



**Moosomin First Nation**  
**Consolidated Financial Statements**  
*March 31, 2020*



## Moosomin First Nation Contents

For the year ended March 31, 2020

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## **Management's Responsibility**

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To the Members of Moosomin First Nation:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council are responsible for appointing the First Nation's external auditors.

MNP LLP is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members of Moosomin First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

July 23, 2020

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Signed by: Kerrie Gladue

Management



# Independent Auditor's Report

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To the Members of Moosomin First Nation:

## Opinion

We have audited the consolidated financial statements of Moosomin First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations and accumulated surplus, changes in net debt and cash flows, and the related schedules 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 the First Nation as at March 31, 2020, and the results of its consolidated operations, its consolidated changes in net debt 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 Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter - Advances

We draw attention to Note 6 of the consolidated financial statements, which describes that significant advances have been made to a investee which the First Nation's government business entity holds a 50% interest. As addressed in the note, there is significant measurement uncertainty associated with these advances. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Chief and Council for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Chief and Council 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.

Saskatoon, Saskatchewan

July 23, 2020

*MNP LLP*

Chartered Professional Accountants

**MNP**



**Moosomin First Nation**  
**Consolidated Statement of Financial Position**

As at March 31, 2020

2020 2019

**Financial assets**

**Current**

Cash and cash equivalents	1,941,114	460,684
Restricted cash (Note 3)	9,589,044	9,641,454
Accounts receivable (Note 4)	1,534,194	456,193
Portfolio investments (Note 5)	1,011	1,011
Advances to Ki'Ya'Naw Gas Bar Ltd.	-	72,824

<b>Subtotal of current assets</b>	<b>13,065,363</b>	10,632,166
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<b>Due from Western Alliance Tubulars Inc. (Note 6)</b>	<b>3,446,967</b>	-
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<b>Investment in Nation business entity (Note 6)</b>	<b>(196,752)</b>	4,509,609
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<b>Funds held in Ottawa Trust Fund (Note 7)</b>	<b>482,744</b>	208,027
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<b>Total financial assets</b>	<b>16,798,322</b>	15,349,802
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**Liabilities**

**Current**

Accounts payable and accruals	1,077,710	1,982,719
Deferred revenue (Note 8)	8,726,556	9,210,551
Current portion of long-term debt (Note 9)	1,599,690	1,002,795

<b>Subtotal of current liabilities</b>	<b>11,403,956</b>	12,196,065
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<b>Long-term debt (Note 9)</b>	<b>9,403,476</b>	9,251,600
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<b>Total financial liabilities</b>	<b>20,807,432</b>	21,447,665
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<b>Net debt</b>	<b>(4,009,110)</b>	(6,097,863)
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**Contingent liabilities (Note 14)**

**Non-financial assets**

Tangible capital assets (Note 10)	51,495,713	53,582,167
Prepaid expenses	-	36,425

<b>Total non-financial assets</b>	<b>51,495,713</b>	53,618,592
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<b>Accumulated surplus (Note 11)</b>	<b>47,486,603</b>	47,520,729
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**Approved on behalf of Chief and Council**

Signed by: Chief Bradley Swiftwolfe

Chief

Signed by: Lance Myo

Councillor



**Moosomin First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
For the year ended March 31, 2020

	2020 Budget (Note 12)	2020 Actual	2019 Actual
<b>Revenues</b>			
Indigenous Services Canada (Note 17)			
Education - grant	4,381,902	4,495,000	-
Grant	2,076,686	1,919,253	514,664
Flex	1,553,922	1,668,516	8,865,071
Fixed	1,075,180	1,390,705	4,693,717
Set - Health	315,050	332,550	160,050
Set	-	-	85,722
Funding recovered	-	(46,730)	(5,022)
Transfer (to) from deferred revenue	-	467,640	(5,335,315)
	<b>9,402,740</b>	<b>10,226,934</b>	8,978,887
Specific Land Claims Trust	691,765	1,829,715	758,592
Other	1,357,282	1,097,347	1,007,200
Canada Mortgage and Housing Corporation	42,850	641,149	562,994
First Nations Trust	584,583	591,361	583,313
Rental	318,489	573,511	619,262
Revenue trust funds (Note 7)	375,000	555,717	443,927
Battlefords Agency Tribal Chiefs Inc.	332,944	344,663	177,197
SITAG	-	179,464	143,326
Battle River Treaty 6 Health Centre Inc.	165,745	160,406	162,321
Interest	-	118,194	27,639
Treaty 6 Education	-	-	348,746
Earnings (loss) from investment in Nation business entity (Note 6)	-	(844,968)	272,693
	<b>13,271,398</b>	<b>15,473,493</b>	14,086,097
<b>Program expenses</b>			
Band Government	1,216,278	1,249,029	956,449
Band Based Capital	632,171	684,979	742,439
Major Capital	22,249	5,486	101,046
Community Infrastructure	463,638	1,839,164	1,527,432
Education	5,673,256	5,268,987	3,820,998
Other	1,357,082	1,511,891	1,469,363
CMHC Rental Housing	175,267	1,149,549	973,394
Specific Land Claims	1,732,641	1,841,503	2,542,778
<b>Total expenses</b>	<b>11,272,582</b>	<b>13,550,588</b>	12,133,899
<b>Surplus before other expense</b>	<b>1,998,816</b>	<b>1,922,905</b>	1,952,198
<b>Other expense</b>			
Contribution to Saulteaux First Nation - Sewage Pumping Station (Note 10)	-	(1,957,031)	-
<b>Annual surplus (deficit)</b>	<b>1,998,816</b>	<b>(34,126)</b>	1,952,198
<b>Accumulated surplus, beginning of year</b>	<b>47,520,729</b>	<b>47,520,729</b>	45,568,531
<b>Accumulated surplus, end of year</b>	<b>49,519,545</b>	<b>47,486,603</b>	47,520,729

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



**Moosomin First Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2020*

	<i>2020 Budget (Note 12)</i>	<i>2020 Actual</i>	<i>2019 Actual</i>
<b>Annual surplus (deficit)</b>	<b>1,998,816</b>	<b>(34,126)</b>	<b>1,952,198</b>
Purchases of tangible capital assets	(1,327,555)	(1,908,315)	(5,343,379)
Amortization of tangible capital assets	-	2,037,738	1,631,537
Contribution to Saulteaux First Nation - Sewage Pumping Station	-	1,957,031	-
	(1,327,555)	2,086,454	(3,711,842)
Use of prepaid expenses	-	36,425	1,400
<b>Decrease (increase) in net debt</b>	<b>671,261</b>	<b>2,088,753</b>	<b>(1,758,244)</b>
<b>Net debt, beginning of year</b>	<b>(6,097,863)</b>	<b>(6,097,863)</b>	<b>(4,339,619)</b>
<b>Net debt, end of year</b>	<b>(5,426,602)</b>	<b>(4,009,110)</b>	<b>(6,097,863)</b>



**Moosomin First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	(34,126)	1,952,198
Non-cash items		
Amortization of tangible capital assets	2,037,738	1,631,537
Contribution to Saulteaux First Nation - Sewage Pumping Station	1,957,031	-
Loss (earnings) from investment in Nation business entity	844,968	(272,693)
	<b>4,805,611</b>	3,311,042
Changes in working capital accounts		
Accounts receivable	(1,078,001)	(163,418)
Prepaid expenses	36,425	1,400
Funds held in Ottawa Trust Fund	(274,717)	(183,927)
Accounts payable and accruals	(905,009)	674,360
Deferred revenue	(483,995)	4,292,754
	<b>2,100,314</b>	7,932,211
<b>Financing activities</b>		
Advances of long-term debt	1,951,688	6,635,235
Repayment of long-term debt	(1,202,917)	(3,439,196)
Advances to Ki'Ya'Naw' Gas Bar Ltd.	72,824	-
	<b>821,595</b>	3,196,039
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,908,315)	(5,343,379)
<b>Investing activities</b>		
Contribution to business entity	(144,866)	(2,836,265)
Repayments of due from Western Alliance Tubulars Inc.	559,292	-
	<b>414,426</b>	(2,836,265)
<b>Increase in cash resources</b>	<b>1,428,020</b>	2,948,606
<b>Cash resources, beginning of year</b>	<b>10,102,138</b>	7,153,532
<b>Cash resources, end of year</b>	<b>11,530,158</b>	10,102,138
<b>Cash resources are composed of:</b>		
Cash and cash equivalents	1,941,114	460,684
Restricted cash	9,589,044	9,641,454
	<b>11,530,158</b>	10,102,138



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**1. Operations**

The Moosomin First Nation (the "First Nation") is located in Treaty 6 Territory, Canada, and provides various services to its Members. Moosomin First Nation includes the First Nation and all entities that are controlled by the First Nation.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Moosomin First Nation
- Moosomin First Nation Education Council Inc.
- Moosomin First Nation C.M.H.C. Housing Projects

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

Moosomin 1909 Surrender Trust has not been included in these consolidated financial statements as Chief and Council do not control the Trust.

Moosomin First Nation's business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation'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:

- Moosomin First Nation Economic Development Company Limited Partnership

***Basis of presentation***

Sources of revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for general operations is included in restricted cash. Restricted cash consists of CMHC Operating Reserve, CMHC Replacement Reserve, and capital project bank accounts.

***Portfolio investments***

Long-term investments in entities that are not owned or controlled by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

The First Nation's original reserve land is not recognized in the consolidated financial statements.

***Amortization***

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<b>Method</b>	<b>Rate</b>
Arena	declining balance	5 %
Equipment	declining balance	25 %
Housing	declining balance	5 %
Housing (CMHC)	straight-line	20-25 years
Infrastructure	declining balance	5 %

Land and assets under construction are not amortized.

***Funds held in trust***

Funds held in trust on behalf of the First Nation's Members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

There are no known liabilities at March 31, 2020.



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Net debt***

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

***Revenue recognition***

***Funding***

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

***Government Transfers***

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

***Contributed tangible capital assets***

Contributions of tangible capital assets are recognized at fair value at the date of contribution. Fair value is estimated using market or appraisal values.

***Other revenues***

Rental and lease revenue is recognized over the rental term. Other revenue is recognized as it becomes receivable or when it is earned. Revenues from Specific Land Claims Trust are recognized when they become receivable based on the terms of the Trust Agreement.

***Use of estimates***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

***Due from Western Alliance Tubulars Inc.***

The First Nation has made significant advances to an entity in which a Nation business entity holds a 50% interest. The valuation of these advances is subject to measurement uncertainty. See Note 6.

***Segments***

The First Nation conducts its business through 8 reportable segments (Note 16). 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, revenues and expenses 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.

***Other economic interests***

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been included in these consolidated financial statements.



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**3. Restricted cash**

	<b>2020</b>	<b>2019</b>
New school project - 60 day Guaranteed Investment Certificate	6,500,000	-
New school project	1,816,591	8,459,641
CMHC replacement reserve	591,771	432,154
CMHC operating reserve	484,552	411,522
Lagoon upgrade project	164,373	233,352
Sewage pump project	31,757	55,090
Band development	-	46,196
Wind energy project	-	3,499
	<b>9,589,044</b>	9,641,454

**4. Accounts receivable**

	<b>2020</b>	<b>2019</b>
Moosomin 1909 Surrender Trust	1,219,705	180,266
Land leases	128,299	-
Canada Mortgage and Housing Corporation	65,553	44,047
Members	65,258	242,783
Other	62,381	67,007
Battlefords Agency Tribal Chiefs Inc.	30,695	116,100
Health Canada	23,330	35,000
SITAG	16,848	16,848
	<b>1,612,069</b>	702,051
Less: Allowance for doubtful accounts	77,875	245,858
	<b>1,534,194</b>	456,193

The Members of Moosomin First Nation are the beneficiaries of Moosomin 1909 Surrender Trust. The First Nation is a member of Battlefords Agency Tribal Chiefs Inc.

**5. Portfolio investments**

	<b>2020</b>	<b>2019</b>
BATC Investments Ltd. - 10 Class A common shares - 20% ownership	10	10
BATC Investments Limited Partnership - 1,000 units - 20% ownership	1,000	1,000
BATC Land Holdings Ltd. - 25 Class A common shares - 20% ownership	1	1
	<b>1,011</b>	1,011



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**6. Investment in Nation business entity**

The First Nation has an investment in the following entity:

	<b>2019</b>	<b>Contributions</b>	<b>Withdrawals</b>	<b>Share of loss</b>	<b>2020</b>
<b>Moosomin First Nation Economic Development Company Limited Partnership</b>	<b>4,509,609</b>	<b>144,866</b>	<b>(4,006,259)</b>	<b>(844,968)</b>	<b>(196,752)</b>

Summary financial information for the First Nation business entity, accounted for using the modified equity method, for its December 31, 2019 year-end is as follows:

	<i>As at December 31, 2019</i>
<b>Assets</b>	
Current	106,681
Investment in WAT	(508,340)
Dividends receivable from WAT	200,000
Property, plant and equipment	9,445
<b>Total assets</b>	<b>(192,214)</b>
<b>Liabilities</b>	
Current	4,538
<b>Total liabilities</b>	<b>4,538</b>
<b>Net assets</b>	<b>(196,752)</b>
<b>Total revenue</b>	973,666
<b>Total expenses</b>	1,818,634
<b>Net loss</b>	<b>(844,968)</b>

**Due from Western Alliance Tubulars Inc.**

In previous years Moosomin First Nation contributed \$4,057,215 to its business entity. These contributions were financed through a revolving loan (see Note 9).

The business entity advanced the majority of these contributions to Western Alliance Tubulars Inc. (the "Company"), an investee in which it holds a 50% interest. The advances were to assist the Company to finance its accounts receivables and inventory. The advances are unsecured, with no fixed terms for repayment.

At March 31, 2019 the balances due to the Nation's business entity were \$4,006,259 for advances and interest receivable. During 2020, the amount due from the Company of \$4,006,259 was transferred to the First Nation. The Company made payments to the First Nation during the year of \$559,292. At March 31, 2020 the amount due from the Company was \$3,646,967 (2019 - \$4,206,259), which includes \$200,000 from the Company (2019 - \$200,000) for dividends due to the business entity. Since year-end the First Nation received \$636,000 from the Company on the outstanding balance.

The Company supplies and manufactures products for the oil and gas industry. The assessment of the collectability of the advances to the Company requires management to make a number of significant estimates and assumptions, taking into consideration the information available about the Company's collections of outstanding receivables and insurance claims and its expected future sales. These estimates and assumptions include expected future economic performance and its effect on demand, foreign exchange rates, and collectability accounts receivables; the potential for tariffs to affect sources of supply and markets for finished products; timing of settlement of insurance claim; demand changes and uncertainty in the oil industry due to fluctuations in oil prices; potential impacts of environmental activism, etc.

The Company also has an outstanding insurance claim relating to salt water damage that occurred during a shipment of inventory from Asia. For its September 30, 2019 year-end, the Company wrote down \$1,240,605 of damaged inventory. However, due to uncertainty regarding the amount of the claim and timing of the settlement the insurance claim will not be recorded and recognized in income until the claim is settled.

If it is determined that the First Nation is unlikely to recover the full amount of advances made, an appropriate allowance for uncollectable amounts will be recorded. At March 31, 2020 no allowance has been made.



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**7. Funds held in Ottawa Trust Fund**

Revenue Trust monies are transferred to the First Nation on the authorization of Chief and Council, with the consent of the Minister of Indigenous Services Canada.

	<b>2020</b>	<b>2019</b>
<b>Revenue Trust</b>		
Balance, beginning of year	208,027	24,100
Interest	4,389	1,897
Land leases	551,328	442,030
	763,744	468,027
Less: Transfers to Nation	281,000	260,000
	482,744	208,027

**8. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Beginning balance</i>	<i>Contributions received (transfers to other projects)</i>	<i>Contributions utilized (repaid)</i>	<i>Ending balance</i>
ISC - New school	8,459,112	114,775	257,296	8,316,591
Specific Claims - minors	230,190	-	34,580	195,610
ISC - Moosomin Saulteaux Lagoon	192,034	3,378	31,039	164,373
ISC - Sewage Pumping Station	31,031	726	-	31,757
CMHC Youth Intern	-	18,225	-	18,225
ISC - 10 units 18-19	270,626	-	270,626	-
ISC - Fire Truck and Fire Hall	24,060	(726)	23,334	-
ISC - Wind Energy	3,498	16	3,514	-
	<b>9,210,551</b>	<b>136,394</b>	<b>620,389</b>	<b>8,726,556</b>



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**9. Long-term debt**

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

Phase	<i>Monthly payment including interest</i>	Interest rate	Renewal date	2020	2019
I	1,851	1.12%	1-May-2020	<b>123,653</b>	144,357
II	1,477	1.67%	1-Jul-2024	<b>145,486</b>	160,580
III	3,893	1.31%	1-Dec-2021	<b>301,650</b>	344,110
IV	2,714	1.85%	1-May-2020	<b>276,738</b>	303,915
V	6,033	1.14%	1-Jun-2021	<b>758,820</b>	822,171
VI	8,420	1.13%	1-Jul-2021	<b>1,074,464</b>	1,162,815
VII	3,442	1.86%	1-Aug-2022	<b>457,787</b>	490,257
VIII	7,021	1.97%	1-Dec-2022	<b>949,664</b>	1,014,544
IX	8,916	2.22%	1-Jan-2024	<b>1,274,198</b>	1,352,032
X	7,791	1.73%	1-Aug-2024	<b>1,283,254</b>	-
				<b>6,645,714</b>	5,794,781
Innovation Credit Union revolving loan (up to \$4,000,000 authorized), repayable in quarterly instalments of \$136,470 including interest at 4.95% (2019 - 6.45%) (Innovation Credit Union Prime plus 2.5%), maturing December 2028, secured by general security agreement, assignment of gaming revenue, funding agreement advances and Ottawa Revenue Trust land revenue					
				<b>3,621,628</b>	3,866,886
Innovation Credit Union loan, repayable in quarterly instalments of \$55,913 including interest at 3.95%, due November 2022, secured by general security agreement					
				<b>497,013</b>	-
Catholic Diocese unsecured loan, repayable in yearly payments of \$39,800 including interest at 3%, maturing June 2021					
				<b>77,094</b>	113,489
Innovation Credit Union Western Alliance loan, repayable in quarterly instalments of \$14,151 including interest at 5.15% (2019 - 6.65%) (Innovation Credit Union Prime plus 2.7%), due April 2021, secured by property and assignment of specified revenues					
				<b>74,519</b>	112,119
Ford Finance loan, repayable in monthly instalments of \$1,388 including interest at 6.40% maturing October 2022, secured by a school van with net book value of \$43,130					
				<b>39,524</b>	-
Ford Finance loan, repayable in monthly instalments of \$830 including interest at 7.50%, maturing November 2022, secured by a school van with net book value of \$44,444					
				<b>23,959</b>	-
Ford Finance loan, repayable in monthly instalments of \$944 including interest at 6.25%, maturing June 2022, secured by a garbage truck with net book value of \$23,854					
				<b>23,715</b>	33,222
Innovation Credit Union consolidation loan - repaid during the year					
				<b>-</b>	333,898
				<b>11,003,166</b>	10,254,395
Less: current portion					
				<b>1,599,690</b>	1,002,795
				<b>9,403,476</b>	9,251,600



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

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

2021	1,599,690
2022	1,196,517
2023	1,077,532
2024	955,190
2025	978,144



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**10. Tangible capital assets**

**For the year ended March 31, 2020**

	Cost			Accumulated Amortization			2020
	Opening balance	Disposals	Ending balance	Opening balance	Current amortization	Disposals	
	Additions and Transfers					Ending balance	Net book value
Arena	2,655,571	-	2,655,571	1,859,767	39,790	-	1,899,557
Equipment	2,815,088	630,986	3,446,074	2,405,019	181,389	-	2,586,408
Housing	16,515,889	949,661	1,324,655	6,217,473	889,871	-	7,107,344
Infrastructure	21,293,523	70,371	5,870,233	8,665,185	926,688	-	9,591,873
Assets under construction	12,429,691	257,297	(9,151,919)	3,535,069	-	-	-
Purchased land	17,019,849	-	17,019,849	-	-	-	17,019,849
	72,729,611	1,908,315	(1,957,031)	72,680,895	19,147,444	2,037,738	-
						21,185,182	51,495,713

**For the year ended March 31, 2019**

	Cost			Accumulated Amortization			2019
	Opening balance	Disposals	Ending balance	Opening balance	Current amortization	Disposals	
	Additions and Transfers					Ending balance	Net book value
Arena	2,655,571	-	2,655,571	1,817,883	41,884	-	1,859,767
Equipment	2,815,088	-	2,815,088	2,268,330	136,689	-	2,405,019
Housing	15,140,669	1,375,220	16,515,889	5,429,158	788,315	-	6,217,473
Infrastructure	19,488,300	-	1,805,223	21,293,523	8,000,536	664,649	8,665,185
Assets under construction	10,266,755	3,968,159	(1,805,223)	12,429,691	-	-	-
Purchased land	17,019,849	-	17,019,849	-	-	-	17,019,849
	67,386,232	5,343,379	-	72,729,611	17,515,907	1,631,537	-
						19,147,444	53,582,167

Included in disposals and transfers is \$1,957,031 relating to costs incurred for a Sewage Pumping Station. The amount has been presented as a contribution to Saulteaux First Nation on the consolidated statement of operations as the Sewage Pumping Station is located on Saulteaux First Nation and they are responsible for its maintenance and operating costs.



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**11. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2020</b>	<b>2019</b>
Operating	2,205,427	(1,812,624)
Capital assets	44,183,582	47,640,675
Commercial	(445,932)	530,604
CMHC operating reserve	408,151	385,888
CMHC replacement reserve	652,631	568,159
Ottawa Trust Fund	482,744	208,027
	<hr/> <b>47,486,603</b>	<hr/> <b>47,520,729</b>

**12. Budget information**

The disclosed budget information was approved by Chief and Council in May 2019. The First Nation did not budget for SITAG, CMHC or capital projects. Budgets for capital projects are prepared as applications for funding are submitted. The approved budget included principal payments of long-term debt payments as expenses of \$700,000. Capital purchases of \$1,327,555 were also included in the approved budget. These payments have been adjusted to conform to presentation under Canadian public sector accounting standards. As a result the consolidated budgeted annual surplus (deficit) changed from a deficit of \$28,739 to a surplus of \$1,998,816.

**13. Funds and reserves**

The Moosomin First Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration.
- Capital Asset Fund reports on the capital assets and projects of the First Nation.
- Commercial Fund reports on commercial business operations owned by the First Nation.
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under the Program.
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses.
- Ottawa Trust Fund reports on trust moneys owned by the First Nation and held by the Government of Canada.

**14. Contingent liabilities**

- a) The First Nation has obtained legal counsel to represent them in various claims against the Government of Canada. Fees relating to these claims have not been invoiced. It is expected that any fees relating to these claims will be invoiced when the claim is resolved and will be paid from settlement proceeds.
- b) These consolidated financial statements are subject to review by the First Nation's funders. It is possible that adjustments could be made based on the results of their reviews.

**15. Economic dependence**

Moosomin First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with Her Majesty the Queen. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.



**Moosomin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**16. Segments**

The First Nation has 8 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

- Band Government - includes administration and governance activities.
- Band Based Capital - reports on repairs and maintenance of infrastructure.
- Major Capital - reports on major capital projects.
- Community Infrastructure - includes operations for the maintenance of the Nation's buildings and infrastructure.
- Education - includes the operations of education programs.
- Other - reports on operations of other programs.
- CMHC Rental Housing - reports on Canada Mortgage and Housing Corporation rental housing.
- Specific Land Claims - provides for the management of a specific land claims trust and the annual income allocation to the First Nation.

**17. Indigenous Services Canada Reconciliation**

ISC funding per confirmation	9,806,024
Add: Deferred revenue, beginning	8,980,362
Deduct: Deferred revenue, ending	(8,512,722)
Deduct: Funding recovered	(46,730)
<hr/>	
	10,226,934

**18. Significant event**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on the First Nation due to restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations, and isolation/quarantine orders. The First Nation has been impacted by office closures, travel restrictions, cancellation of events and increased costs of compliance with other guidelines and regulation.

It is expected that future funding from First Nations Trust and BATC Community Development Corporation will be negatively impacted by the pandemic due to the temporary closure of SIGA casinos. Revenues from Moosomin 1909 Surrender Trust may also be impacted due to volatility in the financial markets. Supply chain disruptions and changes in demand for oil may also impact the performance of government business entities and the ability to collect outstanding amounts due from Western Alliance Tubulars Inc. Funding has been received to cover some of the additional costs associated with the pandemic.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation 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 duration of the outbreak, including the duration of travel restrictions, and quarantine/isolation measures that are currently, or may be put, in place to fight the virus.

**19. Comparative figures**

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



**Moosomin First Nation**  
**- Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
Salaries and benefits	3,817,836	3,719,032
Amortization of tangible capital assets	2,037,738	1,631,537
Student	1,653,263	831,293
Contracted services	1,134,122	996,266
Repairs and maintenance	943,426	1,308,692
Member assistance	801,364	820,236
Travel, meetings and honoraria	620,276	616,804
Supplies	514,623	279,982
Professional fees	501,467	370,587
Interest on long-term debt	381,010	307,499
Utilities	311,554	244,236
Workshops and training	223,419	188,001
Insurance	155,871	222,326
Band contribution for CMHC rent	139,540	109,000
Other	123,307	246,664
Administration	100,917	64,338
Cultural	62,605	115,000
Bank charges and interest	28,250	22,406
Bad debts	-	40,000
	<b>13,550,588</b>	<b>12,133,899</b>



**Moosomin First Nation**  
**Band Government**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Indigenous Services Canada	1,433,111	1,231,349
Other	100,806	29,887
Battle River Treaty 6 Health Centre Inc.	5,000	-
Treaty 6 Education	-	740
	<b>1,538,917</b>	1,261,976
<b>Expenses</b>		
Salaries and benefits	499,026	504,951
Professional fees	266,236	249,088
Student	177,344	-
Travel, meetings and honoraria	81,216	50,253
Supplies	60,376	36,054
Contracted services	54,620	65,099
Member assistance	40,155	-
Workshops and training	31,977	11,166
Utilities	15,495	12,895
Repairs and maintenance	9,008	7,723
Bank charges and interest	8,872	8,020
Other	4,704	-
Administration	-	11,200
	<b>1,249,029</b>	956,449
<b>Annual surplus before transfers</b>	<b>289,888</b>	305,527
<b>Transfers between programs</b>	<b>93,000</b>	(10,000)
<b>Annual surplus</b>	<b>382,888</b>	295,527



**Moosomin First Nation**  
**Band Based Capital**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Indigenous Services Canada	<b>1,663,021</b>	740,769
<b>Expenses</b>		
Repairs and maintenance	565,049	645,263
Insurance	40,030	97,176
Administration	40,000	-
Salaries and benefits	36,000	-
Travel, meetings and honoraria	3,900	-
	<b>684,979</b>	742,439
<b>Annual surplus (deficit)</b>	<b>978,042</b>	(1,670)



**Moosomin First Nation**  
**Major Capital**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Indigenous Services Canada	197,014	2,685,311
Interest	118,194	27,639
Other	39,331	44,884
	<b>354,539</b>	2,757,834
<b>Expenses</b>		
Repairs and maintenance	3,540	79,443
Travel, meetings and honoraria	1,946	11,457
Workshops and training	-	1,844
Professional fees	-	8,302
	<b>5,486</b>	101,046
<b>Surplus before other expense</b>	<b>349,053</b>	2,656,788
<b>Other expense</b>		
Contribution to Saulteaux First Nation - sewage pumping station (Note 10)	(1,957,031)	-
<b>Annual surplus (deficit) before transfers</b>	<b>(1,607,978)</b>	2,656,788
<b>Transfers between programs</b>	<b>-</b>	10,000
<b>Annual surplus (deficit)</b>	<b>(1,607,978)</b>	2,666,788



**Moosomin First Nation**  
**Community Infrastructure**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Indigenous Services Canada	429,387	403,837
Other	2,350	10,000
Battlefords Agency Tribal Chiefs Inc.	-	3,515
	<b>431,737</b>	417,352
<b>Expenses</b>		
Amortization of tangible capital assets	1,364,679	1,053,137
Contracted services	153,738	164,334
Repairs and maintenance	122,800	107,215
Utilities	97,496	107,206
Salaries and benefits	82,724	78,906
Supplies	13,698	9,358
Travel, meetings and honoraria	4,029	6,679
Workshops and training	-	597
	<b>1,839,164</b>	1,527,432
<b>Annual deficit</b>	<b>(1,407,427)</b>	(1,110,080)



**Moosomin First Nation**  
**Education**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Indigenous Services Canada	6,171,851	3,757,571
Other	-	5,100
Treaty 6 Education	-	348,006
	<b>6,171,851</b>	4,110,677
 <b>Expenses</b>		
Salaries and benefits	2,520,173	2,445,475
Student	1,417,476	605,517
Contracted services	530,800	345,786
Supplies	352,266	200,393
Professional fees	124,285	19,206
Utilities	84,309	76,468
Travel, meetings and honoraria	76,000	56,942
Cultural	62,605	-
Workshops and training	44,229	24,775
Repairs and maintenance	43,973	46,436
Amortization of tangible capital assets	6,349	-
Bank charges and interest	4,325	-
Interest on long-term debt	1,171	-
Insurance	1,026	-
	<b>5,268,987</b>	3,820,998
 <b>Annual surplus</b>	<b>902,864</b>	289,679



**Moosomin First Nation**  
**Other**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Indigenous Services Canada	332,550	160,050
Other	633,789	644,886
First Nations Trust	591,361	583,313
Revenue trust funds	555,717	443,927
Battlefords Agency Tribal Chiefs Inc.	336,463	160,688
Rental	291,551	375,977
SITAG	179,464	143,326
Battle River Treaty 6 Health Centre Inc.	154,906	162,321
Earnings (loss) from investment in Nation business entity	(844,968)	272,693
	2,230,833	2,947,181
<b>Expenses</b>		
Contracted services	344,001	296,642
Interest on long-term debt	264,251	186,833
Member assistance	180,485	75,702
Salaries and benefits	174,868	173,549
Workshops and training	146,602	142,528
Other	118,512	246,664
Utilities	83,639	12,309
Repairs and maintenance	54,505	114,076
Supplies	52,910	4,819
Travel, meetings and honoraria	43,931	73,164
Insurance	27,758	7,869
Administration	11,617	11,573
Professional fees	8,136	7,702
Bank charges and interest	676	933
Cultural	-	115,000
	1,511,891	1,469,363
<b>Annual surplus before transfers</b>	<b>718,942</b>	<b>1,477,818</b>
<b>Transfers between programs</b>	<b>(723,110)</b>	<b>(652,336)</b>
<b>Annual surplus</b>	<b>(4,168)</b>	<b>825,482</b>



**Moosomin First Nation**  
**CMHC Rental Housing**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Canada Mortgage and Housing Corporation	641,149	562,994
Rental	281,960	243,285
Other	49,300	-
	<b>972,409</b>	806,279
<b>Expenses</b>		
Amortization of tangible capital assets	666,710	578,400
Band contribution for CMHC rent	139,540	-
Interest on long-term debt	112,639	115,321
Repairs and maintenance	56,405	121,342
Insurance	54,649	52,768
Salaries and benefits	50,655	49,475
Administration	49,300	41,565
Professional fees	13,483	10,597
Travel, meetings and honoraria	5,268	3,476
Utilities	900	450
	<b>1,149,549</b>	973,394
<b>Annual deficit</b>	<b>(177,140)</b>	(167,115)



**Moosomin First Nation**  
**Specific Land Claims**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Specific Land Claims Trust	1,829,715	758,592
Other	271,771	272,443
Battlefords Agency Tribal Chiefs Inc.	8,200	12,994
Battle River Treaty 6 Health Centre Inc.	500	-
	<b>2,110,186</b>	1,044,029
<b>Expenses</b>		
Member assistance	580,724	744,534
Salaries and benefits	454,390	466,676
Travel, meetings and honoraria	403,986	414,833
Professional fees	89,327	75,692
Repairs and maintenance	88,146	187,194
Student	58,443	225,776
Contracted services	50,963	124,405
Supplies	35,373	29,358
Insurance	32,408	64,513
Utilities	29,715	34,908
Bank charges and interest	14,377	13,453
Interest on long-term debt	2,949	5,345
Workshops and training	611	7,091
Other	91	-
Band contribution for CMHC rent	-	109,000
Bad debts	-	40,000
	<b>1,841,503</b>	2,542,778
<b>Annual deficit before transfers</b>	<b>268,683</b>	(1,498,749)
<b>Transfers between programs</b>	<b>630,110</b>	652,336
<b>Annual surplus (deficit)</b>	<b>898,793</b>	(846,413)