
MANTO SIDI CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

MANTO SIPI CREE NATION

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MARCH 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Manto Sipi Cree Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

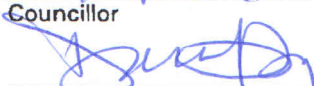
The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Manto Sipi Cree Nation and meet when required.



Chief



Councillor



Councillor

Councillor

Councillor

Councillor

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Manto Sipi Cree Nation

Opinion

We have audited the accompanying consolidated financial statements of Manto Sipi Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, change in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Manto Sipi Cree Nation as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Manto Sipi Cree Nation in accordance with the ethical requirements that are relevant to our audit of the 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 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 Manto Sipi Cree 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 Manto Sipi Cree Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Manto Sipi Cree Nation's financial reporting process.

(continued.....)

Auditor's Responsibility for the Audit of the 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 Manto Sipi Cree 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 Manto Sipi Cree 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 Manto Sipi Cree Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
May 13, 2022

MANTO SIPI CREE NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2021	2020
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FINANCIAL ASSETS

Cash	\$ 15,933,278	\$ 11,791,914
Restricted cash (Note 3)	60,245	59,489
Accounts receivable (Note 4)	694,189	3,364,539
Due from related entities (Note 5)	522,046	512,151
Investments (Note 6)	<u>205,016</u>	<u>105,231</u>
Total financial assets	<u>17,414,774</u>	<u>15,833,324</u>

LIABILITIES

Bank indebtedness (Note 7)		187,153
Accounts payable and accrued liabilities (Note 8)	6,847,832	9,103,037
Deferred revenue (Note 9)	9,337,759	7,895,941
Long term debt (Note 10)	<u>9,122,779</u>	<u>9,930,307</u>
Total liabilities	<u>25,308,370</u>	<u>27,116,438</u>
Net debt	<u>(7,893,596)</u>	<u>(11,283,114)</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 11)	33,142,749	34,263,844
Construction in progress (Note 12)	50,494,461	39,475,751
Prepaid expenses (Note 13)	<u>133,031</u>	<u>53,205</u>
Total non-financial assets	<u>83,770,241</u>	<u>73,792,800</u>
Accumulated surplus	\$ <u>75,876,645</u>	\$ <u>62,509,686</u>
Contingent liabilities (Note 14)		

Approved on behalf of Council


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Chief
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Councillor
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Councillor
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Councillor
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Councillor

MANTO SIPI CREE NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 1	2 0 2 0
REVENUE			
Indigenous Services Canada	\$ 5,166,950	\$ 26,155,207	\$ 31,533,544
First Nations and Inuit Health	2,310,405	2,867,252	2,759,950
Canada Mortgage and Housing Corporation	59,815	656,249	648,577
Employment and Social Development Canada	321,217	304,918	708,048
Administration	134,360	1,324,493	980,486
Joint venture income		312,151	649,892
Gain on investment		99,785	286,466
Keewatin Tribal Council		12,973	70,000
Other	178,457	361,115	795,985
Province of Manitoba	221,643	531,347	596,778
Rental	245,034	897,419	1,179,061
Treaty Land Entitlement	36,020	40,216	50,979
User fees	30,000	23,355	24,180
Eliminations	-	(1,546,645)	(1,461,984)
	<u>8,703,901</u>	<u>32,039,835</u>	<u>38,821,962</u>
EXPENDITURES			
Governance and administration	1,497,407	2,096,179	2,001,995
Economic development	25,278	232,945	247,080
Community services	250,754	868,502	844,198
Capital and construction	314,021	3,407,516	3,441,065
Social services	2,692,938	3,870,305	3,226,997
Training and employment	171,362	265,747	310,798
Health	1,920,365	3,246,784	2,441,588
Child care	156,671	89,406	509,433
Education	3,763,410	5,174,576	4,325,819
Housing authority		967,561	934,481
Eliminations	-	(1,546,645)	(1,461,984)
	<u>10,792,206</u>	<u>18,672,876</u>	<u>16,821,470</u>
ANNUAL SURPLUS	(2,088,305)	13,366,959	22,000,492
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>62,509,686</u>	<u>62,509,686</u>	<u>40,509,194</u>
ACCUMULATED SURPLUS, <i>end of year</i>	\$ <u>60,421,381</u>	\$ <u>75,876,645</u>	\$ <u>62,509,686</u>

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 1	2 0 2 0
Annual surplus	\$(2,088,305)	\$ 13,366,959	\$ 22,000,492
Acquisition of tangible capital assets and construction in progress		(12,668,866)	(23,455,941)
Amortization of tangible capital assets	-	2,771,251	2,827,330
	-	(9,897,615)	(20,628,611)
Acquisition of prepaid expenses		(133,031)	(53,205)
Use of prepaid expenses	-	53,205	402,810
	-	(79,826)	349,605
CHANGE IN NET DEBT FOR YEAR	(2,088,305)	3,389,518	1,721,486
NET DEBT, <i>beginning of year</i>	(11,283,114)	(11,283,114)	(13,004,600)
NET DEBT, <i>end of year</i>	\$(13,371,419)	\$(7,893,596)	\$(11,283,114)

MANTO SIPI CREE NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2021	2020
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from Indigenous Services Canada	\$ 25,970,094	\$ 39,647,553
Cash received from other sources	10,181,909	5,636,562
Cash paid to suppliers and employees	(18,336,441)	(14,816,130)
	<u>17,815,562</u>	<u>30,467,985</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(12,668,866)	(23,455,941)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	1,142,534	1,125,560
Repayment of long term debt	(1,950,062)	(909,437)
Advances to related parties - net	(9,895)	(1,920)
	<u>(817,423)</u>	<u>214,203</u>
NET INCREASE IN CASH DURING YEAR	4,329,273	7,226,247
CASH, <i>beginning of year</i>	<u>11,664,250</u>	<u>4,438,003</u>
CASH, <i>end of year</i>	\$ <u>15,993,523</u>	\$ <u>11,664,250</u>
CASH COMPRISED OF		
Cash	\$ 15,933,278	\$ 11,791,914
Restricted cash	60,245	59,489
Bank indebtedness	-	(187,153)
	\$ <u>15,993,523</u>	\$ <u>11,664,250</u>

MANTO Sipi CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

REPORTING ENTITY

The Manto Sipi Cree Nation (M.S.C.N.) reporting entity includes the Manto Sipi Cree Nation government and all related entities which are accountable to M.S.C.N. and are either owned or controlled by M.S.C.N.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

M.S.C.N. Programs:

- Manto Sipi Cree Nation
- Manto Sipi Cree Nation Housing Authority
- Amos Okemow Memorial Education Authority Inc.
- Manto Sipi Cree Nation Construction Ltd.

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

Business entities owned or controlled by M.S.C.N. but not dependent on M.S.C.N. for their continuing operations are included in the financial statements using the modified equity method. Under the modified equity method, the business entity accounting principles are not adjusted to conform to those of M.S.C.N. Thus, M.S.C.N.'s investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- God's River Development Corporation (o/a God's River Lodge)

The financial information for the God's River Development Corporation entity included in these financial statements is for the year ended October 31, 2020.

ASSET CLASSIFICATION

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

NET DEBT

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**TANGIBLE CAPITAL ASSETS*

Tangible capital assets include acquired, built, developed and improved capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets acquired are stated at cost, with the exception of land which is recorded at the value assigned to it under the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.). Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Equipment	20 - 50%
Facility	2.5 - 5%
Roads	2.5%
Sewer Systems	2.5 - 6.66%
Vehicles	20 - 30%
Water Systems	2.5 - 6.66%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

INVESTMENTS

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. M.S.C.N.'s investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for M.S.C.N.'s share of the commercial enterprises' income or loss less dividends.

SEGMENTS

M.S.C.N. conducts its business through a number of reportable segments. These operating segments are established by management to facilitate the achievement of M.S.C.N.'s long-term objectives to aid in resource allocation decisions, and to assess operational performance.

REVENUE RECOGNITION

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

INCOME TAXES

These consolidated financial statements do not reflect any provisions for corporation income and capital taxes as the individual incorporated enterprises consider themselves exempt from tax under Section 149(1)(d) of the Income Tax Act, Canada.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**FINANCIAL INSTRUMENTS*

Financial instruments include cash, accounts receivable, due from related entities, accounts payable and accrued liabilities and long-term debt. Unless otherwise stated, it is management's opinion that M.S.C.N. is not exposed to significant interest, currency or credit risk arising from the financial instruments. Unless indicated, the book value of M.S.C.N.'s financial instruments approximate their fair value.

FAIR VALUE

Due to the short term nature of all financial instruments other than long term debt and long term investments, the carrying values as presented in the financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. M.S.C.N. estimates the net book value of tangible capital assets based upon the amortization period and the estimated useful lives of the tangible capital assets. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

2. CASH

Cash is comprised of the following:

	2 0 2 1	2 0 2 0
Unrestricted		
Manto Sipi Cree Nation	\$ 3,478,339	\$ 2,009,825
Amos Okemow Memorial Education Authority Inc.		
Operating	2,780,317	824,947
School Project	7,087,248	6,589,048
School Project - Holdback	1,437,557	2,367,318
Manto Sipi Housing Authority	1,149,817	776
	<u>\$15,933,278</u>	<u>\$11,791,914</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

3. RESTRICTED CASH

REPLACEMENT RESERVE

Under the terms of the operating agreements with C.M.H.C., the Replacement Reserve is to be credited with an annual allocation of \$58,767 (2020 - \$55,100). These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. The funds in the account may only be used as approved by C.M.H.C. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2021 an accumulated balance of \$53,547 (2020 - \$66,975) for this reserve remains unfunded and due from the operating fund.

I.S.C. TRUST

Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other band tangible capital assets. Capital trust monies are expended on the authorization of the Minister, with the consent of the First Nation Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended by the bands under the provisions of the Indian Act.

At the end of the year, the restricted cash consisted of the following balances:

	2 0 2 1	2 0 2 0
I.S.C. Trust		
BALANCE, <i>beginning of year</i>	\$ 3,241	\$ 3,190
Add interest earned	<u>37</u>	<u>51</u>
BALANCE, <i>end of year</i>	<u>3,278</u>	<u>3,241</u>
C.M.H.C. Replacement Reserve		
BALANCE, <i>beginning of year</i>	56,248	1,280
Interest and allocations	<u>719</u>	<u>54,968</u>
BALANCE, <i>end of year</i>	<u>56,967</u>	<u>56,248</u>
TOTAL	<u>\$ 60,245</u>	<u>\$ 59,489</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

4. ACCOUNTS RECEIVABLE

	2 0 2 1	2 0 2 0
Indigenous Services Canada		
A&C Water - MSI Professional Housing Units	\$ 270,472	\$ 250,000
Basic Needs		73,159
Capacity Building		15,500
Design - Construction	27,667	27,667
Fit Up of Education Facilities - MSI Teacherages		111,603
FN School Formula		381,782
FN School Second Level		52,061
Low-Cost Special Education	22,350	20,190
Major Renos, Extensions and Repair - Housing Renovations		21,538
Response - COVID-19 Household Supplies		27,400
Response - COVID-19 General Support		26,565
Roads and Bridges Repairs		35,923
Roads and Bridges - MSI Professional Units		296,600
Tuition	24,613	24,613
Wastewater Systems - Septic Truck Purchase		75,000
Water Systems - Water Truck Purchase		75,000
First Nations and Inuit Health		
Canada Prenatal Nutrition Program	1,015	
Community Facilities O & M	6,720	
Community Facilities - Security	1,839	
Community Health Representatives	4,357	
Health Planning Management	4,829	
Home and Community Care	2,347	
Maternal Child Health	25,000	
Mental Wellness Program	8,585	
Transportation	5,000	
Canada Mortgage and Housing Corporation		716,002
Assembly of Manitoba Chiefs		231,515
M.K.O. Employment, Training and Child Care	143,253	28,612
Province of Manitoba	49,990	16,210
Trade and other	<u>203,257</u>	<u>962,701</u>
	801,294	3,469,641
Less: Allowance for doubtful accounts	(107,105)	(105,102)
	<u>\$ 694,189</u>	<u>\$ 3,364,539</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

5. DUE FROM RELATED ENTITIES

	2 0 2 1	2 0 2 0
God's River Development Corporation (o/a God's River Lodge)	\$ <u>522,046</u>	\$ <u>512,151</u>

The amounts due from related entities are non-interest bearing and have no set repayment terms.

6. INVESTMENTS

	2 0 2 1	2 0 2 0
God's River Development Corporation (o/a God's River Lodge)	\$ <u>205,016</u>	\$ <u>105,231</u>

7. BANK INDEBTEDNESS

M.S.C.N. has an operating line of credit with the Me-Dian Credit Union to a maximum of \$200,000 bearing interest at 8.15% and is secured by a general security agreement, unlimited guarantee from Manto Sipi Cree Nation with Band Council Resolution. As of March 31, 2021, the balance on this line of credit was \$200,000 (2020 - \$17,312).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 1	2 0 2 0
Indigenous Services Canada		
Basic Needs	\$ 45,715	\$ 45,715
Special Needs	537	537
First Nations and Inuit Health		
HCC Service delivery	39,014	39,014
Accrued liabilities	241,805	144,001
Payroll remittances payable	101,596	182,774
School project payables	3,264,576	4,454,368
Trade and other	<u>3,154,589</u>	<u>4,236,628</u>
	\$ <u>6,847,832</u>	\$ <u>9,103,037</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

9. DEFERRED REVENUE

	2 0 2 1	2 0 2 0
Indigenous Services Canada		
Landfill Construction	177,193	917,734
School Project	5,296,534	5,678,257
Renovations		603,540
MSI Teacherages Project	424,890	230,340
Community Opportunity Readiness		93,280
New Housing Project 2019-2020	463,047	204,505
Education Innovation	29,870	18,490
Tuition Agreements		3,479
Lot Servicing	16,702	
New Housing Project 2020-2021	204,574	
MSI Teacherages Water Facilities	576,758	
MSI Teacherages Roads and Bridges	42,715	
Soil Remediation	575,000	
Capacity Development	7,335	
Capacity Development - Leadership Government	7,334	
Capacity Building - Capacity Enhancement	40,500	
Prevention Projects	14,000	
Daycare Safe Restart	18,277	-
Total Indigenous Services Canada	<u>7,894,729</u>	<u>7,749,625</u>
First Nations and Inuit Health		
Jordan's Principle		87,750
Canada Prenatal Nutrition Program	8,739	
Management and Support	42,188	
Nurses Support	43,818	
Nutrition North	8,509	-
Total First Nations and Inuit Health	<u>103,254</u>	<u>87,750</u>
Other fundings		
Early Learning & Child Care Strategy	319,486	
K.T.C. Childcare	3,513	
K.T.C. Communicable Disease Health	2,307	15,280
MKO Training and Youth Projects		43,286
C. M. H .C Housing Repairs	1,014,470	-
Total other fundings	<u>1,339,776</u>	<u>58,566</u>
	<u>\$ 9,337,759</u>	<u>\$ 7,895,941</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

10. LONG TERM DEBT

	2 0 2 1	2 0 2 0
Demand loan payable to Kitayan Community Futures Development Corporation Inc., 7%, repayable in monthly installments of \$2,873 (P&I), due July 2021.	\$ 11,046	\$ 35,598
Section 10 mortgage payable to Me-Dian Credit Union, 5.47%, repayable in monthly installments of \$5,787 (P&I), due January 2021.		46,911
Commercial loan payable to Me-Dian Credit Union, 8.15%, repayable in monthly installments of \$5,615 (P&I).		266,784
Demand loan payable to First Peoples Economic Growth Fund Inc., 7%, repayable in monthly installments of \$2,323 (P&I), due July 2021.	107,335	120,092
Loan payable C.M.H.C., 2.06%, repayable in monthly installments of \$10,509 (P & I), due November 2022.	1,307,394	1,405,652
Loan payable C.M.H.C., 1.3%, repayable in monthly installments of \$592 (P&I), due June 2022.	40,410	46,940
Loan payable C.M.H.C., 1.37%, repayable in monthly installments of \$11,032 (P & I), due June 2022.	1,385,095	1,498,762
Loan payable C.M.H.C., 1.87%, repayable in monthly installments of \$2,749 (P&I), due May 1, 2024.	384,858	410,428
Loan payable C.M.H.C., 0.74%, repayable in monthly installments of \$6,027 (P&I), due February 2026.	967,051	1,031,841
Loan payable C.M.H.C., 1.30%, repayable in monthly installments of \$5,943 (P&I), due June 2022.	1,044,347	1,101,744
Loan payable C.M.H.C., 2.50%, repayable in monthly installments of \$5,546 (P&I), due June 2023.	925,400	968,401
Loan payable C.M.H.C., 0.46%, repayable in monthly installments of \$3,499 (P&I), due July 2021.	795,789	831,700
Loan payable C.M.H.C., 2.14%, repayable in monthly installments of \$4,250 (P&I), due March 1, 2024.	926,756	957,700
Loan payable C.M.H.C., 0.8%, repayable in monthly installments of \$3,302 (P&I), due May 1, 2025.	703,855	
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Phase 12, 4 unit housing project.		650,347
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Phase 13, 3 unit housing project.	431,703	431,703

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

10. LONG TERM DEBT *(continued)*

	2 0 2 1	2 0 2 0
Demand loan payable to First People Economic Growth Fund Inc. 0%, repayable in monthly installments of \$3,571 (P&I).	91,740	113,168
Communities Economic Development Fund loan, 6.036%, repayable in monthly installments of \$2,129 (P&I).	-	12,536
	<u>\$ 9,122,779</u>	<u>\$ 9,930,307</u>

Loans payable to Canada Mortgage and Housing Corporation are secured by the specific assets financed and a ministerial guarantee by the Government of Canada.

Loans payable to Me-Dian Credit Union are secured by a general security agreement, the specific assets financed and various Band Council Resolutions authorizing the assignment of certain incoming funding for debt repayment purposes.

Loans payable to Kitayan Community Futures Development Corporation Inc. are secured by a general security agreement on the specific assets financed.

The estimated annual principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2022	\$ 594,131
2023	592,256
2024	564,839
2025	568,480
2026	564,228

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

11. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2021	Total 2020
Equipment	\$ 1,379,258	\$ 12,249	\$ 1,391,507	\$ 1,068,462	\$ 80,724	\$ 1,149,186	\$ 242,321	\$ 310,796
Facilities	37,859,793	1,026,717	38,886,510	23,439,111	1,219,608	24,658,719	14,227,791	14,420,682
Land	220,000		220,000				220,000	220,000
Roads	1,921,966		1,921,966	1,407,600	48,049	1,455,649	466,317	514,366
Sewer systems	12,523,753		12,523,753	3,962,832	459,061	4,421,893	8,101,860	8,560,921
Vehicles	4,374,094	611,190	4,985,284	3,074,075	493,718	3,567,793	1,417,491	1,300,019
Water systems	14,181,091	-	14,181,091	5,244,031	470,091	5,714,122	8,466,969	8,937,060
	<u>\$ 72,459,955</u>	<u>\$ 1,650,156</u>	<u>\$ 74,110,111</u>	<u>\$ 38,196,111</u>	<u>\$ 2,771,251</u>	<u>\$ 40,967,362</u>	<u>\$ 33,142,749</u>	<u>\$ 34,263,844</u>

12. CONSTRUCTION IN PROGRESS

	2021	2020
I.S.C. - Landfill	\$ 2,008,648	\$ 566,484
I.S.C. - New Housing 2019-2020	1,472,222	956,657
I.S.C. - School Project	39,983,632	34,145,046
I.S.C. - New Housing 2020-2021	507,618	
I.S.C. - Teacherages Project	974,409	850,000
I.S.C. - Teacherages Water and Sewer Facilities	758,465	391,848
I.S.C. - Teacherages Access Roads and Driveways	1,965,162	752,479
F.N.I.H. - Jordan's Principle Building	619,744	516,480
F.N.I.H. - Nursing Residence	317,345	317,345
C.M.H.C Housing	984,916	979,412
MSCN School Rink Enclosure Project	902,300	-
	<u>\$ 50,494,461</u>	<u>\$ 39,475,751</u>

Construction in progress will be transferred to tangible capital assets upon completion and will be amortized accordingly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

13. PREPAID EXPENSES

	2 0 2 1	2 0 2 0
Materials and supplies	\$ 81,613	\$
Utilities	<u>51,418</u>	<u>53,205</u>
	<u>\$ 133,031</u>	<u>\$ 53,205</u>

14. CONTINGENT LIABILITIES

- (a) M.S.C.N. receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. For accounting purposes any amounts assessed or claims paid will be accounted for in the year of determination.
- (b) M.S.C.N. is contingently liable as guarantor of loans for Gods River Economic Development Corp. in the aggregate amount of \$311,403 (2020 - \$362,149).

15. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 1	2 0 2 0
Agreement: #302-302	\$ 29,183,067	\$ 40,204,215
Plus: I.S.C revenue deferred from prior year	7,749,625	1,609,917
F.N.I.H. revenue deferred from prior year	87,750	316,737
Less: I.S.C. revenue deferred to following year	(7,894,729)	(7,749,625)
F.N.I.H. revenue deferred to following year	(103,254)	(87,750)
TOTAL I.S.C. AND F.N.I.H. REVENUE PER FINANCIAL STATEMENTS	<u>\$ 29,022,459</u>	<u>\$ 34,293,494</u>
REVENUE PER STATEMENT OF OPERATIONS (Statement 2)		
Indigenous Services Canada	\$ 26,155,207	\$ 31,533,544
First Nations and Inuit Health	<u>2,867,252</u>	<u>2,759,950</u>
	<u>\$ 29,022,459</u>	<u>\$ 34,293,494</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

16. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 1	2 0 2 0
Administration	\$ 1,455,956	\$ 985,457
Amortization of capital assets	2,771,251	2,827,330
Community events and program activities	162,038	133,524
Donations	569,255	585,968
Fuel and oil	105,586	76,240
Insurance	624,451	558,097
Interest	146,711	268,153
Legal settlement	206,818	
Loss on investment	885	
Office and overhead	381,609	279,753
Other	610,862	662,499
Professional fees	605,294	770,761
Repairs and maintenance	618,968	675,888
Salaries and benefits	6,275,035	5,747,155
Social assistance	3,672,512	2,802,362
Student support	318,334	173,661
Supplies	1,257,621	654,062
Training	29,886	118,117
Travel	162,831	724,353
Utilities	243,618	240,074
Eliminations	(1,546,645)	(1,461,984)
	<u>\$ 18,672,876</u>	<u>\$ 16,821,470</u>

17. ECONOMIC DEPENDENCE

M.S.C.N. receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada and Health Canada.

18. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in economic downturn. This outbreak may also cause staff shortages, reduced demand, increased government regulations or interventions, all of which may negatively impact the financial condition or results of operations of the Cree Nation. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

19. COMPARATIVE FIGURES

Certain prior year's comparative amounts have been reclassified where necessary to conform to the presentation adopted for the current year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

20. SEGMENT DISCLOSURE

Manto Sipi Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Governance and Administration		Economic Development		Community Services		Capital and Construction	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues								
Federal Government								
ISC	\$ 694,782	\$ 1,148,544	\$ 836,594	\$ 286,182	\$ 820,642	\$ 968,112	\$ 5,805,838	\$ 2,906,266
FNIH								
CMHC							39,639	64,728
ESDC	-	-	-	-	-	-	-	-
Subtotal	694,782	1,148,544	836,594	286,182	820,642	968,112	5,845,477	2,970,994
Other revenue	<u>2,499,667</u>	<u>2,738,563</u>	<u>312,151</u>	<u>688,369</u>	<u>23,355</u>	<u>24,926</u>	<u>371,174</u>	<u>650,277</u>
Total revenue	<u>3,194,449</u>	<u>3,887,107</u>	<u>1,148,745</u>	<u>974,551</u>	<u>843,997</u>	<u>993,038</u>	<u>6,216,651</u>	<u>3,621,271</u>
Expenditures								
Amortization							2,040,776	2,191,072
Debt servicing	2,176	110,257	3,998	1,173			5,883	6,954
Other	1,279,552	1,151,097	220,507	242,469	404,322	454,448	839,927	776,532
Salaries and benefits	<u>814,451</u>	<u>740,641</u>	<u>8,440</u>	<u>3,438</u>	<u>464,180</u>	<u>389,750</u>	<u>520,930</u>	<u>466,507</u>
Total expenses	<u>2,096,179</u>	<u>2,001,995</u>	<u>232,945</u>	<u>247,080</u>	<u>868,502</u>	<u>844,198</u>	<u>3,407,516</u>	<u>3,441,065</u>
Surplus (Deficit)	<u>\$ 1,098,270</u>	<u>\$ 1,885,112</u>	<u>\$ 915,800</u>	<u>\$ 727,471</u>	<u>\$ (24,505)</u>	<u>\$ 148,840</u>	<u>\$ 2,809,135</u>	<u>\$ 180,206</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

20. SEGMENT DISCLOSURE (continued)

	Social Services		Training and Employment		Health		Child Care	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues								
Federal Government								
ISC	\$ 3,720,535	\$ 2,978,905	\$ 50,235	\$ 67,548	\$ 1,731,760	\$ 67,965	\$	\$
FNIH					2,779,502	2,759,950		
CMHC								
ESDC	-	-	215,512	238,408	-	-	89,406	469,640
Subtotal	3,720,535	2,978,905	265,747	305,956	4,511,262	2,827,915	89,406	469,640
Other revenue	-	-	-	-	12,973	20,600	-	-
Total revenue	3,720,535	2,978,905	265,747	305,956	4,524,235	2,848,515	89,406	469,640
Expenses								
Debt servicing	939	1,616						
Other	3,701,768	2,981,646	113,532	206,511	1,691,784	1,200,860	45,315	260,566
Salaries and benefits	167,598	243,735	152,215	104,287	1,555,000	1,240,728	44,091	248,867
Total expenses	3,870,305	3,226,997	265,747	310,798	3,246,784	2,441,588	89,406	509,433
Surplus (Deficit)	\$ (149,770)	\$ (248,092)	\$ -	\$ (4,842)	\$ 1,277,451	\$ 406,927	\$ -	\$ (39,793)

MANTO SIPI CREE NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

20. SEGMENT DISCLOSURE (continued)

	Education		Housing		Eliminations		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues								
Federal Government								
ISC	\$ 12,494,821	\$ 23,110,022	\$	\$	\$	\$	\$ 26,155,207	\$ 31,533,544
FNIH	87,750						2,867,252	2,759,950
CMHC			616,610	583,849			656,249	648,577
ESDC	-	-	-	-	-	-	304,918	708,048
Subtotal	12,582,571	23,110,022	616,610	583,849			29,983,626	35,650,119
Other revenue	75,069	97,239	308,465	413,853	(1,546,645)	(1,461,984)	2,056,209	3,171,843
Total revenue	12,657,640	23,207,261	925,075	997,702	(1,546,645)	(1,461,984)	32,039,835	38,821,962
Expenses								
Amortization	226,166	170,223	504,309	466,035			2,771,251	2,827,330
Debt servicing	1,297	6,419	132,418	141,734			146,711	268,153
Other	2,398,983	1,839,975	330,834	326,712	(1,546,645)	(1,461,984)	9,479,879	7,978,832
Salaries and benefits	2,548,130	2,309,202	-	-	-	-	6,275,035	5,747,155
Total expenses	5,174,576	4,325,819	967,561	934,481	(1,546,645)	(1,461,984)	18,672,876	16,821,470
Surplus (Deficit)	\$ 7,483,064	\$ 18,881,442	\$ (42,486)	\$ 63,221	\$ -	\$ -	\$ 13,366,959	\$ 22,000,492