
MANTO SIDI CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022

MANTO SIPI CREE NATION

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MARCH 31, 2022

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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



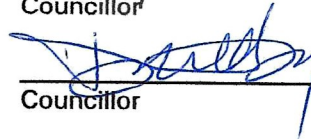
Councillor



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, 2022, 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, 2022, 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 19, 2023

MANTO SIPI CREE NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2022

2021

FINANCIAL ASSETS

Cash (Note 2)	\$ 19,238,158	\$ 15,933,278
Restricted cash (Note 3)	40,229	60,245
Accounts receivable (Note 4)	9,882,337	694,189
Due from related entities (Note 5)	517,726	522,046
Investments (Note 6)	320,385	205,016
Total financial assets	<u>29,998,835</u>	<u>17,414,774</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 8)	6,291,946	6,847,832
Deferred revenue (Note 9)	19,382,153	9,337,759
Long term debt (Note 10)	8,541,081	9,122,779
Total liabilities	<u>34,215,180</u>	<u>25,308,370</u>
Net debt	(4,216,345)	(7,893,596)

NON-FINANCIAL ASSETS

Tangible capital assets (Note 11)	76,967,130	33,142,749
Construction in progress (Note 12)	15,839,472	50,494,461
Prepaid expenses (Note 13)	63,780	133,031
Total non-financial assets	<u>92,870,382</u>	<u>83,770,241</u>
Accumulated surplus	\$ <u>88,654,037</u>	\$ <u>75,876,645</u>

Contingent liabilities (Note 14)

Approved on behalf of Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

MANTO SIPI CREE NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 2	2 0 2 1
REVENUE			
Indigenous Services Canada	\$ 8,677,917	\$ 26,448,503	\$ 26,155,207
First Nations and Inuit Health	2,504,103	3,015,724	2,867,252
Canada Mortgage and Housing Corporation		2,297,396	656,249
Employment and Social Development Canada	271,953	234,322	304,918
Administration	1,099,642	1,484,626	1,324,493
Joint venture income		184,221	312,151
Gain on investment		115,369	99,785
Keewatin Tribal Council			12,973
Other	111,455	386,054	361,115
Province of Manitoba	455,000	607,250	531,347
Rental	623,051	786,962	897,419
Treaty Land Entitlement	54,500	31,345	40,216
User fees	20,043	20,311	23,355
Eliminations	-	(1,776,276)	(1,546,645)
	<u>13,817,664</u>	<u>33,835,807</u>	<u>32,039,835</u>
EXPENDITURES			
Governance and administration	2,818,943	1,565,681	2,096,179
Economic development	109,644	847,497	232,945
Community services	1,021,074	1,397,321	868,502
Capital and construction	584,801	2,968,832	3,407,516
Social services	3,710,853	3,441,787	3,870,305
Training and employment	349,590	423,879	265,747
Health	3,980,957	4,514,174	3,246,784
Child care	100,814	89,753	89,406
Education	3,757,391	6,089,085	5,174,576
Housing authority		1,496,682	967,561
Eliminations	-	(1,776,276)	(1,546,645)
	<u>16,434,067</u>	<u>21,058,415</u>	<u>18,672,876</u>
ANNUAL SURPLUS	(2,616,403)	12,777,392	13,366,959
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>75,876,645</u>	<u>75,876,645</u>	<u>62,509,686</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 73,260,242</u>	<u>\$ 88,654,037</u>	<u>\$ 75,876,645</u>

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 2	2 0 2 1
Annual surplus	\$ (2,616,403)	\$ <u>12,777,392</u>	\$ <u>13,366,959</u>
Acquisition of tangible capital assets and construction in progress		(<u>12,136,299</u>)	(<u>12,668,866</u>)
Amortization of tangible capital assets	<u>-</u>	<u>2,966,907</u>	<u>2,771,251</u>
	<u>-</u>	(<u>9,169,392</u>)	(<u>9,897,615</u>)
Acquisition of prepaid expenses		(<u>63,780</u>)	(<u>133,031</u>)
Use of prepaid expenses	<u>-</u>	<u>133,031</u>	<u>53,205</u>
	<u>-</u>	<u>69,251</u>	(<u>79,826</u>)
CHANGE IN NET DEBT FOR YEAR	(2,616,403)	3,677,251	3,389,518
NET DEBT, <i>beginning of year</i>	(<u>7,893,596</u>)	(<u>7,893,596</u>)	(<u>11,283,114</u>)
NET DEBT, <i>end of year</i>	\$ (<u>10,509,999</u>)	\$ (<u>4,216,345</u>)	\$ (<u>7,893,596</u>)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from Indigenous Services Canada	\$ 25,271,554	\$ 25,970,094
Cash received from other sources	9,420,499	10,181,909
Cash paid to suppliers and employees	(18,693,512)	(18,336,441)
	<u>15,998,541</u>	<u>17,815,562</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(12,136,299)	(12,668,866)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt		1,142,534
Repayment of long term debt	(581,698)	(1,950,062)
Advances from (to) related parties - net	4,320	(9,895)
	<u>(577,378)</u>	<u>(817,423)</u>
NET INCREASE IN CASH DURING YEAR	3,284,864	4,329,273
CASH, <i>beginning of year</i>	<u>15,993,523</u>	<u>11,664,250</u>
CASH, <i>end of year</i>	<u>\$ 19,278,387</u>	<u>\$ 15,993,523</u>
CASH COMPRISED OF		
Cash	\$ 19,238,158	\$ 15,933,278
Restricted cash	<u>40,229</u>	<u>60,245</u>
	<u>\$ 19,278,387</u>	<u>\$ 15,993,523</u>

MANTO Sipi CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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, 2021.

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, 2022

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, 2022

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 2	2 0 2 1
Unrestricted		
Manto Sipi Cree Nation	\$ 7,891,252	\$ 3,478,339
Amos Okemow Memorial Education Authority Inc.		
Operating	4,955,992	2,780,317
School Project	1,694,194	7,087,248
School Project - Holdback	1,967,081	1,437,557
Manto Sipi Housing Authority	<u>2,729,639</u>	<u>1,149,817</u>
	<u>\$ 19,238,158</u>	<u>\$ 15,933,278</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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 \$59,100 (2021 - \$58,767). 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, 2022 an accumulated balance of \$132,647 (2021 - \$53,547) 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 2	2 0 2 1
I.S.C. Trust		
BALANCE, <i>beginning of year</i>	\$ 3,278	\$ 3,241
Add interest earned	<u>63</u>	<u>37</u>
BALANCE, <i>end of year</i>	<u>3,341</u>	<u>3,278</u>
C.M.H.C. Replacement Reserve		
BALANCE, <i>beginning of year</i>	56,967	56,248
Interest and allocations	(20,079)	<u>719</u>
BALANCE, <i>end of year</i>	<u>36,888</u>	<u>56,967</u>
TOTAL	<u>\$ 40,229</u>	<u>\$ 60,245</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

4. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
A&C Water - MSI Professional Housing Units	\$ 270,472	\$ 270,472
Covid-19 Safe Return	8,278	
Design - Construction	8,407,394	27,667
Electrical Systems	600,000	
FN School Formula	58,958	
Low-Cost Special Education	25,050	22,350
Tuition	24,613	24,613
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
M.K.O. Employment, Training and Child Care	15,144	143,253
Province of Manitoba	228,931	49,990
Assembly of Manitoba Chiefs - ELCC	221,607	
Trade and other	119,729	203,257
	<u>9,980,176</u>	<u>801,294</u>
Less: Allowance for doubtful accounts	(97,839)	(107,105)
	<u>\$ 9,882,337</u>	<u>\$ 694,189</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

5. DUE FROM RELATED ENTITIES

	2 0 2 2	2 0 2 1
God's River Development Corporation (o/a God's River Lodge)	\$ <u>517,726</u>	\$ <u>522,046</u>

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

6. INVESTMENTS

	2 0 2 2	2 0 2 1
God's River Development Corporation (o/a God's River Lodge)	\$ <u>320,385</u>	\$ <u>205,016</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, 2022, the balance on this line of credit was nil (2021 - nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 2	2 0 2 1
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	240,787	241,805
Payroll remittances payable	177,186	101,596
School project payables	2,007,571	3,264,576
Trade and other	<u>3,781,136</u>	<u>3,154,589</u>
	\$ <u>6,291,946</u>	\$ <u>6,847,832</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. DEFERRED REVENUE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
Landfill Construction	2,937,747	177,193
School Project	10,036,734	5,296,534
MSI Teacherages Project	1,082,052	424,890
New Housing Project 2019-2020	207,715	463,047
Education Innovation		29,870
Nursing Residence Repair Project	182,080	
Lot Servicing		16,702
New Housing Project 2020-2021		204,574
MSI Teacherages Water Facilities	576,758	576,758
MSI Teacherages Roads and Bridges	42,715	42,715
School Backup Generator	600,000	
Soil Remediation	852,931	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>16,518,732</u>	<u>7,894,729</u>
First Nations and Inuit Health		
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>-</u>	<u>103,254</u>
Other fundings		
Early Learning & Child Care Strategy	533,080	319,486
Outreach	9,994	
K.T.C. Childcare		3,513
K.T.C. Communicable Disease Health	2,307	2,307
MKO CRF Projects	99,898	
CMHC Housing Repairs	488,165	1,014,470
CMHC 8 UNITS Rapid Housing Initiative	<u>1,729,977</u>	<u>-</u>
Total other fundings	<u>2,863,421</u>	<u>1,339,776</u>
	<u>\$ 19,382,153</u>	<u>\$ 9,337,759</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

10. LONG TERM DEBT

	2 0 2 2	2 0 2 1
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	\$ 11,046
Demand loan payable to First Peoples Economic Growth Fund Inc., 7%, repayable in monthly installments of \$2,323 (P&I), due July 2021.	86,306	107,335
Loan payable C.M.H.C., 2.06%, repayable in monthly installments of \$10,509 (P & I), due November 2022.	1,207,166	1,307,394
Loan payable C.M.H.C., 1.3%, repayable in monthly installments of \$592 (P&I), due June 2022.	33,796	40,410
Loan payable C.M.H.C., 1.37%, repayable in monthly installments of \$11,032 (P & I), due June 2022.	1,269,989	1,385,095
Loan payable C.M.H.C., 1.87%, repayable in monthly installments of \$2,749 (P&I), due May 1, 2024.	358,823	384,858
Loan payable C.M.H.C., 0.74%, repayable in monthly installments of \$6,027 (P&I), due February 2026.	901,651	967,051
Loan payable C.M.H.C., 1.30%, repayable in monthly installments of \$5,943 (P&I), due June 2022.	986,234	1,044,347
Loan payable C.M.H.C., 2.50%, repayable in monthly installments of \$5,546 (P&I), due June 2023.	881,372	925,400
Loan payable C.M.H.C., 1.22%, repayable in monthly installments of \$3,761 (P&I), due July 2026.	759,184	795,789
Loan payable C.M.H.C., 2.14%, repayable in monthly installments of \$4,250 (P&I), due March 1, 2024.	895,193	926,756
Loan payable C.M.H.C., 0.8%, repayable in monthly installments of \$3,302 (P&I), due May 1, 2025.	669,735	703,855
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
Demand loan payable to First People Economic Growth Fund Inc. 0%, repayable in monthly installments of \$3,571 (P&I).	<u>48,883</u>	<u>91,740</u>
	<u>\$ 8,541,081</u>	<u>\$ 9,122,779</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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

10. LONG TERM DEBT *(continued)*

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, 2023	\$ 1,032,556
2024	562,670
2025	566,581
2026	562,311
2027	556,786

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

11. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Adjustments	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2022	Total 2021
Equipment	\$ 1,391,507	\$ 142,442		\$ 1,533,949	\$ 1,149,186	\$ 92,286	\$ 1,241,472	\$ 292,477	\$ 242,321
Facilities	38,886,510	5,724,605	40,300,976	84,912,091	24,658,719	1,308,653	25,967,372	58,944,719	14,227,791
Land	220,000			220,000				220,000	220,000
Roads	1,921,966			1,921,966	1,455,649	43,361	1,499,010	422,956	466,317
Sewer systems	12,523,753			12,523,753	4,421,893	459,060	4,880,953	7,642,800	8,101,860
Vehicles	4,985,284	623,265		5,608,549	3,567,793	585,271	4,153,064	1,455,485	1,417,491
Water systems	14,181,091	-	-	14,181,091	5,714,122	478,276	6,192,398	7,988,693	8,466,969
	<u>\$ 74,110,111</u>	<u>\$ 6,490,312</u>	<u>\$ 40,300,976</u>	<u>\$120,901,399</u>	<u>\$ 40,967,362</u>	<u>\$ 2,966,907</u>	<u>\$ 43,934,269</u>	<u>\$ 76,967,130</u>	<u>\$ 33,142,749</u>

12. CONSTRUCTION IN PROGRESS

	2022	2021
I.S.C. - Landfill	\$ 3,274,826	\$ 2,008,648
I.S.C. - New Housing 2019-2020	1,727,555	1,472,222
I.S.C. - School Project		39,983,632
I.S.C. - New Housing 2020-2021	1,244,513	507,618
I.S.C. - Teacherages Project	1,646,598	974,409
I.S.C. - Teacherages Water and Sewer Facilities	758,465	758,465
I.S.C. - Teacherages Access Roads and Driveways	1,965,162	1,965,162
F.N.I.H. - Jordan's Principle Building	1,038,515	619,744
F.N.I.H. - Nursing Residence		317,345
C.M.H.C Housing	3,281,538	984,916
MSCN School Rink Enclosure Project	902,300	902,300
	<u>\$ 15,839,472</u>	<u>\$ 50,494,461</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, 2022

13. PREPAID EXPENSES

	2 0 2 2	2 0 2 1
Materials and supplies	\$	\$ 81,613
Utilities	<u>63,780</u>	<u>51,418</u>
	<u>\$ 63,780</u>	<u>\$ 133,031</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 \$287,209 (2021 - \$311,403).

15. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 2	2 0 2 1
Agreement: #302-302	\$ 37,984,976	\$ 29,183,067
Plus: I.S.C revenue deferred from prior year	7,894,729	7,749,625
F.N.I.H. revenue deferred from prior year	103,254	87,750
Less: I.S.C. revenue deferred to following year	(16,518,732)	(7,894,729)
F.N.I.H. revenue deferred to following year	<u>-</u>	<u>(103,254)</u>
TOTAL I.S.C. AND F.N.I.H. REVENUE PER FINANCIAL STATEMENTS	<u>\$ 29,464,227</u>	<u>\$ 29,022,459</u>
REVENUE PER STATEMENT OF OPERATIONS (Statement 2)		
Indigenous Services Canada	\$ 26,448,503	\$ 26,155,207
First Nations and Inuit Health	<u>3,015,724</u>	<u>2,867,252</u>
	<u>\$ 29,464,227</u>	<u>\$ 29,022,459</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

16. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 2	2 0 2 1
Administration	\$ 1,730,560	\$ 1,455,956
Amortization of capital assets	2,966,907	2,771,251
Capital asset acquisition	9,250	
Community events and program activities	257,141	162,038
Donations	698,810	569,255
Fuel and oil	84,703	105,586
Insurance	687,500	624,451
Interest	139,215	146,711
Legal settlement		206,818
Loss on investment		885
Office and overhead	168,293	381,609
Other	703,136	610,862
Professional fees	937,715	605,294
Repairs and maintenance	973,574	618,968
Salaries and benefits	7,401,927	6,275,035
Social assistance	3,301,147	3,672,512
Student support	585,544	318,334
Supplies	1,553,426	1,257,621
Training	26,855	29,886
Travel	366,405	162,831
Utilities	242,583	243,618
Eliminations	(1,776,276)	(1,546,645)
	<u>\$ 21,058,415</u>	<u>\$ 18,672,876</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, 2022

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues								
Federal Government								
ISC	\$ 1,926,174	\$ 694,782	\$ 377,543	\$ 836,594	\$ 1,617,561	\$ 820,642	\$ 3,153,491	\$ 5,805,838
FNIH								
CMHC							1,148,115	39,639
ESDC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	1,926,174	694,782	377,543	836,594	1,617,561	820,642	4,301,606	5,845,477
Other revenue	<u>2,578,743</u>	<u>2,499,667</u>	<u>184,221</u>	<u>312,151</u>	<u>20,311</u>	<u>23,355</u>	<u>400,807</u>	<u>371,174</u>
Total revenue	<u>4,504,917</u>	<u>3,194,449</u>	<u>561,764</u>	<u>1,148,745</u>	<u>1,637,872</u>	<u>843,997</u>	<u>4,702,413</u>	<u>6,216,651</u>
Expenditures								
Amortization							1,869,310	2,040,776
Debt servicing	4,445	2,176	6,880	3,998	135		231	5,883
Other	883,148	1,279,552	828,617	220,507	756,067	404,322	753,305	839,927
Salaries and benefits	<u>678,088</u>	<u>814,451</u>	<u>12,000</u>	<u>8,440</u>	<u>641,119</u>	<u>464,180</u>	<u>345,986</u>	<u>520,930</u>
Total expenses	<u>1,565,681</u>	<u>2,096,179</u>	<u>847,497</u>	<u>232,945</u>	<u>1,397,321</u>	<u>868,502</u>	<u>2,968,832</u>	<u>3,407,516</u>
Surplus (Deficit)	<u>\$ 2,939,236</u>	<u>\$ 1,098,270</u>	<u>\$ (285,733)</u>	<u>\$ 915,800</u>	<u>\$ 240,551</u>	<u>\$ (24,505)</u>	<u>\$ 1,733,581</u>	<u>\$ 2,809,135</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

20. SEGMENT DISCLOSURE *(continued)*

	Social Services		Training and Employment		Health		Child Care	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues								
Federal Government								
ISC	\$ 4,038,167	\$ 3,720,535	\$ 330,524	\$ 50,235	\$ 914,433	\$ 1,731,760	\$ 18,277	\$
FNIH					3,015,724	2,779,502		
CMHC								
ESDC	<u>-</u>	<u>-</u>	<u>162,848</u>	<u>215,512</u>	<u>-</u>	<u>-</u>	<u>71,474</u>	<u>89,406</u>
Subtotal	4,038,167	3,720,535	493,372	265,747	3,930,157	4,511,262	89,751	89,406
Other revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,973</u>	<u>-</u>	<u>-</u>
Total revenue	<u>4,038,167</u>	<u>3,720,535</u>	<u>493,372</u>	<u>265,747</u>	<u>3,930,157</u>	<u>4,524,235</u>	<u>89,751</u>	<u>89,406</u>
Expenses								
Debt servicing	187	939			70			
Other	3,324,852	3,701,768	327,302	113,532	2,196,316	1,691,784	40,710	45,315
Salaries and benefits	<u>116,748</u>	<u>167,598</u>	<u>96,577</u>	<u>152,215</u>	<u>2,317,788</u>	<u>1,555,000</u>	<u>49,043</u>	<u>44,091</u>
Total expenses	<u>3,441,787</u>	<u>3,870,305</u>	<u>423,879</u>	<u>265,747</u>	<u>4,514,174</u>	<u>3,246,784</u>	<u>89,753</u>	<u>89,406</u>
Surplus (Deficit)	\$ <u>596,380</u>	\$ <u>(149,770)</u>	\$ <u>69,493</u>	\$ <u>-</u>	\$ <u>(584,017)</u>	\$ <u>1,277,451</u>	\$ <u>(2)</u>	\$ <u>-</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

20. SEGMENT DISCLOSURE (continued)

	Education		Housing		Eliminations		TOTAL	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues								
Federal Government								
ISC	\$ 14,072,333	\$ 12,494,821	\$ -	\$ -	\$ -	\$ -	\$ 26,448,503	\$ 26,155,207
FNIH		87,750					3,015,724	2,867,252
CMHC			1,149,281	616,610			2,297,396	656,249
ESDC	-	-	-	-	-	-	234,322	304,918
Subtotal	14,072,333	12,582,571	1,149,281	616,610			31,995,945	29,983,626
Other revenue	123,992	75,069	308,064	308,465	(1,776,276)	(1,546,645)	1,839,862	2,056,209
Total revenue	<u>14,196,325</u>	<u>12,657,640</u>	<u>1,457,345</u>	<u>925,075</u>	<u>(1,776,276)</u>	<u>(1,546,645)</u>	<u>33,835,807</u>	<u>32,039,835</u>
Expenses								
Amortization	579,784	226,166	517,813	504,309			2,966,907	2,771,251
Debt servicing	1,622	1,297	125,645	132,418			139,215	146,711
Other	2,363,101	2,398,983	853,224	330,834	(1,776,276)	(1,546,645)	10,550,366	9,479,879
Salaries and benefits	3,144,578	2,548,130	-	-	-	-	7,401,927	6,275,035
Total expenses	<u>6,089,085</u>	<u>5,174,576</u>	<u>1,496,682</u>	<u>967,561</u>	<u>(1,776,276)</u>	<u>(1,546,645)</u>	<u>21,058,415</u>	<u>18,672,876</u>
Surplus (Deficit)	<u>\$ 8,107,240</u>	<u>\$ 7,483,064</u>	<u>\$ (39,337)</u>	<u>\$ (42,486)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,777,392</u>	<u>\$ 13,366,959</u>