

Muskoday First Nation
Consolidated Financial Statements
March 31, 2018





Muskoday First Nation

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Management's Responsibility



To the Council of Muskoday First Nation:

The accompanying consolidated financial statements of Muskoday 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 Muskoday 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 Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the 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 20, 2018

Signature on file

Executive Director

Independent Auditors' Report

To the Members of Muskoday First Nation:

We have audited the accompanying consolidated financial statements of Muskoday First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Muskoday First Nation as at March 31, 2018 and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of Muskoday First Nation for the year ended March 31, 2017 were reported on by another firm of Chartered Professional Accountants who expressed an unqualified opinion in their Independent Auditors' Report dated September 11, 2017.

Prince Albert, Saskatchewan

July 20, 2018

MNP LLP

Chartered Professional Accountants



Muskoday First Nation

Consolidated Statement of Financial Position

As at March 31, 2018

	2018	2017
Financial assets		
Current		
Cash	274,846	73,289
Marketable securities (Note 4)	266,519	314,894
Accounts receivable (Note 5)	922,636	1,657,312
Inventory (Note 6)	195,983	214,204
Restricted cash - reserves for capital projects and Trust (Note 4)	2,255,852	536,963
	3,915,836	2,796,662
Restricted investments - Trust (Note 4)	5,005,954	4,834,591
	8,921,790	7,631,253
Liabilities		
Current		
Bank indebtedness (Note 7)	1,088,744	885,344
Accounts payable and accruals (Note 11), (Note 14)	1,444,037	386,454
Deferred revenue (Note 8)	1,786,016	2,308,503
Current portion of long-term debt (Note 9)	244,200	288,613
	4,562,997	3,868,914
Long-term debt (Note 9)	2,309,792	2,484,838
	6,872,789	6,353,752
Net financial assets	2,049,001	1,277,501
Subsequent events (Note 11)		
Non-financial assets		
Tangible capital assets (Note 12) (Schedule 1)	22,588,305	21,103,544
Prepaid expenses	209,563	150,918
	22,797,868	21,254,462
Accumulated surplus (Note 13)	24,846,869	22,531,963

Approved on behalf of the Chief and Council

Signature on file

Chief

Signature on file

Councillor



Muskoday First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget (Note 18)</i>	<i>2018</i>	<i>2017</i>
Revenue				
Federal government funding (Note 14)				
Indigenous Services Canada		6,102,163	9,629,849	6,807,216
Health Canada		168,764	484,680	227,523
Canada Mortgage and Housing Corporation		-	67,803	2,976
		6,270,927	10,182,332	7,037,715
Saskatoon Tribal council		1,173,436	1,939,185	1,699,765
Gas Bar - net sales (Note 17)		1,012,720	871,853	1,031,129
Lease income		540,000	635,279	544,137
First Nations Trust - gaming allocation		-	614,069	605,321
Dakota Dunes Community Development Corporation		168,000	342,054	401,553
Interest income		-	268,909	138,925
Other revenue		1,552,057	193,412	664,766
Portfolio investment income		74,000	63,362	72,790
Recreation revenue		-	24,894	20,969
Rental income		2,016	22,349	34,876
		10,793,156	15,157,698	12,251,946
Program expenses				
Indian Government Support	3	1,179,256	2,100,783	1,797,435
Education	4	3,701,341	3,948,979	4,072,457
Community Development	5	1,511,096	1,740,016	1,936,075
Economic Development	6	66,500	30,479	32,434
Social Development	7	1,529,839	1,267,020	1,184,229
Health	8	1,023,608	1,013,087	899,408
Justice	9	84,925	73,725	63,668
Band - Owned	10	2,710,295	2,627,072	2,942,942
		11,806,860	12,801,161	12,928,648
Surplus (deficit) before other items		(1,013,704)	2,356,537	(676,702)
Other expense				
Loss on recovery of SHC forgivable loan repayment (Note 11)		-	(41,631)	-
Surplus (deficit)		(1,013,704)	2,314,906	(676,702)
Accumulated surplus, beginning of year		22,531,963	22,531,963	23,208,665
Accumulated surplus, end of year (Note 13)		21,518,259	24,846,869	22,531,963

The accompanying notes are an integral part of these financial statements



Muskoday First Nation

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Annual surplus (deficit)	(678,207)	2,314,906	(676,702)
Purchases of tangible capital assets	-	(2,767,821)	(1,822,521)
Amortization of tangible capital assets	-	1,283,060	984,312
Acquisition of prepaid expenses	-	(209,563)	-
Use of prepaid expenses	-	150,918	62,875
Increase (decrease) in net financial assets	(678,207)	771,500	(1,452,036)
Net financial assets, beginning of year	1,277,501	1,277,501	2,729,537
Net financial assets, end of year	599,294	2,049,001	1,277,501

The accompanying notes are an integral part of these financial statements



Muskoday 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)	2,314,906	(676,702)
Non-cash items		
Amortization	1,283,060	984,312
Loss on recovery of SHC forgivable loan repayment	41,631	-
	3,639,597	307,610
Changes in working capital accounts		
Accounts receivable	734,674	(853,173)
Prepaid expenses	(58,645)	62,875
Accounts payable and accruals	81,382	(37,945)
Deferred revenue	183,406	741,550
Inventory	18,221	(62,287)
	4,598,635	158,630
Financing activities		
Advances of long-term debt	94,707	1,411,260
Repayment of long-term debt	(314,166)	(368,413)
Net change in bank indebtedness	203,400	619,824
	(16,059)	1,662,671
Capital activities		
Purchases of tangible capital assets	(2,539,141)	(1,822,521)
Investing activities		
Decrease (increase) of restricted cash and investments - Trust	(242,984)	12,300
Decrease of marketable securities	48,375	49,367
Transfers (to) from restricted cash - reserves for capital projects	(1,647,269)	12,842
	(1,841,878)	74,509
Increase (decrease) in cash resources	201,557	73,289
Cash resources, beginning of year	73,289	-
Cash resources, end of year	274,846	73,289

The accompanying notes are an integral part of these financial statements



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

1. Operations

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

2. Change in accounting policies

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

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

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

3. Significant accounting policies

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

Reporting entity consolidated

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

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

- General, Health, and Revenue Fund
- Muskoday First Nation - Store and Gas Bar
- Muskoday First Nation Treaty Land Entitlement Trust (TLE)
- Crossing Island Holdings Inc.
- Muskoday Economic Development Limited
- Muskoday Economic Development Authority Limited Partnership

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

Muskoday First Nation business entities, controlled by the First Nation's Council 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. The First Nation currently has no business entities within its reporting entity.

Investments in First Nation partnerships are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the First Nation partnership have been combined on a line-by-line basis with similar items of the First Nation. The First Nation currently has no government partnerships within its reporting entity.



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

Other economic interests

The First Nation does not share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the First Nation.

The First Nation is a member of the Saskatoon Tribal Council (the "STC"). The STC is an organization of seven First Nations. The STC is mandated to enhance the service provided to and provide a representative voice for the member Nations.

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.

Revenue recognition

Non-government funding

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

Government transfers

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

Retail sales

Revenue from retail sales are recognized upon completion of the sale transaction and is earned, measurable, and collectible.

Rebates on retail sales

Fuel and tobacco rebates received from Saskatchewan Finance are recorded as a reduction of cost of sales in the period in which the related sales to individuals with Treaty status numbers occurred.

Other revenue

Investment and interest income are recognized when earned. Rent, lease, and other revenue is recognized when the related services are provided or over the term of the rental lease.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

3. Significant accounting policies (Continued from previous page)

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives with half the rate taken in the year of purchase:

	Method	Rate
Housing	declining balance	5 %
Buildings	declining balance	4-5 %
Community infrastructure	declining balance	5 %
Equipment and vehicles	declining balance	20-30 %

Cash resources

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

Portfolio investments

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

Measurement uncertainty

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.

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 tangible capital assets.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the 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 is 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.

No provision for contaminated sites has been reported in these consolidated financial statements.



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

Segments

The First Nation conducts its business through eight reportable segments: Indian government support, education, community development, economic development, social development, health, justice and band-owned. 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. Inter-segment transfers are recorded at their exchange amount.

Retirement benefits

The First Nation has a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. Contributions are discretionary, and are based on participants' contributions. The First Nation follows the policy of funding retirement plan contributions as accrued. The First Nation contributions totalled \$417,153 (2017 - \$363,564).

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the retail pricing method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

4. Marketable securities, restricted cash, and restricted investments

	2018	2017
Marketable Securities		
CIBC GIC (0.45%, maturing November 14, 2018)	8,017	-
CIBC GIC (0.45%, maturing January 2, 2019)	34,290	-
CIBC GIC (0.60%, maturing May 16, 2018)	11,011	-
CIBC GIC (0.60%, maturing April 11, 2018)	147,332	-
CIBC GIC (0.45%, maturing July 4, 2018)	65,869	-
CIBC GICs matured in 2017/18	-	314,894
	266,519	314,894
Restricted Cash - Reserves for Capital Projects		
CIBC operating bank accounts - capital projects	1,820,931	173,663
Restricted Cash - Trusts		
TLE capital cash	1,225	27,903
TLE income cash	433,696	335,397
	434,921	363,300
Restricted investments - Trust		
TLE Trust fixed income investments (market value - \$5,601,321)	5,005,954	4,834,591



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

4. Marketable securities, restricted cash, and restricted investments *(Continued from previous page)*

The restricted cash and investments - Trust are restricted as per the Treaty Land Entitlement ("TLE") Agreement and managed by an independent trust advisor. The funds were received through a settlement with the Government of Canada, with the use of funds restricted to the terms of the *Settlement Agreement*, which included the requirement to purchase short-fall acres of 6,144 acres of land. To date, 6,144 acres of land has been purchased with the related cost reported in Schedule 1.

5. Accounts receivable

	2018	2017
Saskatoon Tribal Council	480,667	647,149
Other accounts receivable	287,622	225,717
Members	62,638	-
Indigenous Services Canada	56,205	657,010
GST	40,239	37,563
Muskoday Gas Bar - trade receivables	37,522	45,921
Accrued interest	16,721	18,958
Health Canada	3,660	24,994
	985,274	1,657,312
Less: Allowance for doubtful accounts	62,638	-
	922,636	1,657,312

6. Inventory

	2018	2017
Muskoday Gas Bar - inventory	180,499	198,720
Livestock inventory	15,484	15,484
	195,983	214,204

The cost of inventories recognized as an expense and included in Muskoday Gas Bar sales, net as per Note 17, amounted to \$4,134,557 (2017 – \$4,039,316).

7. Bank indebtedness

The First Nation has three (3) line of credit loans acting as overdraft protection for operating bank accounts authorized for a total of \$402,000 of which \$47,416 had been drawn at year-end. The details of these amounts, as well as other credit facilities are as follows:

- Canadian Imperial Bank of Commerce ("CIBC") \$300,000 line of credit with interest at prime plus 0.50% per annum and repayment on demand
- CIBC \$100,000 line of credit with interest at prime plus 1.50% per annum and repayment on demand
- CIBC \$2,000 line of credit with interest at prime plus 1.50% per annum and repayment on demand
- CIBC \$3,000 standby letter of credit guarantee
- CIBC \$10,000 corporate credit card limit

Additional balances of bank indebtedness are outstanding cheques which are greater than available funds.



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

8. Deferred revenue

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

	<i>Balance, beginning of 2018</i>	<i>Contributions received</i>	<i>Amount recognized</i>	<i>Balance, end of 2018</i>
ISC	1,688,658	2,531,000	2,798,694	1,420,964
Health Canada	-	675,000	309,948	365,052
Saskatchewan Housing Corporation	580,855	-	580,855	-
Other	38,990	-	38,990	-
	2,308,503	3,206,000	3,728,487	1,786,016

9. Long-term debt

	2018	2017
Canadian Imperial Bank of Commerce ("CIBC") loan, repayable in quarterly instalments of \$30,500 including interest at prime plus 1.5%. Matures 120 months from the date of first regular repayment date, on December 31, 2027.	1,181,358	1,086,651
CIBC loan, repayable in annual instalments of \$92,000 blended principal and interest at prime plus 1.5%. Matures April 15, 2025.	736,000	828,000
CIBC loan, repayable in annual instalments of \$26,500 including interest at prime plus 1%. Matures April 15, 2024.	185,500	212,000
CIBC loan, repayable in monthly instalments of \$1,643 including interest at prime plus 1%. Matures May 5, 2024.	125,476	145,823
CIBC loan, repayable in annual instalments of \$12,461 including interest at prime plus 1.5%. Matures April 15, 2026.	112,148	124,609
CIBC loan, repayable in annual instalments of \$20,000 including interest at prime plus 1%. Matures April 1, 2022.	100,000	120,000
CIBC loan, repayable in annual instalments of \$27,858 including interest at prime plus 1%. Matures April 15, 2019.	55,710	83,568
CIBC loan, repayable in annual instalments of \$4,800 including interest at prime plus 1%. Matures April 2, 2021.	20,000	24,000
CIBC loan, repayable in annual instalments of \$4,000 including interest at prime plus 1%. Matures April 15, 2022.	19,200	24,000
CIBC loan, repayable in annual instalments of \$6,200 including interest at prime plus 1%. Matures April 2, 2020.	18,600	24,800
CIBC loan, repayable in annual at prime plus 1.5%. Matures in 6 months from the date of first regular payment	-	100,000
	2,553,992	2,773,451
Less: current portion	244,200	288,613
	2,309,792	2,484,838



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

9. Long-term debt (Continued from previous page)

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

2019	244,200
2020	244,336
2021	216,524
2022	210,399
2023	205,674

Long-term debt is subject to certain covenants with respect to filing of financial information by certain dates and other financial ratios. As at the date of issue of these financial statements, the First Nation is in compliance with all such covenants.

10. Portfolio investments

Portfolio investments include investments in the following entities:

• STC Casino Holdings Corporation	14.3%
• STC Casino Holdings Limited Partnership	14.3%
• STC Investments Ltd.	14.3%
• STC Investments Limited Partnership	14.3%

The First Nation's portfolio investments are in entities which are not traded publicly and for which no active market exists to determine fair value. As such, no fair value of portfolio investments has been provided. The First Nation has reported the investments at cost, which is a nominal amount represented by \$nil within these financial statements.

11. Subsequent event

During the year, the First Nation was notified of non-compliance with the Provincial government's housing program related to five off-reserve housing units. As a result, the Provincial government requires the repayment of the remaining balance of unearned forgivable loan-funding subsequent to the 2018 fiscal year. The repayment amount of \$622,486 (2017 - \$nil) is recorded in accounts payable and accruals as the balance is required to be repaid prior to August 1, 2018, otherwise it will be subject to 5.39% interest. The balance has not been paid as of the audit report date. It is the First Nation's intention to finance the payment using proceeds from long-term debt, which has been authorized by the First Nation's bank.

12. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Buildings and community infrastructure includes capital projects with a carrying value of \$4,644,028 (2017 - \$2,494,340). No amortization of these assets have been recorded during the year because they are currently under construction at year end.

The First Nation holds works of art and historical treasures, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

13. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
<i>Equity in TLE Trust</i>		
Balance, beginning of year	4,863,516	4,756,618
Net interest earned contributed back to the Trust	240,836	106,898
	5,104,352	4,863,516
<i>Equity in tangible capital assets</i>		
Balance, beginning of year	18,322,600	18,534,731
Purchases of tangible capital assets	2,767,821	1,822,521
Disposal of tangible capital assets	(10,000)	-
Amortization of tangible capital assets	(1,283,060)	(984,312)
Proceeds of capital long-term debt	(94,707)	(1,411,260)
Repayment of capital long-term debt	314,166	368,413
Change in capital accounts payable and accruals	(221,187)	(7,493)
	19,795,633	18,322,600
<i>Unrestricted surplus</i>		
Balance, beginning of year	(654,154)	(82,684)
Transfer from (to) equity in TLE Trust	(240,836)	(106,898)
Transfer from (to) equity in tangible capital assets	(1,473,033)	212,131
Surplus (deficit)	2,314,907	(676,703)
	(53,116)	(654,154)
	24,846,869	22,531,962

The equity in TLE Trust represents accumulated surplus amounts not readily available for operational cash flows as the investments are restricted for specific uses as per the *Trust Agreement*.

The equity in tangible capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services to members.

The unrestricted operating surplus represents amounts available to offset future operational revenue requirements, while unrestricted operating deficits represents future revenue required to pay for past operational activities.



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

14. Federal government funding reconciliation

	2018	2017
Indigenous Services Canada		
ISC per confirmation	9,466,941	-
Add: revenue previously deferred - flexible capital projects	531,819	-
Add: revenue previously deferred - block funding programs	605,330	-
Less: revenue deferred during the year - flexible capital projects	(1,160,187)	-
Add: prior year recognition of approved capitalization related to FNLMA	164,741	-
Add: amounts recoved in current year	21,205	-
	9,629,849	-
Health Canada		
Health Canada per confirmation	849,732	-
Less: revenue deferred during the year - capital projects	(365,052)	-
	484,680	-
Canada Mortgage and Housing Corporation		
On-Reserve Residential Rehabilitation Assistance Program	48,202	-
Add: receivable from 2016/2017	19,601	-
	67,803	-
	10,182,332	-

15. Contingencies and compliance with authorities

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

16. Economic dependence

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

17. Gas bar - net sales

	2018	2017
Gross sales	5,011,983	5,080,195
Cost of sales	(4,140,130)	(4,049,066)
	871,853	1,031,129



Muskoday First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

18. Budget information

The disclosed budget information was approved by the Finance Committee of the Muskoday First Nation on June 12, 2017.

The disclosed budget is required to be presented on the same basis as the actual results. The First Nation has not budgeted for amortization, gaming allocation funding, interest from TLE Trust, funding for capital projects and earnings from Nation business entities.

19. Comparative figures

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

20. Commitments

As of March 31, 2018, the First Nation has the following capital project commitments:

- Headstart Building Capital Project - total budget of \$675,003, of which \$309,948 has been incurred to date.
- Water Supply Capital Project - total budget \$2,011,500, of which \$1,984,983 has been incurred to date.
- Sewage Pumping Station Capital Project - total budget of \$2,295,000, of which \$1,921,468 has been incurred to date.
- New Water Treatment Plant Capital Project - total budget of \$7,500,000, of which \$257,940 has been incurred to date.
- Solid Waste Transfer Station Capital Project - total budget of \$981,000, of which \$58,783 has been incurred to date.
- Subdivision Expansion Capital Project - total budget of \$3,130,000, of which \$131,381 has been incurred to date.
- Water Treatment Plant Upgrade Project - total budget of \$259,000, of which \$240,967 has been incurred to date.

The Headstart Building is funded by Health Canada and all other capital projects are ISC funded.



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

	<i>Housing</i>	<i>Buildings</i>	<i>Community infrastructure</i>	<i>Equipment and vehicles</i>	<i>Land</i>	<i>2018</i>	<i>2017</i>
Cost							
Balance, beginning of year	12,440,083	9,259,696	8,311,342	2,550,657	4,871,644	37,433,422	35,610,901
Acquisition of tangible capital assets	202,917	338,641	2,193,388	32,875	-	2,767,821	1,822,521
Disposal of tangible capital assets	-	-	-	(10,000)	-	(10,000)	-
Adjustment	(97)	121,199	(121,199)	97	-	-	-
Balance, end of year	12,642,903	9,719,536	10,383,531	2,573,629	4,871,644	40,191,243	37,433,422
Accumulated amortization							
Balance, beginning of year	6,246,095	3,522,776	4,331,478	2,229,529	-	16,329,878	15,345,566
Annual amortization	319,840	284,627	577,519	101,074	-	1,283,060	984,312
Accumulated amortization on disposals	-	-	-	(10,000)	-	(10,000)	-
Balance, end of year	6,565,935	3,807,403	4,908,997	2,320,603	-	17,602,938	16,329,878
Net book value of tangible capital assets	6,076,968	5,912,133	5,474,534	253,026	4,871,644	22,588,305	21,103,544
2017 Net							
book value of tangible capital assets	6,082,933	5,695,514	4,090,922	362,531	4,871,644	21,103,544	



Muskoday First Nation

Schedule 2 - Schedule of Consolidated Expenses by Object

For the year ended March 31, 2018

	<i>2018 Budget (Note 18)</i>	<i>2018</i>	<i>2017</i>
Consolidated expenses by object			
Salaries and benefits	4,437,639	5,331,358	4,912,537
Amortization	-	1,283,060	984,312
Utilities	770,240	831,298	843,348
Low income family support	762,002	649,433	602,089
Materials and supplies	517,378	630,973	844,924
Tuition and books	601,500	495,946	699,096
Travel	479,953	494,634	543,404
Program education	419,804	477,846	440,851
Council Remuneration	444,963	336,901	352,330
Projects	639,474	317,888	331,127
Cultural and special events	359,596	291,782	375,466
Repairs and maintenance	340,650	264,146	442,713
Insurance	30,000	256,575	245,009
Rentals and lease	114,200	182,182	160,830
Interest and bank charges	536,271	141,642	133,862
Equipment	223,900	124,219	47,675
Professional development	77,796	115,511	195,060
Vehicle	36,000	109,548	79,904
Contingency	57,000	75,363	80,792
Elders	184,300	61,980	78,703
Meetings and honorariums	85,515	58,897	51,627
Bad debt	1,600	57,575	67,443
STC service agreement	48,935	48,935	44,857
Contracted services	94,385	44,937	73,599
Professional fees	122,467	56,524	104,550
Economic development project	214,000	-	-
Property tax	20,000	46,658	38,220
Grants and donations	13,350	13,802	25,074
Bison	5,000	1,548	2,070
Cash distribution to members	100,000	-	91,624
Administration fees	68,942	-	35,552
	11,806,860	12,801,161	12,928,648



Muskoday First Nation
Indian Government Support
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	848,636	890,715	718,040
Other revenue	104,099	23,906	110,995
Dakota Dunes Community Development Corporation	-	10,000	11,000
	952,735	924,621	840,035
Expenses			
Amortization	-	932,927	603,829
Salaries and benefits	502,371	567,243	497,876
Council Remuneration	393,000	314,716	325,325
Utilities	44,200	65,465	42,629
Travel	29,200	62,642	75,991
STC service agreement	48,935	48,935	44,857
Rentals and lease	51,000	29,439	48,160
Materials and supplies	48,400	48,428	53,722
Interest and bank charges	7,000	7,933	7,873
Professional fees	30,000	7,181	31,791
Equipment	10,000	6,831	4,717
Contracted services	4,500	5,625	53,563
Meetings and honorariums	5,100	2,275	4,720
Elders	1,800	1,050	1,500
Professional development	3,000	93	-
Grants and donations	750	-	600
Bad debt	-	-	282
	1,179,256	2,100,783	1,797,435
Deficit before transfers	(226,521)	(1,176,162)	(957,400)
Transfers between programs	273,503	273,503	293,454
Deficit	46,982	(902,659)	(663,946)



Muskoday First Nation Education

Schedule 4 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	2,852,188	3,282,537	3,353,862
STC	175,418	471,746	599,879
STC Health	-	417,164	-
Other revenue	105,156	104,206	64,780
Dakota Dunes Community Development Corporation	-	46,312	79,500
	3,132,762	4,321,965	4,098,021
Expenses			
Salaries and benefits	1,966,770	2,436,651	2,270,950
Tuition and books	601,500	495,946	699,096
Program education	354,304	366,465	327,915
Travel	250,353	225,173	260,185
Materials and supplies	125,018	167,615	214,200
Professional development	7,800	67,128	5,083
Utilities	63,300	63,945	65,159
Cultural and special events	213,096	49,857	121,316
Projects	36,000	15,826	38,165
Contingency	12,000	12,033	8,163
Elders	18,000	12,017	9,650
Rentals and lease	5,000	11,524	10,305
Meetings and honorariums	9,100	9,700	9,611
Equipment	35,000	7,578	20,926
Vehicle	-	4,729	2,024
Grants and donations	1,600	1,662	3,002
Professional fees	2,500	980	3,829
Repairs and maintenance	-	150	567
Bad debt	-	-	2,311
	3,701,341	3,948,979	4,072,457
Surplus before other items	(568,579)	372,986	25,564
Transfers between programs	-	-	21,092
Surplus	(568,579)	372,986	46,656



Muskoday First Nation
Community Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	997,523	3,424,210	1,480,765
Canada Mortgage and Housing Corporation	-	67,803	2,976
Other revenue	368,479	16,917	95,512
Dakota Dunes Community Development Corporation	-	-	22,963
	1,366,002	3,508,930	1,602,216
Expenses			
Salaries and benefits	499,100	690,689	711,068
Utilities	468,300	499,042	511,677
Materials and supplies	180,846	224,208	315,453
Repairs and maintenance	298,650	244,017	331,309
Vehicle	36,000	50,019	41,593
Equipment	12,000	16,969	6,611
Travel	11,000	11,405	12,026
Rentals and lease	1,200	1,617	1,363
Interest and bank charges	-	-	135
Bad debt	-	-	340
Meetings and honorariums	4,000	2,050	4,500
	1,511,096	1,740,016	1,936,075
Surplus (deficit) before transfers	(145,094)	1,768,914	(333,859)
Transfers between programs	-	-	(70,000)
Surplus (deficit)	(145,094)	1,768,914	(403,859)



Muskoday First Nation
Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	61,479	62,197	60,509
STC	5,500	5,500	5,500
	66,979	67,697	66,009
Expenses			
Contracted services	20,000	10,000	-
Meetings and honorariums	5,000	8,671	-
Materials and supplies	26,500	4,197	20,359
Grants and donations	5,000	2,880	9,000
Travel	5,000	2,848	1,566
Professional fees	-	1,883	1,309
Professional development	5,000	-	200
	66,500	30,479	32,434
Surplus	479	37,218	33,575



Muskoday First Nation
Social Development
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	1,090,701	1,645,828	916,335
STC Health	113,579	227,582	113,579
STC	44,000	98,683	125,211
Other revenue	128,693	4,793	16,303
Dakota Dunes Community Development Corporation	-	-	29,810
	1,376,973	1,976,886	1,201,238
Expenses			
Low income family support	762,002	649,433	602,089
Salaries and benefits	201,745	229,843	218,625
Utilities	129,040	129,686	125,969
Program education	42,000	110,345	105,947
Projects	358,469	92,609	81,595
Materials and supplies	5,634	26,525	21,537
Travel	12,500	13,760	14,355
Equipment	4,900	6,050	5,933
Administration fees	5,549	5,549	5,086
Professional development	5,000	3,002	2,693
Rentals and lease	-	218	-
Cultural and special events	3,000	-	400
	1,529,839	1,267,020	1,184,229
Surplus before transfers	(152,866)	709,866	17,009
Transfers between programs	(4,330)	(4,330)	-
Surplus	(157,196)	705,536	17,009



Muskoday First Nation Health

Schedule 8 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Health Canada	168,764	484,680	227,523
STC Health	808,259	679,510	806,450
Other revenue	109,127	1,984	3,393
	1,086,150	1,166,174	1,037,366
Expenses			
Salaries and benefits	487,968	473,001	425,499
Projects	164,905	180,851	118,991
Travel	142,800	153,628	154,534
Materials and supplies	55,830	94,974	23,911
Utilities	27,900	35,006	22,182
Amortization	-	18,051	19,732
Professional development	15,946	19,599	19,867
Contracted services	27,799	13,683	11,684
Repairs and maintenance	7,000	10,858	56,508
Equipment	-	8,106	2,725
Professional fees	31,467	7,181	-
Rentals and lease	6,000	6,877	5,468
Meetings and honorariums	6,000	5,179	2,550
Bad debt	-	1,467	-
Interest and bank charges	600	700	652
Program education	2,000	475	4,639
Administration fees (recovery)	47,393	(16,549)	30,466
	1,023,608	1,013,087	899,408
Surplus before transfers	62,542	153,087	137,958
Transfers between programs	(33,136)	(33,136)	-
Surplus	29,406	119,951	137,958



Muskoday First Nation
Justice

Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
STC	26,680	39,000	49,147
Other revenue	21,000	4,534	22,179
	47,680	43,534	71,326
Expenses			
Salaries and benefits	46,000	46,591	45,283
Travel	8,000	11,226	7,131
Meetings and honorariums	10,835	9,722	8,636
Materials and supplies	18,600	2,785	1,526
Projects	-	1,826	-
Utilities	600	1,200	200
Professional development	890	375	892
	84,925	73,725	63,668
Surplus (deficit) before transfers	(37,245)	(30,191)	7,658
Transfers between programs	32,000	32,000	-
Surplus	(5,245)	1,809	7,658



Muskoday First Nation

Band - Owned

Schedule 10 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	251,636	324,363	277,704
Gas Bar	1,012,720	871,853	1,031,129
Lease income	540,000	635,279	544,137
First Nations Trust - gaming allocation	-	614,069	605,321
Dakota Dunes Community Development Corporation	168,000	285,742	258,280
Interest income	-	268,909	138,925
Portfolio investment income	74,000	63,362	72,790
Other revenue	715,503	37,072	351,604
Recreation revenue	-	24,894	20,969
Rental income	2,016	22,349	34,876
	2,763,875	3,147,892	3,335,735
Expenses			
Salaries and benefits	733,685	887,339	743,235
Amortization	-	332,082	360,751
Insurance	30,000	256,575	245,009
Cultural and special events	143,500	241,925	253,750
Interest and bank charges	528,671	133,009	125,202
Rentals and lease	51,000	132,507	95,534
Equipment	162,000	78,685	6,763
Contingency	45,000	63,330	72,629
Materials and supplies	56,550	62,242	194,217
Bad debt	1,600	56,108	64,509
Vehicle	-	54,800	36,287
Elders	164,500	48,913	67,553
Property tax	20,000	46,658	38,220
Professional fees	58,500	39,299	67,621
Utilities	36,900	36,953	75,532
Projects	80,100	26,775	92,377
Professional development	40,160	25,314	166,325
Council Remuneration	51,963	22,185	27,005
Meetings and honorariums	45,480	21,300	21,610
Contracted services	42,086	15,629	8,353
Travel	21,100	13,953	17,616
Administration fees	16,000	11,000	-
Grants and donations	6,000	9,260	12,472
Repairs and maintenance	35,000	9,122	54,329
Bison	5,000	1,548	2,069
Program education	21,500	561	2,350
Economic development project	214,000	-	-
Cash distribution to members	100,000	-	91,624
	2,710,295	2,627,072	2,942,942
Surplus before other items	53,580	520,820	392,793
Other income (expense)			
Loss on clawback of funding	-	(41,631)	-
Surplus before transfers	53,580	479,189	392,793
Transfers between programs	(268,037)	(268,037)	(202,362)
Surplus	(214,457)	211,152	190,431