

**Muscowpetung First Nation
Consolidated Financial Statements
March 31, 2017**

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Muscowpetung First Nation
Management's Responsibility for Financial Reporting
March 31, 2017

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

September 13, 2017
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, 2017, 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, 2017, 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
September 13, 2017

Chalupiak & Associates

Chartered Professional Accountants

Muscowpetung First Nation
Consolidated Statement of Financial Position
March 31, 2017

	2017	2016
Financial Assets		
Restricted cash (Note 3)	\$ 798,586	\$ 890,597
Trust funds held by federal government (Notes 3 and 4)	6,414	6,294
Accounts receivable (Note 5)	2,946,135	587,218
Investments in related business entities (Notes 6 and 7)	155,370	-
Portfolio investments (Note 8)	60,000	60,000
	<u>3,966,505</u>	<u>1,544,109</u>
Liabilities		
Bank indebtedness (Note 3 and 9)	248,325	638,868
Accounts payable (Note 10)	659,061	464,947
Deferred revenue (Note 11)	1,007,083	1,106,226
Current portion of long-term debt (Note 12)	482,185	464,451
Current portion of CMHC mortgages (Note 13)	124,116	121,814
Long-term debt (Note 12)	2,893,543	1,198,305
CMHC mortgages (Note 13)	2,345,902	2,470,590
	<u>7,760,215</u>	<u>6,465,201</u>
Net debt	(3,793,710)	(4,921,092)
Non-financial Assets		
Capital assets (Note 14)	5,297,875	5,655,207
Accumulated Surplus (Note 15)	<u>\$ 1,504,165</u>	<u>\$ 734,115</u>

Approved on behalf of the Muscowpetung First Nation:

 Signature on file

 Signature on file

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Operations
For the year ended March 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
INAC - grant contribution	\$ 383,768	\$ 383,768	\$ 318,905
INAC - fixed contribution	1,600,051	1,996,412	1,415,251
INAC - set contribution	1,106,196	688,044	850,735
INAC - flexible	530,663	630,663	720,224
INAC - prior period revenue (recovery)	-	-	(11,006)
INAC - current year receivable (payable)	-	15,598	(16,691)
Health Canada	373,144	374,087	357,384
Health Canada recovery	-	(9,315)	-
CMHC	167,902	167,902	167,347
Rental income (CMHC houses)	60,000	79,115	65,014
First Nations Trust	434,172	434,174	471,547
FHQ Tribal Council	181,725	213,045	200,025
Keseechiwan Holdings LP dividend	68,582	60,000	60,000
Living Sky CDC	20,674	62,095	80,556
Muscowpetung Legacy Trust	387,588	387,588	363,949
Equity pickup - related business entities (Note 6)	-	155,370	-
Land claim - future settlement (Note 19)	-	2,245,846	-
Interest earned	-	11,750	379
Other revenue - business ventures	987,711	987,710	528,495
Other revenue	229,604	230,036	324,994
Administration fees - internal allocation	131,350	172,669	64,270
Unexpended funds transferred - prior year	-	-	18,568
Deferred revenue - prior year	363,949	1,106,226	958,220
Deferred revenue - current year	(387,588)	(1,007,083)	(1,106,226)
	6,639,491	9,385,700	5,831,940
Expenses			
Claims and Indian Government (Schedule 1)	31,834	2,277,150	25,218
Community Development (Schedule 2)	1,070,933	1,273,217	1,216,870
Economic Development (Schedule 3)	51,101	81,876	368,385
Education (Schedule 4)	1,716,609	1,692,650	1,452,585
Indian Government Support (Schedule 5)	1,066,438	1,068,226	1,044,291
Social Development (Schedule 6)	759,587	795,544	678,034
Indian Registration (Schedule 7)	11,500	10,109	14,508
Health Programs (Schedule 8)	439,484	451,012	431,905
CMHC Operations (Schedule 9)	232,707	96,145	95,474
Other Band Programs (Schedule 10)	698,600	512,391	1,069,095
Amortization (Schedule 11)	357,328	357,328	357,328
	6,436,121	8,615,648	6,753,693
Current surplus (deficit)	\$ 203,370	\$ 770,052	\$ (921,754)

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, 2017

	2017	2016
Surplus at beginning of year	\$ 734,115	\$ 1,655,869
Current surplus (deficit)	770,052	(921,754)
Surplus at end of year	\$ 1,504,167	\$ 734,115

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Current surplus (deficit)	\$ 203,370	\$ 770,052	\$ (921,754)
Amortization of tangible capital assets	357,328	357,330	357,329
Acquisition of prepaid asset	-	-	13,000
Increase (decrease) in net financial assets	560,698	1,127,382	(551,425)
Net debt at beginning of year	(4,921,092)	(4,921,092)	(4,369,667)
Net debt at end of year	\$ (4,360,394)	\$ (3,793,710)	\$ (4,921,092)

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, 2017

	2017	2016
Cash flows from		
Operating activities		
Current surplus (deficit)	\$ 770,052	\$ (921,754)
Items not affecting cash		
Amortization	357,327	357,328
	1,127,379	(564,426)
Change in non-cash operating working capital		
Accounts receivable	(2,358,917)	(107,135)
Prepaid expenses	-	13,000
Accounts payable	194,114	(196,969)
Deferred revenue - unexpended funds	-	(14,950)
Deferred revenue	(99,143)	148,006
	(1,136,567)	(722,474)
Financing activities		
Long-term debt - proceeds	2,245,846	624,159
Long-term debt - repaid	(532,873)	(369,978)
CMHC mortgages - repaid	(122,384)	(120,130)
	1,590,589	134,051
Investing activities		
Trust funds held by federal government	(120)	(127)
Investment in related entity	(155,370)	-
	(155,490)	(127)
Increase (decrease) in cash and cash equivalents	298,532	(588,550)
Cash and cash equivalents, beginning of year	251,729	840,279
Cash and cash equivalents, end of year	\$ 550,261	\$ 251,729
Represented by		
Bank indebtedness	\$ (248,325)	\$ (638,868)
Restricted cash	798,586	890,597
	\$ 550,261	\$ 251,729

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

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 assets is determined by its 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.

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
Vehicles	4 years Straight line
Office equipment	3 years Straight line
Store equipment	10 years Straight line
Machinery and equipment	10 years Straight line
CMHC - houses	25 years Straight line
Infrastructure assets	40 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.

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 - internal allocation."

(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, 2017

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 intended for future minor per capita distributions are held in a separate account that the First Nation restricts solely for that purpose. Monies are dispersed from this account as per the conditions specified in the trust 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:

	2017	2016
Cash (bank indebtedness)		
Bank accounts	\$ (248,325)	\$ (638,868)
Restricted cash		
CMHC replacement reserve term deposits	465,678	465,678
School capital project	14,790	84,458
Flood repair capital project	59,343	56,697
CMHC replacement reserve	8,813	2,707
Per capita distribution	249,962	281,057
	798,586	890,597
Trust funds held by federal government		
Revenue and capital trust funds	6,414	6,294
	\$ 556,675	\$ 258,023

INAC released funds to the First Nation for capital projects. The terms of the agreement require the First Nation to transfer those funds to a restricted account managed by a project manager however not all of the funds were transferred. The total amount not transferred to the restricted account on March 31, 2017 was \$100,000.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

4. Trust funds held by federal government

The Trust funds held by federal government 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.

	2017 Revenue	2017 Capital	2017 Total	2016 Total
Surplus, beginning of year	\$ 1,519	\$ 4,775	\$ 6,294	\$ 6,167
Interest earnings	120	-	120	127
Surplus, end of year	\$ 1,639	\$ 4,775	\$ 6,414	\$ 6,294

5. Accounts receivable

	2017	2016
Due from members		
Advances	\$ 72,355	\$ 71,749
Social development	22,311	12,901
	94,666	84,650
Due from others		
FHQ Tribal Council	99,904	51,582
Living Sky CDC	43,486	70,556
Keseechiwan Holding LP - Casino Dividend	10,000	-
Legacy Trust - annual income	387,588	363,949
Other	11,295	28,187
CMHC rent	103,922	52,570
Future land claim settlements (Note 19)	2,245,846	-
	2,902,041	566,845
Due from government and other government organizations		
INAC	24,456	-
CMHC	13,992	13,992
	38,448	13,992
	3,035,155	665,487
Allowance for doubtful accounts	(89,020)	(78,269)
	\$ 2,946,135	\$ 587,218

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

6. Investments in related business entities

Muscowpetung has 100% ownership of the Muscowpetung Ki-Pih-Cheen and Mah-Jahn Convenience Store Inc. that operates as Muscowpetung Stop & Go Store.

	2017	2016
Muscowpetung Stop & Go Store (100%)	\$ 155,370	\$ -

	Investment, start of year	Contributions	Withdrawals	Share of earnings (loss)	Investment, end of year
Muscowpetung Stop & Go Store	\$ -	\$ 393,909	\$ -	\$ (238,539)	\$ 155,370
	\$ -	\$ 393,909	\$ 393,909	\$ (238,539)	\$ 155,370

7. Investment in government business enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	Muscowpetung Stop & Go Store	2017 Total	2016 Total
Cash	\$ 20,172	\$ 20,172	\$ -
Accounts receivable	12,758	12,758	-
Inventory	14,556	14,556	-
Tangible capital assets	151,775	151,775	-
Total assets	\$ 199,261	\$ 199,261	\$ -
Accounts payable	\$ 42,891	\$ 42,891	\$ -
Due to Muscowpetung First Nation	1,000	1,000	-
Total liabilities	43,891	43,891	-
Contributed surplus	393,909	393,909	-
Retained earnings	(238,539)	(238,539)	-
Total equity	155,370	155,370	-
Total liabilities and equity	\$ 199,261	\$ 199,261	\$ -

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

7. Investment in government business enterprises, continued

	Muscowpetung Stop & Go Store	2017 Total	2016 Total
Revenue	\$ 793,060	\$ 793,060	\$ -
Rebates	59,280	59,280	-
	852,340	852,340	-
Cost of goods sold	691,788	691,788	-
Expenses	399,091	399,091	-
Total expenses	1,090,879	1,090,879	-
Net income	\$ (238,539)	\$ (238,539)	\$ -

8. Portfolio investments

	2017	2016
Keseechiwan Holdings LP (8.3% interest)	\$ 60,000	\$ 60,000

9. Bank indebtedness

On March 31, 2017 the First Nation had the following operating facilities in place:

1. Approved line of credit (LOC) of \$150,000 at an interest rate of prime + 2% and 24% on amounts exceeding \$50,000. The balance on March 31, 2017 was \$150,582 (2016 - \$150,517).
2. Overdraft protection of \$450,000 on the general operating account at an interest rate of 24%. The amount overdrawn on March 31, 2017 was \$518 (2016 - \$324,391) and there were cheques issued in excess of deposits totaling \$105,222 (2016 - \$152,723).

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

10. Accounts payable

	2017	2016
Internal payables		
CMHC Housing	\$ 103,922	\$ -
Due to others		
FHQ Developments Ltd.	-	33,945
FHQ Tribal Council	-	6,507
General suppliers	342,017	404,987
Maurice Law	196,500	-
	538,517	445,439
Due to government and other government organizations		
INAC	8,859	16,691
Health Canada	7,763	-
CRA	-	2,817
	16,622	19,508
	\$ 659,061	\$ 464,947

11. Deferred revenue

	March 31, 2016	Funding received, 2017	Revenue recognized, 2017	March 31, 2017
Federal government				
Capital				
Backup well	\$ 223,385	\$ 9,126	\$ (74,263)	\$ 158,248
Lagoon repairs	22,557	-	(22,557)	-
School capital	104,566	100,080	(189,447)	15,199
Renovations and additions	-	250,000	(173,733)	76,267
Innovation	-	30,000	(20,684)	9,316
	350,508	389,206	(480,684)	259,030
Other				
Non capital				
Legacy Trust - minor distributions	391,769	-	(31,304)	360,465
Legacy Trust - annual income	363,949	387,588	(363,949)	387,588
	755,718	387,588	(395,253)	748,053
	\$ 1,106,226	\$ 776,794	\$ (875,937)	\$ 1,007,083

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

12. Long-term debt

	2017	2016
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 INAC, First Nations Trust and Economic Development funding and collateral assignment of GICs.	\$ 504,909	\$ 822,069
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 INAC and First Nations Trust funding.	123,828	230,511
Peace Hills Trust - #17 - Band store Term loan bearing interest at 5.00%, annual principle payment of \$50,000, interest paid monthly, maturing October, 2020. Secured by assignment of Keseechiwan Holdings LP and store revenues.	200,833	251,042
Peace Hills Trust - #18 - CMHC reserves Term loan bearing interest at 5.00%, blended quarterly payments of \$15,724, maturing October, 2020. Secured by assignment of First Nations Trust funding.	300,312	359,134
Royal Bank - #2 - Surrender Claim Loan bearing interest at prime plus 0.25%. Interest payments paid monthly and total principle due on June 23, 2021, secured by a general security agreement, BCR and assignment of settlement trust proceeds. Further security is provided by an insurance policy guaranteeing repayment, should no settlement funds be received. The loan is approved for \$2,988,160 and drawdowns will coincide with settlement expenses incurred.	1,104,896	-
Royal Bank - #1 - Channelization Claim Loan bearing interest at prime plus 0.25%. Interest payments paid monthly and total principle due on May 12, 2021, secured by a general security agreement, BCR and assignment of settlement trust proceeds. Further security is provided by an insurance policy guaranteeing repayment, should no settlement funds be received. The loan is approved for \$2,988,160 and drawdowns will coincide with settlement expenses incurred.	1,140,950	-
	3,375,728	1,662,756
Less current portion	482,185	464,451
	\$ 2,893,543	\$ 1,198,305

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

12. Long-term debt, continued

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

2018	\$ 482,185
2019	344,066
2020	106,426
2021	106,628
2022 and thereafter	2,336,423
	<hr/>
	\$ 3,375,728
	<hr/>

	2017	2016
Interest expense for the year on long-term debt	\$ 155,697	\$ 74,111
	<hr/>	<hr/>

13. CMHC mortgages

	Phase number	Maturity date	Interest rate	Monthly payment	2017	2016
CMHC	1	4/1/2020	1.05%	\$ 2,002	\$ 178,897	\$ 200,946
CMHC	2	6/1/2017	1.65%	1,437	126,847	141,902
CMHC	3	1/1/2020	1.67%	3,336	600,626	630,463
CMHC	4	9/1/2018	2.35%	5,507	1,117,021	1,156,603
CMHC	5	9/1/2018	2.35%	2,203	446,627	462,490
					<hr/>	<hr/>
					2,470,018	2,592,404
Less current portion					124,116	121,814
					<hr/>	<hr/>
Total					\$ 2,345,902	\$ 2,470,590
					<hr/>	<hr/>

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

14. Tangible capital assets

	Cost	Disposals	Accumulated amortization	2017 Net book value
Buildings	\$ 121,026	\$ -	\$ 97,921	\$ 23,105
Vehicles	36,500	-	34,875	1,625
Office equipment	27,949	-	27,949	-
Store equipment	140,918	-	95,824	45,094
Machinery and equipment	965,767	-	669,868	295,900
CMHC - houses	6,127,284	-	1,832,445	4,294,839
Infrastructure assets	1,047,500	-	410,187	637,313
Total	\$ 8,466,944	\$ -	\$ 3,169,069	\$ 5,297,876

	Cost	Disposals	Accumulated amortization	2016 Net book value
Buildings	\$ 121,026	\$ -	\$ 93,299	\$ 27,727
Vehicles	282,054	245,554	33,250	3,250
Office equipment	27,949	-	18,631	9,318
Store equipment	140,918	-	80,792	60,126
Machinery and equipment	965,767	-	616,710	349,057
CMHC - houses	6,127,284	-	1,585,056	4,542,229
Infrastructure assets	1,047,500	-	383,999	663,501
Total	\$ 8,712,498	\$ 245,554	\$ 2,811,737	\$ 5,655,208

15. Accumulated surplus

	2017	2016
Restricted		
INAC Trust Funds	\$ 6,414	\$ 6,294
Capital assets	2,704,029	2,832,292
CMHC reserves	629,953	553,479
Investments	215,370	60,000
	3,555,766	3,452,065
Unrestricted		
Operating	(2,051,601)	(2,717,950)
	\$ 1,504,165	\$ 734,115

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

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

	Revenue	Expenditures	Transfers	Surplus (deficit)
Claims and Indian Government	\$ 2,277,150	\$ 2,277,150	\$ -	\$ -
Community Development	1,278,914	1,273,219	21,781	27,476
Economic Development	51,101	81,876	30,775	-
Education	1,575,670	1,692,650	105,729	(11,251)
Indian Government Support	490,461	1,068,226	558,336	(19,429)
Social Development	721,025	795,545	35,756	(38,764)
Indian Registration	10,109	10,109	-	-
Health Programs	413,160	451,012	26,342	(11,510)
CMHC Operations	258,620	96,145	(247,389)	(84,914)
Other Band Programs	2,309,489	512,391	(888,658)	908,440
Amortization	-	357,328	357,328	-
	<u>\$ 9,385,699</u>	<u>\$ 8,615,651</u>	<u>\$ -</u>	<u>\$ 770,048</u>

17. INAC Reconciliation

	2017	2016
INAC confirmation	\$ 3,698,887	\$ 3,307,090
Payable (receivable) - prior year		
Band employee benefits	-	(1,975)
Special education - band direct services 13/14	-	(5,639)
FNIYES summer work experience 13/14	-	(5,367)
Receivable (payable) - current year		
Band employee benefits	(3,962)	(2,169)
Special needs	(4,424)	(7,794)
Basic needs	7,474	(2,589)
Home care	(473)	(2,883)
Institutional care	16,982	(1,256)
	<u>\$ 3,714,484</u>	<u>\$ 3,277,418</u>

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

18. Government Transfers

	2017		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 3,083,822	\$ 630,663	\$ 3,714,485
Health Canada	354,344	10,428	364,772
Canada Mortgage and Housing Corporation	167,902	-	167,902
Total	3,606,068	641,091	4,247,159
Provincial government transfers	-	-	-
	\$ 3,606,068	\$ 641,091	\$ 4,247,159
	2016		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 2,557,194	\$ 720,224	\$ 3,277,418
Health Canada	357,384	-	357,384
Canada Mortgage and Housing Corporation	167,347	-	167,347
Total	3,081,925	720,224	3,802,149
Provincial government transfers	-	-	-
	\$ 3,081,925	\$ 720,224	\$ 3,802,149

19. Land claim settlements

Muscowpetung First Nation has entered into negotiations with Canada regarding specific claim settlements. Loans have been secured to provide funding for the negotiation costs. There are insurance policies guaranteeing repayment, should no settlement funds be received. There are two loans approved for a total of \$5,976,320 and draw downs will coincide with settlement expenses incurred. As of March 31, 2017 the amount of \$2,245,846 had been drawn down. This amount is reported as a liability to the lending institution and a corresponding amount plus the interest paid to date on the loan has been recorded as a receivable in the amount of \$2,245,846.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

20. 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:

	2017	2016
Muscowpetung First Nation Legacy Trust	\$ 31,386,937	\$ 29,689,003
	<u>\$ 31,386,937</u>	<u>\$ 29,689,003</u>

21. Economic dependence

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

22. CMHC Reserves

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. On March 31, 2017 the replacement reserve was fully funded (2016 - fully funded) and the operating reserve was underfunded by \$155,462 (2016 - \$85,094).

23. 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.

24. 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:

	2017 Monthly
Xerox Canada - office equipment - school, health & admin - through March 2022	\$ 759
Total	<u>\$ 759</u>

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

25. 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, 2017.

26. Subsequent events

There are no subsequent events to report.

27. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes. Chief and Council approved the budget in June 2016.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2017

28. Expenses by object

	2017 Budget	2017 Actual	2016 Actual
Administration	\$ 149,238	\$ 179,669	\$ 126,063
Amortization	357,328	357,328	357,328
Assistance - band members	100,000	100,909	257,666
Assistance - social development	559,886	595,605	493,795
Bad debts	-	10,751	-
Bank charges and interest	31,400	71,116	44,026
CEAP recovery	-	-	33,178
Community support	30,000	15,458	88,898
Consultants and contractors	659,357	1,057,643	1,003,844
Cultural programs	49,887	44,887	200,910
Election fees	-	-	15,800
Equipment purchases	-	2,968	-
Equipment rental/lease	53,630	52,179	40,519
Fuel	24,620	18,742	48,399
Governance activities	-	-	1,500
Graduation, awards, prizes	-	-	778
Honorariums	378,400	415,020	326,050
Insurance	51,288	1,046,248	48,662
Long term debt - payments principle & interest	235,000	674,238	444,089
Long term debt - principle repayment	17,200	(518,541)	(369,978)
Mortgage payments - principle and interest	173,807	173,807	173,963
Mortgage payments - principle repaid	-	(122,386)	(120,130)
Other expenses	-	-	7,892
Per capita distribution	31,834	31,304	25,200
Professional fees	78,500	910,561	131,950
Program expenses	317,282	325,594	215,274
Recreational activities	-	-	50,894
Repairs and maintenance	318,075	332,294	312,513
Student allowance	336,700	327,912	311,828
Student incentives	8,200	7,681	6,920
Student transportation	152,951	151,958	118,067
Student tuition	223,100	193,286	199,909
Supplies	171,383	167,138	201,153
Telephone	76,107	80,034	57,349
Training	25,000	27,033	19,630
Travel - medical transportation	17,700	19,145	16,855
Travel, meetings, per diems	274,220	335,593	339,914
Unexpended funds - prior years	-	-	3,618
Utilities	56,200	60,024	69,215
Wages and benefits	1,451,328	1,444,557	1,393,764
Youth	26,500	25,893	56,388
	\$ 6,436,121	\$ 8,615,648	\$ 6,753,693

29. INAC funding

The First Nation (Recipient) receives funding from Indigenous and Northern Affairs Canada (INAC) by entering into an agreement with INAC.

There are five approaches that INAC may consider in the design and delivery of transfer payment programs:

1. **Grant approach** – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. **Set contribution approach** – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to INAC annually.
3. **Fixed contribution approach** – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by INAC. A plan must be submitted and approved by INAC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by INAC.
4. **Flexible contribution approach** – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to INAC at the end of the project, program or agreement.
5. **Block contribution approach** – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by INAC.

30. Segmented information

As previously discussed in note 2 (h) the First Nation conducts its business through reportable segments as follows:

1) Indigenous and Northern Affairs Canada (INAC)

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 INAC'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.

30. Segmented information, continued

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.

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) 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.

Schedule #1
Muscowpetung First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Land claim - future settlement (Note 19)	\$ -	\$ 2,245,846	\$ -
Other revenue	-	-	97
Deferred revenue - prior year	-	391,769	416,890
Deferred revenue - current year	-	(360,465)	(391,769)
	-	2,277,150	25,218
Expenses			
Bank charges	-	34,200	18
Consultants and contractors	-	187,496	-
Honorariums	-	40,650	-
Insurance	-	992,381	-
Interest on long term debt	-	85,065	-
Per capita distribution	31,834	31,304	25,200
Professional fees	-	839,432	-
Travel, meetings, per diems	-	66,622	-
	31,834	2,277,150	25,218
Current surplus	\$ (31,834)	\$ -	\$ -

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
INAC - fixed contribution	\$ 487,094	\$ 487,655	\$ 477,503
INAC - flexible	530,663	630,663	720,224
FHQ Tribal Council	2,898	10,930	8,039
Interest earned	-	80	251
Other revenue	35,000	10,108	11,300
Administration fees - internal allocation	48,000	48,000	-
Deferred revenue - prior year	-	350,508	234,310
Deferred revenue - current year	-	(259,030)	(350,508)
	1,103,655	1,278,914	1,101,119
Expenses			
Administration	25,000	25,000	39,066
Bank charges	-	25	25
CEAP recovery	-	-	33,178
Consultants and contractors	416,359	595,982	624,985
Equipment rental/lease	34,130	33,698	30,823
Fuel	24,620	18,742	31,860
Insurance	51,288	53,867	36,643
Long term debt - payments principle & interest	-	116,759	138,300
Long term debt - principle repayment	17,200	(106,142)	(121,043)
Program expenses	-	-	200
Repairs and maintenance	276,075	302,998	193,304
Student tuition	1,600	1,620	4,250
Supplies	4,001	3,536	5,160
Telephone	4,920	6,852	5,323
Training	-	-	640
Travel, meetings, per diems	11,590	10,160	2,582
Utilities	38,200	43,336	50,297
Wages and benefits	165,950	166,786	141,276
	1,070,933	1,273,219	1,216,869
Current surplus (deficit) before transfers	32,722	5,695	(115,750)
Transfers			
Transfer - Other Band Programs	79,442	117,781	50,000
Transfer - Amortization	(96,000)	(96,000)	(96,000)
Current surplus (deficit)	\$ 16,164	\$ 27,476	\$ (161,750)

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
FHQ Tribal Council	\$ 51,101	\$ 51,101	\$ 51,000
Expenses			
Assistance - band members	-	-	4,000
Consultants and contractors	51,101	81,876	208,785
Other expenses	-	-	2,500
Program expenses	-	-	75
Repairs and maintenance	-	-	95,150
Supplies	-	-	37,995
Training	-	-	8,150
Travel, meetings, per diems	-	-	1,467
Wages and benefits	-	-	10,263
	51,101	81,876	368,385
Current deficit before transfers	-	(30,775)	(317,385)
Transfers			
Transfer - Other Band Programs	-	30,775	-
Current deficit	\$ -	\$ -	\$ (317,385)

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
INAC - fixed contribution	\$ 1,055,501	\$ 1,451,301	\$ 885,144
INAC - set contribution	405,943	10,143	218,547
INAC - prior period revenue (recovery)	-	-	(5,639)
FHQ Tribal Council	110,878	114,226	101,954
Other revenue	1,000	-	22,097
	1,573,322	1,575,670	1,222,103
Expenses			
Administration	68,725	93,606	8,000
Consultants and contractors	48,661	47,387	13,274
Cultural programs	22,000	22,310	22,042
Fuel	-	-	16,539
Graduation, awards, prizes	-	-	778
Honorariums	11,800	10,400	3,500
Program expenses	138,670	141,297	78,465
Repairs and maintenance	-	-	17,605
Student allowance	336,700	327,912	311,828
Student incentives	7,200	7,081	6,920
Student transportation	152,951	151,958	118,067
Student tuition	221,500	191,666	189,009
Supplies	114,982	111,944	79,718
Travel, meetings, per diems	19,275	18,018	19,726
Utilities	8,000	8,000	8,000
Wages and benefits	565,645	560,877	543,086
Youth	500	194	16,028
	1,716,609	1,692,650	1,452,585
Current deficit before transfers	(143,287)	(116,980)	(230,482)
Transfers			
Transfer - Other Band Programs	134,000	112,471	160,000
Transfer - Amortization	(6,742)	(6,742)	(6,742)
Current deficit	\$ (16,029)	\$ (11,251)	\$ (77,224)

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
INAC - grant contribution	\$ 383,768	\$ 383,768	\$ 318,905
INAC - fixed contribution	8,589	8,589	10,038
INAC - set contribution	26,924	26,924	53,593
INAC - prior period revenue (recovery)	-	-	(5,367)
INAC - current year receivable (payable)	-	(3,692)	(2,169)
Living Sky CDC	-	-	80,556
Other revenue	87,704	74,872	5,101
Unexpended funds transferred - prior year	-	-	3,618
	506,985	490,461	464,275
Expenses			
Administration	-	-	2,185
Bank charges	30,000	35,428	40,427
Consultants and contractors	49,500	55,967	78,150
Election fees	-	-	15,800
Equipment rental/lease	10,000	8,488	2,880
Honorariums	319,600	317,000	304,800
Professional fees	72,000	71,129	71,844
Program expenses	2,500	2,065	-
Student tuition	-	-	5,550
Supplies	40,000	39,667	41,426
Telephone	22,000	22,404	37,381
Training	8,000	8,747	10,642
Travel, meetings, per diems	206,355	203,496	130,647
Wages and benefits	306,483	303,835	302,509
Youth	-	-	50
	1,066,438	1,068,226	1,044,291
Current deficit before transfers	(559,453)	(577,765)	(580,016)
Transfers			
Transfer - Other Band Programs	552,595	565,533	525,000
Transfer - Amortization	(7,197)	(7,197)	(7,197)
Current deficit	\$ (14,055)	\$ (19,429)	\$ (62,213)

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
INAC - fixed contribution	\$ 38,758	\$ 38,758	\$ 32,682
INAC - set contribution	673,329	650,977	578,595
INAC - current year receivable (payable)	-	19,290	(14,522)
FHQ Tribal Council	-	12,000	18,000
Unexpended funds transferred - prior year	-	-	14,950
	712,087	721,025	629,705
Expenses			
Administration	9,120	9,120	10,617
Assistance - assisted living	62,893	79,875	61,359
Assistance - basic needs	465,000	480,265	396,404
Assistance - special needs	31,993	35,465	36,032
Bank charges	-	-	1,637
Consultants and contractors	31,236	31,966	8,120
Cultural programs	24,887	20,570	38,261
Home to work transition	-	-	5,392
Program expenses	52,358	55,057	53,325
Supplies	600	661	1,034
Telephone	-	-	300
Training	15,000	17,114	-
Travel, meetings, per diems	9,500	9,313	8,858
Wages and benefits	57,000	56,139	56,696
	759,587	795,545	678,035
Current deficit before transfers	(47,500)	(74,520)	(48,330)
Transfers			
Transfer - Other Band Programs	47,500	35,756	-
Current deficit	\$ -	\$ (38,764)	\$ (48,330)

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
INAC - fixed contribution	\$ 10,109	\$ 10,109	\$ 9,884
Expenses			
Supplies	100	90	278
Travel, meetings, per diems	600	605	2,502
Wages and benefits	10,800	9,414	11,728
	11,500	10,109	14,508
Current deficit before transfers	(1,391)	-	(4,624)
Transfers			
Transfer - Other Band Programs	1,391	-	-
Current deficit	\$ -	\$ -	\$ (4,624)

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Health Canada	\$ 373,144	\$ 364,772	\$ 357,384
FHQ Tribal Council	16,848	24,788	21,032
Administration fees - internal allocation	23,350	23,350	32,125
Other revenue	500	250	4,882
	413,842	413,160	415,423
Expenses			
Administration	23,393	28,943	32,125
Bank charges	1,000	1,096	1,107
Consultants and contractors	7,500	7,308	2,889
Cultural programs	3,000	2,007	30,839
Equipment purchases	-	2,968	-
Equipment rental/lease	9,500	9,992	6,817
Honorariums	2,000	1,900	9,000
Program expenses	123,754	127,174	83,208
Repairs and maintenance	13,000	7,939	6,380
Supplies	1,700	1,637	24,069
Telephone	49,187	50,779	13,313
Training	2,000	1,172	48
Travel - medical transportation	17,700	19,145	16,855
Travel, meetings, per diems	1,400	1,834	16,374
Utilities	10,000	8,688	10,918
Wages and benefits	168,350	172,494	168,279
Youth	6,000	5,936	9,685
	439,484	451,012	431,906
Current deficit before transfers	(25,642)	(37,852)	(16,483)
Transfers			
Transfer - Other Band Programs	25,650	26,342	-
Current deficit	\$ 8	\$ (11,510)	\$ (16,483)

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
CMHC	\$ 167,902	\$ 167,902	\$ 167,347
Rental income (CMHC houses)	60,000	79,115	65,014
Interest earned	-	11,550	-
Other revenue	5,400	53	-
	<u>233,302</u>	<u>258,620</u>	<u>232,361</u>
Expenses			
Administration	23,000	23,000	20,965
Bank charges	400	366	726
Insurance	-	-	12,019
Interest on long term debt	173,807	51,421	53,833
Professional fees	6,500	-	7,856
Repairs and maintenance	29,000	21,358	75
	<u>232,707</u>	<u>96,145</u>	<u>95,474</u>
Current surplus before transfers	595	162,475	136,887
Transfers			
Transfer - Amortization	(247,389)	(247,389)	(247,389)
Current deficit	<u>\$ (246,794)</u>	<u>\$ (84,914)</u>	<u>\$ (110,502)</u>

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
First Nations Trust	\$ 434,172	\$ 434,174	\$ 471,547
Keseechiwan Holdings LP dividend	68,582	60,000	60,000
Muscowpetung Legacy Trust	387,588	387,588	363,949
Living Sky CDC	20,674	62,095	-
Equity pickup - related business entities	-	155,370	-
Interest earned	-	120	127
Other revenue - business ventures	987,711	987,710	528,495
Other revenue	100,000	144,753	281,517
Administration fees - internal allocation	60,000	101,318	32,145
Deferred revenue - prior year	363,949	363,949	307,020
Deferred revenue - current year	(387,588)	(387,588)	(363,949)
	2,035,088	2,309,489	1,680,851
Expenses			
Administration	-	-	13,104
Assistance - band members	100,000	100,909	253,666
Bad debts	-	10,751	-
Bank charges	-	-	91
Community support	30,000	15,458	88,898
Consultants and contractors	55,000	49,660	67,642
Cultural programs	-	-	109,768
Governance activities	-	-	1,500
Honorariums	45,000	45,070	8,750
Long term debt - payments principle & interest	235,000	472,414	305,789
Long term debt - principle repayment	-	(412,399)	(248,935)
Professional fees	-	-	52,250
Recreational activities	-	-	50,894
Registration fees	-	-	1,100
Student incentives	1,000	600	-
Supplies	10,000	9,603	11,474
Telephone	-	-	1,032
Training	-	-	150
Travel, meetings, per diems	25,500	25,545	157,759
Unexpended funds - prior years	-	-	3,618
Wages and benefits	177,100	175,018	159,921
Youth	20,000	19,762	30,624
	698,600	512,391	1,069,095
Current surplus before transfers	1,336,488	1,797,098	611,756

The accompanying notes are an integral part of the financial statements

Schedule #10, continued
Muscowpetung First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Transfers			
Transfer - Community Development	(79,442)	(117,781)	(50,000)
Transfer - Economic Development	-	(30,775)	-
Transfer - Education	(134,000)	(112,471)	(160,000)
Transfer - Indian Government Support	(552,595)	(565,533)	(525,000)
Transfer - Social Development	(47,500)	(35,756)	-
Transfer - Indian Registry	(1,391)	-	-
Transfer - Health	(25,650)	(26,342)	-
Current surplus (deficit)	\$ 495,910	\$ 908,440	\$ (123,244)

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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Water Systems	52,397	52,397	52,397
Sanitation Systems	23,450	23,450	23,450
Community Buildings	20,153	20,153	20,153
Student Transportation	1,625	1,625	1,625
CMHC Operations	247,389	247,389	247,389
Band Support	7,197	7,197	7,197
Instructional Services	5,117	5,117	5,117
	357,328	357,328	357,328
Current deficit before transfers	(357,328)	(357,328)	(357,328)
Transfers			
Transfer - Programs	357,328	357,328	357,328
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements