

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

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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 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 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
	<u>4,759,311</u>	<u>2,289,344</u>
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
	<u>14,815,538</u>	<u>11,654,431</u>
Net debt	<u>(10,056,227)</u>	<u>(9,365,087)</u>
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
	<u>7,744,464</u>	<u>6,585,066</u>
Accumulated Deficit (Note 17)	<u>\$ (2,311,763)</u>	<u>\$ (2,780,021)</u>

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
	9,526,429	18,750,381	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
	9,219,519	15,117,311	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.

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.

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/> <hr/> \$ 3,717,478	<hr/> <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
	1,119,738	623,918
Allowance for doubtful accounts	(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.	(320,225)	(298,055)
	<u>\$ 69,775</u>	<u>\$ 91,945</u>

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	\$ 4,138	\$ 49,926

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/> \$ 1,380,792	<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	\$ -	\$ 37,913
Immediate needs	146,712	490,500
School Renovations	107,465	109,640
Back-up Well	357,079	395,602
Road to Community Well	263,570	20,000
Roads Resurfacing	53,981	-
FN School Formula	134,958	109,906
FN School Targeted HCSE	2,614	-
Provincial/Private Student Supplement	7,651	-
Jordan's Principle	18,206	39,162
FN School Kindergarten	-	20,249
Skills Link Program	51,908	31,417
P&ID - Capacity Building (EMA)	-	8,518
P&ID - Capacity Development	-	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	-
	<u>\$ 2,335,602</u>	<u>\$ 1,526,642</u>

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	-
ISSET Carpenter program	-	5,740
Daycare - ELCC & COVID	83,318	-
	<u>\$ 829,212</u>	<u>\$ 598,724</u>

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
	6,728,240	5,394,283
Less current portion	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			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Depreciation	Balance, end of year	2021 net book value
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
	<u>\$ 10,924,095</u>	<u>\$ 1,855,906</u>	<u>\$ 12,780,001</u>	<u>\$ 4,415,569</u>	<u>\$ 726,009</u>	<u>\$ 5,141,578</u>	<u>\$ 7,638,423</u>

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

14. Tangible capital assets, continued

	Cost			Accumulated depreciation			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Depreciation	Balance, end of year	2020 Net book value
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
	<u>\$ 9,328,218</u>	<u>\$ 1,595,877</u>	<u>\$ 10,924,095</u>	<u>\$ 3,928,181</u>	<u>\$ 487,388</u>	<u>\$ 4,415,569</u>	<u>\$ 6,508,526</u>

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

15. Prepaid expenses

	2021	2020 Restated
Ferrus - ASAP Software annual subscription	\$ 7,960	\$ 6,240

16. Inventory

	2021	2020 Restated
Retail operations	\$ 98,081	\$ 70,300

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
	4,162,983	4,087,828
Unrestricted		
Operating	(2,803,945)	(3,688,454)
Land claim settlement deficit	(3,670,801)	(3,179,395)
	(6,474,746)	(6,867,849)
	\$ (2,311,763)	\$ (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
<hr/>			
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)	-
	\$ 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	7,821,975	1,547,842	9,369,817
Provincial government transfers	48,568	-	48,568
	\$ 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	5,015,278	878,901	5,894,179
Provincial government transfers	44,688	-	44,688
	\$ 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)	-
Annual income payable to the First Nation	\$ 303,002	\$ 307,927

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
Muscowpetung First Nation Legacy Trust	\$ 35,827,227	\$ 35,041,865
	\$ 35,827,227	\$ 35,041,865

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)
	\$ 9,219,519	\$ 15,117,311	\$ 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.

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 (unaudited)	2021 Actual	2020 Restated
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