

**Muscowpetung First Nation
Consolidated Financial Statements
March 31, 2015**

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| | <i>Page</i> |
|--|-------------|
| Management's Responsibility for Financial Reporting | 1 |
| Independent Auditors' Report | 2 |
| Financial Statements | |
| Consolidated Statement of Financial Position..... | 3 |
| Consolidated Statement of Operations | 4 |
| Consolidated Statement of Accumulated Surplus..... | 5 |
| Consolidated Statement of Change in Net Debt..... | 6 |
| Consolidated Statement of Cash Flows..... | 7 |
| Notes to Consolidated Financial Statements..... | 8 - 23 |
| Program schedules | |
| Claims and Indian Government..... | 24 |
| Community Development..... | 25 |
| Economic Development..... | 26 |
| Education..... | 27 |
| Indian Government Support..... | 28 |
| Social Development..... | 29 |
| Indian Registration..... | 30 |
| Health Programs..... | 31 |
| CMHC Operations..... | 32 |
| Other Band Programs..... | 33 |
| Amortization..... | 34 |

Muscowpetung First Nation
Management's Responsibility for Financial Reporting
March 31, 2015

The financial statements have been prepared by management in accordance with generally accepted accounting principles. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen what it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file

Muscowpetung First Nation

July 15, 2015

Date

Chalupiak & Associates
Chartered Professional Accountants
3261 Saskatchewan Drive, Regina, SK S4T 6S4
Phone (306) 359-3711 Fax (306) 569-3030

Independent Auditors' Report

To the Members of
Muscowpetung First Nation

We have audited the accompanying consolidated financial statements of Muscowpetung First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, accumulated surplus, change in net debt, 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 consolidated 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 First Nation'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 First Nation'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 Muscowpetung First Nation as at March 31, 2015, and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
July 13, 2015

Chartered Professional Accountants

Muscowpetung First Nation
Consolidated Statement of Financial Position
March 31, 2015

| | 2015 | 2014 |
|---|---------------------|--------------------|
| Financial Assets | | |
| Cash (Note 3) | \$ 478,512 | \$ - |
| Restricted cash (Note 3) | 361,767 | 286,983 |
| Accounts receivable (Note 4) | 480,083 | 105,719 |
| Portfolio investments (Note 5) | 60,000 | 60,000 |
| Trust funds held by federal government (Note 6) | 6,167 | 6,022 |
| | <hr/> 1,386,529 | <hr/> 458,724 |
| Liabilities | | |
| Bank indebtedness (Note 3 and 7) | - | 412,845 |
| Accounts payable (Note 8) | 661,917 | 1,907,372 |
| Deferred revenue - unexpended funds (Note 9) | 14,950 | 14,950 |
| Deferred revenue (Note 10) | 958,220 | 218,320 |
| Current portion of long-term debt (Note 11) | 361,158 | 437,635 |
| Current portion of CMHC mortgages (Note 12) | 119,559 | 113,866 |
| Long-term debt (Note 11) | 1,047,417 | 384,305 |
| CMHC mortgages (Note 12) | 2,592,975 | 2,716,739 |
| | <hr/> 5,756,196 | <hr/> 6,206,032 |
| Net debt | (4,369,667) | (5,747,308) |
| Non-financial Assets | | |
| Capital assets (Note 13) | 6,012,535 | 5,930,840 |
| Prepaid expenses (Note 14) | 13,000 | - |
| | <hr/> 6,025,535 | <hr/> 5,930,840 |
| Accumulated Surplus (Note 15) | \$ 1,655,868 | \$ 183,532 |

Approved on behalf of the Muscowpetung First Nation:

Signature on file _____, **Chief**

Signature on file _____, **Councilor**

Muscowpetung First Nation
Consolidated Statement of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|--|-------------------|---------------------|---------------------|
| Revenue | | | |
| AANDC - grant contribution | \$ 318,905 | \$ 318,905 | \$ 318,905 |
| AANDC - fixed contribution | 1,493,373 | 1,506,305 | 1,612,321 |
| AANDC - set contribution | 987,640 | 806,473 | 1,077,366 |
| AANDC - flexible | 1,059,163 | 1,059,163 | 515,900 |
| AANDC - prior period revenue (recovery) | - | - | (4,337) |
| AANDC - current year receivable (payable) | - | 3,842 | (176,216) |
| Health Canada | 349,337 | 352,037 | 341,840 |
| Health Canada recovery | - | (55,886) | (69,207) |
| CMHC | 131,100 | 171,999 | 134,452 |
| First Nations Trust | 478,308 | 478,308 | 478,868 |
| FHQ Tribal Council | 159,693 | 173,351 | 172,740 |
| Keseechiwan Holdings LP dividend | 75,000 | 70,000 | 60,000 |
| Living Sky CDC | - | 77,187 | 53,040 |
| Muscowpetung Legacy Trust | 200,000 | 2,057,020 | 4,103,199 |
| Rental income (CMHC houses) | 60,000 | 34,478 | 1,035 |
| Interest earned | 500 | 3,637 | 2,800 |
| Muscowpetung Legacy Trust loan proceeds | - | 2,108,599 | - |
| MFN Developments | 281,566 | 281,566 | - |
| Administration fees - internal allocation | 70,926 | 56,433 | 45,155 |
| Other revenue | 46,500 | 77,505 | 131,193 |
| Unexpended funds transferred - prior year | - | 55,244 | - |
| Deferred revenue - prior year | 78,301 | 218,320 | 48,503 |
| Deferred revenue - current year | - | (958,220) | (218,320) |
| | 5,790,312 | 8,896,266 | 8,629,237 |
| Expenses | | | |
| Claims and Indian Government (Schedule 1) | - | 1,133,110 | 764,728 |
| Community Development (Schedule 2) | 1,488,682 | 1,672,383 | 1,302,820 |
| Economic Development (Schedule 3) | 51,000 | 69,342 | 8,290 |
| Education (Schedule 4) | 1,280,668 | 1,417,130 | 1,183,221 |
| Indian Government Support (Schedule 5) | 850,610 | 929,381 | 1,338,937 |
| Social Development (Schedule 6) | 781,396 | 739,723 | 622,909 |
| Indian Registration (Schedule 7) | 9,869 | 9,869 | 10,689 |
| Health Programs (Schedule 8) | 444,231 | 434,281 | 373,058 |
| CMHC Operations (Schedule 9) | 225,765 | 128,672 | 86,845 |
| Other Band Programs (Schedule 10) | 484,200 | 517,760 | 316,075 |
| Amortization (Schedule 11) | - | 357,328 | 374,819 |
| | 5,616,421 | 7,408,979 | 6,382,391 |
| Current surplus before unexpended transfers | 173,891 | 1,487,287 | 2,246,846 |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (14,950) | (14,950) |
| Current surplus | \$ 173,891 | \$ 1,472,337 | \$ 2,231,896 |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2015

| | 2015 | 2014 |
|---|----------------------------|--------------------------|
| Surplus (deficit) at beginning of year | \$ 183,532 | \$ (2,048,364) |
| Current surplus | <u>1,472,337</u> | <u>2,231,896</u> |
| Surplus at end of year | <u>\$ 1,655,869</u> | <u>\$ 183,532</u> |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Restated |
|--|--------------------|------------------------------|------------------------------|
| Current surplus | \$ 173,891 | \$ 1,472,337 | \$ 2,231,896 |
| Acquisition of tangible capital assets | - | (439,024) | (1,193,476) |
| <u>Amortization of tangible capital assets</u> | <u>-</u> | <u>357,328</u> | <u>374,819</u> |
| | - | (81,696) | (818,657) |
| <u>Acquisition of prepaid asset</u> | <u>(13,000)</u> | <u>(13,000)</u> | <u>-</u> |
| Increase in net financial assets | 160,891 | 1,377,641 | 1,413,239 |
| <u>Net debt at beginning of year</u> | <u>-</u> | <u>(5,747,308)</u> | <u>(7,160,547)</u> |
| <u>Net debt at end of year</u> | <u>\$ -</u> | <u>\$ (4,369,667)</u> | <u>\$ (5,747,308)</u> |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

| | 2015 | 2014 |
|---|--------------|--------------|
| Cash flows from Operating activities | | |
| Current surplus | \$ 1,472,337 | \$ 2,231,896 |
| Items not affecting cash | | |
| Amortization | 357,328 | 374,819 |
| | 1,829,665 | 2,606,715 |
| Change in non-cash operating working capital | | |
| Accounts receivable | (374,364) | (70,176) |
| Prepaid expenses | (13,000) | - |
| Accounts payable | (1,245,456) | 539,695 |
| Deferred revenue - unexpended funds | - | 14,950 |
| Deferred revenue | 739,900 | 169,817 |
| | 936,745 | 3,261,001 |
| Capital activities | | |
| Capital asset purchases | (439,022) | (1,193,475) |
| Financing activities | | |
| Long-term debt - proceeds | 1,408,575 | 123,607 |
| Long-term debt - repaid | (821,941) | (3,720,517) |
| CMHC mortgages - advances | 4,900 | 1,014,305 |
| CMHC mortgages - repaid | (122,971) | (75,801) |
| | 468,563 | (2,658,406) |
| Investing activities | | |
| Trust funds held by federal government | (145) | (167) |
| Muscowpetung Legacy Trust | - | 429,482 |
| | (145) | 429,315 |
| Increase (decrease) in cash and cash equivalents | 966,141 | (161,565) |
| Cash and cash equivalents, beginning of year | (125,862) | 35,703 |
| Cash and cash equivalents, end of year | \$ 840,279 | \$ (125,862) |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

1. General

The Muscowpetung First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include the Muscowpetung First Nation government and all related entities, which are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting entity

The Muscowpetung First Nation reporting entity includes the Muscowpetung First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Muscowpetung First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Muscowpetung First Nation.

There are no entities included on a consolidated basis or modified equity basis.

(c) Asset classification

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

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

2. Basis of presentation and significant accounting policies (continued)

(f) Tangible capital assets

Tangible capital assets are 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.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Muscowpetung First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

| | |
|------------------------------------|------------------------|
| Buildings | 25 years Straight line |
| Equipment - maintenance and office | 5 years Straight line |
| Equipment - vehicles | 4 years Straight line |
| Infrastructure | 40 years Straight line |
| Houses | 20 years Straight line |

Tangible capital assets are written down when conditions indicate that they no longer contribute to Muscowpetung 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 capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(g) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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. Actual results could differ from those estimates.

(h) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

2. Basis of presentation and significant accounting policies (continued)

(i) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

(j) 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.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(k) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(l) Cash

Cash resources include balances with banks and short-term investments with maturities of 1 year or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

(m) Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

3. Cash and cash equivalents

(I) The CMHC agreements require that funds to cover future repairs to CMHC houses be maintained in a separate bank account. Under the terms of the agreement with Canada Mortgage and Housing Corporation, Muscowpetung First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund.

(II) Monies received relating to the flood claim settlement are held in a lawyer's trust account. Monies are dispersed from this trust account as per the conditions specified in the funding agreement.

(III) Capital projects are managed by a project manager. The bank accounts are maintained by the project manager for use specifically for these projects.

Cash and cash equivalents is comprised of the following:

| | 2015 | 2014 |
|---|------------------|--------------------|
| Cash | | |
| Social development | \$ (56,161) | \$ 9,081 |
| Gaming | 109,348 | 248 |
| CMHC operating | 10,075 | 379 |
| Community development | 193,506 | - |
| Health | (6,108) | (15,306) |
| General operations | (81,950) | (407,234) |
| Capital housing | 4,811 | (13) |
| Per capita distribution | 304,991 | - |
| | <hr/> 478,512 | <hr/> (412,845) |
| Restricted cash | | |
| CMHC replacement reserve term deposits | 97,000 | 97,000 |
| School capital project | 109,809 | 139,807 |
| Flood repair capital project | 154,443 | 50,189 |
| CMHC replacement reserve | 515 | (13) |
| | <hr/> 361,767 | <hr/> 286,983 |
| Trust funds held by federal government | | |
| Trust funds held by federal government | 6,167 | 6,022 |
| | <hr/> \$ 846,446 | <hr/> \$ (119,840) |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

4. Accounts receivable

| | 2015 | 2014 |
|---|---------------------|---------------------|
| Due from members | | |
| Advances | \$ 83,477 | \$ 49,611 |
| Social development (net of allowance) | 815 | - |
| | <hr/> 84,292 | <hr/> 49,611 |
| Due from others | | |
| FHQ Tribal Council | 102,780 | 15,039 |
| Legacy Trust - annual income | 307,020 | - |
| Other | 18,091 | - |
| | <hr/> 427,891 | <hr/> 15,039 |
| Due from government and other government organizations | | |
| AANDC | 25,745 | 51,704 |
| Health Canada | 2,950 | 23,768 |
| CMHC | 14,333 | 14,333 |
| | <hr/> 43,028 | <hr/> 89,805 |
| Allowance for doubtful accounts | 555,211 (75,128) | 154,455 (48,736) |
| | <hr/> \$ 480,083 | <hr/> \$ 105,719 |

5. Portfolio investments

| | 2015 | 2014 |
|---|-----------------|-----------------|
| Keseechiwan Holdings LP (8.3% interest) | <hr/> \$ 60,000 | <hr/> \$ 60,000 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

6. Trust funds held by federal government

The Ottawa trust funds are derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the consolidated revenue fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

| | 2015 Revenue | 2015 Capital | 2015 Total | 2014 Total |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| Surplus, beginning of year | \$ 1,247 | \$ 4,775 | \$ 6,022 | \$ 5,855 |
| Interest earnings | 145 | - | 145 | 167 |
| Surplus, end of year | \$ 1,392 | \$ 4,775 | \$ 6,167 | \$ 6,022 |

7. Bank indebtedness

On March 31, 2014 the First Nation had an approved line of credit of \$950,000 at an interest rate of 24%; the balance in the general account as confirmed by the bank was \$184,127 overdrawn and there were cheques issued in excess of deposits totaling \$223,108.

8. Accounts payable

| | 2015 | 2014 |
|---|-------------------|---------------------|
| Due to others | | |
| FHQ Developments Ltd. | \$ 33,945 | \$ 33,945 |
| FHQ Tribal Council | 40,724 | 46,050 |
| Group insurance | 1,697 | - |
| Pension | - | 13,343 |
| General suppliers | 490,583 | 1,215,538 |
| | 566,949 | 1,308,876 |
| Due to government and other government organizations | | |
| AANDC | 39,082 | 379,661 |
| Health Canada | 55,886 | 27,990 |
| CRA | - | 190,845 |
| | 94,968 | 598,496 |
| | \$ 661,917 | \$ 1,907,372 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

9. Deferred revenue - unexpended funds

AANDC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to AANDC, deferred to the following year, or transferred to another AANDC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

| | 2015 | 2014 |
|---------------------|------------------|------------------|
| Prevention projects | \$ 14,950 | \$ 14,950 |
| Total | \$ 14,950 | \$ 14,950 |

10. Deferred revenue

| | March 31, 2014 | Funding received, 2015 | Revenue recognized, 2015 | March 31, 2015 |
|---------------------------|-------------------|------------------------------|--------------------------------|-------------------|
| Federal government | | | | |
| Capital | \$ 192,270 | \$ 809,005 | \$ (766,965) | \$ 234,310 |
| Other | | | | |
| Non capital | 26,050 | 2,057,020 | (1,359,160) | 723,910 |
| | \$ 218,320 | \$ 2,866,025 | \$ (2,126,125) | \$ 958,220 |

| | 2015 | 2014 |
|----------------------------------|-------------------|-------------------|
| Legacy Trust | \$ 307,020 | \$ - |
| Per capita | 416,890 | - |
| Backup well | 161,497 | - |
| Lagoon repairs | 62,592 | 5,314 |
| School capital | 10,221 | 140,019 |
| Flood road repairs | - | 46,937 |
| Qu'Appelle Beardy's Okemasis CFS | - | 26,050 |
| | \$ 958,220 | \$ 218,320 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

11. Long-term debt

| | 2015 | 2014 |
|---|----------------------------|--------------------------|
| Peace Hills Trust - #6 - Debt consolidation Term loan - bearing interest at 5.00%, annual blended payment of \$51,000, maturing August 1, 2015. Secured by Economic Development and First Nations Trust funding. | \$ - | \$ 92,917 |
| Peace Hills Trust - #15 - Debt consolidation Term loan - bearing interest at 5.00%. Quarterly blended payments of \$70,000, maturing January 1, 2019. Secured by general security agreement with specific interest in AANDC, First Nations Trust and Economic Development funding and collateral assignment of GICs. | 1,057,022 | - |
| Peace Hills Trust - #16 - Debt consolidation Term loan - bearing interest at 6.00%. Monthly blended payments of \$10,650, maturing March 1, 2018. Secured by general security agreement with specific interest in AANDC and First Nations Trust funding. | 351,553 | - |
| Peace Hills Trust - #14 - Debt consolidation Term loan bearing interest at 5.0%, quarterly blended payments of \$90,000 and annual payment of \$50,000, maturing October 1, 2014. Secured by general security agreement with specific interest in the First Nations Legacy Trust and AANDC funding as well as various chattel mortgages on band equipment and collateral assignment of GICs. | - | 729,023 |
| <u>Less current portion</u> | <u>1,408,575</u> | <u>821,940</u> |
| | <u>361,158</u> | <u>437,635</u> |
| | <u><u>\$ 1,047,417</u></u> | <u><u>\$ 384,305</u></u> |

Principal portion of long-term debt due within the next five years:

| | |
|------|----------------------------|
| 2016 | \$ 361,158 |
| 2017 | 367,398 |
| 2018 | 382,205 |
| 2019 | 297,814 |
| | <u><u>\$ 1,408,575</u></u> |

| | 2015 | 2014 |
|---|-----------|------------|
| Interest expense for the year on long-term debt | \$ 61,289 | \$ 225,622 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

12. CMHC mortgages

| | Phase number | Maturity date | Interest rate | Monthly payment | 2015 | 2014 |
|-----------------------------|--------------|---------------|---------------|-----------------|---------------------|---------------------|
| CMHC | 1 | 04/01/2020 | 1.05% | \$ 2,002 | \$ 222,914 | \$ 242,707 |
| CMHC | 2 | 06/01/2017 | 1.65% | 1,437 | 156,701 | 171,263 |
| CMHC | 3 | 01/01/2100 | 1.67% | 3,336 | 659,766 | 687,639 |
| CMHC | 4 | 09/01/2018 | 2.35% | 5,507 | 1,195,215 | 1,235,113 |
| CMHC | 5 | 09/01/2018 | 2.35% | 2,203 | 477,938 | 493,883 |
| | | | | | 2,712,534 | 2,830,605 |
| <u>Less current portion</u> | | | | | 119,559 | 113,866 |
| <u>Total</u> | | | | | <u>\$ 2,592,975</u> | <u>\$ 2,716,739</u> |

13. Tangible capital assets

| | | Cost | Additions | Accumulated amortization | 2015 | Net book value |
|-------------------------|---------------------|-------------------|---------------------|--------------------------|-----------|----------------|
| Buildings | \$ 121,026 | \$ - | \$ 88,677 | \$ 32,349 | | |
| Vehicles | 275,554 | 6,500 | 277,179 | | 4,875 | |
| Office equipment | - | 27,949 | 9,316 | | 18,633 | |
| Store equipment | 140,918 | - | 65,761 | | 75,157 | |
| Machinery and equipment | 561,194 | 404,573 | 563,551 | | 402,216 | |
| CMHC - houses | 6,127,284 | - | 1,337,667 | | 4,789,618 | |
| Infrastructure assets | 1,047,500 | - | 357,812 | | 689,688 | |
| <u>Total</u> | <u>\$ 8,273,476</u> | <u>\$ 439,022</u> | <u>\$ 2,699,963</u> | <u>\$ 6,012,536</u> | | |

| | | Cost | Additions | Accumulated amortization | 2014 | Net book value |
|-------------------------|---------------------|---------------------|---------------------|--------------------------|-----------|----------------|
| Buildings | \$ 121,026 | \$ - | \$ 84,056 | \$ 36,970 | | |
| Vehicles | 275,554 | - | 275,554 | | - | |
| Store equipment | 140,918 | - | 50,730 | | 90,188 | |
| Machinery and equipment | 561,194 | - | 510,394 | | 50,800 | |
| CMHC - houses | 4,933,809 | 1,193,475 | 1,090,277 | | 5,037,007 | |
| Infrastructure assets | 1,047,500 | - | 331,625 | | 715,875 | |
| <u>Total</u> | <u>\$ 7,080,001</u> | <u>\$ 1,193,475</u> | <u>\$ 2,342,636</u> | <u>\$ 5,930,840</u> | | |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

14. Prepaid expenses

| | 2015 | 2014 |
|----------------------|------------------|-------------|
| Economic development | \$ 3,000 | \$ - |
| Council honoraria | 10,000 | - |
| Total | \$ 13,000 | \$ - |

15. Accumulated surplus

| | 2015 | 2014 |
|-------------------|--------------|-------------|
| Restricted | | |
| AANDC Trust Funds | \$ 6,167 | \$ 6,022 |
| Capital assets | 2,948,448 | 3,100,235 |
| CMHC reserves | 466,008 | 377,897 |
| | 3,420,623 | 3,484,154 |
| Unrestricted | | |
| Operating | (1,764,755) | (3,300,620) |
| | \$ 1,655,868 | \$ 183,534 |

16. Current year summary of surplus (deficit) by segment

| | Revenue | Expenditures | Transfers | Surplus (deficit) |
|------------------------------|---------------------|---------------------|-------------|----------------------|
| Claims and Indian Government | \$ 1,133,110 | \$ 1,133,110 | \$ - | \$ - |
| Community Development | 1,534,407 | 1,672,382 | (80,969) | (218,944) |
| Economic Development | 51,101 | 69,342 | (15,031) | (33,272) |
| Education | 1,308,526 | 1,417,131 | (6,742) | (115,347) |
| Indian Government Support | 559,304 | 929,382 | 389,703 | 19,625 |
| Social Development | 586,036 | 739,723 | - | (153,687) |
| Indian Registration | 9,869 | 9,869 | - | - |
| Health Programs | 374,916 | 434,281 | - | (59,365) |
| CMHC Operations | 208,827 | 128,672 | (247,389) | (167,234) |
| Other Band Programs | 3,115,219 | 517,760 | (396,900) | 2,200,559 |
| Amortization | - | 357,328 | 357,328 | - |
| | \$ 8,881,315 | \$ 7,408,980 | \$ - | \$ 1,472,335 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

17. AANDC Reconciliation

| | 2015 | 2014 |
|---------------------------------------|--------------|---------------|
| AANDC confirmation | \$ 3,690,846 | \$ 37,661,881 |
| Specific Claims settlement (in trust) | - | (34,119,373) |
| Band Employee Benefits | - | (18,019) |
| P&ID - MAP | - | (4,337) |
| Band employee benefits | 1,975 | (10,471) |
| Special needs | - | (44,919) |
| Basic needs | 7,770 | (68,523) |
| NCBR | - | (51,803) |
| ECIP | - | (500) |
| Institutional care | (5,903) | - |
| | <hr/> | <hr/> |
| | \$ 3,694,688 | \$ 3,343,936 |
| | <hr/> | <hr/> |

18. Government Transfers

| | 2015 | | |
|--|--------------|--------------|--------------|
| | Operating | Capital | Total |
| Federal government transfers | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 2,631,683 | \$ 1,059,163 | \$ 3,690,846 |
| Health Canada | 296,151 | - | 296,151 |
| Canada Mortgage and Housing Corporation | 171,999 | - | 171,999 |
| Total | <hr/> | 3,099,833 | 1,059,163 |
| Provincial government transfers | <hr/> | - | - |
| | <hr/> | <hr/> | <hr/> |
| | \$ 3,099,833 | \$ 1,059,163 | \$ 4,158,996 |
| | <hr/> | <hr/> | <hr/> |
| | 2014 | | |
| | Operating | Capital | Total |
| Federal government transfers | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 2,828,036 | \$ 515,900 | \$ 3,343,936 |
| Health Canada | 272,633 | - | 272,633 |
| Canada Mortgage and Housing Corporation | 134,452 | - | 134,452 |
| Total | <hr/> | 3,235,121 | 515,900 |
| Provincial government transfers | <hr/> | - | - |
| | <hr/> | <hr/> | <hr/> |
| | \$ 3,235,121 | \$ 515,900 | \$ 3,751,021 |
| | <hr/> | <hr/> | <hr/> |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

19. Trusts under administration

Muscowpetung First Nation holds assets in trust; these assets are managed by an appointed trustee and are not included on the statement of financial position as assets of Muscowpetung First Nation.

The market value of the assets held in trust at the year-end are as follows:

| | 2015 |
|--|-----------------------------|
| Muscowpetung First Nation Legacy Trust | <u>\$ 29,448,558</u> |
| | <u><u>\$ 29,448,558</u></u> |

20. Economic dependence

Muscowpetung First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada and Health and Welfare Canada.

21. CMHC Reserves

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. On March 31, 2015 the replacement reserve was underfunded by \$169,503 (2014 - \$126,761) and the operating reserve was underfunded by \$198,990 (2014 - \$145,970).

22. Contingent liabilities

Muscowpetung First Nation has entered into contribution agreements with various federal government departments. 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.

In addition, in the normal course of its operations, Muscowpetung First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Muscowpetung First Nation's financial statements.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

23. Contractual Obligations

The nature of Muscowpetung First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

| | 2015 | |
|--|-----------------|--|
| | Monthly | |
| Konica Minolta - office equipment - band - through March 2017 | \$ 668 | |
| Konica Minolta - office equipment - health centre - through March 2017 | 381 | |
| <hr/> | | |
| Total | \$ 1,049 | |

24. Employee benefit obligations

Pension plan

Muscowpetung First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute a percentage of their basic salary; Muscowpetung First Nation matches the employee contributions. Muscowpetung First Nation does not have any other obligations with regards to the pension plan as at March 31, 2015.

25. Subsequent events

Muscowpetung First Nation has incorporated two companies for the purpose of business development.

26. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

27. Segmented information

1) Aboriginal Affairs and Northern Development Canada (AANDC)

Claims and Indian Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with AANDC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labour market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

27. Segmented information, continued

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration:

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

2) 2 - Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3) Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth

4) Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2015

28. Expenses by object

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|----------------|----------------|----------------|
| Administration | \$ 123,752 | \$ 97,496 | \$ 63,960 |
| Amortization | - | 357,328 | 374,819 |
| Assistance - basic needs | 30,000 | 25,191 | - |
| Assistance to band members | 200,000 | 209,192 | 237,412 |
| Bad debts | - | 27,360 | - |
| Bank charges and interest | 13,189 | 30,073 | 175,541 |
| Community support | 115,000 | 99,499 | - |
| Consultants and contractors | 658,080 | 1,217,018 | 2,420,515 |
| Cultural programs | 34,000 | 1,750 | 7,398 |
| Equipment purchases | 441,058 | 437,554 | 40,085 |
| Equipment rental/lease | 102,000 | 105,172 | 61,324 |
| Fuel | 59,855 | 83,128 | 59,957 |
| Governance activities | 8,500 | 9,249 | 58,400 |
| Graduation, awards, prizes | - | - | 450 |
| Honorariums | 285,522 | 285,699 | 187,640 |
| Insurance | 40,000 | 38,780 | 38,957 |
| Long term debt - principle and interest | 30,000 | 61,289 | 3,901,258 |
| Long term debt - principle repaid | - | - | (3,675,636) |
| Membership assistance - ineligible expenditures | - | 40,114 | - |
| Mortgage payments - principle and interest | 189,000 | 203,175 | 131,060 |
| Mortgage payments - principle repaid | - | (122,971) | (58,885) |
| Other expenses | 21,600 | 22,465 | 20,717 |
| Per capita distribution | - | 1,133,110 | 751,200 |
| Professional fees | 81,999 | 92,840 | 78,946 |
| Program expenses | 165,457 | 167,407 | 118,595 |
| Recreational activities | 6,000 | 6,151 | - |
| Registration fees | - | 459 | - |
| Rent - office | 12,000 | 16,200 | - |
| Repairs and maintenance | 311,492 | 465,761 | 63,829 |
| Social assistance - basic needs | 502,788 | 416,266 | 401,837 |
| Social assistance - special needs | 58,659 | 60,770 | 25,184 |
| Student allowance | 244,000 | 269,075 | 234,478 |
| Student incentives | 12,000 | 13,099 | 6,130 |
| Student transportation | 90,000 | 95,581 | - |
| Student tuition | 160,268 | 174,162 | 163,346 |
| Supplies | 163,870 | 193,315 | 137,651 |
| Telephone | 33,800 | 34,430 | 26,259 |
| Training | 19,000 | 23,809 | 4,731 |
| Travel, meetings, per diems | 160,874 | 170,534 | 214,259 |
| Unexpended funds - prior years | - | 40,294 | - |
| Utilities | 108,000 | 117,041 | 117,210 |
| Wages and benefits | 1,111,658 | 1,104,438 | 1,139,135 |
| Youth | 23,000 | 24,699 | 48,104 |
| Transfer to capital assets | - | (439,023) | (1,193,475) |
| | <hr/> | <hr/> | <hr/> |
| | \$ 5,616,421 | \$ 7,408,979 | \$ 6,382,391 |

Schedule #1
Muscowpetung First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|------------------------------------|----------------|----------------|---------------------|
| Revenue | | | |
| Muscowpetung Legacy Trust | \$ - | \$ 1,550,000 | \$ 4,103,199 |
| Deferred revenue - current year | - (416,890) | | - |
| | - | 1,133,110 | 4,103,199 |
| Expenses | | | |
| Consultants and contractors | - - | | 12,792 |
| Long term debt - principle payment | - - | | 3,675,636 |
| Long term debt - principle repaid | - - | | (3,675,636) |
| Per capita distribution | - 1,133,110 | | 751,200 |
| Telephone | - - | | 736 |
| | - - | 1,133,110 | 764,728 |
| Current surplus | \$ - | \$ - | \$ 3,338,471 |

The accompanying notes are an integral part of the financial statements

Schedule #2
Muscowpetung First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|-------------------|---------------------|--------------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ 470,102 | \$ 490,352 | \$ 625,094 |
| AANDC - set contribution | 20,250 | - | 270,250 |
| AANDC - flexible | 1,059,163 | 1,059,163 | 515,900 |
| FHQ Tribal Council | - | 8,039 | 8,039 |
| Interest earned | - | 504 | 293 |
| Unexpended funds transferred - prior year | - | 18,389 | - |
| Other revenue | - | - | 6,293 |
| Deferred revenue - prior year | 52,251 | 192,270 | 22,453 |
| Deferred revenue - current year | - | (234,310) | (192,270) |
| | 1,601,766 | 1,534,407 | 1,256,052 |
| Expenses | | | |
| Administration | 23,654 | 2,188 | - |
| Bank charges | - | 25 | 34 |
| Consultants and contractors | 441,728 | 957,083 | 2,165,784 |
| Equipment purchases | 402,358 | 374,598 | - |
| Equipment rental/lease | 85,000 | 85,743 | 55,023 |
| Fuel | 33,400 | 34,959 | 16,189 |
| Insurance | 40,000 | 38,780 | - |
| Interest on long term debt | - | 1,553 | 5,612 |
| Other expenses | - | - | 675 |
| Program expenses | 4,000 | 1,969 | 800 |
| Repairs and maintenance | 275,492 | 363,034 | 50,388 |
| Student tuition | - | - | 998 |
| Supplies | 10,000 | 3,976 | 27,747 |
| Telephone | 4,000 | 4,551 | 2,767 |
| Travel, meetings, per diems | 6,000 | 5,746 | 3,311 |
| Utilities | 85,000 | 94,746 | 61,862 |
| Wages and benefits | 78,050 | 78,029 | 105,104 |
| Transfer to capital assets | - | (374,598) | (1,193,475) |
| | 1,488,682 | 1,672,382 | 1,302,819 |
| Current deficit before transfers | 113,084 | (137,975) | (46,767) |
| Transfers | | | |
| Transfer - Amortization | (6,450) | (80,969) | (43,510) |
| Current deficit | \$ 106,634 | \$ (218,944) | \$ (90,277) |

The accompanying notes are an integral part of the financial statements

Schedule #3
Muscowpetung First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|----------------|--------------------|------------------|
| Revenue | | | |
| FHQ Tribal Council | \$ 51,000 | \$ 51,101 | \$ 51,000 |
| Expenses | | | |
| Consultants and contractors | 25,000 | 31,985 | - |
| Governance activities | 1,000 | 1,499 | 7,200 |
| Professional fees | 25,000 | 35,858 | - |
| Program expenses | - | - | 1,090 |
| | 51,000 | 69,342 | 8,290 |
| Current surplus (deficit) before transfers | - | (18,241) | 42,710 |
| Transfers | | | |
| Transfer - Amortization | - | (15,031) | (15,031) |
| Current surplus (deficit) | \$ - | \$ (33,272) | \$ 27,679 |

The accompanying notes are an integral part of the financial statements

Schedule #4
Muscowpetung First Nation
Education
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|------------------|---------------------|---------------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ 961,815 | \$ 961,815 | \$ 920,073 |
| AANDC - set contribution | 211,376 | 211,376 | 120,619 |
| FHQ Tribal Council | 87,477 | 93,430 | 94,169 |
| Other revenue | 20,000 | 20,000 | 1,785 |
| Unexpended funds transferred - prior year | - | 21,905 | - |
| | 1,280,668 | 1,308,526 | 1,136,646 |
| Expenses | | | |
| Administration | 29,000 | 29,000 | 14,133 |
| Community support | 5,000 | 9,423 | - |
| Consultants and contractors | 22,700 | 38,198 | 117,035 |
| Cultural programs | 25,000 | 1,750 | - |
| Equipment purchases | 20,000 | 22,754 | - |
| Fuel | 26,455 | 48,169 | 43,768 |
| Graduation, awards, prizes | - | - | 450 |
| Honorariums | 3,700 | 3,700 | 2,100 |
| Other expenses | - | - | 3,185 |
| Registration fees | - | 459 | - |
| Repairs and maintenance | 25,000 | 75,360 | 11,825 |
| Student allowance | 244,000 | 269,075 | 234,478 |
| Student incentives | 12,000 | 13,099 | 6,130 |
| Student transportation | 90,000 | 95,581 | - |
| Student tuition | 160,268 | 174,162 | 162,044 |
| Supplies | 69,719 | 101,009 | 52,647 |
| Travel, meetings, per diems | 9,800 | 8,822 | 4,141 |
| Utilities | 9,000 | 9,000 | 7,688 |
| Wages and benefits | 494,655 | 505,722 | 522,866 |
| Youth | 3,000 | 3,060 | - |
| Transfer to capital assets | - | (21,851) | - |
| Program expenses | 31,371 | 30,639 | 731 |
| | 1,280,668 | 1,417,131 | 1,183,221 |
| Current deficit before transfers | - | (108,605) | (46,575) |
| Transfers | | | |
| Transfer - Amortization | - | (6,742) | (61,389) |
| Current deficit | \$ - | \$ (115,347) | \$ (107,964) |

The accompanying notes are an integral part of the financial statements

Schedule #5
Muscowpetung First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|------------------|------------------|---------------------|
| Revenue | | | |
| AANDC - grant contribution | \$ 318,905 | \$ 318,905 | \$ 318,905 |
| AANDC - fixed contribution | 11,587 | 11,587 | 17,419 |
| AANDC - set contribution | 43,618 | 43,618 | 29,589 |
| AANDC - prior period revenue (recovery) | - | - | (4,337) |
| AANDC - current year receivable (payable) | - | 1,975 | (10,471) |
| Living Sky CDC | - | 77,187 | 53,040 |
| Interest earned | 500 | 630 | 13 |
| Keseechiwan Holdings LP dividend | 75,000 | 70,000 | 60,000 |
| Other revenue | 500 | 35,402 | 117,616 |
| Administration fees - internal allocation | - | - | 45,155 |
| | 450,110 | 559,304 | 626,929 |
| Expenses | | | |
| Administration | 4,800 | 4,800 | 11,075 |
| Assistance to band members | - | - | 19,525 |
| Bad debts | - | 27,360 | - |
| Bank charges | 10,000 | 26,618 | 99,137 |
| Consultants and contractors | 42,500 | 60,537 | 110,129 |
| Equipment purchases | 17,500 | 39,004 | 33,269 |
| Equipment rental/lease | 10,000 | 12,220 | 2,776 |
| Honorariums | 263,500 | 261,051 | 183,090 |
| Insurance | - | - | 38,272 |
| Interest on long term debt | 30,000 | 59,736 | 220,010 |
| Interest on overdue accounts | - | - | 73,557 |
| Other expenses | - | - | 6,352 |
| Professional fees | 40,000 | 40,481 | 70,280 |
| Supplies | 40,000 | 45,222 | 25,376 |
| Telephone | 22,000 | 22,193 | 15,102 |
| Training | 17,000 | 21,088 | 2,851 |
| Travel, meetings, per diems | 72,805 | 88,422 | 165,822 |
| Utilities | - | - | 28,072 |
| Wages and benefits | 280,505 | 263,224 | 234,242 |
| Transfer to capital assets | - | (42,574) | - |
| | 850,610 | 929,382 | 1,338,937 |
| Current deficit before transfers | (400,500) | (370,078) | (712,008) |
| Transfers | | | |
| Transfer - Other Band Programs | - | 396,900 | - |
| Transfer - Amortization | - | (7,197) | - |
| Current surplus (deficit) | \$ - | \$ 19,625 | \$ (712,008) |

The accompanying notes are an integral part of the financial statements

Schedule #6
Muscowpetung First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|--|--------------------|---------------------|---------------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ 40,000 | \$ 32,682 | \$ 40,000 |
| AANDC - set contribution | 712,396 | 551,479 | 656,908 |
| AANDC - current year receivable (payable) | - | 1,867 | (165,745) |
| Other revenue | - | 8 | - |
| Unexpended funds transferred - prior year | - | 14,950 | - |
| | 752,396 | 600,986 | 531,163 |
| Expenses | | | |
| Administration | 14,807 | 14,807 | 6,730 |
| Assistance - basic needs | 30,000 | 25,191 | - |
| Bank charges | 1,500 | 1,516 | 1,008 |
| Consultants and contractors | 5,536 | 10,838 | 11,150 |
| Cultural programs | 9,000 | - | 7,398 |
| Membership assistance - ineligible expenditures | - | 40,114 | - |
| Home to work transition | 21,000 | 21,865 | 10,407 |
| Social assistance - basic needs | 502,788 | 416,266 | 401,837 |
| Social assistance - special needs | 58,659 | 60,770 | 25,184 |
| Supplies | 1,000 | 1,718 | 11,134 |
| Telephone | - | - | 888 |
| Training | 2,000 | 2,721 | - |
| Travel, meetings, per diems | 10,700 | 11,084 | 13,381 |
| Wages and benefits | 70,500 | 70,793 | 68,304 |
| Program expenses | 53,906 | 62,040 | 65,489 |
| | 781,396 | 739,723 | 622,910 |
| Current deficit before unexpended transfers | (29,000) | (138,737) | (91,747) |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (14,950) | (14,950) |
| Current deficit | \$ (29,000) | \$ (153,687) | \$ (106,697) |

The accompanying notes are an integral part of the financial statements

Schedule #7
Muscowpetung First Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|-----------------------------|----------------|----------------|----------------|
| Revenue | | | |
| AANDC - fixed contribution | \$ 9,869 | \$ 9,869 | \$ 9,732 |
| Expenses | | | |
| Supplies | 500 | 1,078 | 490 |
| Travel, meetings, per diems | 2,769 | 2,941 | - |
| Wages and benefits | 5,800 | 5,850 | 10,199 |
| Program expenses | 800 | - | - |
| | <hr/> 9,869 | <hr/> 9,869 | <hr/> 10,689 |
| Current deficit | <hr/> \$ - | <hr/> \$ - | <hr/> \$ (957) |

The accompanying notes are an integral part of the financial statements

Schedule #8
Muscowpetung First Nation
Health Programs
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|-----------------|--------------------|--------------------|
| Revenue | | | |
| Health Canada | \$ 349,337 | \$ 296,151 | \$ 272,633 |
| FHQ Tribal Council | 21,216 | 20,782 | 19,532 |
| Interest earned | - | 7 | 9 |
| Other revenue | 1,000 | 1,000 | - |
| Administration fees - internal allocation | 30,926 | 30,926 | - |
| Deferred revenue - prior year | 26,050 | 26,050 | 26,050 |
| Deferred revenue - current year | - | - | (26,050) |
| | 428,529 | 374,916 | 292,174 |
| Expenses | | | |
| Administration | 30,926 | 30,926 | 31,022 |
| Bank charges | 1,189 | 1,259 | 1,037 |
| Consultants and contractors | 8,616 | 7,015 | 3,626 |
| Equipment purchases | - | - | 6,817 |
| Equipment rental/lease | 7,000 | 7,210 | 3,524 |
| Honorariums | 18,322 | 20,948 | 2,450 |
| Other expenses | 600 | 600 | 99 |
| Professional fees | 9,999 | 10,000 | - |
| Repairs and maintenance | 3,000 | 3,028 | 1,617 |
| Student tuition | - | - | 303 |
| Supplies | 30,651 | 27,503 | 20,257 |
| Telephone | 6,600 | 6,637 | 6,767 |
| Training | - | - | 380 |
| Travel, meetings, per diems | 35,800 | 30,645 | 27,605 |
| Utilities | 14,000 | 13,295 | 19,587 |
| Wages and benefits | 182,148 | 180,818 | 198,417 |
| Youth | 20,000 | 21,638 | 2,615 |
| Program expenses | 75,380 | 72,759 | 46,935 |
| | 444,231 | 434,281 | 373,058 |
| Current deficit before transfers | (15,702) | (59,365) | (80,884) |
| Transfers | | | |
| Transfer- Amortization | - | - | (7,500) |
| Current deficit | \$ - | \$ (59,365) | \$ (88,384) |

The accompanying notes are an integral part of the financial statements

Schedule #9
Muscowpetung First Nation
CMHC Operations
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|-----------------|---------------------|---------------------|
| Revenue | | | |
| CMHC | \$ 131,100 | \$ 171,999 | \$ 134,452 |
| Interest earned | - | 2,350 | 2,319 |
| Rental income (CMHC houses) | 60,000 | 34,478 | 1,035 |
| | 191,100 | 208,827 | 137,806 |
| Expenses | | | |
| Administration | 20,565 | 15,776 | 1,000 |
| Bank charges | 500 | 655 | 768 |
| Equipment purchases | 1,200 | 1,198 | - |
| Insurance | - | - | 686 |
| Interest on long term debt | 189,000 | 80,204 | 72,175 |
| Professional fees | 6,500 | 6,500 | 8,666 |
| Repairs and maintenance | 8,000 | 24,339 | - |
| Program expenses | - | - | 3,550 |
| | 225,765 | 128,672 | 86,845 |
| Current surplus before transfers | (34,665) | 80,155 | 50,961 |
| Transfers | | | |
| Transfer - Amortization | - | (247,389) | (247,389) |
| Current deficit | \$ - | \$ (167,234) | \$ (196,428) |

The accompanying notes are an integral part of the financial statements

Schedule #10
Muscowpetung First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|------------------|---------------------|-------------------|
| Revenue | | | |
| First Nations Trust | \$ 478,308 | \$ 478,308 | \$ 478,868 |
| MFN Developments | 281,566 | 281,566 | - |
| Muscowpetung Legacy Trust | 200,000 | 507,020 | - |
| Muscowpetung Legacy Trust loan proceeds | - | 2,108,599 | - |
| Interest earned | - | 145 | 167 |
| Other revenue | 25,000 | 21,094 | 5,500 |
| Administration fees - internal allocation | 40,000 | 25,507 | - |
| Deferred revenue - current year | - | (307,020) | - |
| | 1,024,874 | 3,115,219 | 484,535 |
| Expenses | | | |
| Assistance to band members | 200,000 | 209,192 | 217,887 |
| Community support | 110,000 | 90,076 | - |
| Consultants and contractors | 112,000 | 111,362 | - |
| Governance activities | 7,500 | 7,750 | 51,200 |
| Professional fees | 500 | - | - |
| Recreational activities | 6,000 | 6,153 | - |
| Rent - office | 12,000 | 16,200 | - |
| Supplies | 12,000 | 12,809 | - |
| Telephone | 1,200 | 1,050 | - |
| Training | - | - | 1,500 |
| Travel, meetings, per diems | 23,000 | 22,874 | - |
| Unexpended funds - prior years | - | 40,294 | - |
| Youth | - | - | 45,489 |
| | 484,200 | 517,760 | 316,076 |
| Current surplus before transfers | 540,674 | 2,597,459 | 168,459 |
| Transfers | | | |
| Transfer - Indian Government Support | - | (396,900) | - |
| Current surplus | \$ - | \$ 2,200,559 | \$ 168,459 |

The accompanying notes are an integral part of the financial statements

Schedule #11
Muscowpetung First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2015

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|----------------|----------------|----------------|
| Revenue | \$ - | \$ - | \$ - |
| Expenses | | | |
| Water Systems | - | 52,397 | 31,938 |
| Sanitation Systems | - | 23,450 | 6,450 |
| Community Buildings | - | 5,122 | 5,122 |
| Band Store | - | 15,031 | 15,031 |
| Student Transportation | - | 1,625 | 61,389 |
| Management and Support | - | - | 7,500 |
| CMHC Operations | - | 247,389 | 247,389 |
| Band Support | - | 2,443 | - |
| P&ID Governance Support | - | 4,754 | - |
| Instructional Services | - | 5,117 | - |
| | - | 357,328 | 374,819 |
| Current deficit before transfers | - | (357,328) | (374,819) |
| Transfers | | | |
| Transfer - Programs | - | 357,328 | 374,819 |
| Current surplus | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements