



Muskowekwan First Nation
Consolidated Financial Statements
March 31, 2019



Muskowekwan First Nation

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Management's Responsibility



To the Members of Muskowekwan First Nation:

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

MNP LLP, 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 of Muskowekwan First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

July 28, 2019

Signed By: Charles Pratt _____ Management

Independent Auditor's Report

To the Members of Muskowekwan First Nation:

Opinion

We have audited the consolidated financial statements of Muskowekwan First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (debt), and cash flows, and related schedules 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 consolidated changes in net financial assets (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 Auditor's 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.

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.

Auditor's 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 auditor's 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 consolidated financial statements.

Independent Auditor's Report

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 auditor's 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 auditor's 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 First Nation 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.

We 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.

Saskatoon, Saskatchewan
July 28, 2019

MNP LLP
Chartered Professional Accountants



Muskowekwan First Nation
Consolidated Statement of Financial Position
As at March 31, 2019

| | 2019 | 2018 |
|---|-------------------|--------------------|
| Financial assets | | |
| Current | | |
| Cash | 135,284 | - |
| Restricted cash (Note 4) | 33,614 | 103,336 |
| Accounts receivable (Note 5) | 2,066,906 | 265,458 |
| Inventory for resale | 13,395 | 6,756 |
| Subtotal of current assets | 2,249,199 | 375,550 |
| Restricted cash (Note 4) | 975,064 | 1,004,423 |
| Due from related parties (Note 6) | 412,422 | 100,809 |
| Investments (Note 7) | 5,085,169 | 152,737 |
| Funds held in Ottawa Trust Fund (Note 8) | 425,129 | 408,589 |
| Total financial assets | 9,146,983 | 2,042,108 |
| Liabilities | | |
| Current | | |
| Bank indebtedness (Note 9) | - | 245,198 |
| Accounts payable and accruals | 1,017,243 | 670,001 |
| Deferred revenue (Note 10) | 256,926 | 139,158 |
| Due to related party (Note 11) | 971,210 | 366,050 |
| Current portion of long-term debt (Note 12) | 860,784 | 1,000,183 |
| Subtotal of current liabilities | 3,106,163 | 2,420,590 |
| Long-term debt (Note 12) | 4,357,213 | 8,812,909 |
| Total financial liabilities | 7,463,376 | 11,233,499 |
| Net financial assets (debt) | 1,683,607 | (9,191,391) |
| Commitment (Note 7) | | |
| Contingent liabilities (Note 13) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 14) | 23,835,025 | 33,551,107 |
| Prepaid expenses and deposits (Note 15) | 256,336 | 150,000 |
| Accumulated surplus (Note 16) | 25,774,968 | 24,509,716 |
| Approved on behalf of Chief and Council | | |

Signed By: Leon Wolfe Jr.

Councillor

Signed By: Calvin Wolfe

Councillor



Muskowekwan First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2019

| | 2019 Budget (Note 20) | 2019 Actual | 2018 Actual |
|---|--------------------------------------|------------------------|------------------------|
| Revenues | | | |
| Indigenous Services Canada (Note 21) | 7,359,552 | 7,213,068 | 6,514,850 |
| Touchwood Child & Family Services Inc. (Note 22) | - | 1,652,445 | - |
| Gaming | - | 1,519,292 | 1,457,564 |
| Health Canada | 677,845 | 1,053,218 | 891,635 |
| Touchwood Agency Tribal Council | 473,139 | 803,749 | 515,654 |
| CMHC | 439,400 | 770,627 | 398,395 |
| Other | 618,000 | 658,421 | 657,738 |
| First Nations Trust | 600,000 | 597,500 | 602,339 |
| Rental income | 457,200 | 458,567 | 588,283 |
| Leases | 649,800 | 379,174 | 1,014,136 |
| Dakota Dunes Community Development Corporation | 197,500 | 305,049 | 334,700 |
| Indigenous Gaming Regulators | - | 101,003 | 73,739 |
| Interest | 51,170 | 38,307 | 36,036 |
| Insurance proceeds | - | - | 356,449 |
| Gain (loss) on disposal of tangible capital assets | - | (1,000) | 7,500 |
| Loss from investments in government business enterprises (Note 7) | 7,200 | (131,191) | (9,279) |
| | 11,530,806 | 15,418,229 | 13,439,739 |
| Program expenses | | | |
| Band Government | 1,381,603 | 1,992,798 | 2,198,147 |
| Capital | 962,895 | 416,566 | 867,827 |
| Community Infrastructure | 799,338 | 980,878 | 1,029,845 |
| Education | 4,436,955 | 4,489,338 | 4,220,725 |
| Lands | 352,977 | 800,234 | 1,018,763 |
| Social Development | 1,361,242 | 1,414,112 | 1,537,564 |
| Health | 763,158 | 1,206,701 | 1,046,906 |
| Economic Development | 25,500 | 138,617 | 185,662 |
| Housing | 521,400 | 919,249 | 1,258,179 |
| Muskowekwan Gaming Inc. | - | 1,794,484 | 1,623,559 |
| Total expenses | 10,605,068 | 14,152,977 | 14,987,177 |
| Annual surplus (deficit) | 925,738 | 1,265,252 | (1,547,438) |
| Accumulated surplus, beginning of year | 24,509,716 | 24,509,716 | 26,057,154 |
| Accumulated surplus, end of year | 25,435,454 | 25,774,968 | 24,509,716 |

The accompanying notes are an integral part of these financial statements



Muskowekwan First Nation
Consolidated Statement of Changes in Net Financial Assets (Debt)
For the year ended March 31, 2019

| | 2019 Budget (Note 20) | 2019 Actual | 2018 Actual |
|--|--------------------------------------|------------------------|------------------------|
| Annual surplus (deficit) | 925,738 | 1,265,252 | (1,547,438) |
| Purchases of tangible capital assets | - | (1,028,072) | (588,270) |
| Transfer of tangible capital assets (Note 7) | - | 9,312,448 | - |
| Amortization of tangible capital assets | 545,000 | 1,421,706 | 1,388,605 |
| Loss (gain) on disposal of tangible capital assets | - | 1,000 | (7,500) |
| Proceeds on disposal of tangible capital assets | - | 9,000 | 7,500 |
| Prepaid expenses and deposits | - | (106,336) | (150,000) |
| Change in net financial assets (debt) | 1,470,738 | 10,874,998 | (897,103) |
| Net debt, beginning of year | (9,191,391) | (9,191,391) | (8,294,288) |
| Net financial assets (debt), end of year | (7,720,653) | 1,683,607 | (9,191,391) |

The accompanying notes are an integral part of these financial statements



Muskowekwan First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

| | 2019 | 2018 |
|--|-------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Annual surplus (deficit) | 1,265,252 | (1,547,438) |
| Non-cash items | | |
| Amortization | 1,421,706 | 1,388,605 |
| Loss from investments in government business enterprises | 131,191 | 9,279 |
| Loss (gain) on disposal of tangible capital assets | 1,000 | (7,500) |
| | 2,819,149 | (157,054) |
| Changes in accounts | | |
| Accounts receivable | (1,801,448) | 255,303 |
| Inventory for resale | (6,639) | (1,650) |
| Accounts payable and accruals | 347,242 | (90,101) |
| Deferred revenue | 117,768 | - |
| | 1,476,072 | 6,498 |
| Financing activities | | |
| Increase in due to related party | 605,160 | 16,050 |
| Advances of long-term debt | 1,434,618 | 856,803 |
| Repayment of long-term debt | (6,029,713) | (773,960) |
| Transfer from Muskowekwan Land Development LP for debt repayment | 4,248,825 | - |
| | 258,890 | 98,893 |
| Capital activities | | |
| Purchases of tangible capital assets | (1,028,072) | (588,270) |
| Proceeds on disposal of tangible capital assets | 9,000 | 7,500 |
| Prepaid expenses and deposits | (106,336) | (150,000) |
| | (1,125,408) | (730,770) |
| Investing activities | | |
| Decrease in restricted cash (net) | 99,081 | 373,453 |
| Decrease (increase) in due from related parties (net) | (311,613) | 176,399 |
| Decrease in term deposits | - | 50,000 |
| Increase in funds held in Ottawa Trust Fund | (16,540) | (14,595) |
| | (229,072) | 585,257 |
| Increase (decrease) in cash resources | 380,482 | (40,122) |
| Cash deficiency, beginning of year | (245,198) | (205,076) |
| Cash resources (deficiency), end of year | 135,284 | (245,198) |
| Supplementary cash flow information | | |
| Interest paid | 343,431 | 370,153 |

The accompanying notes are an integral part of these financial statements



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

1. Nature of Operations

The Muskowekwan First Nation (the "First Nation") is located in Treaty 4 territory in the Province of Saskatchewan, and provides various services to its Members. The Muskowekwan First Nation financial reporting entity includes the First Nation's operations and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Change in accounting policies

Effective April 1, 2018, the First Nation adopted the recommendations relating to the following Section, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 3430 Restructuring Transactions

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

3. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. The following entities and departments have been consolidated:

- Muskowekwan First Nation;
- Muskowekwan First Nation CMHC Housing;
- Muskowekwan Gaming Inc.;
- Muskowekwan Treaty Land Entitlement - Revenue Account;
- Muskowekwan Business Development Company Ltd.;
- 211413 Saskatchewan Ltd.

All inter-entity balances have been eliminated on consolidation.

First Nation business entities, owned or controlled by the First Nation, but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for its proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include Muskowekwan Resources Ltd., Muskowekwan Gas Bar & Confectionary Ltd., Muskowekwan Business Development Company II Ltd. and MFN Land Development Limited Partnership (including its general partner 102048326 Saskatchewan Ltd.). The Muskowekwan Treaty Land Entitlement Trust - Principal Account and Ledcor Trust - Principal Account are not included in the consolidated financial statements as they are administered and controlled by Trustees.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

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

Other Economic Interests

The Muskowekwan First Nation is a member of the Touchwood Agency Specific Claim. The Touchwood Agency Specific Claim is an organization of five Nations, whose purpose is to negotiate a specific claim with regards to the Indigenous Services Canada's alleged mismanagement of funds of the Touchwood Agency during the period 1920 to 1924.

The Muskowekwan First Nation is a member of Touchwood Child & Family Services Inc. The Touchwood Child & Family Services Inc. is an organization of six member Nations, whose purpose is to provide Child and Family services to the member Nations.

The Muskowekwan First Nation is a member of Touchwood Post Secondary Program Inc. The Touchwood Post Secondary Program Inc. is an organization of three member Nations, whose purpose is to provide education support services to the member Nations.

The Muskowekwan First Nation is a member of Touchwood Agency Tribal Council Inc. The Touchwood Agency Tribal Council Inc. is an organization of four member Nations, whose purpose is to provide services to the member Nations.

The First Nation does not have a share in the profit or loss of the above entities. As a result, the financial statements of the Touchwood Agency Specific Claim, Touchwood Child & Family Services Inc., Touchwood Post Secondary Program Inc. and Touchwood Agency Tribal Council Inc. have not been consolidated in the financial statements of Muskowekwan First Nation.

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been reported in these consolidated financial statements.

Basis of presentation

Sources of revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

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

Restricted cash

Restricted cash consists of funds held for specific purposes. Cash held for specific purposes is maintained in separate bank accounts. Amounts restricted are for capital projects, CMHC replacement reserve, CMHC operating reserve and the Treaty Land Entitlement revenue account.

Inventory for resale

Inventory is valued at the lower of cost and estimated net realizable value.

Portfolio investments

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the First Nation by the Government of Canada consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are managed and reported on by the Government of Canada.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

3. Significant accounting policies (Continued from previous page)

Tangible capital assets

Tangible capital assets are recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

Land purchased is recorded at the purchase price. The First Nation holds original reserve land. This land is not recognized in the First Nation's financial statements.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortized the cost of the assets over their estimated useful lives:

| | Rate |
|-----------------|---------------|
| Housing | 20 - 25 years |
| Buildings | 25 years |
| Water and sewer | 25 years |
| Equipment | 10 years |
| Subdivision | 25 years |

Land is not amortized. Work in progress is not amortized until assets are put into use.

Asset classification

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

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as a measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

Revenue recognition

Funding

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

Government Transfers

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

Other revenue

Rental income and lease revenues are recognized over the rental term. Other revenues are earned from services provided by the First Nation and are recognized when the services have been provided. Muskowekwan Gaming Inc. revenue is recognized when the bingo event has occurred. Interest revenue is recognized on an accrual basis. Insurance proceeds are recognized when measurable, earned and collection is reasonably assured.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

3. Significant accounting policies (Continued from previous page)

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the 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. There are no known liabilities at March 31, 2019.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the period in which they become known.

Segments

The First Nation conducts its business through 12 reportable segments (Note 18). These operating segments are established by senior management to achieve the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

4. Restricted cash

| | 2019 | 2018 |
|--------------------------|------------------|------------------|
| Current | | |
| Capital projects | 24,490 | 101,816 |
| TLE revenue account | 9,458 | 919 |
| Muskowekwan Ledcor Trust | (334) | 601 |
| | 33,614 | 103,336 |
| Long-term | | |
| CMHC replacement reserve | 626,317 | 655,620 |
| CMHC operating reserve | 348,747 | 348,803 |
| | 975,064 | 1,004,423 |
| | 1,008,678 | 1,107,759 |



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

5. Accounts receivable

| | 2019 | 2018 |
|--|------------------|----------------|
| Touchwood Child & Family Services Inc. (Note 22) | 1,652,445 | - |
| Other | 168,372 | 82,377 |
| Dakota Dunes Community Development Corporation | 103,739 | 15,220 |
| Touchwood Agency Tribal Council | 64,868 | 85,430 |
| Canada Mortgage and Housing Corporation | 30,790 | 32,260 |
| Muskowekwan Ledcor Trust - Principal Account | 21,853 | 21,853 |
| Indigenous Services Canada | 14,839 | - |
| Health Canada | 10,000 | 500 |
| TIPI Insurance Partners | - | 27,818 |
| | 2,066,906 | 265,458 |

6. Due from related parties

| | 2019 | 2018 |
|--|----------------|----------------|
| MFN Land Development Limited Partnership | 309,800 | - |
| Muskowekwan Gas Bar & Confectionary Ltd. | 102,622 | 100,809 |
| | 412,422 | 100,809 |

Amounts due from related parties are non-interest bearing, unsecured and without fixed repayment terms. The First Nation owns MFN Land Development Limited Partnership and Muskowekwan Gas Bar & Confectionary Ltd.

7. Investments

The First Nation has investments in the following entities:

| | Opening balance | Transfer (issuance of partnership units) | Share of loss | Total investment |
|--|--------------------|---|------------------|---------------------|
| Portfolio investment | | | | |
| IMI Brokerage | 12,005 | - | - | 12,005 |
| Government businesses: | | | | |
| Muskowekwan Gas Bar & Confectionary Ltd. | 124,482 | - | (8,202) | 116,280 |
| Muskowekwan Resources Ltd. | 100 | - | - | 100 |
| Muskowekwan Business Development Company II Ltd. | 16,150 | - | (86,870) | (70,720) |
| MFN Land Development LP | - | 5,063,623 | (36,119) | 5,027,504 |
| | 140,732 | 5,063,623 | (131,191) | 5,073,164 |
| | 152,737 | 5,063,623 | (131,191) | 5,085,169 |

During the year, the First Nation created MFN Land Development Limited Partnership to operate the business of investing in, developing, constructing, operating and managing real estate and land, including the Nation's fee simple lands. As part of its creation the First Nation transferred \$9,312,448 of land at its carrying amount and received \$4,248,825 from the Limited Partnership to pay off the related debt. The First Nation received 5,063,623 partnership units valued at \$1 each in return for the amounts transferred. Of the \$9,312,448 transferred \$6,150,331 was originally contributed to the First Nation from Muskowekwan Treaty Land Entitlement Trust and \$3,162,117 had been obtained by the First Nation through its own source funds and financing. The land obtained from own source funds and financing plus purchases by the Limited Partnership during the year have been presented as investment property in the financial information on the next page.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

7. Investments (Continued from previous page)

Summary financial information for each government business enterprise, accounted for using the modified equity method:

| | <i>Muskowekwan Gas Bar & Confectionary Ltd. As at March 31, 2019</i> | <i>Muskowekwan Resources Ltd. As at March 31, 2019</i> | <i>Muskowekwan Business Development Company II Ltd. As at March 31, 2019</i> | <i>MFN Land Development LP As at March 31, 2019</i> |
|--|--|--|--|---|
| Assets | | | | |
| Cash | - | 5,329 | - | 10,980 |
| Accounts receivable / inventory | 126,934 | 4,750 | 32 | 175,500 |
| Investments | - | 308,396 | 3,726,638 | - |
| Property, plant and equipment | 206,491 | 5,572 | - | 6,150,331 |
| Due from related parties | - | 79,780 | 1,000,100 | - |
| Investment property | - | - | - | 10,869,064 |
| Total assets | 333,425 | 403,827 | 4,726,770 | 17,205,875 |
| Liabilities | | | | |
| Line of credit / accounts payable | 116,336 | 10,740 | - | 170,394 |
| Deferred revenue | - | 2,210 | 4,704,720 | - |
| Long-term debt | - | 6,890,915 | - | 11,583,315 |
| Due to related parties | 100,809 | 436,588 | 92,770 | 424,662 |
| Total liabilities | 217,145 | 7,340,453 | 4,797,490 | 12,178,371 |
| Accumulated other comprehensive loss | - | (3,127,190) | - | - |
| Net assets excluding accumulated other comprehensive loss | 116,280 | (3,809,436) | (70,720) | 5,027,504 |
| Total revenue | 2,561,485 | 11,819 | 12,840 | 535,061 |
| Total expenses | 2,569,687 | 1,345,667 | 99,710 | 571,180 |
| Net income (loss) | (8,202) | (1,333,848) | (86,870) | (36,119) |

Muskowekwan Resources Ltd.

Muskowekwan Resources Ltd. ("MRL") was created to participate with a publicly-traded potash company in developing potash resources. MRL has entered into a head lease on certain lands owned by the First Nation, which it will sublease to the potash company.

MRL has a \$3 million demand debenture owing to First Nations and Metis Fund Inc. (the "Fund"), which bears interest at 12% per annum. At March 31, 2019, the total outstanding including accrued interest is \$6,890,915. Security for the debenture and accrued unpaid interest includes a specific interest in certain Encanto Potash Corp. shares and warrants owned by MRL, and a security interest in all other assets of the company. Should these shares be sold, the proceeds would first be directed to the payment of the outstanding debenture principal and accrued interest. The Fund would also receive 40% of any proceeds in excess of that amount. The debenture matured in 2017. The Fund has advised it does not currently intend to take action to enforce its security under the debenture, but reserves the right to take such action at any time.

MRL's accumulated other comprehensive loss is the accumulated decline in the fair market value of investments held by MRL. A significant portion of the realized accumulated deficit is accrued interest on the debenture owing to the Fund. The First Nation has no liability for these amounts, and therefore has not recorded any further losses on its investment in MRL once the carrying value of its investment was a nominal amount. The First Nation will only begin recognizing the investment when the value of the shares and warrants are sufficient to repay the outstanding debenture principal and accrued interest, or if the Fund forgives a sufficient amount of the debenture principal and accrued interest.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

7. Investments (Continued from previous page)

MFN Land Development LP

Principal repayments on long-term debt for this government business enterprise in each of the next five years, assuming all term debt is subject to contractual terms of repayment, are estimated as follows:

| | 2020 | 2021 | 2022 | 2023 | 2024 | Thereafter | Total |
|--|---------|---------|---------|---------|---------|------------|------------|
| | 185,000 | 195,000 | 205,000 | 215,000 | 225,000 | 10,558,315 | 11,583,315 |

Commitment

Muskowekwan Business Development Company Ltd. has entered into a head lease with Her Majesty the Queen in Right of Canada for 319 acres of reserve lands, which they are subleasing to Muskowekwan Business Development Company II Ltd. In 2017, Muskowekwan Business Development Company II Ltd. then entered into a sub-sublease for this land for 98 years for which prepayment has been received in the form of partnership units and cash.

8. Funds held in Ottawa Trust Fund

Funds held in Ottawa Trust Fund are held on behalf of the Members of Muskowekwan First Nation by the Government of Canada and consist of capital and revenue trust moneys. Moneys are transferred from these funds to the First Nation on the authorization of the First Nation's Chief and Council, with the consent of the Minister of Indigenous and Northern Affairs Canada.

| | 2019 | 2018 |
|------------------------------------|----------|----------|
| Capital Trust | | |
| Balance, beginning and end of year | 268,806 | 268,806 |
| Revenue Trust | | |
| Balance, beginning of year | 139,783 | 125,188 |
| Interest | 9,766 | 8,821 |
| Leases | 52,132 | 51,234 |
| Payments to First Nation | (45,358) | (45,460) |
| Balance, end of year | 156,323 | 139,783 |
| | 425,129 | 408,589 |

9. Bank indebtedness

The First Nation has a line of credit with Royal Bank of Canada ("RBC") with an authorized limit of \$300,000 bearing interest at prime (3.95%) plus 2.00%. The line of credit is secured by assignment of ISC transfers. As at March 31, 2019 the First Nation has drawn \$159,166 on the RBC line of credit. The First Nation also has an available overdraft up to \$400,000 which bears interest at 24% with Peace Hills Trust ("PHT"). As at March 31, 2019, \$66,490 was drawn on the overdraft with PHT.

10. Deferred revenue

| | Balance, beginning of year | Contributions received | Recognized | Balance, end of year |
|---|----------------------------------|---------------------------|------------|-------------------------|
| ISC - Lagoon & Biological Treatment Plant | 139,158 | 195,000 | 77,232 | 256,926 |



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

11. Due to related party

| | 2019 | 2018 |
|--|----------------|---------|
| Muskowekwan Business Development Company II Ltd. | 971,210 | 366,050 |

Amounts due to the related party are non-interest bearing, unsecured and without fixed repayment terms. The First Nation owns this related entity.

12. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

| Phase | Monthly Payment Including Interest | Interest Rate | Renewal Date | 2019 | 2018 |
|--|---------------------------------------|---------------|--------------|------------------|-------------|
| XIII | - | - | - | - | 4,596 |
| XIV | 675 | 1.82% | 1-Sep-19 | 39,970 | 47,283 |
| XV | 1,094 | 0.96% | 1-Sept-21 | 91,932 | 104,119 |
| XVI | 791 | 1.43% | 1-Apr-22 | 72,373 | 80,761 |
| XVII | 1,381 | 2.35% | 1-Jul-23 | 135,536 | 148,931 |
| XVIII | 1,045 | 1.92% | 1-May-19 | 113,176 | 123,443 |
| XIX | 1,305 | 1.05% | 1-Apr-20 | 91,059 | 105,687 |
| XX | 7,317 | 1.31% | 1-Dec-21 | 646,703 | 725,496 |
| XXI | 7,514 | 2.14% | 1-Mar-24 | 1,134,923 | 1,200,316 |
| XXII | 7,583 | 1.85% | 1-Aug-19 | 1,214,579 | 1,282,504 |
| XXIII | 2,155 | 1.50% | 1-Jul-22 | 414,531 | 434,039 |
| | | | | 3,954,782 | 4,257,175 |
| Royal Bank of Canada loan payable, interest at RBC prime rate plus 2.00% with blended principal and interest payments of \$90,000 quarterly, matures July 2020, secured by GSA | | | | 503,464 | - |
| Royal Bank of Canada loan payable, interest at RBC prime rate plus 2.00% with blended principal and interest payments of \$57,000 semi-annually, matures June 2022, secured by GSA | | | | 349,783 | - |
| Royal Bank of Canada loan payable, interest at RBC prime rate plus 2.00% with blended principal and interest payments of \$30,000 semi-annually, matures October 2022, secured by GSA | | | | 221,000 | - |
| Royal Bank of Canada loan payable, interest at RBC prime rate plus 2.00% with blended principal and interest payments of \$6,000 monthly, matures May 2021, secured by GSA | | | | 145,180 | - |
| John Deere capital lease payable, interest at 4.85% with blended principal and interest payments of \$6,878 semi-annually, matures July 2022, secured by equipment with a net book value of \$55,531 | | | | 43,788 | - |
| Peace Hills Trust term loans repaid during the year | | | | - | 5,555,917 |
| | | | | 5,217,997 | 9,813,092 |
| Current portion | | | | (860,784) | (1,000,183) |
| | | | | 4,357,213 | 8,812,909 |



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

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

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

| | |
|------|---------|
| 2020 | 860,784 |
| 2021 | 706,117 |
| 2022 | 496,752 |
| 2023 | 430,180 |
| 2024 | 333,221 |

The general security agreement (GSA) provides a first right to the bank over ISC, Muskowekwan Gaming, lease and First Nations Trust revenues.

13. Contingent liabilities

Funding

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

Touchwood Agency Specific Claim

The Government of Canada provided Touchwood Agency Specific Claim with an interest-free loan of approximately \$2,251,000 repayable on the earlier of March 31, 2010 or the date on which the claim is settled. The loan was advanced subject to conditions contained in a Native Claims Loan Agreement. If the conditions of this agreement are not met, the Touchwood Agency Specific Claim must repay all funds advanced by the Government of Canada. The five Nations who are members of the Touchwood Agency Specific Claim may be directly or indirectly responsible for the repayment of this loan. The amount of the liability, if any, is not determinable at this time. If any liability results from the guarantee, it will be recorded in the period the liability is determinable. As of March 31, 2019 the Government of Canada has not requested repayment.

Guarantee

The First Nation has guaranteed debt on behalf of 4 Directions Child & Family Services Inc. for the construction of a youth support facility located on the First Nation's land. The outstanding debt at March 31, 2019 was approximately \$2,180,000 (2018 - \$2,285,000). The First Nation would be liable if 4 Directions Child & Family Services Inc. defaults on the loan. As at March 31, 2019 the First Nation has no liability associated with this guarantee.



Muskowekwan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

14. Tangible capital assets

| | <i>Housing</i> | <i>Buildings</i> | <i>Water and sewer</i> | <i>Equipment</i> | <i>Subdivision</i> | <i>Work in Progress</i> | <i>Purchased Land</i> | <i>2019</i> | <i>2018</i> |
|--|-------------------|-------------------|----------------------------|------------------|--------------------|-----------------------------|---------------------------|-------------------|-------------------|
| Cost | | | | | | | | | |
| Balance, beginning of year | 20,750,738 | 12,263,977 | 2,881,662 | 2,802,885 | 2,257,394 | 537,027 | 17,536,775 | 59,030,458 | 58,520,406 |
| Acquisition of tangible capital assets | 753,500 | - | - | 197,340 | - | 77,232 | - | 1,028,072 | 588,270 |
| Disposal of tangible capital assets | - | - | - | (25,000) | - | - | - | (25,000) | (78,218) |
| Transfer to investments (Note 7) | - | - | - | - | - | - | (9,312,448) | (9,312,448) | (78,218) |
| Balance, end of year | 21,504,238 | 12,263,977 | 2,881,662 | 2,975,225 | 2,257,394 | 614,259 | 8,224,327 | 50,721,082 | 58,952,240 |
| Accumulated amortization | | | | | | | | | |
| Balance, beginning of year | 13,728,282 | 8,583,989 | 546,229 | 2,079,075 | 541,776 | - | - | 25,479,351 | 24,168,964 |
| Annual amortization | 590,516 | 465,772 | 72,042 | 203,080 | 90,296 | - | - | 1,421,706 | 1,388,605 |
| Disposal of tangible capital assets | - | - | - | (15,000) | - | - | - | (15,000) | (78,218) |
| Balance, end of year | 14,318,798 | 9,049,761 | 618,271 | 2,267,155 | 632,072 | - | - | 26,886,057 | 25,479,351 |
| Net book value | 7,185,440 | 3,214,216 | 2,263,391 | 708,070 | 1,625,322 | 614,259 | 8,224,327 | 23,835,025 | |
| 2018 Net book value | 7,022,456 | 3,679,988 | 2,335,433 | 723,810 | 1,715,618 | 537,027 | 17,536,775 | | 33,551,107 |



Muskowekwan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

15. Prepaid expenses and deposits

The First Nation has made non-refundable deposits totaling \$206,250 (2018 - \$150,000) to purchase fire fighting equipment with a total cost of \$412,500.

The First Nation also has a deposit with their insurance provider for \$50,086 (2018 - \$nil) that is refundable in the event that the First Nation switches to another insurance provider.

16. Accumulated surplus

Accumulated surplus consists of the following:

| | 2019 | 2018 |
|--------------------------|-------------------|-------------|
| Operating | (371,816) | (2,057,103) |
| Capital Asset | 19,470,275 | 24,808,467 |
| Commercial | 5,085,169 | 152,737 |
| CMHC Operating Reserve | 347,574 | 397,838 |
| CMHC Replacement Reserve | 818,637 | 799,188 |
| Ottawa Trust Funds | 425,129 | 408,589 |
| | 25,774,968 | 24,509,716 |

17. Funds and reserves

The Muskowekwan First Nation maintains the following funds and reserves as part of its operations.

- Operating Fund reports on the general activities of the First Nation's administration;
- Capital Asset Fund reports on the capital assets and projects of the First Nation;
- Commercial Fund reports on commercial business operations owned by the First Nation;
- CMHC Operating Reserve Fund is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program;
- CMHC Replacement Reserve Fund is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses; and
- Ottawa Trust Fund reports on trust moneys owned by the First Nation and held by the Government of Canada.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

18. Segments

The First Nation has 12 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Ottawa Trust Funds - reports revenues allocated to the funds and transfers to other segments.

Investment in Business Entities - reports on gains and losses of the First Nation's business enterprises.

Band Government - reports on administration and governance activities.

Capital - reports on capital projects.

Community Infrastructure - reports on the maintenance of the community and its infrastructure.

Education - reports on the operations of education programs.

Lands - reports on activities for the development of the First Nation's land.

Social Development - reports on activities related to delivering social programs.

Health - reports on the First Nation's health programs.

Economic Development - reports on operations relating to developing the First Nation's economic opportunities.

Housing - reports on housing operations funded by Canada Mortgage and Housing Corporation.

Muskowekwan Gaming Inc. - reports on operations of the First Nation's not for profit organization.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 3.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

19. Economic dependence

Muskowekwan First Nation receives a significant portion of its revenues from the Government of Canada as a result of Treaties entered into with the Crown in Right of Canada. These Treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue to provide programming and essential services is dependent upon Canada's continued financial commitments as guaranteed by these Treaties.

20. Budget information

| | Approved budget | Adjustments | Budget per consolidated financial statements |
|--------------------------------|--------------------|----------------|---|
| Statement of operations | | | |
| Revenues | 11,530,806 | - | 11,530,806 |
| Expenses | 11,389,068 | (784,000) | 10,605,068 |
| Annual surplus | 141,738 | 784,000 | 925,738 |

The budget information disclosed was prepared and approved in April 2018 by management and Chief and Council. The approved budget included \$784,000 of principal repayments on long-term debt in expenses. These amounts have been adjusted to present the budget information in accordance with Canadian public sector accounting standards. The First Nation did not prepare a budget for Muskowekwan Gaming Inc.



Muskowekwan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

21. Indigenous Services Canada (ISC) reconciliation

| | |
|--|-----------------------|
| ISC funding per confirmation | 7,336,366 |
| Add: | |
| Deferred revenue - beginning of year | 139,158 |
| 18/19 Education Employee Benefits reconciliation | 12,686 |
| 18/19 Tuition reconciliation | 1,903 |
| 18/19 Institutional Care reconciliation | 250 |
| Deduct: | |
| Deferred revenue - end of year | (256,926) |
| 16/17 Education Employee Benefits | (14,096) |
| 16/17 Institutional Care | (6,273) |
| | <hr/> 7,213,068 <hr/> |

22. Touchwood Child & Family Services Inc.

During the year the First Nation submitted a claim for \$1,652,445 from Touchwood Child & Family Services Inc. under the Indigenous Services Canada First Nations Child and Family Services program. This amount was to reimburse eligible Child and Family Services prevention activity costs that previously were not funded by the Government of Canada for the period of January 26, 2016 to March 31, 2018. The amount was received in April 2019, but is still subject to review by ISC and it is possible that adjustments to the amount received could be made.

The First Nation is also planning on submitting a claim for the period of April 1, 2018 to March 31, 2019. As the amount to be claimed has not yet been determined and uncertainties exist in regards to the amount that will be received, the revenue related to this claim will be recorded in the period that the amount can be reliably estimated and collection is reasonably assured.

23. Comparative figures

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



Muskowekwan First Nation

Consolidated Schedule of Expenses by Object

For the year ended March 31, 2019

| | 2019 Budget (Note 20) | 2019 Actual | 2018 Actual |
|---|--------------------------------------|------------------------|------------------------|
| Salaries and benefits | 2,687,834 | 2,981,989 | 2,930,055 |
| Amortization | 545,000 | 1,421,706 | 1,388,605 |
| Social assistance | 1,043,001 | 1,177,473 | 1,242,678 |
| Cost of sales | - | 1,128,402 | 1,068,327 |
| Community support | 32,370 | 970,761 | 627,703 |
| Contracted services | 742,983 | 859,685 | 1,065,127 |
| Tuition | 1,093,540 | 701,183 | 674,035 |
| Repairs and maintenance | 1,343,682 | 688,267 | 1,535,048 |
| Flow through to Touchwood Post Secondary Program Inc. | 663,354 | 675,721 | 655,952 |
| Honourarium | 370,180 | 643,517 | 501,030 |
| Travel | 332,112 | 491,329 | 342,205 |
| Interest on long-term debt | 266,000 | 224,554 | 372,865 |
| Utilities | 123,620 | 212,016 | 176,161 |
| Insurance | 102,100 | 182,852 | 192,999 |
| Professional fees | 113,500 | 170,918 | 97,344 |
| Student expenses | 124,000 | 164,363 | 127,580 |
| School supplies | 98,500 | 163,172 | 180,976 |
| Training | 130,731 | 156,746 | 130,436 |
| Bad debts | - | 135,134 | 234,213 |
| Youth and elder activities | 189,553 | 118,461 | 433,185 |
| Office supplies | 55,250 | 111,464 | 90,037 |
| Supplies | 84,313 | 111,825 | 104,261 |
| Administration | 146,600 | 122,967 | 164,323 |
| Rent | - | 102,592 | 97,062 |
| Bank charges and interest | 40,150 | 90,711 | 71,076 |
| Professional development | 46,971 | 84,158 | 101,229 |
| Vehicle | 43,708 | 61,356 | 78,937 |
| Office equipment | 31,000 | 49,477 | 103,309 |
| Telephone | 63,000 | 48,968 | 49,393 |
| Funeral | - | 37,250 | 12,625 |
| Program expense | 10,392 | 14,942 | 10,989 |
| Miscellaneous | 1,500 | 13,617 | 11,828 |
| Management fees | - | 10,358 | 16,568 |
| User fees | - | 9,251 | 5,330 |
| Property tax | 46,600 | 9,059 | 65,723 |
| Advertising | 4,400 | 7,377 | 8,932 |
| Cultural | 29,124 | 3,935 | 11,142 |
| Cash (over) short | - | (4,579) | 7,889 |
| | 10,605,068 | 14,152,977 | 14,987,177 |



**Muskowekwan First Nation
Ottawa Trust Funds**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

| | 2019 | 2018 |
|-----------------------------------|-----------------|-------------|
| Revenues | | |
| Leases | 52,132 | 51,234 |
| Interest | 9,766 | 8,821 |
| Surplus before transfers | 61,898 | 60,055 |
| Transfers between programs | (45,358) | (45,460) |
| Surplus | 16,540 | 14,595 |



Muskowekwan First Nation
Government Business Enterprises
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2019

| | 2019 | 2018 |
|--|------------------|----------------|
| Revenue | | |
| Loss from investments in government business enterprises | (131,191) | (9,279) |
| Deficit | (131,191) | (9,279) |



**Muskowekwan First Nation
Band Government**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

| | 2019 | 2018 |
|--|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 745,428 | 682,235 |
| Touchwood Child & Family Services Inc. | 1,652,445 | - |
| First Nations Trust | 597,500 | 602,339 |
| Other | 307,954 | 230,637 |
| Dakota Dunes Community Development Corporation | 249,049 | 320,700 |
| Interest | 4,181 | 2,630 |
| Touchwood Agency Tribal Council | - | 8,000 |
| Rental income | - | 4,970 |
| Loss on disposal of tangible capital assets | (1,000) | - |
| | 3,555,557 | 1,851,511 |
| Expenses | | |
| Honourarium | 550,371 | 381,325 |
| Salaries and benefits | 255,605 | 312,680 |
| Travel | 210,139 | 107,005 |
| Community support | 172,695 | 185,105 |
| Bad debts | 135,134 | 234,213 |
| Professional fees | 130,843 | 44,873 |
| Rent | 102,592 | 84,222 |
| Contracted services | 98,538 | 132,919 |
| Youth and elder activities | 94,421 | 417,136 |
| Insurance | 59,343 | 73,626 |
| Bank charges and interest | 49,173 | 25,694 |
| Funeral | 37,250 | 12,625 |
| Office equipment | 26,966 | 78,407 |
| Telephone | 23,479 | 27,278 |
| Utilities | 13,803 | 8,997 |
| Professional development | 11,680 | 150 |
| Office supplies | 8,816 | 13,644 |
| Repairs and maintenance | 4,551 | 32,761 |
| User fees | 3,086 | 1,271 |
| Cultural | 2,875 | 5,863 |
| Vehicle | 1,438 | 674 |
| Miscellaneous | - | 7,508 |
| Advertising | - | 3,764 |
| Administration | - | 6,407 |
| | 1,992,798 | 2,198,147 |
| Surplus (deficit) | 1,562,759 | (346,636) |



Muskowekwan First Nation
Capital

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

| | 2019 | 2018 |
|----------------------------|------------------|-------------|
| Revenues | | |
| Indigenous Services Canada | 983,834 | 162,752 |
| Rental income | 33,173 | 102,919 |
| CMHC | 10,000 | - |
| Other | 6,576 | 57,228 |
| Insurance proceeds | - | 356,449 |
| | 1,033,583 | 679,348 |
| Expenses | | |
| Repairs and maintenance | 259,465 | 725,220 |
| Salaries and benefits | 70,532 | 45,754 |
| Insurance | 35,000 | 35,000 |
| Bank charges and interest | 18,494 | 20,835 |
| Travel | 18,328 | 16,985 |
| Utilities | 9,697 | 9,730 |
| Contracted services | 1,997 | 12,343 |
| Youth and elder activities | 1,916 | - |
| Vehicle | 1,122 | 1,539 |
| Office supplies | 15 | 421 |
| | 416,566 | 867,827 |
| Surplus (deficit) | 617,017 | (188,479) |



Muskowekwan First Nation
Community Infrastructure
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2019

| | 2019 | 2018 |
|---|------------------|-------------|
| Revenues | | |
| Indigenous Services Canada | 456,574 | 571,632 |
| Other | 23,190 | 20,846 |
| Rental income | 9,018 | 18,350 |
| Health Canada | 5,500 | 5,500 |
| Gain on disposal of tangible capital assets | - | 7,500 |
| | 494,282 | 623,828 |
| Expenses | | |
| Amortization | 366,769 | 326,825 |
| Contracted services | 259,873 | 372,390 |
| Salaries and benefits | 111,761 | 76,133 |
| Utilities | 78,943 | 68,132 |
| Repairs and maintenance | 73,065 | 98,617 |
| Travel | 26,949 | 16,682 |
| Supplies | 21,165 | 17,052 |
| Office supplies | 19,547 | 20,715 |
| Vehicle | 18,806 | 21,510 |
| User fees | 2,961 | 2,971 |
| Telephone | 716 | 777 |
| Bank charges and interest | 323 | 6,565 |
| Professional development | - | 1,476 |
| | 980,878 | 1,029,845 |
| Deficit | (486,596) | (406,017) |



Muskowekwan First Nation Education

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

| | 2019 | 2018 |
|---|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 3,352,898 | 3,378,036 |
| Touchwood Agency Tribal Council | 683,955 | 413,448 |
| Other | 176,742 | 320,158 |
| Dakota Dunes Community Development Corporation | 1,000 | 14,000 |
| | 4,214,595 | 4,125,642 |
| Expenses | | |
| Salaries and benefits | 1,832,296 | 1,776,367 |
| Tuition | 701,183 | 674,035 |
| Flow through to Touchwood Post Secondary Program Inc. | 675,721 | 655,952 |
| Amortization | 281,805 | 276,663 |
| Contracted services | 246,137 | 234,577 |
| Student expenses | 164,363 | 99,275 |
| School supplies | 163,172 | 180,976 |
| Repairs and maintenance | 100,931 | 95,209 |
| Supplies | 69,149 | 31,588 |
| Professional development | 56,445 | 25,545 |
| Travel | 48,875 | 55,894 |
| Utilities | 48,759 | 42,196 |
| Office supplies | 30,376 | 873 |
| Honourarium | 12,295 | 17,400 |
| Office equipment | 11,783 | 12,776 |
| Vehicle | 10,118 | 10,613 |
| Bank charges and interest | 9,567 | 10,353 |
| Professional fees | 9,450 | 10,500 |
| Miscellaneous | 7,262 | - |
| Telephone | 6,254 | 6,261 |
| Insurance | 3,087 | 3,170 |
| Training | 200 | 315 |
| Community support | 110 | 37 |
| Cultural | - | 150 |
| | 4,489,338 | 4,220,725 |
| Deficit | (274,743) | (95,083) |



Muskowekwan First Nation Lands

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

| | 2019 | 2018 |
|---|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 160,510 | 144,972 |
| Leases | 327,042 | 962,902 |
| Other | 70,949 | 19,827 |
| Interest | 21,860 | 21,869 |
| Rental income | - | 250 |
| | 580,361 | 1,149,820 |
| Expenses | | |
| Community support | 167,132 | 141,794 |
| Interest on long-term debt | 152,365 | 295,973 |
| Contracted services | 120,388 | 86,096 |
| Salaries and benefits | 93,363 | 95,148 |
| Travel | 90,207 | 91,543 |
| Honourarium | 80,851 | 102,305 |
| Utilities | 22,769 | 9,136 |
| Professional fees | 12,998 | 22,310 |
| Training | 11,789 | 24,188 |
| Administration | 9,455 | 46,927 |
| Property tax | 9,059 | 65,723 |
| Telephone | 9,006 | 1,723 |
| Repairs and maintenance | 7,314 | 12,482 |
| Office supplies | 5,015 | 8,280 |
| Bank charges and interest | 4,567 | 1,421 |
| Miscellaneous | 1,881 | 1,644 |
| Vehicle | 1,139 | 1,132 |
| Advertising | 832 | 40 |
| Insurance | 104 | - |
| Cultural activities | - | 1,200 |
| User fees | - | 1,088 |
| Professional development | - | 8,610 |
| | 800,234 | 1,018,763 |
| Surplus (deficit) before transfers | (219,873) | 131,057 |
| Transfers between programs | 45,358 | 45,460 |
| Surplus (deficit) | (174,515) | 176,517 |



Muskowekwan First Nation
Social Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2019

| | 2019 | 2018 |
|----------------------------|-----------|-----------|
| Revenue | | |
| Indigenous Services Canada | 1,480,397 | 1,541,796 |
| Expenses | | |
| Social assistance | 1,176,207 | 1,242,678 |
| Training | 144,757 | 105,933 |
| Salaries and benefits | 60,670 | 71,864 |
| Supplies | 20,921 | 54,978 |
| Travel | 7,768 | 14,067 |
| Bank charges and interest | 2,076 | 2,855 |
| Contracted services | 903 | 5,600 |
| Office supplies | 810 | - |
| Student expenses | - | 28,305 |
| Community support | - | 8,619 |
| Cultural activities | - | 1,854 |
| Office equipment | - | 811 |
| | 1,414,112 | 1,537,564 |
| Surplus | 66,285 | 4,232 |



Muskowekwan First Nation Health

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

| | 2019 | 2018 |
|---------------------------------|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 33,427 | 33,427 |
| Health Canada | 1,047,718 | 886,135 |
| Touchwood Agency Tribal Council | 59,794 | 34,206 |
| Other | 39,309 | 5,225 |
| Interest | 7 | - |
| | 1,180,255 | 958,993 |
| Expenses | | |
| Salaries and benefits | 378,034 | 358,132 |
| Community support | 329,786 | 126,179 |
| Contracted services | 131,849 | 195,702 |
| Amortization | 99,424 | 92,061 |
| Travel | 71,123 | 23,308 |
| Administration | 51,073 | 44,535 |
| Vehicle | 28,733 | 43,469 |
| Youth and elder activities | 22,124 | 16,049 |
| Professional development | 16,033 | 65,448 |
| Program expense | 14,942 | 10,989 |
| Office supplies | 12,253 | 12,340 |
| Repairs and maintenance | 10,829 | 15,824 |
| Office equipment | 10,728 | 11,315 |
| Utilities | 8,012 | 7,940 |
| Insurance | 7,675 | 7,003 |
| Telephone | 6,420 | 10,766 |
| User fees | 3,204 | - |
| Social assistance | 1,266 | - |
| Cultural activities | 1,060 | 2,075 |
| Bank charges and interest | 905 | 2,100 |
| Advertising | 638 | 528 |
| Supplies | 590 | 643 |
| Miscellaneous | - | 500 |
| | 1,206,701 | 1,046,906 |
| Deficit | (26,446) | (87,913) |



Muskowekwan First Nation
Economic Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2019

| | 2019 | 2018 |
|---------------------------------|-----------------|-------------|
| Revenues | | |
| Touchwood Agency Tribal Council | 60,000 | 60,000 |
| Other | 12,840 | - |
| | 72,840 | 60,000 |
| Expenses | | |
| Amortization | 137,322 | 137,322 |
| Community support | 1,250 | 10,000 |
| Travel | 45 | - |
| Contracted services | - | 25,500 |
| Rent | - | 12,840 |
| | 138,617 | 185,662 |
| Deficit | (65,777) | (125,662) |



Muskowekwan First Nation
Housing

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

| | 2019 | 2018 |
|----------------------------|------------------|-------------|
| Revenues | | |
| CMHC | 760,627 | 398,395 |
| Rental income | 356,674 | 403,842 |
| Interest | 2,493 | 2,716 |
| | 1,119,794 | 804,953 |
| Expenses | | |
| Amortization | 502,100 | 521,364 |
| Repairs and maintenance | 201,699 | 515,739 |
| Interest on long-term debt | 72,189 | 76,892 |
| Insurance | 69,604 | 65,944 |
| Administration | 62,439 | 66,454 |
| Professional fees | 11,218 | 11,786 |
| | 919,249 | 1,258,179 |
| Surplus (deficit) | 200,545 | (453,226) |



Muskowekwan First Nation
Muskowekwan Gaming Inc.
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2019

| | 2019 | 2018 |
|--|-----------------|-----------------|
| Revenues | | |
| Gaming | 1,519,292 | 1,457,564 |
| Indigenous Gaming Regulators | 101,003 | 73,739 |
| Rental income | 59,702 | 57,952 |
| Dakota Dunes Community Development Corporation | 55,000 | - |
| Other | 20,861 | 3,817 |
| | 1,755,858 | 1,593,072 |
| Expenses | | |
| Cost of sales | 1,128,402 | 1,068,327 |
| Community support | 299,788 | 155,969 |
| Salaries and benefits | 179,728 | 193,977 |
| Office supplies | 34,632 | 33,764 |
| Amortization | 34,286 | 34,370 |
| Repairs and maintenance | 30,413 | 39,196 |
| Utilities | 30,033 | 30,030 |
| Travel | 17,895 | 16,721 |
| Management fees | 10,358 | 16,568 |
| Insurance | 8,039 | 8,256 |
| Professional fees | 6,409 | 7,875 |
| Advertising | 5,907 | 4,600 |
| Bank charges and interest | 5,606 | 1,253 |
| Miscellaneous | 4,474 | 2,176 |
| Telephone | 3,093 | 2,588 |
| Cash (over) short | (4,579) | 7,889 |
| | 1,794,484 | 1,623,559 |
| Deficit | (38,626) | (30,487) |