

**Mosquito Grizzly Bears Head Lean Man First Nation
Consolidated Financial Statements
March 31, 2023**

Mosquito Grizzly Bears Head Lean Man First Nation
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March 31, 2023

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Mosquito Grizzly Bears Head Lean Man First Nation
Management's Responsibility for Financial Reporting
March 31, 2023

To the Members of Mosquito Grizzly Bears Head Lean Man First Nation:

The accompanying consolidated financial statements of Mosquito Grizzly Bears Head Lean Man First Nation are the responsibility of management and have been approved by 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 Bears Head Lean Man First Nation:

Signature on file
Mosquito Grizzly Bears Head
Lean Man First Nation

July 24, 2024
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 Bears Head Lean Man First Nation

Opinion

We have audited the consolidated financial statements of Mosquito Grizzly Bears Head Lean Man First Nation, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, accumulated surplus, change in net (debt) financial assets 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, 2023, and the results of its consolidated operations, accumulated surplus, its changes in its consolidated net (debt) financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 (TCWG) 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
August 8, 2024**

Chalupiak & Associates
CPA Professional Corporation

Chartered Professional Accountants

Mosquito Grizzly Bears Head Lean Man First Nation
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022
Financial Assets		
Cash (Note 3)	\$ 9,075,955	\$ 9,269,098
Restricted cash - capital projects (Note 3)	2,485,625	305,231
Restricted cash - CMHC reserves (Note 3)	380,439	377,078
Restricted cash - other (Note 3)	6,786,337	1,215,703
Trust funds held by federal government (Notes 3 and 4)	17,638	108,162
Accounts receivable (Note 5)	1,413,122	1,162,264
Investment in government business enterprises (Notes 6 and 7)	410,496	1,085,649
Portfolio investment (Note 8)	580,000	580,000
Due from related parties (Note 9)	1,952,935	1,917,817
	<u>23,102,547</u>	<u>16,021,002</u>
Liabilities		
Bank indebtedness (Note 10)	21,818	-
Accounts payable (Note 11)	1,661,263	1,938,632
Deferred revenue (Note 12)	19,479,800	8,127,284
Due to related parties (Note 13)	133,449	33,145
Current portion of long-term debt (Note 14)	176,870	169,130
Current portion of CMHC mortgages (Note 15)	46,841	54,217
Long-term debt (Note 14)	3,241,145	2,811,380
CMHC mortgages (Note 15)	230,684	277,518
	<u>24,991,870</u>	<u>13,411,306</u>
Net (debt) financial assets	<u>(1,889,323)</u>	<u>2,609,696</u>
Non-financial Assets		
Capital Assets (Note 16)	23,278,112	21,072,921
Prepaid expenses (Note 17)	59,929	39,730
	<u>23,338,041</u>	<u>21,112,651</u>
Accumulated Surplus (Note 18)	<u>\$ 21,448,718</u>	<u>\$ 23,722,347</u>

Approved on behalf of the Mosquito Grizzly Bears Head Lean Man First Nation:

_____, Chief

_____, Councilor

The accompanying notes are an integral part of the financial statements

Mosquito Grizzly Bears Head Lean Man First Nation

Consolidated Statement of Operations

For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada (ISC)	\$ 15,199,778	\$ 21,200,747	\$ 16,279,075
Government of Canada - settlement claim	-	5,606,796	-
Trust funds held by federal government	599,181	508,657	459,391
Canada Mortgage and Housing Corporation (CMHC)	147,222	73,361	642,451
First Nations Trust (FNT)	568,704	568,704	240,992
Federation of Sovereign Indigenous Nations (FSIN)	52,388	69,387	25,500
BATC Community Development Corporation	133,019	47,848	46,823
Saskatchewan Government	55,474	61,612	39,655
Saskatchewan Indian Training Assessment Group (SITAG)	154,453	154,453	455,857
MGBHLM Legacy Trust (1905 Surrender) (Note 23)	-	-	47,200,648
MGBHLM Legacy Trust - annual income (net)	6,005,332	4,505,332	-
Gains (losses) in government business enterprises	-	(675,153)	605,805
CMHC rental income	-	56,097	64,858
Other revenue	988,214	1,703,700	1,830,142
Deferred revenue - prior year	1,724,763	8,127,284	4,418,040
Deferred revenue - current year	132,501	(19,479,800)	(8,127,284)
	25,761,029	22,529,025	64,181,953
Expenses			
Treaties and Indigenous Government (Schedule 1)	6,174,376	6,540,802	35,320,360
Community Infrastructure (Schedule 2)	1,875,295	1,562,921	2,512,954
Economic Development (Schedule 3)	-	-	104,137
Education (Schedule 4)	5,336,524	5,560,950	4,640,184
Indigenous Government Support (Schedule 5)	575,082	944,662	736,221
Land Management (Schedule 6)	161,786	167,640	163,876
Social Development (Schedule 7)	6,192,472	2,981,929	2,018,210
Registration and Membership (Schedule 8)	26,180	24,229	17,363
Health Services (Schedule 9)	2,619,852	2,595,355	1,644,380
CMHC Operations (Schedule 10)	147,297	112,795	150,845
Other Band Programs (Schedule 11)	2,527,273	2,785,904	3,267,633
Amortization (Schedule 12)	-	1,525,467	1,326,236
	25,636,137	24,802,654	51,902,399
Addition of reserve lands (Note 24)	-	-	460,696
Current surplus (deficit)	\$ 124,892	\$ (2,273,629)	\$ 12,740,250

The accompanying notes are an integral part of the financial statements

Mosquito Grizzly Bears Head Lean Man First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2023

	2023	2022
Surplus at beginning of year	\$ 23,722,347	\$ 10,982,097
Current surplus (deficit)	(2,273,629)	12,740,250
Surplus at end of year	\$ 21,448,718	\$ 23,722,347

The accompanying notes are an integral part of the financial statements

Mosquito Grizzly Bears Head Lean Man First Nation
Consolidated Statement of Change in Net (Debt) Financial Assets
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Current surplus (deficit)	\$ 124,892	\$ (2,273,629)	\$ 12,740,250
Acquisition of capital assets	-	(3,730,658)	(4,340,942)
Amortization of capital assets	-	1,525,467	1,326,236
	-	(2,205,191)	(3,014,706)
Acquisition of prepaid asset	-	(59,929)	(39,730)
Use of prepaid asset	-	39,730	81,132
	-	(20,199)	41,402
(Decrease) increase in net financial assets	124,892	(4,499,019)	9,766,946
Net financial assets (debt) at beginning of year	2,609,696	2,609,696	(7,157,250)
Net (debt) financial assets at end of year	\$ 2,734,588	\$ (1,889,323)	\$ 2,609,696

The accompanying notes are an integral part of the financial statements

Mosquito Grizzly Bears Head Lean Man First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash flows from Operating activities		
Current surplus (deficit)	\$ (2,273,629)	\$ 12,740,250
Items not affecting cash		
Amortization	1,525,467	1,326,236
Loss (earnings) from investment in business partnerships	430,305	(719,243)
Loss (earnings) from investment in incorporated businesses	244,848	113,438
	(73,009)	13,460,681
Change in non-cash operating working capital		
Accounts receivable	(250,858)	(874,880)
Prepaid expenses	(20,199)	41,402
Accounts payable	(277,372)	(51,357)
Deferred revenue	11,352,516	3,709,244
Trust funds held by federal government	90,524	(5,119)
Due from related parties	(35,118)	2,563,912
Due to related parties	100,304	21,653
	10,886,788	18,865,536
Capital activities		
Acquisition of capital assets	(3,730,656)	(4,340,941)
Financing activities		
Long-term debt - repayment	(169,121)	(5,277,684)
Long-term debt - proceeds	606,627	3,061,590
CMHC mortgages - repayment	(54,210)	(61,689)
CMHC mortgages - advances	-	44,424
Short term financing	-	(3,800,000)
Restricted cash - other	(5,570,634)	36,542
	(5,187,338)	(5,996,817)
Investing activities		
Restricted cash - CMHC reserves	(3,361)	(436)
Contributions to incorporated businesses	-	(73,893)
Acquisition of portfolio investments	-	(530,000)
	(3,361)	(604,329)
Increase in cash and cash equivalents	1,965,433	7,923,449
Cash and cash equivalents, beginning of year	9,574,329	1,650,880
Cash and cash equivalents, end of year	\$ 11,539,762	\$ 9,574,329

The accompanying notes are an integral part of the financial statements

Mosquito Grizzly Bears Head Lean Man First Nation
Consolidated Statement of Cash Flows, continued
For the year ended March 31, 2023

	2023	2022
Represented by		
Cash	\$ 9,075,955	\$ 9,269,098
Bank indebtedness	(21,818)	-
Restricted cash - capital projects	2,485,625	305,231
	<u>\$ 11,539,762</u>	<u>\$ 9,574,329</u>

The accompanying notes are an integral part of the financial statements

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

1. Operations

The Mosquito Grizzly Bears Head Lean Man First Nation ("the First Nation") is located in the province of Saskatchewan and provides various services to its members. These financial statements include Mosquito Grizzly Bears Head Lean Man First Nation's 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 or the Mosquito Legacy Trust which is governed by a corporate trustee.

The office of the First Nation is physically located on the following I.R's: Mosquito Band #109, Grizzly Bears Head Band #110 and Lean Man Band #111. The mailing address is P.O. Box 177, Cando, Saskatchewan, S0K 0V0, Canada.

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 Bears Head Lean Man First Nation's reporting entity includes the Mosquito Grizzly Bears 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 a government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation. There were no entities that were fully consolidated in these financial statements.

Under the modified equity method of accounting, only Mosquito Grizzly Bears Head Lean Man First Nation's investment in the government business enterprise and the enterprise's net income (loss) 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 Bears Head Lean Man First Nation.

Organizations accounted for on a modified equity basis include:

- *Mosquito Grizzly Bears Head Lean Man TLE Makah Holding Corp;*
- *Mosquito Grizzly Bears Head Lean Man First Nation Economic Development Company Limited Partnership; and,*
- *Mosquito Grizzly Bears 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.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

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 or net financial assets 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 do not include non-financial assets.

(e) 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, 2023. No contaminated sites have been identified as at March 31, 2023.

(f) Cash

Cash includes balances with lawyers and banks which are used to facilitate day to day operations.

(g) Restricted cash

Restricted cash consists of cash and cash equivalents held for specific purposes as defined by various agreements.

(h) Trust funds held by federal government

Funds earned and held in trust on behalf of First Nation members by the Government of Canada. Trust moneys consist of:

- Capital Trust moneys are Trust moneys that come from the sale of the First Nation's surrendered lands, from an interest in the land or from the sale of the First Nation's non-renewable resources; and,
- Revenue Trust moneys generated primarily through land leasing transactions or interest earned on deposits held in Trust.

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

2. Basis of presentation and significant accounting policies, continued

(i) Capital assets

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 overhead 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 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 Bears Head Lean Man First Nation's incremental cost of borrowing.

Amortization 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

Capital assets are written down when conditions indicate that they no longer contribute to Mosquito Grizzly Bears Head Lean Man First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the 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.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

2. Basis of presentation and significant accounting policies, continued

(j) Asset retirement obligation

Accounting standard PS 3280 *Asset Retirement Obligation*, came into effect for fiscal years beginning after April 1, 2022.

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a capital asset at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related capital asset. The First Nation continues to review the possibility of a liability until it would be settled or otherwise extinguished. Disbursements made to settle the liability would be deducted from the reported liability when/if it is made.

(k) Revenue recognition

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

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

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

(l) Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. The First Nation subsequently measures all financial instruments at cost. Transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost.

Financial instruments includes cash, restricted cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

2. Basis of presentation and significant accounting policies, continued

(m) Internal charges and transfers

The administration office provides services to other program areas. To recognize the cost of these services, some funding agreements allow for a percentage of revenue to be allocated to cover these expenses. At the discretion of the First Nation, a corresponding revenue and expense may be recorded and referred to as "Administration fees - internal allocation."

(n) 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.

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

(o) Segment accounting

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.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

3. Cash

Unrestricted cash: Bank accounts used to facilitate day to day normal operations.

Restricted cash: Bank accounts that are restricted to a specific purpose as per the terms of an existing agreement. In some cases, these accounts are controlled by a project manager or held in a lawyers' trust account.

Restricted cash - CMHC: Under the terms of an agreement with Canada Mortgage and Housing Corporation, the 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 Reserve Fund and the Operating Reserve Fund.

Trust funds held by federal government: Revenues generated from land leases and/or head leases of reserve land are held in trust by the federal government for the benefit of the First Nation.

	2023	2022
Unrestricted cash		
General operations	\$ 6,439,967	\$ 5,238,862
Health operations	-	57,991
CMHC operations	716,045	4,369
Daycare	65,848	79,801
Revenue Trust	1,844,330	3,878,201
Lawyers' Trust account	9,765	9,765
Land claims	-	109
	<u>9,075,955</u>	<u>9,269,098</u>
Restricted cash - capital projects		
Solid waste transfer station	2,385,654	205,240
Lagoon & SPS assessment	99,944	99,964
Other	27	27
	<u>2,485,625</u>	<u>305,231</u>
Restricted cash - CMHC reserves		
Replacement reserve	327,763	324,508
Replacement reserve term deposits	52,676	52,570
	<u>380,439</u>	<u>377,078</u>
Trust funds held by federal government		
Revenue	17,638	108,162

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

3. Cash, continued

Restricted cash - other

Lawyers' Trust - Maurice Law - settlement claims	5,786,337	215,703
Credit Union - term deposit	1,000,000	1,000,000
	6,786,337	1,215,703
Total cash	\$ 18,745,994	\$ 11,275,272

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 Sections 63 to 69 of the Indian Act.

	2023 Revenue		2023 Capital		2023 Total		2022 Total
Surplus, beginning of year	\$ 108,162	\$	-	\$	108,162	\$	103,043
Withdrawals	(599,181)		-		(599,181)		(454,272)
Lease revenue	502,823		-		502,823		455,977
Interest earnings	5,834		-		5,834		3,414
Surplus, end of year	\$ 17,638	\$	-	\$	17,638	\$	108,162

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

5. Accounts receivable

	2023	2022
Due from members		
Advances - band	\$ 29,890	\$ 22,935
Advances - health	9,275	9,275
Advances - social development	35,232	6,443
	<u>74,397</u>	<u>38,653</u>
Due from others		
GST receivable	279,850	142,942
SIIT	-	9,177
First Nations Trust	233,398	-
Others	106,241	80,787
	<u>619,489</u>	<u>232,906</u>
Due from government and other government organizations		
Indigenous Services Canada (ISC)	758,046	311,604
CMHC	3,046	3,470
CMHC - supplementary funding	-	590,000
	<u>761,092</u>	<u>905,074</u>
	1,454,978	1,176,633
Allowance for doubtful accounts	<u>(41,856)</u>	<u>(14,369)</u>
Total accounts receivable	<u>\$ 1,413,122</u>	<u>\$ 1,162,264</u>

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

6. Investment in government business enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprises (GBE) 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 Bears Head Lean Man TLE Makah Holding Corp (*MGBHLM TLE Makah Holding Corp*);
- Mosquito Grizzly Bears Head Lean Man First Nation Economic Development Company Limited Partnership (*MGBHLMFN Ec Dev LP*); and,
- Mosquito Grizzly Bears Head Lean Man First Nation Economic Development Company Ltd. (*MGBHLMFN Ec Dev Ltd.*).

	2023	2022
MGBHLM TLE Makah Holding Corp. - 100%	\$ (1,304)	\$ 22,432
MGBHLMFN Ec Dev LP - 99.00%	1,128,189	1,558,494
MGBHLMFN Ec Dev Ltd. - 100%	(716,389)	(495,277)
	<u>\$ 410,496</u>	<u>\$ 1,085,649</u>

	Investment, beginning of year	Undistributed earnings (loss)	Investment, end of year
MGBHLM TLE Makah Holding Corp	22,432	\$ (23,736)	\$ (1,304)
MGBHLMFN Ec Dev LP	1,558,494	(430,305)	1,128,189
MGBHLMFN Ec Dev Ltd.	(495,277)	(221,112)	(716,389)
	<u>1,085,649</u>	<u>\$ (675,153)</u>	<u>\$ 410,496</u>

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

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7. Investment in government business enterprises - financial summary

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

	MGBHLMFN Ec Dev Ltd. December 31, 2022	MGBHLM TLE Makah Holding Corp December 31, 2022	MGBHLMFN Ec Dev LP December 31, 2022
Cash	\$ 41,154	\$ 1,348	\$ -
Accounts receivable	217,735	-	-
Prepaid expenses	37,756	-	-
Property, plant and equipment	1,116,823	-	-
Due from related parties	842,711	53,445	-
Investments	337,174	-	1,460,207
Total assets	\$ 2,593,353	\$ 54,793	\$ 1,460,207
Accounts payable & accrued liabilities	\$ 359,271	\$ 35,895	\$ 10,001
Deferred revenue	4,095	-	-
Current portion of long-term debt	351,595	-	-
Due to related parties	2,594,781	20,202	99
Total liabilities	3,309,742	56,097	10,100
Share capital	100	-	-
Equity	(716,489)	(1,304)	1,450,107
Total equity	(716,389)	(1,304)	1,450,107
Total liabilities and equity	\$ 2,593,353	\$ 54,793	\$ 1,460,207
	MGBHLMFN Ec Dev Ltd. December 31, 2022	MGBHLM TLE Makah Holding Corp December 31, 2022	MGBHLMFN Ec Dev LP December 31, 2022
Revenue	\$ 1,812,433	\$ 3,600	\$ (424,652)
Expenses	\$ 2,033,545	\$ 27,336	\$ 10,000
Net loss	\$ (221,112)	\$ (23,736)	\$ (434,652)

The above information is derived from the latest available financial statements for each entity. The value of the First Nation's investments is reported at the value of its share of equity reported on the latest available financial statements.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

8. Portfolio investments

In the prior year, the First Nation invested in North Battleford Hospitality Limited (o/a Comfort Inn Suites). They purchased 640,000 shares of 5.3 million available shares.

	2023	2022
Avord Towers	\$ 50,000	\$ 50,000
North Battleford Hospitality Limited - 12.08%	530,000	530,000
	<u>\$ 580,000</u>	<u>\$ 580,000</u>

The investment in Avord Towers 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.

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.

Due from amounts are unsecured, non-interest bearing and have no fixed repayment schedules.

	2023	2022
MGBHLMFN Economic Development Company Ltd.	\$ 1,912,199	\$ 1,917,817
MGBH Treaty Land Entitlement Trust	20,534	-
MGBHLM TLE Makah Holding Corp	20,202	-
	<u>\$ 1,952,935</u>	<u>\$ 1,917,817</u>

10. Bank indebtedness

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 8.95% and the overdraft on the education account bears interest at 8.95%; the unauthorized overdraft interest rate on all accounts is 19.80%. On March 31, 2023 the First Nation had issued cheques in excess of deposits totaling \$nil (2022 - \$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, 2023 the First Nation had issued cheques in excess of deposits totaling \$21,818 (2022 - \$nil).

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

11. Accounts payable

	2023	2022
Due to members		
Accrued payroll	\$ 943	\$ 127,628
Accrued vacation	41,882	11,642
	<hr/> 42,825	<hr/> 139,270
Due to others		
Accounts payable - trade	1,205,249	1,392,729
Accounts payable - trade - CMHC	16,077	9,900
London Life - pension	-	31,087
Accrued interest	31,937	16,017
Maurice Law	335,515	316,637
	<hr/> 1,588,778	<hr/> 1,766,370
Due to government and other government organizations		
Canada Revenue Agency	29,660	32,992
	<hr/> \$ 1,661,263	<hr/> \$ 1,938,632

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

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12. Deferred revenue

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.

	March 31, 2022	Funding received, 2023	Revenue recognized, 2023	March 31, 2023
ISC				
O&M solid waste transfer station	\$ 50,290	\$ 99,937	\$ (76,106)	\$ 74,121
O&M asset management plan	40,000	-	-	40,000
Capital - immediate needs	-	685,642	(479,684)	205,958
Core area subdivision	200,000	-	-	200,000
LPW upgrades	313,483	550,000	(166,777)	696,706
Solid waste transfer station	237,171	690,000	(4,000)	923,171
Lagoon & SPS assessment	312,000	2,800,000	(331,897)	2,780,103
School renovations project	1,241,562	750,000	(138,600)	1,852,962
Drainage improvement	497,729	-	(34,550)	463,179
Capital fire protection	200,000	400,000	-	600,000
JP - Major Capital CHRT41	-	35,000	-	35,000
Climate Change Adaptation	-	147,000	-	147,000
Instructional services	237,897	3,964,413	(4,133,104)	69,206
Special education	74,270	74,542	(115,380)	33,432
FN school second level	210,264	376,533	(216,309)	370,488
Adult education	-	22,989	-	22,989
Summer work experience	11,502	23,230	(34,732)	-
Skills link	95,746	170,833	(112,957)	153,622
IAFNIYES	-	119,128	(12,130)	106,998
Basic needs	1,424,620	3,252,194	(2,414,156)	2,262,658
FN representative	-	239,418	(67,874)	171,544
Institutional care	122,701	115,150	(67,632)	170,219
Prevention	-	1,230,229	(471,244)	758,985
Medical transportation	72,191	43,500	(108,677)	7,014
Medical taxi vans	38,010	163,000	(37,885)	163,125
Mental wellness	40,900	363,384	(348,168)	56,116
CDCM	271,746	195,573	(445,683)	21,636
Jordan's Principle - co-ordination	61,565	114,950	(125,941)	50,574
Dental Treatment	7,567	-	-	7,567
Community Oral Health	57,200	56,531	(5,653)	108,078
Healthy Living	120,196	121,088	(104,528)	136,756
Healthy child development	135,027	175,144	(185,510)	124,661
Home & community care (H&CC)	132,501	312,501	(343,848)	101,154
Environmental public health	25,642	15,293	(10,922)	30,013
Health planning mgmt	81,024	272,428	(353,452)	-
Health planning mgmt - governance	8,523	-	(8,523)	-
Telehealth	33,915	15,080	(1,508)	47,487
CDCM - health emergency mgmt	14,714	16,349	(31,063)	-

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

12. Deferred revenue, continued

	March 31, 2022	Funding received, 2023	Revenue recognized, 2023	March 31, 2023
Jordan's Principle - land based camps	141,755	250	(142,005)	-
Dental CA Admin	16,745	18,606	(7,476)	27,875
Headstart - IELCC	223,829	358,785	(134,532)	448,082
Children's oral health initiative (COHI)	9,000	-	-	9,000
IELCC 2021 Minor Projects	-	3,000	-	3,000
Jordan's Principle - home modifications	-	43,103	-	43,103
Jordan's Principle - respite care	2,124	-	(2,124)	-
	6,763,409	18,034,803	(11,274,630)	13,523,582
Other				
Treaty Annuity settlement	990,627	5,639,861	(1,023,692)	5,606,796
New Housing Insurance Replacement	137,647	447,607	(352,000)	233,254
Federation of Sovereign Indigenous Nations (FSIN)	25,500	17,000	-	42,500
Labour Force Dev - LFD (SITAG)	33,197	154,453	(169,569)	18,081
Daycare	176,904	55,393	(176,710)	55,587
	1,363,875	6,314,314	(1,721,971)	5,956,218
	\$ 8,127,284	\$ 24,349,117	\$ (12,996,601)	\$ 19,479,800

13. Due to 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.

Due to amounts are unsecured, non-interest bearing and have no fixed repayment schedules.

	2023	2022
MGBHLM Home Builders & Construction Company LP	\$ 111,953	\$ -
MGBHLMFN Petroleum Company Limited Partnership	21,496	33,145
	\$ 133,449	\$ 33,145

Mosquito Grizzly Bears Head Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2023

14. Long-term debt

As of March 31, 2023, the Canadian Imperial Bank of Commerce (CIBC) had a prime lending rate of 6.70% (2022 - 2.70%).

	2023	2022
CIBC - Misadministration of Trust		
Term loan - bearing interest at prime plus 0.5%. Interest payments paid quarterly and total principle due on September 21, 2026, secured by a general security agreement, BCR and first ranking 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 \$3,735,200 and drawdowns will coincide with settlement expenses incurred.	\$ 1,448,091	\$ 1,335,710
CIBC - Treaty 6 Benefits Claim - Cows & Ploughs		
Term loan - bearing interest at prime plus 0.5%. Interest payments paid quarterly and total principle due on September 21, 2026, secured by a general security agreement, BCR and first ranking 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.	844,459	766,709
CIBC - Treaty 6 Benefits Claim - Cypress Hills		
Term loan - bearing interest at prime plus 0.5%. Interest payments paid quarterly and total principle due on November 18, 2027, secured by a general security agreement, BCR and first ranking 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.	416,495	-
Innovation Credit Union - Christmas PCD		
Term Loan - bearing interest at 4.50% per annum, quarterly blended payments of \$51,454 maturing December 31, 2026, secured by BCR, personal property security agreement, term deposit, other security as Innovation may reasonably require at any time pending repayment of all monies due under the loan.	708,970	878,091
	3,418,015	2,980,510
Current portion	176,870	169,130
	\$ 3,241,145	\$ 2,811,380

Mosquito Grizzly Bears Head Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2023

14. Long-term debt, continued

Expected principal repayments of long-term debt due within the next five years:

2024	\$ 176,870
2025	184,965
2026	193,430
2027	153,705
2028 and thereafter	2,709,045
	<u>\$ 3,418,015</u>

	2023	2022
Interest expense for the year on long-term debt	\$ 170,737	\$ 93,435

15. CMHC mortgages

	Phase number	Renewal date	Interest rate	Monthly payment	2023	2022
Royal Bank	3	4/1/2024	3.12 %	\$ 764	\$ 9,690	\$ 18,408
Royal Bank	4	1/1/2025	2.87 %	1,519	32,613	49,635
Innovation Credit Union	5	10/1/2022	2.69 %	1,579	-	9,199
Innovation Credit Union	6	2/1/2025	5.33 %	1,840	42,127	61,397
CMHC advance	7			-	82,125	82,125
CMHC advance	8			-	66,546	66,546
CMHC advance	9			-	44,424	44,425
					277,525	331,735
Less: Current portion					46,841	54,217
					<u>\$ 230,684</u>	<u>\$ 277,518</u>

Expected principal repayments of CMHC mortgages due within the next five years:

2024	\$	46,841	
2025		37,589	
2026		-	
2027		-	
2028 and thereafter		193,095	
	\$	277,525	
		2023	2022
Interest expense for the year on CMHC mortgages		19,622	6,546

Mosquito Grizzly Bears Head Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2023

16. Capital assets

	Cost				Accumulated amortization			
	Balance, beginning of year	Additions	Transfers/ Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2023 net book value
Land	\$ 6,502,846	\$ -	\$ -	\$ 6,502,846	\$ -	\$ -	\$ -	\$ 6,502,846
Buildings	10,157,306	307,747	-	10,465,053	7,441,085	215,879	7,656,964	2,808,089
Automotive equipment	864,631	252,113	-	1,116,744	478,245	186,104	664,349	452,395
Office equipment	256,019	89,542	-	345,561	189,390	82,116	271,506	74,055
Machinery & equipment	1,692,183	224,344	-	1,916,527	637,931	319,647	957,578	958,949
CMHC housing	3,435,094	712,047	-	4,147,141	2,515,117	261,976	2,777,093	1,370,048
Housing	5,800,260	484,625	-	6,284,885	1,940,236	294,808	2,235,044	4,049,841
Infrastructure	8,449,669	239,944	250,000	8,939,613	4,801,444	162,523	4,963,967	3,975,646
Land Improvement	19,318	4,180	12,721	36,219	5,152	2,414	7,566	28,653
Assets under construction	1,904,195	1,416,116	(262,721)	3,057,590	-	-	-	3,057,590
	<u>\$ 39,081,521</u>	<u>\$ 3,730,658</u>	<u>\$ -</u>	<u>\$ 42,812,179</u>	<u>\$ 18,008,600</u>	<u>\$ 1,525,467</u>	<u>\$ 19,534,067</u>	<u>\$ 23,278,112</u>

Mosquito Grizzly Bears Head Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2023

16. Capital assets, continued

	Cost				Accumulated amortization			
	Balance, beginning of year	Additions	Transfers/ Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2022 Net book value
Land	\$ 6,042,150	\$ 460,696	\$ -	\$ 6,502,846	\$ -	\$ -	\$ -	\$ 6,502,846
Buildings	9,182,956	974,350	-	10,157,306	7,240,592	200,493	7,441,085	2,716,221
Automotive equipment	614,045	250,586	-	864,631	330,307	147,938	478,245	386,386
Office equipment	215,785	40,234	-	256,019	136,492	52,898	189,390	66,629
Machinery & equipment	522,347	1,169,836	-	1,692,183	356,408	281,523	637,931	1,054,252
CMHC housing	3,435,094	-	-	3,435,094	2,281,623	233,494	2,515,117	919,977
Housing	4,752,405	460,905	586,950	5,800,260	1,669,659	270,577	1,940,236	3,860,024
Infrastructure	8,449,669	-	-	8,449,669	4,663,418	138,026	4,801,444	3,648,225
Land Improvement	19,318	-	-	19,318	3,864	1,288	5,152	14,166
Assets under construction	1,506,810	984,335	(586,950)	1,904,195	-	-	-	1,904,195
	<u>\$ 34,740,579</u>	<u>\$ 4,340,942</u>	<u>\$ -</u>	<u>\$ 39,081,521</u>	<u>\$ 16,682,363</u>	<u>\$ 1,326,237</u>	<u>\$ 18,008,600</u>	<u>\$ 21,072,921</u>

Mosquito Grizzly Bears Head Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2023

17. Prepaid expenses

	2023	2022
Insurance	\$ -	\$ 3,380
Post Secondary - living allowance	46,400	36,350
Social assistance	13,529	-
	<u>\$ 59,929</u>	<u>\$ 39,730</u>

18. Accumulated surplus

	2023	2022
Restricted		
Capital assets	\$ 23,000,587	\$ 20,741,186
Trust funds held by federal government	17,638	108,162
Portfolio investments	580,000	580,000
Investment in government business enterprises	410,496	1,085,649
CMHC replacement reserve	901,393	906,538
	<u>24,910,114</u>	<u>23,421,535</u>
Unrestricted		
Settlement claims deficit	(2,709,045)	(2,102,419)
Operating (deficit) surplus	(752,351)	2,403,230
	<u>(3,461,396)</u>	<u>300,811</u>
	<u>\$ 21,448,718</u>	<u>\$ 23,722,346</u>

Capital assets represents the net book value of capital assets less any long-term debt taken out to acquire the capital assets that will be used to provide future services.

Trust funds held by federal government are monies held by the federal government for use by the First Nation for specific purposes.

Portfolio investments represent other commercial business operations owned by the First Nation.

Investment in government business enterprises represents amounts not readily available for operations.

CMHC replacement reserve is the amount required to be funded for future major repairs, as per agreements with CMHC.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

19. ISC contributions

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.

	2023	2022
ISC confirmation	\$ 21,200,746	\$ 16,266,089
Prior period revenue (recovery)		
Band Employee Benefits - statutory	-	9,008
Band Employee Benefits - non-statutory	-	3,978
	<u>\$ 21,200,746</u>	<u>\$ 16,279,075</u>

20. Contingent assets

The First Nation has initiated three claims against Canada as follows:

*Treaty 6 Benefits Claim (Cows & Ploughs);
Treaty 6 Benefits Claim (Cypress Hills); and,
Misadministration of Trust Claim.*

The First Nation has obtained loans to finance the costs of negotiating the settlements. Insurance policies have been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time that the claims are resolved. As at March 31, 2023, the claim loan amounts outstanding is \$2,709,046 (2022 - \$2,102,419). 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.

21. Contingent liabilities

Mosquito Grizzly Bears 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 Bears 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 Bears 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 Bears Head Lean Man First Nation provided a limited guarantee for a loan on January 23, 2023, on behalf of Mosquito Grizzly Bears Head Lean Man First Nation Economic Development Company Ltd. for the amount of \$1,250,000. The loan is for the purchase and leasehold improvements of a building (the Canada Post building) located in North Battleford, Saskatchewan.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

22. Settlement Claims

There are three claims currently being pursued:

Treaty 6 Benefits Claim (Cows & Ploughs) - a claim asserting that Canada failed to fulfill its treaty and fiduciary duties to provide agricultural assistance, ammunition and twine, and other benefits and assistance as promised under the terms of Treaty 4.

Treaty 6 Benefits Claim (Cypress Hills) - a claim asserting that Canada failed to comply with the surrender provisions of the *Indian Act* of 1886 and breached its fiduciary duties to the First Nation both prior to and following the surrender.

Misadministration of Trust Claim - a claim asserting that Canada failed to fulfill its treaty and fiduciary duties in relation to the mismanagement of the First Nation's trust funds beginning in 1918.

23. Mosquito Grizzly Bears Head Lean Man Legacy Trust

In the 2023 fiscal period, the First Nation received a Treaty Annuities Salaries settlement compensation in the amount of \$5,606,796. As of March 31, 2023 funds were sitting in the lawyer's trust account. On November 2, 2023, \$4,919,777 was deposited into the Mosquito Grizzly Bears Head Lean Man Legacy Trust.

In the 2022 fiscal period, Mosquito Grizzly Bears Head Lean Man First Nation settled the 1905 Surrender Claim with Canada. The First Nation received compensation of \$141,159,349 and established the Mosquito Grizzly Bears Head Lean Man Legacy Trust.

The Trust is managed by a corporate trustee and holds assets as follows:

	December 31 2022
<u>Mosquito Grizzly Bears Head Lean Man Legacy Trust</u>	<u>\$127,139,735</u>

The Trust Agreement allows for authorized loans for band development purposes. Interest and principal payments on these loans are to be paid from the Trust and deducted from annual payments to the First Nation. In the current year, the First Nation received \$Nil (2022 - \$47,200,648) in monies that were borrowed by the Legacy Trust.

24. 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 (2022 - 2,869 acres). The total acres converted as of March 31, 2023 are 15,176 at a total cost of \$6,502,846.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

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25. CMHC funding of reserves

It is a requirement of the CMHC operating agreement that operating and replacement reserves be established and monies be set aside in separate bank accounts. (The reserve amounts are not reported separately on these financial statements, but are included in equity). On March 31, 2023 the reserve accounts were funded as follows:

						2023
		Reserve amount		Funded amount	Deposited after year end	Over (Under) funded
Replacement reserve - Post-1996	\$	901,393	\$	311,393	\$ 590,000	\$ -
Operating reserve - Post-1996		115,344		69,046	-	(46,298)
	\$	1,016,737	\$	380,439	\$ 590,000	\$ (46,298)

						2022
		Reserve amount		Funded amount		Over (Under) funded
Replacement reserve - Post-1996	\$	906,538	\$	328,336	\$	(578,202)
Operating reserve - Post-1996		134,576		48,742		(85,834)
	\$	1,041,114	\$	377,078	\$	(664,036)

26. 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.

Post-employment benefits

Mosquito Grizzly Bears Head Lean Man First Nation does not provide extended health, dental and life insurance benefits to retired employees and therefore has no obligations with regards to post employment benefits.

Pension plan

Mosquito Grizzly Bears 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 Bears Head Lean Man First Nation contributes a matching portion which is directed to the member's contribution account. Mosquito Grizzly Bears Head Lean Man First Nation does not have any other obligations with regards to the pension plan as at March 31, 2023. In the current year, the employer portion of the pension was \$108,043 (2022 - \$88,794).

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

27. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed:

Credit concentration and risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. As at March 31, 2023, receivables from funding agencies accounted for 70% of the outstanding accounts receivable balance.

Risk management

The First Nation manages its credit risk by performing regular assessments and providing allowances for potentially uncollectible accounts receivable.

Fair Value of Financial Instruments

The carrying amount of cash, accounts receivable and trade payables and accruals approximate their fair value due to their short-term nature.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages its exposure to interest rate risk through normal operating and financing activities. The First Nation is exposed to interest rate risk with their long-term debt that has a variable rate based on the prime lending rate, term loan with a fixed rate of 4.50% and CMHC mortgages with fixed rates ranging from 2.69% to 5.33%. The First Nation has the option to renegotiate the bank loans at their maturity dates. The CMHC mortgages will be renewed at the rates set by CMHC at their renewal date.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services on credit, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow. The First Nation manages the liquidity risk resulting from its accounts payables and accrued liabilities by monitoring its cash and maintaining liquid assets.

28. Economic dependence

Mosquito Grizzly Bears Head Lean Man First Nation receives a substantial amount of its funding from Indigenous Services Canada ("ISC"). The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

29. Subsequent events

On April 24, 2023, a fire destroyed an eight-plex housing unit on the Mosquito Grizzly Bears Head Lean Man First Nation but plans to rebuild the homes are underway. As of March 31, 2023 the eight-plex had a net book value of \$1,167,730.

30. Asset retirement obligation

The First Nation has considered its obligations under the new Canadian Auditing Standard (PS 3280) which became effective for fiscal years beginning after April 1, 2022 and determined that the most likely assets that would fall under the standard include buildings that may contain asbestos and a landfill site.

It is unknown if any buildings and houses contain asbestos. Management has determined that the cost to inventory and analyze what buildings may or may not contain asbestos is not warranted. There are no plans to decommission any buildings in the foreseeable future, and if any buildings are decommissioned this will be done on a "one-off" basis, and the cost will be insignificant and absorbed in normal operating costs. The latest available information indicates that the average cost to remove asbestos from a house is just under \$3,000.

There is a landfill site that may need to be decommissioned at some point in the future, the date of which is unknown. An accurate estimate of the cost to decommission the landfill site is not available and it is unknown if this cost will be the responsibility of the First Nation or ISC. Historically ISC has provided funding to cover decommissioning costs. Since the cost to decommission the landfill site is unknown, the criteria as per PS 3280 (Policy 2(j)) has not been met to recognize an Asset Retirement Obligation and therefore has not been recorded in these financial statements.

31. 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 Bears Head Lean Man First Nation's Chief and Council.

32. Comparative amounts

Comparative figures have been reclassified, where applicable, to conform to current year's presentation.

33. Expenses by object

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Administration expense	\$ -	\$ -	\$ 12,000
Advertising, promotions, sponsorships	200	-	-
Amortization	-	1,525,467	1,326,234
Assistance - band members	2,834,150	3,083,883	2,098,367
Assistance - social development	4,263,981	2,021,866	1,723,728
Community support	-	79,802	96,633
Consultants and contractors	2,760,638	3,255,379	2,588,762
Cultural programs	1,068,718	1,360,770	922,856

Mosquito Grizzly Bears Head Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2023

33. Expenses by object, continued

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Economic development	-	6,997	7,245
Economic development - training centre	-	-	150,000
Equipment purchases	1,111,958	799,160	3,477,029
Fuel	146,807	165,534	92,039
Honorariums	439,085	794,298	526,243
Housing strategy	77,960	1,466,905	865,726
Insurance	232,633	594,792	1,717,381
Interest and bank charges	12,451	47,375	190,510
Interest on long-term debt	-	170,737	93,435
Interest on long-term debt - CMHC Mortgages	20,000	19,622	6,546
Land lease payments	39,950	39,950	40,000
Mosquito Legacy Trust expenses	2,150,000	2,043,462	-
Other expenses	87,347	121,447	160,355
Per capita distribution	-	-	17,169,351
Professional fees	573,700	892,177	14,863,074
Program expenses	13,766	51,293	34,456
Property taxes	-	-	4,903
Recreational activities	172,611	101,352	7,740
Registration fees	12,485	29,809	23,080
Rent - equipment	-	2,754	5,642
Repairs and maintenance	492,989	520,909	737,628
Student allowance	437,602	564,224	548,045
Student incentives	66,421	73,081	11,944
Supplies	977,891	709,999	536,838
Telephone	134,338	145,225	134,211
Training	43,659	44,364	9,356
Training initiatives	58,719	37,871	19,000
Travel - medical transportation	10,533	83,227	32,962
Travel, meetings, per diems	1,682,409	1,975,740	735,966
Tuition	1,428,261	1,545,617	1,456,311
Utilities	141,765	194,838	151,247
Wages and benefits	4,143,110	3,963,385	3,040,456
Transfer to capital assets	-	(3,730,657)	(3,714,900)
	\$ 25,636,137	\$ 24,802,654	\$ 51,902,399

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

34. Segmented information

As previously discussed in note 2(o) the First Nation conducts its business through reportable segments as follows:

Treaties and Indigenous Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Infrastructure:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indigenous Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Lands Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Mosquito Grizzly Bears Head Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2023

34. Segmented information, continued

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Registration and Membership:

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as a member of the First Nation under the Indian Act.

Health Services

Reports on costs associated with the development of safe and healthy communities.

Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

Other Band Programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Inter-segment transfers are recorded at their exchange amount. Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

Schedule #1
Mosquito Grizzly Bears Head Lean Man First Nation
Treaties and Indigenous Government
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Government of Canada - settlement claim	\$ -	\$ 5,606,796	\$ -
MGBHLM Legacy Trust (1905 Surrender) (Note 23)	-	-	47,200,648
MGBHLM Legacy Trust - annual income (net)	6,005,332	4,505,332	-
Other revenue	-	183,567	36,290
Deferred revenue - prior year	-	990,627	1,357,127
Deferred revenue - current year	-	(5,606,796)	(990,627)
	6,005,332	5,679,526	47,603,438
Expenses			
Assistance - band members	1,606,801	1,602,941	-
Consultants and contractors	185,182	311,802	93,325
Cultural programs	500,000	646,458	541,187
Economic development	-	6,997	7,245
Economic development - training centre	-	-	150,000
Equipment purchases	423,488	423,488	2,912,644
Honorariums	-	30,500	30,831
Housing strategy	77,960	1,466,905	865,726
Insurance	-	288,907	1,450,464
Interest and bank charges	-	4,618	155,680
Interest on specific claim insured loans	-	134,041	33,052
Long-term debt - payments (principle & interest)	-	-	5,415,312
Long-term debt - principle repayment	-	-	(5,386,526)
Mosquito Legacy Trust expenses	2,150,000	1,572,376	-
Per capita distribution	-	-	17,169,351
Professional fees	-	120,149	14,246,079
Repairs and maintenance	300,000	140,242	396,108
Supplies	-	257	-
Training workshops	-	-	95,000
Travel, meetings, per diems	930,945	996,101	57,526
Transfer to capital assets	-	(1,204,981)	(2,912,644)
	6,174,376	6,540,801	35,320,360
Current surplus (deficit)	(169,044)	(861,275)	12,283,078
Transfers			
Transfer - Other Band Programs	-	(471,086)	-
Surplus (deficit) at end of year	\$ (169,044)	\$ (1,332,361)	\$ 12,283,078

The accompanying notes are an integral part of the financial statements

Schedule #2
Mosquito Grizzly Bears Head Lean Man First Nation
Community Infrastructure
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - NFR grant	\$ 1,039,481	\$ 1,039,481	\$ 696,203
Indigenous Services Canada - fixed	271,937	271,937	673,477
Indigenous Services Canada - flexible	355,872	5,779,600	3,740,661
ISC - prior period revenue (recovery)	-	379,115	-
Other revenue	54,941	506,048	148,057
Deferred revenue - prior year	-	3,229,882	950,862
Deferred revenue - current year	-	(8,251,454)	(3,229,882)
	1,722,231	2,954,609	2,979,378
Expenses			
Administration - internal allocation	119,235	121,759	194,104
Administration expense	-	-	12,000
Assistance - band members	-	59,051	300,186
Consultants and contractors	967,038	1,353,198	1,351,865
Engineering and architecture	-	509,031	52,733
Equipment purchases	91,487	91,487	228,860
Fuel	15,000	76,369	51,151
Honorariums	-	-	29,000
Insurance	115,000	156,484	180,805
Interest and bank charges	92	92	-
Long-term debt - payments (principle & interest)	-	-	844,340
Long-term debt - principle repayment	-	-	(832,770)
Program expenses	-	-	24,000
Registration fees	2,441	2,441	170
Rent - equipment	-	129	5,642
Repairs and maintenance	61,298	114,331	221,443
Supplies	85,000	130,890	93,875
Telephone	13,600	29,514	10,300
Travel, meetings, per diems	5,065	5,064	930
Utilities	86,000	127,164	89,222
Wages and benefits	314,039	218,258	158,590
Transfer to capital assets	-	(1,432,341)	(503,491)
	1,875,295	1,562,921	2,512,955
Current surplus (deficit) before transfers	(153,064)	1,391,688	466,423
Transfers			
Transfer - Other Band Programs	-	-	133,307
Current surplus (deficit)	\$ (153,064)	\$ 1,391,688	\$ 599,730

The accompanying notes are an integral part of the financial statements

Schedule #3
Mosquito Grizzly Bears Head Lean Man First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ -	\$ 104,137
Expenses			
Administration - internal allocation	-	-	10,826
Assistance - band members	-	-	61,349
Professional fees	-	-	31,962
	-	-	104,137
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #4
Mosquito Grizzly Bears Head Lean Man First Nation
Education
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - NFR grant	\$ 4,686,141	\$ 4,686,141	\$ 3,689,121
Indigenous Services Canada - fixed	813,797	813,707	963,121
Indigenous Services Canada - flexible	74,542	74,542	216,655
Other revenue	300	16,039	-
Deferred revenue - prior year	-	629,679	489,922
Deferred revenue - current year	-	(756,735)	(629,679)
	5,574,780	5,463,373	4,729,140
Expenses			
Administration - internal allocation	243,639	451,896	372,212
Assistance - band members	42,121	34,585	58,130
Consultants and contractors	171,647	145,931	304,189
Equipment purchases	19,000	19,000	101,077
Fuel	48,624	48,821	9,200
Honorariums	15,270	15,520	17,708
Insurance	36,727	41,238	2,853
Interest and bank charges	-	271	992
Long-term debt - payments (principle & interest)	-	-	25,033
Long-term debt - principle repayment	-	-	(24,638)
Professional fees	382,251	181,364	170,310
Recreational activities	4,152	4,152	5,400
Registration fees	1,910	5,164	11,030
Repairs and maintenance	41,526	29,981	38,395
Student allowance	379,202	505,824	483,450
Student incentives	32,881	34,581	11,944
Supplies	361,501	234,580	134,509
Telephone	31,641	33,477	23,318
Training	38,704	28,904	5,000
Travel, meetings, per diems	105,360	117,946	33,915
Tuition	1,302,927	1,390,240	1,298,404
Utilities	48,744	64,915	58,604
Wages and benefits	2,028,697	2,208,733	1,563,467
Transfer to capital assets	-	(36,174)	(64,318)
	5,336,524	5,560,949	4,640,184
Current surplus (deficit)	\$ 238,256	\$ (97,576)	\$ 88,956

The accompanying notes are an integral part of the financial statements

Schedule #5
Mosquito Grizzly Bears Head Lean Man First Nation
Indigenous Government Support
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - NFR grant	\$ 470,240	\$ 472,024	\$ 542,293
Indigenous Services Canada - flexible	112,300	142,204	63,750
ISC - prior period revenue (recovery)	-	-	12,986
Other revenue	46,211	36,889	57,436
Deferred revenue - prior year	-	-	52,134
	628,751	651,117	728,599
Expenses			
Administration - internal allocation	(917,424)	(1,008,476)	(788,234)
Assistance - band members	-	9,561	-
Consultants and contractors	60,000	53,065	71,205
Cultural programs	-	550	-
Equipment purchases	1,950	3,932	19,047
Fuel	-	2,401	202
Honorariums	360,000	486,378	377,153
Insurance	12,268	50,091	6,505
Interest and bank charges	5,000	39,325	28,380
Professional fees	117,000	441,927	273,355
Registration fees	4,859	9,631	7,252
Repairs and maintenance	2,500	269	339
Supplies	22,000	77,630	44,552
Telephone	40,800	48,794	67,249
Training	2,400	14,305	2,950
Travel, meetings, per diems	173,095	302,130	196,449
Wages and benefits	690,634	432,431	448,864
Transfer to capital assets	-	(19,281)	(19,047)
	575,082	944,663	736,221
Current surplus (deficit) before transfers	53,669	(293,546)	(7,622)
Transfers			
Transfer - Other Band Programs	55,474	61,612	39,655
Current surplus (deficit)	\$ 109,143	\$ (231,934)	\$ 32,033

The accompanying notes are an integral part of the financial statements

Schedule #6
Mosquito Grizzly Bears Head Lean Man First Nation
Land Management
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - NFR grant	\$ 161,786	\$ 161,786	\$ 153,302
Indigenous Services Canada - fixed	-	-	15,000
Deferred revenue - prior year	-	-	7,921
	161,786	161,786	176,223
Expenses			
Administration - internal allocation	24,268	16,179	16,831
Assistance - band members	-	-	800
Consultants and contractors	40,199	12,548	38,019
Equipment purchases	16,073	3,000	12,721
Fuel	-	3,519	513
Insurance	-	733	-
Property taxes	-	-	4,903
Registration fees	-	-	630
Repairs and maintenance	2,000	22,473	2,536
Supplies	20,000	4,128	12,486
Telephone	1,800	5,175	4,738
Training	1,400	-	1,406
Travel, meetings, per diems	10,000	16,740	23,555
Tuition	-	-	1,440
Wages and benefits	46,046	90,324	56,020
Transfer to capital assets	-	(7,179)	(12,721)
	161,786	167,640	163,877
Addition of reserve lands (Note 24)	-	-	460,696
Current surplus (deficit)	\$ -	\$ (5,854)	\$ 473,042

The accompanying notes are an integral part of the financial statements

Schedule #7
Mosquito Grizzly Bears Head Lean Man First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - NFR grant	\$ 3,367,344	\$ 2,440,044	\$ 1,947,479
Indigenous Services Canada - fixed	-	-	108,365
Indigenous Services Canada - flexible	1,479,008	2,406,308	906,250
Deferred revenue - prior year	1,424,620	1,547,321	603,437
Deferred revenue - current year	-	(3,363,406)	(1,547,321)
	6,270,972	3,030,267	2,018,210
Expenses			
Administration - internal allocation	220,447	220,447	-
Assistance - band members	125,875	119,885	40,438
Assistance - social development	4,263,981	2,021,866	1,723,728
Consultants and contractors	553,053	126,129	140,963
Cultural programs	150,000	91,412	-
Equipment purchases	267,880	48,338	-
Fuel	9,472	472	85
Honorariums	26,585	3,335	-
Insurance	10,400	-	-
Interest and bank charges	5,000	2,140	3,861
Professional fees	19,800	4,800	-
Recreational activities	150,000	79,791	-
Registration fees	400	710	-
Repairs and maintenance	200	-	-
Supplies	32,701	6,874	2,277
Telephone	6,013	1,213	775
Training	1,155	1,155	-
Training initiatives	58,719	37,871	19,000
Travel, meetings, per diems	19,299	36,162	994
Tuition	61,886	74,751	-
Utilities	3,600	-	-
Wages and benefits	206,006	152,915	86,089
Transfer to capital assets	-	(48,338)	-
	6,192,472	2,981,928	2,018,210
Current surplus	\$ 78,500	\$ 48,339	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #8
Mosquito Grizzly Bears Head Lean Man First Nation
Registration and Membership
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - NFR grant	\$ 11,180	\$ 11,799	\$ 11,180
Indigenous Services Canada - fixed	15,000	15,000	5,000
Deferred revenue - prior year	-	-	1,183
	26,180	26,799	17,363
Expenses			
Administration - internal allocation	200	1,318	1,118
Consultants and contractors	5,201	6,911	4,830
Equipment purchases	10,000	47,477	-
Supplies	2,411	2,156	6,654
Wages and benefits	8,368	10,964	4,761
Transfer to capital assets	-	(44,597)	-
	26,180	24,229	17,363
Current surplus	\$ -	\$ 2,570	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #9
Mosquito Grizzly Bears Head Lean Man First Nation
Health Services
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - NFR grant	\$ 1,465,726	\$ 1,465,726	\$ 1,313,239
Indigenous Services Canada - fixed	479,592	479,592	407,998
Indigenous Services Canada - set	270,106	270,106	232,231
Indigenous Services Canada - flexible	125,726	291,635	476,427
Indigenous Services Canada - block	-	-	200
Deferred revenue - prior year	300,143	1,494,174	793,186
Deferred revenue - current year	132,501	(1,385,241)	(1,494,174)
	2,773,794	2,615,992	1,729,107
Expenses			
Administration - internal allocation	305,975	196,877	212,758
Advertising, promotions, sponsorships	200	-	-
Assistance - band members	70,776	267,721	29,269
Community support	-	79,802	1,633
Consultants and contractors	504,484	325,345	112,558
Cultural programs	38,164	152,411	168,317
Equipment purchases	279,813	160,172	84,727
Fuel	73,610	32,463	30,783
Honorariums	34,428	236,612	1,352
Insurance	21,500	21,303	14,342
Interest and bank charges	562	668	1,257
Professional fees	22,493	100,141	28,644
Program expenses	13,266	50,650	7,837
Registration fees	1,975	9,774	2,848
Rent - equipment	-	2,622	-
Repairs and maintenance	35,800	17,999	10,169
Supplies	397,272	164,326	183,094
Telephone	36,088	24,655	25,028
Travel - medical transportation	10,533	83,227	32,962
Travel, meetings, per diems	44,540	111,099	139,534
Wages and benefits	728,373	733,950	641,994
Transfer to capital assets	-	(176,462)	(84,727)
	2,619,852	2,595,355	1,644,379
Current surplus	\$ 153,942	\$ 20,637	\$ 84,728

The accompanying notes are an integral part of the financial statements

Schedule #10
Mosquito Grizzly Bears Head Lean Man First Nation
CMHC Operations
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
CMHC - subsidy	\$ 14,500	\$ 39,099	\$ 42,119
CMHC - supplementary funding	-	-	590,000
CMHC - other	132,722	34,262	10,332
CMHC rental income	-	56,097	64,858
Other revenue	-	3,012	275
	147,222	132,470	707,584
Expenses			
Consultants and contractors	30,721	142,025	12,375
Insurance	32,848	32,037	62,412
Interest and bank charges	1,755	190	166
Mortgages - payments (principle & interest)	20,000	73,832	68,236
Mortgages - principle repayment	-	(54,210)	(61,690)
Professional fees	10,510	10,177	2,340
Repairs and maintenance	49,283	92,546	58,306
Supplies	2,180	139	1,978
Travel, meetings, per diems	-	-	353
Wages and benefits	-	-	6,369
Transfer to capital assets	-	(183,941)	-
	147,297	112,795	150,845
Current surplus (deficit)	\$ (75)	\$ 19,675	\$ 556,739

The accompanying notes are an integral part of the financial statements

Schedule #11
Mosquito Grizzly Bears Head Lean Man First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
ISC trust funds - revenue	\$ 599,181	\$ 508,657	\$ 459,391
First Nations Trust	568,704	568,704	240,992
Federation of Sovereign Indigenous Nations (FSIN)	52,388	69,387	25,500
BATC Community Development Corporation	133,019	47,848	46,823
Saskatchewan Government	55,474	61,612	39,655
Saskatchewan Indian Training Assessment Group (SITAG)	154,453	154,453	455,857
Betterment Levy (FNGST)	555,629	557,174	618,476
Maurice Law Donation	282,000	282,000	564,500
Gains (losses) in government business enterprises	-	(675,153)	605,805
Other revenue	49,133	118,968	405,109
Deferred revenue - prior year	-	235,601	162,268
Deferred revenue - current year	-	(116,168)	(235,601)
	2,449,981	1,813,083	3,388,775
Expenses			
Administration - internal allocation	3,660	-	(19,614)
Assistance - band members	988,577	990,140	1,608,195
Buffalo project	-	471,086	-
Consultants and contractors	243,113	269,393	406,701
Cultural programs	380,554	469,939	213,351
Equipment purchases	2,267	2,267	117,952
Fuel	101	1,489	104
Honorariums	2,802	21,953	70,200
Insurance	3,890	4,000	-
Interest and bank charges	42	70	172
Land lease payments	39,950	39,950	40,000
Long-term debt - payments (principle & interest)	-	205,817	802,678
Long-term debt - principle repayment	-	(169,121)	(783,045)
Other expenses	87,347	121,447	160,355
Professional fees	21,646	33,618	110,383
Program expenses	500	643	2,619
Recreational activities	18,459	17,409	2,340
Registration fees	900	2,090	1,150
Repairs and maintenance	382	103,068	10,333
Student allowance	58,400	58,400	64,595
Student incentives	33,540	38,500	-
Supplies	54,826	89,016	57,414

The accompanying notes are an integral part of the financial statements

Schedule #11, continued
Mosquito Grizzly Bears Head Lean Man First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Telephone	4,396	2,397	2,804
Travel, meetings, per diems	394,105	390,499	282,711
Tuition	63,448	80,625	156,467
Utilities	3,421	2,759	3,420
Wages and benefits	120,947	115,811	74,302
Transfer to capital assets	-	(577,363)	(117,952)
	2,527,273	2,785,902	3,267,635
Current surplus (deficit) before transfers	(77,292)	(972,819)	121,140
Transfers			
Transfer - Treaties and Indigenous Government	-	471,086	-
Transfer - Community Infrastructure	-	-	(133,307)
Transfer - Indigenous Government Support	(55,474)	(61,612)	(39,655)
Current deficit	\$ (132,766)	\$ (563,345)	\$ (51,822)

The accompanying notes are an integral part of the financial statements

Schedule #12
Mosquito Grizzly Bears Head Lean Man First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Community Infrastructure	-	1,042,929	926,530
Education	-	74,154	52,238
Indigenous Government Support	-	68,483	37,268
Land Management	-	5,408	9,208
Health Services	-	66,518	58,825
CMHC Operations	-	261,976	233,494
Other Band Programs	-	5,999	8,673
	-	1,525,467	1,326,236
Current deficit	\$ -	\$ (1,525,467)	\$ (1,326,236)

The accompanying notes are an integral part of the financial statements