

**Mississaugas of the Credit
First Nation
Consolidated Financial Statements**
March 31, 2022

Mississaugas of the Credit First Nation Contents

For the year ended March 31, 2022

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Management's Responsibility

To the Chief and Council and Members of Mississaugas of the Credit First Nation:

The accompanying consolidated financial statements of Mississaugas of the Credit 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 the consolidated financial statements.

The Mississaugas of the Credit First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

October 24, 2023



Executive Director of Finance & Human Resources

To the Chief and Council and Members of Mississaugas of the Credit First Nation:

Opinion

We have audited the consolidated financial statements of Mississaugas of the Credit First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net financial assets 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, 2022, and the results of its consolidated operations 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.

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.

Waterloo, Ontario

October 24, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

**Mississaugas of the Credit
First Nation**
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents	25,524,649	18,375,063
Restricted cash (Note 3)	18,847,115	13,249,328
Accounts receivable (Note 4)	2,025,190	1,259,281
Inventory held for resale (Note 5)	243,352	534,861
Portfolio investments (Note 6)	16,167,137	15,134,404
Due from First Nation members (Note 7)	4,935,783	4,490,185
Due from Community Trust Land Claim fund (Note 8)	3,565,417	3,547,567
Investment in government business enterprises (Note 9)	2,703,876	2,814,529
Ottawa trust fund (Note 10)	329,175	324,055
Loans receivable (Note 11)	7,223,900	624,000
Total of financial assets	81,565,594	60,353,273
Financial liabilities		
Accounts payable and accrued liabilities (Note 12)	4,157,638	2,524,592
Deferred revenue (Note 13)	16,178,396	6,188,826
Toronto Purchase Trust funds payable (Note 14)	4,274,076	7,319,788
Long-term debt (Note 15)	720,130	775,449
Total of financial liabilities	25,330,240	16,808,655
Net financial assets	56,235,354	43,544,618
Contingencies (Note 16)		
Non-financial assets		
Tangible capital assets (Note 17) (Schedule 1)	26,504,333	25,548,096
Prepaid expenditures	39,182	91,965
Total non-financial assets	26,543,515	25,640,061
Accumulated surplus (Note 18)	82,778,869	69,184,679

Approved on behalf of the First Nation



Chief



Councillor

**Mississaugas of the Credit
First Nation**

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2022

	2022 <i>Budget</i> <i>(Note 20)</i>	2022	2021
Revenue			
Indigenous Services Canada <i>(Note 24)</i>	9,739,694	17,682,106	12,819,868
Health Canada <i>(Note 24)</i>	1,408,216	1,568,531	1,810,294
Health Canada - Jordan's Principle <i>(Note 24)</i>	-	-	109,528
Canada Mortgage and Housing Corporation <i>(Note 24)</i>	46,049	37,695	37,061
Canada Mortgage and Housing Corporation - Rapid Housing Initiative <i>(Note 24)</i>	-	6,600,000	-
Aboriginal Labour Force Development Circle	485,800	368,079	279,570
Ministry of Children, Community and Social Service <i>(Note 24)</i>	861,906	1,327,116	1,275,447
Ministry of Education <i>(Note 24)</i>	938,648	952,829	1,008,642
Ministry of Health and Long-term Care <i>(Note 24)</i>	562,798	404,838	463,450
Ministry of Transportation	-	72,900	68,863
Ontario First Nation Limited Partnership revenue	-	801,645	1,321,231
Toronto Purchase Trust revenue	-	16,192,109	11,590,680
Community Trust Land Claim Fund revenue	587,400	214,790	554,458
Sales from business enterprises	-	13,453,434	5,360,993
Income from portfolio investments	-	488,502	378,651
Decrease in investment in government business enterprise - (8392692 Canada Inc.) <i>(Note 9)</i>	-	(77,268)	(33,782)
Decrease in investment in government business enterprise - (MCBC)	-	(533,485)	(522,349)
Other income <i>(Note 9)</i>	6,822,465	8,408,784	7,307,253
Repayment of funding	-	(224,249)	(252,132)
Deferred revenue - prior year	-	6,188,826	5,812,850
Deferred revenue - current year	-	(16,178,396)	(6,188,826)
	21,452,976	57,748,786	43,201,750
Program expenses (Schedule 2)			
Council administration	4,549,162	3,631,333	3,106,222
Public works and housing	3,197,176	2,398,706	2,802,522
Economic development	861,941	425,884	645,268
Health and social services	3,341,566	3,384,078	3,271,531
Education	10,726,017	7,726,283	4,571,731
Land, membership and research	754,188	293,301	385,156
Childcare	2,644,495	1,832,613	2,119,873
Employment and training	-	545,850	149,012
Consultation and accommodation	2,688,900	2,541,458	2,113,921
Business enterprises	-	12,818,937	5,163,363
Amortization of tangible capital assets	-	1,630,490	1,437,615
Community funds	-	6,925,663	9,186,854
	28,763,445	44,154,596	34,953,068
Surplus (deficit)	(7,310,469)	13,594,190	8,248,682
Accumulated surplus, beginning of year	69,184,679	69,184,679	60,935,997
Accumulated surplus, end of year	61,874,210	82,778,869	69,184,679

The accompanying notes are an integral part of these consolidated financial statements

**Mississaugas of the Credit
First Nation**

Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget (Note 20)	2022	2021
Annual surplus (deficit)	(7,310,469)	13,594,190	8,248,682
Purchases of tangible capital assets	-	(2,586,727)	(3,775,495)
Amortization of tangible capital assets	-	1,630,490	1,437,615
Change in prepaid expenditures	-	52,783	(66,195)
Increase in net financial assets	(7,310,469)	12,690,736	5,844,607
Net financial assets, beginning of year	43,544,618	43,544,618	37,700,011
Net financial assets, end of year	36,234,149	56,235,354	43,544,618

The accompanying notes are an integral part of these consolidated financial statements

**Mississaugas of the Credit
First Nation**
Consolidated Statement of Changes in Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Surplus	13,594,190	8,248,682
Non-cash items		
Amortization	1,630,490	1,437,615
Net decrease in investment in government business enterprises	610,753	556,131
	15,835,433	10,242,428
Changes in working capital accounts		
Accounts receivable	(765,909)	(121,781)
Prepaid expenditures	52,783	(66,195)
Inventory held for resale	291,509	(226,920)
Due from Community Trust Land Claim fund	(17,850)	(26,062)
Accounts payable and accrued liabilities	1,633,046	(1,514,772)
Deferred revenue	9,989,570	375,976
Toronto Purchase Trust funds payable	(3,045,712)	(1,146,836)
	23,972,870	7,515,838
Financing activities		
Repayment of long-term debt	(55,319)	(54,627)
Capital activities		
Purchases of tangible capital assets	(2,586,727)	(3,775,495)
Investing activities		
Change in portfolio investments (net)	(1,032,733)	595,235
Advances of loans receivable	(6,600,000)	-
Repayments of loans receivable	100	16,499
Advances to First Nations members, net of repayments	(445,598)	(89,385)
Increase in restricted cash - Social Housing reserves	(2,059)	(2,062)
Increase in restricted cash - Toronto Purchase Trust funds	(5,595,728)	(2,565,328)
Increase in Ottawa trust fund	(5,120)	(6,086)
Equity contribution to government business enterprise	(500,000)	(1,325,019)
Investment in government business enterprise	(100)	(10)
	(14,181,238)	(3,376,156)
Increase in cash and cash equivalents	7,149,586	309,560
Cash and cash equivalents, beginning of year	18,375,063	18,065,503
Cash and cash equivalents, end of year	25,524,649	18,375,063

The accompanying notes are an integral part of these consolidated financial statements

**Mississaugas of the Credit
First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

1. Operations

The Mississaugas of the Credit First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Mississaugas of the Credit First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of the First Nation government and all related entities, except for First Nation business entities. Trusts administered on behalf of third parties by Mississaugas of the Credit First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenditures of the New Credit Variety and Gas Bar which is controlled by the First Nation.

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

Mississaugas of the Credit First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity's accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. 8392692 Canada Inc., Mississaugas of the Credit Business Corporation ("MCBC"), Mississaugas of the Credit Business LP ("MCB-LP") and Mississaugas of the Credit - Nanticoke Solar LP Corporation ("Nanticoke Corporation") are accounted for using the modified equity method.

Basis of presentation

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

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.

Inventory

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

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- The First Nation has committed to sell the asset prior to March 31, 2022;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

**Mississaugas of the Credit
First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Portfolio investments

Portfolio investments in entities that are not controlled or influenced 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.

Loans receivable

Loans receivable are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis.

Net financial assets

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

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with surplus, provides the change in net financial assets.

Tangible capital assets

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

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	25 to 40 years
Income producing properties	straight-line	40 years
Income producing properties - CMHC	straight-line	25 years
Infrastructure	straight-line	25 years
Equipment and furniture	straight-line	5 to 10 years
Vehicles	straight-line	10 years
Land Improvement	straight-line	15 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

**Mississaugas of the Credit
First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys 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.

Revenue recognition

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.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Other income

Other income is recognized when received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured.

Retirement benefits

The First Nation has a defined contribution pension plan covering substantially all full-time employees. There are no prior service costs. Plan members are required to contribute 3.05% of their salary up to a maximum of 8% of their base salary. The First Nation matches the amounts contributed by members which are directed to the member's contribution account. Pension costs are charged to operations as contributions are due.

Use of estimates

The preparation of 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 financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable, loans receivable and amounts due from First Nation members are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Accrued liabilities are based on the expectation of amounts payable for goods and services for which invoices were not received prior to year end. Repayment of funding is estimated based on calculated surpluses.

**Mississaugas of the Credit
First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Segments

The First Nation conducts its business through eleven reportable segments: Council administration; Public works and housing; Economic development; Health and social services; Education; Land, membership and research; Childcare; Employment and training; Consultation and accommodation; Community funds and Business enterprises. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements

3. Restricted cash

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of 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 in the statement of operations and allocated to the New Housing and Sanitation Reserve fund in the First Nation's accumulated surplus.

Under the terms of the Toronto Purchase Trust agreement, the First Nation shall use the funds retained in the bank account to fund the Community Wellness Policy and Estate Policy. All remaining funds are to be spent by Council on researching, negotiating further land claims, education, health, housing, culture, and economic and community development.

	2022	2021
Social housing reserves - externally restricted	261,040	258,980
Toronto Purchase Trust funds - internally restricted	<u>18,586,075</u>	<u>12,990,348</u>
	18,847,115	13,249,328

**Mississaugas of the Credit
First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

4. Accounts receivable

	2022	2021
Federal Government		
Health Canada	-	51,800
Indigenous Services Canada	1,004,106	641,006
	1,004,106	692,806
Province of Ontario		
Ministry of Citizenship and Multiculturalism	12,166	-
Ministry of Children, Community, and Social Service	1,684	-
Ministry of Education	13,803	11,754
Ministry of Health and Long-term Care	-	1,701
Ministry of Transportation	-	32,413
	27,653	45,868
Other		
Aboriginal Labour Force Development Circle	-	58,215
Other receivables	1,258,681	727,642
	1,258,681	785,857
Gross accounts receivable	2,290,440	1,524,531
Less: Allowance for doubtful accounts on other receivables	(265,250)	(265,250)
	2,025,190	1,259,281

5. Inventory for resale

	2022	2021
Gas	79,045	54,372
Tobacco	157,474	473,875
General	6,833	6,614
	243,352	534,861

The cost of inventories recognized as an expenditure for the year ending March 31, 2022 and included in business enterprises on the consolidated statement of operations amounted to \$12,269,786 (2022 - \$4,723,212).

**Mississaugas of the Credit
First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

6. Portfolio investments

	2022		2021	
	Cost	Market	Cost	Market
Equities	861,294	997,645	771,446	978,368
Mutual funds	15,305,843	18,011,704	14,362,958	17,773,696
	16,167,137	19,009,349	15,134,404	18,752,064

During the year ended March 31, 2021, the First Nation exchanged its equity interest in Nanticoke Solar Limited Partnership for shares of Nanticoke Corporation for consideration of \$1,464,647. See Note 9 for further details on Nanticoke Corporation.

7. Due from First Nation Members

	2022	2021
New homes	4,258,622	3,745,813
Renovation	677,161	744,372
	4,935,783	4,490,185

New home allotments are 75-100% repayable by the borrower. During the year, new home allotments of \$800,000 (2021 - \$300,000) were provided of which \$800,000 (2021 - \$300,000) are repayable. The outstanding loans are secured by a Transfer of Lands to Council provision which remains in effect until all terms and conditions have been met. The repayable portion of these allotments bears interest at rates from 3-6% per annum.

Renovation allotments for existing homes are 25-100% repayable by the borrower. During the year renovation allotments of \$156,000 (2021 - \$nil) were provided of which \$156,000 (2021 - \$nil) are repayable. The loans bear interest at rates ranging from 3-6% per annum. Any allotment exceeding \$10,000 is secured by a Transfer of Lands to Council provision until the terms and conditions attached to the loan have been met.

8. Due from Community Trust Land Claim fund

The Community Trust Land Claim fund represents funds receivable from the Mississaugas of the New Credit First Nation Community Trust (the "Trust"). The Trust is governed by their own Board of Trustees who are responsible for administering the Trust's assets in accordance with the Trust agreement. The agreement states that land claim proceeds received in 1997 are to be held for the long-term benefit of the members of the First Nation. The Trust is not controlled by the First Nation and as such, the operations of the Trust have not been included in the First Nation's consolidated financial statements.

Under the terms of the Trust's agreement with the First Nation, the net annual income of the Trust will be allocated to the First Nation on or before December 31 of each year. The amount due from the Trust at year end is non-interest bearing, unsecured and is to be paid to the First Nation upon project approval from the Board of Trustees.

**Mississaugas of the Credit
First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

9. Investment in government business enterprises

The First Nation owns 100% of 8392692 Canada Inc., 100% of Nanticoke Corporation, 100% of MCBC and 99.99% of MCB-LP which are established for the purposes of investing in and/or operating various on-reserve and off-reserve business ventures.

Summary financial information for the investments accounted for using the modified equity method, for the year ended March 31, 2022 is as follows:

The First Nation has investments in the following entities:

	<i>Investment cost, beginning of year</i>	<i>Subscription of shares</i>	<i>Share of deficit</i>	<i>Equity contribution</i>	<i>Total investment</i>
					2022
8392692 Canada Inc.	790,897	-	(77,268)	-	713,629
Mississaugas of the Credit Business LP	-	100	-	500,000	500,100
Mississaugas of the Credit Business Corporation	558,975	-	(533,485)	-	25,490
Nanticoke Corporation	1,464,657	-	-	-	1,464,657
	2,814,529	100	(610,753)	500,000	2,703,876
					2021
8392692 Canada Inc.	824,679	-	(33,782)	-	790,897
Mississaugas of the Credit Business Corporation	(243,695)	-	(522,349)	1,325,019	558,975
Nanticoke Corporation	-	1,464,657	-	-	1,464,657
	580,984	1,464,657	(556,131)	1,325,019	2,814,529

**Mississaugas of the Credit
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Notes to the Consolidated Financial Statements
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9. Investment in government business enterprises *(Continued from previous page)*

	<i>8392692 Canada Inc. March 31 2022</i>	<i>MCB-LP December 31 2021</i>	<i>MCBC December 31 2021</i>	<i>Nanticoke Corporation March 31 2022</i>
Assets				
Cash	64,053	100	7,688,356	10
Accounts receivable	499,576	-	117,107	-
Prepaid expenses	-	-	984	-
Investments	150,000	-	1	1,464,647
Due from MCBC	-	500,000	-	-
Capital assets	-	-	12,782	-
Total assets	713,629	500,100	7,819,230	1,464,657
Accounts payable and accruals	-	-	135,634	-
Loan payable to MCB-LP	-	-	500,000	-
Loan payable to First Nation	-	-	7,149,900	-
Lease liability	-	-	8,206	-
Total liabilities	-	-	7,793,740	-
Accumulated surplus	713,629	500,100	25,490	1,464,657
Total revenue	-	-	26,651	-
Total expenses	77,268	-	560,136	-
Annual deficit	(77,268)	-	(533,485)	-

The loan payable to the First Nation is non-interest bearing, unsecured, and has no set terms of repayment.

MCBC and MCB-LP have a fiscal year end of December 31. There have not been any significant transactions between December 31, 2021 and March 31, 2022.

10. Ottawa trust fund

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council as follows:

	<i>2022</i>	<i>2021</i>
Capital Trust		
Balance, beginning and end of year	30,473	30,473
Revenue Trust		
Balance, beginning of year	293,582	287,496
Interest	5,120	3,996
Distributions	-	2,090
Balance, end of year	298,702	293,582
	329,175	324,055

**Mississaugas of the Credit
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11. Loans receivable

	2022	2021
SN Technologies Corp. loan receivable, unsecured, bearing interest at 10% per annum, repayable from either the proceeds of the next purchase by a New York State School District or any new purchase or from the proceeds of a capital raise or sale of equity in SN Tech.	74,000	74,000
Mississaugas of the Credit Business Corporation loan receivable, non-interest bearing, unsecured and no set terms of repayment.	7,149,900	550,000
	7,223,900	624,000

12. Accounts payable and accrued liabilities

	2022	2021
Trade accounts payable	3,701,465	2,285,004
Accrued salaries and benefits payable	344,925	167,325
Other payable	111,248	72,263
	4,157,638	2,524,592

13. Deferred revenue

	Balance, beginning of year	Contributions received	Contributions recognized	Balance, end of year
Indigenous Services Canada	3,855,543	17,682,106	13,802,207	7,735,442
Health Canada	433,819	1,568,531	1,358,062	644,288
Canada Mortgage and Housing Corporation - Rapid Housing Initiative	-	6,600,000	-	6,600,000
Community Trust Land Claim Fund	602,356	214,790	214,790	602,356
Province of Ontario - Other	66,967	2,757,683	2,796,655	27,995
Other	1,230,141	1,169,724	1,831,550	568,315
	6,188,826	29,992,834	20,003,264	16,178,396

**Mississaugas of the Credit
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Notes to the Consolidated Financial Statements
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14. Toronto Purchase Trust funds payable

On February 22, 2010, Her Majesty the Queen in Right of Canada ("Canada") signed the Mississaugas of the New Credit First Nation Toronto Purchase Specific Claim and Brant Tract Specific Claim Settlement Agreement ("Settlement Agreement") with the First Nation. Under the terms of the Settlement Agreement, Canada agreed to pay compensation to the First Nation for breaching the terms of the Toronto Purchase Claim in 1805 and for lack of compensation received related to the Brant Tract claim in 1797. As compensation for this settlement, Canada paid \$144,386,724 into a Trust Account governed by the Mississaugas of the New Credit First Nation Trust Agreement ("Trust Agreement"). The First Nation members gave assent and ratification of the terms of the Settlement Agreement and the Trust Agreement on May 29, 2010 and June 7, 2010 respectively.

The Settlement Agreement required the First Nation to establish the Mississaugas of the New Credit First Nation Toronto Purchase Trust ("the Trust") to hold the compensation and any income therefrom for the benefit of the current and future generation of members of the First Nation. The Trust is a separate legal entity and as such, the operations of the Trust have not been included in these consolidated financial statements. Under the terms of the Trust Agreement, the net annual income of the Trust will be allocated to the First Nation on or before December 31 of each year and paid within sixty days of December 31. The Trust amended its name to Mississaugas of the Credit First Nation Toronto Purchase Trust on October 28, 2019.

During the year, \$15,346,189 (2021 - \$10,797,142) was transferred to the First Nation from the Trust. The Trust funds payable at year end are as follows:

	2022	2021
Wellness policy payments	2,329,000	5,310,000
Amounts owing to members turning 18 years old	985,076	1,049,788
Initial payment upon agreement finalization	960,000	960,000
	4,274,076	7,319,788

15. Long-term debt

	2022	2021
CMHC loan payable, guaranteed by Indigenous Services Canada, to be repaid over 20 years with interest at 1.84% and monthly blended payments of \$2,057, a renewal date of September 1, 2022, due 2032.	232,515	253,336
CMHC loan payable, guaranteed by Indigenous Services Canada, to be repaid over 20 years with interest at 1.13% and monthly blended payments of \$3,319, a renewal date of June 1, 2026, due 2035.	487,615	522,113
	720,130	775,449

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

2023	53,248
2024	54,001
2025	54,765
2026	55,541
2027	56,329

**Mississaugas of the Credit
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Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

15. Long-term debt *(Continued from previous page)*

Interest on long-term debt amounted to \$8,740 (2021 - \$8,948).

Subsequent to year end, the CMHC loan payable with a renewal date of September 1, 2022 was repaid on September 1, 2022.

16. Contingencies

The First Nation has entered into contribution agreements with various 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.

17. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

18. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Internally restricted		
Reserve funds (Note 19)	9,383,208	8,498,221
Toronto Purchase Trust fund	26,171,990	16,560,179
Tom Howe Landfill Site Trust	885,073	844,155
	36,440,271	25,902,555
Externally restricted		
Community Trust Land Claim fund	3,367,389	3,367,389
Gaming Revenue - Sharing Fund	4,699,236	5,691,579
Ottawa trust fund	329,175	324,055
Social housing reserve	291,925	279,345
Indigenous Services Canada block funding reserve	2,719,173	-
	11,406,898	9,662,368
Unrestricted surplus		
Unappropriated operating surplus	6,443,621	6,376,565
Invested in tangible capital assets	25,784,203	24,428,662
Invested in government business enterprises	2,703,876	2,814,529
	34,931,700	33,619,756
	82,778,869	69,184,679

**Mississaugas of the Credit
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Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

18. Accumulated surplus *(Continued from previous page)*

The amounts invested in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

The Community Trust Land Claim Fund represents unexpended funds from the Mississaugas of the New Credit First Nation Community Trust (the "Trust"). The Trust is governed by their own Board of Trustees who are responsible for administering the Trust's assets in accordance with the Trust agreement. The agreement states that land claim proceeds received in 1997 are to be held for the long-term benefit of the members of the First Nation.

The Tom Howe Landfill Site Trust represents funds received from the Municipality of Haldimand and are to be used for the benefit of the First Nation as determined by Chief and Council.

The Ottawa trust fund represents trust funds held in Ottawa trust accounts derived from capital or revenue sources.

19. Reserve funds

	2022	2021
Community buildings reserve	21,544	21,544
Replacement of road equipment reserve	95,617	95,617
New housing and sanitation reserve	4,687,714	3,602,727
Sustainable economic development fund	711,277	711,277
Water and sewer reserve	192,659	192,659
Hydro One Networks Inc. reserve	163,169	163,169
Consultation and accommodation reserve	3,432,256	3,432,256
Other department reserves	78,972	278,972
	9,383,208	8,498,221

Reserve funds are set aside by chief and council resolution for specific purposes.

20. Budget information

The disclosed budget information has been approved by the Chief and Council of the Mississaugas of the Credit First Nation at the meeting held on October 5, 2021.

21. Economic dependence

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

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22. Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership ("OFNLP"), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The First Nation holds one unit in the Ontario First Nations Limited Partnership and a share in Ontario First Nations General Partner Inc., a related company, the carrying values of which are nominal and are therefore not reported in these consolidated financial statements.

23. Defined contribution plan

Defined contribution pension plan

The First Nation's contributions and corresponding expenditures totalled \$356,166 for the year ended March 31, 2022 (2021 - \$338,970).

24. Government transfers

	<i>Operating transfers</i>	<i>Deferrals</i>	<i>2022</i>	<i>2021</i>
Federal government transfers	-	-	-	-
Indigenous Services Canada	17,682,106	(7,735,442)	9,946,664	8,964,325
Health Canada	1,568,531	(644,288)	924,243	1,376,475
Health Canada - Jordan's Principle	-	-	-	109,528
Canada Mortgage and Housing Corporation	37,695	-	37,695	37,061
Canada Mortgage and Housing Corporation - Rapid Housing Initiative	6,600,000	(6,600,000)	-	-
	25,888,332	(14,979,730)	10,908,602	10,487,389
Provincial government transfers	-	-	-	-
Ministry of Children, Community and Social Services	1,327,116	-	1,327,116	1,237,881
Ministry of Education	952,829	-	952,829	1,008,642
Ministry of Health and Long-term Care	404,838	(27,995)	376,843	463,450
Ministry of Transportation	72,900	-	72,900	68,863
	2,757,683	(27,995)	2,729,688	2,778,836
	28,646,015	(15,007,725)	13,638,290	13,266,225

25. Segments

The First Nation provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are as follows:

Council Administration

The Council administration department oversees the delivery of all services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

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Notes to the Consolidated Financial Statements
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25. Segments *(Continued from previous page)*

Public Works and Housing

The public works department is responsible for the infrastructure, including roads, water, sewer and building maintenance. The housing department is responsible for affordable housing.

Economic Development

The economic development department is responsible for promoting economic growth within the First Nation. Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency.

Health and Social Services

The health department provides a wide range of services directed towards the well-being of members, including such activities as pre-natal care, nursing, health representation, traditional healing, family violence and many other programs designed to enhance the health of members. The social services department is responsible for administering social assistance payments as well as providing services directed towards members.

Education

The education department provides direct elementary school services and secondary education by entering into service contracts with area school boards. In addition, the department provides sponsorship to students attending post secondary institutions.

Land, Membership and Research

The land, membership and research department is responsible for issuing status cards, registering members and processing land transfers.

Childcare

The childcare department provides services for the children of the First Nation below the age of 5.

Employment and Training

The employment and training department focuses on programs that improve and develop the general and employment skills for the First Nation's members. The programs offered are recreational and cultural programs, English as a second language and career development programs, which are held in multi-purpose and community centres.

Consultation and Accommodation

The consultation and accommodation department's mandate is to engage with governments and the private sector on land and resource matters that may impact the rights and interests of the First Nation.

Business Enterprises

The business enterprise department is comprised of related entities that are controlled by the First Nation including New Credit Variety & Gas, 8392692 Canada Inc., MCBC, MCB-LP and Nanticoke Corporation.

Community Funds

The community funds department is responsible for the administration of funds received from OFNLP, the Toronto Purchase Trust, and the Community Trust Land Claim fund.

26. Comparative figures

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