

**Muscowpetung First Nation
Consolidated Financial Statements
March 31, 2021**

Muscowpetung First Nation
Consolidated Financial Statements
March 31, 2021

| | <i>Page</i> |
|---|--------------|
| Management's Responsibility for Financial Reporting..... | 1 |
| Independent Auditors' Report..... | 2 - 4 |
| Financial Statements | |
| Consolidated Statement of Financial Position..... | 5 |
| Consolidated Statement of Operations..... | 6 - 7 |
| Consolidated Statement of Accumulated Surplus..... | 8 |
| Consolidated Statement of Change in Net Debt..... | 9 |
| Consolidated Statement of Cash Flows..... | 10 |
| Notes to Consolidated Financial Statements..... | 11 - 33 |
| Program schedules | |
| Treaties and Indigenous Government - Schedule #1..... | 34 |
| Community Infrastructure - Schedule #2..... | 35 |
| Economic Development - Schedule #3..... | 37 |
| Education - Schedule #4..... | 38 |
| Indigenous Government Support - Schedule #5..... | 39 |
| Social Development - Schedule #6..... | 41 |
| Registration and Membership - Schedule #7..... | 42 |
| Health Programs - Schedule #8..... | 43 |
| CMHC Operations - Schedule #9..... | 45 |
| Other Band Programs - Schedule #10..... | 46 |
| Depreciation - Schedule #11..... | 48 |

Muscowpetung First Nation
Management's Responsibility for Financial Reporting
March 31, 2021

To the Members of Muscowpetung First Nation:

The accompanying consolidated financial statements of Muscowpetung 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 fulfills 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 Muscowpetung First Nation:

Signature on file

Chief Melissa Tavita

Muscowpetung First Nation

July 12, 2022

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

Muscowpetung First Nation

Qualified Opinion

We have audited the consolidated financial statements of Muscowpetung First Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, accumulated surplus (deficit), 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.

Except as noted in the following paragraph, in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021 and the results of its 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 Qualified 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 qualified opinion.

The First Nation has a business development arm and operates three commercial businesses. It owns 100% of Muscowpetung Ki-Pih-Cheen and Mah-Jahn Convenience Store Inc. (operating as "Muscowpetung Stop & Go Store") and 100% of 101274203 Saskatchewan Ltd. (operating as "Mino Maskihki Cannabis Dispensary"). These businesses prepare separate financial statements and have a year end of August 31st. The operations of these businesses have been fully consolidated based on the August 31, 2020 year end financial information representing operations for the year then ended. This includes the assets, liabilities and equity as at August 31, 2020 and the revenues and expenses for the year then ended; however, they do not include the operations for the period from September 1, 2020 to March 31, 2021.

We were unable to acquire sufficient appropriate audit evidence to verify the completeness of revenues, expenses, assets and liabilities. Therefore, we were not able to determine whether any adjustments might be necessary to the consolidated statements of operations, accumulated surplus (deficit), change in net debt or the cash flows for the year ended March 31, 2021.

Other Matter

Without modifying our opinion, we draw attention to Notes 19 and 26 to the consolidated financial statements which describe that Muscowpetung First Nation initiated a surrender claim and a channelization claim against the Government of Canada. The First Nation has obtained a loan to fund costs of negotiations and has taken insurance to cover the repayment of the loan if it is in excess of settlement proceeds.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 18 of the financial statements, which describes the restatement of certain comparative financial information presented for the year ended March 31, 2020.

The consolidated financial statements for the year ended March 31, 2020 (prior to the adjustments that were applied to restate certain comparative information explained in note 18) were audited by another auditor who expressed an unmodified opinion on those financial statements on June 18, 2021. Our opinion is not modified in respect of this matter.

As part of our audit of the financial statements for the year ended March 31, 2021, we also audited the adjustments applied to restate certain comparative information presented. In our opinion, such adjustments are appropriate and have been properly applied. Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review or apply any procedures to the financial statements for the year ended March 31, 2020. Accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

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.
- ◆ 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
July 12, 2022

Chalupiak & Associates
Chartered Professional Accountants

Muscowpetung First Nation
Consolidated Statement of Financial Position
March 31, 2021

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| | | Restated |
| Financial Assets | | |
| Cash (Note 3) | \$ 2,515,707 | \$ 451,598 |
| Restricted cash (Note 3) | 1,194,878 | 1,156,807 |
| Trust funds held by federal government (Notes 3 and 4) | 6,893 | 6,706 |
| Accounts receivable (Note 5) | 967,920 | 532,362 |
| Portfolio investments (Note 6) | 69,775 | 91,945 |
| Due from related parties (Note 7) | 4,138 | 49,926 |
| | <hr/> 4,759,311 | <hr/> 2,289,344 |
| Liabilities | | |
| Bank indebtedness (Note 8) | 188,864 | 466,105 |
| Operating loan (Note 8) | 299,984 | 251,516 |
| Accounts payable (Note 9) | 1,380,792 | 599,085 |
| Deferred revenue - unexpended funds - ISC (Note 10) | 2,335,602 | 1,526,642 |
| Deferred revenue - unexpended funds - other (Note 11) | 829,212 | 598,724 |
| Current portion of long-term debt (Note 12) | 319,806 | 169,823 |
| Current portion of CMHC mortgages (Note 13) | 164,992 | 159,206 |
| Long-term debt (Note 12) | 6,408,434 | 5,224,460 |
| CMHC mortgages (Note 13) | 2,887,852 | 2,658,870 |
| | <hr/> 14,815,538 | <hr/> 11,654,431 |
| Net debt | (10,056,227) | (9,365,087) |
| Non-financial Assets | | |
| Capital assets (Note 14) | 7,638,423 | 6,508,526 |
| Prepaid expenses (Note 15) | 7,960 | 6,240 |
| Inventory (Note 16) | 98,081 | 70,300 |
| | <hr/> 7,744,464 | <hr/> 6,585,066 |
| Accumulated Deficit (Note 17) | \$ (2,311,763) | \$ (2,780,021) |

Approved on behalf of the Muscowpetung First Nation:

Signature on file

Chief Melissa Tavita

Signature on file

Councillor Rhonda Rosebluff

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|---|-------------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada (ISC) | \$ 7,289,001 | \$ 8,939,254 | \$ 5,586,679 |
| Trust funds held by federal government | - | 187 | - |
| Canada Mortgage & Housing Corporation (CMHC) | 1,297,900 | 430,563 | 231,880 |
| First Nations Trust (FNT) | 395,900 | 320,084 | 438,529 |
| FHQ Tribal Council | 308,164 | 619,782 | 304,108 |
| Yorkton Tribal Council Child & Family Services Inc. | - | 77,175 | - |
| QBOW Child & Family Services Inc. | - | 55,907 | 438,900 |
| Living Sky CDC | - | 32,331 | 21,525 |
| Muscowpetung Legacy Trust | - | 1,337,002 | 1,287,896 |
| Muscowpetung Legacy Trust draws repayable | - | 1,917,334 | - |
| Keseechiwan Holdings LP dividend | - | 60,000 | 60,000 |
| Retail sales | - | 2,252,528 | 2,400,863 |
| Saskatchewan Finance rebates (net of customer) | - | 48,568 | 44,688 |
| Government of Canada | - | - | 75,620 |
| CMHC rental income | 194,184 | 33,373 | 28,033 |
| Interest earned | 3,100 | 19,306 | 10,172 |
| Other revenue | 38,180 | 479,374 | 497,967 |
| Unexpended funds transferred - prior year | - | 2,127,613 | 1,447,639 |
| | <hr/> 9,526,429 | <hr/> 18,750,381 | <hr/> 12,874,499 |
| Expenses | | | |
| Treaties and Indigenous Government (Schedule 1) | - | 2,346,298 | 1,284,766 |
| Community Infrastructure (Schedule 2) | 1,349,722 | 1,258,942 | 1,015,771 |
| Economic Development (Schedule 3) | - | 83,607 | - |
| Education (Schedule 4) | 2,098,465 | 2,209,785 | 2,388,822 |
| Indigenous Government Support (Schedule 5) | 1,767,483 | 3,338,199 | 2,337,314 |
| Social Development (Schedule 6) | 572,809 | 567,556 | 678,101 |
| Registration and Membership (Schedule 7) | 10,300 | 10,946 | 13,179 |
| Health Programs (Schedule 8) | 989,504 | 1,149,332 | 870,212 |
| CMHC Operations (Schedule 9) | 1,886,804 | 412,005 | 732,173 |
| Other Band Programs (Schedule 10) | 544,432 | 3,014,631 | 4,644,111 |
| Depreciation (Schedule 11) | - | 726,010 | 487,387 |
| | <hr/> 9,219,519 | <hr/> 15,117,311 | <hr/> 14,451,836 |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|-------------------|-----------------------|
| Current surplus (deficit) before unexpended transfers | 306,910 | 3,633,070 | (1,577,341) |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (3,164,814) | (2,125,366) |
| Current surplus (deficit) | \$ 306,910 | \$ 468,256 | \$ (3,702,707) |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Accumulated Surplus (Deficit)
For the year ended March 31, 2021

| | 2021 | 2020 |
|---|-----------------------|-----------------------|
| | | Restated |
| Surplus (deficit) at beginning of year | \$ (2,780,021) | \$ 922,686 |
| Current surplus (deficit) | 468,256 | (3,702,707) |
| Deficit at end of year | \$ (2,311,765) | \$ (2,780,021) |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|---|-------------------------------|------------------------|-----------------------|
| Current surplus (deficit) | \$ 306,910 | \$ 468,256 | \$ (3,702,707) |
| Acquisition of tangible capital assets | - | (1,855,905) | (1,595,876) |
| Depreciation of tangible capital assets | - | 726,010 | 487,387 |
| | - | (1,129,895) | (1,108,489) |
| Acquisition of prepaid asset | - | (7,960) | (6,240) |
| Use of prepaid asset | - | 6,240 | 25,833 |
| | - | (1,720) | 19,593 |
| Acquisition of inventory | - | (98,081) | (70,300) |
| Use of inventory | - | 70,300 | - |
| | - | (27,781) | (70,300) |
| Increase (decrease) in net financial assets | 306,910 | (691,140) | (4,861,903) |
| Net debt at beginning of year | (9,365,087) | (9,365,087) | (4,503,184) |
| Net debt at end of year | \$ (9,058,177) | \$ (10,056,227) | \$ (9,365,087) |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

| | 2021 | 2020 |
|---|--------------|----------------|
| | | Restated |
| Cash flows from Operating activities | | |
| Current surplus (deficit) | \$ 468,256 | \$ (3,702,707) |
| Items not affecting cash | | |
| Depreciation | 726,010 | 487,387 |
| | 1,194,266 | (3,215,320) |
| Change in non-cash operating working capital | | |
| Accounts receivable | (435,558) | 2,228,987 |
| Inventory | (27,781) | (70,300) |
| Prepaid expenses | (1,720) | 19,593 |
| Accounts payable | 781,712 | (58,865) |
| Deferred revenue - unexpended funds - ISC | 808,960 | 1,245,780 |
| Deferred revenue - unexpended funds - other | 230,488 | (529,400) |
| Due from related party | 45,788 | 130,967 |
| | 2,596,155 | (248,558) |
| Capital activities | | |
| Acquisition of capital assets | (1,855,912) | (1,595,878) |
| Financing activities | | |
| Long-term debt - proceeds | 1,475,328 | 803,178 |
| Long-term debt - repayment | (141,370) | (169,263) |
| CMHC mortgages - advances | 397,889 | 559,751 |
| CMHC mortgages - repayment | (163,120) | (128,012) |
| | 1,568,727 | 1,065,654 |
| Investing activities | | |
| Trust funds held by federal government | (187) | - |
| Purchase of portfolio investment | - | (330,000) |
| Allowance for impairment of portfolio investment | 22,170 | 298,055 |
| | 21,983 | (31,945) |
| Increase in cash and cash equivalents | 2,330,953 | (810,727) |
| Cash and cash equivalents, beginning of year | 890,784 | 1,701,511 |
| Cash and cash equivalents, end of year | \$ 3,221,737 | \$ 890,784 |
| Represented by | | |
| Cash | \$ 2,515,707 | \$ 451,598 |
| Bank indebtedness | (188,864) | (466,105) |
| Restricted cash | 1,194,878 | 1,156,807 |
| Operating loan | (299,984) | (251,516) |
| | \$ 3,221,737 | \$ 890,784 |

The accompanying notes are an integral part of the financial statements

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

1. General

The Muscowpetung 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.

The office of the First Nation is physically located at coordinates 50.79345, -104.28507 and the mailing address is P.O. Box 1310, Fort Qu'Appelle, Saskatchewan, S0G 1S0, 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 Muscowpetung First Nation reporting entity includes the Muscowpetung First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated. Inter-organizational balances and transactions are eliminated upon consolidation.

Organizations fully consolidated include:

- *Muscowpetung Saulteaux Business Developments Ltd.*
- *101291988 Saskatchewan Ltd. (operating as "Muscowpetung Security Services")*
- *Muscowpetung Ki-Pih-Cheen and Mah-Jahn Convenience Store Inc. ("Muscowpetung Stop & Go Store")*
- *101274203 Saskatchewan Ltd. (operating as "Mino Maskihki Cannabis Dispensary")*

(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.

(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 (deficit).

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

2. Basis of presentation and significant accounting policies, continued

(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. Cash subjected to restrictions that prevent its use for current purposes is included in restricted cash.

(f) 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 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 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 Muscowpetung First Nation's incremental cost of borrowing.

Depreciation is provided for on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------------|--------------------------|
| Buildings | 25 years Straight line |
| Vehicles | 4 years Straight line |
| Office equipment | 3 years Straight line |
| Store equipment | 10 years Straight line |
| Machinery and equipment | 5-10 years Straight line |
| CMHC - houses | 25 years Straight line |
| Infrastructure | 40 years Straight line |
| Major renovations | 10 years Straight line |

Tangible capital assets are written down when conditions indicate that they no longer contribute to Muscowpetung 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 depreciated until the asset is available to be put into service.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

2. Basis of presentation and significant accounting policies, continued

(g) 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, 2021. No contaminated sites have been identified as at March 31, 2021.

(h) Portfolio investments

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

(i) Trust funds

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

- Capital Trust moneys derived from non-renewable resources transactions on the sale of land or other First Nation capital assets; 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.

(j) 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.

(k) 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.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

2. Basis of presentation and significant accounting policies, continued

(l) 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."

(m) 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.

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

(n) Expense recognition

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

(o) Comparative figures

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

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

3. Cash and cash equivalents

Cash and cash equivalents is comprised of the following:

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 a funding agreement or trust agreement. In some cases, these accounts are controlled by a project manager.

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

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 Muscowpetung First Nation.

| | 2021 | 2020 |
|---|--------------------|--------------------|
| | | Restated |
| Unrestricted cash | | |
| Gaming | \$ - | \$ 87,546 |
| Community development | 1,120,974 | 855 |
| Health | 862,956 | 34,027 |
| CMHC Operating | 354,141 | 307,665 |
| Muscowpetung Business Development | 83,994 | 4,205 |
| Retail operations | 60,062 | 17,300 |
| Social development | 33,580 | - |
| | <hr/> 2,515,707 | <hr/> 451,598 |
| Restricted cash | | |
| CMHC replacement reserve term deposits | 152,276 | 465,679 |
| Per Capita Distribution | 162,738 | 179,269 |
| Flood repair capital project | 631,501 | 334,759 |
| School feasibility | 19,209 | 21,384 |
| Road Assessment | 53,981 | - |
| CMHC replacement reserve | 140,481 | 44,592 |
| Maurice Law - Funds in trust - land claims | 34,692 | 111,124 |
| | <hr/> 1,194,878 | <hr/> 1,156,807 |
| Trust funds held by federal government | | |
| Capital trust funds | 4,775 | 4,775 |
| Revenue trust funds | 2,118 | 1,931 |
| | <hr/> 6,893 | <hr/> 6,706 |
| | <hr/> \$ 3,717,478 | <hr/> \$ 1,615,111 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

4. Trust funds held by federal government

The Trust funds held by federal government are 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. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

| | 2021 Revenue | 2021 Capital | 2021 Total | 2020 Total |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| Surplus, beginning of year | \$ 1,931 | \$ 4,775 | \$ 6,706 | \$ 6,706 |
| Interest earnings | 131 | - | 131 | - |
| Prior year interest unrecorded | 56 | - | 56 | - |
| Surplus, end of year | \$ 2,118 | \$ 4,775 | \$ 6,893 | \$ 6,706 |

5. Accounts receivable

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | Restated | |
| Due from members | | |
| Advances - band | \$ 69,137 | \$ 72,340 |
| Advances - social development | 110,219 | 40,324 |
| | 179,356 | 112,664 |
| Due from others | | |
| FHQ Tribal Council | 59,654 | 26,559 |
| Living Sky CDC | 74,145 | 39,269 |
| Yorkton Tribal Council CFS | 20,855 | - |
| Legacy Trust - annual distribution | 303,002 | 307,927 |
| Other | 19,831 | 12,557 |
| First Nations Trust | 240,063 | - |
| | 717,550 | 386,312 |
| Due from government and other government organizations | | |
| Indigenous Services Canada (ISC) | 21,387 | 16,017 |
| ISC - First Nations & Inuit Health Branch (FNIHB) | - | 46,500 |
| CMHC | 126,447 | 62,425 |
| Saskatchewan Finance Rebates | 74,998 | - |
| | 222,832 | 124,942 |
| Allowance for doubtful accounts | 1,119,738 | 623,918 |
| | (151,818) | (91,556) |
| | \$ 967,920 | \$ 532,362 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

6. Portfolio investments

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | | Restated |
| Keseechiwan Holdings LP (8.3% interest) | \$ 60,000 | \$ 60,000 |
| Kief Cannabis Company Ltd. (4.41% interest) | 330,000 | 330,000 |
| Less: Allowance for impairment of investment - Kief Cannabis Ltd. | <u>(320,225)</u> | <u>(298,055)</u> |
| | <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> |
| | \$ 69,775 | \$ 91,945 |

7. 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 there are no fixed repayment schedules.

| | 2021 | 2020 |
|-------------------|-------------|-------------|
| Retail operations | <hr/> <hr/> | <hr/> <hr/> |

8. Bank indebtedness

On March 31, 2021 the First Nation had the following operating facilities in place:

1. Peace Hills Trust - General Operations - Approved line of credit (LOC) of \$300,000 at an interest rate of prime + 2% and 24% on amounts exceeding LOC. The balance on March 31, 2021 was \$299,984 (2020 - \$251,516).
2. Peace Hills Trust - Stop & Go Store - Approved overdraft limit of \$40,000 at an interest rate of 24% on amounts exceeding LOC. The amount overdrawn on August 31, 2020 was \$22,251 (2019 - \$17,064).
3. Peace Hills Trust - All other accounts incur interest at 24% for any balances overdrawn without an approved overdraft or line of credit in place.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

9. Accounts payable

| | 2021 | 2020 |
|---|--------------------------|------------------------|
| | | Restated |
| Due to others | | |
| Trade payables | \$ 544,107 | \$ 441,884 |
| Maurice Law | 701,160 | - |
| Retail operations - payables | 18,277 | 61,787 |
| FHQ Tribal Council | 50,000 | 50,000 |
| Pension payable | 1,821 | - |
| Accrued interest on long-term debt | 62,147 | 32,042 |
| | <hr/> 1,377,512 | <hr/> 585,713 |
| Due to government and other government organizations | | |
| Indigenous Services Canada (ISC) | 1,173 | - |
| ISC - First Nations & Inuit Health Branch (FNIHB) | - | 13,372 |
| Canada Revenue Agency (CRA) | 2,107 | - |
| | <hr/> 3,280 | <hr/> 13,372 |
| | <hr/> <hr/> \$ 1,380,792 | <hr/> <hr/> \$ 599,085 |

10. 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.

| | 2021 | 2020 |
|---------------------------------------|---------|--------------|
| | | Restated |
| Preparedness / Mitigation | | |
| Immediate needs | \$ - | \$ 37,913 |
| School Renovations | 146,712 | 490,500 |
| Back-up Well | 107,465 | 109,640 |
| Road to Community Well | 357,079 | 395,602 |
| Roads Resurfacing | 263,570 | 20,000 |
| FN School Formula | 53,981 | - |
| FN School Targeted HCSE | 134,958 | 109,906 |
| Provincial/Private Student Supplement | 2,614 | - |
| Jordan's Principle | 7,651 | - |
| FN School Kindergarten | 18,206 | 39,162 |
| Skills Link Program | - | 20,249 |
| P&ID - Capacity Building (EMA) | 51,908 | 31,417 |
| P&ID - Capacity Development | - | 8,518 |
| | <hr/> - | <hr/> 12,000 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

10. Deferred revenue - unexpended funds - ISC, continued

| | 2021 | 2020 Restated |
|---|--------------|------------------|
| P&ID - Accounting Training | - | 6,986 |
| P&ID - Community Development 2021-2022 | 42,500 | - |
| 10 Year Grant | 30,845 | 30,845 |
| Response - COVID-19 | - | 43,286 |
| Community Involvement - Navigator | 34,593 | - |
| Capacity / Innovation | 14,995 | 24,617 |
| Service Delivery | 24,607 | - |
| Basic Needs | 69,866 | 58,120 |
| Basic Needs - COVID-19 | 134,965 | - |
| Special Needs | - | 13,332 |
| Special Needs - COVID-19 | 15,012 | 16,107 |
| In Home Care | 14,788 | - |
| In Home Care - COVID-19 | 4,000 | - |
| Employment & training | 62,562 | 9,217 |
| Brighter Futures | - | 10,726 |
| Mental Health | 42,823 | 15,906 |
| Prenatal Nutrition | - | 60 |
| CDCM Public Health NS & CHRS | 8,016 | - |
| Mental Wellness - NNADAP | 82,925 | - |
| Medical Transportation | - | 507 |
| Health Research & Engagement | 7,401 | 2,969 |
| FASD | 5,637 | 2,637 |
| JP Education Assistance | - | 13,248 |
| Health Planning Management | - | 2,653 |
| Capital Investment Health | 15,519 | 519 |
| Health - COVID-19 | 67,680 | - |
| Minor Capital Renovations - Health Centre | 512,724 | - |
| | <hr/> | <hr/> |
| | \$ 2,335,602 | \$ 1,526,642 |
| | <hr/> | <hr/> |

11. Deferred revenue - unexpended funds - other

| | 2021 | 2020 Restated |
|---|------------|------------------|
| Legacy Trust - minor distributions - per capita | \$ 268,396 | \$ 285,057 |
| Legacy Trust - annual income | 303,002 | 307,927 |
| Headstart | 174,496 | - |
| ISET Carpenter program | - | 5,740 |
| Daycare - ELCC & COVID | 83,318 | - |
| | <hr/> | <hr/> |
| | \$ 829,212 | \$ 598,724 |
| | <hr/> | <hr/> |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

12. Long-term debt

| | 2021 | 2020 |
|--|---------------------|---------------------|
| | | Restated |
| PHT #20 - Debt consolidation & Community Development Term loan - bearing interest at prime plus 1.10%. Quarterly blended payments of \$65,000, maturing July 1, 2023. Secured by general security agreement of all First Nation funds and other source revenue. | \$ 2,402,439 | \$ 2,214,888 |
| PHT #21 - New Housing renovations and repairs Term loan - bearing interest at prime plus 1.10%. Annual blended payments of \$150,000, maturing April 1, 2025. Assignment of Band Base Capital Funds. Secured by general security agreement of all First Nation funds and other source revenue. | 655,000 | - |
| Royal Bank - #1 - Channelization Claim Loan bearing interest at prime plus 0.25%. Interest payments paid monthly and total principle due on May 12, 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. | 1,666,764 | 1,530,225 |
| Royal Bank - #2 - Surrender Claim Loan bearing interest at prime plus 0.25%. Interest payments paid monthly and total principle due on June 23, 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. | 2,004,037 | 1,649,170 |
| Less current portion | 6,728,240 | 5,394,283 |
| | 319,806 | 169,823 |
| | \$ 6,408,434 | \$ 5,224,460 |

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

| | |
|---------------------|---------------------|
| 2022 | \$ 319,806 |
| 2023 | 329,240 |
| 2024 | 338,952 |
| 2025 | 348,951 |
| 2026 and thereafter | 5,391,291 |
| | \$ 6,728,240 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

12. Long-term debt, continued

| | 2021 | 2020 |
|---|------------|------------|
| Interest expense for the year on long-term debt | \$ 244,808 | \$ 229,538 |

13. CMHC mortgages

| | Phase number | Renewal date | Interest rate | Monthly payment | 2021 | 2020 |
|----------------------|-----------------|-----------------|------------------|--------------------|------------------|------------------|
| CMHC | 1 | 12/1/2024 | 0.93% | \$ 1,994 | \$ 88,162 | \$ 111,268 |
| CMHC | 2 | 7/1/2022 | 1.50% | 1,429 | 63,858 | 79,925 |
| CMHC | 3 | 3/1/2026 | 0.96% | 3,178 | 474,342 | 507,447 |
| CMHC | 4 | 9/1/2023 | 2.52% | 5,588 | 949,062 | 991,797 |
| CMHC | 5 | 9/1/2023 | 2.52% | 2,234 | 379,456 | 396,542 |
| CMHC | 7 | 9/1/2024 | 1.69% | 1,915 | 365,058 | 381,273 |
| CMHC | 8 | 3/1/2025 | 1.72% | 1,723 | 335,019 | 349,824 |
| CMHC loan advance | 9 | | | - | 397,889 | - |
| | | | | | 3,052,846 | 2,818,076 |
| Less current portion | | | | | 164,994 | 159,206 |
| Total | | | | | 2,887,852 | 2,658,870 |

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

| | |
|---------------------|--------------|
| 2022 | 164,994 |
| 2023 | 167,834 |
| 2024 | 170,733 |
| 2025 | 165,743 |
| 2026 and thereafter | 2,383,542 |
| | \$ 3,052,846 |

Total interest on mortgages \$58,259 (2020 - \$55,642).

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

14. Tangible capital assets

| | Cost | | | Accumulated depreciation | | | 2021 net book value |
|---------------------------|----------------------------------|--------------|-------------------------|----------------------------------|--------------|-------------------------|---------------------|
| | Balance, beginning of year | Additions | Balance, end of year | Balance, beginning of year | Depreciation | Balance, end of year | |
| Buildings | \$ 121,026 | \$ - | \$ 121,026 | \$ 112,005 | \$ 4,511 | \$ 116,516 | \$ 4,510 |
| Vehicles | 247,813 | 119,497 | 367,310 | 94,251 | 88,025 | 182,276 | 185,034 |
| Office equipment | 29,445 | 79,996 | 109,441 | 28,946 | 27,164 | 56,110 | 53,331 |
| Store equipment | 140,918 | - | 140,918 | 139,977 | 941 | 140,918 | - |
| Machinery and equipment | 1,021,778 | 257,076 | 1,278,854 | 815,142 | 81,054 | 896,196 | 382,658 |
| CMHC - houses | 6,734,924 | - | 6,734,924 | 2,584,468 | 272,655 | 2,857,123 | 3,877,801 |
| Infrastructure | 1,110,275 | - | 1,110,275 | 489,534 | 27,777 | 517,311 | 592,964 |
| Major renovations | 1,512,166 | 651,091 | 2,163,257 | 151,246 | 223,882 | 375,128 | 1,788,129 |
| Assets under construction | 5,750 | 748,246 | 753,996 | - | - | - | 753,996 |
| | \$ 10,924,095 | \$ 1,855,906 | \$ 12,780,001 | \$ 4,415,569 | \$ 726,009 | \$ 5,141,578 | \$ 7,638,423 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

14. Tangible capital assets, continued

| | 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 | |
| Buildings | \$ 121,026 | \$ - | \$ 121,026 | \$ 107,164 | \$ 4,841 | \$ 112,005 | \$ 9,021 |
| Vehicles | 120,065 | 127,748 | 247,813 | 57,391 | 36,860 | 94,251 | 153,562 |
| Office equipment | 29,445 | - | 29,445 | 28,448 | 498 | 28,946 | 499 |
| Store equipment | 140,918 | - | 140,918 | 125,885 | 14,092 | 139,977 | 941 |
| Machinery and equipment | 1,021,778 | - | 1,021,778 | 769,083 | 46,059 | 815,142 | 206,636 |
| CMHC - houses | 6,127,284 | 607,640 | 6,734,924 | 2,327,223 | 257,245 | 2,584,468 | 4,150,456 |
| Infrastructure | 1,047,500 | 62,775 | 1,110,275 | 462,562 | 26,972 | 489,534 | 620,741 |
| Major renovations | 504,251 | 1,007,915 | 1,512,166 | 50,425 | 100,821 | 151,246 | 1,360,920 |
| Assets under construction | 215,951 | (210,201) | 5,750 | - | - | - | 5,750 |
| | \$ 9,328,218 | \$ 1,595,877 | \$ 10,924,095 | \$ 3,928,181 | \$ 487,388 | \$ 4,415,569 | \$ 6,508,526 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

15. Prepaid expenses

| | 2021 | 2020 |
|--|----------|-----------------|
| | | Restated |
| Ferrus - ASAP Software annual subscription | \$ 7,960 | <u>\$ 6,240</u> |

16. Inventory

| | 2021 | 2020 |
|-------------------|-----------|------------------|
| | | Restated |
| Retail operations | \$ 98,081 | <u>\$ 70,300</u> |

17. Accumulated deficit

| | 2021 | 2020 |
|--|-----------------------------|-----------------------------|
| | | Restated |
| Restricted | | |
| Trust funds held by federal government | \$ 6,893 | \$ 6,706 |
| Capital assets | 3,930,579 | 3,690,450 |
| CMHC reserves | 155,736 | 298,727 |
| Investments | 69,775 | 91,945 |
| | <hr/> 4,162,983 | <hr/> 4,087,828 |
| Unrestricted | | |
| Operating | (2,803,945) | (3,688,454) |
| Land claim settlement deficit | (3,670,801) | (3,179,395) |
| | <hr/> (6,474,746) | <hr/> (6,867,849) |
| | <hr/> \$ (2,311,763) | <hr/> \$ (2,780,021) |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

18. Prior period restatement

The prior period has been restated to remove the assets and liabilities of the Muscowpetung Legacy Trust. The Trust is administered by a corporate Trustee (Royal Trust Corporation of Canada) and there are audited financial statements issued for the Legacy Trust. Please refer to note 25 that discloses the value of the Muscowpetung Legacy Trust.

The prior period has been restated to fully consolidate the activities of the business entities. They are not viable without financial assistance from the Muscowpetung First Nation.

The prior period has been restated to set up an allowance for the impairment of a portfolio investment in Kief Cannabis Company Ltd.

The prior period has been restated to adjust ISC unexpended funds in Education.

Adjustments to prior period balances, revenues and expenses resulted in the following:

- Financial assets decreased by \$29,229,130;
- Liabilities decreased by \$7,285,249;
- Net debt increased by \$21,943,881;
- Non-financial assets decreased by \$430,824;
- Accumulated deficit increased by \$22,374,705;
- Current deficit increased by \$607,012

| | As previously stated in 2020 | Adjustments Increase (Decrease) | Restated 2020 |
|---|---------------------------------|---------------------------------------|------------------|
| Consolidated Statement of Financial Position | | | |
| Financial assets | | | |
| Cash | \$ - | \$ 451,598 | \$ 451,598 |
| Restricted cash | 1,045,683 | 111,124 | 1,156,807 |
| Accounts receivable | 328,356 | 204,006 | 532,362 |
| Investments in government business enterprises | 246,537 | (246,537) | - |
| Portfolio investment | 390,000 | (298,055) | 91,945 |
| Muscowpetung Legacy Trust | 29,841,265 | (29,841,265) | - |
| Liabilities | | | |
| Bank indebtedness | 316,213 | 149,892 | 466,105 |
| Operating loan | - | 251,516 | 251,516 |
| Accounts payable | 595,180 | 3,905 | 599,085 |
| Deferred revenue - unexpended funds | 2,343,255 | (217,889) | 2,125,366 |
| Long-term debt | 12,866,956 | (7,472,673) | 5,394,283 |
| Non-financial assets | | | |
| Prepaid expenses | 117,364 | (111,124) | 6,240 |
| Inventory | - | 70,300 | 70,300 |
| Accumulated surplus (deficit) | 19,594,684 | (22,374,705) | (2,780,021) |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

18. Prior period restatement, continued

| | As previously stated in 2020 | Adjustments Increase (Decrease) | Restated 2021 |
|--|---------------------------------|---------------------------------------|------------------|
| Consolidated Statement of Operations | | | |
| Revenue | 9,866,990 | 3,007,509 | 12,874,499 |
| Cost of goods sold | - | 1,735,405 | 1,735,405 |
| Expenses | 10,619,430 | 2,097,002 | 12,716,432 |
| Unexpended funds transferred to deferred revenue | 2,343,255 | (217,889) | 2,125,366 |
| Current year surplus (deficit) | (3,095,695) | (607,012) | (3,702,707) |
| Consolidated Statement of Accumulated Surplus (Deficit) | | | |
| Accumulated surplus (deficit), beginning of the year | \$ 22,690,380 | \$ (21,767,694) | \$ 922,686 |

19. Contingent assets

The First Nation has initiated claims against Canada referred to as the "Surrender" and "Channelization" claims. The First Nation has obtained loans to finance the costs of negotiating the settlement. 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 claim is resolved. As at March 31, 2021, the loan amounts outstanding are \$2,004,037 (2020 - \$1,649,170) and \$1,666,764 (2020 - \$1,530,225) respectively. 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.

20. Contingent liabilities

Muscowpetung 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, Muscowpetung 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 Muscowpetung First Nation's financial statements.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

21. Indigenous Services Canada (ISC) Reconciliation

| | 2021 | 2020 |
|---------------------------------------|-------------------------------|-------------------------------|
| ISC confirmation | \$ 8,947,790 | \$ 5,495,014 |
| Payable (receivable) - prior year | | |
| Basic Needs | - | 23,475 |
| Medical Transportation Administration | (11,500) | - |
| Payable (receivable) - current year | | |
| Basic Needs | - | 68,190 |
| Band employee benefits - statutory | 4,137 | - |
| Institutional Care | (1,173) | - |
| | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> |
| | \$ 8,939,254 | \$ 5,586,679 |

22. Government Transfers

| | 2021 | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| | Operating | Capital | Total |
| Federal government transfers | | | |
| Indigenous Services Canada (ISC) | \$ 7,529,281 | \$ 1,409,973 | \$ 8,939,254 |
| Canada Mortgage and Housing Corporation | 292,694 | 137,869 | 430,563 |
| Total | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> |
| Provincial government transfers | 7,821,975 | 1,547,842 | 9,369,817 |
| | 48,568 | - | 48,568 |
| | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> |
| | \$ 7,870,543 | \$ 1,547,842 | \$ 9,418,385 |

| | 2020 | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| | Operating | Capital | Total |
| Federal government transfers | | | |
| Indigenous Services Canada (ISC) | \$ 4,747,178 | \$ 839,501 | \$ 5,586,679 |
| Canada Mortgage and Housing Corporation | 192,480 | 39,400 | 231,880 |
| Government of Canada | 75,620 | - | 75,620 |
| Total | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> |
| Provincial government transfers | 5,015,278 | 878,901 | 5,894,179 |
| | 44,688 | - | 44,688 |
| | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> |
| | \$ 5,059,966 | \$ 878,901 | \$ 5,938,867 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

23. CMHC 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, 2021 the reserve accounts were fully funded (2020 - fully funded). The reserve amount of \$95,290 is not reported separately on these financial statements, but is included in equity.

24. Muscowpetung Legacy Trust

The First Nation received settlement funds on March 19, 2014. The Trust agreement allows the Muscowpetung Legacy Trust to borrow funds using the Trust property as collateral.

The Muscowpetung Legacy Trust has one loan with Peace Hills Trust bearing interest at 3.20% in the amount of \$8,760,000 (2020 - \$7,472,674). The loan is repayable in annual installments of \$1,034,000.

Annual income paid to the First Nation is the annual income earned in the Trust less authorized loan payments.

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| Annual income | \$ 1,363,360 | \$ 1,287,896 |
| Less: authorized loan payments | (1,034,000) | (979,969) |
| Less: due from Nation | (26,358) | - |
| <u>Annual income payable to the First Nation</u> | <u>\$ 303,002</u> | <u>\$ 307,927</u> |

25. Trusts under administration

Muscowpetung First Nation holds assets in trust; these assets are managed by an appointed trustee and are not included on the statement of financial position as assets of Muscowpetung First Nation.

The market value of the assets held in trust at the year-end are as follows:

| | 2021 | 2020 |
|---|----------------------|----------------------|
| <u>Muscowpetung First Nation Legacy Trust</u> | <u>\$ 35,827,227</u> | <u>\$ 35,041,865</u> |
| | <u>\$ 35,827,227</u> | <u>\$ 35,041,865</u> |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

26. Land claim settlements

Muscowpetung First Nation has entered into negotiations with Canada regarding four specific claim settlements:

- 1909 Surrender Claim;
- Channelization Claim;
- Treaty Benefits Claim;
- Misadministration of Trust.

The First Nation has obtained loans to finance the costs of negotiating the "Surrender" and "Channelization" 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 claim is resolved. As at March 31, 2021, the loan amounts outstanding are \$2,004,037 (2020 - \$1,649,170) and \$1,666,764 (2020 - \$1,530,225) respectively.

27. 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

Muscowpetung 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

Muscowpetung First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute a percentage of their basic salary; Muscowpetung First Nation matches the employee contributions. Muscowpetung First Nation does not have any other obligations with regards to the pension plan as at March 31, 2021.

28. Economic dependence

Muscowpetung First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada (ISC).

29. COVID-19

In early March 2020, the global outbreak of COVID-19 (corona virus) began to have a significant impact on the First Nation due to office closures, travel restrictions, cancellation of events and increased cost of compliance with other guidelines and regulations. The First Nation received additional funding from ISC to assist with COVID-19 related costs. However, the First Nation received less funding from First Nation's Trust due to the closure of SIGA casinos. Revenues from the Nation business entities were also negatively impacted. These impacts are expected to continue until the end of the COVID-19 pandemic.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

30. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from estimates approved by Muscowpetung First Nation.

31. Expenses by object

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|---|-------------------------------|----------------|------------------|
| Administration fees - internal allocation | \$ (125,280) | \$ - | \$ 3,947 |
| Advertising, promotions, sponsorships | - - | - - | 6,693 |
| Assistance - band members | 187,200 | 256,811 | 309,409 |
| Assistance - social development | 439,411 | 452,619 | 513,014 |
| Authorized loan payments - Legacy Trust | - - | 1,034,000 | 979,969 |
| Bad debts | - - | 67,881 | - |
| Bank charges and interest | 9,596 | 28,533 | 44,943 |
| CMHC internship | - - | (925) | 20,410 |
| Community support | - - | 1,462 | 24,470 |
| Consultants and contractors | 1,579,375 | 2,520,527 | 1,012,440 |
| Cost of Sales | - - | 1,610,579 | 1,735,405 |
| Cultural programs | 165,000 | 167,205 | 183,847 |
| Depreciation | - - | 726,010 | 487,387 |
| Elders supplement | - - | 143,700 | 120,246 |
| Election fees | - - | - - | 12,000 |
| Equipment rental and leases | 17,570 | 41,188 | 19,370 |
| Equipment and vehicle purchases | 30,760 | 70,982 | 76,258 |
| Flow through - economic development | - - | 83,607 | - |
| Fuel | 50,000 | 10,377 | 22,733 |
| Funerals | - - | 65,396 | 34,228 |
| Governance activities | 60,000 | - - | 8,400 |
| Graduation, awards, prizes | 1,700 | 1,207 | 1,050 |
| HASI expenses | - - | - - | 7,365 |
| Honorariums | 327,500 | 475,932 | 396,168 |
| Insurance | 113,447 | 391,208 | 204,403 |
| Long term debt - payments principle & interest | - - | 504,808 | 229,538 |
| Long term debt - principle repayment | - - | (260,000) | - |
| Loss due to impairment of portfolio investment | - - | 22,170 | 298,055 |
| Member payout | - - | 82,916 | 231,900 |
| Mortgage payments - payments principle & interest | 300,650 | 221,858 | 55,642 |
| Mortgage payments - principle repayment | - - | (163,599) | - |
| Other expenses | 52,420 | 7,938 | 131,299 |
| Per capita distribution | - - | 16,661 | 28,466 |
| Plumbing | - - | - - | 477 |
| Professional fees | 320,848 | 940,655 | 837,543 |
| Program expenses | 135,402 | 305,090 | 237,980 |
| Recreational activities | 50,000 | 4,974 | 58,847 |
| Registration fees | 14,950 | 11,442 | 96,921 |

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

31. Expenses by object, continued

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|------------------------|------------------------|
| Repairs and maintenance | 1,667,433 | 1,659,759 | 1,566,548 |
| Retail operating expenses | - | 780,995 | 818,978 |
| Student allowance | 258,000 | 384,276 | 358,027 |
| Student incentives | 7,000 | 8,500 | 8,645 |
| Student transportation | 198,853 | 65,812 | 165,063 |
| Student tuition | 100,800 | 212,636 | 225,279 |
| Supplies | 428,086 | 915,284 | 563,645 |
| Telephone | 50,230 | 114,828 | 57,585 |
| Training | 42,424 | 42,998 | 35,543 |
| Travel - medical transportation | 17,700 | 50,625 | 35,486 |
| Travel, meetings, per diems | 310,160 | 480,006 | 498,332 |
| Unexpended funds - prior period adjustment | - | 2,244 | - |
| Utilities | 147,500 | 139,096 | 154,278 |
| Vehicle | - | - | 45,600 |
| Wages and benefits | 2,260,784 | 2,145,793 | 2,170,982 |
| Youth | - | 127,154 | 299,509 |
| Transfer to capital assets | - | (1,855,907) | (982,487) |
| | <hr/> \$ 9,219,519 | <hr/> \$ 15,117,311 | <hr/> \$ 14,451,836 |

32. Segmented information

As previously discussed in note 2 (k) 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.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

32. Segmented information, continued

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.

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 Programs:

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.

Muscowpetung First Nation
Notes to Consolidated Financial Statements
March 31, 2021

32. Segmented information, continued

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.

Schedule #1
Muscowpetung First Nation
Treaties and Indigenous Government
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|-------------------|--------------------|
| Revenue | | | |
| Muscowpetung Legacy Trust | \$ - | \$ 1,337,002 | \$ 1,287,896 |
| Muscowpetung Legacy Trust draws repayable | - - | 1,917,334 | - |
| Interest earned | - - | - | 85 |
| Unexpended funds transferred - prior year | - - | 592,984 | 577,343 |
| | - - | 3,847,320 | 1,865,324 |
| Expenses | | | |
| Authorized loan payments - Legacy Trust | - - | 1,034,000 | 979,969 |
| Bank charges | - - | 8,735 | 9,303 |
| Consultants and contractors | - - | 174,171 | 3,000 |
| Honorariums | - - | 32,571 | - |
| Insurance | - - | 196,998 | 43,052 |
| Long term debt - payments principle & interest | - - | 100,416 | 129,143 |
| Per capita distribution | - - | 16,661 | 28,466 |
| Professional fees | - - | 606,944 | 91,833 |
| Travel, meetings, per diems | - - | 175,802 | - |
| | - - | 2,346,298 | 1,284,766 |
| Current surplus before unexpended transfers | - - | 1,501,022 | 580,558 |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - - | (571,398) | (592,984) |
| Current surplus (deficit) | \$ - | \$ 929,624 | \$ (12,426) |

The accompanying notes are an integral part of the financial statements

Schedule #2
Muscowpetung First Nation
Community Infrastructure
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada - fixed | \$ 388,204 | \$ 636,172 | \$ 364,308 |
| Indigenous Services Canada - flexible | 999,883 | 831,220 | 865,821 |
| FHQ Tribal Council | - | 8,039 | 8,039 |
| Interest earned | - | 13 | 5,851 |
| Other revenue | - | 206 | 1,999 |
| Unexpended funds transferred - prior year | - | 1,053,655 | 578,781 |
| | 1,388,087 | 2,529,305 | 1,824,799 |
| Expenses | | | |
| Administration fees - internal allocation | (107,920) | - | 302 |
| Bank charges | - | 36 | 192 |
| Consultants and contractors | 781,275 | 689,641 | 174,289 |
| Equipment and vehicle purchases | - | 16,897 | - |
| Equipment rental and leases | - | 2,680 | 884 |
| Fuel | 50,000 | 10,377 | 22,554 |
| HASI expenses | - | - | 7,365 |
| Honorariums | - | 5,000 | 900 |
| Insurance | 73,046 | 111,772 | 81,404 |
| Other expenses | - | - | 20,788 |
| Plumbing | - | - | 477 |
| Professional fees | - | 14,512 | - |
| Program expenses | - | - | 1,744 |
| Registration fees | 600 | 1,298 | 8,669 |
| Repairs and maintenance | 192,811 | 491,250 | 978,925 |
| Supplies | 26,740 | 61,571 | 43,954 |
| Telephone | 3,300 | 4,320 | 2,700 |
| Training | - | 1,218 | 804 |
| Travel, meetings, per diems | 11,700 | 8,588 | 58,507 |
| Utilities | 32,500 | 30,913 | 33,117 |
| Wages and benefits | 285,670 | 295,223 | 294,652 |
| Transfer to capital assets | - | (486,355) | (716,457) |
| | 1,349,722 | 1,258,941 | 1,015,770 |
| Current surplus before unexpended transfers | 38,365 | 1,270,364 | 809,029 |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (928,807) | (1,053,655) |
| Current surplus (deficit) before transfers | 38,365 | 341,557 | (244,626) |

The accompanying notes are an integral part of the financial statements

Schedule #2, continued
Muscowpetung First Nation
Community Infrastructure
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|----------------------------------|-------------------------------|------------------|---------------------|
| Transfers | | | |
| Transfer - Depreciation | - | (328,125) | (181,987) |
| Current surplus (deficit) | \$ 38,365 | \$ 13,432 | \$ (426,613) |

The accompanying notes are an integral part of the financial statements

Schedule #3
Muscowpetung First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|-------------------------------------|-------------------------------|----------------|------------------|
| Revenue | | | |
| Indigenous Services Canada - fixed | \$ - | \$ 83,607 | \$ - |
| Expenses | | | |
| Flow through - economic development | - | 83,607 | - |
| Current surplus | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements

Schedule #4
Muscowpetung First Nation
Education
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|------------------|---------------------|
| Revenue | | | |
| Indigenous Services Canada - fixed | \$ 2,181,406 | \$ 2,236,243 | \$ 2,077,502 |
| Indigenous Services Canada - flexible | 17,582 | 38,567 | - |
| FHQ Tribal Council | 145,000 | 247,187 | 172,828 |
| Other revenue | - | 329 | 15,583 |
| Unexpended funds transferred - prior year | - | 200,734 | 190,924 |
| | 2,343,988 | 2,723,060 | 2,456,837 |
| Expenses | | | |
| Administration fees - internal allocation | 151,975 | 205,428 | 159,792 |
| Consultants and contractors | 24,500 | 138,296 | 99,438 |
| Cultural programs | 50,000 | 77,853 | 51,022 |
| Equipment and vehicle purchases | - | 54,085 | 6,000 |
| Equipment rental and leases | - | 2,814 | 1,976 |
| Fuel | - | - | 179 |
| Graduation, awards, prizes | 1,700 | 1,207 | 1,050 |
| Honorariums | 4,000 | 20,535 | 27,750 |
| Insurance | 1,364 | 3,946 | 1,315 |
| Other expenses | - | 4,879 | 1,000 |
| Program expenses | 13,500 | 25,283 | 56,984 |
| Registration fees | 8,800 | 1,106 | 6,533 |
| Repairs and maintenance | 42,000 | 15,846 | 22,263 |
| Student allowance | 258,000 | 384,276 | 358,027 |
| Student incentives | 7,000 | 8,500 | 8,645 |
| Student transportation | 146,000 | 65,812 | 165,063 |
| Student tuition | 100,800 | 205,898 | 225,279 |
| Supplies | 106,012 | 186,522 | 155,583 |
| Telephone | 10,000 | 11,524 | 10,311 |
| Training | - | - | 1,762 |
| Travel, meetings, per diems | 3,000 | 7,091 | 51,191 |
| Utilities | 80,000 | 75,062 | 77,653 |
| Vehicle | - | - | 45,600 |
| Wages and benefits | 1,089,814 | 969,668 | 906,005 |
| Transfer to capital assets | - | (255,846) | (51,600) |
| | 2,098,465 | 2,209,785 | 2,388,821 |
| Current surplus before unexpended transfers | 245,523 | 513,275 | 68,016 |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (389,833) | (200,734) |
| Current surplus (deficit) before transfers | 245,523 | 123,442 | (132,718) |
| Transfers | | | |
| Transfer - Depreciation | - | (47,079) | (6,450) |
| Current surplus (deficit) | \$ 245,523 | \$ 76,363 | \$ (139,168) |

The accompanying notes are an integral part of the financial statements

Schedule #5
Muscowpetung First Nation
Indigenous Government Support
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|------------------|--------------------|
| Revenue | | | |
| Indigenous Services Canada (ISC) | \$ - | \$ - | \$ 48,018 |
| Indigenous Services Canada - grant | 427,360 | 427,360 | 427,360 |
| Indigenous Services Canada - fixed | 85,000 | 85,000 | 85,000 |
| Indigenous Services Canada - set | 5,937 | - | 5,937 |
| Indigenous Services Canada - flexible | 1,032,382 | 1,786,435 | 98,187 |
| ISC - current year receivable (payable) | - | 4,137 | - |
| Interest earned | 1,300 | - | - |
| Other revenue | - | - | 71,076 |
| Unexpended funds transferred - prior year | - | 126,815 | 50,000 |
| | 1,551,979 | 2,429,747 | 785,578 |
| Expenses | | | |
| Administration fees - internal allocation | (210,084) | 181,550 | 6,375 |
| Assistance - COVID-19 | - | 162,830 | 4,500 |
| Bank charges | 8,500 | 17,182 | 33,124 |
| Consultants and contractors | 524,315 | 1,184,861 | 198,057 |
| Elders supplement | - | 600 | 10,000 |
| Election fees | - | - | 12,000 |
| Equipment and vehicle purchases | 20,760 | - | 12,600 |
| Equipment rental and leases | 17,570 | 32,832 | 12,865 |
| Honorariums | 318,000 | 344,276 | 365,218 |
| Insurance | 7,877 | 22,738 | 44,690 |
| Long term debt - payments principle & interest | - | - | 294 |
| Nutrition program | - | 187,560 | - |
| Other expenses | - | 2,299 | 1,377 |
| Professional fees | 220,000 | 189,108 | 577,454 |
| Program expenses | 10,000 | 272 | 39,661 |
| Recreational activities | - | 500 | - |
| Registration fees | 5,000 | 45 | 10,689 |
| Repairs and maintenance | 18,811 | 117,657 | 2,445 |
| Student transportation | 52,853 | - | - |
| Supplies | 150,310 | 338,613 | 270,930 |
| Telephone | 28,540 | 84,495 | 31,747 |
| Training | 7,000 | 4,050 | 8,171 |
| Travel, meetings, per diems | 262,500 | 254,419 | 350,907 |
| Utilities | 20,000 | 11,657 | 16,067 |
| Wages and benefits | 305,531 | 381,506 | 390,918 |
| Transfer to capital assets | - | (180,850) | (62,775) |
| | 1,767,483 | 3,338,200 | 2,337,314 |
| Current deficit before unexpended transfers | (215,504) | (908,453) | (1,551,736) |

The accompanying notes are an integral part of the financial statements

Schedule #5, continued
Muscowpetung First Nation
Indigenous Government Support
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|-----------------------|-----------------------|
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (122,933) | (126,252) |
| Current deficit before transfers | (215,504) | (1,031,386) | (1,677,988) |
| Transfers | | | |
| Transfer - Depreciation | - | (37,968) | (28,421) |
| Current deficit | \$ (215,504) | \$ (1,069,354) | \$ (1,706,409) |

The accompanying notes are an integral part of the financial statements

Schedule #6
Muscowpetung First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|----------------|------------------|
| Revenue | | | |
| Indigenous Services Canada - fixed | \$ 91,660 | \$ 91,660 | \$ 48,172 |
| Indigenous Services Canada - set | 46,015 | 46,015 | 46,015 |
| Indigenous Services Canada - flexible | 661,075 | 658,394 | 578,782 |
| ISC - prior period revenue (recovery) | - | - | 91,665 |
| ISC - current year receivable (payable) | - | (1,173) | - |
| Other revenue | - | - | 483 |
| Unexpended funds transferred - prior year | - | 98,460 | 11,938 |
| | 798,750 | 893,356 | 777,055 |
| Expenses | | | |
| Assistance - assisted living | 46,015 | 44,842 | 47,415 |
| Assistance - basic needs | 345,635 | 361,713 | 447,474 |
| Assistance - COVID-19 | - | 39,740 | - |
| Assistance - special needs | 47,761 | 46,063 | 18,125 |
| Bank charges | - | 313 | 1,545 |
| Consultants and contractors | - | 8,321 | 13,493 |
| Home to work transition | 20,000 | - | 45,307 |
| Honorariums | - | - | 500 |
| Professional fees | - | - | 14,078 |
| Program expenses | 27,683 | 8,683 | - |
| Supplies | 16,200 | 8,744 | 6,627 |
| Telephone | 70 | - | - |
| Training | 750 | 2,400 | 12,949 |
| Travel, meetings, per diems | 2,500 | 1,832 | 5,980 |
| Wages and benefits | 66,195 | 44,905 | 64,608 |
| | 572,809 | 567,556 | 678,101 |
| Current surplus before unexpended transfers | 225,941 | 325,800 | 98,954 |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (325,800) | (96,778) |
| Current surplus | \$ 225,941 | \$ - | \$ 2,176 |

The accompanying notes are an integral part of the financial statements

Schedule #7
Muscowpetung First Nation
Registration and Membership
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|---|-------------------------------|----------------|------------------|
| Revenue | | | |
| Indigenous Services Canada - fixed | \$ 10,946 | \$ 10,946 | \$ 10,623 |
| Expenses | | | |
| Administration fees - internal allocation | 1,062 | 1,095 | - |
| Consultants and contractors | - | 3,250 | - |
| Supplies | 438 | 28 | 238 |
| Travel, meetings, per diems | 1,500 | - | 941 |
| Wages and benefits | 7,300 | 6,573 | 12,000 |
| | 10,300 | 10,946 | 13,179 |
| Current deficit | \$ 646 | \$ - | \$ (2,556) |

The accompanying notes are an integral part of the financial statements

Schedule #8
Muscowpetung First Nation
Health Programs
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|----------------|------------------|
| Revenue | | | |
| Indigenous Services Canada - fixed | \$ 102,010 | \$ 126,510 | \$ 142,434 |
| Indigenous Services Canada - flexible | 1,155,934 | 1,889,661 | 610,726 |
| ISC - prior period revenue (recovery) | - | (11,500) | - |
| FHQ Tribal Council | 19,532 | 15,040 | 16,444 |
| Interest earned | - | 61 | - |
| Other revenue | - | 795 | 10,000 |
| Unexpended funds transferred - prior year | - | 49,225 | 38,653 |
| | 1,277,476 | 2,069,792 | 818,257 |
| Expenses | | | |
| Administration fees - internal allocation | 34,875 | 123,463 | 54,096 |
| Bank charges | 1,096 | 1,860 | 660 |
| Consultants and contractors | 235,285 | 230,348 | 114,372 |
| Cultural programs | 15,000 | 85,473 | 4,112 |
| Equipment and vehicle purchases | - | - | 57,658 |
| Equipment rental and leases | - | 1,986 | 3,645 |
| Honorariums | 4,500 | 5,450 | 1,200 |
| Insurance | 9,751 | 13,908 | 8,050 |
| Other expenses | 500 | - | 5,618 |
| Professional fees | 72,540 | 80,077 | 127,200 |
| Program expenses | 81,719 | 63,528 | 136,955 |
| Registration fees | 300 | 50 | 500 |
| Repairs and maintenance | - | 124,037 | 25,543 |
| Supplies | 115,086 | 243,609 | 26,266 |
| Telephone | 8,320 | 13,709 | 12,001 |
| Training | 19,674 | 17,534 | 358 |
| Travel - medical transportation | 17,700 | 50,625 | 35,486 |
| Travel, meetings, per diems | 27,460 | 12,720 | 14,486 |
| Utilities | 15,000 | 19,587 | 27,441 |
| Wages and benefits | 330,698 | 272,101 | 272,223 |
| Youth | - | 28,096 | - |
| Transfer to capital assets | - | (238,830) | (57,658) |
| | 989,504 | 1,149,331 | 870,212 |
| Current surplus (deficit) before unexpended transfers | 287,972 | 920,461 | (51,955) |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (742,725) | (49,223) |
| Current surplus (deficit) before transfers | 287,972 | 177,736 | (101,178) |

The accompanying notes are an integral part of the financial statements

Schedule #8, continued
Muscowpetung First Nation
Health Programs
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget | 2021 Actual | 2020 Restated |
|----------------------------------|-------------------|-------------------|---------------------|
| | (unaudited) | | |
| Transfers | | | |
| Transfer- Depreciation | - | (21,165) | (9,184) |
| Current surplus (deficit) | \$ 287,972 | \$ 156,571 | \$ (110,362) |

The accompanying notes are an integral part of the financial statements

Schedule #9
Muscowpetung First Nation
CMHC Operations
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Actual |
|--|-------------------------------|---------------------|---------------------|
| Revenue | | | |
| Canada Mortgage & Housing Corporation (CMHC) | \$ 1,297,900 | \$ 430,563 | \$ 231,880 |
| Government of Canada | - | - | 75,620 |
| CMHC rental income | 194,184 | 33,373 | 28,033 |
| Interest earned | 500 | 19,151 | 4,236 |
| Other revenue | 34,580 | 16 | 27,186 |
| Unexpended funds transferred - prior year | - | 5,740 | - |
| | 1,527,164 | 488,843 | 366,955 |
| Expenses | | | |
| Bank charges | - | 146 | 51 |
| CMHC internship | - | (925) | 20,410 |
| Consultants and contractors | - | 100 | - |
| Equipment rental and leases | - | 875 | - |
| Insurance | 21,300 | 21,300 | 25,800 |
| Mortgage payments - payments principle & interest | 300,650 | 221,858 | 55,642 |
| Mortgage payments - principle repayment | - | (163,599) | - |
| Other expenses | 31,920 | 760 | 7,180 |
| Professional fees | 8,308 | 7,313 | 8,899 |
| Program expenses | - | - | 929 |
| Registration fees | - | 7,875 | 69,880 |
| Repairs and maintenance | 1,400,806 | 845,879 | 489,965 |
| Student tuition | - | 6,738 | - |
| Supplies | 4,000 | 484 | 10,589 |
| Training | - | 17,796 | - |
| Travel, meetings, per diems | - | 2,372 | 5,120 |
| Utilities | - | 1,877 | - |
| Wages and benefits | 119,820 | 57,242 | 49,708 |
| Transfer to capital assets | - | (616,085) | (12,000) |
| | 1,886,804 | 412,006 | 732,173 |
| Current surplus (deficit) before unexpended transfers | (359,640) | 76,837 | (365,218) |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | - | (5,740) |
| Current surplus (deficit) before transfers | (359,640) | 76,837 | (370,958) |
| Transfers | | | |
| Transfer - Depreciation | - | (272,655) | (257,244) |
| Current deficit | \$ (359,640) | \$ (195,818) | \$ (628,202) |

The accompanying notes are an integral part of the financial statements

Schedule #10
Muscowpetung First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada (ISC) | \$ - | \$ - | \$ 35,000 |
| Indigenous Services Canada - fixed | 83,607 | - | 51,129 |
| Trust funds held by federal government | - | 187 | - |
| First Nations Trust (FNT) | 395,900 | 320,084 | 438,529 |
| FHQ Tribal Council | 143,632 | 349,516 | 106,797 |
| Yorkton Tribal Council Child & Family Services Inc | - | 77,175 | - |
| QBOW Child & Family Services Inc | - | 55,907 | 438,900 |
| Living Sky CDC | - | 32,331 | 21,525 |
| Keseechiwan Holdings LP dividend | - | 60,000 | 60,000 |
| Retail sales | - | 2,252,528 | 2,400,863 |
| Saskatchewan Finance rebates (net of customer) | - | 48,568 | 44,688 |
| Interest earned | 1,300 | 82 | - |
| Other revenue | 3,600 | 478,027 | 371,639 |
| | 628,039 | 3,674,405 | 3,969,070 |
| Cost of goods sold | - | 1,610,579 | 1,735,405 |
| Gross profit | 628,039 | 2,063,826 | 2,233,665 |
| Expenses | | | |
| Administration fees - internal allocation | 4,812 | (511,537) | (216,618) |
| Advertising, promotions, sponsorships | - | - | 6,693 |
| Assistance - band members | 187,200 | 54,241 | 304,909 |
| Bad debts | - | 67,881 | - |
| Bank charges and interest | - | 262 | 69 |
| Community support | - | 1,462 | 24,470 |
| Consultants and contractors | 14,000 | 91,539 | 409,791 |
| Cultural programs | 100,000 | 3,878 | 128,713 |
| Elders supplement | - | 143,100 | 110,246 |
| Equipment and vehicle purchases | 10,000 | - | - |
| Funerals | - | 65,396 | 34,228 |
| Governance activities | 60,000 | - | 8,400 |
| Honorariums | 1,000 | 68,100 | 600 |
| Insurance | 109 | 20,546 | 91 |
| Long term debt - payments principle & interest | - | 404,392 | 100,100 |
| Long term debt - principle repayment | - | (260,000) | - |
| Loss due to impairment of portfolio investment | - | 22,170 | 298,055 |
| Member payout | - | 82,916 | 231,900 |
| Other expenses | - | - | 50,029 |
| Professional fees | 20,000 | 42,702 | 18,078 |
| Program expenses | 2,500 | 19,764 | 1,707 |
| Recreational activities | 50,000 | 4,474 | 58,847 |
| Registration fees | 250 | 1,068 | 650 |

The accompanying notes are an integral part of the financial statements

Schedule #10, continued
Muscowpetung First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Restated |
|--|-------------------------------|-------------------|---------------------|
| Repairs and maintenance | 13,005 | 65,088 | 47,407 |
| Retail operating expenses | - | 780,995 | 818,978 |
| Supplies | 9,300 | 75,717 | 49,458 |
| Telephone | - | 780 | 826 |
| Training | 15,000 | - | 11,500 |
| Travel, meetings, per diems | 1,500 | 17,182 | 11,200 |
| Unexpended funds - prior period adjustment | - | 2,244 | - |
| Wages and benefits | 55,756 | 118,575 | 180,868 |
| Youth | - | 99,057 | 299,509 |
| Transfer to capital assets | - | (77,940) | (81,997) |
| | 544,432 | 1,404,052 | 2,908,707 |
| Current surplus (deficit) before unexpended transfers | 83,607 | 659,774 | (675,042) |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | (83,318) | - |
| Current surplus (deficit) before transfers | 83,607 | 576,456 | (675,042) |
| Transfers | | | |
| Transfer - Depreciation | - | (19,019) | (4,100) |
| Current surplus (deficit) | \$ 83,607 | \$ 557,437 | \$ (679,142) |

The accompanying notes are an integral part of the financial statements

Schedule #11
Muscowpetung First Nation
Depreciation
Schedule of Operations
For the year ended March 31, 2021

| | 2021 Budget (unaudited) | 2021 Actual | 2020 Actual |
|---|-------------------------------|----------------|----------------|
| Revenue | \$ - | \$ - | \$ - |
| Expenses | | | |
| Community Development | - | 328,124 | 181,988 |
| Education | - | 47,079 | 6,450 |
| Indigenous Government Support | - | 37,968 | 28,421 |
| Health Programs | - | 21,165 | 9,184 |
| CMHC Operations | - | 272,655 | 257,244 |
| Other Band Programs | - | 19,019 | 4,100 |
| | - | 726,010 | 487,387 |
| Current deficit before transfers | - | (726,010) | (487,387) |
| Transfers | | | |
| Transfer - Programs | - | 726,010 | 487,387 |
| Current surplus | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements