

**MUSHUAU INNU FIRST NATION  
Consolidated Financial Statements**

**Year Ended March 31, 2021**

**MUSHUAU INNU FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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The accompanying consolidated financial statements of the Mushuau Innu First Nation and all the information in this annual report are the responsibility of management and have been approved by the 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 CPA Canada 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 control to provide reasonable assurance that reliable financial information is produced.

The 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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over 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, MNP LLP conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to the financial management of Mushuau Innu First Nation and meet when required.

On behalf of the Mushuau Innu First Nation:



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John Nui, Chief



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Mr. Nick Paradisis, Band Manager

Natuashish, NL  
January 18, 2022

To the Members of Mushuau Innu First Nation:

## Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

- effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Mount Pearl, Newfoundland and Labrador

January 18, 2022

*MNP LLP*

Chartered Professional Accountants

**MUSHUAU INNU FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 27,383,405	\$ 28,798,647
Trust funds held by federal government (Note 3)	119,684	-
Accounts receivable (Note 4)	2,686,417	3,559,359
Due from government (Note 6)	4,762,181	4,890,512
Inventory for resale (Note 5)	205,244	296,827
Investments in business enterprises (Note 7)	25,931,771	21,834,522
	<b>61,088,702</b>	<b>59,379,867</b>
<b>LIABILITIES</b>		
Accounts payable (Note 8)	4,800,934	4,150,436
Due to government (Note 9)	1,425,071	1,325,317
Deferred revenue (Note 11)	11,113,027	3,992,778
Due to related parties (Note 10)	2,709,930	2,006,597
Long term debt (Note 12)	1,495,412	2,017,149
	<b>21,544,374</b>	<b>13,492,277</b>
<b>NET FINANCIAL ASSETS</b>	<b>39,544,328</b>	<b>45,887,590</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventory (Note 5)	609,549	856,987
Prepaid expenses	739,897	860,895
Tangible capital assets (Note 17)	84,580,846	81,654,492
	<b>85,930,292</b>	<b>83,372,374</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$125,474,620</b>	<b>\$129,259,965</b>

**CONTINGENT LIABILITY (Note 16)**

**ON BEHALF OF COUNCIL**

Mary Lucy Duke Councillor  
John Councillor

**MUSHUAU INNU FIRST NATION**

**Consolidated Statement of Operations and Accumulated Surplus**

**Year Ended March 31, 2021**

	Budget 2021	Total 2021	Total 2020
<b>REVENUES</b>			
Federal government operating transfer ( <i>Note 13</i> )	\$ 20,555,139	\$ <b>15,686,956</b>	\$ 14,702,848
Sheshatshiu Innu & Mushau Innu First Nations Trust	6,604,347	<b>6,808,988</b>	36,016,561
Share of income in business enterprises	1,000,000	<b>6,251,558</b>	2,396,545
Federal government capital transfers ( <i>Note 13</i> )	2,713,470	<b>2,415,403</b>	298,920
Government of Newfoundland and Labrador operating transfer ( <i>Note 13</i> )	1,977,532	<b>2,087,368</b>	2,130,359
Innu Nation	551,570	<b>1,858,306</b>	5,227,054
Facilities management revenue	952,500	<b>1,027,495</b>	852,674
Infrastructure park revenue	612,000	<b>612,000</b>	612,000
Rent income - Natuashish Housing Authority	250,000	<b>317,327</b>	279,740
Miscellaneous revenues	5,000	<b>130,295</b>	101,745
Interest income	75,000	<b>114,600</b>	221,366
Government of Newfoundland and Labrador capital transfers ( <i>Note 13</i> )	72,500	<b>89,312</b>	100,863
Postal revenue	85,000	<b>58,642</b>	73,896
IDLP donations	-	<b>29,254</b>	108,300
	35,454,058	<b>37,487,504</b>	63,122,871
<b>EXPENSES</b>			
Band support	4,155,157	<b>3,365,865</b>	4,127,509
Economic development	157,865	<b>332,754</b>	333,009
Education and training	2,578,634	<b>2,128,099</b>	2,783,857
Health commission	8,795,155	<b>6,444,346</b>	5,629,933
Mushau EPH and Grouphome Inc.	2,050,032	<b>1,838,361</b>	1,792,034
Natuashish Housing Authority	11,896,995	<b>5,850,550</b>	6,027,602
Operations and maintenance	12,553,801	<b>12,090,776</b>	13,344,624
Outpost, gatherings and traditional skills	2,363,959	<b>1,893,073</b>	3,346,650
Recreation and community events	1,170,826	<b>1,439,664</b>	1,406,353
Safety and security	1,695,999	<b>1,429,291</b>	1,458,816
Social programs	3,343,365	<b>2,444,440</b>	9,126,121
	50,761,788	<b>39,257,219</b>	49,376,508
<b>SURPLUS (DEFICIT) BEFORE OTHER ITEM</b>	(15,307,730)	<b>(1,769,715)</b>	13,746,363
<b>OTHER ITEM</b>			
Provision for writedown of assets	-	<b>2,015,630</b>	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	(15,307,730)	<b>(3,785,345)</b>	13,746,363
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	129,259,965	<b>129,259,965</b>	115,513,602
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 113,952,235	<b>\$ 125,474,620</b>	\$ 129,259,965

**MUSHUAU INNU FIRST NATION****Consolidated Statement of Changes in Net Financial Assets****Year Ended March 31, 2021**

	Budget 2021	<b>2021</b>	2020
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (15,307,730)	<b>\$ (3,785,345)</b>	\$ 13,746,363
Amortization of tangible capital assets	-	<b>10,166,346</b>	9,920,510
Decrease in prepaid expenses	-	<b>120,999</b>	165,469
Decrease in inventory	-	<b>247,438</b>	836,382
Write down of capital assets	-	<b>528,317</b>	-
Acquisition of tangible capital assets	-	<b>(13,621,017)</b>	(8,147,646)
	-	<b>(2,557,917)</b>	2,774,715
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(15,307,730)	<b>(6,343,262)</b>	16,521,078
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	45,887,590	<b>45,887,590</b>	29,366,512
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 30,579,860	<b>\$ 39,544,328</b>	\$ 45,887,590

**MUSHUAU INNU FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ (3,785,345)	\$ 13,746,363
Items not affecting cash:		
Amortization of property, plant and equipment	10,166,346	9,920,510
Share of income in earnings of business enterprises	(6,251,558)	(2,396,544)
Write down of investment	1,487,316	-
Write down of capital assets	528,317	-
	<b>2,145,076</b>	21,270,329
Changes in non-cash working capital:		
Accounts receivable	872,942	689,751
Due from government	128,331	3,762,075
Inventory	247,438	836,383
Inventory for resale	91,583	(42,178)
Accounts payable	650,498	769,941
Deferred revenue	7,120,249	(1,151,147)
Prepaid expenses	120,998	165,473
Trust funds held by federal government	(119,684)	275,740
Due to government	99,754	159,479
	<b>9,212,109</b>	5,465,517
Cash flow from operating activities	<b>11,357,185</b>	26,735,846
<b>INVESTING ACTIVITIES</b>		
Funds received from business enterprises	2,154,312	2,428,962
Investment in business enterprises	(1,487,316)	-
Cash flow from investing activities	<b>666,996</b>	2,428,962
<b>FINANCING ACTIVITIES</b>		
Repayment to related parties - net	703,331	381,655
Repayment of long term debt	(521,737)	(493,154)
Cash flow from (used by) financing activities	<b>181,594</b>	(111,499)
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(13,621,017)	(8,147,646)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(1,415,242)</b>	20,905,663
Cash - beginning of year	<b>28,798,647</b>	7,892,984
<b>CASH - END OF YEAR</b>	<b>\$ 27,383,405</b>	\$ 28,798,647
<b>CASH CONSISTS OF:</b>		
Cash and cash equivalents	<b>\$ 27,383,405</b>	\$ 28,798,647

**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**1. OPERATIONS**

Mushuau Innu First Nation (the "First Nation") is located in the province of Newfoundland and Labrador and provides various services to its members. Mushuau Innu First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are controlled by the First Nation.

**Impact on operations of COVID-19 (coronavirus)**

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The organization's operations were impacted by COVID-19 due to closure of the organization's operations.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of CPA Canada.

**Reporting entity**

The Mushuau Innu First Nation reporting entity includes the Mushuau Innu First Nation government and all related entities that are controlled by the First Nation.

**Cash and cash equivalents**

Cash and cash equivalents includes balances with banks and term deposits that can be redeemed within three months or less at acquisition which are held for the purpose of meeting short term cash commitments.

**Inventories for resale**

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

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**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation.

Organizations consolidated in the First Nation's financial statements include:

- Mushuau Innu Operations Fund
- Mushuau Innu Relocation Corporation Inc.
- Natuashish Housing Authority Inc.
- Mushuau Innu Housing Authority Inc.
- Mushuau Innu First Nation Community Trust
- Mushuau Innu First Nation Trust
- Mushuau EPH and Group Home Inc.
- Natuashish Shipping Limited Partnership
- Natuashish Shipping GP Inc.

Organizations accounted for on a modified equity basis include:

- Innu Development Limited Partnership
- Mushuau Innu Camp and Catering Limited Partnership
- Mushuau Innu Camp and Catering Inc.

The First Nation does not share in the control of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the First Nation.

The Innu Nation represents the Innu of Labrador in comprehensive land rights negotiations and the negotiation of resource agreements in Labrador. This leadership of this entity is elected by the general elections and as such are not controlled by this First Nation.

Mamu Tshishkutamashutau Innu Education Inc. provides primary and secondary education to the Innu students in Natuashish and Sheshatshiu. This First Nation appoints half the trustees for this organization but the organization operates totally independent of the First Nation.

Innu Round Table Secretariat is the implementation arm of the Round Table and is mainly involved with the devolution of programs to the Innu of Labrador. This First Nation appoints a third of the directors of this organization but the organization operates totally independent of the First Nation.

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 not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

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**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Tangible capital assets

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

In the first year of use capital assets are amortized at 50% of the normal rate

Infrastructure	40 years	straight-line method
Buildings and housing	20 years	straight-line method
Wharf	20 years	straight-line method
Equipment	5 years	straight-line method
Transportation equipment	5 years	straight-line method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Inventories held for use

Inventories of fuel held for consumption are recorded at the lower of cost and replacement cost.

Net debt

The First Nation's 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 liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that give rise to the revenues. All revenues are recorded on the accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement uncertainty

In preparing the financial statements for the government of Mushuau Innu First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of tangible capital assets;
- the estimated useful lives of assets;
- the allowance for doubtful accounts.

Segments

The First Nation conducts its business through six reportable segments: education, health, economic development, housing, community services and governance. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder. Internal program contributions related to administration and rent are recorded at the exchange amount.

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

**3. TRUST FUNDS HELD BY FEDERAL GOVERNMENT**

	<b>2021</b>	<b>2020</b>
Opening balance	\$ -	\$ 275,740
Additions	119,684	5,064
Withdrawals	-	(280,804)
	<b>\$ 119,684</b>	<b>\$ -</b>

The trust funds arise from monies derived from 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. The additions are recognized as revenue when the funds are transferred into the trust.

**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**4. ACCOUNTS RECEIVABLE**

	<b>2021</b>	<b>2020</b>
Due from members	\$ 45,716	\$ 54,015
Due from non members	<u>2,654,904</u>	3,573,940
	<u>2,700,620</u>	3,627,955
Allowance for doubtful accounts	<u>(14,203)</u>	(68,596)
	<u><b>\$ 2,686,417</b></u>	<u>\$ 3,559,359</u>

**5. INVENTORY**

The First Nation sources diesel fuel for use in operations and for sale to third parties. As of year-end, the First Nation estimates that \$205,244 (2020 - \$296,827) will be sold to third parties, and \$609,549 (2020 - \$856,987) will be used in operations.

**6. DUE FROM GOVERNMENT**

	<b>2021</b>	<b>2020</b>
Indigenous Services Canada	\$ 3,386,179	\$ 3,617,142
Health Canada	296,477	28,347
Canada Revenue Agency - HST	1,044,384	1,182,717
Government of Newfoundland and Labrador	35,141	62,306
	<b>\$ 4,762,181</b>	<b>\$ 4,890,512</b>

**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**7. INVESTMENT IN BUSINESS ENTERPRISES**

The First Nation has a 49.995% interest in the Innu Development Limited Partnership, 99.99% interest in the Mushuau Camp and Catering Limited Partnership and owns 100% of Mushuau Innu Camp and Catering Inc.

The First Nation's investments in government business enterprises consist of the following:

	<b>2021</b>	<b>2020</b>
Innu Development Limited Partnership	\$ 17,706,968	\$ 14,739,693
Mushuau Camp and Catering Limited Partnership	8,185,320	7,055,460
Mushuau Innu Camp and Catering Inc.	39,483	39,369
	<b>\$ 25,931,771</b>	<b>\$ 21,834,522</b>

Summary draft financial information for the Innu Development Limited Partnership in which the First Nation has a 49.995% interest is as follows:

	<b>2021</b>	<b>2020</b>
Cash	\$ 3,587,686	\$ 3,501,896
Accounts receivable	85,385	83,231
Prepaid expenses	5,338	5,172
Due from related parties	7,221,891	7,475,841
Tangible capital assets	96,823	104,666
Long term investments	23,663,687	18,451,103
Intangible assets	562,000	562,000
<b>Total Assets</b>	<b>\$ 35,222,810</b>	<b>\$ 30,183,909</b>
Total liabilities	\$ 167,787	\$ 87,699
Equity	35,055,023	30,096,210
<b>Total Liabilities and Equity</b>	<b>\$ 35,222,810</b>	<b>\$ 30,183,909</b>
Revenue	\$ 12,716,687	\$ 7,343,405
Expenses	(2,925,574)	(3,583,374)
Net Income	\$ 9,791,113	\$ 3,760,031

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**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**7. INVESTMENT IN BUSINESS ENTERPRISES (continued)**

Summary draft financial information for the Mushuau Camp and Catering Limited Partnership in which the First Nation has a 99.99% interest is as follows:

	<b>2021</b>	<b>2020</b>
Due from related parties	\$ 1,855,533	\$ 1,855,533
Long term investments	6,395,123	5,487,960
<b>Total Assets</b>	<b>\$ 8,250,656</b>	<b>\$ 7,343,493</b>
Total liabilities	\$ 64,010	\$ 286,820
Equity	8,186,646	7,056,673
<b>Total Liabilities and Equity</b>	<b>\$ 8,250,656</b>	<b>\$ 7,343,493</b>
Revenue	\$ 1,129,973	\$ 558,713
Expenses	-	(12,179)
<b>Net Income</b>	<b>\$ 1,129,973</b>	<b>\$ 546,534</b>

Summary draft financial information for Mushuau Innu Camp and Catering Inc. in which the First Nation has a 100% interest is as follows:

	<b>2021</b>	<b>2020</b>
Due from related party	\$ 39,670	\$ 39,670
Long term investment	1,327	1,213
<b>Total Assets</b>	<b>\$ 40,997</b>	<b>\$ 40,883</b>
Total liabilities	\$ 1,514	\$ 1,514
Equity	39,483	39,369
<b>Total Liabilities and Equity</b>	<b>\$ 40,997</b>	<b>\$ 40,883</b>
Revenue	\$ 114	\$ 55
Expenses	-	-
<b>Net Income</b>	<b>\$ 114</b>	<b>\$ 55</b>

**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**8. PAYABLES AND ACCRUALS**

	<b>2021</b>	<b>2020</b>
Trade payables	\$ 2,980,960	\$ 2,762,869
Other accrued liabilities	1,715,291	960,506
Accrued salary and benefits payable	104,683	427,061
	<b>\$ 4,800,934</b>	<b>\$ 4,150,436</b>

**9. DUE TO GOVERNMENTS**

	<b>2021</b>	<b>2020</b>
Health Canada	\$ 881,123	\$ 867,658
Canada Revenue Agency - Employee Deductions Payable	6,251	(2,927)
Public Safety Canada	120,988	-
Indigenous Services Canada	416,709	460,586
	<b>\$ 1,425,071</b>	<b>\$ 1,325,317</b>

**MUSHUAU INNU FIRST NATION**  
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**10. DUE TO RELATED PARTIES**

	<b>2021</b>	<b>2020</b>
Due to Mushuau Innu General Store Inc.	\$ 2,254,958	\$ 1,751,258
Due to (from) Labrador Innu Round Table	(355)	(4,997)
Due to Innu Development Limited Partnership	325,225	325,225
Due from Mamu Tshishkutamashutau Innu Education Inc.	-	(82,870)
Due to Ueushuk Limited Partnership	-	25,000
Due from Dobson Contracting Limited	130,102	(7,019)
	<b>\$ 2,709,930</b>	<b>\$ 2,006,597</b>

The above amounts are interest free, unsecured, with no specific terms of repayment.

The First Nation has 99.99% ownership of Mushuau Innu Camp and Catering Limited Partnership which wholly owns Mushuau Innu General Store Inc.

The First Nation holds a 49.995% in the Innu Development Limited Partnership.

Innu Development Limited Partnership controls Ueushuk Limited Partnership.

A significant number of the board of Labrador Innu Round Table Secretariat are appointed by the First Nation.

A significant number of the board of Mamu Tshishkutamashutau Innu Education Inc. are appointed by the First Nation.

Dobson Contracting Limited is party to an agreement with the First Nation to construct buildings in the community and share in any related profits.

Expenses include \$742,694 (2020 - \$773,761) paid or payable to a related party.

Revenue includes \$740,504 (2020 - \$656,773) received or receivable from a related party.

Capital additions includes \$1,935,594 (2020 - \$1,548,717) paid or payable to a related party.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**11. DEFERRED REVENUE**

	Opening	Used	Current year	<b>2021</b>	2020
Indigenous Services					
Canada	\$ 3,467,524	\$ 1,831,903	\$ 3,699,563	\$ 5,335,184	\$ 3,467,524
Sheshatshiu and Mushuau Innu First Nation					
Trust	210,242	158,172	3,801,473	3,853,543	210,242
Health Canada	315,012	280,778	1,890,066	1,924,300	315,012
	<b>\$ 3,992,778</b>	<b>\$ 2,270,853</b>	<b>\$ 9,391,102</b>	<b>\$ 11,113,027</b>	<b>\$ 3,992,778</b>

**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**12. LONG TERM DEBT**

	<b>2021</b>	2020
RBC loan bearing interest at 2.32% per annum, repayable in monthly blended payments of \$48,180. The loan matures on November 20, 2023.	\$ 1,495,412	\$ 2,017,149
	<b><u>\$ 1,495,412</u></b>	<b><u>\$ 2,017,149</u></b>

The First Nation has provided a general security agreement and assignment of the First Nations net proceeds of the Innu Infrastructure Park Trust and an irrevocable band council resolution to direct distributions from Innu Development Limited Partnership to the bank if requested as security for the demand loan.

Principal repayment terms are approximately:

2022	\$ 549,338
2023	562,219
2024	383,855
	<b><u>\$ 1,495,412</u></b>

**13. GOVERNMENT TRANSFERS**

	Operating	Capital	<b>2021</b>	2020
Indigenous Services Canada	\$ 9,753,939	\$ 1,011,511	<b>\$ 10,765,450</b>	\$ 10,201,965
Health Canada	4,486,965	1,343,792	<b>5,830,757</b>	4,200,308
Service Canada	557,542	-	<b>557,542</b>	553,716
Woman and Gender Equality Canada	299,675	-	<b>299,675</b>	45,780
Department of Fisheries and Oceans Canada	552,200	-	<b>552,200</b>	-
Public Safety Canada	36,635	60,100	<b>96,735</b>	-
	<b>15,686,956</b>	<b>2,415,403</b>	<b>18,102,359</b>	15,001,769
Government of Newfoundland and Labrador	2,087,368	89,312	<b>2,176,680</b>	2,231,222
	<b><u>\$ 17,774,324</u></b>	<b><u>\$ 2,504,715</u></b>	<b><u>\$ 20,279,039</u></b>	<b><u>\$ 17,232,991</u></b>

**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
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**14. EXPENSES BY OBJECT**

	<b>2021</b>	<b>2020</b>
Salaries and Wages	\$ 12,914,418	\$ 12,342,995
Amortization	10,166,346	9,920,509
Travel	2,280,817	4,110,397
Other	5,538,282	4,024,476
Professional Fees	1,953,694	1,730,761
Repairs & Maintenance	1,247,552	1,076,449
Supplies	6,454,934	8,629,836
Community Payouts	623,500	7,407,000
Interest	93,306	134,085
	<b>\$ 41,272,849</b>	<b>\$ 49,376,508</b>

**15. BUDGETED FIGURES**

Budgeted figures have been provided for comparison purposes and have been provided by management.

**16. CONTINGENT LIABILITY**

A number of claims have been made against the First Nation by various suppliers and third parties for unpaid invoices and related interest. These claims total \$870,254 while the First Nation has accrued \$142,173 in its records to settle these claims. The eventual amount these claims will be settled for is not determinable at the present time. Any future settlements in excess of this accrual will be recorded as expenses in the period settled.

**MUSHUAU INNU FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**17. TANGIBLE CAPITAL ASSETS**

	Cost			Accumulated Amortization			Net Book Value			
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	Total 2021	Total 2020
Infrastructure	52,194,800	1,175,795	-	53,370,595	20,501,019	1,319,567	-	21,820,586	31,550,009	31,693,781
Buildings	76,436,483	1,097,283	-	77,533,766	51,416,445	3,809,902	-	55,226,347	22,307,419	25,020,038
Housing	67,013,665	10,323,073	-	77,336,738	48,785,221	3,479,722	-	52,264,943	25,071,795	18,228,444
Wharf	11,229,814	-	-	11,229,814	7,860,874	561,491	-	8,422,365	2,807,449	3,368,940
Vessel under refit	528,317	-	528,317	-	-	-	-	-	-	528,317
Equipment	5,856,552	527,914	-	6,384,466	3,678,908	751,245	-	4,430,153	1,954,313	2,177,644
Transportation equipment	1,224,348	496,952	-	1,721,300	587,020	244,419	-	831,439	889,861	637,328
<b>Total</b>	<b>214,483,979</b>	<b>13,621,017</b>	<b>528,317</b>	<b>227,576,679</b>	<b>132,829,487</b>	<b>10,166,346</b>	<b>-</b>	<b>142,995,833</b>	<b>84,580,846</b>	<b>81,654,492</b>

See notes to financial statements

**Mushuau Innu First Nation**  
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**17. Segment Disclosure**

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 following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

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	Budget 2021	Education		Budget 2021	Health		Economic Development		
		Actual 2021	Actual 2020		Actual 2021	Actual 2020	Budget 2021	Actual 2021	Actual 2020
<b>Revenue</b>									
Federal government operating transfers	\$ 539,911	\$ 539,911	\$ 548,197	\$ 6,121,546	\$ 4,411,156	\$ 4,113,903	\$ 144,205	\$ 65,440	\$ 85,440
Federal government capital transfers	-	-	-	1,548,143	1,343,792	103,834	-	-	-
Government of NL operating transfers	-	-	-	-	-	13,040	-	-	-
Government of NL capital transfers	-	-	-	-	-	-	-	-	-
Other revenue	911,073	911,073	3,290,540	178,200	178,200	933,963	-	-	247,569
Share of income in business enterprises	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>1,450,984</b>	<b>1,450,984</b>	<b>3,838,737</b>	<b>7,847,889</b>	<b>5,933,148</b>	<b>5,164,740</b>	<b>144,205</b>	<b>65,440</b>	<b>333,009</b>
<b>Expenditures</b>									
Wages and benefits	231,747	256,248	136,580	3,872,087	3,242,402	3,042,675	79,100	65,440	65,440
Interest expense	-	-	-	-	-	-	-	-	-
Other expense	2,346,887	773,941	1,571,184	4,923,068	2,586,324	1,984,309	78,765	434	882
<b>Total expenses before amortization</b>	<b>2,578,634</b>	<b>1,030,189</b>	<b>1,707,764</b>	<b>8,795,155</b>	<b>5,828,726</b>	<b>5,026,984</b>	<b>157,865</b>	<b>65,874</b>	<b>66,322</b>
Amortization	-	1,097,910	1,076,093	-	615,620	602,949	-	266,880	266,687
<b>Total Expenses</b>	<b>2,578,634</b>	<b>2,128,099</b>	<b>2,783,857</b>	<b>8,795,155</b>	<b>6,444,346</b>	<b>5,629,933</b>	<b>157,865</b>	<b>332,754</b>	<b>333,009</b>
<b>Annual Surplus (deficit)</b>	<b>\$ (1,127,650)</b>	<b>\$ (677,115)</b>	<b>\$ 1,054,880</b>	<b>\$ (947,266)</b>	<b>\$ (511,198)</b>	<b>\$ (465,193)</b>	<b>\$ (13,660)</b>	<b>\$ (267,314)</b>	<b>\$ -</b>

**Mushuau Innu First Nation**  
**Notes to the Financial Statements**  
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**17. Segment Disclosure (continued)**

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	Budget 2021	Housing Actual 2021	Actual 2020	Budget 2021	Community Services Actual 2021	Actual 2020	Budget 2021	Governance Actual 2021	Actual 2020
<b>Revenue</b>									
Federal government operating transfers	\$ 377,408	\$ 377,408	\$ 289,287	\$ 11,586,738	\$ 8,494,618	\$ 8,144,902	\$ 1,785,331	\$ 1,798,423	\$ 1,521,119
Federal government capital transfers	660,000	600,000	-	505,327	471,611	195,086	-	-	-
Government of NL operating transfers	-	-	-	1,977,532	2,087,368	2,182,032	-	-	36,150
Government of NL capital transfers	-	-	-	72,500	89,312	-	-	-	-
Other revenue	1,484,001	1,555,768	4,001,583	4,442,971	4,326,048	12,211,422	2,119,172	3,985,818	22,808,259
Share of income in business enterprises	-	-	-	951,500	6,244,676	2,256,025	48,500	6,882	140,520
<b>Total Revenue</b>	<b>2,521,409</b>	<b>2,533,176</b>	<b>4,290,870</b>	<b>19,536,568</b>	<b>21,713,633</b>	<b>24,989,467</b>	<b>3,953,003</b>	<b>5,791,123</b>	<b>24,506,048</b>
<b>Expenditures</b>									
Wages and benefits	1,733,445	1,308,557	1,115,250	6,266,890	5,748,655	6,941,085	2,038,024	2,293,116	1,041,968
Interest expense	-	-	-	3,000	2,234	2,152	125,000	91,074	131,931
Other expense	10,163,550	1,062,271	1,509,679	16,908,092	10,944,845	19,240,949	1,992,133	715,334	2,671,915
<b>Total expenses before amortization</b>	<b>11,896,995</b>	<b>2,370,828</b>	<b>2,624,929</b>	<b>23,177,982</b>	<b>16,695,734</b>	<b>26,184,186</b>	<b>4,155,157</b>	<b>3,099,523</b>	<b>3,845,814</b>
<b>Amortization</b>	<b>-</b>	<b>3,479,721</b>	<b>3,402,673</b>	<b>-</b>	<b>4,439,872</b>	<b>4,290,412</b>	<b>-</b>	<b>266,342</b>	<b>281,695</b>
<b>Total Expenses</b>	<b>11,896,995</b>	<b>5,850,550</b>	<b>6,027,602</b>	<b>23,177,982</b>	<b>21,135,606</b>	<b>30,474,598</b>	<b>4,155,157</b>	<b>3,365,865</b>	<b>4,127,509</b>
<b>Annual Surplus (deficit)</b>	<b>\$ (9,375,586)</b>	<b>\$ (3,317,374)</b>	<b>\$ (1,736,732)</b>	<b>\$ (3,641,414)</b>	<b>\$ 578,027</b>	<b>\$ (5,485,131)</b>	<b>\$ (202,154)</b>	<b>\$ 2,425,258</b>	<b>\$ 20,378,539</b>

**Mushuau Innu First Nation**  
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**17. Segment Disclosure (continued)**

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	Budget 2021	Total Actual 2021	Total Actual 2020
Revenue			
Federal government operating transfers	\$ 20,555,139	\$ 15,686,956	\$ 14,702,848
Federal government capital transfers	2,713,470	2,415,403	298,920
Government of NL operating transfers	1,977,532	2,087,368	2,231,222
Government of NL capital transfers	72,500	89,312	-
Other revenue	9,135,417	10,956,907	43,493,336
Share of income in business enterprises	1,000,000	6,251,558	2,396,545
 Total Revenue	 35,454,058	 37,487,504	 63,122,871
Expenditures			
Wages and benefits	14,221,293	\$ 12,914,417	\$ 12,342,998
Interest expense	128,000	93,308	134,083
Other expense	36,412,495	\$ 16,083,149	\$ 26,978,918
 Total expenses before amortization	 50,761,788	 29,090,874	 39,455,999
Amortization	-	\$ 10,166,345	\$ 9,920,509
 Total Expenses	 50,761,788	 39,257,219	 49,376,508
 Annual Surplus (deficit) before other items	 \$ (15,307,730)	 \$ (1,769,715)	 \$ 13,746,363