

**Birdtail Sioux First Nation
Consolidated Financial Statements**
March 31, 2023

Birdtail Sioux First Nation Contents

For the year ended March 31, 2023

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Management's Responsibility

To the Members of Birdtail Sioux First Nation:

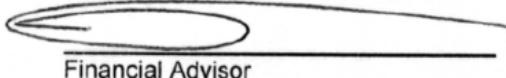
The accompanying consolidated financial statements of Birdtail Sioux First Nation (the "First Nation") are the responsibility of management and have been approved by Chief and Council.

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.



Financial Advisor

MNP LLP

True North Square

242 Hargrave Street, Suite 1200, Winnipeg MB, R3C 0T8

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Independent Auditor's Report

To the Members of Birdtail Sioux First Nation:

Qualified 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, 2023, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the results of its consolidated operations, consolidated changes in its net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

During our audit, we were not able to obtain sufficient appropriate audit evidence surrounding the Birdtail Sioux First Nation Education Department (the "Department"). As such, we were not able to obtain sufficient and appropriate audit evidence over other revenue of \$1,786,915, expenses of \$1,108,582 and deferred revenue of \$1,751,087.

The First Nation's consolidated statement of operations and consolidated statement of change in net debt do not present a comparison of the results for the accounting period with those originally planned which constitutes a departure from Canadian public sector accounting standards.

Section PS 3280 Asset Retirement Obligations of the Canadian Public Sector Accounting Standards ("PSAS") was adopted by the First Nation on April 1, 2022 with prospective application. This standard requires the recognition of an asset retirement obligation ("ARO") liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The First Nation has not identified any ARO liabilities as at March 31, 2023 and we were unable to satisfy ourselves concerning the completeness of those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to total liabilities, net debt, tangible capital assets, accumulated surplus, expenses, operating surplus (deficit), or change in net debt as at and for the year-ended March 31, 2023.

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 qualified 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.

MNP LLP

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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.

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

February 29, 2024

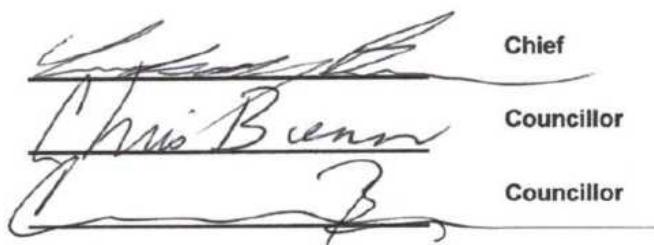
MNP LLP

Chartered Professional Accountants

Birdtail Sioux First Nation
Consolidated Statement of Financial Position
As at March 31, 2023

| | 2023 | 2022 |
|--|--------------------|-------------|
| Financial assets | | |
| Cash and cash equivalents (Note 4) | 3,559,091 | 2,597,825 |
| Accounts receivable (Note 5) | 988,813 | 682,759 |
| Inventory | 70,348 | 63,457 |
| Restricted cash (Note 6) | 9,659,649 | 77,721 |
| | 14,277,901 | 3,421,762 |
| Liabilities | | |
| Accounts payable and accruals | 217,983 | 428,183 |
| Deferred revenue (Note 7) | 13,802,654 | 2,776,223 |
| Notes payable (Note 8) | 561,909 | 633,409 |
| Due to Indigenous Services Canada (Note 9) | 384,158 | 343,926 |
| Long-term debt (Note 10) | 3,077,328 | 1,783,602 |
| | 18,044,032 | 5,965,343 |
| Net debt | (3,766,131) | (2,543,581) |
| Contingent liabilities (Note 11) | | |
| Non-financial assets | | |
| Tangible capital assets (Schedule 1) | 23,329,221 | 17,355,124 |
| Prepaid expenses | 9,455 | 26,455 |
| | 23,338,676 | 17,381,579 |
| Accumulated surplus (Note 12) | 19,572,545 | 14,837,998 |

Approved on behalf of the Chief and Council


 Chief
 Councillor
 Councillor

Birdtail Sioux First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

| | <i>Schedules</i> | 2023 | 2022 |
|--|------------------|-------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada (Note 13) | | 24,776,316 | 10,171,279 |
| Sales | | 1,925,178 | 1,563,173 |
| Other revenue | | 3,642,813 | 1,153,805 |
| First Peoples Development Inc. | | 245,283 | 272,106 |
| Canada Mortgage and Housing Corporation | | 149,693 | 124,715 |
| Revenue deferred in prior year (Note 7) | | 2,776,223 | 2,327,916 |
| Revenue deferred to subsequent year (Note 7) | | (13,802,654) | (2,776,223) |
| | | 19,712,852 | 12,836,771 |
| Segment expenses (Schedule 2) | | | |
| Governance | 4 | 2,386,297 | 1,272,052 |
| Infrastructure | 5 | 1,795,533 | 1,441,579 |
| Social Assistance | 6 | 2,269,360 | 1,661,832 |
| Health | 7 | 4,354,279 | 2,456,152 |
| Community Wellness | 8 | 38,437 | 47,019 |
| Land Management and Resource Development | 9 | 437,624 | 848,873 |
| Employment, Training and Daycare | 10 | 524,514 | 315,857 |
| Subsidized Housing | 11 | 320,463 | 464,397 |
| Economic Enterprises | 12 | - | 36,534 |
| Other | 13 | - | 802,090 |
| General Store | 14 | 1,955,888 | 1,543,782 |
| Education | 15 | 1,108,582 | 237,902 |
| | | 15,190,977 | 11,128,069 |
| Surplus before other items | | 4,521,875 | 1,708,702 |
| Other items | | | |
| Funding recovery from ISC for Guidance and Counselling | | - | (20,065) |
| Loss on sale of tangible capital assets | | - | (27,426) |
| Gain on disposal of portfolio investment | | - | 30,581 |
| Restructuring of long-term debt (principal - \$155,440; interest - \$57,232) | | 212,672 | - |
| | | 212,672 | (16,910) |
| Surplus | | 4,734,547 | 1,691,792 |
| Accumulated surplus, beginning of year | | 14,837,998 | 13,146,206 |
| Accumulated surplus, end of year | | 19,572,545 | 14,837,998 |

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, 2023

| | 2023 | 2022 |
|---|--------------------|-------------|
| Annual surplus | 4,734,547 | 1,691,792 |
| Purchases of tangible capital assets | (6,854,723) | (2,765,974) |
| Amortization of tangible capital assets | 880,626 | 849,824 |
| Proceeds on disposal of tangible capital assets | - | 254,267 |
| Loss on sale of tangible capital assets | - | 27,426 |
| Increase in prepaid expenses | - | (26,455) |
| Use of prepaid expenses | 17,000 | - |
| Decrease (increase) in net debt | (1,222,550) | 30,880 |
| Net debt, beginning of year | (2,543,581) | (2,574,461) |
| Net debt, end of year | (3,766,131) | (2,543,581) |

Birdtail Sioux First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|--------------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Cash receipts from contributors | 30,473,461 | 12,639,110 |
| Cash paid to suppliers | (10,290,081) | (8,434,084) |
| Cash paid to employees | (4,183,402) | (2,468,064) |
| Interest on long-term debt | (36,959) | (57,701) |
| Recovery on interest expense (restructuring of long-term debt) | 57,232 | - |
| | 16,020,251 | 1,679,261 |
| Financing activities | | |
| Advances of long-term debt | 1,580,154 | - |
| Repayment of long-term debt | (130,988) | (117,172) |
| Repayment of notes payable | (71,500) | (109,210) |
| | 1,377,666 | (226,382) |
| Capital activities | | |
| Purchases of tangible capital assets | (6,854,723) | (2,765,974) |
| Proceeds on disposal of tangible capital assets | - | 254,267 |
| | (6,854,723) | (2,511,707) |
| Investing activity | | |
| Proceeds on disposal of investment | - | 31,091 |
| Increase in restricted cash | (9,581,928) | (1,361) |
| | (9,581,928) | 29,730 |
| Increase (decrease) in cash resources | 961,266 | (1,029,098) |
| Cash resources, beginning of year | 2,597,825 | 3,626,923 |
| Cash resources, end of year | 3,559,091 | 2,597,825 |

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

1. Operations

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

2. Change in accounting policies

Effective April 1, 2022, the First Nation adopted adopted the following public sector accounting standards:

- 1) PS 3450 Financial Instruments
- 2) PS 3280 Asset Retirement Obligations
- 3) PS 3041 Portfolio Investments
- 4) PS 1201 Financial Statement Presentation

The related impact on the First Nation's significant accounting policies is described in Note 3.

3. 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

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 and limited partnerships:

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

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

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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.

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, 2023, 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 operating 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.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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:

| | Method | Rate |
|----------------|-------------------|-------------|
| Buildings | declining balance | 4 % |
| Vehicles | declining balance | 20 % |
| Equipment | declining balance | 20 % |
| Infrastructure | declining balance | 2.5 % |
| Houses | straight-line | 25 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. 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.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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.

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in the First Nation's consolidated accumulated surplus in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

The First Nation did not have any remeasurement gains or losses during the year. As a result, these consolidated financial statements do not include a consolidated statement of remeasurement gains and losses.

Liability for contaminated sites

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

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

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Segments

The First Nation conducts its operations through 12 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 controlled for-profit corporations and limited partnerships other than the Birdtail Sioux General Store Inc.

General Store

Birdtail Sioux General Store Inc. operates the convenience store, and gas bar located on reserve for the benefit of members and visitors.

Other

Reports on transactions not included in the other segments.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses.

Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. 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 (2022 - \$75,000). Interest on this line of credit is charged at a rate of prime (6.70% 2022 - 2.70%) plus 3% (2022 - 3%) per annum. In addition, Birdtail Sioux First Nation has available several letters of credit with a financial institution totaling \$108,000 (2022 - \$108,000). 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, 2023.

5. Accounts receivable

| | 2023 | 2022 |
|---|----------------------|---------------|
| General* | 671,477 | 522,774 |
| Receivable from sale of houses | 24,713 | 24,713 |
| Canada Mortgage and Housing Corporation | 22,926 | 10,396 |
| Assembly of Manitoba Chiefs | 269,697 | 124,876 |
| | <hr/> 988,813 | <hr/> 682,759 |

*Included in Accounts Receivable - General is \$211,550 from Indigenous Services Canada.

In addition to the components listed above, the First Nation has \$328,832 (2022 - \$200,238) of accounts receivable from employees, of which a full allowance of \$328,832 (2022 - \$200,238) has been set against.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

6. Restricted cash

| | 2023 | 2022 |
|---|------------------|--------|
| Ottawa Trust Funds | | |
| Band Capital account | 63,910 | 63,910 |
| Band Revenue account | 16,218 | 12,548 |
| | <hr/> | <hr/> |
| CMHC Replacement Reserve bank account | 80,128 | 76,458 |
| Funds held in lagoon expansion construction account | 1,263 | 1,263 |
| | <hr/> | <hr/> |
| | 9,578,258 | - |
| | <hr/> | <hr/> |
| | 9,659,649 | 77,721 |
| | <hr/> | <hr/> |

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 Revenue account amounted to \$3,670 (2022 - \$1,541).

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 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 \$65,332 (2022 - \$125,637).

Funds held in lagoon expansion construction account ("Project Account")

A separate bank account has been established for the lagoon expansion project which is being funded by Indigenous Services Canada. The funds are sent directly from Indigenous Services Canada for deposit into the Project Account. Funds may not be released from the Project Account without authorization from the general contractor for the lagoon expansion project.

As at March 31, 2023, a total of \$13,562,535 (2022 - \$486,073) in funding from ISC had been received for the lagoon expansion project, \$3,984,277 (2022 - \$498,757) had been disbursed to the general contractor, leaving a remainder of \$9,578,258 in the restricted Project Account as at March 31, 2023.

Funding for the lagoon expansion project per year:

2021 - \$250,000
 2022 - \$236,073
 2023 - \$13,076,462

Total - \$13,562,535

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

7. Deferred revenue

| | 2023 | 2022 |
|--|-------------------|------------------|
| Indigenous Services Canada: | | |
| Risk Management Government Capacity Development (Schedule 4) | 29,374 | 29,374 |
| Lagoon expansion (Schedule 5) | 9,578,258 | - |
| Minor Housing Repairs (Schedule 5) | 60,000 | - |
| Major Housing Repairs (Schedule 5) | 36,250 | - |
| Home and Community Care (Schedule 7) | 250,190 | 114,217 |
| Medical Transportation (Schedule 7) | 138,423 | 82,938 |
| Medical Transportation - Vehicle (Schedule 7) | 61,836 | - |
| Accreditation Services (Schedule 7) | 56,205 | 80,200 |
| Jordan's Principle (Schedule 7) | 803,506 | 1,727,570 |
| CFS Prevention (Schedule 8) | 446,432 | - |
| Community Based Initiative (Schedule 8) | 215,202 | 103,179 |
| First Nation Representative Services (Schedule 8) | 157,442 | 23,300 |
| Discussion Tables (Schedule 9) | 20,000 | 62,608 |
| Other Indigenous Services Canada funded programs | - | 392,646 |
| Other: | | |
| Education start up grants (Schedule 15) | 1,751,087 | - |
| Child Day Care (Schedule 10) | 198,449 | 160,191 |
| | 13,802,654 | 2,776,223 |

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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, 2023 was \$130,545 (2022 - \$130,545).

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 \$201,241 (2022 - \$245,432).

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 \$230,123 (2022 - \$257,432).

9. Due to Indigenous Services Canada

The First Nation has recorded a financial liability as at March 31, 2023 for an amount owing to Indigenous Services Canada (ISC) of \$384,158 (2022 - \$343,926). 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, 2023

10. Long-term debt

| | 2023 | 2022 |
|--|------------------|-------------|
| 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. | 85,538 | 99,588 |
| CMHC mortgage (Phase 2, Post 1996), payments of \$1,146 per month including interest at 1.22%, maturing October 2029, with a scheduled renewal date of May 2026, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance. | 86,983 | 99,596 |
| 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. | 118,700 | 135,202 |
| 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. Subsequent to year-end, this mortgage was renewed with CMHC, with new mortgage terms as follows: payments of \$2,512 per month including interest at 3.52%, maturing July 2032, with a scheduled renewal date of May 2028. | 239,933 | 262,502 |
| 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. Subsequent to year-end, this mortgage was renewed with CMHC, with new mortgage terms as follows: payments of \$2,499 per month including interest at 3.52%, maturing September 2032, with a scheduled renewal date of May 2028. | 242,319 | 264,665 |
| 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. | 184,546 | 199,690 |
| CMHC mortgage (Phase 8, Post 1996), payments of \$1,896 per month including interest at 3.70%, maturing June 2037, with a scheduled renewal date of December 2027, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance. | 252,157 | 266,919 |
| CMHC mortgage (Phase 9, Post 1996), payments of \$2,775 per month including interest at 3.70% per annum, maturing December 2042, with a scheduled renewal date of December 2027, secured by a Ministerial guarantee for a two-unit housing project and an assignment of fire insurance. | 467,133 | - |
| CMHC mortgage (Phase 10, Post 1996), payments of \$6,189 per month including interest at 3.09% per annum, maturing February 2043, with a scheduled renewal date of February 2028, secured by a Ministerial guarantee for a four-unit housing project and an assignment of fire insurance. | 1,100,019 | - |
| First Peoples Economic Growth Fund, repayable in monthly instalments of \$4,500, non-interest bearing, secured by a general security agreement, maturing November 2026. | 300,000 | 455,440 |
| | 3,077,328 | 1,783,602 |

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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

| | |
|------|---------|
| 2024 | 177,000 |
| 2025 | 181,000 |
| 2026 | 186,000 |
| 2027 | 190,000 |
| 2028 | 195,000 |

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, 2023 might be recovered by these agencies. No liability has been recorded in these consolidated financial statements for this contingency.

Certain legal claims have been filed against the First Nation. The likelihood and potential impact of these claims is not determinable at this time, and therefore no liability has been recorded.

12. Accumulated surplus

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Accumulated operating deficit | | |
| Accumulated operating deficit, beginning of year | (936,882) | (1,085,434) |
| Annual surplus | 4,734,547 | 1,691,792 |
| Less: Tangible capital assets purchased from operations | (5,274,569) | (2,765,974) |
| Less: Restructuring of long-term debt | (155,440) | - |
| Less: Principal payments on long-term debt | (130,988) | (117,172) |
| Less: Revenue deposited into Ottawa Trust | (3,670) | (1,541) |
| Add: Loss on disposal of tangible capital assets | - | 27,426 |
| Add: Proceeds on disposal of tangible capital assets | - | 254,267 |
| Add: Amortization expense | 880,626 | 849,824 |
| Add: Reduction in CMHC Replacement Reserve required amount | 60,305 | 209,930 |
| Accumulated operating deficit, end of year | (826,071) | (936,882) |
| Other components | | |
| Invested in tangible capital assets | 20,251,893 | 15,571,522 |
| Ottawa Trust | 80,128 | 76,458 |
| CMHC Replacement Reserve required amount | 66,595 | 126,900 |
| | 20,398,616 | 15,774,880 |
| | 19,572,545 | 14,837,998 |

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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:

| | 2023 | 2022 |
|------------------------------|-------------------|-------------|
| Per ISC funding confirmation | 24,776,316 | 10,171,279 |

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, 2023. 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.

16. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Birdtail Sioux First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

17. Fair value of financial instruments

Fair value hierarchy:

Assets and liabilities recorded at fair value on the statement of financial position are measured and classified in the hierarchy consisting of three levels for disclosure purposes. The three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

- Level 1: Unadjusted quoted prices in an active market for identical assets and liabilities.

Level 1 inputs include unadjusted quoted prices for assets in market that are considered active. There were no assets of the First Nation measured at fair value classified as Level 1.

- Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 2 inputs include quoted prices for assets in markets that are considered less active. There are no assets of the First Nation measured at fair value classified as Level 2.

- Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities.

Level 3 assets and liabilities would include financial instruments whose values are determined using pricing models, discounted methodologies, or similar techniques, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. There are no assets of the First Nation measured at fair value classified as Level 3.

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, 2023

| | <i>Construction in progress</i> | <i>Buildings</i> | <i>Vehicles</i> | <i>Equipment</i> | <i>Infrastructure</i> | <i>Subtotal</i> |
|--|-------------------------------------|------------------|-----------------|------------------|-----------------------|-------------------|
| Cost | | | | | | |
| Balance, beginning of year | 498,757 | 16,529,821 | 1,688,025 | 366,008 | 7,816,702 | 26,899,313 |
| Acquisition of tangible capital assets | 3,485,520 | - | - | 25,929 | - | 3,511,449 |
| Disposal of tangible capital assets | - | - | - | - | - | - |
| Balance, end of year | 3,984,277 | 16,529,821 | 1,688,025 | 391,937 | 7,816,702 | 30,410,762 |
| Accumulated amortization | | | | | | |
| Balance, beginning of year | - | 7,476,794 | 1,064,292 | 212,256 | 4,991,179 | 13,744,521 |
| Annual amortization | - | 507,634 | 116,538 | 13,956 | 16,874 | 655,002 |
| Accumulated amortization on disposals | - | - | - | - | - | - |
| Balance, end of year | - | 7,984,428 | 1,180,830 | 226,212 | 5,008,053 | 14,399,523 |
| Net book value of tangible capital assets | 3,984,277 | 8,545,393 | 507,195 | 165,725 | 2,808,649 | 16,011,239 |
| 2022 - Net book value of tangible capital assets | 498,757 | 9,053,027 | 623,733 | 153,752 | 2,825,523 | 13,156,814 |

Birdtail Sioux First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

| | <i>Subtotal</i> | <i>Houses</i> | <i>2023</i> | <i>2022</i> |
|--|-------------------|-------------------|-------------------|-------------------|
| Cost | | | | |
| Balance, beginning of year | 26,899,313 | 13,694,080 | 40,593,393 | 38,268,419 |
| Acquisition of tangible capital assets | 3,511,449 | 3,343,274 | 6,854,723 | 2,765,974 |
| Disposal of tangible capital assets | - | - | - | (441,000) |
| Balance, end of year | 30,410,762 | 17,037,354 | 47,448,116 | 40,593,393 |
| Accumulated amortization | | | | |
| Balance, beginning of year | 13,744,521 | 9,493,748 | 23,238,269 | 22,547,752 |
| Annual amortization | 655,002 | 225,624 | 880,626 | 849,824 |
| Accumulated amortization on disposals | - | - | - | (159,307) |
| Balance, end of year | 14,399,523 | 9,719,372 | 24,118,895 | 23,238,269 |
| Net book value of tangible capital assets | 16,011,239 | 7,317,982 | 23,329,221 | 17,355,124 |
| 2022 - Net book value of tangible capital assets | 13,156,814 | 4,200,332 | 17,355,124 | |

Birdtail Sioux First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2023

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Consolidated expenses by object | | |
| Advertising | - | 1,742 |
| Amortization | 880,626 | 849,824 |
| Bad debts | 128,594 | 36,880 |
| Band housing repairs and maintenance | 174,846 | 49,583 |
| Bank charges and interest | 40,660 | 22,501 |
| Community events (including emergency assistance) | 905,512 | 1,049,228 |
| Consulting | 83,436 | 49,328 |
| Cost of sales | 1,598,831 | 1,228,089 |
| Dues and membership | 11,857 | 23,773 |
| GST and Sales tax | 22,667 | - |
| Honoraria | 178,061 | 164,092 |
| Insurance | 174,538 | 255,380 |
| Interest on long-term debt | 36,959 | 57,701 |
| Meeting | 8,968 | - |
| Miscellaneous | 61,194 | 37,646 |
| Office | 126,582 | 78,647 |
| Professional fees | 545,077 | 539,047 |
| Program education | - | 93,150 |
| Program expense | 186,683 | 72,368 |
| Renovations | 133,067 | - |
| Repairs and maintenance | 1,190,789 | 559,290 |
| Salaries and benefits | 3,888,402 | 2,468,064 |
| Social assistance | 1,898,362 | 1,500,065 |
| Supplies | 621,245 | 597,528 |
| Telephone | 182,268 | 122,299 |
| Training | 233,279 | 103,829 |
| Travel | 764,050 | 362,720 |
| Utilities | 77,254 | 60,275 |
| Workshops | 1,037,170 | 745,020 |
| | 15,190,977 | 11,128,069 |

Birdtail Sioux First Nation
Schedule 3 - Consolidated Summary Schedule of Segment Operations
For the year ended March 31, 2023

| | <i>Schedule #</i> | <i>Revenue and other items</i> | <i>Expenses</i> | <i>2023 Surplus (Deficit)</i> | <i>2022 Surplus (Deficit)</i> |
|--|-------------------|--------------------------------|-------------------|-------------------------------|-------------------------------|
| Segments | | | | | |
| Governance | 4 | 2,343,610 | 2,386,297 | (42,687) | (343,405) |
| Infrastructure | 5 | 6,604,483 | 1,795,533 | 4,808,950 | 1,859,075 |
| Social Assistance | 6 | 2,405,306 | 2,269,360 | 135,946 | (91,679) |
| Health | 7 | 4,346,602 | 4,354,279 | (7,677) | 319,359 |
| Community Wellness | 8 | 38,437 | 38,437 | - | 82,737 |
| Land Management and Resource Development | 9 | 437,624 | 437,624 | - | 19,031 |
| Employment, Training and Daycare | 10 | 473,230 | 524,514 | (51,284) | 37,055 |
| Subsidized Housing | 11 | 149,734 | 320,463 | (170,729) | (246,323) |
| Economic Enterprises | 12 | 2,353 | - | 2,353 | (32,471) |
| Other | 13 | - | - | - | 68,847 |
| General Store | 14 | 2,015,563 | 1,955,888 | 59,675 | 19,566 |
| Education | 15 | 1,108,582 | 1,108,582 | - | - |
| Total | | 19,925,524 | 15,190,977 | 4,734,547 | 1,691,792 |

Birdtail Sioux First Nation
Governance
Schedule 4 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|-------------------------------------|--------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 747,488 | 602,224 |
| Other revenue | 242,579 | 272,605 |
| First Peoples Development Inc. | 3,492 | - |
| Revenue deferred in prior year | 120,174 | 173,992 |
| Revenue deferred to subsequent year | (29,374) | (120,174) |
| | 1,084,359 | 928,647 |
| Expenses | | |
| Bad debts | 128,594 | - |
| Bank charges and interest | 26,422 | 15,349 |
| Dues and membership | 10,258 | 22,744 |
| Honoraria | 66,781 | 145,073 |
| Insurance | 38,337 | 94,067 |
| Interest on long-term debt | - | 33,139 |
| Miscellaneous | 19,131 | 37,646 |
| Office | 323 | 5,939 |
| Professional fees | 504,923 | 114,924 |
| Program expense | 34,109 | 4,500 |
| Repairs and maintenance | 172 | - |
| Salaries and benefits | 752,406 | 464,019 |
| Supplies | 125,857 | 79,170 |
| Telephone | 173,116 | 115,305 |
| Travel | 219,499 | 683 |
| Utilities | 49,898 | 18,505 |
| Workshops | 236,471 | 120,989 |
| | 2,386,297 | 1,272,052 |
| Deficit before other items | (1,301,938) | (343,405) |
| Other item | | |
| Transfer from other segment | 1,259,251 | - |
| Deficit | (42,687) | (343,405) |

Birdtail Sioux First Nation
Infrastructure
Schedule 5 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 16,188,991 | 3,318,834 |
| Other revenue | - | 21,780 |
| Revenue deferred in prior year | 90,000 | 50,040 |
| Revenue deferred to subsequent year | (9,674,508) | (90,000) |
| | 6,604,483 | 3,300,654 |
| Expenses | | |
| Amortization | 745,397 | 716,968 |
| Consulting | 64,049 | 24,884 |
| Dues and membership | - | 357 |
| Honoraria | 76,274 | 15,669 |
| Insurance | 83,812 | 63,308 |
| Office | 1,080 | 31,999 |
| Professional fees | - | 40,622 |
| Program expense | 8,961 | 24,730 |
| Repairs and maintenance | 28,581 | 170,197 |
| Salaries and benefits | 662,824 | 245,060 |
| Supplies | 100,866 | 73,330 |
| Travel | 6,949 | 3,056 |
| Utilities | 16,740 | 31,279 |
| Workshops | - | 120 |
| | 1,795,533 | 1,441,579 |
| Surplus | 4,808,950 | 1,859,075 |

Birdtail Sioux First Nation
Social Assistance
Schedule 6 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 2,205,175 | 1,770,284 |
| Revenue deferred in prior year | 200,131 | - |
| Revenue deferred to subsequent year | - | (200,131) |
| | 2,405,306 | 1,570,153 |
| Expenses | | |
| Social assistance | 1,898,362 | 1,500,065 |
| Workshops | 370,998 | 161,767 |
| | 2,269,360 | 1,661,832 |
| Surplus (deficit) | 135,946 | (91,679) |

Birdtail Sioux First Nation
Health
Schedule 7 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 3,483,673 | 2,998,759 |
| Other revenue | 146,662 | 112,859 |
| Revenue deferred in prior year | 2,026,427 | 1,690,320 |
| Revenue deferred to subsequent year | (1,310,160) | (2,026,427) |
| | 4,346,602 | 2,775,511 |
| Expenses | | |
| Community events | 765,765 | 728,583 |
| Insurance | 6,116 | 23,664 |
| Office | 122,856 | 39,193 |
| Repairs and maintenance | 1,015,984 | 11,140 |
| Salaries and benefits | 1,327,885 | 1,072,556 |
| Supplies | 286,494 | 311,423 |
| Travel | 391,716 | 158,045 |
| Utilities | 9,376 | 7,550 |
| Workshops | 428,087 | 103,998 |
| | 4,354,279 | 2,456,152 |
| Surplus (deficit) | (7,677) | 319,359 |

Birdtail Sioux First Nation
Community Wellness
Schedule 8 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|---------------|---------------|
| Revenue | | |
| Indigenous Services Canada | 754,334 | 155,422 |
| Revenue deferred in prior year | 103,179 | 97,577 |
| Revenue deferred to subsequent year | (819,076) | (103,179) |
| | 38,437 | 149,820 |
| Expenses | | |
| Honoraria | 3,098 | - |
| Program education | - | 4,650 |
| Salaries and benefits | 35,287 | 40,786 |
| Supplies | 52 | 1,523 |
| Travel | - | 60 |
| | 38,437 | 47,019 |
| Surplus before other item | - | 102,801 |
| Other item | | |
| Funding recovery from ISC for Guidance and Counselling | - | (20,064) |
| Surplus | - | 82,737 |

Birdtail Sioux First Nation
Land Management and Resource Development
Schedule 9 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|-------------------------------------|----------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 395,016 | 762,604 |
| Revenue deferred in prior year | 62,608 | 167,908 |
| Revenue deferred to subsequent year | (20,000) | (62,608) |
| | 437,624 | 867,904 |
| Expenses | | |
| Community events | 139,747 | 320,645 |
| Consulting | - | 20,000 |
| Office | - | 1,276 |
| Professional fees | 2,993 | 165,568 |
| Program education | - | 88,500 |
| Program expense | 90 | 27,123 |
| Repairs and maintenance | 150 | 50,000 |
| Salaries and benefits | 65,144 | 60,261 |
| Supplies | 16,778 | 500 |
| Training | 210,099 | 90,000 |
| Travel | 2,623 | 25,000 |
| | 437,624 | 848,873 |
| Surplus (deficit) | - | 19,031 |

Birdtail Sioux First Nation
Employment, Training and Daycare
Schedule 10 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|-------------------------------------|-----------------|----------------|
| Revenue | | |
| Other revenue | 269,697 | 124,876 |
| First Peoples Development Inc. | 241,791 | 272,106 |
| Revenue deferred in prior year | 160,191 | 116,121 |
| Revenue deferred to subsequent year | (198,449) | (160,191) |
| | 473,230 | 352,912 |
| Expenses | | |
| Bank charges and interest | - | 5 |
| Dues and membership | 1,599 | 672 |
| Insurance | 2,341 | 5,699 |
| Office | 1,775 | - |
| Professional fees | 6,675 | - |
| Program expense | 142,699 | 16,015 |
| Repairs and maintenance | 3,190 | 4,373 |
| Salaries and benefits | 265,380 | 190,584 |
| Supplies | 32,410 | 74,754 |
| Telephone | 4,426 | 3,745 |
| Travel | 61,157 | 12,104 |
| Utilities | 1,248 | 2,941 |
| Workshops | 1,614 | 4,965 |
| | 524,514 | 315,857 |
| Surplus (deficit) | (51,284) | 37,055 |

Birdtail Sioux First Nation
Subsidized Housing
Schedule 11 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|---|------------------|-------------|
| Revenue | | |
| Canada Mortgage and Housing Corporation | 149,693 | 124,715 |
| Other revenue | 41 | 93,359 |
| | 149,734 | 218,074 |
| Expenses | | |
| Amortization | 130,989 | 116,677 |
| Bank charges and interest | 166 | 465 |
| Insurance | 42,211 | 64,862 |
| Interest on long-term debt | 36,959 | 24,562 |
| Professional fees | 14,700 | 14,700 |
| Repairs and maintenance | 95,438 | 243,131 |
| | 320,463 | 464,397 |
| Deficit | (170,729) | (246,323) |

Birdtail Sioux First Nation
Economic Enterprises
Schedule 12 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|--------------|-----------------|
| Revenue | | |
| Other revenue | 2,353 | 908 |
| Expenses | | |
| Amortization | - | 15,264 |
| Professional fees | - | 21,270 |
| | - | 36,534 |
| Surplus (deficit) before other items | 2,353 | (35,626) |
| Other items | | |
| Gain (loss) on sale of tangible capital assets | - | (27,426) |
| Gain on portfolio investment | - | 30,581 |
| | - | 3,155 |
| Surplus (deficit) | 2,353 | (32,471) |

Birdtail Sioux First Nation
Other
Schedule 13 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|---|--------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | - | 343,694 |
| Other revenue | 1,046,579 | 527,243 |
| | 1,046,579 | 870,937 |
| Expenses | | |
| Bad debts | - | 36,880 |
| Honoraria | - | 3,350 |
| Insurance | - | 3,780 |
| Office | - | 240 |
| Professional fees | - | 149,863 |
| Repairs and maintenance | - | 63,253 |
| Salaries and benefits | - | 863 |
| Supplies | - | 19,798 |
| Training | - | 13,829 |
| Travel | - | 157,053 |
| Workshops | - | 353,181 |
| | - | 802,090 |
| Surplus before other items | 1,046,579 | 68,847 |
| Other items | | |
| Transfer to governance segment | (1,259,251) | - |
| Gain on restructuring of long-term debt | 212,672 | - |
| | (1,046,579) | - |
| Surplus | - | 68,847 |

Birdtail Sioux First Nation
General Store
Schedule 14 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|---------------------------|------------------|-------------|
| Revenue | | |
| Other revenue | 90,385 | 175 |
| Sales | 1,925,178 | 1,563,173 |
| | 2,015,563 | 1,563,348 |
| Expenses | | |
| Advertising | - | 1,742 |
| Amortization | 4,240 | 915 |
| Bank charges and interest | 13,019 | 6,682 |
| Cost of sales | 1,598,831 | 1,228,089 |
| Insurance | 1,721 | - |
| Professional fees | 15,786 | 32,100 |
| Program expense | 824 | - |
| Repairs and maintenance | 13,871 | 17,196 |
| Salaries and benefits | 279,554 | 237,658 |
| Supplies | 8,832 | 16,474 |
| Telephone | 652 | 898 |
| Travel | 18,558 | 2,028 |
| | 1,955,888 | 1,543,782 |
| Surplus | 59,675 | 19,566 |

Birdtail Sioux First Nation
Education
Schedule 15 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2023

| | 2023 | 2022 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 1,001,639 | 219,457 |
| Other revenue | 1,844,517 | - |
| Revenue deferred in prior year | 13,513 | 31,958 |
| Revenue deferred to subsequent year | (1,751,087) | (13,513) |
| | 1,108,582 | 237,902 |
| Expenses | | |
| Bank charges and interest | 1,053 | - |
| Consulting | 19,387 | 4,444 |
| GST and Sales tax | 22,667 | - |
| Honoraria | 31,908 | - |
| Meeting | 8,968 | - |
| Miscellaneous | 42,063 | - |
| Office | 548 | - |
| Renovations | 133,067 | - |
| Repairs and maintenance | 33,402 | - |
| Salaries and benefits | 499,922 | 156,277 |
| Supplies | 49,949 | 20,556 |
| Telephone | 4,074 | 2,351 |
| Training | 23,180 | - |
| Travel | 63,548 | 4,691 |
| Workshops | 174,846 | 49,583 |
| | 1,108,582 | 237,902 |
| Surplus (deficit) | - | - |