

**Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Financial Statements
March 31, 2020**

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Financial Statements
March 31, 2020

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Mosquito, Grizzly Bear's Head, Lean Man First Nation

Management's Responsibility for Financial Reporting

March 31, 2020

To the Members of Mosquito, Grizzly Bear's Head, Lean Man First Nation:

The accompanying consolidated financial statements of Mosquito, Grizzly Bear's Head, Lean Man First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting 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 is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Chalupiak & Associates CPA Professional Corporation, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members; 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.

On behalf of Mosquito, Grizzly Bear's Head, Lean Man First Nation:

Signature on file

December 17, 2020

Mosquito, Grizzly Bear's Head,
Lean Man First Nation

Date



Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants

3261 Saskatchewan Drive

Regina, Saskatchewan S4T 6S4

Phone: 306-359-3711 Fax: 306-569-3030

Independent Auditors' Report

To the Members of

Mosquito, Grizzly Bear's Head, Lean Man First Nation

Opinion

We have audited the consolidated financial statements of Mosquito, Grizzly Bear's Head, Lean Man First Nation, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, accumulated surplus, 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 the First Nation as at March 31, 2020, and the results of its consolidated operations, its changes in its consolidated 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 Auditors' 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.

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

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

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

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

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 Group 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.
- ◆ 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.

Regina, Saskatchewan
January 18, 2021

Chalupiak & Associates
Chartered Professional Accountants

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Financial Position
March 31, 2020

	2020	2019
Financial Assets		
Cash (Note 3)	\$ 41,794	\$ 526,418
Restricted cash - capital projects (Note 3)	137,312	130,025
Restricted cash - CMHC reserves (Note 3)	375,503	371,647
Restricted cash - other (Note 3)	1,355,356	2,682,304
Trust funds held by federal government (Notes 3 and 4)	80,237	169,812
Accounts receivable (Note 5)	141,904	182,941
Portfolio investment (Note 6)	50,000	50,000
Investment in government business enterprises (Notes 7 and 8)	931,900	8,533
Due from related parties (Note 9)	4,984	11,681
	<hr/> 3,118,990	<hr/> 4,133,361
Liabilities		
Accounts payable (Note 10)	1,384,024	984,059
Deferred revenue - unexpended funds - ISC (Note 11)	417,827	313,053
Deferred revenue - unexpended funds - other (Note 12)	11,168	-
Deferred revenue (Note 13)	1,588,941	2,328,650
Current portion of long-term debt (Note 14)	108,054	22,501
Current portion of CMHC mortgages (Note 15)	59,178	70,057
Long-term debt (Note 14)	4,130,404	2,920,753
CMHC mortgages (Note 15)	282,665	259,508
	<hr/> 7,982,261	<hr/> 6,898,581
Net debt	<hr/> (4,863,271)	<hr/> (2,765,220)
Non-financial Assets		
Capital assets (Note 16)	17,428,682	17,076,739
Prepaid expenses (Note 17)	14,167	39,600
	<hr/> 17,442,849	<hr/> 17,116,339
Accumulated Surplus (Note 18)	<hr/> \$ 12,579,578	<hr/> \$ 14,351,119

Approved on behalf of the Mosquito, Grizzly Bear's Head, Lean Man First Nation:

Signature on file _____, **Chief**

Signature on file _____, **Councilor**

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada	\$ 6,751,896	\$ 6,894,883	\$ 12,052,099
ISC - First Nations & Inuit Health Branch (FNIHB)	122,600	182,500	159,687
Funds earned and held in trust by federal government	609,621	610,450	503,872
CMHC	370,228	88,198	348,807
CMHC rental income	115,557	72,227	127,709
First Nations Trust	488,000	430,737	422,946
Battle River Treaty 6 Health Centre Inc.	10,000	9,925	123,443
BATC Community Development Corporation	188,541	187,200	70,625
Saskatchewan Government	110,000	93,075	106,752
Saskatchewan Indian Training Assessment Group (SITAG)	128,157	134,498	61,638
Equity change in corporations	-	923,367	38,702
Treaty Six Education Council	-	24,342	-
Other revenue	342,049	579,323	597,524
Administration fees - internal allocation	-	279,367	239,531
Unexpended funds transferred - prior year	-	350,387	380,035
Deferred revenue - prior year	-	2,328,650	54,484
Deferred revenue - current year	-	(1,588,941)	(2,328,650)
	9,236,649	11,600,188	12,959,204
Expenses			
Claims and Indian Government (Schedule 1)	41,700	1,775,518	3,011,646
Community Development (Schedule 2)	1,390,598	786,015	678,548
Education (Schedule 3)	2,792,019	2,970,871	2,596,669
Indian Government Support (Schedule 4)	994,081	1,346,585	952,412
Land Management (Schedule 5)	124,369	139,530	151,089
Social Development (Schedule 6)	1,930,584	1,833,736	1,979,341
Indian Registration (Schedule 7)	10,597	11,318	10,747
Health (Schedule 8)	127,600	127,714	233,273
CMHC Operations (Schedule 9)	487,285	236,697	297,404
Other Band Programs (Schedule 10)	1,211,962	2,571,905	908,163
Depreciation (Schedule 11)	-	1,142,842	1,073,552
	9,110,795	12,942,731	11,892,844
Current surplus (deficit) before unexpended transfers	125,854	(1,342,543)	1,066,360
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(428,995)	(313,053)
Current surplus (deficit)	\$ 125,854	\$ (1,771,538)	\$ 753,307

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2020

	2020	2019
Surplus at beginning of year	\$ 14,351,119	\$ 13,597,812
Current surplus (deficit)	<u>(1,771,538)</u>	<u>753,307</u>
Surplus at end of year	<u>\$ 12,579,581</u>	<u>\$ 14,351,119</u>

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<u>Current surplus (deficit)</u>	\$ 125,854	\$ (1,771,538)	\$ 753,307
Acquisition of tangible capital assets	-	(1,494,789)	(60,711)
Depreciation of tangible capital assets	-	1,142,843	1,073,552
	-	(351,946)	1,012,841
Acquisition of prepaid asset	-	(14,167)	(39,600)
Use of prepaid asset	-	39,600	27,600
	-	25,433	(12,000)
Increase in net financial assets	125,854	(2,098,051)	1,754,148
Net debt at beginning of year	(2,765,220)	(2,765,220)	(4,519,368)
Net debt at end of year	\$ (2,639,366)	\$ (4,863,271)	\$ (2,765,220)

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash flows from		
Operating activities		
Current surplus (deficit)	\$ (1,771,538)	\$ 753,307
Items not affecting cash		
Depreciation	1,142,843	1,073,552
Loss (earnings) from investment in business partnerships	332,817	-
Loss (earnings) from investment in incorporated businesses	8,050	6,082
	<hr/>	<hr/>
	(287,828)	1,832,941
Change in non-cash operating working capital		
Accounts receivable	41,037	(1,179)
Prepaid expenses	25,433	(12,000)
Accounts payable	399,961	(30,969)
Deferred revenue - unexpended funds - ISC	104,774	(33,048)
Deferred revenue - unexpended funds - other	11,168	-
Deferred revenue	(739,709)	2,274,166
Due to related parties	6,697	(11,681)
Restricted cash - other	1,326,948	(2,629,951)
	<hr/>	<hr/>
	888,481	1,388,279
Capital activities		
Acquisition of capital assets	(1,494,785)	(60,710)
Financing activities		
Long-term debt - repayment	(35,414)	(1,511,683)
Long-term debt - proceeds	1,330,618	1,384,455
CMHC mortgages - repayment	(69,847)	(103,478)
CMHC mortgages - proceeds	82,125	-
	<hr/>	<hr/>
	1,307,482	(230,706)
Investing activities		
Restricted cash - CMHC	(3,856)	(286,208)
Restricted cash - Trust funds held by federal government	89,575	(84,876)
Contributions to limited partnerships	(1,248,000)	-
Contributions to incorporated business entities	(16,234)	(44,784)
	<hr/>	<hr/>
	(1,178,515)	(415,868)
Increase in cash and cash equivalents	(477,337)	680,995
Cash and cash equivalents, beginning of year	656,443	(24,552)
Cash and cash equivalents, end of year	\$ 179,106	\$ 656,443
Represented by		
Cash	\$ 41,794	\$ 526,418
Restricted cash - capital projects	137,312	130,025
	<hr/>	<hr/>
	\$ 179,106	\$ 656,443

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2020

1. General

Mosquito, Grizzly Bear's Head, Lean Man First Nation ("the First Nation") is located in the province of Saskatchewan and provides services to its members. These financial statements include the First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation. These financial statements do not include the Treaty Land Entitlement (TLE) Trust which is governed and controlled by appointed trustees.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board.

(a) Reporting entity

The Mosquito, Grizzly Bear's Head, Lean Man First Nation reporting entity includes the Mosquito, Grizzly Bear's Head, Lean Man First Nation government and all related entities that are controlled by the First Nation.

(b) 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 statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Mosquito, Grizzly Bear's Head, Lean Man 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 Mosquito, Grizzly Bear's Head, Lean Man First Nation.

Organizations accounted for on a modified equity basis include:

Mosquito Daycare Center Inc.

Mosquito Grizzly Bear's Head Lean Man TLE Makah Holding Corp.

Mosquito Grizzly Bear's Head Lean Man First Nation Economic Development Company LP

Mosquito Grizzly Bear's Head Lean Man First Nation Economic Development Company Ltd

(c) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to 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 assets, prepaid expenses and inventory of supplies.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

2. Basis of presentation and significant accounting policies, continued

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial assets is determined by its financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(f) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts 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.

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

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

2. Basis of presentation and significant accounting policies, continued

(g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overheads directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Mosquito, Grizzly Bear's Head, Lean Man First Nation's incremental cost of borrowing.

Depreciation is provided for on a straight-line basis over their estimated useful lives.

Buildings	20 years Straight line
Automotive equipment	5 years Straight line
Office equipment	3-5 years Straight line
Machinery & equipment	5-10 years Straight line
CMHC housing	25 years Straight line
Housing	20-25 years Straight line
Infrastructure	20-40 years Straight line
Land Improvement	15 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Mosquito, Grizzly Bear's Head, Lean Man First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Assets under construction are not amortized until the asset is available to be put into service.

(h) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

(i) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

2. Basis of presentation and significant accounting policies, continued

(j) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(k) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees - internal allocation"

(l) Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with Government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

(m) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(n) Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Mosquito, Grizzly Bear's Head, Lean Man First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2020	2019
Unrestricted cash (Bank indebtedness)		
Health operations	\$ 42,979	\$ (6,696)
CMHC operations	22,533	206,586
General operations	(21,475)	299,111
Land claims	(22,423)	7,015
Lawyers' Trust accounts	20,180	20,402
	<hr/> 41,794	<hr/> 526,418
Restricted cash - capital projects		
Multiplex	-	32,110
Water treatment plant	(5)	63,180
Solid waste transfer station	37,283	35
Band office/health clinic rebuild	27	34,700
Lagoon & SPS Assessment	100,007	-
	<hr/> 137,312	<hr/> 130,025
Restricted cash - CMHC reserves		
Replacement reserve	323,762	320,620
Replacement reserve term deposits	51,741	51,027
	<hr/> 375,503	<hr/> 371,647
Restricted cash - trust funds held by federal government		
Revenue	80,237	169,812
Restricted cash - other		
Lawyers' Trust - Maurice Law - settlement claims	275,788	312,149
Per Capita Distribution	41,856	16,734
Annuity Accounts	1,037,712	2,353,421
	<hr/> 1,355,356	<hr/> 2,682,304
Total cash and cash equivalents	\$ 1,990,202	\$ 3,880,206

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

3. Cash and cash equivalents, continued

The First Nation has an approved overdraft of \$150,000 on the general and \$100,000 on the education account held with Innovation Credit Union. The overdraft on the general account bears interest at 4.7% and the overdraft on the education account bears interest at 4.7%; the unauthorized overdraft interest rate on all accounts is 19.80%. On March 31, 2020 the First Nation had issued cheques in excess of deposits totaling \$10,953 (2019 - \$nil).

The First Nation also has an approved overdraft of \$50,000 with the Royal Bank of Canada (RBC) bearing interest at prime + 5.0%. On March 31, 2020 the First Nation had issued cheques in excess of deposits totaling \$nil (2019 - \$6,696).

4. Trust funds held by federal government

The Trust funds held by federal government arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. The management of these funds are primarily governed by the Sections 63 to 69 of the Indian Act.

	2020 Revenue	2020 Capital	2020 Total	2019 Total
Surplus, beginning of year	\$ 169,813	\$ -	\$ 169,813	\$ 84,936
Withdrawals	(700,026)	-	(700,026)	(418,996)
Lease revenue	605,460	-	605,460	501,160
Interest earnings	4,990	-	4,990	2,712
Surplus, end of year	<u>\$ 80,237</u>	<u>\$ -</u>	<u>\$ 80,237</u>	<u>\$ 169,812</u>

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

5. Accounts receivable

	2020	2019
Due from members		
Advances - band	\$ 31,943	\$ 13,292
Advances - health	9,275	9,275
Advances - social development	5,603	4,806
	<hr/> 46,821	<hr/> 27,373
Due from others		
Centre of Excellence	-	11,760
GST receivable	3,363	13,325
PST receivable	-	3,835
Battleford River Treaty 6 Health Centre Inc.	-	78,687
Battleford Agency Tribal Chiefs (BATC)	40,043	3,468
Others	62,610	27,952
	<hr/> 106,016	<hr/> 139,027
Due from government and other government organizations		
Health Canada	-	25,664
CMHC	3,436	5,246
	<hr/> 3,436	<hr/> 30,910
Allowance for doubtful accounts	156,273 (14,369)	197,310 (14,369)
	<hr/> \$ 141,904	<hr/> \$ 182,941

6. Portfolio investments

The following investment is held through Battleford Tribal Council. We have not been able to verify the existence or value of this investment; no adjustment has been made.

	2020	2019
Avord Towers	<hr/> \$ 50,000	<hr/> \$ 50,000

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

7. Investment in government business enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

For presentation purposes we have abbreviated the names of the business enterprises as follows:

Mosquito Grizzly Bear's Head Lean Man TLE Makah Holding Corp
 (MGBHLM TLE Makah Holding Corp)

Mosquito - Grizzly Bear's Head - Lean Man First Nation Economic Development Company Limited Partnership
 (MGBHLM Ec Dev LP)

Mosquito - Grizzly Bear's Head - Lean Man First Nation Economic Development Company Ltd - (MGBHLM Ec Dev Ltd)

	2020	2019
Mosquito Daycare Centre Inc. - 100%	\$ (13,139)	\$ (13,139)
MGBHLM TLE Makah Holding Corp - 100%	31,389	21,672
MGBHLM Ec Dev LP - 99.999%	915,183	-
<u>MGBHLM Ec Dev Ltd - 0.001%</u>	<u>(1,533)</u>	<u>-</u>
	<u>\$ 931,900</u>	<u>\$ 8,533</u>

	Investment, beginning of year	Contributions/ Purchases	Withdrawals	Undistributed earnings (loss)	Investment, end of year
Mosquito Daycare Centre Inc.	\$ (13,139)	\$ -	\$ -	\$ -	\$ (13,139)
MGBHLM TLE Makah Holding Corp	21,672	16,234	-	(6,517)	31,389
MGBHLM Ec Dev LP	-	1,248,000	-	(332,817)	915,183
<u>MGBHLM Ec Dev Ltd</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,533)</u>	<u>(1,533)</u>
	<u>\$ 8,533</u>	<u>\$ 1,264,234</u>	<u>\$ -</u>	<u>\$ (340,867)</u>	<u>\$ 931,900</u>

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

8. Investment in government business enterprises

The financial summary of the activities of the investments is as follows:

	Mosquito	TLE Makah	MGBHLM Ec		2020 Total	2019 Total
	Daycare Centre Inc.	Holding Corp	Dev LP & Ltd			
	June 30, 2017	December 31, 2019	December 31, 2019			
Cash	\$ 1,519	\$ -	\$ 366,060	\$ 367,579	\$ 3,720	
Accounts receivable	-	-	20,836	20,836	-	
Prepaid expenses	-	-	20,000	20,000	-	
Due from related parties	-	40,014	7,103	47,117	31,426	
Tangible capital assets	3,420	-	1,168,891	1,172,311	3,420	
Total assets	\$ 4,939	\$ 40,014	\$ 1,582,890	\$ 1,627,843	\$ 38,566	

Bank indebtedness	\$ 18,078	\$ -	\$ -	\$ 18,078	\$ 18,078
Accounts payable & accrued liabilities	-	8,625	69,240	77,865	11,955
Long term debt	-	-	600,000	600,000	-
Reserve for investment losses	-	-	33	33	-
Total liabilities	18,078	8,625	669,273	695,976	30,033
Equity	(13,139)	31,389	913,617	931,867	8,533
Total liabilities and equity	\$ 4,939	\$ 40,014	\$ 1,582,890	\$ 1,627,843	\$ 38,566

	Mosquito	TLE Makah	MGBHLM Ec		2020 Total	2019 Total
	Daycare Centre Inc.	Holding Corp	Dev LP & Ltd			
	June 30, 2017	December 31, 2019	December 31, 2019			
Revenue	\$ -	\$ 8,100	\$ 58,552	\$ 66,652	\$ 6,000	
	-	8,100	58,552	66,652	6,000	
Expenses	-	14,617	392,902	407,519	13,433	
Contributions from the First Nation	-	(16,234)	-	(16,234)	(44,784)	
Total expenses	-	(1,617)	392,902	391,285	(31,351)	
Net income	\$ -	\$ 9,717	\$ (334,350)	\$ (324,633)	\$ 37,351	

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

8. Investment in government business enterprises, continued

The 2019 financial statements for Mosquito Daycare Centre Inc. were issued on January 10, 2020. The engagement was a review engagement and the auditor was unable to obtain sufficient, appropriate audit evidence to form a conclusion on the financial statements. After a review of the 2019 Mosquito Daycare Centre Inc. statements, it was determined that no change in equity would be recorded for the March 31, 2020 year end as the information was unreliable.

9. Due from related parties

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties.

	2020	2019
Mosquito Daycare Centre Inc.	\$ -	\$ 11,681
<u>Mosquito GBHLM First Nation Economic Development Company LP</u>	<u>4,984</u>	<u>-</u>
	<u>\$ 4,984</u>	<u>\$ 11,681</u>

10. Accounts payable

	2020	2019
Due to members		
Accrued payroll	\$ 118,292	\$ -
Due to others		
Accounts payable - trade	420,136	173,880
Accounts payable - trade - CMHC	7,560	7,560
Battleford River Treaty 6 Health Centre Inc.	14,120	65,737
Western Renovations	-	314,394
Accrued interest	8,911	1,086
Maurice Law	815,005	388,093
	<u>1,265,732</u>	<u>950,750</u>
Due to government and other government organizations		
Indigenous Services Canada (ISC)	-	33,309
	<u>\$ 1,384,024</u>	<u>\$ 984,059</u>

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

11. Deferred revenue - unexpended funds - ISC

Indigenous Services Canada (ISC) funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds - ISC" on the financial statements.

	2020	2019
Law Making Governance Capacity Development	\$ -	\$ 20,000
Post Secondary	153,055	199,106
Instructional Services	-	74,882
Institutional Care Co-Pmt	7,117	-
Emergency Management Assistance - Covid-19	65,842	-
Social Assistance - Employment & Training	38,776	-
Basic Needs	14,529	-
Special Needs	79,057	-
P&ID Capacity Development	-	6,950
Planning & Risk Management	-	10,874
Indian Registry	520	1,241
IM/IT Gov Cap Dev	25	-
Leadership Gov Cap Dev	25,265	-
Gov Cap Dev - Grant Support Funding	15,959	-
Capacity Support - External Survey Boundary & Fencing	12,989	-
FIN Management Gov Cap Dev	4,693	-
	<hr/> \$ 417,827	<hr/> \$ 313,053

12. Deferred revenue - unexpended funds - other

	2020	2019
New Housing - Insurance Replacement	\$ 11,168	\$ -

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

13. Deferred revenue

	March 31, 2019	Funding received, 2020	Revenue recognized, 2020	March 31, 2020
Federal government				
Multiplex	\$ 30,089	\$ 3	\$ (30,092)	\$ -
A&C Wastewater	-	100,000	(66,225)	33,775
Core area drainage project	24,041	-	(24,041)	-
Treaty Annuity settlement	2,074,520	33,610	(1,028,563)	1,079,567
School renovations project	-	200,000	(22,781)	177,219
Solid waste transfer station	200,000	200,000	(101,620)	298,380
	\$ 2,328,650	\$ 533,613	\$ (1,273,322)	\$ 1,588,941

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

14. Long-term debt

	2020	2019
Royal Bank - Treaty 6 Benefits Specific Claim Term loan - bearing interest at prime plus 0.25%. Interest payments paid quarterly and total principle due on November 27, 2023, secured by a general security agreement, BCR and assignment of settlement trust proceeds. Further security is provided by an insurance policy guaranteeing repayment, should no settlement funds be received. The loan is approved for \$1,867,600 and drawdowns will coincide with settlement expenses incurred.	\$ 506,920	\$ 470,961
Innovation Credit Union - Grader Term Loan - bearing interest at 4.70%, monthly blended payments of \$2,073, maturing June 1, 2021, secured by equipment, a general security agreement and BCR.	29,588	51,865
Royal Bank - Surrender Claim Term loan - bearing interest at prime plus 0.25%. Interest payments paid quarterly and total principle due on August 26, 2021, secured by a general security agreement, BCR and assignment of settlement trust proceeds. Further security is provided by an insurance policy guaranteeing repayment, should no settlement funds be received. The loan is approved for \$2,988,160 and drawdowns will coincide with settlement expenses incurred.	2,863,485	2,420,428
Innovation Credit Union - 2 Vans and 2 Trucks Term loan - bearing interest at 5.50%, quarterly blended payments of \$14,392, maturing Dec 31, 2024, secured by a loan repayment agreement and a general security agreement.	222,220	-
Innovation Credit Union - Modular Homes Term loan - bearing interest at 5.25%, quarterly blended payments of \$14,028, maturing Jan 01, 2025, secured by a promissory note and a general security agreement.	580,000	-
Innovation Credit Union - Ford Transit Van Term loan - bearing interest at 5.50%, bi-weekly blended payments of \$511, maturing March 9, 2023, secured by a general security agreement.	36,245	-
<u>Current portion</u>	<u>4,238,458</u>	<u>2,943,254</u>
	108,054	22,501
	<u><u>\$ 4,130,404</u></u>	<u><u>\$ 2,920,753</u></u>

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

14. Long-term debt, continued

Principal portion of long-term debt due within the next five years:

2021	\$ 108,054
2022	2,957,786
2023	93,072
2024	592,054
<u>2025 and thereafter</u>	<u>487,492</u>
	<u><u>\$ 4,238,458</u></u>

	2020	2019
<u>Interest expense for the year on long-term debt</u>	<u>\$ 132,939</u>	<u>\$ 126,631</u>

15. CMHC mortgages

	Phase number	Renewal date	Interest rate	Monthly payment	2020	2019
Royal Bank	1	2019-06-01	2.63%	\$ 3,420	\$ -	\$ 10,227
Royal Bank	3	2024-04-01	3.12%	764	35,054	42,990
Royal Bank	4	2025-01-01	2.87%	1,519	82,257	98,010
Innovation Credit Union	5	2022-10-01	2.69%	1,579	45,565	63,242
Innovation Credit Union	6	2025-02-01	5.33%	1,810	96,843	115,096
CMHC	7			-	82,124	-
					341,843	329,565
<u>Less: Current portion</u>					<u>59,178</u>	<u>70,057</u>
					<u><u>\$ 282,665</u></u>	<u><u>\$ 259,508</u></u>

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

16. Tangible capital assets

	Cost			Accumulated depreciation			2020 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Depreciation	Balance, end of year	
Land	\$ 5,972,150	\$ -	\$ 5,972,150	\$ -	\$ -	\$ -	\$ 5,972,150
Buildings	9,182,956	-	9,182,956	6,627,878	442,291	7,070,169	2,112,787
Automotive equipment	186,225	353,878	540,103	149,455	83,032	232,487	307,616
Office equipment	105,135	1,891	107,026	76,647	12,744	89,391	17,635
Machinery & equipment	379,417	79,000	458,417	254,070	54,783	308,853	149,564
CMHC housing	3,435,094	-	3,435,094	1,814,635	233,494	2,048,129	1,386,965
Housing	3,932,405	-	3,932,405	1,274,291	177,184	1,451,475	2,480,930
Infrastructure	8,449,669	-	8,449,669	4,387,366	138,026	4,525,392	3,924,277
Land Improvement	19,318	-	19,318	1,288	1,288	2,576	16,742
Assets Under Construction	-	1,060,016	1,060,016	-	-	-	1,060,016
	\$ 31,662,369	\$ 1,494,785	\$ 33,157,154	\$ 14,585,630	\$ 1,142,842	\$ 15,728,472	\$ 17,428,682

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

16. Tangible capital assets, continued

	Balance, beginning of year	Cost		Accumulated depreciation			2019 Net book value
		Additions	Balance, end of year	Balance, beginning of year	Depreciation	Balance, end of year	
Land	\$ 5,972,150	\$ -	\$ 5,972,150	\$ -	\$ -	\$ -	\$ 5,972,150
Buildings	9,182,956	-	9,182,956	6,185,587	442,291	6,627,878	2,555,078
Automotive equipment	186,225	-	186,225	137,198	12,257	149,455	36,770
Office equipment	63,742	41,393	105,135	51,584	25,063	76,647	28,488
Machinery & equipment	379,417	-	379,417	215,087	38,983	254,070	125,347
CMHC housing	3,435,094	-	3,435,094	1,581,141	233,494	1,814,635	1,620,459
Housing	3,932,405	-	3,932,405	1,092,141	182,150	1,274,291	2,658,114
Infrastructure	8,449,669	-	8,449,669	4,249,340	138,026	4,387,366	4,062,303
Land Improvement	-	19,318	19,318	-	1,288	1,288	18,030
	\$ 31,601,658	\$ 60,711	\$ 31,662,369	\$ 13,512,078	\$ 1,073,552	\$ 14,585,630	\$ 17,076,739

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

17. Prepaid expenses

	2020	2019
Insurance	\$ 5,317	\$ -
Post Secondary - living allowance	- -	39,600
Software annual support - Ferris	8,850	- -
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 14,167	\$ 39,600

18. Accumulated surplus

	2020	2019
Restricted		
Trust funds held by federal government	\$ 80,237	\$ 169,812
CMHC reserves	516,482	615,980
Capital assets	16,218,787	16,695,309
Investments	931,900	8,533
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	17,747,406	17,489,634
Unrestricted		
Operating surplus / deficit	(1,797,423)	(1,962,607)
Settlement claims deficit	(3,370,405)	(1,175,908)
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	(5,167,828)	(3,138,515)
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 12,579,578	\$ 14,351,119

19. Contingent assets

The First Nation has initiated 2 claims against Canada.

1. Surrender Claim

The First Nation has obtained a loan to finance the costs of negotiating the settlement. An insurance policy has been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time that the claim is resolved. As at March 31, 2020, the loan amount outstanding is \$2,863,485 (2019 - \$2,420,428). The First Nation anticipates that these costs will be paid from settlement proceeds, and when the claim is finalized, or the insurance proceeds paid, the amount will be recognized as revenue.

1. Treaty 6 Benefits Specific Claim

The First Nation has obtained a loan to finance the costs of negotiating the settlement. An insurance policy has been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time that the claim is resolved. As at March 31, 2020, the loan amount outstanding is \$506,920 (2019 - \$470,961). The First Nation anticipates that these costs will be paid from settlement proceeds, and when the claim is finalized, or the insurance proceeds paid, the amount will be recognized as revenue.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

20. Contingent liabilities

Mosquito, Grizzly Bear's Head, Lean Man First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Mosquito, Grizzly Bear's Head, Lean Man First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Mosquito, Grizzly Bear's Head, Lean Man First Nation's financial statements. The First Nation is currently not involved in any legal actions that are likely to result in a potential liability and no liabilities have been recorded in these financial statements.

Mosquito Grizzly Bear's Head Lean Man First Nation has guaranteed section 10 mortgages for various Band members. If the Band member defaults on their obligations, the Band is responsible for fulfilling the obligations with the lending institution.

Mosquito Grizzly Bear's Head Lean Man First Nation is contingently liable for a loan at Innovation Credit Union for the construction of a gas bar. The balance outstanding as of March 31, 2020 was \$595,566. The loan is secured by a term deposit held at Innovation Credit Union.

21. ISC contributions

	2020	2019
ISC confirmation	\$ 7,099,943	\$ 12,110,433
Health Canada confirmation - 2019	-	159,687
 Prior period revenue (recovery)		
Community involvement Gov Cap Dev	(20,000)	-
CPP/QPP pension - FN Employer	(2,560)	-
 Prior year payable (receivable)		
Band Employee Benefits	-	(6,111)
Basic Needs	-	(18,914)
 Current year receivable (payable)		
Assisted Living - Institutional Care	-	(33,309)
 <hr/>	<hr/>	<hr/>
	\$ 7,077,383	\$ 12,211,786

22. Trusts under administration

Mosquito, Grizzly Bear's Head, Lean Man First Nation holds assets in trust as a result of a Treaty Land Entitlement Trust; these assets are managed by appointed trustees and are not included on the statement of financial position as assets of Mosquito, Grizzly Bear's Head, Lean Man First Nation.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

23. Addition of reserve lands

The First Nation signed a Treaty Land Entitlement agreement with the Government of Canada that provided \$9,596,792 to purchase "shortfall" acres of 20,096 to be converted to reserve status. In the current year there were no acres converted to reserve status (2019 - 0 acres). The total acres converted are 11,987 and total cost at \$5,972,150.

24. Government Transfers

	2020		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 6,184,206	\$ 710,677	\$ 6,894,883
ISC - First Nations & Inuit Health Branch (FNIHB)	182,500	-	182,500
Canada Mortgage and Housing Corporation (CMHC)	88,198	-	88,198
Total	6,454,904	710,677	7,165,581
Provincial government transfers	93,075	-	93,075
	\$ 6,547,979	\$ 710,677	\$ 7,258,656

	2019		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 11,641,422	\$ 410,677	\$ 12,052,099
ISC - First Nations & Inuit Health Branch (FNIHB)	159,687	-	159,687
Canada Mortgage and Housing Corporation (CMHC)	348,807	-	348,807
Total	12,149,916	410,677	12,560,593
Provincial government transfers	106,752	-	106,752
	\$ 12,256,668	\$ 410,677	\$ 12,667,345

25. CMHC funding of reserves

It is a requirement of the CMHC operating agreements that subsidy surplus, operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2020 the reserve accounts were underfunded by \$140,992 (2019 underfunded - \$244,346). The amount required to be set aside was \$516,480 and the amount in the reserve bank account was \$375,488. (The reserve amount of \$516,480 is not reported separately on these financial statements, but is included in equity).

Mosquito, Grizzly Bear's Head, Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2020

26. Land claim settlement

Mosquito, Grizzly Bear's Head, Lean Man First Nation has entered into negotiations with Canada regarding specific claim settlements. Loans have been secured to provide funding for the negotiation costs. There are insurance policies guaranteeing repayment, should no settlement funds be received. There are two loans approved for a total of \$4,855,760 and draw downs will coincide with settlement expenses incurred. As of March 31, 2020 the amount of \$3,370,406 (2019 - \$2,891,389) had been drawn down and is reported as a liability to the lending institution.

27. Subsequent events

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the First Nation's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the First Nation's operations.

The extent of the impact of this outbreak and related containment measures on the First Nation's operations cannot be reliably estimated at this time.

On April 1, 2020 the First Nation entered into an NFR (New Fiscal Relationship) transfer agreement with Indigenous Services Canada. The NFR provides ten years of guaranteed funding.

On October 1, 2020 the First Nation has assumed responsibility for the operation of the Mosquito Daycare Centre Inc. and the Battle River Treaty 6 Health Centre.

28. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year. There are no accrued liabilities reported in these statements for either vacation or overtime.

Post-employment benefits

Mosquito, Grizzly Bear's Head, Lean Man First Nation does not provide extended health, dental and life insurance benefits to qualifying retirees and their surviving spouses from the date of retirement.

Pension plan

Mosquito, Grizzly Bear's Head, Lean Man First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5.0% of their salary. Mosquito, Grizzly Bear's Head, Lean Man First Nation contributes a matching portion which is directed to the member's contribution account. Mosquito, Grizzly Bear's Head, Lean Man First Nation does not have any other obligations with regards to the pension plan as at March 31, 2020.

29. Economic dependence

Mosquito, Grizzly Bear's Head, Lean Man First Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada (ISC).

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

30. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the estimates approved by the Mosquito, Grizzly Bear's Head, Lean Man First Nation Chief and Council.

31. Expenses

	2020 Budget	2020 Actual	2019 Actual
Administration	\$ 32,153	\$ 289,167	\$ 243,129
Depreciation	-	1,142,842	1,073,552
Assistance - band members	807,120	544,649	364,136
Assistance - social development	1,625,234	1,568,983	1,631,868
Bad debts	-	11,760	-
Child care	8,400	8,400	8,400
Community based funding activities paid direct	-	-	105,868
Consultants and contractors	1,569,425	2,040,688	903,595
Contribution to Mosquito Ec Dev LP - Store acquisition	-	460,766	737,234
Contribution to Mosquito Ec Dev LP - Land purchase	-	50,000	-
Cultural programs	156,044	403,477	69,274
Equipment purchases	23,300	1,014,769	-
Fuel	14,000	28,415	20,791
Graduation, awards, prizes	-	2,600	-
Honorariums	371,500	395,860	280,453
Insurance	164,819	306,199	447,902
Interest and bank charges	23,210	43,592	71,065
Interest on specific claim insured loans	-	128,575	105,113
Land lease payments	12,000	27,500	12,000
Long term debt - payments (principle & interest)	-	39,779	1,527,662
Long term debt - principle repayment	-	(35,414)	(1,521,678)
Mortgages - payments (principle & interest)	115,127	78,862	115,133
Mortgages - principle repayment	-	(69,847)	(103,478)
Other expenses	-	1,171	-
Per capita distribution	-	275,800	693,501
Professional fees	422,664	1,264,058	1,302,568
Property taxes	-	5,150	19,893
Recreational activities	16,000	82,463	17,839
Registration fees	26,010	33,260	23,331
Rent - equipment	-	16,212	-
Repairs and maintenance	226,792	136,771	197,519
Student allowance	262,000	388,940	372,467
Student incentives	18,240	12,065	7,740
Supplies	236,265	376,787	282,484
Telephone	70,220	67,493	47,463
Training	23,160	6,658	14,084
Training initiatives	105,791	78,901	102,336
Travel - medical transportation	21,000	21,097	29,946
Travel, meetings, per diems	284,127	847,206	430,615

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2020

31. Expenses, continued

Tuition	272,842	234,399	294,841
Unexpended funds not recognized prior year	-	37,334	33,934
Utilities	72,729	137,357	112,284
Wages and benefits	2,130,623	1,932,772	1,878,690
<u>Transfer to capital assets</u>	<u>-</u>	<u>(1,494,785)</u>	<u>(60,710)</u>
	<u>\$ 9,110,795</u>	<u>\$ 12,942,731</u>	<u>\$ 11,892,844</u>

Schedule #1
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 41,700	\$ 41,700	\$ 57,800
ISC - Grant - settlement claim	-	-	5,926,479
Other revenue	-	33,610	512
Deferred revenue - prior year	-	2,074,520	-
Deferred revenue - current year	-	(1,079,567)	(2,074,520)
	41,700	1,070,263	3,910,271
Expenses			
Administration	-	3,000	-
Contribution to Mosquito Ec Dev LP - Store acquisition	-	460,766	737,234
Contribution to Mosquito Ec Dev LP - Land purchase	-	50,000	-
Equipment purchases	-	51,000	-
Insurance	-	124,251	275,917
Interest and bank charges	-	7,675	7,575
Interest on specific claim insured loans	-	128,575	105,113
Long term debt - payments (principle & interest)	-	-	1,479,783
Long term debt - principle repayment	-	-	(1,477,978)
Per capita distribution	-	275,800	693,501
Professional fees	41,700	613,385	1,141,675
Travel and honoraria	-	112,065	48,826
Transfer to capital assets	-	(51,000)	-
	41,700	1,775,517	3,011,646
Current surplus (deficit)	\$ -	\$ (705,254)	\$ 898,625

The accompanying notes are an integral part of the financial statements

Schedule #2
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 177,132	\$ 177,132	\$ 176,911
Indigenous Services Canada - flexible	809,412	847,218	469,074
Battle River Treaty 6 Health Centre Inc.	5,000	5,000	1,075
Other revenue	162,722	189,500	20,760
Deferred revenue - prior year	-	254,130	54,484
Deferred revenue - current year	-	(509,374)	(254,130)
	1,154,266	963,606	468,174
Expenses			
Administration	63	6,800	-
Assistance - band members	50,000	10,875	1,464
Consultants and contractors	526,236	387,504	271,002
Engineering and architecture	418,569	163,294	-
Equipment purchases	-	702,610	-
Fuel	-	8,441	10,791
Honorariums	-	-	277
Insurance	104,583	115,220	110,553
Interest and bank charges	-	91	255
Long term debt - payments (principle & interest)	-	39,268	47,879
Long term debt - principle repayment	-	(34,942)	(43,700)
Project disbursements	16,800	1,651	-
Project management	64,568	5,000	-
Repairs and maintenance	8,947	43,280	44,415
Supplies	94,679	88,494	80,715
Telephone	5,500	5,600	6,727
Travel, meetings, per diems	1,144	250	500
Utilities	42,729	55,152	68,123
Wages and benefits	56,780	80,662	79,548
Transfer to capital assets	-	(893,236)	-
	1,390,598	786,014	678,549
Current surplus (deficit) before unexpended transfers	(236,332)	177,592	(210,375)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(77,010)	-
Current surplus (deficit) before transfers	(236,332)	100,582	(210,375)

The accompanying notes are an integral part of the financial statements

Schedule #2, continued
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Transfers			
Transfer - Indian Government Support	-	-	(843)
Transfer - Other Band Programs	-	180,000	93,000
Transfer - Health	-	12,458	11,500
Transfer - Depreciation	-	(530,999)	(501,243)
Current deficit	\$ (236,332)	\$ (237,959)	\$ (607,961)

The accompanying notes are an integral part of the financial statements

Schedule #3
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Education
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 2,865,108	\$ 2,865,108	\$ 2,494,573
Unexpended funds transferred - prior year	- 	273,988	335,515
	2,865,108	3,139,096	2,830,088
Expenses			
Administration	23,590	228,426	177,745
Assistance - band members	- 	13,814	-
Consultants and contractors	343,207	410,634	330,801
Equipment purchases	- 	78,717	-
Fuel	- 	1,094	-
Graduation, awards, prizes	- 	2,600	-
Honorariums	- 	26,330	12,150
Insurance	- 	6,291	2,109
Interest and bank charges	960	937	35
Long term debt - payments (principle & interest)	- 	511	-
Long term debt - principle repayment	- 	(472)	-
Professional fees	307,454	258,954	-
Recreational activities	16,000	10,479	7,319
Registration fees	2,970	5,022	8,396
Rent - equipment	- 	550	-
Repairs and maintenance	11,500	12,161	14,072
Student allowance	237,000	351,791	353,117
Student incentives	18,240	11,915	7,740
Supplies	119,400	208,888	131,174
Telephone	21,520	20,750	7,871
Training	23,160	5,668	-
Travel, meetings, per diems	49,100	35,081	26,090
Tuition	235,956	169,042	244,508
Utilities	30,000	49,306	44,161
Wages and benefits	1,351,962	1,141,100	1,247,933
Transfer to capital assets	- 	(78,717)	(18,551)
	2,792,019	2,970,872	2,596,670
Current surplus before unexpended transfers	73,089	168,224	233,418
Unexpended transfers			
Unexpended funds transferred to deferred revenue	- 	(153,055)	(273,988)
Current surplus (deficit) before transfers	73,089	15,169	(40,570)
Transfers			
Transfer - Other Band Programs	- 	23,300	-
Transfer - Depreciation	- 	(314,345)	(299,102)
Current deficit	\$ 73,089	\$ (275,876)	\$ (339,672)

The accompanying notes are an integral part of the financial statements

Schedule #4
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - grant	\$ 429,524	\$ 429,524	\$ 465,486
Indigenous Services Canada - fixed	288,333	288,333	70,594
Indigenous Services Canada - set	-	-	50,494
Indigenous Services Canada - flexible	75,137	182,878	257,833
ISC - prior period revenue (recovery)	-	(22,560)	-
Equity change in corporations	-	-	38,702
Other revenue	154,527	168,175	168,066
Administration fees - internal allocation	-	-	239,531
Unexpended funds transferred - prior year	-	37,824	4,351
	947,521	1,084,174	1,295,057
Expenses			
Administration	8,500	35,445	22,883
Consultants and contractors	12,000	21,897	31,949
Equipment purchases	-	125,101	-
Honorariums	360,000	331,144	242,660
Insurance	-	15,747	-
Interest and bank charges	2,500	2,500	47,037
Professional fees	40,000	211,843	114,366
Registration fees	-	6,863	6,974
Rent - equipment	-	100	-
Repairs and maintenance	-	1,404	-
Supplies	6,000	13,716	38,959
Telephone	37,800	34,901	22,714
Training	-	990	14,084
Travel, meetings, per diems	48,895	143,676	137,231
Utilities	-	4,065	-
Wages and benefits	478,386	522,293	293,554
Transfer to capital assets	-	(125,101)	(19,999)
	994,081	1,346,584	952,412
Current surplus (deficit) before unexpended transfers	(46,560)	(262,410)	342,645
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(45,942)	(37,824)
Current surplus (deficit) before transfers	(46,560)	(308,352)	304,821

The accompanying notes are an integral part of the financial statements

Schedule #4, continued
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Transfers			
Transfer - Community Development	-	-	843
Transfer - Other Band Programs	-	93,075	106,751
Transfer - Depreciation	-	(33,644)	(14,596)
Current surplus (deficit)	\$ (46,560)	\$ (248,921)	\$ 397,819

The accompanying notes are an integral part of the financial statements

Schedule #5
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Land Management
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 124,369	\$ 144,369	\$ 124,369
Unexpended funds transferred - prior year	- -	- -	38,711
	124,369	144,369	163,080
Expenses			
Administration	- -	14,437	12,437
Consultants and contractors	27,000	70,482	76,822
Fuel	- -	346	-
Professional fees	23,000	3,322	-
Registration fees	800	300	-
Repairs and maintenance	- -	- -	455
Supplies	10,000	6,493	11,215
Telephone	1,800	1,625	3,000
Travel, meetings, per diems	12,438	20,385	26,132
Wages and benefits	49,331	22,140	43,189
Transfer to capital assets	- -	- -	(22,160)
	124,369	139,530	151,090
Current surplus before unexpended transfers	- -	4,839	11,990
Unexpended transfers			
Unexpended funds transferred to deferred revenue	- -	(12,989)	-
Current surplus (deficit) before transfers	- -	(8,150)	11,990
Transfers			
Transfer - Depreciation	- -	(6,635)	(6,635)
Current surplus (deficit)	\$ - -	\$ (14,785)	\$ 5,355

The accompanying notes are an integral part of the financial statements

Schedule #6
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 120,804	\$ 120,804	\$ 121,535
Indigenous Services Canada - set	24,600	24,600	65,582
Indigenous Services Canada - flexible	1,785,180	1,785,180	1,794,148
ISC - current year receivable (payable)	-	-	(33,309)
Unexpended funds transferred - prior year	-	37,334	-
	1,930,584	1,967,918	1,947,956
Expenses			
Assistance - band members	-	-	1,523
Assistance - social development	1,625,234	1,568,983	1,631,868
Child care	8,400	8,400	8,400
Consultants and contractors	58,469	92,397	73,782
Interest and bank charges	-	1,411	8,752
Registration fees	5,400	2,850	-
Supplies	1,486	6,089	9,033
Training initiatives	105,791	78,901	102,336
Travel, meetings, per diems	3,068	3,119	8,226
Tuition	11,886	-	34,500
Wages and benefits	110,850	71,587	100,921
	1,930,584	1,833,737	1,979,341
Current surplus (deficit) before unexpended transfers	-	134,181	(31,385)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(139,479)	-
Current deficit	\$ -	\$ (5,298)	\$ (31,385)

The accompanying notes are an integral part of the financial statements

Schedule #7
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 10,597	\$ 10,597	\$ 10,530
Unexpended funds transferred - prior year	- -	1,241	1,458
	10,597	11,838	11,988
Expenses			
Administration	- -	1,059	1,053
Consultants and contractors	10,597	8,649	9,200
Supplies	- -	550	162
Travel, meetings, per diems	- -	1,060	332
	10,597	11,318	10,747
Current surplus before unexpended transfers	- -	520	1,241
Unexpended transfers			
Unexpended funds transferred to deferred revenue	- -	(520)	(1,241)
Current surplus	\$ - -	\$ - -	\$ - -

The accompanying notes are an integral part of the financial statements

Schedule #8
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Health
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
ISC - First Nations & Inuit Health Branch (FNIHB)	\$ 122,600	\$ 182,500	\$ 122,500
ISC - FNIHB - prior period revenue (recovery)	-	-	37,187
Battle River Treaty 6 Health Centre Inc.	5,000	17,875	122,368
Battle River - prior period revenue (recovery)	-	(12,950)	-
	127,600	187,425	282,055
Expenses			
Community based funding activities paid direct	-	-	105,868
Consultants and contractors	38,500	36,633	32,400
Equipment purchases	-	57,341	-
Fuel	14,000	18,145	10,000
Insurance	3,000	2,776	2,086
Interest and bank charges	3,000	683	2,038
Repairs and maintenance	8,000	8,107	5,550
Supplies	4,500	2,283	4,966
Telephone	3,600	3,706	7,151
Travel - medical transportation	21,000	21,097	29,946
Travel, meetings, per diems	-	1,148	1,939
Wages and benefits	32,000	33,137	31,329
Transfer to capital assets	-	(57,341)	-
	127,600	127,715	233,273
Current surplus before transfers	-	59,710	48,782
Transfers			
Transfer - Community Development	-	(12,458)	(11,500)
Transfer - Depreciation	-	(19,725)	(14,481)
Current surplus	\$ -	\$ 27,527	\$ 22,801

The accompanying notes are an integral part of the financial statements

Schedule #9
Mosquito, Grizzly Bear's Head, Lean Man First Nation
CMHC Operations
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
CMHC - subsidy	\$ 286,853	\$ 45,594	\$ 336,367
CMHC - other	83,375	42,604	12,440
CMHC rental income	115,557	72,227	127,710
Other revenue	1,500	3,702	1,478
	487,285	164,127	477,995
Expenses			
Consultants and contractors	30,721	30,721	30,721
Insurance	57,236	41,915	57,236
Interest and bank charges	16,750	310	3,218
Mortgages - payments (principle & interest)	115,127	78,862	115,133
Mortgages - principle repayment	-	(69,847)	(103,478)
Professional fees	10,510	7,560	2,950
Repairs and maintenance	198,345	71,125	133,027
Travel, meetings, per diems	7,282	14,197	7,282
Wages and benefits	51,314	61,854	51,315
	487,285	236,697	297,404
Current surplus (deficit) before transfers	-	(72,570)	180,591
Transfers			
Transfer - Depreciation	-	(233,494)	(233,494)
Current deficit	\$ -	\$ (306,064)	\$ (52,903)

The accompanying notes are an integral part of the financial statements

Schedule #10
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
ISC trust funds - revenue	\$ 609,621	\$ 610,450	\$ 503,872
First Nations Trust	488,000	430,737	422,946
BATC Community Development Corporation	188,541	187,200	70,625
Saskatchewan Government	110,000	93,075	106,752
Equity change in corporations	-	923,367	-
Saskatchewan Indian Training Assessment Group (SITAG)	128,157	134,498	61,638
Treaty Six Education Council	-	24,342	-
Other revenue	23,300	184,336	406,707
Administration fees - internal allocation	-	279,367	-
	1,547,619	2,867,372	1,572,540
Expenses			
Administration	-	-	29,011
Assistance - band members	757,120	519,960	361,150
Bad debts	-	11,760	-
Consultants and contractors	22,758	811,826	46,917
Cultural programs	156,044	403,477	69,274
Equipment purchases	23,300	-	-
Fuel	-	389	-
Honorariums	11,500	38,385	25,366
Interest and bank charges	-	29,991	2,155
Land lease payments	12,000	27,500	12,000
Other expenses	-	1,171	-
Professional fees	-	168,994	43,577
Property taxes	-	5,150	19,893
Recreational activities	-	71,983	10,520
Registration fees	16,840	18,225	7,962
Rent - equipment	-	15,562	-
Repairs and maintenance	-	693	-
Student allowance	25,000	37,149	19,350
Student incentives	-	150	-
Supplies	200	50,271	6,262
Travel, meetings, per diems	162,200	516,225	174,057
Telephone	-	911	-
Tuition	25,000	65,357	15,833
Utilities	-	28,834	-
Unexpended funds not recognized prior year	-	37,334	33,934
Wages and benefits	-	-	30,901
Transfer to capital assets	-	(289,390)	-
	1,211,962	2,571,907	908,162
Current surplus before transfers	335,657	295,465	664,378

The accompanying notes are an integral part of the financial statements

Schedule #10, continued
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Transfers			
Transfer - Indian Government Support	-	-	(106,752)
Transfer - Community Development	-	(180,000)	(93,000)
Transfer - Education	-	(23,300)	-
Transfer - Indian Government Support	-	(93,075)	-
Transfer - Depreciation	-	(4,000)	(4,000)
Current surplus (deficit)	\$ 335,657	\$ (4,910)	\$ 460,626

The accompanying notes are an integral part of the financial statements

Schedule #11
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Depreciation
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Community Development	-	530,999	501,244
Education	-	314,345	299,102
Indian Government Support	-	33,644	14,596
Land Management	-	6,635	6,635
Health	-	19,725	14,481
CMHC Operations	-	233,494	233,494
Other Band Programs	-	4,000	4,000
	-	1,142,842	1,073,552
Current deficit before transfers	-	(1,142,842)	(1,073,552)
Transfer - Programs	-	1,142,842	1,073,552
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements