

Birdtail Sioux First Nation
Consolidated Financial Statements
March 31, 2021

Birdtail Sioux First Nation

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For the year ended March 31, 2021

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Management's Responsibility

To the Members of Birdtail Sioux First Nation:

The accompanying consolidated financial statements of Birdtail Sioux First Nation are the responsibility of management and have been approved by 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 policies 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.

The Birdtail Sioux First Nation Chief and Council are 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 the external auditors. The Chief and Council are also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP an independent firm of Chartered Professional Accountants, is appointed by the Chief and Council on behalf of the Members 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.

January 10, 2022



Director of Finance

Independent Auditor's Report

To the Members of Birdtail Sioux First Nation:

Opinion

We have audited the consolidated financial statements of Birdtail Sioux First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and consolidated schedules of segment operations.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and the results of its operations, changes in its net debt and its 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 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 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 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Winnipeg, Manitoba

January 10, 2022




MNP LLP

Chartered Professional Accountants

Birdtail Sioux First Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial assets		
Cash and cash equivalents (Note 3)	3,626,923	1,007,076
Accounts receivable (Note 4)	127,533	925,307
Inventory	27,117	68,142
Restricted cash (Note 5)	76,360	75,700
Portfolio investments (Note 6)	510	510
	3,858,443	2,076,735
Liabilities		
Accounts payable and accruals	1,083,872	481,161
Deferred revenue (Note 7)	2,327,916	908,432
Notes payable (Note 8)	742,619	987,614
Due to Indigenous Services Canada (Note 9)	377,723	384,522
Long-term debt (Note 10)	1,900,774	2,015,705
	6,432,904	4,777,434
Net debt	(2,574,461)	(2,700,699)
Contingent liabilities (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	15,720,667	14,770,804
Accumulated surplus (Note 12)	13,146,206	12,070,105

Approved on behalf of the Chief and Council

	Chief	_____	Councillor
	Councillor	_____	Councillor
	Councillor	_____	Councillor

Birdtail Sioux First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2021

	Schedules	2021 Budget	2021	2020
Revenue				
Indigenous Services Canada (Note 13)		5,515,070	9,639,949	6,271,419
Sales		-	788,205	-
Other revenue		595,459	922,498	1,348,550
First Peoples Development Inc.		-	312,958	252,025
Canada Mortgage and Housing Corporation		25,480	124,915	140,849
Rental income		-	92,765	124,501
Revenue deferred in prior year (Note 7)		-	908,432	360,983
Revenue deferred to subsequent year (Note 7)		-	(2,327,916)	(908,432)
Funding recoveries		-	-	(68,408)
		6,136,009	10,461,806	7,521,487
Segment expenses				
Governance	4	1,109,577	1,390,997	752,777
Infrastructure	5	2,010,442	1,305,916	1,398,269
Social Assistance	6	1,708,427	1,847,585	1,244,530
Health	7	-	2,399,847	1,960,391
Community Wellness	8	42,568	34,593	52,437
Land Management and Resource Development	9	502,675	304,660	96,106
Education	10	295,797	260,040	248,584
Employment, Training and Daycare	11	-	378,226	270,930
Subsidized Housing	12	-	250,456	288,015
Economic Enterprises	13	-	690,170	175,505
Other	14	568,709	523,215	1,270,900
Total segment expenses (Schedule 2)		6,238,195	9,385,705	7,758,444
Surplus (deficit) before other items		(102,186)	1,076,101	(236,957)
Other items				
Gain on sale of tangible capital assets		-	-	34,080
Surplus (deficit)		(102,186)	1,076,101	(202,877)
Accumulated surplus, beginning of year		-	12,070,105	12,272,982
Accumulated surplus, end of year		(102,186)	13,146,206	12,070,105

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

Birdtail Sioux First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2021

	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
Annual surplus (deficit)	(102,186)	1,076,101	(202,877)
Purchases of tangible capital assets	(1,316,900)	(1,714,075)	(1,049,470)
Amortization of tangible capital assets	-	764,212	750,828
Proceeds of disposal of tangible capital assets	-	-	655,502
Gain on sale of tangible capital assets	-	-	(34,080)
Use of prepaid expenses	-	-	4,345
Decrease (increase) in net debt	(1,419,086)	126,238	124,248
Net debt, beginning of year	(2,700,699)	(2,700,699)	(2,824,947)
Net debt, end of year	(4,119,785)	(2,574,461)	(2,700,699)

Birdtail Sioux First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	12,672,265	7,641,918
Cash paid to suppliers	(6,003,389)	(4,910,360)
Cash paid to employees	(1,925,977)	(2,054,935)
Interest on long-term debt	(48,391)	(105,957)
	4,694,508	570,666
Financing activities		
Repayment of long-term debt	(114,931)	(327,036)
Repayment of notes payable	(244,995)	(27,500)
	(359,926)	(354,536)
Capital activities		
Purchases of tangible capital assets	(1,714,075)	(1,049,470)
Proceeds of disposal of tangible capital assets	-	655,502
	(1,714,075)	(393,968)
Investing activity		
Increase in restricted cash	(660)	(1,080)
Increase (decrease) in cash resources	2,619,847	(178,918)
Cash resources, beginning of year	1,007,076	1,185,994
Cash resources, end of year	3,626,923	1,007,076

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

1. Operations

The Birdtail Sioux First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its Members.

2. Significant accounting policies

These consolidated 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 Birdtail Sioux First Nation includes the First Nation government and all related entities that are either owned or controlled by the First Nation. Trusts administered on behalf of third parties by Birdtail Sioux First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following incorporated entities:

- Birdtail Sioux General Store Inc.
- Birdtail Sioux Housing Authority Inc.
- Birdtail Sioux Construction Ltd.
- 5503800 Manitoba Ltd.
- Birdtail Dakota Ltd.
- Birdtail Valley Enterprises Ltd.
- Assiniboine Valley Cattle Ranch Inc.
- Birdtail Fox Enterprises Ltd.
- Birdtail Sioux Bud Ltd.

All inter-entity balances and transactions have been eliminated on consolidation.

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 includes 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.

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

Inventory

Inventory consists of purchased goods held for resale in the Birdtail Sioux General Store Inc. Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average 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:

- Prior to March 31, 2021, the First Nation has committed to sell the asset;
- 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.

Portfolio investments

Investments in entities that are not 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 First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated 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.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the 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 comprise a second indicator of financial position, accumulated surplus.

Non-financial assets

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Tangible capital assets

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

Amortization

Tangible capital assets are amortized using methods and rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half of the rates below:

	<i>Method</i>	<i>Rate</i>
Buildings	declining balance	4 %
Vehicles	declining balance	20 %
Equipment	declining balance	20 %
Infrastructure	declining balance	2.5 %
Houses	straight-line	25 years

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

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. Impairment is measured as the amount by which the asset's carrying value exceeds the residual value of the asset's service potential to the First Nation. Any impairment is included in the consolidated statement of operations in the year in which the asset becomes impaired.

Revenue recognition

Government transfer revenue, which includes Indigenous Services Canada and Canada Mortgage and Housing Corporation is recognized as the funding becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt and is recognized as revenue in the year to which it was designated. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Sales are recognized when the services are provided or the goods are shipped and subsequent collection is reasonably assured.

Rent revenue is recorded in the period it is earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collection is reasonably assured.

Employee future benefits

The First Nation's employee future benefit programs consist of a defined contribution pension plan. First Nation contributions to the defined contribution plan are expensed as incurred.

Measurement uncertainty

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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where necessary. Provisions are made for slow moving or obsolete inventory when estimating the net realizable value. Amortization is based on the estimated useful lives of the related tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue. Provisions for funding recoveries and site rehabilitation costs are recorded in accordance with management's estimates of future costs.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the period in which they become known.

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

Segments

The First Nation conducts its operations through 11 reportable segments. 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 expenses represent amounts that are directly attributable to the segment. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Governance

Activities include the band support administration function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

Infrastructure

Activities include the provision of residential housing opportunities for community members as well as planning, managing and delivery of large scale infrastructure and capital projects to the community.

Social Assistance

Activities include satisfying the economic, social or health related needs of members of the community who require assistance.

Health

Activities include the delivery of programs to promote community-based health and to address environmental issues and non-insured health benefits.

Community Wellness

Activities include meeting emergency needs and seeking to advance the holistic needs of community members.

Land Management and Resource Development

Activities include managing the natural resources of the First Nation.

Education

Activities include provision of post-secondary educational opportunities for community members.

Employment, Training and Daycare

Activities include increasing community members' capacity in terms of their job skills and availability, with a view to improving the employability of each person.

Subsidized Housing

Activities include provision of residential housing opportunities for community members.

Economic Enterprises

Reports on the activities of economic enterprises including Assiniboine Valley Cattle Ranch Inc., 5503800 Manitoba Ltd., Birdtail Sioux General Store Inc., Birdtail Dakota Ltd., Birdtail Fox Enterprises Ltd., Birdtail Sioux Bud Ltd., Birdtail Valley Enterprises Ltd., Birdtail Sioux Housing Authority Inc. and Birdtail Sioux Construction Ltd.

Other

Reports on transactions not included in the other segments.

3. Cash and cash equivalents

Birdtail Sioux First Nation has an available operating line of credit, secured by a general security agreement, with a financial institution to a maximum of \$75,000 (2020 - \$75,000). Interest on this line of credit is charged at a rate of prime (2.45%) plus 3% per annum. In addition, Birdtail Sioux First Nation has available several letters of credit with a financial institution totalling \$108,000 (2020 - \$nil). These letters of credit act as a guarantee of payment to a designated beneficiary. None of the letters of credit were in use as at March 31, 2021.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

4. Accounts receivable

	2021	2020
Indigenous Services Canada	-	380,035
Receivable from sale of houses	33,130	99,641
Canada Mortgage and Housing Corporation	10,360	10,457
First Peoples Development Inc.	74,586	60,345
Loans to First Nation members and advances to employees	9,457	374,829
	127,533	925,307

5. Restricted cash

	2021	2020
Ottawa Trust Funds		
Band Capital account	63,910	63,910
Band Revenue account	11,007	10,143
	74,917	74,053
CMHC Replacement Reserve		
Bank account balance	1,443	1,647
	76,360	75,700

Ottawa Trust Funds

The Ottawa Trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. 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.

Revenue earned in the Band Capital account amounted to \$0 (2020 - \$0).

Revenue earned in the Band Revenue account amounted to \$864 (2020 - \$1,172).

CMHC Replacement Reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The First Nation is not in compliance with the CMHC requirements, as disclosed in Note 15.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

6. Portfolio investments

The investment balance represents 510 units in Birdtail Oakland Limited Partnership (the "Partnership"), purchased at \$510. The First Nation is a limited partner with no control over the entity and is entitled to 51% of the profits.

7. Deferred revenue

	2021	2020
Governance	173,992	23,500
Infrastructure	50,040	-
Social Assistance	-	156,179
Community Wellness	97,577	79,685
Health	1,690,320	629,068
Land Management and Resource Development	167,908	20,000
Education	31,958	-
Employment, Training and Daycare	116,121	-
	2,327,916	908,432

8. Notes payable

Gaming Centre

During the year ended March 31, 2008, a private company loaned money to the First Nation in order to facilitate the development of a gaming centre in Foxwarren, Manitoba. Amounts owed to the private company are unsecured, non-interest bearing and have no agreed upon terms of repayment. The balance due from the First Nation to the private company as at March 31, 2021 was \$193,545 (2020 - \$193,545).

Professional Services

An amount is owed to a professional services firm which provided services to Birdtail Sioux First Nation in previous years. Amounts owed to the professional services firm are secured by an agreement dated May 15, 2017 and signed on October 3, 2018. The First Nation is in default of the repayment terms outlined in the agreement. Management of the First Nation has determined that it is unlikely that this liability will be settled at an amount greater than the value of the liability recorded in these consolidated financial statements, which is \$271,405 (2020 - \$406,069).

Cattle and Farm Equipment

A previous corporate business partner (the "Vendor") is requesting payment from the First Nation in accordance with an agreement dated May 31, 2017 and signed on October 3, 2018. The Vendor is stating that during the year ended March 31, 2009, the First Nation took possession of cattle and farm equipment for which the required payment as outlined in the purchase agreement was not provided to the Vendor. The First Nation is in default of the repayment terms outlined in the agreement. Management of the First Nation has determined that it is unlikely that this liability will be settled at an amount greater than the value of the liability recorded in these consolidated financial statements which is \$277,669 (2020 - \$388,000).

9. Due to Indigenous Services Canada

The First Nation has recorded a financial liability as at March 31, 2020 for an amount owing to Indigenous Services Canada (ISC) of \$377,723 (2020 - \$384,522). The First Nation has recorded this amount in order to agree its financial records with formal correspondence received from ISC. However, the First Nation expects to come to an agreement with ISC to settle the balance at an amount lower than the recorded amount of the liability.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

10. Long-term debt

	2021	2020
CMHC mortgage (Phase 1, Post 1996), payments of \$1,302 per month including interest at 1.69%, maturing December 2028, with a scheduled renewal date of September 2024, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	113,403	126,994
CMHC mortgage (Phase 2, Post 1996), payments of \$1,110 per month including interest at 1.83%, maturing October 2029, with a scheduled renewal date of May 2021, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	112,126	124,355
CMHC mortgage (Phase 3, Post 1996), payments of \$1,447 per month including interest at 1.08%, maturing June 2030, with a scheduled renewal date of August 2025, secured by a Ministerial guarantee for a five-unit rental housing project and an assignment of fire insurance.	151,592	167,737
CMHC mortgage (Phase 4, Post 1996), payments of \$2,402 per month including interest at 2.49%, maturing July 2032, with a scheduled renewal date of May 2023, secured by a Ministerial guarantee for a seven-unit rental housing project and an assignment of fire insurance.	284,519	306,015
CMHC mortgage (Phase 5, Post 1996), payments of \$2,388 per month including interest at 2.49%, maturing September 2032, with a scheduled renewal date of May 2023, secured by a Ministerial guarantee for a seven-unit rental housing project and an assignment of fire insurance.	286,465	307,749
CMHC mortgage (Phase 6, Post 1996), payments of \$1,533 per month including interest at 1.69%, maturing February 2034, with a scheduled renewal date of September 2024, secured by a Ministerial guarantee for a four-unit rental housing project and an assignment of fire insurance.	214,582	229,234
CMHC mortgage (Phase 8, Post 1996), payments of \$1,608 per month including interest at 1.30%, maturing June 2037, with a scheduled renewal date of June 2022, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	282,647	298,181
First Peoples Economic Growth Fund, repayable in monthly instalments of \$5,412 including interest at 6%, secured by a general security agreement, maturing November 2026.	455,440	455,440
	1,900,774	2,015,705

(*) Subsequent to year-end, phase 2 was renewed with required monthly payments of 1,146 including interest at 1.22% per annum, maturing October 2029, with a scheduled renewal date of May 2026.

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:

2022	116,300
2023	118,600
2024	121,000
2025	123,400
2026	126,100

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

11. Contingent liabilities

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year-end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2021 might be recovered by these agencies. No liability has been recorded in these consolidated financial statements for this contingency.

12. Accumulated surplus

	2021	2020
Operating accumulated deficit	(1,085,434)	(1,068,666)
Invested in tangible capital assets	13,819,893	12,755,099
Ottawa Trust	74,917	74,053
CMHC replacement reserve required amount	336,830	309,619
	13,146,206	12,070,105

13. Indigenous Services Canada revenue reconciliation

The amounts recognized as revenue from Indigenous Services Canada agree to the confirmed amounts from this federal department of the Government of Canada as follows:

	2021	2020
Per funding confirmation	9,639,949	6,231,935
Retroactive funding amounts	-	39,484
	9,639,949	6,271,419

14. Economic dependence

Birdtail Sioux 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 ISC 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.

15. Compliance with laws and regulations

First Nations Financial Transparency Act

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2021. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

The Manitoba Environmental Protection Act

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance. As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the First Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these financial statements.

CMHC replacement reserve

The First Nation is not in compliance with its agreement with CMHC. The agreement requires that the First Nation maintain a separate bank account to fund the full amount of the CMHC replacement reserve. At year end the replacement reserve bank account was underfunded by an amount of \$335,387 (2019 - \$306,619).

16. Subsequent event

Subsequent to March 31, 2021 the First Nation sold 4 housing units located off the First Nation reserve, for total proceeds of \$543,844.

17. Budget

The budget presented in the financial statements agrees to the budgeted plans submitted to Indigenous Services Canada.

18. Comparative figures

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

Birdtail Sioux First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Land</i>	<i>Buildings</i>	<i>Vehicles</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	59,400	15,886,034	1,164,984	356,856	8,190,239	25,657,513
Acquisition of tangible capital assets	-	250,000	256,075	-	-	506,075
Disposal of tangible capital assets	-	-	-	-	-	-
Balance, end of year	59,400	16,136,034	1,421,059	356,856	8,190,239	26,163,588
Accumulated amortization						
Balance, beginning of year	-	6,572,626	877,005	175,439	4,848,915	12,473,985
Annual amortization	-	412,278	74,989	23,757	129,366	640,390
Accumulated amortization on disposals	-	-	-	-	-	-
Balance, end of year	-	6,984,904	951,994	199,196	4,978,281	13,114,375
Net book value of tangible capital assets	59,400	9,151,130	469,065	157,660	3,211,958	13,049,213
2020 Net book value of tangible capital assets	59,400	9,313,408	287,979	181,417	3,341,324	13,183,528

Birdtail Sioux First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Subtotal</i>	<i>Houses</i>	<i>2021</i>	<i>2020</i>
Cost				
Balance, beginning of year	25,657,513	10,896,831	36,554,344	36,336,374
Acquisition of tangible capital assets	506,075	1,208,000	1,714,075	1,049,470
Disposal of tangible capital assets	-	-	-	(831,500)
Balance, end of year	26,163,588	12,104,831	38,268,419	36,554,344
Accumulated amortization				
Balance, beginning of year	12,473,985	9,309,555	21,783,540	21,242,790
Annual amortization	640,390	123,822	764,212	750,828
Accumulated amortization on disposals	-	-	-	(210,078)
Balance, end of year	13,114,375	9,433,377	22,547,752	21,783,540
Net book value of tangible capital assets	13,049,213	2,671,454	15,720,667	14,770,804
2020 Net book value of tangible capital assets	13,183,528	1,587,276	14,770,804	

Birdtail Sioux First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2021

	2021	2020
Consolidated expenses by object		
Amortization	764,212	750,828
Bank charges and interest	14,173	12,358
Community events	620,449	295,273
Consulting	5,565	329,740
Cost of sales	665,507	-
Honoraria	309,117	326,955
Insurance	294,133	288,534
Interest on long-term debt	48,391	105,957
Office	199,387	129,564
Professional fees	492,129	456,677
Property tax	-	13,673
Repairs and maintenance	413,909	545,597
Salaries and benefits	1,925,977	2,054,935
Social assistance	1,833,621	1,244,530
Supplies	430,287	202,474
Travel	128,014	657,237
Utilities	115,852	109,161
Workshops	1,124,982	234,951
	9,385,705	7,758,444

Birdtail Sioux First Nation

Schedule 3 - Consolidated Summary Schedule of Segment Operations

For the year ended March 31, 2021

	<i>Schedule #</i>	<i>Revenue and other items</i>	<i>Expenses</i>	<i>2021 Surplus (Deficit)</i>	<i>2020 Surplus (Deficit)</i>
Segments					
Governance	4	1,383,824	1,390,997	(7,173)	(176,274)
Infrastructure	5	1,956,090	1,305,916	650,174	(158,967)
Social Assistance	6	1,847,585	1,847,585	-	-
Health	7	2,694,132	2,399,847	294,285	350,699
Community Wellness	8	118,122	34,593	83,529	-
Land Management and Resource Development	9	274,529	304,660	(30,131)	25,815
Education	10	263,839	260,040	3,799	(55,968)
Employment, Training and Daycare	11	378,226	378,226	-	(14,634)
Subsidized Housing	12	213,224	250,456	(37,232)	(62,210)
Economic Enterprises	13	792,682	690,170	102,512	(101,847)
Other	14	539,553	523,215	16,338	(9,491)
Total		10,461,806	9,385,705	1,076,101	(202,877)

Birdtail Sioux First Nation
Governance
Schedule 4 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	1,534,316	600,003
Revenue deferred in prior year	23,500	-
Revenue deferred to subsequent year	(173,992)	(23,500)
	1,383,824	576,503
Expenses		
Bank charges and interest	13,693	9,102
Honoraria	-	21,136
Insurance	125,391	81,387
Interest on long-term debt	21,510	83
Office	38,798	34,496
Professional fees	123,931	173,650
Repairs and maintenance	9,107	20,837
Salaries and benefits	110,892	354,408
Supplies	35,083	6,003
Travel	777	7,495
Utilities	53,697	44,180
Workshops	858,118	-
	1,390,997	752,777
Deficit	(7,173)	(176,274)

Birdtail Sioux First Nation
Infrastructure
Schedule 5 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	2,006,130	1,293,647
Other revenue	-	14,063
Funding recoveries	-	(68,408)
Revenue deferred to subsequent year	(50,040)	-
	1,956,090	1,239,302
Expenses		
Amortization	632,272	582,916
Honoraria	7,975	11,725
Insurance	50,991	76,702
Office	2,547	2,570
Repairs and maintenance	259,058	479,474
Salaries and benefits	198,304	192,263
Supplies	7,901	5,794
Travel	4,513	220
Utilities	47,915	46,605
Workshops	94,440	-
	1,305,916	1,398,269
Surplus (deficit)	650,174	(158,967)

Birdtail Sioux First Nation
Social Assistance
Schedule 6 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	1,691,406	1,400,709
Revenue deferred in prior year	156,179	-
Revenue deferred to subsequent year	-	(156,179)
	1,847,585	1,244,530
Expenses		
Salaries and benefits	13,964	-
Social assistance	1,833,621	1,244,530
	1,847,585	1,244,530
Surplus	-	-

Birdtail Sioux First Nation
Health

Schedule 7 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	3,553,849	2,510,401
Other revenue	201,535	73,045
Revenue deferred in prior year	629,068	356,712
Revenue deferred to subsequent year	(1,690,320)	(629,068)
	2,694,132	2,311,090
Expenses		
Bank charges and interest	-	2,250
Community events	620,449	272,098
Insurance	25,398	17,945
Office	157,248	72,070
Professional fees	59,288	16,800
Repairs and maintenance	92,744	17,836
Salaries and benefits	973,095	1,078,088
Supplies	364,307	153,426
Travel	51,963	211,369
Utilities	7,274	8,368
Workshops	48,081	110,141
	2,399,847	1,960,391
Surplus	294,285	350,699

Birdtail Sioux First Nation
Community Wellness
Schedule 8 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	136,014	132,122
Revenue deferred in prior year	79,685	-
Revenue deferred to subsequent year	(97,577)	(79,685)
	118,122	52,437
Expenses		
Salaries and benefits	31,593	47,227
Supplies	3,000	5,210
	34,593	52,437
Surplus	83,529	-

Birdtail Sioux First Nation
Land Management and Resource Development
Schedule 9 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	422,437	141,921
Revenue deferred in prior year	20,000	-
Revenue deferred to subsequent year	(167,908)	(20,000)
	274,529	121,921
Expenses		
Professional fees	290,660	96,106
Travel	14,000	-
	304,660	96,106
Surplus (deficit)	(30,131)	25,815

Birdtail Sioux First Nation
Education
Schedule 10 - Consolidated Schedule of Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	295,797	192,616
Revenue deferred to subsequent year	(31,958)	-
	263,839	192,616
Expenses		
Salaries and benefits	256,091	246,907
Travel	30	1,677
Workshops	3,919	-
	260,040	248,584
Surplus (deficit)	3,799	(55,968)

Birdtail Sioux First Nation
Employment, Training and Daycare
Schedule 11 - Consolidated Schedule of Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
First Peoples Development Inc.	312,958	252,025
Other revenue	181,389	-
Revenue deferred in prior year	-	4,271
Revenue deferred to subsequent year	(116,121)	-
	378,226	256,296
Expenses		
Insurance	2,422	2,397
Repairs and maintenance	43,828	234
Salaries and benefits	183,813	136,042
Supplies	19,996	2,050
Travel	777	175
Utilities	6,966	5,222
Workshops	120,424	124,810
	378,226	270,930
Surplus (deficit)	-	(14,634)

Birdtail Sioux First Nation
Subsidized Housing
Schedule 12 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Canada Mortgage and Housing Corporation	124,915	140,849
Rental income	88,288	84,923
Other revenue	21	33
	213,224	225,805
Expenses		
Amortization	116,676	116,676
Bank charges and interest	480	579
Insurance	84,082	102,153
Interest on long-term debt	26,881	31,127
Professional fees	14,700	15,120
Repairs and maintenance	7,637	22,360
	250,456	288,015
Deficit	(37,232)	(62,210)

Birdtail Sioux First Nation
Economic Enterprises
Schedule 13 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Sales	788,205	-
Rental income	4,477	39,578
	792,682	39,578
Expenses		
Amortization	15,264	51,236
Bank charges and interest	-	177
Cost of sales	665,507	-
Insurance	5,849	7,950
Interest on long-term debt	-	46,935
Professional fees	3,550	45,892
Property tax	-	13,673
Repairs and maintenance	-	4,856
Utilities	-	4,786
	690,170	175,505
Surplus (deficit) before gain on sale of houses	102,512	(135,927)
Gain on sale of houses	-	34,080
Surplus (deficit)	102,512	(101,847)

Birdtail Sioux First Nation
Other
Schedule 14 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Other revenue	539,553	1,261,409
Expenses		
Bank charges and interest	-	250
Community events	-	23,175
Consulting	5,565	329,740
Honoraria	301,142	294,094
Interest on long-term debt	-	27,812
Office	794	20,428
Professional fees	-	109,109
Repairs and maintenance	1,535	-
Salaries and benefits	158,225	-
Supplies	-	29,991
Travel	55,954	436,301
	523,215	1,270,900
Surplus (deficit)	16,338	(9,491)