

**Muscowpetung First Nation
Consolidated Financial Statements
March 31, 2019**

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March 31, 2019

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Muscowpetung First Nation
Management's Responsibility for Financial Reporting
March 31, 2019

To the Members of Muscowpetung First Nation:

The accompanying consolidated financial statements of Muscowpetung First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Chalupiak & Associates CPA Professional Corporation, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

On behalf of Muscowpetung First Nation:

Signature on file

Muscowpetung First Nation

October 15, 2019

Date



Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants
3261 Saskatchewan Drive
Regina, Saskatchewan S4T 6S4
Phone: 306-359-3711 Fax: 306-569-3030

Independent Auditors' Report

To the Members of
Muscowpetung First Nation

Opinion

We have audited the consolidated financial statements of Muscowpetung First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 15 and 21 to the consolidated financial statements which describe that Muscowpetung First Nation initiated a surrender claim and a channelization claim against the Government of Canada. The First Nation has obtained a loan to fund costs of negotiations and has taken insurance to cover the repayment of the loan if it is in excess of settlement proceeds.

Restated Comparative Information

Without modifying our opinion, we draw attention to Note 20 to the consolidated financial statements, which explains that comparative information for the year ended March 31, 2018 has been restated as it was determined that the reported land claims settlement receivable was not under the control of the First Nation and an adjustment was made to reduce this receivable by \$2,475,905. This amount has now been reported as a contingent asset as explained in Note 21. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit 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.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- ◆ Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Muscowpetung First Nation
Consolidated Statement of Financial Position
March 31, 2019

	2019	2018 Restated
Financial Assets		
Cash (Note 3)	\$ 416,730	\$ -
Restricted cash (Note 3)	1,284,782	1,153,223
Trust funds held by federal government (Notes 3 and 4)	6,706	6,556
Accounts receivable (Note 5)	2,865,271	660,607
Portfolio investments (Note 6)	60,000	60,000
Investments in related business entities (Notes 7 and 8)	140,922	74,370
Due from related parties (Note 9)	180,894	-
	<u>4,955,305</u>	<u>1,954,756</u>
Liabilities		
Bank indebtedness (Notes 3 and 10)	-	119,981
Accounts payable (Note 11)	761,874	674,284
Deferred revenue - unexpended funds (Note 12)	280,862	31,628
Deferred revenue - unexpended funds - health (Note 13)	-	40,100
Deferred revenue (Note 14)	1,128,124	1,132,734
Current portion of long-term debt (Note 15)	169,823	387,833
Current portion of CMHC mortgages (Note 16)	127,900	126,710
Long-term debt (Note 15)	4,590,545	3,989,225
CMHC mortgages (Note 16)	2,258,437	2,214,550
	<u>9,317,565</u>	<u>8,717,045</u>
Net debt	<u>(4,362,260)</u>	<u>(6,762,289)</u>
Non-financial Assets		
Capital assets (Note 17)	5,400,037	4,949,867
Prepaid expenses (Note 18)	25,833	-
	<u>5,425,870</u>	<u>4,949,867</u>
Accumulated Surplus (deficit) (Note 19)	<u>\$ 1,063,610</u>	<u>\$ (1,812,422)</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, 2019

	2019 Budget	2019 Actual	2018 Restated
Revenue			
Indigenous Services Canada - grant contribution	\$ 507,505	\$ 505,430	\$ 507,505
Indigenous Services Canada - fixed contribution	2,192,824	2,287,493	2,237,751
Indigenous Services Canada - set contribution	28,153	28,961	92,157
Indigenous Services Canada - flexible	1,126,046	1,177,708	1,409,275
ISC - prior period revenue (recovery)	-	(30,000)	-
ISC - current year receivable (payable)	-	23,430	(1,611)
Health Canada - set	350,270	409,361	398,655
Health Canada recovery	-	(13,372)	(766)
CMHC	-	256,228	214,356
Rental income	-	61,434	61,619
First Nations Trust	-	445,459	440,407
FHQ Tribal Council	-	364,321	309,613
QBOW CFS	-	2,490,833	-
Living Sky CDC	-	70,451	-
Keseechiwan Holdings LP dividend	-	60,000	60,000
Muscowpetung Legacy Trust draws repayable	-	8,276,807	-
Muscowpetung Legacy Trust	-	1,243,874	1,237,223
FHQ Developments Ltd	-	-	15,000
Equity pickup - related business entities	-	66,552	(81,000)
Interest earned	-	9,587	12,435
Other revenue - business ventures	-	-	458,642
Other revenue	-	578,480	128,622
Unexpended funds transferred - prior year	-	71,728	-
Administration fees - internal allocation	76,755	41,556	130,937
Deferred revenue - prior year	-	1,132,734	1,007,083
Deferred revenue - current year	-	(1,128,124)	(1,132,734)
	4,281,553	18,430,931	7,505,169
Expenses			
Claims and Indian Government (Schedule 1)	-	6,560,101	1,154,183
Community Development (Schedule 2)	642,653	1,568,772	2,021,612
Economic Development (Schedule 3)	-	127,344	171,637
Education (Schedule 4)	1,591,517	1,838,416	1,851,191
Indian Government Support (Schedule 5)	551,139	1,906,435	1,147,862
Social Development (Schedule 6)	131,361	790,212	820,039
Indian Registration (Schedule 7)	10,367	10,367	10,215
Health Programs (Schedule 8)	387,699	484,214	416,573
CMHC Operations (Schedule 9)	-	568,945	124,826
Other Band Programs (Schedule 10)	-	1,008,133	515,706
Amortization (Schedule 11)	-	411,103	348,012
	3,314,736	15,274,042	8,581,856
Current surplus (deficit) before unexpended transfers	966,817	3,156,889	(1,076,688)

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Restated
<hr/>			
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(280,862)	(71,728)
	<hr/>		
Current surplus (deficit)	\$ 966,817	\$ 2,876,027	\$ (1,148,416)
	<hr/>		

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, 2019

	2019	2018 Restated
Deficit at beginning of year	\$ (1,812,422)	\$ (664,006)
<u>Current surplus (deficit)</u>	<u>2,876,027</u>	<u>(1,148,416)</u>
<u>Surplus (deficit) at end of year</u>	<u>\$ 1,063,605</u>	<u>\$ (1,812,422)</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, 2019

	2019 Budget	2019 Actual	2018 Restated
Current surplus (deficit)	\$ 966,817	\$ 2,876,027	\$ (1,148,416)
Acquisition of tangible capital assets	-	(861,268)	-
Amortization of tangible capital assets	-	411,103	348,010
	-	(450,165)	348,010
Acquisition of prepaid asset	(25,833)	(25,833)	-
Increase (decrease) in net financial assets	940,984	2,400,029	(800,406)
Net debt at beginning of year	(6,762,289)	(6,762,289)	(5,961,883)
Net debt at end of year	\$ (5,821,305)	\$ (4,362,260)	\$ (6,762,289)

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, 2019

	2019	2018 Restated
Cash flows from		
Operating activities		
Current surplus (deficit)	\$ 2,876,027	\$ (1,148,416)
Items not affecting cash		
Amortization	411,103	348,012
	3,287,130	(800,404)
Change in non-cash operating working capital		
Accounts receivable	(2,204,664)	39,684
Prepaid expenses	(25,833)	-
Accounts payable	87,595	10,938
Deferred revenue - unexpended funds	249,234	31,628
Deferred revenue - unexpended funds - health	(40,100)	40,100
Deferred revenue	(4,610)	125,651
Due to (from) related party	(180,894)	-
	1,167,858	(552,403)
Capital activities		
Purchase of fixed assets	(861,273)	-
Financing activities		
Long-term debt - proceeds	2,211,002	1,284,199
Long-term debt - repaid	(1,827,692)	(282,870)
CMHC mortgages - advances	171,347	-
CMHC mortgages - repaid	(126,270)	(124,475)
	428,387	876,854
Investing activities		
Trust funds held by federal government	(150)	(142)
Investment in related entity	(66,552)	81,000
	(66,702)	80,858
Increase in cash and cash equivalents	668,270	405,309
Cash and cash equivalents, beginning of year	1,033,242	627,933
Cash and cash equivalents, end of year	\$ 1,701,512	\$ 1,033,242
Represented by		
Cash (bank indebtedness)	\$ 416,730	\$ (119,981)
Restricted cash	1,284,782	1,153,223
	\$ 1,701,512	\$ 1,033,242

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

1. General

The Muscowpetung First Nation is a First Nation 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.

Organizations accounted for on a modified equity basis include:

Muscowpetung Ki-Pih-Cheen and Mah-Jahn Convenience Store Inc.(Muscowpetung Stop & Go Store)

The Muscowpetung First Nation Cannabis Dispensary began operations in November 2018 and no financial information is available and therefore is not consolidated in these statements.

(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.

2. Basis of presentation and significant accounting policies, continued

(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.

(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
Major Housing Renovations	10 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.

2. Basis of presentation and significant accounting policies, continued

(g) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2019.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

No liability has been recognized in these statements.

(h) 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.

(i) 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.

(j) 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."

2. Basis of presentation and significant accounting policies, continued

(k) 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.

(l) Expense recognition

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

(m) 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.

(n) 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, 2019

3. Cash and cash equivalents

Under the terms of an 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. Cash and cash equivalents is comprised of the following:

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2019	2018
Cash (bank indebtedness)		
Gaming	\$ 51,027	\$ 101,749
General	(816,543)	(263,482)
Community development	914,448	87
Health	23,181	34,094
Social development	(8,320)	(25,601)
CMHC operating	238,083	33,172
Economic Development	10,004	-
Muscowpetung Stop & Go Store	4,850	-
	<u>416,730</u>	<u>(119,981)</u>
Restricted cash		
CMHC replacement reserve term deposits	465,678	465,678
School capital project	79,955	231,780
Flood repair capital project	332,933	126,659
School feasibility	50,733	24,225
CMHC replacement reserve	31,504	14,152
Funds in trust - land claims	116,373	64,226
Per capita distribution	207,606	226,503
	<u>1,284,782</u>	<u>1,153,223</u>
Trust funds held by federal government		
Revenue and capital trust funds	6,706	6,556
	<u>\$ 1,708,218</u>	<u>\$ 1,039,798</u>

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

4. Trust funds held by federal government

	2019		2019		2019		2018
	Revenue		Capital		Total		Total
Surplus, beginning of year	\$	1,781	\$	4,775	\$	6,556	\$ 6,414
Interest earnings		150		-		150	142
Surplus, end of year	\$	1,931	\$	4,775	\$	6,706	\$ 6,556

5. Accounts receivable

	2019	2018
Due from members		
Advances	\$ -	\$ 67,142
Social development	40,324	33,833
	40,324	100,975
Due from others		
FHQ Tribal Council	252,418	80,646
Living Sky CDC	25,698	7,136
Legacy Trust - annual income	263,905	416,609
Other	7,218	15,000
CMHC rent	103,921	124,699
QBOW CFS	2,149,763	-
	2,802,923	644,090
Due from government and other government organizations		
Indigenous Services Canada (ISC)	30,016	-
Health Canada	11,500	-
CMHC	14,097	13,984
	55,613	13,984
	2,898,860	759,049
Allowance for doubtful accounts	(33,589)	(98,442)
	\$ 2,865,271	\$ 660,607

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

6. Portfolio investments

	2019	2018
Keseechiwan Holdings LP (8.3% interest)	\$ 60,000	\$ 60,000

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

7. 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.

	2019	2018
Muscowpetung Stop & Go Store (100%)	\$ 140,922	\$ 74,370

	Investment, start of year	Share of earnings (loss)	Investment, end of year
Muscowpetung Stop & Go Store	\$ 74,370	\$ 66,552	\$ 140,922

8. 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	2019 Total	2018 Total
Accounts receivable	\$ 69,170	\$ 69,170	\$ 12,250
Inventory	16,194	16,194	14,861
Tangible capital assets	112,986	112,986	131,580
Total assets	\$ 198,350	\$ 198,350	\$ 158,691
Bank indebtedness	\$ 8,991	\$ 8,991	\$ 43,236
Accounts payable	48,437	48,437	41,085
Total liabilities	57,428	57,428	84,321
Contributed surplus	626,409	626,409	533,409
Retained earnings	(485,487)	(485,487)	(459,039)
Total equity	140,922	140,922	74,370
Total liabilities and equity	\$ 198,350	\$ 198,350	\$ 158,691

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

8. Investment in government business enterprises, continued

	Muscowpetung Stop & Go Store	2019 Total	2018 Total
Revenue	\$ 797,888	\$ 797,888	\$ 739,004
Rebates	84,575	84,575	47,459
	882,463	882,463	786,463
Cost of goods sold	705,227	705,227	706,410
Expenses	203,684	203,684	300,553
Total expenses	908,911	908,911	1,006,963
Net income	\$ (26,448)	\$ (26,448)	\$ (220,500)

9. Due from related parties

	2019	2018
Due from Muscowpetung Stop & Go Store	\$ 160,894	\$ -
Due from Cannabis Dispensary	20,000	-
	\$ 180,894	\$ -

10. Bank indebtedness

On March 31, 2019 the First Nation had the following operating facilities in place:

1. Approved line of credit (LOC) of \$300,000 at an interest rate of prime + 2% and 24% on amounts exceeding LOC. The balance on March 31, 2019 was \$300,047 (2018 - \$16,826).
2. Overdraft protection of \$450,000 on the general operating account at an interest rate of 24%. The amount overdrawn on March 31, 2019 was nil (2018 - nil) however there were cheques issued in excess of deposits totaling \$518,431 (2018 - \$246,658).

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

11. Accounts payable

	2019	2018
Internal payables		
Social Development rent due to CMHC Housing	\$ 103,922	\$ 103,922
Due to others		
General suppliers	610,574	538,737
Accrued interest on long term debt	27,420	30,014
	637,994	568,751
Due to government and other government organizations		
Indigenous Services Canada (ISC)	6,586	1,611
Health Canada	13,372	-
	19,958	1,611
	\$ 761,874	\$ 674,284

12. Deferred revenue - unexpended funds

Indigenous Services Canada (ISC) 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 ISC, deferred to the following year, or transferred to another ISC 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.

	2019	2018
In-home care	\$ 979	\$ 993
SA - employment and training	10,959	15,635
P&ID - strategic plan	-	15,000
Solid waste feasibility	28,000	-
Capacity/Innovation	50,000	-
Instructional Services	151,762	-
Jordan's Principle	39,162	-
	\$ 280,862	\$ 31,628

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

13. Deferred revenue - unexpended funds - health

Health Canada 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 Health Canada, deferred to the following year, or transferred to another Health Canada 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 - health" on the financial statements.

	2019	2018
Brighter futures	\$ -	\$ 14,142
Mental health	-	13,962
Prenatal nutrition	-	393
Community health	-	5,320
Health board	-	4,096
FASD	-	2,187
	\$ -	\$ 40,100

14. Deferred revenue

	March 31, 2018	Funding received, 2019	Revenue recognized, 2019	March 31, 2019
Federal government				
School renovations and roof repairs	\$ 131,709	\$ 1,535	\$ (14,300)	\$ 118,944
School feasibility (new school)	24,225	673	(24,898)	-
Backup well	225,564	212,154	(75,227)	362,491
Road to community well	-	100,000	(30,654)	69,346
	381,498	314,362	(145,079)	550,781
Other				
Legacy Trust - minor distributions	334,627	-	(21,189)	313,438
Legacy Trust - annual income	416,609	9,520,681	(9,673,385)	263,905
	751,236	9,520,681	(9,694,574)	577,343
	\$ 1,132,734	\$ 9,835,043	\$ (9,839,653)	\$ 1,128,124

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

15. Long-term debt

	2019	2018
Peace Hills Trust - #15 - Debt consolidation Term loan - bearing interest at 5.00%. Quarterly blended payments of \$46,000, maturing January 1, 2019. Secured by general security agreement with specific interest in ISC, First Nations Trust and Economic Development funding and collateral assignment of GICs.	\$ -	\$ 424,401
Peace Hills Trust - #17 - Band store Term loan bearing interest at 5.00%, annual principle payment of \$50,000, interest paid monthly, maturing October 1, 2020. Secured by assignment of Keseechiwan Holdings LP and store revenues.	-	150,000
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.	-	272,611
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.	1,475,600	1,291,198
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.	1,436,192	1,258,169
PHT Loan - #19 - Housing Repairs and Renovations Term loan bearing interest at 6.00%, blended annual payments of \$150,000, maturing June 1, 2022. Secured by assignment of Indigenous Services Canada band based capital funds.	-	980,679
PHT Loan #20 - Debt consolidation Term loan - bearing interest at prime plus 1.10%. Quarterly blended payments of \$65,000, maturing July 1, 2023. Secured by general security agreement of all First Nation funds and other source revenue.	1,848,576	-
	4,760,368	4,377,058
Less current portion	169,823	387,833
	\$ 4,590,545	\$ 3,989,225

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

15. Long-term debt, continued

	2019	2018
Principal portion of long-term debt due within the next five years:		
2020	\$ 169,823	
2021	178,569	
2022	187,759	
2023	197,422	
2024 and thereafter	4,026,795	
	<u>\$ 4,760,368</u>	
	2019	2018
Interest expense for the year on long-term debt	<u>\$ 216,777</u>	<u>\$ 151,303</u>

16. CMHC mortgages

	Phase number	Renewal date	Interest rate	Monthly payment	2019	2018
CMHC	1	4/1/2020	1.05%	\$ 2,002	\$ 133,992	\$ 156,482
CMHC	2	7/1/2022	1.50%	1,429	95,748	111,340
CMHC	3	1/1/2020	1.67%	3,336	538,724	569,506
CMHC	4	9/1/2023	2.52%	5,588	1,033,364	1,074,370
CMHC	5	9/1/2023	2.52%	2,234	413,162	429,563
CMHC loan advance	7			-	171,347	-
					2,386,337	2,341,261
Less current portion					127,900	126,711
Total					<u>\$ 2,258,437</u>	<u>\$ 2,214,550</u>

Total interest on mortgages \$48,129 (2018 - \$49,057)

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

17. Tangible capital assets

	Cost	Additions	Accumulated amortization	2019 Net book value
Buildings	\$ 121,026	\$ -	\$ 107,164	\$ 13,862
Vehicles	36,500	83,565	57,391	62,674
Office equipment	27,949	1,495	28,448	997
Store equipment	140,918	-	125,885	15,033
Machinery and equipment	965,767	56,010	769,083	252,694
CMHC - houses	6,127,284	-	2,327,223	3,800,061
Infrastructure assets	1,047,500	-	462,562	584,938
Assets Under Construction	-	215,951	-	215,951
Major Housing Renovations	-	504,251	50,425	453,826
	<u>\$ 8,466,944</u>	<u>\$ 861,272</u>	<u>\$ 3,928,181</u>	<u>\$ 5,400,036</u>

	Cost	Additions	Accumulated amortization	2018 Net book value
Buildings	\$ 121,026	\$ -	\$ 102,542	\$ 18,484
Vehicles	36,500	-	36,500	-
Office equipment	27,949	-	27,949	-
Store equipment	140,918	-	110,853	30,065
Machinery and equipment	965,767	-	723,025	242,742
CMHC - houses	6,127,284	-	2,079,834	4,047,450
Infrastructure assets	1,047,500	-	436,374	611,126
	<u>\$ 8,466,944</u>	<u>\$ -</u>	<u>\$ 3,517,077</u>	<u>\$ 4,949,867</u>

18. Prepaid expenses

	2019	2018
Travel	\$ 6,000	\$ -
Council honoraria	16,000	-
Payroll	3,833	-
Total	<u>\$ 25,833</u>	<u>\$ -</u>

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

19. Accumulated surplus

	2019	2018 Restated
Restricted		
Indigenous Services Canada (ISC)	\$ 6,706	\$ 6,556
Capital assets	3,013,699	2,608,605
CMHC reserves	642,474	713,702
Investments	200,922	134,370
	<u>3,863,801</u>	<u>3,463,233</u>
Unrestricted		
Operating	(14,007)	(2,799,750)
Land claim settlement deficit	(2,786,184)	(2,475,905)
	<u>(2,800,191)</u>	<u>(5,275,655)</u>
	<u>\$ 1,063,610</u>	<u>\$ (1,812,422)</u>

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

20. Prior period restatement

During the year it was determined that the reported land claims settlement receivable was not under the control of the First Nation. An adjustment was made to the prior period amounts to reduce the accounts receivable by \$2,475,905; opening accumulated surplus by \$2,168,174 and land claims future settlement revenue by \$307,731.

	As previously stated in 2018	Adjustments Increase (Decrease)	Restated 2018
Consolidated Statement of Financial Position			
Financial assets			
Accounts receivable	\$ 3,136,512	\$ (2,475,905)	\$ 660,607
Net debt	(4,286,384)	(2,475,905)	(6,762,289)
Accumulated surplus	663,483	(2,475,905)	(1,812,422)
Consolidated Statement of Operations			
Revenue			
Land claim - future settlement	307,731	(307,731)	-
Current year deficit	(840,685)	(307,731)	(1,148,416)
Consolidated Statement of Accumulated surplus			
Accumulated surplus (deficit), beginning of the year	1,504,167	(2,168,174)	(664,007)
Current deficit	(840,685)	(307,731)	(1,148,416)
Accumulated surplus (deficit)	663,482	(2,475,905)	(1,812,423)
Consolidated Statement of Net Debt			
Current year deficit	(840,685)	(307,731)	(1,148,416)
Decrease in net financial assets	(492,676)	(307,731)	(800,407)
Net debt at beginning of year	(3,793,708)	(2,168,174)	(5,961,882)
Net debt at end of year	(4,286,384)	(2,475,905)	(6,762,289)
Consolidated Statement of Cash Flows			
Cash flows from operating activities			
Current surplus (deficit)	(840,685)	(307,731)	(1,148,416)
Changes in non-cash operating working capital			
Accounts receivable	\$ (268,047)	\$ 307,731	\$ 39,684

21. Contingent assets

The First Nation has initiated claims against Canada referred to as the "Surrender" and "Channelization" claims. The First Nation has obtained loans to finance the costs of negotiating the settlement. Insurance policies have been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time that the claim is resolved. As at March 31, 2019, the loan amounts outstanding are \$1,475,600 and \$1,436,192. The First Nation anticipates that these costs will be paid from settlement proceeds, and when the claim is finalized, or the insurance proceeds paid, the amount will be recognized as revenue.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

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.

23. Indigenous Services Canada (ISC) Reconciliation

	2019	2018
ISC confirmation	\$ 3,999,592	\$ 4,246,687
Payable (receivable) - prior year		
Leadership Government Capacity	(15,000)	-
Plan/Risk Mgmt Gov Cap	(15,000)	-
Payable (receivable) - current year		
Band employee benefits	(6,586)	(689)
Institutional care	30,016	(922)
	<u>\$ 3,993,022</u>	<u>\$ 4,245,076</u>

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

24. Government Transfers

	2019		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 3,432,359	\$ 560,663	\$ 3,993,022
Health Canada	395,989	-	395,989
Canada Mortgage and Housing Corporation	256,228	-	256,228
Total	4,084,576	560,663	4,645,239
Provincial government transfers	-	-	-
	\$ 4,084,576	\$ 560,663	\$ 4,645,239
	2018		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 3,426,841	\$ 818,235	\$ 4,245,076
Health Canada	397,889	-	397,889
Canada Mortgage and Housing Corporation	167,831	46,525	214,356
Total	3,992,561	864,760	4,857,321
Provincial government transfers	-	-	-
	\$ 3,992,561	\$ 864,760	\$ 4,857,321

25. CMHC Reserves

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. On March 31, 2019 the replacement reserve was underfunded by \$nil (2018 - \$133,557) and the operating reserve was underfunded by \$145,292 (2018 - \$100,316).

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

26. Muscowpetung Legacy Trust

The First Nation received settlement funds on March 19, 2014. The Trust agreement allows the First Nation to borrow funds using the Trust property as collateral. In the current year, the First Nation paid off an existing loan of \$5,112,655 and borrowed \$8,276,807 at an interest rate of 3.20% to be repaid in annual instalments of \$979,969 (principle and interest).

Annual income paid to the First Nation is the annual income earned in the Trust less authorized loan payments.

	2019	2018
Annual income	\$ 1,243,874	\$ 1,237,223
Less: authorized loan payments	(979,969)	(820,614)
Annual income payable to the First Nation	\$ 263,905	\$ 416,609

27. 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, 2019 the amount of \$2,911,792 had been drawn down.

28. 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, 2019.

29. 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:

	2019	2018
Muscowpetung First Nation Legacy Trust	\$ 31,761,998	\$ 33,107,228
	\$ 31,761,998	\$ 33,107,228

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

30. Economic dependence

Muscowpetung First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada (ISC) and Health and Welfare Canada.

31. Subsequent events

Muscowpetung First Nation owns a cannabis dispensary. This venture is in the business of selling cannabis products on the reserve in accordance with the Muscopwetung First Nation Cannabis Act (November 12, 2018). Jurisdiction over the sales of these products is unclear and the First Nation has entered into a statement of claim against the Federal and Provincial governments with regards to the licensing of a recreational cannabis dispensary on reserve.

32. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from estimates approved by Muscowpetung First Nation.

33. Expenses by object

	2019 Budget	2019 Actual	2018 Actual
Administration	\$ 232,134	\$ 57,802	\$ 140,508
Amortization	-	411,103	348,012
Assistance - band members	-	192,101	111,957
Assistance - social development	-	652,487	650,393
Bad debts	-	3,515	9,422
Bank charges and interest	20,896	50,506	51,751
CMHC internship	-	10,585	-
Community support	-	33,675	24,540
Consultants and contractors	328,326	1,369,384	1,309,843
Cultural programs	56,098	79,538	48,767
Elders supplement	-	85,500	-
Election fees	-	-	4,215
Equipment/vehicle purchases	-	34,413	-
Equipment rental/lease	44,443	26,849	50,353
Fuel	20,000	33,847	12,560
Governance activities	-	3,000	1,800
Graduation, awards, prizes	1,500	1,475	1,118
HASI expenses	-	16,565	-
Honorariums	20,400	525,993	410,189
Insurance	3,208	156,971	119,728
Long term debt - payments principle & interest	-	6,594,024	1,254,787
Long term debt - principle repayment	-	(148,613)	(282,871)
Mortgage payments - principle and interest	-	174,399	173,532
Mortgage payments - principle repaid	-	(126,270)	(124,475)
Other expenses	19,758	54,381	152,916
Per capita distribution	-	21,189	25,661

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2019

33. Expenses by object, continued

	2019 Budget	2019 Actual	2018 Actual
Plumbing	-	14,438	-
Professional fees	80,000	239,560	201,275
Program expenses	214,586	272,803	310,054
Recreational activities	-	58,806	1,860
Registration fees	1,500	-	-
Repairs and maintenance	56,000	1,403,179	816,976
Student allowance	272,500	293,345	274,805
Student incentives	5,150	6,150	4,900
Student transportation	150,000	148,998	152,517
Student tuition	139,000	201,255	151,471
Supplies	156,249	381,631	212,454
Telephone	22,040	63,402	45,690
Training	81,000	19,395	26,859
Travel - medical transportation	17,700	20,072	18,031
Travel, meetings, per diems	107,026	478,341	447,317
Utilities	98,463	145,066	81,777
Wages and benefits	1,156,759	1,648,593	1,319,025
Youth	10,000	425,862	22,139
Transfer to capital assets	-	(861,273)	-
	\$ 3,314,736	\$ 15,274,042	\$ 8,581,856

34. Segmented information

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

1) Indigenous Services Canada (ISC)

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 ISC'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 labor 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.

34. 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 a Status 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, 2019

	2019 Budget	2019 Actual	2018 Restated
Revenue			
Muscowpetung Legacy Trust	\$ -	\$ 1,243,874	\$ 1,237,223
Muscowpetung Legacy Trust draws repayable	-	8,276,807	-
Deferred revenue - prior year	-	751,236	748,053
Deferred revenue - current year	-	(577,343)	(751,236)
	-	9,694,574	1,234,040
Expenses			
Bank charges	-	10,449	11,334
Consultants and contractors	-	-	583
Insurance	-	78,581	69,178
Long term debt - payments principle & interest	-	6,344,867	905,266
Per capita distribution	-	21,189	25,661
Professional fees	-	87,919	64,024
Repairs and maintenance	-	-	177
Travel, meetings, per diems	-	17,096	77,960
	-	6,560,101	1,154,183
Current surplus	\$ -	\$ 3,134,473	\$ 79,857

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 491,368	\$ 519,368	\$ 489,189
Indigenous Services Canada - flexible	610,663	603,163	818,235
FHQ Tribal Council	-	8,039	8,039
Interest earned	-	2,208	774
Administration fees - internal allocation	48,000	-	52,025
Other revenue	-	2,154	5,601
Deferred revenue - prior year	-	381,498	259,030
Deferred revenue - current year	-	(550,781)	(381,498)
	1,150,031	965,649	1,251,395
Expenses			
Administration	46,481	6,574	58,738
Bank charges	-	-	206
Consultants and contractors	123,826	609,557	895,303
Equipment/vehicle purchases	-	7,500	-
Equipment rental/lease	24,443	14,663	24,437
Fuel	20,000	33,847	12,560
HASI expenses	-	10,000	-
Honorariums	-	14,800	1,000
Insurance	3,208	78,390	50,550
Long term debt - payments principle & interest	-	48,380	143,863
Long term debt - principle repayment	-	(37,616)	(123,828)
Other expenses	-	423	-
Plumbing	-	14,438	-
Program expenses	-	339	400
Repairs and maintenance	54,000	926,702	717,874
Student tuition	-	15,568	600
Supplies	45,500	52,007	25,927
Telephone	4,720	7,064	4,747
Travel, meetings, per diems	21,500	26,756	17,104
Utilities	67,463	107,324	67,123
Wages and benefits	231,512	312,209	125,006
Transfer to capital assets	-	(680,153)	-
	642,653	1,568,772	2,021,610
Current deficit before unexpended transfers	507,378	(603,123)	(770,215)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(28,000)	-
Current deficit before transfers	507,378	(631,123)	(770,215)

The accompanying notes are an integral part of the financial statements

Schedule #2, continued
Muscowpetung First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Transfers			
Transfer - Amortization	-	(135,600)	(96,000)
Current deficit	\$ 507,378	\$ (766,723)	\$ (866,215)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
FHQ Tribal Council	\$ -	\$ 51,101	\$ 51,101
Expenses			
Consultants and contractors	-	1,996	31,896
Other expenses	-	7,500	139,726
Professional fees	-	96,598	-
Supplies	-	1,000	15
Training	-	10,250	-
Wages and benefits	-	10,000	-
	-	127,344	171,637
Current deficit	\$ -	\$ (76,243)	\$ (120,536)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 1,632,450	\$ 1,680,442	\$ 1,688,846
Indigenous Services Canada - flexible	-	39,162	-
FHQ Tribal Council	-	171,051	151,377
Other revenue	-	-	78
	1,632,450	1,890,655	1,840,301
Expenses			
Administration	97,471	16,163	49,268
Consultants and contractors	97,000	205,174	154,627
Cultural programs	45,000	38,883	37,367
Graduation, awards, prizes	1,500	1,475	1,118
Honorariums	9,500	26,000	10,900
Program expenses	127,841	107,999	193,201
Other expenses	-	2,941	10
Registration fees	1,500	-	-
Repairs and maintenance	-	1,529	-
Student allowance	272,500	293,345	274,805
Student incentives	5,150	6,150	4,900
Student transportation	150,000	148,998	152,517
Student tuition	139,000	174,490	149,853
Supplies	64,120	89,407	111,632
Travel, meetings, per diems	52,276	29,064	56,270
Training	20,000	-	300
Wages and benefits	503,659	696,796	654,422
Youth	5,000	-	-
	1,591,517	1,838,414	1,851,190
Current surplus (deficit) before unexpended transfers	40,933	52,241	(10,889)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(190,924)	-
Current deficit before transfers	40,933	(138,683)	(10,889)
Transfers			
Transfer - Amortization	-	-	(1,625)
Current deficit	\$ 40,933	\$ (138,683)	\$ (12,514)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - grant contribution	\$ 507,505	\$ 505,430	\$ 507,505
Indigenous Services Canada - fixed contribution	9,668	28,345	10,743
Indigenous Services Canada - set contribution	13,465	14,273	44,962
Indigenous Services Canada - flexible	-	50,000	-
ISC - prior period revenue (recovery)	-	(30,000)	-
ISC - current year receivable (payable)	-	(6,586)	(689)
Interest earned	-	1,424	-
Unexpended funds transferred - prior year	-	15,000	-
	530,638	577,886	562,521
Expenses			
Administration	50,751	2,965	558
Bad debts	-	3,515	-
Bank charges	20,000	22,717	39,193
Consultants and contractors	70,000	469,038	100,698
Cultural programs	-	23,305	-
Election fees	-	-	4,215
Equipment/vehicle purchases	-	19,007	-
Equipment rental/lease	20,000	10,317	12,832
Honorariums	5,400	477,865	374,331
Long term debt - payments principle & interest	-	826	-
Other expenses	-	7,801	-
Professional fees	80,000	47,186	129,394
Program expenses	-	64,004	-
Recreational activities	-	58,806	-
Student tuition	-	9,348	718
Supplies	20,000	192,084	16,806
Telephone	16,000	34,897	22,417
Training	50,000	2,838	3,500
Transfer to capital assets	-	(81,032)	-
Travel, meetings, per diems	20,000	322,715	223,825
Utilities	16,000	16,841	3,898
Wages and benefits	182,988	201,392	215,477
	551,139	1,906,435	1,147,862
Current deficit before unexpended transfers	(20,501)	(1,328,549)	(585,341)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(50,000)	(15,000)
Current deficit before transfers	(20,501)	(1,378,549)	(600,341)

The accompanying notes are an integral part of the financial statements

Schedule #5, continued
Muscowpetung First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<hr/>			
Transfers			
Transfer - Other Band Programs	-	707,927	580,541
Transfer - Amortization	-	(26,137)	(2,998)
<hr/>			
Current deficit	\$ (20,501)	\$ (696,759)	\$ (22,798)
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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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 48,971	\$ 48,971	\$ 38,758
Indigenous Services Canada - set contribution	14,688	14,688	47,195
Indigenous Services Canada - flexible	515,383	485,383	591,039
ISC - current year receivable (payable)	-	30,016	(922)
FHQ Tribal Council	-	-	19,075
Unexpended funds transferred - prior year	-	16,628	-
	579,042	595,686	695,145
Expenses			
Administration	5,787	2,224	-
Assistance - assisted living	-	44,166	55,460
Assistance - band members	-	270	-
Assistance - basic needs	-	573,281	549,724
Assistance - special needs	-	35,041	45,209
Bank charges	140	2,734	138
Consultants and contractors	23,700	30,105	36,614
Home to work transition	14,758	27,943	12,280
Honorariums	-	1,900	500
Program expenses	10,000	6,541	14,721
Supplies	16,629	1,463	16,947
Telephone	600	57	-
Training	11,000	3,295	20,375
Travel, meetings, per diems	3,000	3,982	4,336
Wages and benefits	45,747	57,209	63,735
	131,361	790,211	820,039
Current deficit before unexpended transfers	447,681	(194,525)	(124,894)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(11,938)	(16,628)
Current deficit	\$ 447,681	\$ (206,463)	\$ (141,522)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 10,367	\$ 10,367	\$ 10,215
Expenses			
Supplies	1,000	-	282
Travel, meetings, per diems	1,000	173	1,241
Training	-	368	-
Wages and benefits	8,367	9,826	8,692
	10,367	10,367	10,215
Current surplus	\$ -	\$ -	\$ -

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Health Canada	\$ 350,270	\$ 395,989	\$ 397,889
FHQ Tribal Council	-	19,532	19,532
Interest earned	-	27	-
Other revenue	-	1,000	6,585
Administration fees - internal allocation	28,755	-	-
Unexpended funds transferred - prior year	-	40,100	-
	379,025	456,648	424,006
Expenses			
Administration	31,644	25,597	31,944
Bank charges	756	661	735
Consultants and contractors	13,800	20,084	14,511
Cultural programs	11,098	16,350	5,700
Equipment/vehicle purchases	-	7,906	-
Equipment rental/lease	-	1,869	13,083
Honorariums	5,500	1,828	5,350
Other expenses	5,000	7,771	900
Program expenses	76,745	87,391	92,131
Repairs and maintenance	2,000	4,248	15,004
Student tuition	-	1,148	300
Supplies	9,000	18,937	8,273
Telephone	720	20,358	17,869
Training	-	2,644	2,684
Travel - medical transportation	17,700	20,072	18,031
Travel, meetings, per diems	9,250	42,871	27,614
Utilities	15,000	16,364	10,756
Wages and benefits	184,486	196,020	151,689
Youth	5,000	-	-
Transfer to capital assets	-	(7,906)	-
	387,699	484,213	416,574
Current surplus (deficit) before unexpended transfers	(8,674)	(27,565)	7,432
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	-	(40,100)
Current deficit before transfers	(8,674)	(27,565)	(32,668)
Transfers			
Transfer- Amortization	-	(1,977)	-
Current deficit	\$ (8,674)	\$ (29,542)	\$ (32,668)

The accompanying notes are an integral part of the financial statements

Schedule #9
Muscowpetung First Nation
CMHC Programs
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
CMHC	\$ -	\$ 256,228	\$ 214,356
Rental income	-	61,434	61,619
Interest earned	-	5,750	11,518
Other revenue	-	126,343	-
	-	449,755	287,493
Expenses			
Administration	-	4,280	-
Bank charges	-	565	131
CMHC internship	-	10,585	-
HASI expenses	-	6,565	-
Interest on long term debt	-	48,129	49,057
Professional fees	-	7,856	7,856
Program expenses	-	5,564	-
Repairs and maintenance	-	450,320	58,229
Supplies	-	21,548	9,554
Travel, meetings, per diems	-	8,815	-
Utilities	-	4,537	-
Wages and benefits	-	182	-
	-	568,946	124,827
Current surplus (deficit) before transfers	-	(119,191)	162,666
Transfers			
Transfer - Amortization	-	(247,389)	(247,389)
Current deficit	\$ -	\$ (366,580)	\$ (84,723)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
First Nations Trust	\$ -	\$ 445,459	\$ 440,407
FHQ Tribal Council	-	114,597	60,488
FHQ Developments Ltd	-	-	15,000
Keseechiwan Holdings LP dividend	-	60,000	60,000
Living Sky CDC	-	70,451	-
QBOW CFS	-	2,490,833	-
Equity pickup - related business entities	-	66,552	(81,000)
Interest earned	-	179	142
Other revenue - business ventures	-	-	458,642
Other revenue	-	448,982	116,360
Administration fees - internal allocation	-	41,556	78,912
	-	3,738,609	1,148,951
Expenses			
Assistance - band members	-	191,831	111,957
Bad debts	-	-	9,422
Bank charges and interest	-	13,379	14
Community support	-	33,675	24,540
Consultants and contractors	-	33,431	75,611
Cultural programs	-	1,000	5,700
Elders supplement	-	85,500	-
Governance activities	-	3,000	1,800
Honorariums	-	3,600	18,108
Long term debt - payments principle & interest	-	199,951	205,658
Long term debt - principle repayment	-	(110,997)	(159,042)
Program expenses	-	970	9,602
Recreational activities	-	-	1,860
Registration fees	-	700	-
Repairs and maintenance	-	20,379	25,692
Supplies	-	5,181	23,018
Telephone	-	1,025	657
Travel, meetings, per diems	-	26,870	38,969
Wages and benefits	-	164,958	100,000
Youth	-	425,862	22,139
Transfer to capital assets	-	(92,182)	-
	-	1,008,133	515,705
Current surplus before transfers	-	2,730,476	633,246
Transfers			
Transfer - Indian Government Support	-	(707,927)	(580,541)
Current surplus	\$ -	\$ 2,022,549	\$ 52,705

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Water Systems	-	46,147	52,397
Sanitation Systems	-	17,000	23,450
Community Buildings	-	70,578	20,153
Student Transportation	-	-	1,625
CMHC Operations	-	247,389	247,389
Band Support	-	26,137	2,998
Medical Transportation	-	1,977	-
Roads	-	1,875	-
	-	411,103	348,012
Current deficit before transfers	-	(411,103)	(348,012)
Transfers			
Transfer - Programs	-	411,103	348,012
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements