|
| Revenue | | |
| Sales | 1,798,179 | 562,230 |
| Other revenue | 16,302 | - |
| | 1,814,481 | 562,230 |
| Expenses | | |
| Bank charges and interest | 50 | 75 |
| Contracted services | 200 | 2,218 |
| Equipment rental | 300 | - |
| Materials and supplies | 2,010,365 | 652,190 |
| Telephone | 527 | - |
| Travel | 46,031 | - |
| Utilities | 7,295 | - |
| Wages and benefits | 27,426 | 28,909 |
| | 2,092,194 | 683,392 |
| Deficit | (277,713) | (121,162) |

Muskrat Dam First Nation
ECONOMIC DEVELOPMENT

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

For the year ended March 31, 2018

| | 2018 | 2017 |
|--|------------------|-------------|
| Revenue | | |
| Indigenous and Northern Affairs Canada | | |
| Fixed Contribution | 131,780 | 50,000 |
| Ontario First Nations (2008) Limited Partnership | 950,156 | 940,440 |
| Increase/(decrease) in investments | (51,166) | - |
| Other revenue | 97,879 | 32,151 |
| Deferred revenue - end of year (Note 9) | (48,357) | - |
| | 1,080,292 | 1,022,591 |
| Expenses | | |
| Administration overhead | 8,178 | - |
| Contracted services | 25,299 | 39,338 |
| Materials and supplies | 296,711 | 173,263 |
| Telephone | 4,018 | 2,145 |
| Travel | 300 | - |
| Utilities | 7,549 | - |
| Wages and benefits | 67,158 | 20,792 |
| | 409,213 | 235,538 |
| Surplus before transfers | 671,079 | 787,053 |
| Transfers between programs | (26,100) | (26,100) |
| Surplus | 644,979 | 760,953 |

**Muskrat Dam First Nation
EDUCATION**

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

For the year ended March 31, 2018

| | 2018 | 2017 |
|---|------------------|------------------|
| Revenue | | |
| Indigenous and Northern Affairs Canada | | |
| Fixed Contribution | 990,776 | 547,414 |
| Set Contribution | - | 518,793 |
| Northern Nishnawbe Education Council | 73,548 | 31,392 |
| Other revenue | 64,200 | 54,000 |
| Deferred revenue - beginning of year (Note 9) | 48,650 | - |
| Deferred revenue - end of year (Note 9) | (153,650) | (48,650) |
| | 1,023,524 | 1,102,949 |
| Expenses | | |
| Administration overhead | 80,920 | 37,500 |
| Contracted services | 3,320 | 15,608 |
| Cultural program | 22,174 | 32,323 |
| Equipment rental | - | 149 |
| Honoraria | - | 300 |
| Insurance | 2,041 | 2,041 |
| Interest on long term debt | - | 715 |
| Materials and supplies | 10,990 | 4,853 |
| Miscellaneous | 20,885 | 5,999 |
| Office supplies | 596 | 374 |
| Repairs and maintenance | 1,436 | 838 |
| Special events | 14,400 | 17,836 |
| Supplies | 17,923 | 26,348 |
| Telephone | 5,018 | 10,542 |
| Travel | 17,132 | 28,631 |
| Utilities | 11,098 | - |
| Vehicle expenses | 1,879 | 12,389 |
| Wages and benefits | 562,513 | 568,771 |
| | 772,325 | 765,217 |
| Surplus | 251,199 | 337,732 |

Muskrat Dam First Nation
EMPLOYMENT PROGRAMS

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

For the year ended March 31, 2018

| | 2018 | 2017 |
|---|-----------------|----------------|
| Revenue | | |
| Indigenous and Northern Affairs Canada | | |
| Set Contribution | - | 24,985 |
| Fixed Contribution | 30,180 | - |
| Nishnawbe-Aski Nation | (12,405) | 12,405 |
| Ontario Arts Council | 27,120 | - |
| S.L.A.A.M.B. | 126,056 | 177,615 |
| Other revenue | 7,576 | - |
| Deferred revenue - end of year (Note 9) | (22,120) | - |
| | 156,407 | 215,005 |
| Expenses | | |
| Administration overhead | - | 6,360 |
| Contracted services | 8,036 | - |
| Equipment rental | 3,775 | - |
| Materials and supplies | 5,429 | 1,328 |
| Training | - | 11,022 |
| Travel | - | 3,724 |
| Wages and benefits | 153,277 | 197,477 |
| | 170,517 | 219,911 |
| Deficit before transfers | (14,110) | (4,906) |
| Transfers between programs | - | 41,031 |
| Surplus (deficit) | (14,110) | 36,125 |

**Muskrat Dam First Nation
HEALTH**

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

+For the year ended March 31, 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| Revenue | | |
| Health Canada | | |
| Flexible funding | 1,750,186 | 1,243,970 |
| Set funding | 823,782 | 302,045 |
| Other | - | 69,986 |
| Indigenous and Northern Affairs Canada | | |
| Fixed Contribution | 60,100 | - |
| Ministry of Education | 6,962 | - |
| Nishnawbe-Aski Nation | 271,842 | 251,547 |
| Deferred revenue - end of year (Note 9) | (386,740) | - |
| | 2,526,132 | 1,867,548 |
| Expenses | | |
| Administration overhead | 240,268 | 147,586 |
| Amortization | 174,904 | 174,905 |
| Contracted services | 316,099 | 91,946 |
| Equipment rental | 10,053 | 17,802 |
| First Nation Project Coordination Services | 16,452 | - |
| Honoraria | 1,300 | 1,075 |
| Insurance | 10,384 | 10,461 |
| Materials and supplies | 447,550 | 455,626 |
| Miscellaneous | 375 | - |
| Office supplies | 9,182 | 8,302 |
| Repairs and maintenance | 12,129 | 17,121 |
| Telephone | 10,191 | 15,914 |
| Training | 10,072 | 13,816 |
| Travel | 89,165 | 84,670 |
| Utilities | 183,483 | 159,883 |
| Wages and benefits | 1,056,434 | 822,494 |
| | 2,588,041 | 2,021,601 |
| Deficit | (61,909) | (154,053) |

**Muskrat Dam First Nation
HOUSING**

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

For the year ended March 31, 2018

| | 2018 | 2017 |
|---|------------------|------------------|
| Revenue | | |
| Indigenous and Northern Affairs Canada | | |
| Fixed Contribution | 103,809 | 1,993,160 |
| Set Contribution | - | 90,000 |
| Canada Mortgage and Housing Corporation | 237,755 | 61,478 |
| Investment income | 238 | 69 |
| Deferred revenue - beginning of year (Note 9) | 251,060 | - |
| Deferred revenue - end of year (Note 9) | (15,829) | (251,060) |
| | 577,033 | 1,893,647 |
| Expenses | | |
| Administration overhead | 20,000 | 34,829 |
| Amortization | 512,087 | 502,444 |
| Bank charges and interest | 382 | 58 |
| Contracted services | 134,705 | 42,125 |
| Equipment rental | 6,720 | - |
| First Nation Project Coordination Services | 3,816 | - |
| Insurance | 9,950 | 10,220 |
| Interest on long term debt | 4,874 | 6,181 |
| Materials and supplies | 95,064 | 117,571 |
| Office supplies | - | 22,320 |
| Travel | 20,612 | - |
| Wages and benefits | 123,979 | 79,846 |
| | 932,189 | 815,594 |
| Surplus (deficit) before transfers | (355,156) | 1,078,053 |
| Transfers between programs | 26,100 | 26,100 |
| Surplus (deficit) | (329,056) | 1,104,153 |

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, 2018

| | 2018 | 2017 |
|---|------------------|------------------|
| Revenue | | |
| Government funding | | |
| Indigenous and Northern Affairs Canada | | |
| Fixed Contribution | 1,625,133 | 225,771 |
| Set Contribution | - | 2,637,393 |
| Flexible transfer payments | 4,706,671 | 497,000 |
| Rent | 26,345 | 44,396 |
| Other revenue | 1,535,580 | 993,007 |
| Deferred revenue - beginning of year (Note 9) | 1,607,492 | 369,417 |
| Deferred revenue - end of year (Note 9) | (1,576,657) | (1,607,492) |
| Repaid/repayable to funding agency | (832,803) | - |
| | 7,091,761 | 3,159,492 |
| Expenses | | |
| Administration overhead | 12,000 | 30,750 |
| Amortization | 302,322 | 175,672 |
| Contracted services | 3,231,629 | 2,404,899 |
| Equipment rental | (90,770) | (119,447) |
| First Nation Project Coordination Services | 6,451 | - |
| Insurance | 13,366 | 9,395 |
| Interest on long term debt | - | 6,467 |
| Materials and supplies | 25,859 | (40,420) |
| Repairs and maintenance | 395,353 | 103,653 |
| Training | 600 | - |
| Travel | 5,848 | 9,947 |
| Utilities | 123,000 | 1,670 |
| Wages and benefits | 255,598 | 288,214 |
| | 4,281,256 | 2,870,800 |
| Surplus before transfers | 2,810,505 | 288,692 |
| Transfers between programs | - | (48,834) |
| Surplus | 2,810,505 | 239,858 |

Muskrat Dam First Nation
PUBLIC WORKS - OPERATIONS

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

For the year ended March 31, 2018

| | 2018 | 2017 |
|---|--------------------|--------------------|
| Revenue | | |
| Indigenous and Northern Affairs Canada | | |
| Fixed Contribution | 1,532,462 | 1,335,803 |
| Set Contribution | - | 429,394 |
| Ministry of Northern Development and Mines | 160,680 | 156,000 |
| Sales | 1,024,265 | 1,070,914 |
| Other revenue | 45,350 | 100,716 |
| Deferred revenue - beginning of year (Note 9) | 474,151 | - |
| Deferred revenue - end of year (Note 9) | (593,045) | (474,151) |
| | 2,643,863 | 2,618,676 |
| Expenses | | |
| Administration overhead | - | 44,750 |
| Amortization | 1,363,672 | 1,288,891 |
| Bad debts | 1,206 | 387,204 |
| Bank charges and interest | 140,149 | 130,289 |
| Contracted services | 84,837 | 75,485 |
| Equipment rental | 123,293 | 141,802 |
| Freight | 226,965 | 309,434 |
| Fuel | 866,958 | 756,728 |
| Insurance | 93,478 | 114,201 |
| Materials and supplies | 346,114 | 370,358 |
| Miscellaneous | 5,756 | 75 |
| Office supplies | 36,297 | - |
| Professional fees | 31,248 | 42,930 |
| Repairs and maintenance | 111,209 | 93,460 |
| Telephone | 13,858 | 36,254 |
| Training | 1,175 | - |
| Travel | 4,757 | 70,064 |
| Utilities | 454,835 | 361,538 |
| Vehicle expenses | 1,367 | 1,110 |
| Wages and benefits | 462,258 | 497,873 |
| | 4,369,432 | 4,722,446 |
| Deficit before transfers | (1,725,569) | (2,103,770) |
| Transfers between programs | - | 50,434 |
| Deficit | (1,725,569) | (2,053,336) |

Muskrat Dam First Nation
SOCIAL SERVICES

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

For the year ended March 31, 2018

| | 2018 | 2017 |
|---|----------------|-----------------|
| Revenue | | |
| Government funding | | |
| Indigenous and Northern Affairs Canada | | |
| Fixed Contribution | 22,300 | 19,700 |
| Set Contribution | 25,100 | 46,000 |
| Ministry of Community and Social Services | 360,128 | 436,588 |
| Ministry of Health and Long Term Care | 112,695 | 92,555 |
| Deferred revenue - beginning of year (Note 9) | 10,626 | - |
| Deferred revenue - end of year (Note 9) | - | (10,626) |
| Repaid/repayable to funding agency | (11,546) | - |
| | 519,303 | 584,217 |
| Expenses | | |
| Administration overhead | 11,269 | 4,600 |
| Bank charges and interest | 459 | 150,963 |
| Basic needs | 250,534 | 178,411 |
| Materials and supplies | - | 4,774 |
| Special events | 172 | 1,497 |
| Supplies | 3,794 | 6,793 |
| Training | - | 11,395 |
| Travel | 128,356 | 136,885 |
| Wages and benefits | 106,130 | 109,241 |
| | 500,714 | 604,559 |
| Surplus (deficit) | 18,589 | (20,342) |